

# INTERNATIONAL GUIDE TO FAIR TRADE LABELS



Edition 2020

The reference tool to better understand the guarantees of fair trade labels, their standards, monitoring measures and how they differ from sustainable development labels.

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# INTERNATIONAL GUIDE TO FAIR TRADE LABELS

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# Authors of the guide



## Commerce Équitable France

Commerce Équitable France is the national platform of the fair trade sector in France, bringing together companies, main fair trade labels on the French market, retailer networks, NGOs working on awareness raising or on support for small farmers' organisations. Commerce Équitable France's mission is to promote fair trade and trade justice towards public institutions, the private sector and consumers alike.

[www.commerceequitable.org](http://www.commerceequitable.org)



## Fair World Project (FWP)

Fair World Project is an independent campaign of the Organic Consumers Association which seeks to protect the use of the term "fair trade" in the marketplace, expand markets for authentic fair trade, educate consumers about key issues in trade and agriculture, advocate for policies leading to a just economy, and facilitate collaborative relationships to create true system change.

[www.fairworldproject.org](http://www.fairworldproject.org)



## FairNESS

FairNESS (NESS: Network of Exchanges on Social Sciences) is a multidisciplinary network of researchers working on fair trade.

FairNESS France, created in 2006 after the 2<sup>nd</sup> Fair Trade International Symposium (FTIS) in Montreal, brings together about 30 researchers from France, Belgium, Canada and Switzerland.

[www.fairnessfrancophone.wordpress.com](http://www.fairnessfrancophone.wordpress.com)

FairNESS United Kingdom mirrors the continental Fairness Network and gathers UK academics. FairNESS UK primarily exists as an online platform for communication and information sharing. The two branches of FairNESS have set up and maintain a mission of knowledge exchange with practitioners, policy makers and donors concerned with themes of fair trade.

[www.fairnessuk.ning.com](http://www.fairnessuk.ning.com)



## Forum Fairer Handel

The Forum Fairer Handel is the association for fair trade in Germany. Its goal is to raise awareness of fair trade, to see its shared demands on trade and politics met, and to achieve a stronger expansion of fair trade. The Forum Fairer Handel views itself as the political voice of the fair trade movement in Germany and promotes fair basic conditions for trade and agriculture worldwide. It is active in the areas of publicity, education, and campaign and advocacy work. The Forum Fairer Handel organizes the annual Fair trade Fortnight in Germany.

[www.forum-fairer-handel.de](http://www.forum-fairer-handel.de)

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# Foreword

This guide is an international collaborative effort between four joint partners: **Commerce Équitable France, Fair World Project, FairNESS France and Forum Fairer Handel.**

This project has been motivated by a **context of significant changes within the fair trade sector.**

The fair trade movement and the different labels have experienced significant changes:

- Concerning the main existing fair trade labels: fusion between Ecocert Equitable and Fair for Life, growing recognition equivalence among fair trade labels (WFTO and Fairtrade, etc.).
- Growing initiatives and emergent labels of domestic fair trade in the world: France, Belgium, Lebanon, etc.
- Fast growth of fair trade sales in Europe and the need to understand and identify the credibility and distinctiveness of fair trade guarantees.

A new international fair trade charter was published in September 2018, with a general explanation of the shared vision and values of the global fair trade movement. The main guidelines of the new charter are:

- Creating the conditions for fair trade
- Achieving inclusive economic growth
- Providing decent work and helping to improve wages and incomes
- Empowering women
- Protecting the rights of children and investing in the next generation
- Nurturing biodiversity and the environment
- Influencing public policies
- Involving citizens in building a fair world

**"The new International Fair Trade Charter enshrines the common vision and fundamental values of the Fair Trade movement to put us on the path to realising the Sustainable Development Goals"**

The fair trade organizations are committed to respecting this common reference document for the global fair trade movement.

As regards with legislative aspects, **regulations have evolved and now incorporate references to sustainable development labels.** This is especially the case for the new European directives on public procurement (January 2014), which allow purchasers

to demand private sustainable development labels as proof of conformity with social and environmental requirements. Since 2014, in France the term "fair trade" is defined in the Social and Solidarity Economy law. The definition of fair trade extends to relations with all producers, including those in France (formerly reserved for relations with developing countries). In terms of **fair trade impacts**, the demand from consumers and professionals for concrete proof of actual effects of fair trade is growing.

Lastly, the proliferation of sustainable development labels, initiatives of multinational companies and the lack of understanding regarding the labels' requirements have created confusion among consumers and buyers.

**The main objectives of this guide are the following:**

- To provide a comprehensive overview of the **issues at stake in labelling.**
- To **analyse the content and the monitoring measures of the labels** that overtly claim to be fair trade allowing professionals and consumers to evaluate each label and compare them to others making similar claims.
- To **underline the specific features of fair trade guarantee systems/labels** in comparison with other sustainable development labels.
- To have an **overview of the domestic fair trade and local initiatives.**

This guide has been mainly designed for **professionals and institutional partners** (companies, local and regional authorities, state services) of the fair trade sector. Its aim is to make the purchase of fair trade goods easier for those in both private and public procurement roles.

Consumers' associations, NGOs and development actors as well as academics will also find in this guide accurate information to clarify their understanding of fair trade standards and facilitate their work to strengthen producers' organizations.

**Are labels a tool that will change global trade?**

Changing commercial trade in favour of economic justice and protection of the environment is the challenge for the global citizen movement of fair trade. Fair trade labels play their part in this global change by strengthening the credibility and visibility of the sector's economic initiatives.

## **A common vision of fair trade, coexisting with different requirements**

These labels stand out from other sustainability approaches thanks to a common vision, which is reflected in the key fair trade commitments, integrated into the labels' specifications. Beyond what unites them, they also deploy different approaches – whether in the implementation of their commitments, the extent of their requirements or their monitoring methods. This guide aims to promote the common requirement of fair trade labels, whilst providing a precise and expert look at what distinguishes them from one another.

This fifth edition of the guide shows that there is a trend among most labels, from the oldest to the most recent ones, towards strengthening their commitments. Some exceptions exist, however, and so this guide also aims to highlight them in order to encourage labels to maintain demanding commitments.

### **Labels and impact of fair trade? Is it the same thing?**

If fair trade labels are essential in shaping the sector, making it visible to consumers and ensuring that players are actually implementing the requirements of fair trade, are they actually sufficient to generate the expected impacts for producers and to change the balance of power in the supply chains? You won't find any exhaustive answer to this question in this guide. The answer can be found in impact studies of fair trade which have been explored by numerous teams of researchers for more than 20 years. Fair trade labels are only one contributing factor to these impacts. There are numerous other success factors: volumes sold under fair trade conditions, appreciation of the agro-ecological quality of products, partnership behaviours of economic players, public policies in support of family farming and professional farming organisations, etc.

Nevertheless, impact studies have influenced the choice of criteria and the scoring of labels on a number of crucial points, notably:

- The priority given to producer organisations. This point is widely documented in the studies as a condition of rebalancing and positive impact for producer families.
- The environment has become a major element in strategies for development.

## **External labels versus internal business approaches: What's the difference?**

The core action of fair trade is based on the commitment of economic players. And we are seeing that multinationals are increasingly developing sustainable approaches for their supply chains. This shows that these businesses are becoming aware of the need to reinvest in the sectors of agricultural production, often in order to ensure the security of their supply chains. However, most multinationals are creating their own specifications rather than utilising external labels. In this case, we are seeing that a commitment to fair prices is rarely the priority. This point constitutes a major difference between fair trade and sustainable development initiatives (see Chapter 4 of the Guide).

### **Fair trade labels: a source of inspiration for new global regulations supporting economic justice and protection of the environment**

The emerging initiatives on both a global and European level on due diligence should, in the future, strengthen the commitments of multinational businesses to their supply chains. For example, in 2017 France passed a law requiring large companies to publish a diligence plan regarding risks concerning human rights, the environment and corruption. The first diligence plans are, however, disappointing. Multinationals are themselves starting to champion the idea of mandatory global public regulation on social and environmental issues, because they are struggling simultaneously to be competitive on both price and corporate social responsibility practices. If fair trade is to succeed in developing virtuous practices in sectors in which players commit on a voluntary basis, then global regulation remains necessary in order to standardise these practices. Fair trade labels are a wonderful source for inspiring and testing new global economic, social and environmental regulations!

### **The authors of this guide would like to especially thank the labels who provided the information necessary for the production of this guide.**

They are equally grateful for the involvement of the experts and researchers from the scientific committee for overseeing the content of this guide.

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# Methodology

## Definition of fair trade

Fair trade is a **comprehensive approach, combining commitments toward economic, social, environmental development, building producer capacity, as well as the related dimensions of education and advocacy** for the implementation of trade-based development. In 2001 a pioneer consensus was reached by the actors of the global fair trade movement. According to this consensus of FINE<sup>1</sup>, a first international definition of fair trade was given, which is still topical today:

"Fair trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers - especially in the South. Fair trade organisations, backed by consumers, are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade" **[FINE]**

This vision was reaffirmed with the International Fair Trade Charter (2018).

## What is a fair trade label?

A label is a special mark put on a product or a service for sale which certifies that specific standards have been implemented for the production of that product/service.

Labels can be created and managed by private professional bodies or by public authorities. In the fair trade sector, there is no public label but several private labels: the main ones are analysed in this guide.

In this guide, fair trade labels are defined as marks with the following characteristics:

- They refer to specific standards (criteria on all fair trade principles).
- They implement controls.
- They put a specific logo on the product that can be recognised by consumers.
- They are opened to different economic actors: that is why they differ from brands developed by companies only for themselves.

Labels can apply to products or organizations. Fair trade labels mainly apply to product supply chains but

some (WFTO particularly) also apply to organizations involved in producing or selling products.

## Contents of the guide

### CHAPTER 1: THE FUNCTION OF FAIR TRADE LABELLING

An academic review on the importance of fair trade critical criteria (economic, social, governance and environmental).

### CHAPTER 2: FAIR TRADE LABELS ANALYSIS

Eight labels/guarantee systems claiming to be fair trade labels are analyzed in this guide.

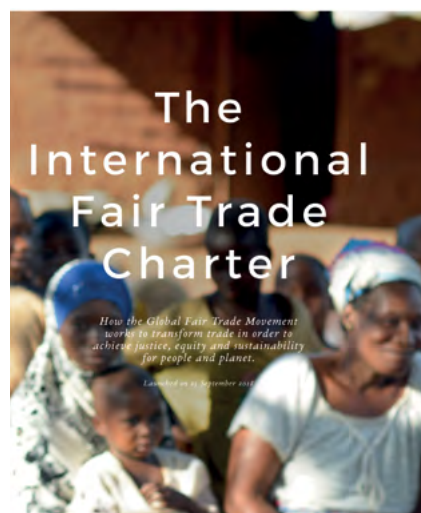
The authors chose these labels to analyze because they have significant credibility within the fair trade movement, or are widely available on marketshelves.

### CHAPTER 3: AN OVERVIEW OF DOMESTIC FAIR TRADE INITIATIVES

Chapter 3 is an overview and analysis of the main initiatives of domestic fair trade existing in the world.

### CHAPTER 4: SUSTAINABLE DEVELOPMENT LABELS AND MULTINATIONALS INITIATIVES ANALYSIS

Chapter 4 compares sustainable development labels and multinationals initiatives which are sometimes confused with fair trade labels, particularly because they certify the same kind of commodities (sugar, cocoa, tea) as fair trade labels and because brand marketing often intentionally associates them with fair trade. This chapter offers a comparative analysis of labels and multinationals initiatives.



# Methodological indications for fair trade labels analysis

## a) ANALYSIS OF THE STANDARDS

Fair trade labels are evaluated according to an **analytical framework** based on the criteria identified by the **Charter of Fair Trade Principles**<sup>2</sup> as the core dimensions of fair trade. The charter was created and approved through the collaboration of hundreds of fair trade actors.

This analytical framework incorporates **five dimensions of fair trade** (economic, social, organizations, environmental and awareness-raising) and include the following criteria:

- **Economic criteria:** fair price, premium for group projects, pre-financing, long-term commitment from buyers and traceability.
- **Social criteria:** respect of 11 conventions of the International Labour Organization, fair compensation of workers, policy for maternity leave, sickness and retirement, equal treatment of all workers (women, religious minorities, seasonal workers, etc.).

- **Governance criteria:** accessible to marginalized producers and workers, capacity building of producers, rights of indigenous people, transparency of information in the management of the producers' organization, non-discrimination within the producers' organization, monitoring of the democratic management of the premium for group projects, democratic decision making for collective organisations/collective bargaining rights for hired labour.

- **Environmental criteria:** reduction of environmental impacts of activities, protection of biodiversity, prohibition of hazardous substances, ban on GMOs.

Each criterion is checked depending on whether it is actually considered part of the standard. Moreover, the **control checklists** are also controlled. They are the documents used and filled by auditors during on-site audits. These documents contain indicators whose purpose is to **measure the degree of compliance** of the inspected operators (producers' organizations, buyers, etc.) with the criteria available within the standards.

## THE FOLLOWING SCORING SCALE WAS USED:

SCORE	RATING CRITERIA
0 1 2 3	The standard does not or only briefly addresses the underlying fair trade principle or the relevant control points in the audit for compliance. The standard is missing.
0 1 2 3	The standard addresses the underlying fair trade principle but misses critical elements and/or relevant control points for compliance. The standard is weak.
0 1 2 3	The standard addresses the underlying fair trade principle but misses certain and/or degrees of compliance with the standard. The standard is checked but not checked quite comprehensively enough.
0 1 2 3	The standard fully addresses the underlying fair trade principles and compliance is checked comprehensively.

Scoring decisions are based on the expertise of the authors, scientific committee and made by consensus.

## b) ANALYSIS OF THE MONITORING MEASURES

The final part of each evaluation is dedicated to a review of the **monitoring measures** and procedures implemented by the labels:

- Who are the inspectors hired to perform the on-site audits?
- How are the audits carried out?
- When are the operators audited? What is the frequency of the inspectors' visits?
- Are certification costs transparent?

1. EFTA, WFTO and Fairtrade International

2. <https://www.fair-trade.website/>



# 1. The function of fair trade labelling

# The function of fair trade labelling

Fair trade is a global social movement that aims to address power imbalances that marginalize producers and to place fairness at the heart of economic relations to transform trade. Voluntary sustainability initiatives have multiplied since the 1990s due to civil society's increasing concern about the conditions people face while producing our food and the desire to look for purchasing guidance through labels that will match their belief systems.

**The intent of this guide is to examine these certification schemes through the lens of the original fair trade principles and vision of the movement. The resulting analysis can be used to inform purchasing decisions.**

Fair trade certification schemes include approaches based on four characteristics:

- **required standards** that break down the meaning of product "sustainability" and "quality" by principle, criteria and indicator;
- **arrangements for monitoring the implementation of these required standards;**
- **logos** to distinguish the products for buyers;
- **potential use by a range of different types of organizations.**

The guide offers a comprehensive analysis of the main fair trade certification schemes on the international market and, for each one, details its history, approach, requirements, monitoring methods and rules of communication to consumers.

These certification schemes play an important role in the current growth of the fair trade market. Worldwide, sales made under the Fairtrade (Max Havelaar) label alone reached 8.49 billion euros in 2017. This introductory chapter describes the history of the development of certification schemes and their diversity. It also discusses the challenges inherent in defining required standards and monitoring their implementation.

## 1. A little historical background

In the international and post-colonial context of the 1950s, fair trade grew out of a civil society

initiative to counter the deadlock in negotiations to regulate world trade and reduce the inequalities created by globalization (Gendron, 2004). As a social movement, fair trade is characterized by its diversity of stakeholders, visions and practices. **Fair trade is subject to very few legal safeguards and is therefore open to a variety of interpretations and methods of implementation.** France is one of the few countries in which fair trade has a legal definition<sup>1</sup>. Even where regulations do exist, fair trade actors and certification schemes are going further by defining requirements specifications and monitoring tools.

**The first fair trade initiatives were based on direct relations between organizations in the Global North, whose core mission was fair trade, and producers' organizations in the Global South.** Today, these initiatives are still supported by the World Fair Trade Organization (WFTO) network, which is made up of the pioneering organizations of fair trade, called "Alternative Trading Organizations" (ATOs). This fair trade model is commonly known as "integrated" or "specialized" fair trade. Products originating from these sectors are mostly sold in retail outlets entirely dedicated to fair trade, such as France's Artisans du Monde stores and Ten Thousand Villages in the United States and Canada. WFTO members are organizations dedicated to fair trade. Membership of this network is proof of the legitimacy of their fair trade credentials.

Since the end of the 1980s, **fair trade actors have been able to use a new resource, the label, which has facilitated a wider distribution of products,** especially in stores not dedicated to fair trade. By using a specific, recognizable logo, fair trade products can be sold in all kinds of stores, notably in medium and large supermarkets where the vast majority of food shopping takes place. Max Havelaar, the first fair trade label, emerged in 1988 in the Netherlands and was then joined by national fair trade labelling initiatives in other countries. In 1997, these were consolidated into a single entity: Fairtrade International<sup>2</sup>.

Brands using the Fairtrade label are not necessarily wholly devoted to fair trade, and often have very limited products and commitment to this kind of trade. They may be conventional businesses, often with past and current labor and environmental

abuses. Businesses involved in the social and solidarity economy sector, strongly committed to fair trade, have likewise chosen to use labelling to enhance the credibility of their approach. They hope in this way that more producer partners will benefit from the impacts of fair trade.

During the 2000s, new labels, with alternative takes on fair trade implementation, developed. In response, committed fair trade organizations created the WFTO Guarantee System and label in 2013.

## 2. A common core with different approaches

A broad coalition of fair trade stakeholders have come together to lay out working definitions of fair trade. In 2001, the FINE definition was published, and the movement's vision was further refined with the recent Fair Trade Charter (2018).

**Fair trade labels are the only sustainability initiatives to implement precise economic commitments with regard to commercial relations between buyers and producers.**

These labels share a foundation of economic, social, environmental and governance commitments which form the unifying thread of this guide.

Several labels have been created since the pioneering work of ATO's and the launch of Fairtrade International. They differ according to their approaches, their governance methods, the agricultural models that they support or even the certification systems that they recognize (Balineau and Dufeu, 2012). One of the more recent ones, the Small Producers' Symbol (SPP) created in 2006, is currently one of the few labels whose headquarters is located in a producing country (Mexico).

The variety of labels relates to a diversity of histories and of visions. **The development of fair trade has progressively led to the emergence of differing standpoints.** For example, the introduction of large plantations with many hired workers has highlighted the conflict between the goal of, one hand, extending the range and volume of fair trade products and build a benefit for hired workers and, on the other hand that of preserving smallholder and family agriculture. Many stakeholders believe this

is forcing smallholders to compete unfairly against large plantations that already can take advantage of economies of scale and have access to markets and funding. Further friction exists around the level of commitment by businesses in the conventional sector: whilst some believe that businesses should be fully committed to fair trade, others think that even a low-level of commitment is an opportunity to greatly increase sales and, therefore, the benefits to producers. The various labels have responded to these issues in different ways. A committed business wishing to differentiate itself may choose to join a fair trade network with an aligned vision.

There is a further debate around environmental commitments. For example, actors in the organic sector have created fair trade labels that are restricted to producers already committed to organic agriculture (Naturland Fair, BioPartenaire).

In recent years, the issue of the geographical area has also been a subject of discussion. Some fair trade labels are global, regardless of the place of production. They will therefore certify not only North-South production but also "domestic" production (North-North or South-South). The inclusion of domestic fair trade was controversial but is becoming increasingly accepted by many fair trade labels because marginalized communities are everywhere especially as the inequality gap increasingly widens globally.

**The variety of labels matches the diversity within the fair trade movement.**

However, this diversity does not necessarily raise the profile of fair trade products or the impact on producers. Without strong governance, there is a threat that these certification schemes will weaken their standards as they strive to attract corporations and mainstream adoption.

In addition to the assortment of fair trade labelling, the increasing number of sustainability standards can lead to consumer confusion over what fair trade

1. Law No. 2005-882 of 2 August 2005 in support of small and medium-sized enterprises - Article 60, amended by Law No. 2014-856 of 31 July 2014 - Article 94 [www.legifrance.gouv.fr](http://www.legifrance.gouv.fr)

2. Previously known as Fairtrade Labelling Organization (FLO)

was intended to do as well as label fatigue. To add to the confusion, many companies include codes of conduct as part of their corporate social responsibility policies, standards which they wrongfully shorthand as "fair trade" without certification or commitment to fair trade principles.

### 3. How can voluntary certification ensure fair trade?

**Fair trade certification relies on developing a set of standards, implementing monitoring systems and using a logo which allows consumers to recognize fair trade products.**

#### FAIR TRADE STANDARDS

Certification is based on specific standards regarding fair partnership relations between producers and buyers. This raises various questions, some of which are discussed below.

#### ■ Who defines and has ownership of standards?

Fair trade standards are determined and managed by private actors from civil society or the business sphere. This works differently from organic farming (which is often associated with fair trade). In Europe, standards for organic farming are defined and managed by public authorities in consultation with stakeholders. Private organic standards do persist and carry more or less weight depending on the country. The involvement of numerous stakeholders - especially producers, the intended beneficiaries - in defining regulations and monitoring procedures is a strong factor in the credibility and legitimacy of fair trade labels (Bennett, 2017).

#### ■ What production organization models should be prioritized?

Fair trade was first established among small-scale producers who were organized as cooperatives and struggled to compete in a global marketplace against large-scale well resourced large-scale plantations. But today, some standards can also be applied to plantations that employ hired labor, as well as to self-employed farmers under contract with a trading partner. For cooperatives, standards require all members to participate in the decision-making. For large-scale plantations, special attention is given

to respecting workers' rights, and and providing social benefits.

#### ■ How do you define fair pay for producers?

Most standards require a minimum or floor price to be formulated. This minimum price can be set per product and scaled to geographical region, or on an ad-hoc basis for each producer organization. How do you set the minimum price, taking into account local and regional contexts and special considerations per product? Which type of product should fair trade transactions be concerned with: raw materials or finished products? Standards have traditionally focused on raw products, but the challenge today is to promote transformation within producing organizations in order to generate more local added value. Some standards are beginning to direct their criteria towards this requirement: purchasing products from producers that are in their most finished state possible.

#### ■ What about environmental requirements? Must organic be a prerequisite?

Environmental obligations within fair trade standards have increased in recent years and often match organic labelling. This raises the issue of the capacity of the most disadvantaged producers to meet such requirements and thus the risk of excluding the most marginalized producers. Labels have come up with answers such as a compliance transition period or support programs for meeting standard's requirements. On another topic: should only producers need to respect environmental standards? Shouldn't the other stakeholders involved, such as importers and brands, also respect such criteria? Some fair trade standards do cover these topics.

#### ■ How can product traceability be implemented?

Traceability means that the product that is sold to the end consumer can be traced back to fair trade sources. This commitment can be put into practice in different ways. With physical traceability, the product is separate and physically identifiable as it is with organic certification. Traceability may also be documented only with the monitoring of volumes (termed "mass balance"). The latter option is less restrictive in terms of logistics and the manufacturing process.

## MONITORING SYSTEMS

Monitoring systems ensure compliance with standards.

The vast majority of fair trade labels use third party auditors to maintain impartiality. In such cases, the label uses a certifying body or independent auditors to check that standards are being met. Auditors assess how well criteria have been followed based on a detailed matrix provided by the label.

The historic Fairtrade International label has created its own certification body called FLO-Cert (Balineau and Dufeu, 2012). This body became independent in 2008 and remains largely dedicated to the Fairtrade International label. Other fair trade labels generally use organic certification accredited bodies. The WFTO brand is unique in that it uses both auditors and peer assessments to verify compliance.

Some of the concerns raised about third party certification include a certain reluctance about the transfer of power to auditors' judgement. There is also concern that the costs of inspections may be disproportionate, especially for producer organizations who are only able to sell a small part of their production on fair trade terms. However, this system is currently effective in establishing a guarantee that obligations are indeed being met.

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## 2. Fair trade labels analysis

## Main informations about ATES



### CERTIFICATION BODY

ATES has given an accreditation to TERO (<http://www.tero.coop/fr/>) to implement controls on its standards.

### CONTACT

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### STANDARD OWNER

Standards are owned by the non-profit Association pour le Tourisme Équitable et Solidaire.

### HISTORY

ATES is a non-profit association for fair and solidarity tourism created in 2006. The members of ATES comprise:

- Active members such as tourism operators (offering only fair and solidarity trips, accommodation or experiences),
- Associate members such as associations or organizations without tourist activities.

In 2007, ATES developed standards and a checklist to evaluate its members, on the basis of their fair and solidarity tourism charter.

In 2008, using newly elaborated standards, the first peer evaluation was undertaken.

Since 2014, ATES has its own label as a guarantee for travelers of a fair trip that respects people and cultures.

New ATES standards are applicable since 2019, with significant changes:

- >> ATES' standards are now adapted to all destinations. Evaluation of the label is conducted by external certification bodies instead of peer evaluation.

### GOVERNING BODY AND PARTICIPATION

Three committees exist and are convened by the Board of Directors:

- The Guarantee Commission, in charge of issues related to the label and its evolutions.
- The Promoting Commission, in charge of communication issues.
- Certification Committee, in charge of awarding the certification following auditor's report

The Board of Directors intervenes in the case of standards' evolutions but not in the labelling structures' decisions. It can be convened in case of disagreement between the external evaluator and the Certification committee.

ATES General Assembly has the final decision in case of important changes in the standards.

## PROMOTION AND

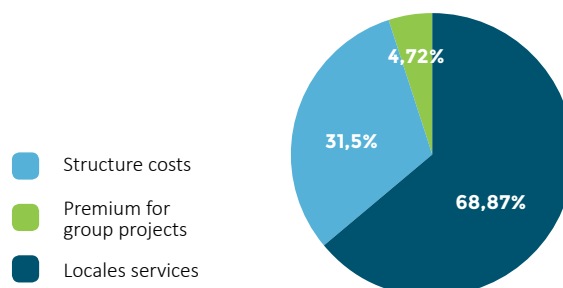
## AWARENESS-RAISING / ADVOCACY

Operators must include plans for education and awareness-building on fair trade-related tourism issues.

ATES leads direct awareness-raising activities and disseminates awareness-raising tools on their website such as videos, thematic files and articles.

ATES is a member of ISTO (International Social Tourism Organization), and acts inside UNAT (French non-profit tourism organizations federation) to put the issues of fair tourism and solidarity on the political agenda.

DISTRIBUTION OF THE TRAVEL COST



## Eligibility conditions

GEOGRAPHICAL SCOPE		
Developing Countries	✓	Applicants from France and European countries are eligible for ATES certification. Criteria for offers in developed countries are stricter than for southern countries.
OECD Countries	✓	
SPECIFIC REQUIREMENTS		
Social Requirements	✓	An organization can apply for the label if it is an actor of the Social and Solidarity Economy (SSE). French or European structures can be certified according to the same eligibility requirements.
TYPE OF ORGANIZATION		
Tourism Operators	✓	European tour operators can apply for ATES certification. In other countries only tourist circuits are certificated.
OPERATORS INSPECTION		
French Operators	✓	Every French tour operator must be inspected in order to be certified. Evaluation standards comprise three themes: <ul style="list-style-type: none"><li>- Criteria for the management of the structure in France.</li><li>- Criteria for the management of the tourism activity in the destinations.</li><li>- Criteria for the management of partnerships between the various actors involved in the tour.</li></ul>
Operators in the Destination	✓	
Travelers	✓	
		For a structure with two partnerships or less, each partnership is inspected. For operators with fifty partnerships, a sample of five partnerships is inspected.

## Analysis of the label

### ECONOMIC CRITERIA

FAIR PRICE / FAIR COMPENSATION OF WORKERS	
0 1 2 3	The wages are collectively-settled on the basis of the averages observed in the country and they correspond to the cost of local life and allow everyone to generate a margin. The cost of the trip is negotiated annually with the operators and the partners.
PREMIUM FOR GROUP PROJECTS	
0 1 2 3	The minimum premium is clearly explained in the standard. For a trip in a developed country, the premium is at least 3 % of the trip price.
FACILITATED ACCESS TO FINANCE/PRE-FINANCING	
0 1 2 3	Partners can request pre-financing.
LONG-TERM COMMITMENT FROM BUYERS	
0 1 2 3	The operators must develop a long-term partnership with the local population but there is no information about the minimum duration.
TRANSPARENCY	
0 1 2 3	The modalities between the operator and the partners are co-defined (exchange of financial reports, selected financial data, transparency on margins, etc.). The distribution chart of the price of the stay must be available online.
TRACEABILITY	
0 1 2 3	All tour operators' members are mentioned on the web site.

### SOCIAL CRITERIA

INTERNATIONAL LABOR ORGANIZATION CONVENTIONS	
0 1 2 3	The operators must include the International Labor Organization conventions in each partnership agreement and raise awareness among their partners in this regard.
POLICY FOR MATERNITY, SICKNESS AND RETIREMENT	
0 1 2 3	No standards address these criteria.
EQUAL TREATMENT OF ALL WORKERS (GENDER, RELIGIOUS MINORITIES, SEASONAL WORKERS, ETC.)	
0 1 2 3	The operators must apply strict equality principles and equal pay between women and men.

**Rating criteria:** 0 The standard is missing ; 1 The standard is weak ; 2 The standard addresses the underlying fair trade principles but misses certain aspects and/or compliance with the standard is checked but not checked quite comprehensively enough ; 3 The standard fully addresses the underlying fair trade principles and compliance is checked comprehensively.

## GOVERNANCE CRITERIA

### ACCESSIBLE TO MARGINALIZED WORKERS OR LOCAL PEOPLE

0 1 2 3

Operators tend to promote areas that don't usually benefit from mass tourism.  
Local people must be involved during the tour and exchange with the travelers. Therefore, tours are primarily organized by local guides.

### CAPACITY BUILDING

0 1 2 3

The operators provide training on:  
- The respect of the essential principles of labour law.  
- The management of the touristic activity and the reception of travelers.  
- The risks of touristic mono-activity. Therefore, operators help their partners diversify their activities.  
Local partners may have training sessions focused on their needs, or operators may provide financial support to continuously improve skills related to the tourism activity's management.

### DEMOCRATIC DECISION MAKING FOR COLLECTIVE ORGANIZATIONS/ COLLECTIVE BARGAINING RIGHTS FOR HIRED LABOR

0 1 2 3

The governance of the structure must be democratic, and its goal must not be the profits. A general meeting is held at least once a year.  
Local partners must be involved in the decisions related to the organization, the management and the development of the touristic activity.  
The operators don't impose any territorial exclusivity clause on its local partners.

### TRANSPARENCY OF INFORMATION

0 1 2 3

All partners must be clearly identified and a contract must bind both parties.  
Decisions on the planning, management and development of the tourism business are taken together with the operator and its local partners.

### NON-DISCRIMINATION

0 1 2 3

In developed countries, no discrimination in hiring and wages is tolerated. Particular attention is given to the involvement of women in the touristic activity.  
The preamble of all partnership conventions signed by the operator features the international labor norms established by the ILO and the operator commits itself and its partners to fight all forms of discrimination in hiring and remuneration.

### MONITORING THE DEMOCRATIC MANAGEMENT OF THE PREMIUM FOR GROUP PROJECTS

0 1 2 3

Development projects are identified by local people and planned by local organizations.

## ENVIRONMENTAL CRITERIA

### REDUCTION OF THE ENVIRONMENTAL IMPACTS OF ACTIVITIES (ENERGY, WATER AND WASTE MANAGEMENT)

0 1 2 3

Operators must offer long trips to have a positive economic impact and minimize environmental effects.  
The operators take care of reducing the greenhouse gas emissions during the trip and support environmental-friendly practices. Domestic flights must have carbon emissions offset.

### PROTECTION OF BIODIVERSITY

0 1 2 3

The travelers should adapt their behaviors to the local context and respect the biodiversity.

## Monitoring measures

AUDIT		
<b>Auditors</b>	0 1 2 3	Lead auditors are in charge of the documentary audit. The on-site audit is completed by a trained local auditor and by self-assessment with a check-list.
<b>Meetings</b>	N/A	Information not available yet.
<b>Documentary Review</b>	0 1 2 3	A documentary audit is carried out by a professional and must include every document listed in the checklist.
<b>On-site Inspection</b>	0 1 2 3	On-site inspection is carried-out on 50% of the partnerships evaluated and the other 50% are self-assessments by local partners. Over the whole 57 criteria, 19 are checked on site. The initial and renewal audits always include an on-site audit.
<b>Interviews</b>	0 1 2 3	Auditors can interview coordinators of the structures, workers of the tourist circuit or the hosts of the tourists.
<b>Frequency</b>	0 1 2 3	The on-site and documentary audits are led once in three years.
<b>Surprise Audit</b>	N/A	No surprise audit.
REQUIREMENT FOR CERTIFICATION		
<b>Scoring and Corrective Actions</b>	0 1 2 3	Every operator must comply with 7 mandatory criteria and 80 % of the criteria of each axis. The minimum for each destination is to comply with the priority criteria at 50% but the average of compliance must be 80% on all offers. If the minimum score is not attained, an objectives' contract will be written by the auditors in order to lead the operators toward the certification.
<b>Suspension/Withdrawal of the Certification</b>	0 1 2 3	The operators' certifications are suspended if: - Non-conformity with a mandatory criterion is identified during the audit. - The objectives' contract is not satisfied.
COSTS AND ANNUAL FEES		
<b>Transparency</b>	0 1 2 3	There is a financial document that is shared with the partners. The certification cost depends on the number of partnerships and the country.
PROCEDURES		
<b>Complaints, Appeals and Allegation Procedures</b>	0 1 2 3	No appeal system but in the case of a minimum score that is not attained, an objectives' contract will be written by the auditors in order to lead the operators toward the certification.

## Summary

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The ATES label has recently emerged within the fair tourism sector, as an alternative to mass tourism, a sector that has many negative social and environmental impacts.

The ATES label mainly focuses on creating local economic impacts and on developing human exchanges between travellers and local communities.

ATES has developed detailed and demanding standards on main fair trade commitments. Control has been done in the first years through documentary audits and peer reviews. In 2019, ATES is implementing important changes, introducing on-site audits and external controls and opening its standards to northern travel destinations.

# Biopartenaire

## Main informations about Biopartenaire



### CERTIFICATION BODY

Since 2018, Biopartenaire label relies on two different standards:

- Fair for Life standard, organised and controlled by Ecocert, particularly adapted to international partnerships. Bonus criteria in Fair for Life are compulsory to use the Biopartenaire label: organic certification, long-term contract for all partners of the supply chain.
- FiABLE standard, launched in 2018, particularly adapted to partnerships in France (see short analysis in Chapter 3). Under the FiABLE standard, controls are performed both by a certification body (external audits) and by Biopartenaire (internal audits).

Biopartenaire products can be sold only in organic shops.

### CONTACT

#### Biopartenaire

BP 11 114  
26958 Valence cedex 9  
FRANCE  
Web: [www.biopartenaire.com](http://www.biopartenaire.com)

### STANDARD OWNER

Biopartenaire, a French non-profit association.

### HISTORY

Biopartenaire is a French association created in 2002 by small and medium companies and farmer organizations engaged in organic production and fair trade. It brings together 30 members, and involves around 65 producers' organizations (20,300 producers).

Biopartenaire has developed two labels:

- In 2002 a label directed towards companies working in partnership with producers in developing countries.
- In 2006 a second label towards local partnerships in France.

The two labels merged in 2015 under the unique Biopartenaire (Organic Partner) label.

Biopartenaire refers to a charter with 7 commitments: organic certified, long-term commitment all along the supply chain, fair price for producers, a local development program, continuous dialogue and solidarity between the partners, progress in the social and environmental responsibility all along the supply chain.

The Association Biopartenaire federates and supports small and medium companies that are Biopartenaire-certified, links operators with the upstream and downstream sectors, connects companies with professional organic or fair trade networks and participates in awareness-raising on fair trade and organic issues.

### GOVERNING BODY AND PARTICIPATION

All Biopartenaire-certified companies and French farmer organizations (optional for southern farmer organizations) are members of Biopartenaire and are involved in decision-making about the label. Both standards (Fair for Life and FiABLE) have set up standard committee to discuss the evolutions of the labels.



## Summary

Biopartenaire is a fair trade label mainly used on the French market, with both an international and domestic scope. Biopartenaire relies on:

- either on the Fair For Life standards for all value chains (analyzed in depth in Chapter 2) with additional compulsory criteria (organic certification and long-term contract for all partners of the supply chain);
- or on FiABLE standards for French partnerships and for secondary buyers of international Fair For Life labellised value-chains (analyzed in Chapter 3).

# Fair for Life

## Main informations about Fair for Life



### CERTIFICATION BODY

Ecocert SA

### CONTACT

#### **Ecocert S.A.**

Lieu dit Lamothe Ouest - BP47  
32600 L'ISLE JOURDAIN (France)  
Tel: +33 (0)5 62 07 34 24

### STANDARD OWNER

Ecocert SA

### EQUIVALENCE / RECOGNITION

The standard adopts a recognition approach towards other existing fair trade certification schemes, wherever the same overall principles and control measures applied are comparable.

Possible recognition of ingredients certified according to: Fairtrade International, FairWild Foundation, SPP, Fair Trade Certified (FT USA), Naturland Fair. Moreover, the standard accepts various other standards as adequate proof of social and environmental good practices.

### HISTORY

The Fair for Life program, created in 2006, is the result of a partnership between the certification body IMO (Institute for Marketecology) and the Bio-Foundation. In 2013 / 2014 IMO swiss AG as well as other IMO companies in Germany, Turkey, Chile and Uganda became part of Ecocert Group and the Fair for Life ownership was transferred from Bio-Foundation to IMOgroup AG. In 2016 / 2017, the IMO Fair for Life Standard and the Ecocert Fair Trade Standard went through a common revision and merged into the new Fair for Life Certification Standard for Fair Trade and responsible supply-chains, managed by Ecocert SA.

Ecocert SA is an inspection and certification body established in France in 1991 and part of the Ecocert Group. Since its creation, Ecocert specializes in the certification of organic agricultural products. Ecocert promotes an environment-related approach by promoting organic cultivation worldwide and establishing a control and certification system. With 26 offices and divisions, Ecocert offers services in over 130 countries.

Fair for Life certification is open to operations from different sectors worldwide and combines three kinds of requirements along the supply-chain: environmental responsibility, social responsibility and fair trade.

### PROMOTION AND AWARENESS -RAISING/

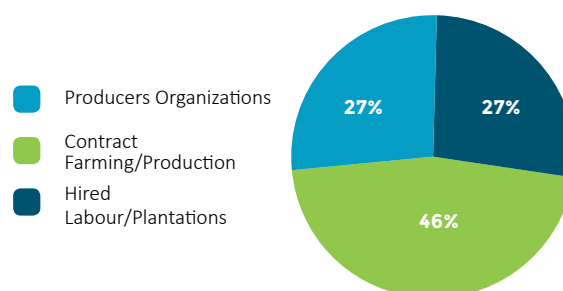
### ADVOCACY

Fair for Life publishes information on certified operations. No royalties are charged for the use of the Fair for Life logo, instead brands are required to engage in awareness raising activities and to share truthful information on fair trade impacts and activities of production groups involved in their supply-chains.

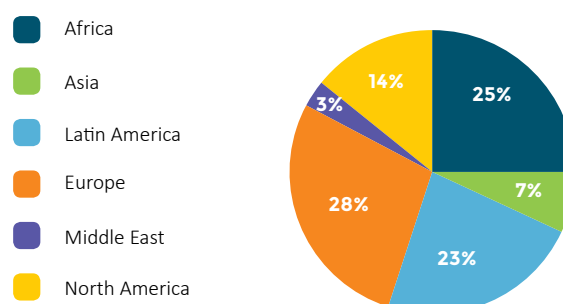
## GOVERNING BODY AND PARTICIPATION

- Standard revisions are carried out by Ecocert SA and the Fair for Life Revision Steering Committee, composed of relevant persons within Ecocert. Stakeholders (producers, traders, companies, consumers, NGOs) are involved in the standard setting and revision process through two rounds of public international stakeholder consultations in line with the ISEAL Code requirements.
- In addition, the Fair for Life Scheme Committee is personally invited by email to provide expertise on specific topics and comment on the drafts of the revised standards. The Scheme Committee is a group of experts and professionals representing different stakeholder groups, including producers, traders, retailers, consumers and fair trade support organizations, in a balanced way.
- The Fair for Life Scheme Committee makes the final decision on the standard content.
- Fair for Life refers to the ISEAL Code for Standard Setting as an orientation guideline for standard review.

### TPOLOGY OF THE CERTIFIED ORGANISATIONS (%)



### GEOGRAPHICAL DISTRIBUTION



## Rules regarding the use of the label

<b>Fair For Life Certified Products – Composite Products</b>	At least 80% of agricultural ingredients must be certified for food products. For other product categories (textiles, artisanal products and cosmetics) the minimum is set at 70%. For cosmetics the amount of water, salt and minerals is not counted - however, here at least 10% of the total product must be certified. Some ingredients are defined as "Must be Fair Trade" according to a list published by Fair for Life.
<b>Single Ingredient Product</b>	100% of the ingredient (by dry weight) must be Fair for Life certified. No blending with non-certified products allowed (with some small exceptions - non-certified blended ingredient has a particular physical/organoleptic/chemical characteristic and property that is required - upon written application only).
<b>Products Made with Specified Fair Trade Ingredients</b>	At least 20% of agricultural ingredients must be certified. For other ingredients (textiles, artisanal products) the minimum is set at 20%. For cosmetics the minimum is set at 10% - amount of water, salt and minerals is not counted - however, here at least 5% of the total product must be certified. Some ingredients are defined as "Must be Fair Trade" according to a list published by Fair for Life. Made with Fair Trade ingredients products may not use the logo on the main display panel and only display it close to the list of ingredients, with the mention "made with fair trade ingredients".

## Eligibility conditions

GEOGRAPHICAL SCOPE		
Developing Countries	✓	Fair for Life is intended for beneficiaries who are at a socioeconomic disadvantage and need support to access / remain in the market, regardless of their country.
OECD Countries	✓	
SPECIFIC REQUIREMENTS		
Organic Certification	✗	The Fair for Life approach strongly encourages farmers to transition to organic farming. Therefore, non-organic certified production groups shall have clear ecological targets in order to reduce their impacts on the environment and on human health.
Social Responsibility	✓	All the sites under the responsibility of a given entity (legal / physical person) are normally included in the certification scope, so that the management of social and environmental aspects can be checked for all workers and all sites.
TYPE OF ORGANIZATION		
Producers' Organizations	✓	"Smallholders Take Priority" approach: projects where the majority of producers cannot be considered smallholders, or projects involving very large farms, will be selected with extra caution, since they can potentially compete, on the same market, with products coming from smallholders.
Contract Farming/ Production	✓	Contracted farming is eligible for certification. Some specific additional requirements have been defined to reflect the realities.
Plantations	✓	Plantations are eligible for certification. There are specific eligibility requirements for very large farms (more than 100 workers in total).
Hired Labour	✓	The second standards' chapter (social responsibility) normally applies to all certified operations. Exemptions are possible if another acceptable social certification is provided (e.g. SA8000, GOTS) or for small traders without any production or processing activity and if they hire less than the equivalent of 5 full-time employees. Categories with regards to the number of workers (Small = <5 permanent and 25 total, Medium = <25 permanent and 80 total, Large = beyond these numbers; very large is considered from 100 workers in total).
SUPPLY CHAIN INSPECTION		
Production Groups	✓	Production groups (smallholder groups, plantations and/or contract farming groups) shall identify and define the intended beneficiaries of the Fair Trade project, their needs in terms of capacity building / empowerment / development projects, and the decision-making process for the funded projects. They follow up on their main fair trade targets through regular adjustments and a continuous improvement approach. Production groups must always be certified.
First Buyers	✓	Fair trade partners (first buyers, traders) and brand holders shall define a fair trade policy describing their long-term strategy and commitments, and their fair trade objectives.
Traders	✓	
Brand Owner	✓	Fair trade partners and brand holders must be certified (intermediate traders too if their Fair for Life turnover is above 30%, otherwise they must be registered).
Retailers	✗	Are exempted from any control (if they are not brand holders)
TRACEABILITY REQUIREMENTS		
Physical Traceability	✓	Physical traceability is required at all steps of the supply-chain.
Documentary Traceability	✓	Documentary traceability is required for all parts along the value chain.

**Rating criteria:** 0 The standard is missing ; 1 The standard is weak ; 2 The standard addresses the underlying fair trade principles but misses certain aspects and/or compliance with the standard is checked but not checked quite comprehensively enough ; 3 The standard fully addresses the underlying fair trade principles and compliance is checked comprehensively.



## Analysis of the label

### ECONOMIC CRITERIA

FAIR PRICE	
0 1 2 3	Fair for Life requires production groups and fair trade partners (buyers) to negotiate prices jointly and on eye-level, based on transparent cost calculations (cost of sustainable production). Prices must be at least 5-10% higher than conventional prices, and always above the agreed floor price. However, guidance and tools for this are in the making.
PREMIUM FOR GROUP PROJECTS	
0 1 2 3	On top of the sales price, a premium must be paid into a separate fund for community projects at the producer level. The premium must normally be at least 5% of the sales price. The premium must be agreed for a minimum period of three years or until reviewed and renegotiated.
FACILITATED ACCESS TO FINANCE/PRE-FINANCING	
0 1 2 3	Producers can request up to 50% of the contract value, with clearly specified terms (written agreement) and reasonable or (recommended) no interest rates being charged. If other types of financing occur inside the supply-chain, they must be done in a fair and transparent manner.
LONG-TERM COMMITMENT FROM BUYERS	
0 1 2 3	Fair for Life has defined that "long term commitment" means a minimum of three years. Justification is required if a trade relationship is ended before its third anniversary.
TRACEABILITY	
0 1 2 3	Documentary and physical traceability are required along the entire value chain.

### SOCIAL CRITERIA

INTERNATIONAL LABOR ORGANIZATION CONVENTIONS	
0 1 2 3	The standard is based on the eight fundamental ILO conventions and goes beyond for certain other areas with additional requirements. ILO 169 convention on indigenous rights is not formally recognized, but Fair for Life includes it in several other criteria (discrimination, land use, biodiversity, use of traditional knowledge, marginalized groups' areas, sustainable practices).
FAIR COMPENSATION OF WORKERS	
0 1 2 3	Fair for Life requires the national minimum wage or agreement of collective bargaining to be paid by year 1 of the certification. By year 3 employers must demonstrate that wages paid to all workers are equal or above living wages.
POLICY FOR MATERNITY, SICKNESS AND RETIREMENT	
0 1 2 3	The employer supports adequate schemes to promote workers' social security and welfare. Legal requirements form the minimum basis of compliance. Health insurance, retirement plans and unemployment insurance are not obligatory for small entities but are required for medium and large entities.
EQUAL TREATMENT OF ALL WORKERS (WOMEN, RELIGIOUS MINORITIES, SEASONAL WORKERS, ETC.)	
0 1 2 3	All workers must be treated equally and with no discrimination of any kind. Permanent employment should be provided as much as possible and differences between permanent and temporary workers should be minimized.

## GOVERNANCE CRITERIA

ACCESSIBLE TO MARGINALIZED PRODUCERS AND WORKERS		
0123		The Fair for Life program is focused on identified stakeholders that can be considered as "disadvantaged" and are in need of additional support to strengthen their capacities. To support smallholders or other marginalized groups additional strong requirements for large plantations exist.
CAPACITY BUILDING OF PRODUCERS		
0123	Producers' Organization	The producers' interests must be effectively represented, with regular meetings, interactions and participation. If this is not the case, a development plan must be presented and if necessary external experts must be included to support group development with positive participatory methods.
	Hired Labour/ Plantations	
	Contract Farming/ Production	
RIGHTS OF INDIGENOUS PEOPLE		
0123		The certified production group must have a legitimate right to land / resources use and legal tenure. The production group plays a positive role in the sustainable development of the region in which it operates, and strives to make positive social and cultural contributions in the local setting, including transparent negotiations with local peoples and adequate compensation mechanisms.
TRANSPARENCY OF INFORMATION IN THE MANAGEMENT OF THE PRODUCER ORGANIZATION/COMPANY		
0123	Producers' Organization	Management (of the plantation, the contracting company or the cooperative) must provide producers/workers with adequate information about the audit and its outcome – inspectors cross-verify this through interviews. Management is also responsible for informing producers/workers about fair trade and all related matters as well as provide means for input.
	Hired Labour/ Plantations	
	Contract Farming/ Production	
NON-DISCRIMINATION WITHIN THE PRODUCER ORGANIZATION		
0123		Discrimination within the producer organization (according to ILO statutes) is prohibited. Statutes and membership rules of the cooperative must not be discriminatory.
MONITORING THE DEMOCRATIC MANAGEMENT OF THE DEVELOPMENT PREMIUM		
0123	Producers' Organization	A Fund Decision Body exists with clear procedures and the participation of the identified beneficiaries. A detailed yearly fund report must be produced.
	Contract Farming/ Production	The Fair for Life Development Fund must be administered on a separate bank account. A Fund Decision Body (majority are beneficiaries) exists with clear procedures and the participation of the identified beneficiaries. A detailed yearly fund report must be produced.
	Hired Labour/ Plantations	The Fair for Life Development Fund must be administered on a separate bank account. A Fund Decision Body (majority are beneficiaries) exists with clear procedures and the participation of the foreseen beneficiaries. A detailed yearly fund report must be produced.
DEMOCRATIC DECISION MAKING FOR COLLECTIVE ORGANISATIONS/ COLLECTIVE BARGAINING RIGHTS FOR HIRED LABOR		
0123	Producers' Organization	The General Assembly is the highest decision making body, elected by all members of the cooperative/association. Other bodies (i.e. Fund Decision Body) also have to be representative.
	Contract Farming/ Production	Representatives from the producers and the contracting company must meet on a regular basis (minimum twice per year) to openly discuss fair trade related matters and to make decisions in a democratic way.
	Hired Labour/ Plantations	The right to organize and bargain collectively is strongly embedded within Fair for Life standards.

## ENVIRONMENTAL CRITERIA

REDUCTION OF THE ENVIRONMENTAL IMPACTS OF ACTIVITIES (ENERGY, WATER AND WASTE MANAGEMENT)	
0 1 2 3	Organic certification is not compulsory but is highly encouraged. Fair for Life has several requirements on water conservation, energy management and waste management.
PROTECTION OF BIODIVERSITY	
0 1 2 3	Threatened or endangered species and habitats must be protected and natural ecosystems must not be destroyed. Biodiversity and wildlife are promoted.
PROHIBITION OF HAZARDOUS SUBSTANCES	
0 1 2 3	There are lists of prohibited substances – category 1 completely banned, category 2 also banned but some exceptions possible (for a maximum of three years). Additional requirements exist for the handling and storing of hazardous waste.
BAN ON GMOs	
0 1 2 3	Seeds or planting stocks used on the farms must not be genetically modified, including those used for animal fodder.

## Monitoring measures

AUDIT		
<b>Auditors</b>	0 1 2 3	Only auditors who are qualified by Fair for Life can conduct audits. The same auditor should not control the same operator for more than four years in a row.
<b>Meetings</b>	0 1 2 3	Initial meetings and closing meetings are held with key stakeholders (from year 2 onwards the participation of workers or producers in the audit process is obligatory).
<b>Documentary Review</b>	0 1 2 3	All documents related to standards requirements are verified during an audit.
<b>On-site Inspection</b>	0 1 2 3	Yearly inspections are required.
<b>Producer/workers interviews</b>	0 1 2 3	Interviews with workers/members are part of the inspection process, both as individual and group interview.
<b>Frequency</b>	0 1 2 3	Three-year cycle with full audit (year 1), annual surveillance (Years 2 and 3), followed by another full renewal audit, then two surveillance reviews etc. Annual surveillance, besides monitoring key requirements, focuses mainly on non-compliances or improvement plans from the last audit.
<b>Surprise Audit</b>	0 1 2 3	They are always possible whenever Fair for Life decides so (based on internal guidelines covering the circumstances under which such audits can take place).
SCORING AND RULES		
<b>Scoring and Corrective Actions</b>	0 1 2 3	There are three levels of criteria – KO, MUST and Bonus. KO criteria must always be complied with (critical), MUST criteria have to follow the norm rule (ranking 2 from a scale of 0 to 4) and the time frame given with the criteria; Bonus criteria are optional but can help to improve overall performance score. The total number of rank points in relation to the total achievable number reflect overall performance. High scores (i.e. 90% for 3 years in a row) can lead to reduced surveillance audits (desk audit), if not in a high-risk context. Corrective actions as a result of the audit are defined and confirmed in a "Corrective Action Plan" at the end of the audit; proof of implementation of the agreed corrective actions must be submitted within a defined timeline.
<b>Suspension/Withdrawal of the Certification</b>	0 1 2 3	Non-compliance with KO and MUST criteria will lead to suspension, followed by immediate corrective action to reinstate the certification status. Minor non-compliance can lead to temporary suspension but without negative effect on marketing activities.
CERTIFICATION COSTS AND ANNUAL FEES		
<b>Transparency</b>	0 1 2 3	Audit costs are calculated according to location (region), type, size and complexity of the operation: a quote is given at the start of the process. A fee list (daily fees as per region) is currently in development for eventual publication on the Fair for Life website.
PROCEDURES		
<b>Complaints, Appeals and Allegation Procedures</b>	0 1 2 3	Operators can appeal decisions by the certification body, and hand in complaints and allegations which are then dealt with in an appropriate manner (as outlined in ISO 17065 requirements and/or in ISEAL codes of good practice).

## Summary

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The Fair for Life label comes from the organic sector. The latest development was the merger with the Ecocert Fair Trade system after the buying of IMO by Ecocert.

Fair for Life is today a complete and professional fair trade standard.

Since the latest standards' review has taken place only recently, some supporting documents like guidance and tools (i.e. calculating and agreeing on prices) are currently being drawn up, at time of printing. The new Fair for Life system has added requirements and clarifications on "long term relationship" (meaning minimum 3 years) and how to handle situations when trading relationships end. Additionally, some requirements are spelled out on sourcing of raw materials as well as on community relations.

However, today, producers' organizations only represent 27% of the Fair for Life certified organizations, while plantations reach 27% and contract farming 46%. These figures show that Fair for Life does not yet make small producers a priority.

Moreover producers are not involved in the ownership of the standard even if they participate in the decisions of the standard reviewing process. Fair for Life could think about opening the ownership and general governance of the label to different stakeholders.

# Fairtrade International

## Main informations about Fairtrade International



### CONTACT

#### Fairtrade International (FLO)

Bonner Talweg 177- 53129 Bonn, Germany

Email: [info@fairtrade.net](mailto:info@fairtrade.net)

Tel: +49 228 949230

### STANDARD OWNER

Standards and label are owned by the non-profit association Fairtrade International.

### CERTIFICATION BODY

FLO-Cert was created in 2004 and accredited by Fairtrade International to implement certification of the Fairtrade standards.

**Accredited ISO 17065**

### EQUIVALENCE AND RECOGNITION

Fairtrade International does not recognize any other label as equivalent.

### HISTORY

■ In 1988 the first fair trade label, Max Havelaar, is launched under the initiative of the Dutch development agency, Solidaridad.

■ During the late 80s/early 90s' the Max Havelaar initiative is replicated in several other markets across Europe and North America.

■ Those initiatives called themselves Max Havelaar or Fairtrade or Transfair. They came together to create the Fairtrade Labelling Organisation (FLO).

■ In 2001, Fairtrade Labelling Organization introduced its "hired labor" standards for specific crops: bananas, flowers, teas, fruits and vegetables.

■ In 2002, all national initiatives of FLO adopted the same logo.

■ In 2004, Fairtrade Labelling Organization split into two different organizations: Fairtrade International, which sets Fairtrade standards and provides producer support, and FLOCERT, its independent subsidiary which audits and certifies producers' organizations and traders.

■ Since 2005, specific "contract production" standards allow small producers that are not organized to have access to Fairtrade certification once they join an intermediate organization (exporter, processors, NGO) to market their product. These standards' application is restricted to the following products and regions: cocoa in the Pacific region; rice and cotton in India; and cotton, dried fruit, almonds, apricot seeds and walnuts in Pakistan.

■ In 2014, Fairtrade International launches the Fairtrade Sourcing Programs (FSP) for cotton, cocoa and sugar. These programs allow companies to buy only Fairtrade cotton, cocoa or sugar without obligation to comply with the "all that can be" policy for any other ingredients that could be sourced under fair trade terms in a multi-ingredient product. In 2018, Fairtrade Sourcing Programs became Fairtrade Sourcing Ingredients. It is now applicable for all products except coffee and bananas.

■ In April 2019 Fairtrade International published their revised standard for small-scale producer organizations. The definition of the term "small-scale producers" includes restriction on the size of the cultivated land and refers to farm work that is mostly done by family members.

## GOVERNING BODY AND PARTICIPATION

Fairtrade International is a nonprofit organization comprising:

■ Overall management of operations such as developing international standards, global product management and consultative roundtable sessions (bringing together producers and buyers), corporate communications, advocacy, monitoring and evaluation and global rules for using the label.

Producer networks represent small-scale producers, workers and other producer stakeholders: CLAC (Latin American and Caribbean Network of Fair Trade Small Producers and Workers), FTA (Fairtrade Africa) and NAP (Network for Asian Fairtrade Producers). They support producers' organizations in the South. Continental networks of producers and workers represent small producers and workers within Fairtrade International decision-making bodies.

■ The 20 national Fairtrade organizations, such as Max Havelaar France, whose main functions are to develop markets and promote Fairtrade.

■ Setting standards: Fairtrade standards are set in accordance with the ISEAL Code of Good Practice on Standard Setting. This process involves wide consultation with stakeholders. Decisions about Fairtrade standards are made by the Fairtrade International Standards Committee.

■ The governance rules include the participation of all stakeholders. Producers holds 50% of the votes in the Fairtrade International general assembly. Producers are represented in all system-relevant committees (Boards of Fairtrade International and FLOCERT and Standards Committee).

■ Fairtrade International fulfills the ISEAL's Standard-setting, Assurance Code and the ISEAL Code for Impact Assessment and is in the compliance roadmap for the ISEAL Code for Assurance.

## PROMOTION AND

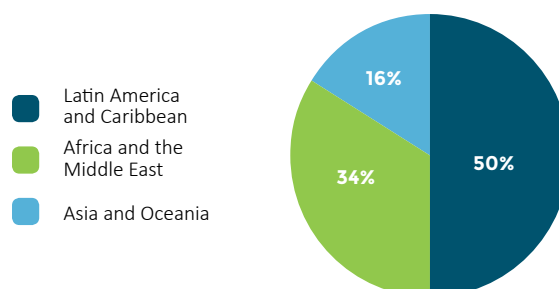
## AWARENESS-RAISING / ADVOCACY

Fairtrade International conducts advocacy for the improvement of living conditions of southern producers and to change the rules of world trade. It is present at major international conferences on development, protection of biodiversity and global warming issues.

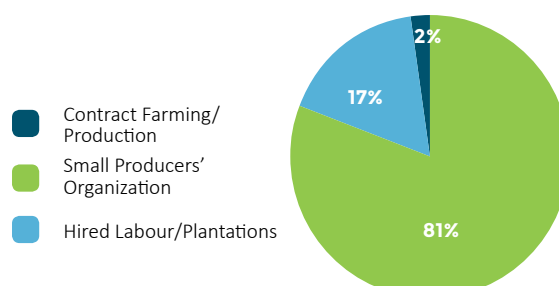
Fairtrade International also conducts awareness-raising actions among citizens on fair and sustainable consumption and production's patterns.

The different organizations produce research and impact reports.

### ORIGIN OF CERTIFIED PRODUCTS IN 2017



### TYPOLGY OF THE CERTIFIED ORGANIZATIONS






## Eligibility conditions

GEOGRAPHICAL SCOPE		
Developing Countries	✓	Fairtrade International defines the countries in which FLOCERT certifies producers as those countries with low and medium development status. Fairtrade International considers a combination of three factors when reviewing if a country can be added to or removed from the Fairtrade geographical scope: social and economic indicators, long-term impact for producers and producers' support. A clear list of eligible countries is available on the website. A specific attention is carried out on China. Contract production and hired labour set-ups cannot be certified as Fairtrade in China.
OECD Countries	✗	
SPECIFIC REQUIREMENTS		
Organic Certification	✗	Organic certification is not required to be Fairtrade certified. However, for some products the standards provide that a specific additional premium must be paid to the producer group in case of organic agriculture production. Some requirements, e.g. on pesticides, are not applicable if organizations also have an organic certification.
TYPE OF ORGANIZATION		
Small Producers' Organizations	✓	<p>Fairtrade International developed different standards which cover each situation:</p> <ul style="list-style-type: none"><li>- Contract farming: this standard applies only to promoting bodies and registered cocoa producers in the Pacific; rice and cotton in India; and cotton, dried fruit, almonds, apricot seeds and walnuts in Pakistan.</li><li>- Hired labour.</li><li>- Small-scale producer organizations.</li><li>- Trader standards for all operators trading a Fairtrade product (e.g. exporters, importers, processors but also producer organizations that export themselves).</li><li>- Textile standards for the textile manufacturers.</li><li>- Climate Standard: Fairtrade International developed the Fairtrade Climate Standard as a way to support smallholders and rural communities to produce Fairtrade Carbon Credits and gain access to the carbon market. Fairtrade Carbon Credit projects enable producers to make their contribution to climate change mitigation while adapting to climate change. The Fairtrade Climate Standard was developed in collaboration with the Gold Standard, an internationally recognized organization with expertise in climate and development projects. The Fairtrade Climate Standard is an add-on standard to Gold Standard certification of carbon emissions reductions and sustainable development benefits.</li><li>- Standard for Gold and associated precious metals for artisanal and small-scale mining.</li><li>- Product standards that complement the generic standards with product specific requirements.</li></ul>
Contract Farming/ Production	✓	
Hired Labour/ Plantations	✓	
SUPPLY CHAIN INSPECTION		
Production Groups	✓	Each step of the supply chain of a certified product is audited and must comply with the requirements of the Fairtrade standard.
First Buyers	✓	Certification of supply chain actors (other than the producer organization) is required for companies that buy and sell a Fairtrade product until the product is in its final packaging. This is also true for companies that buy directly from producers and/or are responsible for paying or conveying the Fairtrade Price or Premium.
Traders	✓	
Brand Owner	✓	
Retailers	✓	Verification is required for companies that have signed a license agreement to use one of the Fairtrade Marks or make a reference to Fairtrade and do not fall under any of the two categories where certification is required, and for companies working under the Fairtrade Sourced Ingredient (FSI) model for cotton after the Fairtrade payer, or after the ginning stage (if this comes earlier).


TRACEABILITY REQUIREMENTS			
Physical Traceability	General rule	✓	<ul style="list-style-type: none"> <li>- Producers always need to have physical traceability. All traders must physically segregate Fairtrade products from non-Fairtrade products at all stages of the supply chain.</li> <li>- This requirement may not apply for processing of cocoa, cane sugar, juice and tea.</li> </ul>
	Isolated cases: cocoa, tea, cane sugar and fruit juice	⊘	The supply chain may not engage with physical traceability in case of cocoa, cane sugar, juice or tea. In that cases, the requirement applied is the mass balance guarantee, with documentary traceability.
Documentary Traceability		✓	Documentary traceability is required at the producer and trader level. Requirements on documentary traceability demand that records are kept in a format that allows the certification body to trace back from 'outputs' to 'inputs'.

## Rules regarding the use of label on product packaging

Products Made with "Fairtrade Ingredients"	<p>The rule is that all ingredients that can be Fairtrade certified (available on the market) should be Fairtrade certified, but an exception for the use of a non-Fairtrade ingredient in place of a Fairtrade ingredient can be granted for a defined period of a maximum of 2 years.</p> <p>Food composite products contain at least 20% Fairtrade content.</p> <p>Where products contain more than 50% liquid or dairy, the liquid or dairy component should be removed from the percentage calculation.</p>
Single Ingredient Certified Products	Single ingredient products contain a 100% (dry weight) of Fairtrade content.
Fairtrade Sourced Ingredient    	<p>Fairtrade Sourced Ingredient (FSI) (formerly known as Fairtrade Sourcing Program, FSP) is a commodity-sourcing approach applicable to all products except coffee and bananas. The model focuses on the sourcing of Fairtrade commodities and is indicated by the use of the FSI Mark. FSI Licensees are offered a range of communication options including the FSI Mark on the packaging of composite products as well as on off-pack claims and / or communications. Finished products carrying the FSI Mark are composite products.</p> <p>Companies will only be able to use the Fairtrade Program Mark on-pack if 100% of the focus ingredient for that product is bought on Fairtrade terms. Companies can also talk about their commitment to the Fairtrade Sourcing Program in off-pack communications such as websites.</p>

## Analysis of the label

### ECONOMIC CRITERIA

FAIR PRICE	
	<p>The minimum prices are set by Fairtrade International (after a consultation of all stakeholders) and are regularly updated and available online. These minimum prices are the starting point for price negotiations between the producers and the buyer.</p> <p>When the market price for a product is higher than the minimum price, the market price has to be paid. The price for organic Fairtrade products is mostly higher than conventional Fairtrade products but sometimes there is no difference.</p> <p>Cane sugar and some other products do not have a Fairtrade minimum price and the market price is applied.</p> <p>Also there are no Fairtrade minimum prices defined for secondary products and their derivatives. Prices for secondary products and their derivatives produced in the country of origin are negotiated between the Fairtrade producer and its next buyer (Fairtrade payer).</p>
PREMIUM FOR GROUP PROJECTS	
	<p>For each product the premium is set by Fairtrade International and the value of the Fairtrade premium per unit of weight of Fairtrade product is available online.</p> <p>A default Fairtrade premium of 15% of the negotiated price for the secondary product and/or its derivatives must be paid in addition to the negotiated price.</p> <p>The payer/conveyor of the Fairtrade premium must ensure that:</p> <ul style="list-style-type: none"> <li>- No deductions are made by the producers' organization or plantation's management to premium payments for producers or workers.</li> <li>- The premium is paid to the collective body in charge of the premium management, and not to the individual members. For small producers' organization, payments must be paid directly to the organization. In hired labour set-ups, Fairtrade premium's money must be transferred to the account of the Fairtrade Premium Committee once available.</li> <li>- In contract production projects, the promoting body receives the Fairtrade premium on behalf of the registered producers.</li> </ul>
FACILITATED ACCESS TO FINANCE/PRE-FINANCING	
	<p>Pre-financing must be offered by the first buyers as a core criterion and on the basis of voluntary best practice for the traders. There is no information of maximum rate.</p> <p>The percentage of pre-finance that needs to be offered is stated in the product standards (60% in most cases). As the responsibility to offer pre-finance is with the trader, the percentage is understood as "at least 60%" of the contract value.</p>
LONG-TERM COMMITMENT FROM BUYERS	
	<p>Fairtrade International suggests to all traders to have a long-term commitment with the producers or suppliers. The minimum of the long-term relationship is 2 years for all products (3 years for cocoa). It is only a voluntary best practice criterion for traders whereas long terms contracts with the producers is an important policy in the fair trade sector.</p>

**Rating criteria:** 0 The standard is missing ; 1 The standard is weak ; 2 The standard addresses the underlying fair trade principles but misses certain aspects and/or compliance with the standard is checked but not checked quite comprehensively enough ; 3 The standard fully addresses the underlying fair trade principles and compliance is checked comprehensively.

TRACEABILITY	
<b>For most of the products</b> 0 1 2 3	Physical and documentary traceability are required for the products for fairtrade sales. Under physical traceability, physical separation must be applied at all stages until the product is sold.
<b>Isolated cases for cocoa, tea, cane sugar, fruit juice</b> 0 1 2 3	<p>For this products, physical separation is not an obligation: organizations might apply mass balance requirement. If the producers sell the products to operators without physical traceability, they don't need to fulfill physical traceability but the traders need to ensure that the volume they buy as fair trade corresponds to the volume they sell as fair trade.</p> <p>Documentary traceability is required.</p>

## SOCIAL CRITERIA

INTERNATIONAL LABOR ORGANIZATION CONVENTIONS		
0 1 2 3	<b>Small Producers' Organizations (SPO)</b>	<p>2 of 11 International Labor Organization 's conventions are not explicitly mentioned but the main topics of the conventions are covered. In the case that forced adult labour in the organization is identified, members remediate to ensure prolonged safety and implement relevant policies.</p> <p>Production units which employ more than 10 workers, working for more than 30 hours per week and which are present for one month or more during a year, has to comply with additional criteria:</p> <ul style="list-style-type: none"> <li>- Workers' wages are at least equal to legal minimum wage or regional average (depending which one is highest).</li> <li>- Workers must be provided with physical payslip.</li> </ul>
0 1 2 3	<b>Hired Labour/ Plantations</b>	<p>2 of 11 International Labor Organization 's conventions are not explicitly mentioned but the main topics of the conventions are covered. The ILO conventions regarding provisions for safety and health of workers and for freedom of association and the effective recognition of the right to collective bargaining must be respected.</p>
0 1 2 3	<b>Contract Farming/ Production</b>	<p>Only 9 of the 11 ILO conventions are respected and have adequate control points. References to health and safety of the workers and the freedom of association and bargaining are not mentioned in the standard of contract farming.</p>
FAIR COMPENSATION OF WORKERS		
0 1 2 3		<p>Fairtrade International requires that their members set salaries for workers according to collective bargaining agreement regulations where they exist or at regional average wages or at official minimum wages for similar occupations whichever is highest. Wages for all employee functions and employment terms, such as piecework, must be specified.</p> <p>For hired labour, the company must increase real wages annually in order to close the gap between the remuneration (wages and benefits) of hired labour and living wage, if remuneration is below the living wage benchmark approved by Fairtrade International. The incremental steps and timeline toward the applicable living wage are negotiated with trade union/elected worker representatives.</p>

**SOCIAL CRITERIA**

<b>POLICY FOR MATERNITY, SICKNESS AND RETIREMENT</b>		
<div> <div>0</div> <div>1</div> <div>2</div> <div>3</div> </div>	<b>Small Producers Organizations</b>	<p>These criteria are applicable to permanent workers and for those organizations employing more than 10 workers, working for more than 30 hours per week and which are present for one month or more during a year:</p> <ul style="list-style-type: none"> <li>- By the 1<sup>st</sup> year of certification, the workers should have a legally binding written contract of employment including the protection of the worker from loss of pay in the case of illness, disability or accident.</li> <li>- By the 6<sup>th</sup> year of certification, the members and the organization must have set maternity leaves, social security provisions and non-mandatory benefits according to national laws or according to collective bargaining agreement regulations.</li> </ul>
<div> <div>0</div> <div>1</div> <div>2</div> <div>3</div> </div>	<b>Hired Labor/ Plantations</b>	<p>Upon certification the company has to:</p> <ul style="list-style-type: none"> <li>- Put in place a regulation to ensure that workers are protected and paid during sick leaves.</li> <li>- For maternity leave, a minimum of 8 weeks must be provided. Pay is 2/3 of regular pay or based on national legislation.</li> <li>- Provide legal social security for all workers.</li> <li>- By the 3<sup>rd</sup> year of the certification the organization must provide a pension or fund scheme.</li> </ul>
<div> <div>0</div> <div>1</div> <div>2</div> <div>3</div> </div>	<b>Contract Farming/ Production</b>	<p>These standards don't contain such requirements. Some development criteria are mentioned:</p> <ul style="list-style-type: none"> <li>- By the 6<sup>th</sup> year of certification the producers and the trade partner are expected to improve the labor conditions of workers.</li> <li>- Workers must benefit from at least one activity of the Fairtrade development plan by the 3<sup>rd</sup> year of certification.</li> </ul>
<b>EQUAL TREATMENT OF ALL WORKERS (GENDER, RELIGIOUS MINORITIES, SEASONAL WORKERS, ETC.)</b>		
<div> <div>0</div> <div>1</div> <div>2</div> <div>3</div> </div>	<p>All workers must be treated equally. Non-compliance with this requirement can lead to the withdrawal of the certification.</p>	

## GOVERNANCE CRITERIA

## ACCESSIBLE TO MARGINALIZED PRODUCERS AND WORKERS

0 1 2 3	<p>To be certified, the organization of producers must ensure that at least 66% of their members must be small producers. And at least 66% of the volume of a Fairtrade product that they sell as Fairtrade per year must be produced by small producers.</p> <p>By the 3<sup>rd</sup> year of certification, the producers' organization must identify disadvantaged/minority groups and by year 6, they must have programs in place related to these disadvantaged/minority groups.</p> <p>In the plantations and for the contract producers there are programs in place related to disadvantaged/minority groups to improve their social and economic position in the producer organization.</p>
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## CAPACITY BUILDING

0 1 2 3	<b>Small Producers Organizations</b>	<p>By the 1<sup>st</sup> year of the certification the producer organizations must plan and document at least one activity in relation to the capacity building of its members. And the funded activity by the Fairtrade premium must be clearly explained in the Fairtrade development plan.</p>
0 1 2 3	<b>Hired Labour/ Plantations</b>	<p>The company raises awareness of fair trade at all levels to ensure that workers understand the benefits of fair trade, in particular and especially it must explain to the workers the purpose of the Fairtrade premium, and must provide training to the Fairtrade Premium Committee. The training must take place during work time and is repeated for each newly elected or appointed representative. The company gives special attention to the empowerment of women by means of adequate training, capacity building, guidance, encouragement and assistance as necessary.</p>
0 1 2 3	<b>Contract Farming/ Production</b>	<p>The Producer Executive Body must have at least one activity to promote their business and environment progress. By the 3<sup>rd</sup> year of certification the company and registered producers must develop an organizational development plan (timeline, activities, objective) in a democratic and transparent manner that aims to organize themselves into one or more producers' organizations.</p> <p>The promoting body must carry out regular administrative and organizational capacity-building trainings with the representatives of the Producer Executive Body so that they are able to take over management of the Fairtrade Premium.</p>

## RIGHTS OF INDIGENOUS PEOPLE

0 1 2 3	<b>Small Producers Organizations</b>	<p>In case of conflict linked to land rights, water use and land tenure, it must be solved responsibly and transparently before certification can be granted.</p>
0 1 2 3	<b>Hired Labour/ Plantations</b>	<p>These standards do not include requirements related to this issue.</p>
0 1 2 3	<b>Contract Farming/ Production</b>	<p>The company which manages the plantations must have legal and legitimate right to land use and tenure, and respects the land rights of local and indigenous peoples.</p> <p>Fairtrade International requires plantations' management team to adopt collaborative approach with local communities.</p>

DEMOCRATIC DECISION MAKING FOR COLLECTIVE ORGANISATIONS / COLLECTIVE BARGAINING RIGHTS FOR HIRED LABOR		
0 1 2 3	<b>Small Producers Organizations</b>	<p>Every decision has to be taken in a democratic and transparent manner. The auditor has to check minutes, reports, official document and organize interviews with producers.</p> <p>The organization should explain to the members the ways they can participate in the organization so that they can have more control over it.</p> <p>A yearly general assembly must be organized. All major decisions are discussed and voted in the general assembly in which each member can participate with an equal voting right. The annual report, budgets and accounts must be voted in the general assembly.</p> <p>Regarding the formalization of the collective structure: the 2<sup>nd</sup> and 3<sup>rd</sup> tier organizations are democratically controlled by their direct members, which are legally constituted and legally affiliated with 1<sup>st</sup> tier/2<sup>nd</sup> tier organizations. There is a democratically elected board on the 2<sup>nd</sup>/3<sup>rd</sup> tier level.</p>
0 1 2 3	<b>Hired Labour/ Plantations</b>	<p>Independent workers' organization must be democratically elected by the workers. The company is expected to provide the necessary support to help furthering the capacity of those workers wishing to do so. This criterion is controlled by the auditors as a major criterion.</p> <p>The producers must develop the organization's development plan with the company, and the producers have to take part in all occasions with the contracting company on fair trade-related issues.</p> <p>The objective of implementing the plan is to increase the producers' participation in the community. Moreover, the company or producers' organization must take ongoing measures to promote producers' participation (training, education).</p> <p>Regarding formalization of the collective structure: The company respects the right of all workers to form or join trade unions and the right of workers to bargain collectively in practice.</p> <p>The company is required to hold a meeting with elected worker representatives at least every 3 months to discuss workers' grievances and management's concerns. The meeting must be during the working time. Results of the meetings must be available to the workers. The company must implement measures to foster the workers' participation.</p>
0 1 2 3	<b>Contract Farming/ Production</b>	<p>The company must guarantee the democratic management of the Producer Executive Body and help the producers to build an internal control system for democratic participation for future producers' organizations.</p> <p>Regarding formalization of the collective structure, a Producer Executive Body must be elected by producers. This Producer Executive Body is the intermediary between the company and the producers and the body in charge of the monitoring of the development premium. They must inform the producers about the decisions taken regarding fair trade matters.</p>
TRANSPARENT INFORMATION IN THE MANAGEMENT OF THE PRODUCER ORGANIZATION/COMPANY		
0 1 2 3		<p>The members must be informed and take part in the general assembly. The annual report, budgets and accounts must be available to all members.</p> <p>Moreover, surveillance committee must oversee the overall administration of the organization (including the use of Premium) on behalf of the members, they can check all records, books, minutes and reports.</p> <p>Results from audits must be shared.</p> <p>Organizations ensure separate roles and responsibilities between the Board and management.</p>
NON-DISCRIMINATION WITHIN THE PRODUCER ORGANIZATION		
0 1 2 3		<p>All workers must be treated equally without discrimination. If the rules of the organization don't fit this requirement, the certification can be withdrawn. A gender policy should be developed and implemented.</p>

**MONITORING THE DEMOCRATIC MANAGEMENT OF THE PREMIUM FOR GROUP PROJECTS**

0 1 2 3	<b>Small Producers Organizations</b>	The use of the Fairtrade premium is voted by the general assembly and follows the activities planned in the Fairtrade Development Plan and implemented by the second year. All the activities planned to be funded with the Fairtrade Premium are included in the Fairtrade Development Plan. For the 2 <sup>nd</sup> or 3 <sup>rd</sup> tier organization, they must have a system in place to distribute the Fairtrade Premium.
0 1 2 3	<b>Hired Labour/ Plantations</b>	Workers elect representatives who constitute the Fairtrade Premium Committee. The Fairtrade Premium Committee must meet with and consult the workers to understand their needs and discuss project ideas, regularly and during time work. The distribution principles of the Fairtrade premium are transparent. Managers of the company actively participate in the Fairtrade Premium. They have a non-voting advisory role but they have a right to block expenditure that would violate rules of the Fairtrade Premium.
0 1 2 3	<b>Contract Farming/ Production</b>	A collective body must be elected by the producers to manage the premium. Every registered producer and every worker can suggest activities. An organizational development plan is designed to monitor the management of the premium. However, the standards give the promoting body (i.e the company) an important role in the monitoring of the development premium. Even if the management of the company has no right to vote in the Producer Executive Body, it has an active role in the conception and follow-up of the organizational development plan.

**ENVIRONMENTAL CRITERIA**
**REDUCTION OF THE ENVIRONMENTAL IMPACTS OF ACTIVITIES  
(ENERGY, WATER AND WASTE MANAGEMENT)**

0 1 2 3	Fairtrade International clearly encourages reduction of environmental impacts, waste of resources and taking measures not only on prevention of natural resource degradation but also on their restoration. Moreover, producers' organizations should have procedures on prevention of deforestation and implement measures on adaptation to climate change. Criteria cover many sustainable aspects, but requirements deal with raising producers' awareness and continuous improvement on this issue rather than on a comprehensive set of requirements.
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**PROTECTION OF BIODIVERSITY**

0 1 2 3	Activities of the small-scale producers' organizations and hired labour certified must not jeopardize high conservation value area. Not only members are required not to cause deforestation or destroy vegetation, but producers' organizations must have a procedure in place to prevent deforestation or degradation of vegetation by members.
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**PROHIBITION OF HAZARDOUS SUBSTANCES**

0 1 2 3	The restricted use of pesticides is allowed and regulated through classification of pesticides in groups. The requirements in the standards are focused not only on protection of health of farmers and workers through prevention and awareness-raising on use of pesticides, but also on prohibition of pesticides use and promotion of alternative ways to control pests and diseases. Prohibited substances are indexed in various lists online, among which some chemicals listed in the Orange Group (Restricted Materials) are to be phased out by end of 2019.
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**BAN ON GMOs**

0 1 2 3	The certified production groups aren't allowed to produce genetically-modified crops.
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## Monitoring measures

AUDIT		
<b>Auditors</b>	0 1 2 3	Auditors are employees or independent contractors from the independent certification body FLO-Cert for producer certification and traders in producing countries and from FLO-Cert or Fairtrade Australia & New Zealand, Fairtrade Canada, Fairtrade Label Japan and Fairtrade Luxembourg, in their respective countries in consuming countries.
<b>Meetings</b>	0 1 2 3	Closing and opening meetings must be held, during which the auditor explains all non-conformities and discusses them with the management. The control procedure does not contain requirement on the presence of some workers and producers during these meetings.
<b>Documentary Review</b>	0 1 2 3	All the necessary documents must be checked.
<b>On-site Inspection</b>	0 1 2 3	The initial and renewal audit always need to take place as an on-site audit.
<b>Producer/Workers Interviews</b>	0 1 2 3	Producers and workers must be interviewed.
<b>Frequency</b>	0 1 2 3	After the initial certification, the operator starts the first 3-year certification cycle. Usually one physical surveillance audit per cycle is carried out to evaluate continued compliance with valid compliance criteria at the time of the surveillance audit. FLO-Cert uses a reduced checklist during surveillance audits to verify that the organization complies with major and core requirements.
<b>Surprise Audit</b>	0 1 2 3	FLO-Cert may organize unannounced audits.
REQUIREMENT FOR CERTIFICATION		
<b>Scoring</b>	0 1 2 3	<p>There are three types of compliance criteria:</p> <p>Core (C): reflect Fairtrade principles and must be complied with.</p> <p>Major (M): reflect key Fairtrade principles where non-compliance represents a major risk to the Fairtrade system. Non-conformity with a major compliance criterion may lead to certification sanctions.</p> <p>Development requirements (D): refer to the continuous improvement that certified organizations must demonstrate. Compliance with development criteria is verified against an average score.</p> <p>Instead of a plain yes/no-approach there are 5 levels of compliance, called ranks. Rank 1 and 2 indicate non-compliance whereas ranks 3 to 5 indicate compliance with the Fairtrade standards.</p> <p>Each requirement is assigned a number (0, 1, 3 or 6). This number represents the number of years you have until you are audited against the requirement.</p> <p>However, Trader Standards do not request progress requirements but voluntary best practices and reactive criteria which are:</p> <p>Voluntary Best Practice (VBP): refer to additional steps that all supply chain actors can take to foster even fairer trading conditions.</p> <p>Reactive (R): reflect criteria is related to the reactive assurance approach applied for requirements of the Trader Standard Production chapter. They apply to all traders but are only proactively checked if there are indications of non-compliance.</p>

<b>Corrective Actions</b>	0 1 2 3	<p>Compliance, including fulfilment of Corrective Measures (CM), must be achieved before the certificate is renewed for the next 3-year cycle. The same 3-year cycle continues into year 6. The auditors must report to FLO-Cert the non-conformities and requests corrective measures and after 4 months the organization must send objective evidence of the corrective measure to FLO-CERT.</p>
<b>Suspension/ Withdrawal of the Certification</b>	0 1 2 3	<p>The operator is suspended between 2 and 6 months if:</p> <ul style="list-style-type: none"> <li>- Non-conformities with major compliance criteria are identified during the audit or reported to FLO-Cert.</li> <li>- The certified organization did not propose appropriate corrective measures within the defined time frame. In these cases, the organization will be given 5 months as of the suspension decision to demonstrate that the non-conformities leading to the suspension have been corrected.</li> </ul> <p>The certification is withdrawn if:</p> <ul style="list-style-type: none"> <li>- Corrective measures were not submitted to FLO-Cert within the defined time frame after suspension.</li> <li>- An organization may be decertified without prior suspension if the same major non-conformity is identified in 3 consecutive audits.</li> </ul> <p>FLO-Cert may apply financial sanctions under the following conditions:</p> <ul style="list-style-type: none"> <li>- If an applicant commenced Fairtrade business before having received the permission to trade or its Fairtrade certificate.</li> <li>- If a certified entity has non-compliances which cannot be resolved retrospectively within the certification cycle.</li> </ul>
<b>COSTS AND ANNUAL FEES</b>		
<b>Transparency</b>	0 1 2 3	<p>Are available on line and depend on the nature of the organization (producers' organization, plantations, etc.)</p> <p>Depend on: the number of members of the producers' organization, the number of certified products, the number of subcontracted entities, etc.</p> <p>Initial costs are paid prior to the initial audit. Then costs are paid annually for surveillance audits.</p> <p>Brand owner must pay annual trade mark fees.</p>
<b>PROCEDURES</b>		
<b>Complaints Appeals and Allegation Procedures</b>	0 1 2 3	<p>All FLO-Cert certified operators have the right to appeal against any certification decision or request a review of any evaluation decision. The right to place an appeal or review lapses 30 calendar days after receipt of the certification evaluation or decision. Complaints relate to the manner with which FLO-Cert provides service. The quality management representative is responsible for the investigation of all complaints and for replying within 30 working days from the day of receipt of the complaint.</p>

## Summary

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Fairtrade International is the oldest and globally best known fair trade label. Within the Fairtrade system, Fairtrade producers' networks have 50 percent of the vote at the general assembly. Farmers and workers are also consulted during the process for establishing new standards and policies for Fairtrade.

Despite the development of new labels, it remains the primary actor in the sector acting as the main point of reference (many fair trade labels use or reference Fairtrade minimum prices).

In addition to its strategies and constant innovation to increase Fairtrade sales, Fairtrade International is one of the few fair trade labels, along with the World Fair Trade Organization, that effectively relies on a network to implement proper advocacy and awareness-raising of citizens and consumers.

As such, Fairtrade International is an ever-evolving label that reinvents itself to address contemporary challenges. Its strategic framework "Changing Trade, Changing Lives 2016-2020", follows the establishment of the UN Sustainable Development Goals and the COP21 Climate Summit in Paris. The new 2019 standards for small-scale producer organizations reinforce small-scale producers' position: a greater proportion of cooperatives' members must be small family farms than was previously required. Cooperatives are now encouraged to develop and implement a gender policy. Regarding the environmental section, several criteria have been changed from developmental to essential criteria, strengthening the prevention of deforestation and the adaptation to climate change.

However, some points could still be strengthened such as the minimum long-term commitment from buyers for all goods. Additionally, some products do not benefit from a minimum price, and for the products that do despite methodological evolutions on the setting up of guaranteed minimum prices, numerous producers' organizations still live below the poverty line. This assessment pushes Fairtrade International to develop strategies to address this situation, for example campaigning for prices that allow a living income.

In line with Fairtrade's 2020 global strategy to expand farmers' access to world markets, Fairtrade International changed its policy to allow companies to use an "ingredient label" on multi-ingredient products sourced with only one Fairtrade certified ingredient. This new program modifies the rule that "all ingredients that can be fair trade certified, must be" and raises the key question: will the strategy of increasing volume of fair trade sales by companies with a lower level of commitment have greater impact on producers?



# Fair Trade USA

## Main informations about Fair Trade USA



### CONTACT

#### Fair Trade USA

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### STANDARD OWNER

Fair Trade USA (FTUSA) is a non-profit organization registered in the United States. Its mission is to enable sustainable development and community empowerment by cultivating a more equitable global trade model that benefits farmers, workers, consumers, industry, and the earth.

FTUSA owns its own standards for home goods and apparel, large farms with hired farm workers, independent smallholders and organized smallholders. They have 4 Standards:

- The Agricultural Production Standard (APS), for all agricultural producers.
- The Capture fisheries Standard (seafood).
- The Factory Standard for Apparel and Home Goods.
- Trade Standard (for traders, manufacturers, processors, importers, exporters, brands, etc.).

### HISTORY

Fair Trade USA was established in 1998 (as TransFair USA) and was a member of Fairtrade International (then Fairtrade Labelling Organizations International, or FLO) until 2012, when it became independent and began establishing its own standards, scope, and assurance system. The split between Fair Trade USA and Fairtrade International occurred (in part) because of disagreements about whether to maintain the tradition of limiting fair trade certification to smallholder producers in some products (such as coffee) or to expand certification to large estates with hired workers. Fairtrade International has chosen to work exclusively with smallholder producers in some products while Fair Trade USA has decided to work with hired workers in those products. Fair Trade USA has developed three new standards since leaving the Fairtrade International System: agricultural production, apparel and home goods, and capture fisheries.

Fair Trade USA's agricultural production standard can cover a single entity (such as a single estate) or a group of entities (of similar or different sizes and owned/operated by the same/different parties, such as a cooperative collectively owned by multiple small producers). If the certificate holder holds the APS certificate on behalf of multiple entities in its supply chain, it is responsible for ensuring that those entities comply with the APS. The APS must be applied to all farming and harvesting activities that will be labelled Fair Trade USA. It is optional to apply the APS to storage and transportation, or any processing, packing, sorting for quality, or transforming subcontracted off-site. The APS divides certification holders into small, medium, and large farms/factories and some standards are applied differently to entities of different sizes. Some criteria are "critical" which means they must be met before certification (year zero) or within a certain timeframe (e.g., year one). Other criteria are designated as "progress" and assigned a number of points (according to importance). For each category of criteria or "module" (e.g., biodiversity, ecosystem

function and sustainable production), a specified percentage of points must be met by specific years, with all criteria met by year 6. This allows certification holders to make progress toward full compliance over 6 years.

Fair Trade USA started researching the feasibility of certifying apparel factories in 2006. It conducted pilot studies from 2010 to 2012 and subsequently launched their Apparel and Home Good standards.

## GOVERNING BODY AND PARTICIPATION

FTUSA has three governance structures and decision-making bodies largely comprised of business specialists. The three structures are: 1) the executive and senior management leadership teams which are responsible for the operations and mission; 2) the board of directors (which aims to have representatives from multiple stakeholder groups but does not require inclusion of any specific group) provides strategic direction and financial oversight; and 3) the advisory council which provides support and topic specific knowledge but does not have the authority or obligations of board members.

The Standard Development and Revision Procedure is publicly available. It does not include policies related to certification, pricing, or labelling. Major reviews occur every five years. A draft is published for public consultation and FTUSA actively solicits feedback from stakeholders, especially those identified as "not adequately represented." Feedback is evaluated internally and the board of directors approves (or delegates approval of) the final content of new standards and major revisions. According to FTUSA, standards content is decided on by "a reasonable balance" of stakeholders "including those that are directly affected" and the process "follows the ISEAL Code of Good Practice for Setting Social and Environmental Standards."

## EQUIVALENCE AND RECOGNITION

FTUSA recognizes producers certified by FLO-Cert against Fairtrade International Agricultural Standards.

Collectors of wild-harvested products are exempt from Module 4 Environmental requirements within the APS and must demonstrate environmental sustainability in an alternative way but must still be audited against all other aspects of the standard. One option is to be in good standing with UEBT, USDA/NOP, FairWild, or FSC (non-timber products).

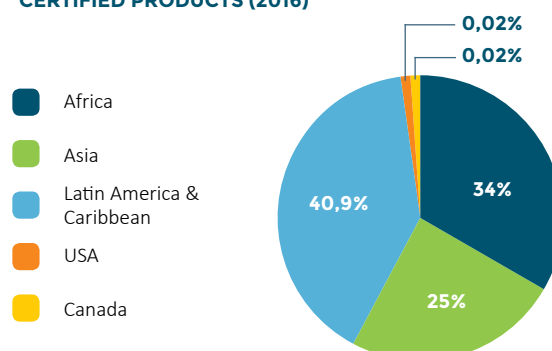
## CERTIFICATION BODY

SCS Global Services conducts most of Fair Trade USA audits. Control Union is also used.

SCS Global Services was started in 1984. SCS is a for profit benefit corporation, a new class of corporation that aim to create a material positive impact on society and the environment. They are based in California, USA and certify for a number of standards in areas including food safety and pesticide residue free, organic, sustainable forestry, carbon offsets and others.

Control Union started in 2002 and focuses on developing services around sustainability of industries supply chains in food, feed, forestry, biomass, bioenergy, social compliance and textile markets in more than 70 countries.

**GEOGRAPHICAL DISTRIBUTION OF FAIR TRADE USA CERTIFIED PRODUCTS (2016)**



## Eligibility conditions

GEOGRAPHICAL SCOPE		
Developing Countries	✓	FTUSA certified products are sourced from 46 countries, including two (Canada and the USA) OECD countries.
OECD Countries	✓	
SPECIFIC REQUIREMENTS		
Organic Certification	✗	Organic certification is not required. For some products (e.g., coffee), the fair trade minimum price is higher if certified organic. The Fair Trade Community Development Funds may be used to help members achieve organic certification.
TYPE OF ORGANIZATION		
Producers' Organizations	✓	<p>Previously, FTUSA maintained distinct standards for "independent smallholders" and "farm workers." All sizes of farms and processing facilities fell under one generic set of requirements.</p> <p>Now, certification holders can be single entities of any size (e.g., a small or large farm) or a group of entities of similar or different sizes (e.g., a collectively owned cooperative of small and mid-sized farms).</p> <p>Some requirements vary according to size of farm/facility (small is 5 and fewer permanent workers, no more than 25 workers on site at any one time; mid is 6-25 permanent, no more than 100 on site at any time). In cases where one entity owns several farms/facilities, the number of personnel are aggregated and the total is used to categorize the size.</p> <p>The following workers qualify as premium participants (beneficiaries): On mid/large farms – all workers (permanent/temporary, direct hire/subcontracted); On small farms – all permanent workers are included (direct/sub-contracted); temporary workers are not required to be included. Thus, contract workers are beneficiaries unless they are temporarily employed on a small farm.</p>
Contract Farming/ Production	✓	
Hired Labour/ Plantations	✓	
SUPPLY CHAIN INSPECTION		
✓		<p>Full compliance is required for certified farming and harvesting sites; sites managed by the certificate holder where certified product is farmed, processed, packed, sorted for quality, or transformed; and intermediate buying and selling operations between the farmer(s) and the certificate holder where certified product is being processed, packed, sorted for quality, or transformed.</p> <p>Compliance is not required at other sites of storage/transport or for off site subcontracted processing/packing, quality sorting and transforming. However, these entities must have a contract that includes several ILO conventions (29, 105, 87, 98, 138, 182, 100, 111) and ensures certified and non-certified products are not mixed.</p>
TRACEABILITY REQUIREMENTS		
Physical Traceability	General rule	✓ Fair trade products must be separated and traced.
	Cocoa, sugar, tea and fruit juices	✗ <p>Physical traceability is voluntary for these products and mass balance is allowed for food products listed here.</p> <p>Mass balance traceability is only allowed after the first point of processing.</p> <p>Where tea and fruit juice are not physically traceable they must be processed in the same site.</p>
Documentary Traceability	✓	<p>Documentary traceability is required.</p> <p>Certified products are identified as such in all purchase and sales documentation (e.g. invoices, delivery notes and purchase orders) and quality/product characteristics are recorded.</p>
PROMOTION AND AWARENESS-RAISING/ADVOCACY		
✓		Fair Trade USA consumer education around their certification is considered part of their mission. They have identified October as Fair Trade Month in the US and they promote their licensees on a regular basis.

## Rules regarding the use of label on product packaging

<b>Front panel label</b>	<p>The product may contain up to 5% non-Fair Trade Certified ingredients, such as flavorings or additives, as approved by Fair Trade USA.</p> <p>For any individual Fair Trade Certified ingredient used in the product, 100% of that particular ingredient is fair trade certified.</p> <p>Composite products must contain 20% or more certified ingredients. If not all ingredients are certified, a label specifying "ingredients" or the specific ingredient (e.g. "tea") may be used.</p> <p>Cocoa, coffee, tea, and quinoa must be fair trade certified.</p> <p>The percentage of fair trade certified content (by dry-weight) must be indicated somewhere on the packaging.</p>
<b>Ingredient indicator</b>	<p>The product must contain at least 20% fair trade certified ingredients to use the seal. This is measured by dry weight (remove the water, since water is not certified).</p>

## Analysis of the label

### ECONOMIC CRITERIA

FAIR PRICE	
<div> <div>0</div> <div>1</div> <div>2</div> <div>3</div> </div>	<p>Buyers must pay the fair trade minimum price (if one exists) or market price, whichever is higher. For a few products there is no minimum price, including: cane sugar, palm oil, cut flowers, and many herbs/spices.</p> <p>Certificate holders may buy the product from farmers at market price and then (at the end of season) adjust it to fair trade price and give the farmer a second payment.</p> <p>Producers should have a voice in negotiating prices and payments with buyers, ensure cost of production is covered including living wages to farmers and workers and provide profit to reinvest in the farm.</p>
PREMIUM FOR GROUP PROJECTS	
<div> <div>0</div> <div>1</div> <div>2</div> <div>3</div> </div>	<p>Fair Trade USA standards require pre-determined community development premiums on every sale.</p> <p>50% of the fair trade premiums must be spent on community projects. For some products, the premium must be invested in products or activities intended to increase environmental sustainability of cultivation (e.g., quinoa requires 30% of the premium to be invested in this way). In some contexts of large tea estates, the premium is split between the Fair Trade Committee (80%) and the estate (20%) with the estate being required to invest in improvements in living conditions to benefit workers/employees.</p> <p>Premium: Based on a needs assessment, up to 50% can be cash or cash in kind, small and medium farms can use up to 50% on certification fees. Up to 20% can be spent on on-site investments that remain the property of the owner of a mid or large farm/facility.</p>
FACILITATED ACCESS TO FINANCE/PRE-FINANCING	
<div> <div>0</div> <div>1</div> <div>2</div> <div>3</div> </div>	<p>Certificate holders may offer financing (at a rate no higher than cost of borrowing) to farmers.</p> <p>If requested by the producer, fair trade buyers must provide financing or support producers in securing financing (up to 60% of the contract) from a third-party lender (unless the producer is a high-risk borrower, as verified by a third party auditor). The interest rate can not exceed the cost of borrowing and administration fees.</p>
LONG-TERM COMMITMENT FROM BUYERS	
<div> <div>0</div> <div>1</div> <div>2</div> <div>3</div> </div>	<p>Not required, though it is considered a best practice to communicate projected volumes. For flowers and plants, buyers must provide letters of intent that are considered contracts for at least six months, indicating quality, price, payment terms, delivery conditions and estimated volumes. Buyers must purchase at least 50% of volumes indicated in first year and 75% in subsequent years.</p>
TRACEABILITY - GENERAL RULES	
<div> <div>0</div> <div>1</div> <div>2</div> <div>3</div> </div>	<p>Products must be separated and traced.</p>
TRACEABILITY FOR COCOA, CANE SUGAR, TEA, AND FRUIT JUICE	
<div> <div>0</div> <div>1</div> <div>2</div> <div>3</div> </div>	<p>Mass balance traceability (of similar type and quality) is allowed after the first point of processing for these products.</p>

**Rating criteria:** 0 The standard is missing ; 1 The standard is weak ; 2 The standard addresses the underlying fair trade principles but misses certain aspects and/or compliance with the standard is checked but not checked quite comprehensively enough ; 3 The standard fully addresses the underlying fair trade principles and compliance is checked comprehensively.

## SOCIAL CRITERIA

### INTERNATIONAL LABOR ORGANIZATION CONVENTIONS

0 1 2 3

FTUSA covers core ILO conventions (listed below), but does not include the Indigenous and Tribal Peoples Convention, 1989 (No. 169), which "provides for consultation and participation of indigenous and tribal peoples with regard to policies and programmes that may affect them. It provides for the enjoyment of fundamental rights and establishes general policies regarding indigenous and tribal peoples' customs and traditions, land rights, the use of natural resources found on traditional lands, employment, vocational training, handicrafts and rural industries, social security and health, education, and cross-border contacts and communication."

- Forced Labour Convention, 1930 (No. 29)
- Abolition of Forced Labour Convention, 1957 (No. 105)
- Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
- Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
- Minimum Age Convention, 1973 (No. 138)
- Worst Forms of Child Labour Convention, 1999 (No. 182)
- Equal Remuneration Convention, 1951 (No. 100)
- Discrimination (Employment and Occupation) Convention, 1958 (No. 111)

### FAIR COMPENSATION FOR WORKERS IN HIRED LABOR

0 1 2 3

Legal minimum wage or collective bargaining agreement (whichever is highest) with production, quotas, piecework at rate that allows this hourly rate to be achieved.

By year 6 employers must be aware of (Anker Method) living wage estimates for the area (if they have been established) and there must be a plan to reach living wages or achieve the lifestyle that living wages would provide but no timeline is required to reach this plan.

### POLICY FOR MATERNITY, SICKNESS AND RETIREMENT

0 1 2 3

Policies for vacation, sick leave, maternity and retirement must meet or exceed legal requirements and applicable collective bargaining agreements by initial certification. Workers are not penalized for taking any vacation, sick or maternity leave. Specifics for these policies are not required.

### EQUAL TREATMENT OF ALL WORKERS (WOMEN, RELIGIOUS MINORITIES, SEASONAL WORKERS, ETC.)

0 1 2 3

All farms and facilities are expected to conduct business in accordance with the Equal Remuneration Convention, 1951 (No. 100) and Discrimination in Respect of Employment and Occupation, 1958 (No. 111). The relevant standard reads: "All workers receive equivalent wages for work of equal value." It is explained as: "The intent of this criterion is to ensure there is no wage discrimination based on gender, as outlined in ILO Convention 100, or employment status of the worker, i.e. temporary, migrant, permanent, employed through a labor contractor, etc. This criterion does not prohibit employers from adjusting pay rates based on seniority, work experience, and performance." For farms and facilities of all sizes, this criterion must be met by initial certification.

Sites using labor contractors should have plan to transition to direct employment or registered labor contractors (those that meet requirements to be in "good standing").

## GOVERNANCE CRITERIA

### ACCESSIBLE TO MARGINALIZED PRODUCERS AND WORKERS

0 1 2 3

Does not have clear definition of "marginalized" and do not have requirements that give preference to small-scale producers if the product is available through them.

Temporary workers on small farms are included in the scope of the standard but are not considered 'premium participants'.

The certificate holder, with the approval of the majority of premium participants, designs the initial proportional representation structure of the Fair Trade Committee (FTC), drawing on documents used in the application process.

Premium projects focused on benefiting migrant workers must either aim to have an immediate impact on workers' lives at the workplace or meet needs of their home communities.

All workers, even those who are not premium participants must be included in the needs assessment by year 3 and able to access the benefits of at least one premium project by year 6.

Trainings should be (but are not required to be) available to all small producers and include less advantaged group members (e.g., those with less literacy).

### CAPACITY BUILDING OF PRODUCERS

0 1 2 3

Workers are trained by an independent third party on their labor rights under the law and the ILO Core Conventions (this is encouraged but not required for small entities and by year 5 for medium and large entities.)

It is recommended that regular training be provided to a majority of group members on integrated pest management and other topics.

Training (about the FTC, needs assessment, and premium plan) is required before the FTC is elected and at minimum every three years after. FTC members are trained at least annually in skills relevant to their duties. The certificate holder can conduct the training.

Majority of small producers must receive financial literacy and income diversification training within a six-year period, with training available at least every three years.

Trainings should be (but are not required to be) available to all small producers and include less advantaged group members (e.g., those with less literacy).

For medium/large enterprises, FTUSA allegations policy is communicated to workers and is available in languages workers understand. Workers know that they can submit allegations to FTUSA directly and without retaliation.

### RIGHTS OF INDIGENOUS PEOPLES

0 1 2 3

The proportional representation system may aim to address the rights of indigenous workers by giving indigenous peoples a proportionate number of seats on the FTC. ILO principles on indigenous rights are not included.

### DEMOCRATIC DECISION MAKING FOR COLLECTIVE ORGANIZATIONS/ COLLECTIVE BARGAINING RIGHTS FOR HIRED LABOR

0 1 2 3

Participation of producers in the management of the producer organization is not required. Democratic decision-making within producer organization and collective bargaining for the organization is not required.

An internal employee suggestion system must be put in place within 6 years.

For hired labor where there is no democratically elected union (representing all workers) in place, after one year medium and large enterprises must set up a Social Engagement Team (SET). The SET ensures awareness and effectiveness of grievance procedures, suggestion systems, and other tools to facilitate transparency and communication between workers and management. SET is selected by workers and is representative of the workforce, but selection and representation procedures are not specified. Workers may decide that the FTC will also serve as the SET. SET members should (but are not required to be) trained in skills relevant to their role and be able to help identify areas of non-compliance with the fair trade standard.

### TRANSPARENT INFORMATION IN THE MANAGEMENT OF THE PRODUCERS' ORGANIZATION

N/A

### NON-DISCRIMINATION WITHIN THE PRODUCER ORGANIZATION

0 1 2 3

The certificate holder does not interfere with the independent decision-making of the FTC.  
The certificate holder appoints a non-voting observer to the Fair Trade Committee.  
Management does not punish, threaten, intimidate, harass, or bribe trade union members or worker representatives and it is recommended for employers to keep records of reasons for dismissal, which can be shared with auditors, though this is not required.

### MONITORING THE DEMOCRATIC MANAGEMENT OF THE DEVELOPMENT PREMIUM

0 1 2 3

Needs assessment must be conducted and results communicated and used to create the fair trade premium plan, which must be approved by premium participants.  
Meeting minutes and decisions are recorded, signed, and made easily accessible to premium participants. Information about sales, the premium, and the premium plans are communicated at least annually.  
It is recommended (not mandatory) that a summary of the needs assessment results be shared with all premium participants.  
The FTC shares information about premium use and accounting with premium participants. If the premium is over 75,000 USD, the accounting will be audited by a third party, which may be paid from the premium.

## ENVIRONMENTAL CRITERIA

### REDUCTION OF THE ENVIRONMENTAL IMPACTS OF ACTIVITIES (ENERGY, WATER AND WASTE MANAGEMENT)

0 1 2 3

No required standards for energy use. They do exist for soil, water and waste management however, they are not required for certification but count towards progress requirements:

Soil - The following are not required for certification but count toward progress requirements: soil fertility monitoring, use of inputs corresponding to nutrient needs, cover crops used, erosion mitigated.

Water - The following are not required for certification but count toward progress requirements: The source of water for processing and irrigation is known and legal; waste water is avoided, extracted water is measured; managers aware of techniques for improving efficiency; and buffer zones separate water from waste. Water must be free of sewage before certification and wastewater must not pollute drinking water sources. If surface water represents a danger to human health, it is suggested but not required that measures are taken to improve water quality.

Waste - The following are not required for certification but count toward progress requirements: proper waste management plan, limited burning of organic waste, pesticide containers are destroyed and not reused, and waste is disposed of only in designated areas.

### PROTECTION OF BIODIVERSITY

0 1 2 3

There are standards related to water source, efficient water use, wastewater, killing endangered species, enhancing biodiversity, avoiding deforestation, respecting protected areas and soil erosion.

After 6 years, medium and large farms must monitor soil fertility.

Small producers are not required to monitor soil fertility or apply fertilizer according to these analyses.

### PROHIBITION OF HAZARDOUS SUBSTANCES

0 1 2 3

FTUSA issues a list of pesticides that are prohibited (during any part of the production process) and a list that are restricted. Restricted pesticides may only be used when other methods are unsuccessful, additional risk mitigation practices are followed, and use is recorded and shared with auditors. Prohibition and restriction is based on human health (for farm workers and the community) and environmental impacts.

If chemicals on these lists are stored on site, they must be marked "do not use on fair trade crops". All farms must manage storage and transportation of hazardous materials prior to receiving certification. After 6 years they must follow guidelines for treating contaminated clothing and mixing/loading pesticides.

After 6 years farmers must have an integrated pest management plan and apply approved pesticides only as appropriate and needed, keeping records of applications.

After 6 years small and medium farms must signal where pesticides are applied and indicate safe re-entry times. Large farms must do this immediately.

After 6 years, hazardous waste must be stored/disposed at least 200m from water sources.

After 6 years, waste management plan must be developed to minimize pollution and health risks.

Six years is too long for hazardous materials to be stored/disposed away from water sources and to wait to make a final plan to minimize health risks from exposure. There is no clear deadline for implementing the plan to minimize pollution and health risks.



### BAN ON GMOs

0 1 2 3

Farmers must take appropriate measures to ensure their fair trade planting material is not genetically modified and may prove compliance by showing seed purchase records and tracing seeds of origin.

## Monitoring measures

AUDIT		
<b>Auditors</b>	0 1 2 3	The auditing body identifies an appropriate auditor or audit team with the necessary competencies, geographical location, and language to conduct the evaluation according to the scope of the evaluation, and confirms there is no potential conflict of interest.
<b>Meetings</b>	0 1 2 3	The auditor will meet with the certificate holder before the audit to discuss the audit scope/methodology and after the audit to provide a general explanation of the initial audit findings.
<b>Documentary Review</b>	0 1 2 3	Auditors review applications, the agrochemical register, the producer list, the previous non-compliance report, and the corrective action plan. They also review other review documents (e.g. policies, objectives, plans, procedures, work instructions, licenses/permits) and records (e.g. pay slips, timecards, field logs, employee contracts, training records, purchasing records, employee complaints).
<b>On-site Inspection</b>	0 1 2 3	All certificate holders' production sites and subcontractors are subject to site audit.
<b>Producers/ Workers Interviews</b>	0 1 2 3	FTUSA specifies how many interviews will be conducted (approximately the square root of total workers), describes a representative sampling method that includes workers in different employment categories and demographic groups, and suggests that auditors observe workers in their daily activities.
<b>Frequency of On-site Inspection</b>	0 1 2 3	After an initial audit is conducted, evaluation and re-certification audits are conducted every three years, and surveillance audits are conducted in between.
<b>Surprise Audit</b>	0 1 2 3	Permitted. Follow-up audits, due to allegations of non compliance, risk mitigation, or other reasons, may be announced or unannounced.
SCORING AND RULES		
<b>Scoring and Corrective Actions</b>	0 1 2 3	Fair Trade USA has two types of criteria, critical and progress. Critical criteria must be met within a certain timeframe, some at initial certification (year 0) and some at full compliance by Year 6. Progress is described as continuous improvement and must show minimum level of compliance and progress over time. Each progress criterion is worth a specified number of points valued at 1, 3 or 5. 40% of progress points must be received prior to initial certification and through year 2, 70% of points between year 3-5 and full compliance by year 6. Certificate holder may select which progress criteria they comply with.
<b>Suspension/ Withdrawal of the Certification</b>	0 1 2 3	Non-compliances must be resolved within six months. Suspensions (due to non-compliance or non-timely resolution of a non-compliance) are determined on a case by case basis, often with a maximum of six months. During suspension, signed orders can be fulfilled, so long as the volume traded is not higher than is typical, but certificate holders cannot form contracts with new buyers. If a certificate holder is decertified, traders must cancel orders that have not yet shipped.

CERTIFICATION COSTS AND ANNUAL FEES		
Transparency		<p>No set certification fees, cost varies greatly between operations depending on the structure, set up, size, number of sites and workers, location, and distribution of sites.</p> <p>Approved CABs submit bids to clients for the total cost of the audit. CABs create these bids by following FTUSA rules for CABs on audit sampling requirements (this includes rules for calculating the minimum number of sites they must visit, time at each site, and minimum number of interviews to be conducted), and including travel costs for the necessary number of team members.</p>
PROCEDURES		
Complaints, Appeals and Allegation Procedures		<p>Anyone can submit a confidential complaint, allegation, and/or appeal online or via mail, email, phone, or fax. FTUSA will evaluate and respond to all complaints and allegations and may choose to launch a formal investigation, according to written procedures. Appeals may be made for formal reconsideration according to written procedures.</p> <p>An internal employee suggestion system must be put in place within 6 years. Where there is no democratically elected union (representing all workers) in place, after one year medium and large enterprises must set up a Social Engagement Team (SET). The SET ensures awareness and effectiveness of grievance procedures, suggestion systems, and other tools to facilitate transparency and communication between workers and management. SET is selected by workers and is representative of the workforce, but selection and representation procedures are not specified. Workers may decide that the FTC will also serve as the SET. SET members should (but are not required to be) trained in skills relevant to their role and be able to help identify areas of non-compliance with the fair trade standard.</p>

## Summary

Fair Trade USA (FTUSA) developed the Fair Trade Certified label in 2012 from a split-off with Fairtrade International. This split was provoked by FTUSA's desire to expand the boundaries of fair trade through their Fair Trade For All Initiative. Their plan included the expansion of eligible farms to include more estates/ plantations in crops that traditionally were grown by smallholders and to include more small-scale farmers that are not organized.

Upon the original split they used the Fairtrade International smallholder standards but since 2017 they have combined all standards into one agricultural standard.

Fair Trade USA has also a relatively weak threshold for the use of the label, requiring just 20% of certified ingredients for the use of a front panel seal, which is comparable to the low threshold of Fairtrade International.

FTUSA policy on how premiums are to be used is problematic. The purpose of a premium was for it to be used by the collective organization to build sustainable communities. However, this is not the

case with FTUSA premium criteria which states it can be used for cash payments to individuals, payment of certification fees and investment by the owner of a medium or large farm.

FTUSA is weak in stakeholder accountability through the governance structure which has led them to apply their standards to controversial situations such as apparel factories and coffee plantations. More recently they certified a Fyffe's melon subsidiary in Honduras which was known for labor abuses for decades: even with ILO convention complaints and US Labor Department complaints, they still certified it in 2018. In late 2018, civil society pressured them to decertify. Problems like this occur due to a lack of workers' representation on the ground and in the governance structure of FTUSA.

# Naturland Fair

## Main informations about Naturland Fair



### CONTACT

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Web: [www.naturland.de](http://www.naturland.de)

### STANDARD OWNER

Standards and label are owned by the non-profit association Naturland e.V.

### CERTIFICATION BODY

Naturland as the certification body.  
**Accredited by the IOAS according to ISO/IEC 17065**

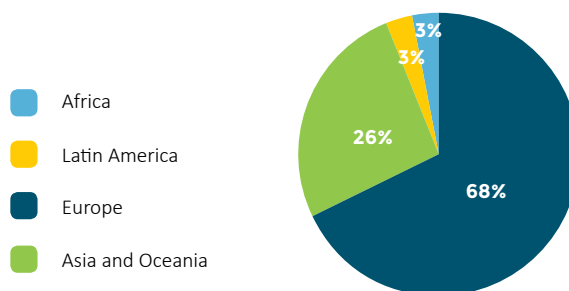
### EQUIVALENCE AND RECOGNITION

Naturland does not recognize other labels as equivalent.

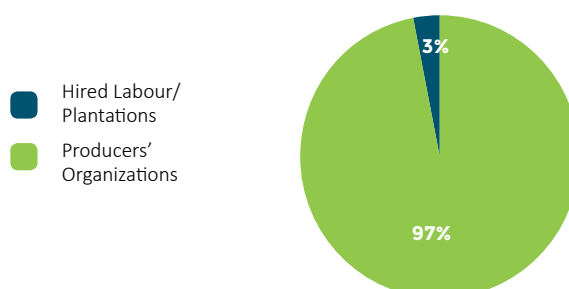
### HISTORY

A pioneer in the European organic sector in the 1980's, Naturland is now one of the major international associations for organic agriculture and promotes organic farming worldwide. Currently over 65,000 farmers, bee-keepers, fish farmers and fishermen in 58 countries manage some 440,000 hectares according to the Naturland standards. Naturland standards do not only cover plant and animal production. They also include organic bee-keeping, organic aquaculture, sustainable capture fishery, food processing as well as non-food areas like organic forest management, cosmetics and textiles. Standards on Social Responsibility are an integral part of the Naturland certification. With its supplementary certification Naturland Fair, Naturland combines organic and fair trade under one logo which is applied to products from both the Global North and the Global South.

### GEOGRAPHICAL DISTRIBUTION OF PRODUCERS BY CONTINENT (%)



### TYPOLOGY OF THE CERTIFIED ORGANIZATIONS (%)



## GOVERNING BODY AND PARTICIPATION

■ Any member of Naturland can be voted into the assembly of delegates, which is the highest decision-making body within the association. Only farmers can become members, while processors or traders enter into a non-voting Naturland partnership. The delegates are elected by the members.

■ The assembly of delegates gathers all elected delegates and decides on all proposed amendments to the standards and several other topics. They delegate the management of the standards to the standards committee which proposes amendments and steers the consultation process.

Any changes and amendments have to be validated by the assembly of delegates.

The members of the standards committee are nominated by the board of directors and selected by the assembly of delegates.

■ Certification and thus the decision as to whether a farmer or business is entitled to sell their products with a reference to production in conformity with the Naturland standards is the responsibility of the Naturland certification officers. The certification officers are part of the Naturland certification committee, that also includes up to 20 members from various professions (such as the sciences and research, production, processing and consumer protection). The intention is to have various professional and social spheres represented, besides the requisite experts in the field of organic agriculture, processing and fair trade.

■ Naturland Association is not a member of the ISEAL Alliance.

## Rules regarding the use of label on product packaging

<b>Single ingredient products</b>	Products consisting of one raw material can only be certified by Naturland Fair standards if they completely originate from Naturland Organic and Fair trade relationships according to the Naturland Fair priorities list.
<b>Compound Products</b>	<p>A compound product can be certified by the Naturland Fair standards as soon as the proportion of ingredients, from fair trade relationships according to the Naturland Fair priorities' list, exceeds 50% of the product (weight of the processed agricultural raw materials without added water and/or salt) and the remaining ingredients can be proven not to be available in fair trade quality.</p> <p>The Naturland Fair priorities list is as follows:</p> <ol style="list-style-type: none"> <li>Top priority is given to the use of raw materials certified by the Naturland Fair standards.</li> <li>Raw materials certified by other fair trade standards may be used after having been approved in writing by the Naturland certification committee and after the certification schemes' equivalence has been verified.</li> </ol>

## Eligibility conditions

GEOGRAPHICAL SCOPE			
Developing Countries	✓	The label applies to production sectors and organizations located in both southern and northern countries.  In order to define which southern countries are eligible Naturland bases its criteria on the OECD DAC list to determine the countries eligible for its certification. They are producers from "economically disadvantaged regions".	
OECD Countries	✓		
SPECIFIC REQUIREMENTS			
Social Responsibility	✓	To be eligible to Naturland Fair certification, every organization has to comply with the requirements of Naturland label, including: - Compliance with Naturland organic farming requirements (full farm conversion), - Compliance with Naturland "Social Responsibility" requirements that are part of each Naturland standard.	
Organic Certification	✓		
TYPE OF ORGANIZATION			
Producers' Organizations	✓	Naturland certification is open to producers' organizations (with or without processing plants), individual producers and plantations. Plantations are only eligible to receive Naturland Fair certification if the products are not available from smallholders.  Naturland developed a single standard for the three situations (producers' organization, contract farming, hired labor). However, Naturland developed specific checklists, based on the standard, and adapted to producers in the southern and to producers in the northern hemisphere, to buyers and traders dealing with products from the global North or South.  Naturland does not set criteria like the size, turnover or number of employees to restrict application to smallholders only, except that smallholders must manage their farm mainly with their family's labor force. Naturland certified enterprises must give preference to raw goods of smallholders. Only if the product is not available from them, enterprises are allowed to turn to products from plantations. Contract farming is generally accepted and not restricted to certain products or geographical areas. Producers are integrated via an internal control system (ICS).	
Contract Farming/ Production	✓		
Hired Labour/ Plantations	✓		
SUPPLY CHAIN INSPECTION			
Production Groups	✓	Production groups (producers' organization, plantations and contract farming) must be inspected.	Each stage of the supply chain is fully inspected: traceability and social responsibility aspects are checked. Naturland requires full commitment from the certified organizations. Social responsibility requirements are incorporated into all all Naturland standards.
First Buyers	✓	First buyers, traders and brand owners are audited in all cases. They are inspected according to the "Buyers/Processors of Goods from Economically Disadvantaged Regions" checklist, and the "Processors of Goods from OECD Countries" checklist, which include corporate social responsibility requirements. The certified buyers/processors have to give preference to social disadvantaged groups.	
Traders	✓		
Brand Owner	✓		
Retailers	✗	Retailers are only inspected if their own brand's products are Naturland Fair certified.	
TRACEABILITY REQUIREMENTS			
Physical Traceability	✓	Physical and documentary traceability are required.	
Documentary Traceability	✓		

**Rating criteria:** 0 The standard is missing ; 1 The standard is weak ; 2 The standard addresses the underlying fair trade principles but misses certain aspects and/or compliance with the standard is checked but not checked quite comprehensively enough ; 3 The standard fully addresses the underlying fair trade principles and compliance is checked comprehensively.



## Analysis of the label

### ECONOMIC CRITERIA

FAIR PRICE	
0 1 2 3	<p>Natuurland considers three different situations:</p> <ul style="list-style-type: none"> <li>- Fair prices should be determined jointly between producers and buyers and should reflect the average local production costs as well as a suitable margin for the producers.</li> <li>- If a calculation of local production cost is not possible the internationally established fair trade minimum price should be paid.</li> <li>- If there is no international introduced fair trade minimum price for a product existing, a price of at least 10% above the commonly accepted market-based price has to be paid.</li> </ul>
PREMIUM FOR GROUP PROJECTS	
0 1 2 3	<p>Where an internationally established premium exists (orientated towards the premium set by Fairtrade International), it has to be paid. Otherwise, the buyers have to pay a minimum premium of 10% in addition to the fair price. As a transition measure, Natuurland allows buyers to pay the premium directly included in the fair price. In that case the fair price including the premium must be at least 10% higher than market prices.</p>
FACILITATED ACCESS TO FINANCE/PRE-FINANCING	
0 1 2 3	<p>Pre-financing must be granted by the buyers if the producers' organization requests it. Pre-financing represents maximum 60% of the ordered volume. The interest rates for pre-financing may not be higher than those applying to refinancing of loans taken by the processor or importer.</p>
LONG-TERM COMMITMENT FROM BUYERS	
0 1 2 3	<p>Natuurland considers joint quality assurance and frank two-way communications as integral to ensure a healthy partnership between producers and buyer. Natuurland deliberately chose not to set up a minimum length for the duration of contracts. Instead Natuurland promotes and checks the exchange of information on planning of annually required quantities and changes made in sourcing in order to ensure stable long term partnerships.</p>
TRACEABILITY	
0 1 2 3	<p>Natuurland has specific processing standards for most of the raw materials and requires full traceability of the products.</p>

### SOCIAL CRITERIA

INTERNATIONAL LABOR ORGANIZATION CONVENTIONS	
0 1 2 3	<p>Natuurland standards require the respect of the ILO conventions and recommendations. Natuurland includes special requirements in the countries where the right to freedom of association and collective bargaining is restricted by law.</p>
POLICY FOR MATERNITY, SICKNESS AND RETIREMENT	
0 1 2 3	<p>The certified organization has to provide basic coverage for maternity, sickness and retirement for all permanent workers.</p>
FAIR COMPENSATION OF WORKERS	
0 1 2 3	<p>Workers must earn at least the official national minimum wage or the result of collective bargaining agreement, whichever is higher. Natuurland has not however, included the need to earn living wages into their standards.</p>
EQUAL TREATMENT OF ALL WORKERS (WOMEN, RELIGIOUS MINORITIES, SEASONAL WORKERS, ETC.)	
0 1 2 3	<p>Equal treatment in respect to wages, social etc. are regularly checked. Additionally the auditor must check if employers hire and fire workers on a continuous basis to avoid responsibility for social security. Natuurland explicitly focuses on protection of women workers concerning sexual harassment.</p>

## GOVERNANCE CRITERIA

ACCESSIBLE TO MARGINALIZED PRODUCERS AND WORKERS		
0 1 2 3		Buyers and processors must give preference to products from small producers' organizations in economically disadvantaged regions to reduce their poverty, to enhance their food security and to increase productivity.
CAPACITY BUILDING OF PRODUCERS		
0 1 2 3	<b>Producers' Organization</b>	With the support of the buyers, the producers' organization has to implement capacity building measures to promote the organization's capabilities for its members and its staff. Naturland provides a list of activities as a guideline for producers' organizations.
0 1 2 3	<b>Hired Labour/ Plantations</b>	All employees must be provided with further education and regular trainings.
0 1 2 3	<b>Contract Farming/ Production</b>	With the support of the buyers (or processors), producers are provided with further education, staff and organizational development projects to promote organization and management capabilities and encourage the formation of cooperatives or producers' associations.
RIGHTS OF INDIGENOUS PEOPLE		
0 1 2 3		Every certified organization must comply with the United Nations Declaration on the Rights of Indigenous Peoples.
TRANSPARENT INFORMATION IN THE MANAGEMENT OF THE PRODUCER ORGANIZATION		
0 1 2 3		Producers' organizations define in a document how they will implement the Naturland Fair standards. They establish a participation policy to include employees, workers, members and growers in the decision-making process. Transparency is an essential prerequisite of Naturland Fair relationships.
DEMOCRATIC DECISION MAKING FOR COLLECTIVE ORGANISATIONS COLLECTIVE BARGAINING RIGHTS FOR HIRED LABOR		
0 1 2 3		<p>Collective bargaining is a requirement and the promotion of collective bargaining agreements is actively encouraged.</p> <p>All organizations must meet on a regular basis in group meetings or in a general assembly. Outcomes and minutes of these meetings need to be available. Naturland does not, however, specify the democratic nature of these meetings.</p>
NON-DISCRIMINATION WITHIN THE PRODUCER ORGANIZATION		
0 1 2 3		Naturland prohibits any kind of discrimination on the basis of race, religion, gender, sexual orientation, family type, social origin, political opinion or membership.
MONITORING THE DEMOCRATIC MANAGEMENT OF THE DEVELOPMENT PREMIUM		
0 1 2 3	<b>Producers' Organization</b>	<p>The use of the fair trade premium has to be managed by a decision-making body democratically elected in a plenary meeting of producers and/or employees.</p> <p>An annual report on all activities financed by the premium must be written each year by the decision-making body and transmitted to the producers.</p>
0 1 2 3	<b>Hired Labour/ Plantations and Contract Farming/ Production</b>	<p>The use of the fair trade premium has to be managed by a decision-making body democratically elected in a plenary meeting of producers and/or employees.</p> <p>Different interest groups (growers, employees of different operating units, members of the management) are present during the meetings and must be adequately considered to benefit from the premium.</p>

## ENVIRONMENTAL CRITERIA

REDUCTION OF THE ENVIRONMENTAL IMPACTS OF ACTIVITIES (ENERGY, WATER AND WASTE MANAGEMENT)	
0 1 2 3	<p>Naturland fair and organic standards are precise and comprehensive on these aspects:</p> <ul style="list-style-type: none"> <li>- Energy should be used as efficiently as possible and renewable energy resources are preferred.</li> <li>- Natural water resources and soil are to be used carefully and with particular respect to sustainability.</li> <li>- Waste should be disposed of in an eco-friendly manner or recycled. Organic residues should be re-used and preferably composted.</li> <li>- Preference is to be given to procuring raw materials and goods from local suppliers.</li> </ul>
PROTECTION OF BIODIVERSITY	
0 1 2 3	<p>Damages to ecosystems are expected to be kept to a minimum. Naturland encourages a variety of farming and seed management techniques that protect biodiversity.</p>
PROHIBITION OF HAZARDOUS SUBSTANCES	
0 1 2 3	<p>The use of synthetic chemical substances and growth regulators is prohibited.</p>
BAN ON GMOs	
0 1 2 3	<p>GMOs are banned and even unintentional use may result in a withdrawal of certification.</p>

## Monitoring measures

AUDIT		
<b>Auditors</b>	0 1 2 3	<p>Naturland entrusts certification bodies with the inspection. A basic requirement for the inspection bodies are the national approval to perform the EU Eco regulation and the approved DIN ISO 17065.</p> <p>All Auditors who perform Naturland Audits are requested to perform regularly a Naturland training on the organic, social and fair standards. To ensure the quality of the Naturland Fair audits, Naturland performs regularly witness audits on the auditors worldwide.</p>
<b>Meetings</b>	0 1 2 3	<p>An opening meeting must be planned during the on-site inspection. The auditors have to present the methodology of the evaluation and provide an evaluation plan. A closing meeting must be planned and needs to include a presentation of the results of the evaluation and of the non-compliances identified.</p>
<b>Documentary Review</b>	0 1 2 3	<p>The review includes: inspection of the internal control system; all documents related to staff files and management (contracts, personnel records, etc.); check of purchase records and supplier certificates and sales documentation; annual report of the use of the premium; follow-up products records.</p> <p>The inspection of grower groups mainly focuses on the groups' internal control system and evaluates whether the internal control system is functional and provides necessary information to evaluate the growers' compliance with Naturland standards.</p>
<b>On-site Inspection</b>	0 1 2 3	<p>A comprehensive inventory is carried out by the auditors to check how the products are processed, labelled and transported. The auditor is expected to meet workers and management staff, and to attend one of the meetings of the organization.</p>
<b>Producer/Workers Interviews</b>	0 1 2 3	<p>All concerned producers and workers must be interviewed (precise guidelines). The Naturland system requires the working conditions of workers employed on smallholder farms to be verified.</p>
<b>Frequency</b>	0 1 2 3	<p>Inspections are carried out on an annual basis. Additionally Naturland representatives do on-site visits.</p>
<b>Surprise Audit</b>	0 1 2 3	<p>Unannounced audits may take place if Naturland decides that it is necessary, a least 10% unannounced audits have to be performed.</p>
SCORING AND RULES		
<b>Scoring</b>	0 1 2 3	<p>Naturland Fair has a scoring system from 0-4. The norm of 2 has to be achieved on each indicator. Achievement of sufficient scores for all minimum criteria is critical for certification. A case of regular criteria non-compliance may result in corrective action.</p>
<b>Corrective Actions</b>	0 1 2 3	<p>In case of non-compliances, appropriate corrective or mitigating measures must be taken according to the sanction catalogue and added to the internal control system by the production group.</p> <p>The certifiers define the deadline for implementation of corrective measures.</p>
<b>Suspension/Withdrawal of the Certification</b>	0 1 2 3	<p>Depending on the seriousness of the non-compliances (linked to the criteria included in the checklists), certification may be granted or denied.</p>

CERTIFICATION COSTS AND MEMBERSHIP FEES		
Transparency	<div> <div>0</div> <div>1</div> <div>2</div> <div>3</div> </div>	<p>Naturland works with more than 60 accredited external certification bodies. Inspection costs are independent from Naturland and they are calculated on a daily fee basis for the time the inspector spends in the field, travels and writes the report.</p> <p>Additionally, Naturland certified producers have to pay a membership fee which is communicated before the closing of the contract but not available online.</p>
PROCEDURES		
Complaints, Appeals and Allegation Procedures	<div> <div>0</div> <div>1</div> <div>2</div> <div>3</div> </div>	<p>Anybody (consumers, the Naturland Fair target group, all kind of workers, smallholders etc.) can complain to Naturland (or the respective inspection body) about non-compliances. It is standard practice for complaints, concerning matters within the Naturland sphere of responsibility, to be addressed to the Naturland head offices in Gräfelfing, Germany.</p>

## Summary

A pioneer in the German organic sector, Naturland has become an international association active in many areas (sustainable forest management, sustainable fishing, cosmetics, textiles, etc.) and has created various standards dedicated to commodities not covered by the "Organic Agriculture" label.

Naturland Fair, launched in 2010, was created in a multi-stakeholder process consulting various organizations and companies and is owned by Naturland producers. The label "Naturland Fair" certifies products processed by companies already certified through "Naturland" standards, which cover requirements on corporate social responsibility and organic production. Naturland Fair was one of the first labels, along with Bio Solidaire and Fair for Life, to open its certification to producers from OECD

countries and since then has certified innovative products made of fair trade ingredients from northern and southern countries (starting with the launch of the first fair trade chocolate with fair trade milk in 2011). Naturland pushes for a global commitment by its members and enhances this commitment with a specific logo "Naturland Partner".

Particular attention is paid to agricultural models and to food security issues: the process encourages support for small farms and requires that 80% of product ingredients come from local sources. The Naturland association conducts advocacy and awareness-raising to change the international rules governing agricultural production and trade relations.

# Small Producers' Symbol (SPP)

## Main informations about SPP



### CONTACT

#### SPP GLOBAL

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### STANDARD OWNER

Símbolo de Pequeños Productores Global A.C.  
(SPP Global, non-profit organisation).

### CERTIFICATION BODY

The certification organizations are designated by SPP Global. Ten entities are accredited certification bodies by SPP Global (open list): Certimex, Biolatina, Mayacert, BCS-Öko Garantie, Imocert, Biotrópico, Control Union Peru, Ceres, QCS et TERO.

### EQUIVALENCE AND RECOGNITION

There is no equivalence system.

### HISTORY

The Small Producers' Symbol (SPP - from its Spanish acronym) is an initiative launched in 2006 by the Latin American and Caribbean Network of Small Fair Trade Producers (Coordinadora Latinoamericana y del Caribe de Pequeños Productores de Comercio Justo - CLAC). Currently a member of Fairtrade International, the CLAC decided to create and manage its own label - only directed to organized small producers - after the opening of the Fairtrade label to plantations and contract farming. The CLAC remained a member of Fairtrade International and has adopted a new constitution in order to also include workers' representation.

FUNDEPPO (Foundation of Organized Small Producers) was created in order to manage the SPP label. The CLAC transferred the full property of the label to SPP Global (formerly FUNDEPPO in 2012).

SPP Global worked on building a very precise definition (exposed in the next section) of "small producers" so as to ensure that SPP label benefits small producers. The main specificity of the SPP label is to work only with small producers' organizations and exclude private plantations and unorganized small producers.

## GOVERNING BODY AND PARTICIPATION

The producers' organizations are largely represented and vote in all the decision-making bodies of SPP Global:

■ **The General Assembly** makes all strategic decisions. It is composed of all the certified producers' organizations, called the "owner members". They have 100% of the voting rights in the general assembly. The general assembly has two other types of members. "Solidarity members" are producers networks, SPP registered business partners, local SPP associations and other allied organizations. "Honorary members" are organizations or individuals producers with a strong historical link to the label, such as CLAC. Every three years, the General Assembly appoints the Board of Directors, the Supervisory Board and the Standards and Procedures Committee.

■ **The Board of Directors** ensures the legal representation, administration, financial management of SPP Global and nominates the members of the ad-hoc committees. Two-thirds of the board of directors' seats are for producers' organizations, which have exclusive access to office positions (president, vice-president, general secretary and treasurer). The remaining 33% is composed of 3 representatives of business partners, two from Northern countries, one from the South. The composition of the board of directors respects the principle of diversity: each member represents a different region (to the extent possible).

■ **The Supervisory Board** is in charge of ensuring the proper functioning of the association and controlling the accounts. A representative of producers is the chairperson. This body also includes a representative of business partners and one of allied organizations.

■ **The Standards and Procedures Committee** is the entity responsible for developing the standards and procedures for SPP, including prices. Two-thirds of its 9 members are producers' organizations. The last third is composed of registered SPP buyers and "allied organizations" representatives. The committee

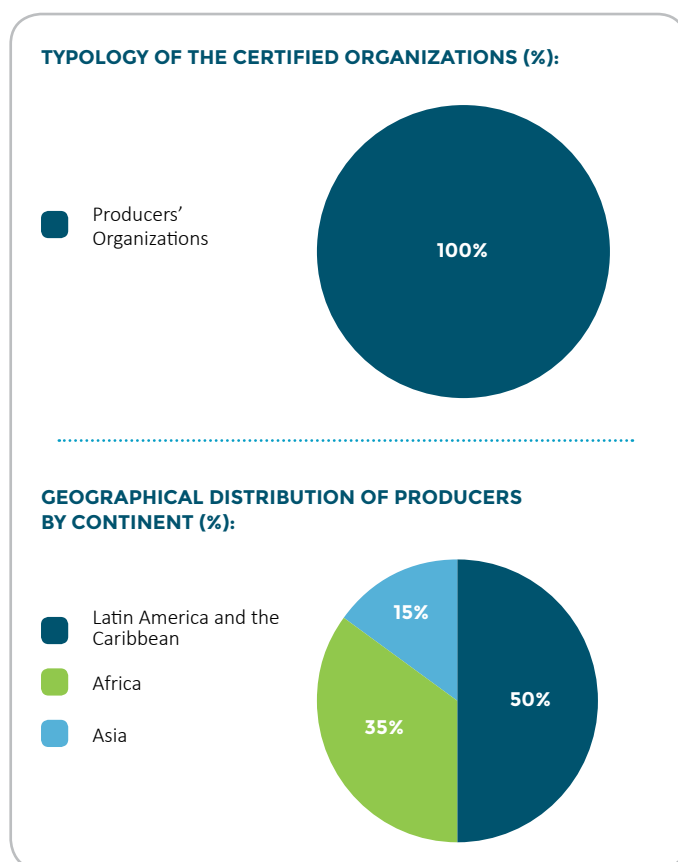
has a non-voting observer's seat for consumer-representation and another one from the Board of Directors. The criteria must be reviewed every five years maximum. When a process for formulating a standard is initiated, a sector-representative working group must be formed, consisting of at least one person representing small producers' organizations and a technical member assigned by the standards and procedures committee's secretariat. This working group is expected to formulate draft standards, thereafter submitted for consultation to the Standards and Procedures Committee of SPP Global, certified small producers' organizations and registered final buyers and certification entities. This proposal is also made public to allow anyone to give an opinion.

## PROMOTION AND AWARENESS-RAISING

### ADVOCACY

SPP GLOBAL promotes fair trade with small producers and increases awareness of consumers, businesses and the public through various local SPP associations located in consumer (Europe, North America) and producer countries (Ecuador, Peru, Mexico, Guatemala, Nicaragua, Colombia, and African and Asian networks under construction). These associations represent the label among networks of civil society actors and public institutions.

SPP Global also encourages, on a voluntary basis, buyers to support projects of producers' organizations, under the name "Global Contributions" around the themes: climate change, women's empowerment, youth involvement, product quality, food sovereignty and local economies.



## Rules regarding the use of the label on product packaging

<b>Single Ingredient Products</b>	Finished products consisting of a single ingredient are made exclusively (100%) with raw material certified by SPP.
<b>Composed Products</b>	<p>In the case of finished products composed of various fundamentally different ingredients or materials, all the ingredients, both the main ingredients and the secondary ingredients, must have SPP certification, as long as they are available. A specific ingredient is considered to be available if there is information regarding its existence, if it has the necessary characteristics, and if it is possible to obtain it within a reasonable time period and at a cost that is not disproportionate. In case of unavailability, ingredient must come from an organization of small producers, and if this is not possible, a request for a temporary exemption must be sent to SPP Global. At least 50% of the products' total weight-excluding the weight of liquid vehicles-must be certified under the SPP label, and in all cases, the consumer will be informed in a clear manner which ingredients and what percentage of the total product are certified under the Small Producers' Symbol.</p> <p>Transitional measures for products whose main ingredients represent less than half of the finished product's total weight:</p> <ul style="list-style-type: none"> <li>- The product is SPP certified if the main ingredient represents at least 25% of the finished product and,</li> <li>- After two years the SPP certified ingredients must represent at least 50% of the product's total weight.</li> </ul>



## Eligibility conditions

GEOGRAPHICAL SCOPE		
Developing Countries	✓	The standards are applicable to agricultural, handicrafts and beekeeping products from small producers' organizations in Latin America and the Caribbean and developing countries in Africa and Asia and is open for other products, through an application procedure. Sales of SPP-labelled finished products can be made by registered SPP companies located in both developed and developing countries. Producers' organizations can also sell their finished SPP-labelled products themselves, without paying for the label's use.
OECD Countries	✗	
SPECIFIC REQUIREMENTS		
Organic Certification	✓	<p>SPP Global encourages the conversion of producers' organizations toward organic farming thanks to a specific premium.</p> <p>SPP initiated a process to strenghten their environmental criteria : a clause introduced in the standards in 2018, and adjusted in February 2019, stipulates that SPP products from newly certified organizations must have organic certification, during the time of environmental criteria's reformulation. This clause is to be revised at the end of the process (expected in mid-2020).</p>
TYPE OF ORGANIZATION		
Producers' Organizations	✓	<p>The main priority of the SPP label is to work only with small producers' organizations where at least 85% of producers do not exceed the following unit sizes:</p> <ul style="list-style-type: none"><li>- Agriculture: 15 hectares in production.</li><li>- Indoor agriculture: 1 hectare in production.</li><li>- Beekeeping: 500 hives in production.</li></ul> <p>- A maximum of 15% of producers may have up to 2 times the parameters defined. If there are some isolated producers who exceed these parameters of size, a request for a special permission must be submitted to SPP Global, with proper justification, so that the organization may eventually be subject to certification.</p> <p>- For some products, exceptions are made to the size-limits in the Specific Parameters attachment to the standards: bananas (100% of producers &lt;10 ha.), herbs (100% &lt;1 ha.), quinoa (100%&lt;3 ha).</p>
Contract Farming/ Production	✗	
Hired Labour/ Plantations	✗	
SUPPLY CHAIN INSPECTION		
Production Groups	✓	When small producers' organizations are certified, the inspection is carried out by one of the independent organizations approved by SPP Global. The inspection takes place annually.
First Buyers	✓	The first buyers, traders, and, brand owners are registered. The control is annual and takes place on site once every three years. Two exceptions exist: <ul style="list-style-type: none"><li>- In the absence of SPP product transactions, the on-site inspection can be exempted and replaced by a documentary control. The new transactions of SPP product require on-site control and after it will be every three years.</li><li>- If SPP product transactions are higher than USD 3,000,000, the inspection must take place on site.</li></ul>
Traders	✓	
Brand Owner	✓	The control covers the commercial agreements with the producers' organizations (existence of a commercial contract, respect of the minimum price, etc.). It also covers all the methods put in place to ensure the physical traceability of the product.
Retailers	✗	<p>Retailers are not controlled if the products are processed and packaged by an organization that holds the SPP label.</p> <p>In the case of small brands which sell bulk and are registered through the Collective Registration of Small Buyers Regulations, there will be physical inspection in store, sample-wise.</p>
TRACEABILITY		
Physical Traceability	✓	Physical and documentary traceability are required.
Documentary	✓	

## Analysis of the label

### ECONOMIC CRITERIA

FAIR PRICE	
0 1 2 3	Minimum prices for the different products are stipulated by SPP Global. They are reviewed every five years or when necessary. Producers are paid a premium (added to the price) in case of organic agriculture, which is called 'organic recognition'.
PREMIUM FOR GROUP PROJECTS	
0 1 2 3	A premium ('incentive') for group development is established by SPP Global for each certified product.
FACILITATED ACCESS TO FINANCE/PRE-FINANCING	
0 1 2 3	If required by the small producers' organization, a buyer or intermediary must facilitate pre-financing of the contract, corresponding to at least 60% of the total of the contract.
LONG-TERM COMMITMENT FROM BUYERS	
0 1 2 3	By the end of the second year of certification, all buyers must commit to purchase at least 5% of the value of all their products purchased, for which there are producers' organizations SPP certified, to SPP certified organizations. After the second year, SPP label requires a continuous improvement approach, buyers to increase their purchases under SPP label by 5% each year until reaching a level of at least 25%.
TRACEABILITY (SMALL PRODUCERS' ORGANIZATIONS)	
0 1 2 3	The small producers' organizations must elaborate methods and records that show the flow of products from the land plot to the warehouse, and the sale of products by the small producers' organizations. Internal records related to the flow of products are managed by the small producers' organizations and can be verified at any time. When processes are outsourced, SPP expects the producers' organizations to supervise the subcontracted entity. The buyer must have a system for recording purchases, processing and sales, to make it possible to physically trace the products processed, bought and/or sold.

**Note:** SPP is one of the few labels to encourage and value the purchase of products to producers in a state completed or close to completed transformation as much as possible. This criterion is part of a process of progress for buyers and for the rest of the producer organizations. The purchase of final products directly from certified producers' organizations at origin or processed in the country of origin are subject to discounts in the SPP users' fee.

**Rating criteria:** 0 The standard is missing ; 1 The standard is weak ; 2 The standard addresses the underlying fair trade principles but misses certain aspects and/or compliance with the standard is checked but not checked quite comprehensively enough ; 3 The standard fully addresses the underlying fair trade principles and compliance is checked comprehensively.

## SOCIAL CRITERIA

### INTERNATIONAL LABOR ORGANIZATION CONVENTIONS

0 1 2 3

Regarding labor conditions, SPP Global requires producers' organizations to comply with existing labor laws and the 11 conventions of the ILO are mandatory.

There are requirements for workplace safety and the prohibition of any discriminatory practices, pregnancy or disease tests at hiring, corporal punishment practices, harassment and forced labor. For organizations with more than 25 employees it is required that an employee committee is in place and in regular dialogue with management.

### FAIR COMPENSATION FOR HIRED LABOR

0 1 2 3

SPP label limits the size of the production units of each farm and restricts the hiring of labor force. In most cases, labor force consists of family labor. This is one of the reasons why the requirements regarding social criteria are less specific than in the standards of the other labels.

### POLICY FOR MATERNITY, SICKNESS AND RETIREMENT SCHEME

0 1 2 3

SPP Global requires SPP certified producer organizations to comply with national laws. In a process of progress, certified organizations should ensure that the working conditions of employees are adapted to the local context. The applicability of this criterion is left to the discretion of the auditor.

### EQUAL TREATMENT OF ALL WORKERS (GENDER, RELIGIOUS MINORITIES, SEASONAL WORKERS, ETC.)

0 1 2 3

The certified organization has to comply with national laws. These requirements apply to the hiring of permanent, temporary and migrant workers.

All workers must be treated equally.

## GOVERNANCE CRITERIA

### DEMOCRATIC DECISION MAKING FOR COLLECTIVE ORGANISATIONS/ COLLECTIVE BARGAINING RIGHTS FOR HIRED LABOR

0 1 2 3

Each small producers' organization must have a formalized collective structure. The auditor must also check that, as the SPP states, small producers' organizations are not formally subjected to any decisions made by political parties, government entities or businesses. The list of members of the organization must be kept up to date.

A yearly general assembly with producers, as the highest authority, is required. SPP label insists on democratic functioning of the producers' organization.

As a continuous improvement criterion, SPP Global requires the certified producers' organization to develop mechanisms to ensure that decision making is based on democratic procedures. Women and men producers are required to be personally involved in productive activities and in the activities of the small producers' organization. SPP "Code of conduct" explicitly mentions participatory democracy as permanent consensus building within the producers' organization. Self-management is a central objective of the SPP label.

### ACCESSIBLE TO MARGINALIZED PRODUCERS AND WORKERS

0 1 2 3

SPP label is directed towards small producers and specifically favor access to marginalized producers.

However, producers with disabilities or illnesses that prevent them to carry out production work, and producers over 60 years old are allowed to hire over half of the total labor force working in their farm.

Finally, in a continuous improvement criterion, organizations must implement activities and/or advocacy specifically aimed at the issues of women and minority groups.

## GOVERNANCE CRITERIA


CAPACITY BUILDING OF PRODUCERS	
0 1 2 3	<p>The small producers' organizations must delegate the activities in which they do not have capacity (exporting, trading) to other certified small producers' organizations so as to strengthen the small producers' sector, if possible.</p> <p>The small producers' organization must demonstrate, to the extent of its capabilities and resources, that its activities assist the small producers' organization, its activities contribute to the development of employment and consumption at a local level and its members in influencing public policies concerning the small producers' sector.</p>
RIGHTS OF INDIGENOUS PEOPLE	
0 1 2 3	<p>SPP Global prohibits any discriminatory practice based on ethnicity. In case of non-compliance to this requirement, the producers' organization / company may be suspended. The audit protocol includes interviews with producers and workers to ensure respect for the rights of indigenous peoples.</p> <p>In accordance with the United Nations Declaration on the Rights of Indigenous Peoples, SPP authorizes, with an exemption request, the certification of indigenous groups whose organizational models do not comply with all the required criteria.</p>
TRANSPARENT INFORMATION IN THE MANAGEMENT OF THE PRODUCER ORGANIZATION	
0 1 2 3	<p>The board of directors of the organization must present an activities report at least once a year to its members.</p> <p>The organizations must elaborate policies to define the way in which prices and mechanisms for payments to members are calculated and these documents can also be consulted by all members of the organization.</p>
NON-DISCRIMINATION WITHIN THE PRODUCER ORGANISATION	
0 1 2 3	<p>SPP "Code of Conduct" and standard bans all kinds of discrimination (based on ethnicity, sexual orientation, clothing, etc.) in the certified producers' organizations. Noncompliance with this requirement may lead to the withdrawal of the certification</p>
MONITORING THE DEMOCRATIC MANAGEMENT OF THE DEVELOPMENT PREMIUM	
0 1 2 3	<p>Each producers' organization must have general policies regarding the way in which the resources from the premium are handled, and these policies must be approved by the general assembly. The organizations must establish an authority regarding the concrete use of the premium.</p> <p>The standards regulate the use of the premium. The producers must use the resources from the premium to strengthen the organizational and commercial development of the organizations and for activities that benefit the wellbeing of producers.</p>



## ENVIRONMENTAL CRITERIA

REDUCTION OF THE ENVIRONMENTAL IMPACTS OF ACTIVITIES (ENERGY, WATER AND WASTE MANAGEMENT)	
0 1 2 3	SPP label requires the small producers' organization to show its commitment to care for, respect, conserve and, where applicable, restore the environment. Soil, water and waste management issues are not addressed.
PROTECTION OF BIODIVERSITY	
0 1 2 3	Environmental requirements are little formalised and specified. However, they are currently being strengthened. In the meantime, organic certification is being made compulsory for all new SPP-certified organizations.
PROHIBITION OF HAZARDOUS SUBSTANCES	
0 1 2 3	The standards contain a list of prohibited substances. If national laws are more demanding, the producers' organization has to comply with those laws. This criterion applies to all productive units of the organization, including products non-SPP certify. The small producers' organization is expected to promote and take concrete actions to eliminate the use of products harmful to the environment and human health in all its production units.
BAN ON GMOs	
0 1 2 3	The use of GMOs is prohibited.

## Monitoring measures

AUDIT		
<b>Auditors</b>	0 1 2 3	Auditors are professional auditors from certification bodies, authorized by SPP Global. Auditors are selected with regard to their knowledge of the sector, language, gender and national culture.
<b>Meetings</b>	0 1 2 3	At least two meetings are planned during the on-site inspection: - An opening meeting, the auditors have to present the methodology of the evaluation and provide an evaluation plan. - A closing meeting is planned including the presentation of the results of the evaluation and the presentation of the non-compliances identified.
<b>Documentary Review</b>	0 1 2 3	An important part of the evaluation process is self-assessment of producer organizations. This initiative is the will of SPP Global to strengthen the capacities of producers and their dynamics of learning. When the self-assessment is completed by the organization, the report is sent to SPP Global and the certification body chosen by the producer organization to proceed with the certification.
<b>On-site Inspection</b>	0 1 2 3	<p>The first time when an operator applies for certification, the certification body applies a risk determination procedure to identify the certification procedures to apply. The procedure is based on the following criteria: number of organizations, level of organization (1<sup>st</sup>, 2<sup>nd</sup> or 3<sup>rd</sup> degree), internal control system, producers' number, other label certification fair trade or organic, etc.</p> <p>Each of these parameters have indicators associated with a number of points:            - ≤ 18 points reflects a low risk,            - ≥ 18 points implies a high risk.</p> <p>If the results indicate "normal risks", then during the first year only "the quick" procedure is done. This procedure is based on the documentary review. Only compliance with "critical criteria" is controlled. The second year of certification a complete procedure will be applied.</p> <p>If the results indicate "high risks", the complete procedure will be applied with on-site and documentary audit.</p>
<b>Producer/Workers Interviews</b>	0 1 2 3	The auditor must organize interviews (according to a methodology developed by the SPP label) with the producers. In addition, other sources of information will be checked to ensure that the information collected is true.
<b>Frequency</b>	0 1 2 3	<p>The first year of certification begins with a complete procedure (high risk of non-compliance), a "risk determination" procedure is repeated in the second year of certification to identify the type of procedure to be carried out the following year (complete with documentary and on-site or quick with only a documentary audit).</p> <p>In all cases, a risk determination procedure is systematically repeated the year following a on-site audit.</p>
<b>Surprise Audit</b>	0 1 2 3	The certification body conducts random control evaluations based on the risk determination procedures. These evaluations are carried out through on-site visits to the organizations, which are not charged for the visits.

SCORING AND RULES		
Scoring		<p>The scoring of the SPP label rests on three different criteria levels:</p> <ul style="list-style-type: none"> <li>- Critical criteria: they are mandatory and will be evaluated in all cases, including as part of documentary evaluation. Non-respect can lead to the withdrawal of certification.</li> <li>- Minimum criteria: they are also mandatory but will only be evaluated through on-site inspection.</li> <li>- Continuous improvement criteria: they are evaluated in the framework of possibilities for compliance in a specific context.</li> </ul> <p>All entities subject to evaluation by these standards must in all cases comply 100% with the critical, minimum and continuous improvement criteria that are applicable. SPP label does not have a ranking, but only "yes/no" for each criterion, supplemented with comments from the auditor.</p>
Corrective Actions		<p>If cases of non-compliance are identified, the applicant will have a maximum of 30 days from the date on which it was notified to present evidence of further corrective actions. The monitoring evaluation must be carried out in a maximum period of 30 days.</p>
Suspension/Withdrawal of the Certification		<p>The suspension of the certificate could occur in cases of absence of solicitation by the organization for the annual renewal of the certificate or lack of conformity with the standard. The suspension is achieved by the certification body, but SPP Global can also suspend an organization. The suspension leads to the prohibition of establishing new commercial contracts with certified operators, but the current contracts must be honored. The suspension is cancelled when the reasons for which it has been granted are resolved.</p> <p>If the organization wishes to be certified again, it must apply for certification at least two years after the cancellation of its certificate.</p> <p>Since January 2019, you are able to recertify without this waiting-period in the case the certification was dropped out because of the following reasons:</p> <ul style="list-style-type: none"> <li>- Lack of market for SPP certified products.</li> <li>- Lack of financial means to be able to pay for certification.</li> </ul> <p>SPP Global can disable the certificate without full withdrawal from SPP. The deactivation of the certificate is for a maximum period of five years by SPP Global in response to a request from an organization that does not have commercial opportunities with the label. In the case of deactivation the organizations pay their annual membership fees to SPP Global.</p>

CERTIFICATION COSTS AND MEMBERSHIP FEES		
Transparency		<p>Producers' organizations pay two different types of fees:</p> <ul style="list-style-type: none"> <li>- Certification fee: these amounts are available on the "Regulations on Costs" documents (available online). The cost of certification is expressed in days of work and depends on the size of the producers' organization.</li> <li>- Annual enrollment fee: these amounts are available on the "Regulations on Costs" documents (available online). They depend on the number of producers that produce products included in the certification. As of April 2019, an additional volume-fee is a second component of the annual membership fee: it corresponds to 0.15% of the value of the small producers organization's invoicing for SPP products in the previous annual cycle. This volume fee does not apply to final products sold by a small producers' organization in its domestic market.</li> </ul> <p>The costs of certification are expressed in days of work and the final costs are not available online, as they depend on the particular rates of each certification body. The rates proposed by each SPP-authorized certification body must be approved by SPP Global.</p> <p>Business partners (final brand) pay:</p> <ul style="list-style-type: none"> <li>- Certification costs of the certification body. These costs are calculated from the number of days required for the documentary or on-site audit, depending on the total value of the SPP purchases made by the organization. These costs are also paid by commercial intermediaries.</li> <li>- Rights to use the SPP label or mention of certification or registration. These are based on the volume of SPP products purchased from certified producer organizations. As of April 2019, the costs are 1.75% of the minimum-prices paid to small producers for their products to be put on the market as SPP.</li> <li>- An annual subscription to SPP Global.</li> </ul>
PROCEDURES		
Complaints, Appeals and Allegation Procedures		<ul style="list-style-type: none"> <li>- Documents regarding these procedures are available online.</li> <li>- In case of dissent with the certification body, the organisation has the possibility to fill in a dissent report form and send it to the "Dissent Committee" composed by the chairs of the Supervisory Board, Board of Directors and Norms and Procedures Committee.</li> </ul>

## Summary

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The Small Producers' Symbol (SPP) label emerged in the fair trade sector and on the international market in 2011. This fair trade label is one created and managed by producers, which are the majority of the stakeholders (minimum 2/3) in all decision-making bodies.

SPP label was initially founded by the CLAC (network affiliated with Fairtrade International) and recently transferred to the independent organization FUNDEPPO, renamed SPP Global. This label is born from the opposition by the CLAC to the opening of the Fairtrade/Max Havelaar label to actors perceived as direct competitors of small producers: hired labor production and unorganized producers contracted by companies. SPP aligns itself with the historical principles of fair trade by only working with organized small producers (based on a precise and restrictive definition of "small producer"). Historically created in Latin America, it is gradually spreading to Africa and Asia.

The SPP Global requirements focus primarily on the commercial relationship between producer

organizations and buyers. These criteria are solid, particularly in terms of long-term commitment and guaranteed minimum prices. On the whole, SPP minimum prices are often higher than those published by other fair trade labels. Also, the SPP is one of the few labels that encourages, via a criterion of continuous improvement, that commercial partners buy products produced by the producers in a state that is in its most advanced transformation possible.

On the down side, few companies are willing to engage with such criteria and it raises the question of the ability for SPP to scale up and benefit to a greater number of producers.

In 2019, the SPP is still in an ongoing process of strengthening their environmental criteria, which were less formalized than in other labels. Until the new specifications are published and come into effect (expected mid-2020), organic certification is temporarily required from new members. Currently, 90% of SPP' certified producers' organizations are certified organic.

## Main informations about WFTO



### CONTACT

#### World Fair Trade Organization

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### STANDARD OWNER

World Fair Trade Organization (WFTO)

### CERTIFICATION BODY

Self-assessment, peer review, and WFTO trained auditors

### EQUIVALENCE AND RECOGNITION

WFTO recognizes the following certifications as evidence that suppliers (as defined by WFTO) are in compliance with the WFTO standard: 1) SPP (FUNDEPPO); 2) Fairtrade International/FLO-Cert; 3) ECOCERT/IMO "Fair For Life"; 4) Naturland Fair Trade standard.

### HISTORY

In 1989, a small group of alternative trade organizations established the World Fair Trade Organization (originally named the International Federation for Alternative Trade, or IFAT) to facilitate the exchange of information and ideas about fair trade. The original members were largely focused on supporting marginalized handicraft artisans in the Global South to gain market access in the Global North. The WFTO has since focused on supporting organizations committed to fair trade values. Some members have opposed the certification of fair trade products that are processed, traded, and sold by organizations or businesses not committed to fair trade values.

In 2004, the WFTO began requiring members to evaluate themselves and evaluate other WFTO organizations and applicants against the fair trade principles. Members were subsequently permitted to use the "WFTO Fair Trade Organization Mark" in organizational branding and marketing. In 2013, the WFTO added third party auditing and began allowing WFTO members to use the mark (label) directly on their products. In 2018 a new standard was launched. It revised and strengthened the standards' compliance criteria, provided more clear definitions (e.g. "economically marginalized"), further developed the internal monitoring systems for producers and suppliers, added compliance criteria for networks and support organizations, and offered preliminary guidance on the sourcing of raw materials.

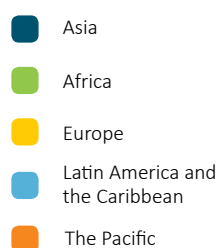
WFTO members have established "10 Principles of Fair Trade," based on ILO conventions, human rights, and fair trade values. To become a member, an organization must meet the WFTO's "Fair Trade Standard," based on these principles. The standard is comprised of "compliance criteria." Some compliance criteria must be met before certification, others reached over a set period of time, and others must be improved continuously over time. To evaluate an organization's compliance, three methods of assessment are used: 1) A self-assessment; 2) A peer visit; and 3) A third party monitoring audit conducted by an auditor trained by the WFTO.

## GOVERNING BODY AND PARTICIPATION

Three types of groups are eligible to apply for WFTO membership: 1) Organizations that trade fair trade products (FTOs); 2) Fair Trade Networks (FTNs); and 3) Fair Trade Support Organizations (FTSOs). Some compliance criteria are not applicable to all groups. The compliance criteria aim to support hired workers—those who have an employment relationship with a FTO - as well as "producers" - people who make, grow, or process products and sell them directly to the FTO. When producers are organized as "producer groups," the FTO is responsible for monitoring and reporting the group's compliance with the fair trade standard. When a producer or producer group hires more than 50 workers, it is considered a "supplier." Suppliers are mature, independent producers, intermediaries, or vendors that manage their own production, marketing, sales, and consumer relations. Suppliers must demonstrate compliance by becoming a WFTO member, being certified under a qualifying fair trade scheme, or complying with a WFTO member's internal monitoring system. There are some compliance criteria specific to "producer groups" and "suppliers."

The WFTO is structured as a membership association. Members meet annually to elect the board of directors, which includes the president, five directors (one for each of five geographic regions), and up to five additional members. The Board of Directors is responsible for the management of all WFTO activities. It appoints the Chief Executive and staff to implement the strategic plans.

**GUARANTEED MEMBERS IN 2018  
(IN NUMBER OF ORGANIZATIONS)**



## Rules regarding the use of the label on products packaging

<b>WFTO Product Label for Fair Trade Organizations</b>	WFTO members who have undergone a monitoring audit and signed a labelling contract with the World Fair Trade Organization may use the label on all products produced by producers, producer groups, and suppliers that are monitored under the internal management system or suppliers verified by other WFTO members or qualifying fair trade schemes. Members may use a customized label on products that includes their name (up to 10 characters) or a generic "Guaranteed Fair Trade" label, placed alongside the member logo to make clear the link to the WFTO member.
<b>WFTO Label for Buyers</b>	If a buyer is not a member of the WFTO, they must sign a labelling contract with WFTO and pay a small fee (1% of the purchase value or 100 Euro minimum). This label may only be used on products that contain at least 95% of ingredient from a fair trade organization. This means that a direct buyer is not allowed to sell multi-ingredient products. This label must only be used by the first buyer of a fair trade organization.

## Eligibility conditions

GEOGRAPHICAL SCOPE		
Developing Countries	✓	The WFTO aims to support "economically marginalized" people or communities and provides a clear definition of this term, which includes "living in a region or country with lack of job opportunities" and does not prohibit initiatives that aim to benefit economically marginalized groups in developed or OECD countries.
OECD Countries	✓	
SPECIFIC REQUIREMENTS		
Organic Certification	✗	Organic certification is not required nor delivered by WFTO, however, there are guidelines that require issues of environmental sustainability when sourcing raw materials and considering the organizations' impact on the environment.
TYPE OF ORGANIZATION		
Producers' Organizations	✓	WFTO has a single standard that applies to Fair Trade Organizations (and the producers/suppliers from whom they source), Fair Trade Support Organizations, and Fair Trade Suppliers. Suppliers must be either internally audited, WFTO members, or certified by a qualifying fair trade label. Several of the qualifying fair trade labels certify producers' organizations, contract farming, and hired labor. However, no organization can become a member of the WFTO unless they have fair trade at the core of their activity and are committed to the 10 WFTO Fair Trade Principles.
Contract Farming/ Production	✓	
Hired Labour/ Plantations	✓	
SUPPLY CHAIN INSPECTION		
Production Groups	✓	WFTO members must meet standards applicable to producers, purchasing, trading, and branding.
First Buyers	✓	Each organization has to comply with WFTO membership criteria and WFTO requires full commitment.
Traders	✓	All WFTO members who produce and/or trade in Fair Trade products are considered to be Fair Trade Organizations (FTOs) and most criteria of the WFTO Fair Trade Standard apply to them.
Brand Owner	✓	
Retailers	See comment	In 2013, the WFTO developed standards for fair trade retailers. Unlike the other standards, the use of this standard is not monitored by the WFTO. Instead, the standard serves as a minimal starting point for local networks establishing voluntary fair trade retail monitoring programs in their own countries. The local network signs an agreement with WFTO and the monitoring of the "WFTO Fair Trade Retailer Mark" is then delegated to the network. Currently, this standard is only available in Italy and Germany.
TRACEABILITY		
Documentary Traceability	✓	Fair Trade Organizations (FTOs) are expected to buy the majority of their products from fair trade sources and all products available from fair trade sources must be from fair trade sources. The WFTO is in the process of developing more guidance on sourcing of non-fair trade ingredients. At this point it is requiring "reasonable efforts" to buy from "sustainable/responsible" sources wherever possible" and "begin to understand major issues" such as "unsustainable forestry" or "contamination of water sources" or "child labor" related to specific supply chains.
Physical Traceability	✓	
PROMOTION AND AWARENESS-RAISING/ADVOCACY		
✓		Members must raise awareness and/or promote fair trade and fair trade principles internally, among their supply chain community, and to the external/public community.

**Rating criteria:** 0 The standard is missing ; 1 The standard is weak ; 2 The standard addresses the underlying fair trade principles but misses certain aspects and/or compliance with the standard is checked but not checked quite comprehensively enough ; 3 The standard fully addresses the underlying fair trade principles and compliance is checked comprehensively.

## Analysis of the label

### ECONOMIC CRITERIA

FAIR PRICE	
0 1 2 3	A fair price is freely negotiated between the buyer and the seller and is based on transparent price setting. It includes a fair wage and a fair profit. Fair prices paid to producers must represent a fair share of the final price given to each player in the supply chain, meaning a fair share of the consumer price.
PREMIUM FOR GROUP PROJECTS	
N/A	Not applicable – WFTO members are mainly producers and have voted not to include premiums but rather to focus on increased wages. Note: Some members are certified by third party certifications that require premiums. So there could be two members that have the same commodity but one is paying a premium and the other is not. This does not necessarily mean there is a difference in prices paid.
FACILITATED ACCESS TO FINANCE/PRE-FINANCING	
0 1 2 3	For non-food products, interest-free pre-payments of at least 50% are made on request. For food products, reasonable interest rate (no higher than the cost of borrowing) pre-payments of at least 50% are made on request.
LONG-TERM COMMITMENT FROM BUYERS	
0 1 2 3	Long term relationships are based on solidarity, trust, and mutual respect, with the aim of increasing the volumes of trade and the diversity of products in ways that increase producers' incomes. Relationship is not terminated without appropriate notice and reason.
TRACEABILITY (SMALL PRODUCERS' ORGANIZATIONS)	
0 1 2 3	Claims are well founded. Only products produced/traded according to fair trade principles are labelled as such.

## SOCIAL CRITERIA

INTERNATIONAL LABOR ORGANIZATION CONVENTIONS	
0 1 2 3	The respect of ILO Conventions at year 1 is required.
FAIR COMPENSATION OF WORKERS IN HIRED LABOR	
0 1 2 3	Minimum wage is paid by year 2 and a continuous improvement toward local living wages, and fair prices that allow workers in hired labor to earn living wages, is required. Continuous improvement towards reaching a living wage is the final requirement. Allowing minimum wages to be paid by year 2 is the starting point of this process towards reaching a living wage.
POLICY FOR MATERNITY, SICKNESS AND RETIREMENT	
0 1 2 3	Respect all legal requirements for women and new mothers. ILO 183 is a criterion for certification which states that maternity leave is no less than 14 weeks.
EQUAL TREATMENT OF ALL WORKERS (GENDER, RELIGIOUS MINORITIES, SEASONAL WORKERS, ETC.)	
0 1 2 3	Homeworkers, seasonal workers, casual workers, contracted workers, piece rate workers, and workers with any other form of employment are included in the definition of "worker." Limited term contracts or apprenticeships are not used to avoid providing benefits to workers. Standards also include commitment to non-discrimination, equal pay for men/women and confidential reporting of violence, harassment or sexual abuse, with a mandate to follow up and resolve any such incidents.

## GOVERNANCE CRITERIA

ACCESSIBLE TO MARGINALIZED PRODUCERS AND WORKERS	
0 1 2 3	The mission is to improve socio-economic conditions of "economically marginalized" groups, and this term is well defined.
CAPACITY BUILDING OF PRODUCERS	
0 1 2 3	The standards include training on wage and price setting. All members must have a plan to build producers and workers' capacity (by year 2); FTOs buying from suppliers must support suppliers in building skills related to their business enterprise (by year 2); and networks and support organizations must educate trading members. Training and support are provided on the topics of environmental impact, best production practices, and minimizing environmental harm.
RIGHTS OF INDIGENOUS PEOPLES	
0 1 2 3	WFTO recognizes, promotes, and protects cultural identity and traditional skills reflected in indigenous craft designs, food products and other related services and continuously aims at improving incorporation of traditional skills, materials, and products in product design.
DEMOCRATIC DECISION-MAKING WITHIN PRODUCER ORGANIZATIONS/ COLLECTIVE BARGAINING RIGHTS FOR HIRED LABOR	
0 1 2 3	Participatory decision-making includes producers and workers.  Producers and workers inclusion should be further defined. Language should be strengthened for FTO's with less than 50 workers and where the right to join trade unions and bargain collectively is restricted by law and/or political environment it should be required to support alternative means of independent and free association and bargaining.

## TRANSPARENT INFORMATION IN THE MANAGEMENT OF THE PRODUCER ORGANIZATION

0 1 2 3

Information sharing, internal communication and provision of information related to living wages and consumer prices should be shared with producers. However, standards require written contracts with producers but does not mention workers. Nonetheless, the checklist states that contracts are referred to as proof: as such, it is recommended that a requirement explicitly includes workers.

## NON-DISCRIMINATION WITHIN THE PRODUCER ORGANIZATION

0 1 2 3

Non-discrimination is mandatory, unless in support of a mission to favor particular disadvantaged groups.

## MONITORING THE DEMOCRATIC MANAGEMENT OF THE DEVELOPMENT PREMIUM

N/A

Not applicable – see above for "Premium for group projects".

## ENVIRONMENTAL CRITERIA

### REDUCTION OF THE ENVIRONMENTAL IMPACTS OF ACTIVITIES (ENERGY, WATER AND WASTE MANAGEMENT)

0 1 2 3

Standards include:

- 1) Written policy documents on major environmental impacts and risks, and outline plans to reduce impacts and accidents.
- 2) Provisions on monitoring/minimizing raw material use, waste production, and energy use, and on shifting to renewable or low-carbon energy sources where possible.
- 3) Continuous progress as a requirement.

### PROTECTION OF BIODIVERSITY

0 1 2 3

Standards include:

- 1) Written policy documents on negative environmental impacts of activities with regard to water conservation, protection of water bodies and natural ecosystems, biodiversity, energy use, air pollution and waste.
- 2) In case of severe environmental problems, a provision allowing WFTO to make improvement measures mandatory for continued membership.

### PROHIBITION OF HAZARDOUS SUBSTANCES

0 1 2 3

Standards include the prohibition of nationally-banned substances and chemicals internationally identified as "highly hazardous" or banned by international conventions.

### BAN ON GMOs

0 1 2 3

No intentional use of genetically-engineered seed or planting stock for fair trade products is allowed and measures to avoid GMO contamination in seed stock are included.

## Monitoring measures

AUDIT		
<b>Auditors</b>	0 1 2 3	Each fair trade organization's internal management system (IMS) requires that it visits (or subcontracts a qualified person to visit) each producer group and supplier that is not a WFTO member or certified by a qualified fair trade scheme for meetings and interviews, which will inform a report of findings. WFTO trains and approves a pool of auditors, potentially coordinating these efforts with auditing organizations. It ensures auditors have relevant documents, are adequately trained, and are qualified. New auditors may be shadowed. Auditor trainees must read materials provided by WFTO, pass a written test that examines practices addressing hypothetical or real scenarios, conduct a hypothetical audit, and discuss a case study before taking a final test.
<b>Meetings</b>	0 1 2 3	The opening meeting includes the leadership and a workers' and/or a producers' representative. The exit meeting is normally the same group. The meeting is the occasion to discuss the plan for auditing and the summary of findings, in particular non-conformities and proposed improvements or corrective actions.
<b>Documentary Review</b>	0 1 2 3	One month prior to the visit, the FTO sends documentation to the auditor for review.
<b>On-site Inspection</b>	0 1 2 3	Visits vary in length according to the size and complexity of the operation. The number of producer groups to be visited is fixed in proportion to the number of producer groups. If suppliers are working with producers, supplier verification visits should include visits to producers and discussions with them.
<b>Producer/Workers Interviews</b>	0 1 2 3	There is no set number of interviews or farm visits, but the auditor should get a representative overview of the production realities, tasks, and producers' views.
<b>Frequency</b>	0 1 2 3	Every 3 years (2 years for high risk/complex contexts).
<b>Surprise Audits</b>	0 1 2 3	Criteria does not mention surprise audits.
<b>Scoring</b>	0 1 2 3	Members must comply with all mandatory requirements. Members not yet in compliance with other criteria, must follow an improvement plan. For all members, development on improvement criteria is expected.
<b>Corrective Actions</b>	0 1 2 3	In case of serious non-compliance with mandatory criteria, the FTO receives a corrective action and timescale. FTOs have to build an improvement plan including the weakness and non-compliance.
<b>Suspension/Withdrawal of the Certification</b>	0 1 2 3	The new 2018 standard has added the status of "on probation" to identify members that have met initial expectations but now have a pending issue in their self-assessment report (SAR) or an alert from a stakeholder, peer visit, or audit report. Members on probation cannot print the WFTO product label on new products. Being on probation is a step between membership and suspension (in which a member loses its membership rights).

CERTIFICATION COSTS AND ANNUAL FEES		
Transparency	0 1 2 3	<p>Membership fees are calculated based on organizational type and gross sales, turnover, or revenues. The formulas and amounts are made public.</p> <p>Audit fees vary by region, type of membership, and size of organization. They are negotiated and fixed per day with a clear scope of work.</p> <p>Supplier verification visits (in case of marketing FTOs with unverified suppliers) are typically paid for by the FTO, though the FTO may choose to charge the supplier some or all of the costs.</p>
PROCEDURES		
Complaints, Appeals and Allegation Procedures	0 1 2 3	<p>Members, stakeholders, and the public can raise concerns (anonymously, if they so choose) about a WFTO member's compliance with the WFTO standard using an online reporting system. WFTO will investigate and draw conclusions, scheduling an extra audit if a compliance issue is raised.</p>

## Summary

The WFTO is a member-based organisation, that was founded to support marginalized populations and preserve traditional skills. Members are fully dedicated to the principles of fair trade. During their general meeting in India in 2017, members voted to include north-north trading where the beneficiary groups are economically marginalized.

WFTO members are required to show full commitment to fair trade activities and keeps a watchful eye on the continuous improvements of practices.

The WFTO created a robust and holistic guarantee system with specific criteria. WFTO includes third party audits, completed by peer audits in the monitoring process and recognises other fair trade

certifications. WFTO has worked to identify what they considered as the best compromise between improving the quality of the control and keeping certification costs at accessible levels for small producer organizations. The WFTO Guarantee Label can now be used on product packaging, where previously association with the WFTO could only be represented on general branding.

Through the WFTO network, a heavy emphasis is placed on advocacy and awareness-raising of citizens and consumers.

In September 2019, the General Meeting of WFTO decided to strengthen the criteria dedicated to environment and climate change in the standards.

# Textile Standard Comparison

## Fairtrade International and Fair Trade Certified

### Introduction

For many years, fair trade certifications were applied exclusively to agricultural products (such as coffee, cotton, or the cocoa in chocolate) that were farmed, harvested, and traded according to specified standards. Recently, however, both Fairtrade International and Fair Trade Certified have launched standards for the production of apparel (clothing), other textiles (e.g. linens), or home goods (e.g. rugs). They aim to extend fair trade principles to these supply chains.

Transforming fibers (such as cotton) into clothing, home goods, or other textiles (such as towels) typically occurs in several steps. First, the fibers must be made into fabric. Cotton, for example, leaves the farm in the form of loose, fluffy bolls. Ginning and spinning transform it into yarn. If a natural color is not desired, the yarn must be dyed. People or machines weave or knit the yarn into a fabric. Finally, the fabric is cut and sewn into its final shape. Finishing the process may require embroidery, adding buttons, or other embellishments. These stages of processing may take place in a number of facilities, and those facilities

can be owned by different people/groups or located in different countries/regions. This is often a very complicated supply chain, with many opportunities to exploit (or empower) those making it happen. When clothing, textiles, or home goods are labelled as "fair trade", a consumer should feel confident that:

- the fibers used in the process were farmed and harvested according to fair trade principles;
- each stage of the process—ginning, spinning, sewing, finishing, and trading reflects fairness;
- and the workers who made their clothes were not only safe on the job, but also paid enough to create healthy, secure lives for themselves and their families.

This comparative analysis highlights how Fairtrade International and Fair Trade Certified take on these and other challenges in their fair trade certification programs.

	Fairtrade International	Fair Trade Certified
BACKGROUND INFORMATION		
Standard	Fairtrade Textile Standard	Factory Standard for Apparel and Home Goods
Version	1.1	1.3.0
Published	22 March 2016	15 November 2017
Effective	1 June 2016	15 January 2018
Frequency of Reviews	Every 5 years	Every 5 years
History	Fairtrade has aimed to extend certification to textile supply chains since introducing the cotton standard in 2005. It launched the textile standard in 2016.	Fair Trade Certified started researching the feasibility of fair trade apparel factories in 2006. It conducted pilot studies from 2010 to 2012 and subsequently launched the standard.

**Rating criteria:** 0 The standard is missing ; 1 The standard is weak ; 2 The standard addresses the underlying fair trade principles but misses certain aspects and/or compliance with the standard is checked but not checked quite comprehensively enough ; 3 The standard fully addresses the underlying fair trade principles and compliance is checked comprehensively.



		Fairtrade International Textile Standard		Fair Trade Certified Factory Standard for Apparel and Home Goods
GENERAL REQUIREMENT				
<b>Fibers: Is the primary fiber used farmed and harvested fairly?</b>	0 <b>1</b> 2 3	<p>The Fairtrade Textile Standard allows the use of "responsible fibres" and does not require Fairtrade certified cotton. The list of approved fibres and schemes that can be used under this standard is: Cotton made in Africa (CmiA), European Unions (EU), Organic Program United States Department of Agriculture (USDA), National Organic Program (NOP), Lenzing Group, Better Cotton Initiative (BCI). Please note many of these schemes do not include farmer or worker rights standards.</p>	<b>0</b> 1 2 3	<p>Although Fair Trade Certified also certifies fair trade cotton, factories are not required to use certified fibers.</p> <p>Any product that contains cotton should be required to use certified fair trade cotton.</p>
<b>Processing: Must each step of the processing meet fair trade standards?</b>	0 1 2 <b>3</b>	<p>This standard covers all steps in the process, including ginning, spinning, weaving, knitting, cutting, and sewing.</p>	<b>0</b> 1 2 3	<p>This standard only applies to the final stage of production, where cutting, sewing, and trimming take place.</p>
<b>Labelling Policy: How transparently do labels/certifiers communicate the scope of their standard on the label?</b>	0 1 2 <b>3</b>	<p>There are three labelling options:</p> <ol style="list-style-type: none"> <li>1) Fairtrade mark - when supply chain meets standards including living wage.</li> <li>2) Fairtrade mark and statement about moving toward living wages - same as above but living wage is in progress.</li> <li>3) "Fairtrade Textile Production" mark - the claim "Fairtrade Textile Production" (without the Fairtrade mark) - can be used by a certified company within the supply chain. If Fairtrade certified cotton or other responsible fibers are used, additional marks will appear in addition to the three options above.</li> </ol>	0 <b>1</b> 2 3	<p>The following labels do not clarify that only the final production factory was certified:</p> <ol style="list-style-type: none"> <li>1) Fair Trade Certified label - used when 100% of raw materials are Fairtrade Certified and the final production factory only is certified.</li> <li>2) Fair Trade Factory label or Fair Trade Sewing label - either can be used when final production factory is certified.</li> </ol>

## Textile Standard Comparison

	Fairtrade International Textile Standard		Fair Trade Certified Factory Standard for Apparel and Home Goods	
<b>Audits: Do workers participate in auditing and receive results?</b>	0 1 2 <b>3</b>	At least one elected or union-appointed worker participates in audits (with pay, during work time). Audit results are shared with the workforce.	0 1 2 <b>3</b>	Workers shall participate in and are given the opportunity to review and comment on findings from third-party audits.
<b>ECONOMIC CRITERIA</b>				
<b>Fair Wages: Do workers receive a living wage?</b>	0 1 2 <b>3</b>	Workers must be paid at least a living wage within six years.	<b>0</b> 1 2 3	Living wages need to be assessed which is a positive first step. (See note about how Premiums can be used to fill the wage gaps.) Premiums could be used as cash to workers to close the gap between what is being paid and living wages.
<b>Premium: Do workers receive a "premium" for community projects which is democratically administered?</b>	N/A	Workers in processing facilities or textile factories do not receive premiums since the concept of strengthening living wages is the goal which has been advocated by labor rights experts.	0 <b>1</b> 2 3	Buyers pay a premium of 1-10% (larger if further from living wages). A democratically appointed committee manages the fund, and it can be distributed as a bonus to help close the gap between the required minimum wage and a living wage or invested in social needs identified by workers.
<b>SOCIAL CRITERIA</b>				
<b>Overtime: Are workers free to refuse overtime work at all times?</b>	0 1 2 <b>3</b>	Overtime must always be voluntary. Overtime must be compensated at a premium rate of at least 1.5 times the rate of regular pay and work performed on public holidays, nights, and the day of rest must be paid 2 times regular pay (unless otherwise defined by national legislation, collective bargaining agreement, or union agreements), and workers must be informed of these rates.	<b>0</b> 1 2 3	Although companies must have a written procedure for overtime work that states that overtime is voluntary at all times, the factory may require overtime when needed to meet short-term demands (despite planning) and when increasing the rate has not attracted sufficient volunteers (unless doing so is prohibited by national law or Collective Bargaining Agreement). The overtime compensation rate must be agreed upon in writing in advance and adhere to any legal or negotiated overtime regulations. Overtime should always be voluntary and at an increased pay rate from regular working hours.

		<b>Fairtrade International Textile Standard</b>		<b>Fair Trade Certified Factory Standard for Apparel and Home Goods</b>
<b>SOCIAL CRITERIA</b>				
<b>Health &amp; safety: Are employers required to protect and promote workers' health and safety?</b>	<p>0</p> <p>1</p> <p><b>2</b></p> <p>3</p>	<p>Standards are provided, workers must be trained, and a health/safety officer identifies issues and oversees resolution. Free and regular occupational medical advice/care is available. However, reaching compliance and health/safety risk assessments are not required until year 3.</p> <p>All workers should be trained in health &amp; safety before year 3.</p>	<p>0</p> <p><b>1</b></p> <p>2</p> <p>3</p>	<p>Although health and safety policies and training are required, and a health/safety officer identifies issues and oversees resolution, only 1% of the workforce must be trained in first aid, only 20% must know how to use a fire extinguisher, and only workers using potentially hazardous chemicals are provided free medical examinations.</p> <p>All workers should be trained in health and safety.</p>
<b>GOVERNANCE CRITERIA</b>				
<b>Unions, collective bargaining and self-determination: Are facilities required to be supportive of workers who would like to learn about, form, or join unions and proactively pursue a collective agreement?</b>	<p>0</p> <p>1</p> <p>2</p> <p><b>3</b></p>	<p>Companies must support workers to unionize or join an existing union. They may not have violated freedom of association and collective bargaining for two years prior to application. Certification is not allowed in countries where collective bargaining and freedom of association is illegal.</p> <p>Companies must honor collective bargaining agreements. If none exist, the company must proactively pursue a collective agreement. Companies must sign and adhere to apparel sector collective bargaining agreements if they exist. If collective bargaining also takes place at the company level, the resulting agreements cannot have lesser terms than sector-wide agreements. In the absence of sectoral or company collective bargaining agreements, if workers freely, specifically decide not to join/form a union (and are not legally required to do so), the company must proactively engage in a process to enter into a collective bargaining agreement with elected worker representatives.</p>	<p>0</p> <p><b>1</b></p> <p>2</p> <p>3</p>	<p>Companies must inform workers that they are free to join an organization of their choosing without retaliation and provide related information from an independent source. Companies must honor collective bargaining agreements but are not required to support the development of a new agreement. This certification is allowed in countries where collective bargaining and freedom of association is restricted by law therefore, in these situations this policy is not applicable and workers will not have organizing rights.</p>

## Textile Standard Comparison

	Fairtrade International Textile Standard		Fair Trade Certified Factory Standard for Apparel and Home Goods	
GOVERNANCE CRITERIA				
Governance: Are textile workers given a voice in high-level leadership?	<div><div>0</div><div>1</div><div>2</div><div>3</div></div>	A democratically-elected or union-appointed committee (which is comprised of at least 75% workers, at most 25% management, and aims to reflect the demographic composition of the workforce) receives training on labor legislation and negotiation skills. It conducts quarterly internal audits, addresses grievances, recommends reforms to address non-compliance, and makes meeting minutes available to the workforce. Companies must sign a freedom of association protocol which prohibits them from interfering with or influencing workers’ associations.	<div><div>0</div><div>1</div><div>2</div><div>3</div></div>	Workers do not have the opportunity to appoint representatives to the Board of Directors or Advisory Council.
Empowerment: Are workers encouraged to have collective bargaining agreements?	<div><div>0</div><div>1</div><div>2</div><div>3</div></div>	Companies must respect collective bargaining agreements that cover the sector. If none exist, the company must proactively pursue a collective agreement, if doing so is legally allowed.	<div><div>0</div><div>1</div><div>2</div><div>3</div></div>	Collective bargaining agreements are not required or encouraged. Where freedom of association and collective bargaining are restricted, workers may freely elect their own representatives without influence.
ENVIRONMENTAL CRITERIA				
Hazardous substances: Are highly hazardous substances banned?	<div><div>0</div><div>1</div><div>2</div><div>3</div></div>	Substances on any of these three lists are prohibited at time of initial certification: 1) The EU REACH list of substances of very high concern; 2) OEKO-TEX® (from the International Association for Research and Testing in the Field of Textile Ecology); 3) Global Organic Textile Standard prohibited substances list.	<div><div>0</div><div>1</div><div>2</div><div>3</div></div>	Substances on the American Apparel and Footwear Association (AAFA) restricted substances list are prohibited. Substances on the EU REACH list of substances of very high concern are prohibited after year three.  All substances should be prohibited at time of initial certification.

## Summary

Fairtrade International's goal in creating a textile standard was to tackle working conditions in the entire textile supply chain for apparel made with sustainable fibres. The labor movement helped to create these standards and it is applied to all operators in the textile supply chain. Fairtrade International's textile standards give workers a voice in high level of leadership and requires worker representation, collective bargaining and living wages. A democratic decision-making process must be organised both for farmers and workers. And the standard only applies to countries and regions where freedom of association is possible. This standard does not include premiums as all other Fairtrade International standards include but rather focuses on living wages for workers, as advised by labour experts. Fair trade cotton is not mandatory to use the Fairtrade textile standard, other responsible fibres from an approved list created by Fairtrade International of fiber schemes can be used. This approved list includes schemes that do not include any social standard (for cotton grown in the U.S.).

Fair Trade USA's standards for apparel have many weak points. They rolled out this standard despite the request of labour experts and the sweat free community in the United States. They do not require worker representation in the factories, no workers sit on the standard setting committee and only the final stage of production needs to be audited. They can certify a factory in a country where worker organizing is illegal. Living wages are not required, they are to be calculated then the premium can be used to fill the gap between what is being paid and the living wage. This is problematic in several ways. The premium is administered by a committee on which management has veto power over the decisions of the worker representatives. In addition, while a factory may have some fair trade buyers, it is likely that fair trade contracts do not make up the majority of their business and that premium dollars collected will be inadequate to bridge the gap to living wages.



### 3. Overview of main domestic fair trade initiatives

## Introduction

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Should the concept of fair trade be restricted by geography? After some militant initiatives on both sides of the Atlantic among the utopists and the anarchists during the 19th century, (Hall, 1974; Bayon, 2000), the idea of "domestic" or "local" fair trade has (re)emerged recently within the North and the South. **Some labels initially focusing on developing countries have opened their geographical scope to OECD countries, promoting a universal concept of fair trade, wherever producers are located.** Similarly, fair trade products initially intended for OECD countries' markets are now marketed and consumed locally, for example Fairtrade tea in India. Many domestic initiatives are coming to fair trade with other backgrounds (farmer movements, organic agriculture, solidarity economy, consumer initiatives, social movements) using labels or not (or not yet) (Barrientos and al., 2007; Brown and Getz, 2015; Coscione and Mulder, 2017). And we can now find Fair Trade Towns worldwide, promoting the local consumption of fair trade products (Human and Crowther, 2011; Peattie & Samuel, 2016).

Since the beginning of the new millennium, the fair trade concept has become an important theme for both northern and southern social movements.

In the global north, there has been an important debate between the proponents of a strictly North-South version of fair trade and the proponents of a more universal one. For example in France, this debate blocked the adoption of fair trade standards within the French national organization for standardization in 2008. But the debate is quite different today, and the French fair trade sector supported a law published in 2014 claiming that fair trade is a universal need (Carimentrand, 2012). Those who support the expansion of the fair trade movement recognize that farmers in the Global North can also experience marginalization and face difficult challenges. **Marginalized local northern farmers face injustice similar to southern farmers and share the same causes and responsibilities.** Many believe the same actions are needed to improve these unbalanced situations. Those who were against the extension of fair trade were afraid their cause would

be diluted. The extension of the fair trade movement to local North-North or South-South relationships may cause changes in terms of both the conception of equity and the concrete organization of trading relationships (Le Velly 2011).

Meanwhile, **new domestic-focused initiatives have emerged.** In France, the company Ethiquable launched a commercial brand called "Paysans d'ici" for a range of French products while the association BioPartenaire developed a label called "Biosolidaire". In the same vein, members of the organic movement have launched initiatives that also incorporate fair trading practices. This is the case in Germany with Naturland developing the NaturlandFair standards. Organic retail chains are also offering a growing number of fair trade products, sometimes under their own brand, with the goal of building fair and long-term partnerships with local organic farmers, sometimes organized into cooperatives. This is for instance the case of French retail chains Biocoop which launched the brand "Ensemble solidaires avec les producteurs" in 1999. While these examples are individual initiatives, others can be characterized as multi-stakeholders initiatives as they have been launched by a collaboration of labour unions, NGOs, and corporate buyers such as the Responsibly Grown, Farmworker Assured label in the USA. Fair trade is seen as a new opportunity for small farmers in a context of decreasing public regulations (such as the end of milk quotas in Europe) (Chiron, 2015). It is also the opportunity to accelerate ecological transition, as fair prices can help farmers transition to organic farming practices (Le Basic, 2019). In Europe, the focus is on fair prices for small farmers. In the USA, given that the agricultural sector is largely dominated by large-scale farms, the focus is more on fair conditions for agricultural workers (Brown and Getz, 2015).

More recently, we can also mention **"fair trade like" initiatives introduced by consumers associations or supermarkets that follow and underpin the trend towards domestic fair.**

Such initiatives are not confined to the Global North. Indeed, in many southern countries, the burgeoning middle class is a target for fair trade products. Mexico,

Brazil, South Africa, Kenya and India took a pioneering role in domestic fair trade. Comercio Justo Mexico was formed in 2001 to create a domestic fair trade market and Certimex developed a self-evaluation manual for cooperatives (Renard and Pérez-Grovas, 2007). In Brazil, the fair trade concept has become an important theme in popular movements and policies (Wilkinson and Mascarenhas, 2007b). A national System of Fair and Solidarity Trade was formally created in 2010 to promote development by encouraging social enterprise but the political change in 2016 has undermined the dynamic (Bossle and al., 2017).

Following the domestic fair trade models of Brazil and the Philippines, Fair Trade India was launched under the framework of Fairtrade International in 2013. Their goal is to encourage the sale of fair trade products on the domestic market in India. A national network of ATOs is promoting fair trade local sales through shops under the Fair Trade Forum India retail brand. In Africa, NGOs such as ENDA are also promoting local sales in Senegal and, more recently, in Tunisia. In Burkina Faso, three small dairy cooperatives now market milk under the brand FairFaso. In Lebanon, the TEQ (Transparency, Ethics, Quality) Guarantee System was launched in 2015 by Fair Trade Lebanon.

Against this background, **this chapter aims to make an overview of the main initiatives of domestic fair trade.** This section illustrates the variety of domestic fair trade brands and labels used around the world.

**We define "domestic fair trade" as a form of partnership between supply chain stakeholders that includes fair and remunerative pricing, multi-year contracts, a democratic organization of farmers, capacity building for farmer organizations on organizational and technical topics, environmental and social criteria.**

Local farmer markets (for instance in Latin America) or short distribution channels (such as CSAs in the USA or AMAP in France) are not included in our definition of domestic fair trade, although they have an increasingly special place within territories.

The latter is not within the scope of domestic fair trade because price setting is not clear and trading partnerships are not always formalized. Moreover, no clear requests are made for a collective organization for producers and their activities.

The legal context may (or may not) offer a legal framework for domestic supply chain stakeholders that wish to be a part of the fair trade movement. For instance, the increased demand for local and fair food products and the growing abuse of the term "fair trade" has led some fair trade advocates (including grassroots agro-ecological farming organizations, NGOs, and committed fair trade companies) to call on the French government to create a legal definition of "fair trade." France passed such a definition in 2005 and, in 2014, expanded it to include domestic trade. This law followed an inter-associative initiative which has written and promoted a charter with the key principles for fair partnerships. **The content and principles aspired to by domestic fair trade initiatives are thus always shaped by local conditions.**

**This chapter distinguishes four types of domestic fair trade initiatives** that are presented in four different sections in this chapter: (Section 1) fair trade labels with a universal geographical scope, (Section 2) fair trade labels with a national geographical scope, (Section 3) fair trade brands without label and (Section 4) initiatives claiming fair prices for farmers or workers. Labels of the first category can be used worldwide and need to be framed in a way that allows adaptation to any context. Labels and brands with a national geographical scope are often better equipped to respond to domestic needs and expectations.

## Fair trade labels with a universal geographical scope .....

**Some labels initially focused on developing countries have opened their geographical scope to OECD countries, promoting a universal concept of fair trade, wherever producers are located. In a balanced way, fair trade products initially intended for OECD markets are now consumed locally.**

### FAIR FOR LIFE

Fair for Life analyses fair trade as a universal concept. Domestic fair trade inside Europe or in the United States is considered in the standards as in a "very good social context". In that case, the premium (fair trade fund) should be at minimum 1% of the fair price. See analysis in Chapter 2 page 26.

### WFTO

In December 2017, membership voted to open WFTO's Guarantee System to producers in the Global North. Northern farmers' groups should have a valid organic certification (or be in organic transition or involved in participatory guarantee systems). At the time of this report, no northern producer group has been monitored yet. See analysis in Chapter 2 page 80.

### NATURLAND FAIR

Rooted in the international farmer-owned Naturland Association, Naturland Fair has had a strong focus on organic farmers in both the global south and global north from the start. Standards apply to both geographic regions alike, with some exceptions that are only obligatory for the southern context, such as premium money. See analysis in Chapter 2 page 60.

### FAIR TRADE USA

Fair Trade USA started as a labelling organization primarily for small-scale farmers in the Global South. In 2016, they started to certify in any country for any sector excluding livestock or dairy. At the time of this report, they have certified farms in the U.S. and Canada that grow fruits and vegetables. The main focus is large-scale plantations with hired labour. There is no formal farmworker governance requirement. See analysis in Chapter 2 page 48.

### ATES

In 2019, the French Fair and Solidarity Tourism Association set up new standards for destinations in developed countries (14 countries in Europe) and for tourist operators in France, committed to tourism that respects the local population, the environment and culture, and has a desire to support local development. Inspired by ATES's historical certification standard, the standards for France consist of criteria evaluating the management of the organization, tourist activity and partnerships, and adaptation to the local context. Hotels, restaurants, events and day tour operators can follow these standards. The standards are verified on-site, but the primary focus is on reviewing the operators' literature. See analysis in Chapter 2 page 18.



## Fair trade labels with a national geographical scope .....

### ■ France

France has adopted a legal definition for fair trade in 2005, and, in 2014, expanded it to include domestic trade. Fair trade products sold in France need to comply to this definition (Law n° 2014-856 article 94).

#### BIOPARTENAIRE FiABLE

[www.biopartenaire.com](http://www.biopartenaire.com)



In 2018, Biopartenaire created a new control scheme dedicated to partnerships between organic certified producers and processors located in France (called FiABLE). The control system combines internal monitoring and external audits. Up to now, this control scheme is dedicated to Biopartenaire members and products are sold in organic shops. In the near future, the Biopartenaire scheme may be opened to other producers and retailers. The FiABLE standard can also be used as a control scheme for brand owners buying fair trade certified southern ingredients (in that case producers' organizations and wholesalers should be Fair for Life certified with additional mandatory criteria: organic production and contracts all along the supply chain).

11 French farmer organisations (600 farmers) and 13 companies are guaranteed under this standard for several products.

ECONOMIC CRITERIA	
0 1 2 3	Minimum price is guaranteed for at least 3 years. The premium (development fund) is implemented from the 1 <sup>st</sup> year.
SOCIAL CRITERIA	
0 1 2 3	CSR commitments for companies and farmer organisations (with a ban on workers hired through foreign temporary agencies), progressive approach for farms.
GOVERNANCE CRITERIA	
0 1 2 3	In case of contract farming, farmers should develop a collective approach.
ENVIRONMENT CRITERIA	
0 1 2 3	100% organic and CSR commitments for companies, progressive approach for both companies and farms.

## AGRI-ÉTHIQUE

[www.agriethique.fr](http://www.agriethique.fr)



Agri-Éthique was initially created in 2013 by a farming cooperative in order to deal with the volatility of prices in the cereal sector. It was restructured as a fair trade standard for France in September 2018. The standard and inspections are managed by the certification body Certipaq.

15 farmer organisations (1200 farmers) collaborate with 22 companies under this standard in the bakery, dairy, egg and meat sector.

ECONOMIC CRITERIA	
0 1 2 3	The premium is directly included in the fair price and fuels a development fund mainly dedicated to environmental issues.
SOCIAL CRITERIA	
0 1 2 3	No social criteria for farm workers (French legislation only), all partners are encouraged to adopt CSR commitments.
GOVERNANCE CRITERIA	
0 1 2 3	The system relies on farmer cooperatives.
ENVIRONMENTAL CRITERIA	
0 1 2 3	Several environmental standards can be considered for the production, some of them do not explicitly ban GMOs or do not set a list of hazardous substances. However the portion of organic production in Agri-Éthique value chain is significant (more than 35%) and increasing rapidly.

## United States

In the United States, food is mainly produced in large scale farm estates hiring many workers. That's why labels mainly focus on labor rights.

## AGRICULTURAL JUSTICE PROJECT



Agricultural Justice Project (Food Justice Certified) was founded by farmworker and farmer organizations, and sets standards for the Food Justice Certified label, a U.S.-based program with criteria for farmers' relationships to farmworkers and buyers' relationships to farmers. The main focus of this program is labor justice not organized small-scale farms.

ECONOMIC CRITERIA	
0 1 2 3	Living wages are required. If for some reason, wages are below a living wage calculation, a contingency plan is required which includes full transparency to the farmworkers. Piece rate is initially allowed but eventually eliminated.
SOCIAL CRITERIA	
0 1 2 3	Strong social criteria include freedom of association, collective bargaining, long-term commitments, anti-discrimination laws, and safe and adequate housing requirements. Labor contractors are encouraged to work with farmers and farm employee associations to meet their needs
GOVERNANCE CRITERIA	
0 1 2 3	Farmworker-led program with high standards that include farmworker representatives in both program governance and on-farm monitoring and enforcement.
ENVIRONMENTAL CRITERIA	
0 1 2 3	Sustainable, organic, and safe agriculture is a core component of the program, benefiting farmworkers, farmers, planet, and consumers.

## EQUITABLE FOOD INITIATIVE



Equitable Food Initiative (EFI) is a collaboration of stakeholders including labor unions, NGOs, and corporate buyers that sets standards for the Responsibly Grown, Farmworker Assured label, a certification focusing on social and food safety criteria.

ECONOMIC CRITERIA	
0 1 2 3	Higher and increasing wages are a goal, but a living wage is not an explicit requirement. Piece rate is allowed with hourly minimum wage met.
SOCIAL CRITERIA	
0 1 2 3	Workers must be protected from retaliation and a 24/7 system gives workers the ability to anonymously report non-conformities through cell phones. Workers have the right to freedom of association but organizing is not required and leadership team may be elected, appointed, or a combination.
GOVERNANCE CRITERIA	
0 1 2 3	Farmworker organizations are founding members and auditors and leadership team members must undergo extensive training. However, there is less emphasis on democratic organization of workers.
ENVIRONMENTAL CRITERIA	
0 1 2 3	Organic production is not required. Integrated pest management plan is required, along with an outside expert advisor. Farmworkers are trained in pesticide risk reduction and appropriate protective equipment is required free of charge.

## FAIR FOOD



The Coalition of Immokalee Workers (CIW) sets standards for the Fair Food Program (FFP), a program developed by and for tomato workers in Florida that has expanded its model to other crops and locations.

ECONOMIC CRITERIA	
0 1 2 3	This is a different program that depends on increased wages by signing up retailers. Participating workers get a premium when participating retailers purchase crop. Higher and increasing wages are a goal and a motivation to sign on more buyers but living wage is not an explicit goal or requirement. Piece rate is allowed but with strong regulations that has led to a reported 10% increase in wages. Timekeeping system is controlled by workers not supervisors and workers must be paid for entire time they report to the field.
SOCIAL CRITERIA	
0 1 2 3	A 24/7 complaints line staffed by investigators to handle complaints has been key to strengthening the program which also transparently releases data on number and type of complaints received. Farmworkers conduct 100's of Know Your Rights worker trainings on all participating farms. They require every farm to directly hire each worker, discouraging labor contractors.
GOVERNANCE CRITERIA	
0 1 2 3	Farmworker-led program with a strong mechanism for reporting, investigating, and reducing labor abuses.
ENVIRONMENTAL CRITERIA	
0 1 2 3	Organic certification is not required and there is no requirement to reduce pesticide use or switch to less toxic alternatives.

## Lebanon

### LEBANON TEQ



The TEQ (Transparency, Ethics and Quality) Guarantee Systems was launched in 2015 by Fair Trade Lebanon in order to help small agricultural producers or small processing companies to improve the quality of their products, access local markets, and prepare to access international labels and markets. 27 cooperatives of small companies follow the TEQ system.

ECONOMIC CRITERIA	
0 1 2 3	Criteria for buyers and retailers have to be clarified in the future.
SOCIAL CRITERIA	
0 1 2 3	No discrimination and a focus on supporting human rights and good working conditions.
GOVERNANCE CRITERIA	
0 1 2 3	Democratic principles in farmer or worker organisations.
ENVIRONMENTAL CRITERIA	
0 1 2 3	Requirements include standards for waste and water management, minimizing threats to the environment, and a ban on GMOs. Organic certification is encouraged.

## India

### FAIR TRADE INDIA



The national network for Fair Trade in India (Fair Trade Forum – India (FTF-I), a member of the WFTO, launched in 2010 as a retail brand - Fair Trade India Brand, in order to reach the domestic market. The brand is only for the shops owned by Fair Trade producing or marketing organisations who are members of FTF-I (29 shops in 2018). To be members of FTF-I, organisations should follow the WFTO Fair Trade Principles (see Analysis of WFTO principles in chapter 2). For the branded shops, an on-site inspection is required.

## Fair trade brands without labels

Some retailers and wholesalers in the Global North are also building brands focused on domestic fair trade, but without certification standards. As the domestic fair trade market grows in the coming years, it is likely that these brands will turn to third-party labels and guarantees.

### France

#### BIOCOOP

[www.biocoop.fr](http://www.biocoop.fr)



The brand "Ensemble solidaire avec les producteurs" was created by BIOCOOP in France in the year 2000 to set up special commercial relationships with 100% organic farmer organizations. Since 2015, the charter of the brand, defined both by Biocoop and the 20 farming groups involved (2300 producers), includes all fair trade principles. An external auditor (Ecocert) is controls the application of the charter. More than 700 different products are sold under the Ensemble brand (fruits and vegetables, dairy, meat, cereals and more).

#### ETHIQUABLE

<http://www.ethiquable.coop/>



The brand "Paysans d'ici" was developed in 2011 by Ethiquable, a 100% Fair Trade French company working mainly with southern producers. The brand relies on an internal monitoring system. 12 farming groups are selling products under this brand.

There are some other initiatives in Europe. In Italy, Altro Mercato fair trade shops have also developed the brand SOLIDARE ITALIANO for partnerships with Italian producer organizations. The criteria are similar to WFTO standards. In Belgium, the world shops Oxfam Magasins du Monde have also developed a charter for local fair trade products.

## Initiatives claiming fair prices for farmers or workers .....

### ■ France

#### C'EST QUI LE PATRON ?!



The brand "C'est Qui le Patron ?!" was first developed in France for dairy products, focusing on a fair price for farmers and environmental standards. The brand owners are now integrating other fair trade criteria for some products (long-term commitment from buyers, premium for group projects). But the majority of their products do not involve fair trade criteria.

In Switzerland and France, Luxembourg, Belgium, Austria, Germany and Italy, there are a wide range of brands making fair price-related claims.

#### FAIR MILK



Some are inspired and guided by the fair milk project of The European Milk Board (EMB), an umbrella organization of dairy farmer associations and farmers lobbies from different European countries. The EMB sets a fair farm-gate price that ensures the survival of local milk production. These initiatives are also developing in the Global South (Burkina Faso in West Africa for instance).

Other brands are developed by supermarkets or farming cooperatives.

### ■ Belgium

#### PRIX JUSTE PRODUCTEUR

<https://prixjuste.be/>



The "Prix Juste Producteur" standard was launched at the end of 2017 by a national farmer representative body, the Collège des Producteurs. The control is performed by ASBL SOCOPRO, a branch of the Collège des Producteurs. The label focuses on the commercial relationship between farmers and buyers but does not make a fair trade claim. This label aims at organising a simple, flexible and affordable standard and control system. This label does not claim to be a fair trade certification as it focuses only on economic criteria and does not look at social, environmental or governance criteria.

In 2018, about 30 labelling schemes are under process in different sectors including fruit and dairy production.

## Conclusion

**The growth of domestic fair trade labelling documented in this chapter brings many opportunities, such as new sales channels or new possibilities for development. However, the rise of domestic fair trade is also accompanied by new questions for the fair trade movement:** the juxtaposition of domestic fair trade with fair trade products from developing countries, the multiplicity of fair trade labels, the common definition and understanding of domestic fair trade. These three issues will influence the future development of the fair trade movement and therefore deserve the attention and close observation of fair trade organizations and its stakeholders, such as policy-makers, researchers or agricultural organizations.

First, **one controversy is the practical competition between domestic fair trade products and international fair trade products in the retail arena in the Global North.** As these new products are mainly traded in the Global North (e.g. milk, eggs, meat), their growth will not interfere the sales of 'traditional' fair trade products. But the application of fair trade labelling to products grown in both the Global North and South (e.g. flowers, rice, oranges, etc.) has the potential for conflict. This is already happening in France where domestically produced products and those from the Global South sit side by side on the shelf, both with fair trade labels. Examples of this include rice, tea, and quinoa.

Second, **the growth of domestic fair trade labels will further trigger the multiplicity of labels and standards.** This International Guide to Fair Trade Labels is one response to the proliferation of labels making fair trade and fair labour claims. Another response is the creation of organizations and regulations at higher level, such as Fairtrade International, WFTO, Fairtrade Advocacy Office at global level or national fair trade platforms in the North and in the South at state level. Domestic fair trade actors are already finding room in the fair trade national platforms in Belgium, France, Italy or Germany. New cooperations and synergies are also developing. Several international fair trade labels are becoming universal like Fair For Life, Naturland Fair, BioPartenaire or WFTO. Other may make this move in the future. We can also see the development of

"co-branding" with double labelling for products with international and local ingredients. Thus, the development of domestic fair trade can also open a way for new cooperations and synergies. And indeed, in France, the rise of domestic fair trade has triggered a renewed interest in fair trade in the media, in supermarkets and from consumers. The development of domestic fair trade sales is concomitant with the growth of international fair trade sales, which are both at all-time highs.

Third, one of the very fundamental challenges of domestic fair trade concerns the definition and understanding of what domestic fair trade is. In this chapter, domestic fair trade labels have been assessed on the same basis as international fair trade. The French law also uses the same definition for both international and domestic fair trade, and so do universal labels. However, **the concept of domestic fair trade still allows for interpretation.** Furthermore, Europe has a competition policy that does not permit price setting between several companies or farmer groups. So there is no possibility to fix a common minimum price for a specific good for all fair trade chains in a region, as usual in Global Fair Trade. The price is always the result of negotiations between a seller and a buyer. Pricing agreements are regularly punished whereas they could help producers to increase their market power in face of large purchasing groups (Marette & Raynaud, 2003).

**The expansion to new products and producer organizations of the Global North requires the development of new positions and criteria.** For example, the expansion of the product range to animal products (e.g. milk, meat), opens a debate about **the role of animal welfare in the fair trade concept.** There are already a few examples of brands using domestic fair trade standards for animal products in France being awarded for their "best animal welfare practices". Another example is the debate over **which agricultural models are eligible for fair trade certification.** Conditions of eligibility need to address the scope and ownership of farms, including the size and scale of family-owned farms or the kind of producers' organizations involved. All these discussions need to take place at the national level. Given that domestic fair trade has a strong

geographic focus, the entanglement of domestic fair trade with national regulations will be a topic of interest in this context.

In sum, sketching these controversies shows that the challenges driven by the rise of domestic fair trade are not only emerging in the Global North. **In the Global South, fair trade products have been mainly exported overseas so far. But the idea of domestic fair trade is creating new local markets that did not exist before.** The idea of fostering both sustainable production and fair trade relationships within local supply chains might contribute to the struggle against both food insecurity and poverty. It can also contribute to the move towards relocalized food systems, as many countries in the Global South, especially in sub-Saharan Africa, have become net food importers. We can observe the trend that urban

consumers in developing countries – especially the middle class, but also tourists and expatriate workers-aspire to buy local, organic, and fair trade products. For instance, while conflict may emerge in the North between Northern and Southern rice, the fair export-oriented rice produced in the South could find additional markets in local supply chains, as it is already seen in India. In addition, new supply chains oriented towards local markets are starting to emerge in the South.

**In both the Global North and South, the domestic fair trade concept will lead to an expansion of new products and the creation of new markets imbedded into the debates on food sovereignty.**

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## 4. Sustainable development labels and multinationals' initiatives analysis

## Introduction

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**M**any multinational companies now claim dealing with sustainability issues in their supply chains. This finding pushes them to implement initiatives that seek to reconcile sustainable development goals with the production requirement of their suppliers. To do this they either use existing sustainable development labels or they implement their own sustainability program.

In both cases, they use logos and mobilize social and environmental vocabulary in their communications, which can make consumers confuse these initiatives with fair trade labels.

However, their sustainability programs and initiatives do not always have externally-framed nor externally-audited standards.

We can point out important differences with fair trade labels:

- These initiatives do not meet key fair trade commitments regarding to the economic issues faced by producers. They do not require buyers to guarantee a fair price which covers production costs. Neither do they require long-term commitment from buyers. Similarly, these standards do not implement any criteria pertaining to the payment of a premium for groups' projects. The significant issue of pre-financing of orders from buyers (on request of producers) is also absent from the requirements. These elements are crucial to ensure producers' economic means as a lever to implement sustainable development: a minimum price that covers their production costs, a long-term commitment to protect farmers from fluctuations in global market prices, a premium to provide opportunities for producers to carry out collective projects for their communities.

- The specific objective of capacity building of producers' organisations is very weak or non-existent in the sustainable development labels and multinational programs.

- There is a significant lack of transparency. These programs give a very low-level of information to consumers (standards are rarely available on websites) and impact studies are not available to the general public.

Today, we are seeing more multinational companies setting up their own programs mixing sustainable development and quality objectives for their suppliers. These programs give a very limited of information to consumers and focus more on development actions than on meeting requirements. They also tend to put logos on final products as an external label would do. Thus, these company initiatives are creating confusion with external labels that are referring to specific standards and controls.

It is within this context that this chapter aims to provide a comparative analysis of several sustainable development labels and multinationals' voluntary sustainability programs. This information is based on the same criteria used for the analysis of fair trade labels in Chapter 2. This analysis will compare the guarantees and controls by three sustainable development labels (Bronsucro, UTZ - Rainforest Alliance [merged in 2017], and Better Cotton Initiative) with four voluntary sustainability programs (Nestle's Cocoa Plan, Nespresso's AAA Sustainable Quality Program, Mondelez's Cocoa Life, and Starbucks' C.A.F.E. Practices).

## Voluntary sustainability programs

NAME			
<b>COCOA LIFE: MONDELĒZ</b>	<b>COCOA PLAN: NESTLÉ</b>	<b>NESPRESSO AAA SUSTAINABLE QUALITY™ PROGRAM</b>	<b>STARBUCKS: C.A.F.E. PRACTICES</b>
LOGOS			
			
HISTORY AND OBJECTIVES			
Launched in 2012, Cocoa Life is a program focusing on Mondelēz cocoa supplying farmers (200,000 cocoa farmers) in six key cocoa growing countries: Ivory Coast, Ghana, Indonesia, India, the Dominican Republic and Brazil.	Launched in 2012, the Cocoa Plan program is a sustainability initiative focusing on Nestlé cocoa supply chain.	The Nespresso AAA Sustainable Quality™ Program was launched in 2003 with the collaboration of Rainforest Alliance to develop "Sustainable Quality Practices" for coffee growers in 12 countries (300 farmers at the launch, 70 000 farmers now).	Coffee And Farmer Equity (C.A.F.E.) Practices, launched in 2004, seeks to ensure that Starbucks sources sustainably grown and processed coffee by evaluating the economic, social and environmental aspects of coffee production. Guidelines have also been developed for cocoa (2008) and tea.
PRODUCTS			
Cocoa	Cocoa	Coffee	Coffee, cocoa , tea
MAIN BRANDS			
Cadbury, Milka, Côte d'or, Daim, Toblerone, Prince, Lu, Oreo, Suchars, etc.	Nesquik, Nestlé deserts, After Eight, Cookies House, Crunch, Kit Kat, Lion, MilkyBar, Nuts Smarties, Toffee Crisp, Toffo, etc.	Nespresso	Starbucks stores
MONITORING MEASURES			
Ø	Ø	Ø	Control made by SCS Global Services.
VOLUME			
35% of Mondelēz International's cocoa is sourced with cocoa life guidelines. (120,500 cocoa farmers in 1,085 communities).	In 2016: 70 cooperatives in Ivory Coast, 40 000 cocoa farmers.	In 2016, over 80% of Nespresso coffee is certified AAA program and more than 40% is from Rainforest Alliance certified farms.	In 2016, nearly 65% of tea was Tea Practices sourced. In 2018, 99% of coffee was C.A.F.E. Practices sourced.
TRANSPARENCY OF INFORMATION			
Standards not available online.	Standards not available online.	Standards not available online.	C.A.F.E Practices' standards are available online: <a href="https://www.scsglobalservices.com/services/starbucks-cafe-practices">https://www.scsglobalservices.com/services/starbucks-cafe-practices</a>

## Sustainable development labels

NAME		
<b>BONSUCRO</b>	<b>UTZ – RAINFOREST ALLIANCE</b>	<b>BETTER COTTON INITIATIVE</b>
LOGOS		
		
HISTORY AND OBJECTIVES		
Bonsucro operates in a business to consumer approach (B2C). Founded in 2005 Bonsucro is a global multistakeholder non-profit organisation that exists to promote sustainable sugarcane production, processing and trade around the world. Bonsucro supports a community of over 500 members in over 40 countries, from all elements of the sugarcane supply chain, including, farmers, millers, traders, buyers and support organisations. Standards evaluate the outcome of the outcome of practices implemented at mill and farm levels. Standards contain principles and criteria for achieving sustainable production of sugarcane and all sugarcane derived products.	UTZ – Rainforest Alliance operates in a business to consumer approach (B2C). Rainforest Alliance is an NGO founded in 1986 which aims to preserve biodiversity and improve working conditions. The UTZ program was founded in 1999 to promote responsible trade, especially oriented on social and environmental criteria. In 2019, Rainforest Alliance and UTZ will publish a single, new agriculture certification program with a new labelling policy for companies sourcing certified products.	Founded in 2005, the Better Cotton Initiative (BCI) is a member-based initiative operating in the cotton sector across eight countries. BCI's Better Cotton System provides a holistic approach to building and implementing sustainability in cotton production. The initiative operates in a business to consumer approach, developing standards and verifying compliance with these standards in order to ensure sustainable cotton production practices among its members.
PRODUCTS		
Sugarcane (ethanol, sugar and molasses).	Cocoa, tea, coffee, rooibos, palm oil, hazelnuts, bananas, seeds, flowers and foliage, vegetables and spices.	Cotton
BRANDS PARTNERS		
Unilever, Ferrero, Harwood, Mondelēz International, Mars, Nestlé, Shell, The Coca Cola Company, Barry Callebaut, Pepsico, Bacardi, United Sugar, etc.	Ikea, Senseo, Lavazza, Lidl, HEMA, McDonalds, MIGROS, Burger King, Douwe Egberts, Mars, Chiquita, Marks & Spenser, Mondelēz International, Nescafé, Danone, Nestlé, Tata Global Beverages, Unilever, etc.	ASOS, Ikea, Nike, Hugo Boss, H&M, HEMA, Adidas, Puma, Esprit, Ralph Lauren, Aldi, Zeeman, etc.
MONITORING MEASURES		
Bonsucro relies on three third-party certification bodies. There is no adaptation of Bonsucro standards to local specificities (world region, size of the farm, etc.). The validity of a certification is 3 years with annual surveillance audits. After the initial audit, 2 surveillance audits shall be conducted within the next 2 crop years. These operations are mainly performed on site and there are no requirements for surprise audits within the Bonsucro standard.	Rainforest Alliance and UTZ are working with independent certification bodies. The new program will perform the same way.	To verify compliance throughout BCI's one-year license period, all BCI-compliant enterprises are required to undergo verification audits performed by third-party auditors.

VOLUME		
159 224 farm and mill workers and 80 Bonsucro certified mills. 25% of the world's sugarcane land is engaged in Bonsucro.	<b>UTZ:</b> 987 000 farmers (cacao 75%, coffee 23%, Tea 2%). Workers 368 000 (cacao 6%, coffee 69%, tea 25%). 15.000 products certified UTZ. <b>Rainforest Alliance:</b> 1.3 million of farmers.	Associate Member: 13 suppliers and 1110 manufacturers. Better Cotton accounts for 14% of global cotton production. In the 2016-2017 cotton season, there were 1.3 million licensed BCI farmers.
TRACEABILITY		
Bonsucro only requires documentary traceability of certified products within its standards. Bonsucro standards allow certified operators to mix certified and non-certified products as long as they use percentage-based claims (mass balance).	UTZ Certified and Rainforest Alliance allow mixing between certified and non-certified ingredients as long as they use percentage-based claims. They both use a mass balance model. UTZ has elaborated two standards. Only the first requires documentary and physical traceability.	Between the farm and the gin, BCI requires a product segregation cotton chain of custody model and after BCI requires a mass balance cotton chain of custody model.
TRANSPARENCY OF INFORMATION		
Standards available online <a href="https://www.bonsucro.com/production-standard/">https://www.bonsucro.com/production-standard/</a>	Standards available online <a href="https://utz.org/what-we-offer/certification/the-standard/">https://utz.org/what-we-offer/certification/the-standard/</a> <a href="https://www.rainforest-alliance.org/business/sas/libraries/resource-library/">https://www.rainforest-alliance.org/business/sas/libraries/resource-library/</a>	Standards available online <a href="https://bettercotton.org/about-better-cotton/better-cotton-standard-system/production-principles-and-criteria/">https://bettercotton.org/about-better-cotton/better-cotton-standard-system/production-principles-and-criteria/</a>
STANDARDS REFERENCE		
Guidance -Bonsucro-PS English-v4.2	CORE CODE OF CONDUCT For group and multi-group certification Version 1.1 2015 CORE CODE OF CONDUCT For individual and multi-site certification Version 1.1 2015	Better-Cotton-Principles-and-Criteria_V-2.0_2018

	BONSUCRO	UTZ CERTIFIED RAINFOREST ALLIANCE	BETTER COTTON INITIATIVE	C.A.F.E. PRACTICES	COCOA LIFE / COCOA PLAN / AAA SUSTAINABLE QUALITY PROGRAM
<b>Standards available online</b>	✓	✓	✓	✓	∅
<b>International Labor Organisation's Conventions</b>	✓	✓	✓	✓	Information not available
<b>Additional Social Benefits:</b> (social security, pensions, parental leave).	∅	✓ / ∅	∅	∅	Information not available

	BONSUCRO	UTZ CERTIFIED RAINFOREST ALLIANCE	BETTER COTTON INITIATIVE	C.A.F.E. PRACTICES	COCOA LIFE / COCOA PLAN / AAA SUSTAINABLE QUALITY PROGRAM
Fair price / Fair compensation to workers	∅	∅	∅	∅	Information not available
Premium for group projects	∅	∅	∅	∅	Information not available
Access facilitated to finance/ prefinancing	∅	∅	∅	∅	Information not available
Long term commitment for buyers	∅	∅	∅	∅	Information not available
Physical traceability	∅	✓	∅	∅	Information not available
Documentary traceability	✓	✓	∅	✓	Information not available

	BONSUCRO	UTZ CERTIFIED RAINFOREST ALLIANCE	BETTER COTTON INITIATIVE	C.A.F.E. PRACTICES	COCOA LIFE / COCOA PLAN / AAA SUSTAINABLE QUALITY PROGRAM
Accessible to marginalized producers and workers	∅	∅	∅	∅	Information not available
Capacity building of producers	∅	✓	✓	✓	Information not available
Rights of indigenous peoples	✓	∅	✓	∅	Information not available
Democratic decision-making within producer organizations/ Collective bargaining rights for workers	N/A	∅	✓	✓	Information not available
Transparent information in the management of the producer organizations	N/A	✓	✓	✓	Information not available
Non-discrimination within the producer organizations	✓	✓	✓	✓	Information not available
Monitoring of the democratic management of the development premium	N/A	N/A	N/A	N/A	Information not available

	BONSUCRO	UTZ CERTIFIED RAINFOREST ALLIANCE	BETTER COTTON INITIATIVE	C.A.F.E. PRACTICES	COCOA LIFE / COCOA PLAN / AAA SUSTAINABLE QUALITY PROGRAM
<b>Reduction of the environmental impacts of activities (energy, soil, water and waste management)</b>	✓	✓	✓	✓	Information not available
<b>Protection of biodiversity</b>	✓	✓	✓	✓	Information not available
<b>Prohibition of hazardous substances</b>	∅	∅	∅	∅	Information not available
<b>Ban on GMOs</b>	∅	∅	∅	∅	Information not available

## A label focusing on biodiversity with an approach on fair prices: Forest Garden Products

A label based in a country in the Global South (Sri Lanka), Forest Garden Products focuses on organic agriculture and biodiversity regeneration. Indeed, the Forest Garden Products standards are managed by a network, created in 1996, of 30 organizations invested in safeguarding and promoting the principle of the analog forestry system. This model of agroforestry aims at encouraging the restoration of deforested and degraded areas by offering the forest populations new sources of income, food and other basic needs. Thus, the Forest Garden Products standards are applicable for all producers' countries who develop and re-establish biodiversity through analog forestry (at the time of publishing, the Forest Garden Products certified products were coming from Sri Lanka and Brazil only).

Because Forest Garden Products is a label specialized in the field of environmental issues, organic certification or organic practices are compulsory requirements for Forest Garden Products certification. If it is not the case a transition or conversion period from initiation is necessary, the farm must have a minimum 36 months applying the full scope of practices required in the standards. The environmental criteria are strong and rigorous. Pesticides, chemical fertilizers and GMO's are prohibited. Forest Garden Products uses an ecological approach with sustainable ecosystems characterized by a high biodiversity to biomass ratio.

Moreover, Forest Garden Products has gradually been integrating new requirements on social issues (compliance with the ILO conventions; insistence on gender equality; capacity building and educational programs for employees in more than 50 employees' organizations) and trade commitment (references to a fair price, premium for group projects or pre-financing). While the social requirements of Forest Garden Products standards are now strong, the economic ones still need to be strengthened (fair price and the premium are not mandatory criteria, long-term commitment is not checked by the auditors).

Regarding the governance requirements, Forest



Garden Products standards require transparent information in the management of the producer's organization and the democratic management of the premium used for the general interest, independently from commercial partners. However, trainings and educational programs, as well as coherent policy for occupational safety, health, and working environment conditions are only mandatory for organizations employing more than 50 workers.

In conclusion, Forest Garden Products, in addition to its strong commitments to biodiversity, has made a move towards fair trade, but it still needs to be strengthened with systematic and compulsory controls of economic commitments and with a clear communication: for now, the Forest Garden Products website makes no reference to fair trade.

More information on: [www.analogforestry.org](http://www.analogforestry.org)

B Corp is a corporate social responsibility initiative opened to businesses of any size or structure (although assessment questions vary depending on business size). There are three components to getting certified: completing a scored assessment questionnaire (the Business Impact Assessment or BIA), an unscored, confidential disclosure questionnaire, and amending the company's legal structure to include non-financial stakeholders and values.

The method of weighting questions allows for some factors that would be considered key to operating an ethical business (for example, paying all workers above minimum wage) to count for just 0.5 points while others that are less crucial (for example, employee wellness programming beyond health insurance) counts for 0.7 points. Factors that are somewhat neutral from an ethical standpoint, such as job growth rate, count for a full 2.7 points, and all of those are accrued based on percent growth with no consideration for wages of jobs created. Of particular relevance to those concerned about supply chain issues, questions such as what percentage of materials is purchased from underserved suppliers with verified labor/wage practices (including fair trade certified) do not score at all.

While plenty of certified B Corps are mission-driven companies who strive to do the right thing, as the certification grows, the standards are not strong enough to exclude those with less commitment. There are several examples in which multinationals holding B Corp certification were charged with unethical business practices. B Corp's public questionnaire shows some companies source just 9.6% of materials from "underserved suppliers with verified labor/wage practices," meanwhile B Corp allows them to promote their "Community-Oriented Business Model."

BLab and its Standards Advisory Council have issued statements on various controversial issues that have arisen as their standards get applied to an ever-broader range of businesses. Tackling topics such as prison labor and response to employee unionization campaigns, the B Corp response tends

to emphasize transparency and disclosure in their evaluation questionnaires over a strong stand in favor of human rights and workers' rights as defined by the ILO. Overall, some of the B Corp requirements are innovative, especially their requirement for businesses to amend their legal paperwork to include stakeholders beyond financial shareholders. Yet their method of scoring and their lack of focus on continued improvement undermine their claim to their commitment to "using business as a force for good."

# Glossary

## ACCREDITATION

A certificate issued by a third-party organization to an independent certification body, which constitutes a formal recognition of the competence of the latter to carry out audits for specific standards. The accreditation most widely recognized and respected is the accreditation of certification bodies is accreditation according to ISO 17065 standard for audits of conformity assessment systems.

## ADVOCACY

In politics, advocacy is the defense of a written or oral opinion, a cause, policy or group of persons. In fair trade this term is used to designate the activities implemented by fair trade organizations and their partners in civil society to encourage decision makers to develop policies that improve the situation of producers in developing countries. The areas of intervention in advocacy are varied: they may concern the reform of global trade rules, issues of global warming, agricultural policy, regulation of prices of raw materials, etc.

## ALL THAT CAN BE

Rule included in the standards of the main fair trade labels: in a composite product, all ingredients that can be fair trade certified (available on the market) should be fair trade certified.

## AUDIT

An audit describes an evidence-gathering process that aims to assess the compliance of an operator and/or a product with certain standards. There are three types of audit: first-party audit, second-party audit and third-party audit.

## AWARENESS-RAISING

Awareness-raising is an educational process that aims to provide an analysis and critical reflection on the mechanisms that govern the North-South relations. Beyond its missions of education and information, awareness-raising aims to encourage everyone to change their values and behaviors, to think about the consequences of our day to day actions to achieve a just distribution of power and resources worldwide.

## BUSINESS TO BUSINESS

Business-to-business (B2B) describes commercial transactions between businesses (i.e., between a manufacturer and a wholesaler or between a wholesaler and a retailer).

## BUSINESS TO CONSUMER

Business-to-consumer (B2C) describes commercial transactions between businesses and individual consumers.

## CERTIFICATION BODY

A certification body is an independent entity authorized by a specific standard setter to certify that its clients comply with the requirements of the respective standard.

## CHECKLIST

The control checklists are the documents used and filled by auditors during on-site audits.

## CODE OF CONDUCT

A document to identify some principles and norms of behavior that an organization decides to apply to the conduct of its business or operations. It is a non-binding commitment made voluntarily by an economic actor. It is a tool that is often found as part of corporate social responsibility policies.

## CONTRACT FARMING

Type of production organization characterized by a wide definition (see "Contract farming in Developing Countries, a review"; The French Agency for Development, A savoir 12) and includes numerous realities. In the specific case of fair trade "contract farming can be characterized by a contractual arrangement between unorganized producers (but gathered in informal bodies) and intermediate organization (intermediate company, exporter, NGO) in charge of the products commercialization.

## CORPORATE SOCIAL RESPONSIBILITY

Voluntary commitment that reflects a company's sense of responsibility towards the community and environment (both ecological and social) in which it operates.

## FAIR PRICE

The fair price must allow a producer organization to cover the costs of production and logistics, to pay remuneration adequate to meet the basic needs of producers and disadvantaged workers and their families and improve their standard of living (education, culture, health, housing, recreation, etc.), a margin to make investments (production tools, etc.) and contribute to the satisfaction of collective needs (organization, education, culture, health, recreation, infrastructure,

structuring of producer organizations, etc.).

This price must be at least equal to the reference price (set for certain products and geographical areas), recognized by the international federations of fair trade.

## **GMO**

A Genetically Modified Organism (GMO) is any organism whose genetic material has been altered using genetic engineering techniques.

## **GUARANTEE SYSTEM**

A guarantee system is a mechanism that ensures that the facts and practices are consistent with the values and principles of fair trade. These principles are usually included standards. The monitoring of the compliance with these principles is carried out by independent certification body but is sometimes directly incorporated within the organization governance (internal monitoring).

## **ILO CONVENTIONS**

The International Labour Organization (ILO) is a United Nations agency dealing with labour issues, especially international labour standards and decent work for all. This guide covers 11 of the Conventions formulated by the ILO, which are the following ones:

- n°001: working time.
- n°29, n°105: includes the elimination of all forms of forced or compulsory labor.
- n°87, n°98: allows for freedom of association and the effective recognition of the right to collective bargaining.
- n°100, n°111: addresses the elimination of discrimination in respect with employment and occupation.
- n°131: provisions for minimum wage.
- n°138, n°182: addresses effective abolition of child labor.
- n°155: provisions for safety and health of workers.

## **INTERNATIONAL STANDARD ISO 17065**

ISO 17065 is the ISO standard for "Conformity assessment - Requirements for bodies certifying products, processes and services." It describes the criteria for ensuring the competence, independence and impartiality of certification bodies.

## **ISEAL ALLIANCE**

ISEAL is a non-governmental organization whose mission is to strengthen sustainability standards systems for the benefit of people and the environment. Its membership is open to all multi-stakeholder sustainability standards and accreditation bodies that demonstrate their ability to meet the ISEAL Codes of good practice and accompanying requirements and commit to learning and improving their systems.

## **ISO**

The International Organization for Standardization (ISO) is the largest producer and publisher of international standards. It comprises a network of national standards institutes from 166 countries. ISO is a non-governmental organization that builds bridges between the public and the private sector. Many of its member institutes are indeed part of their country's public institutions or are mandated by the state to carry out public standards activities. Other member organizations have their roots exclusively in the private sector and have been prepared by partnerships of industry associations at the national level.

## **LABEL**

A label is a special mark put on a product or a service for sale which certifies that specific standards have been implemented for the production of that product/service.

Labels can be created and managed by private professional bodies or by public authorities. In the fair trade sector, there is no public label but several private labels: the main ones are analysed in this guide.

In this guide, fair trade labels are defined as marks with the following characteristics:

- They refer to specific standards (criteria on all fair trade principles).
- They implement controls.
- They put a specific logo on the product that can be recognised by consumers.
- They are opened to different economic actors: that is why they differ from brands developed by companies only for themselves.

Labels can apply to products or organizations. Fair trade labels mainly apply to product supply chains but some (WFTO particularly) also apply to organizations involved in producing or selling products.

# Glossary

## MASS BALANCE

Mass balance is an accounting model which administratively monitors certified products all along the supply chain. Physical traceability (identity preservation) is not ensured. When a producer or a company delivers a quantity of certified ingredients to a factory or site, only the equivalent amount of processed certified product leaving that site may be sold as certified.

## ON-SITE INSPECTION

A physical audit conducted on the premises of a business or other organization. An on-site audit may involve inspecting records, assets or security procedures.

## PLANTATIONS

The term hired labour describes producing companies that are not membership-based (farms, plantations, factories, manufacturing industries, etc.) and where the main share of the work is carried out by a hired work force.

## PRE-FINANCING

The practice of providing funding in advance of delivery or receipt of a product is known as pre-financing.

## PREMIUM FOR GROUP PROJECTS

Granted in addition to a fair price or directly integrated into prices calculations, the development premium should enable capacity building and empowerment of farmers, particularly small and marginalized producers and workers in developing countries, their organizations and their respective communities. Its use is restricted to investment in the producers' business, livelihood and community. Its specific use is democratically determined by the producers/workers.

## SEGREGATION

Segregation of products along the supply chain assures that all certified products delivered to the end user come only from certified sources. It permits the mixing of certified products from a variety of sources and does not provide full traceability as is found with identity preservation.

## STANDARD

A standard is a written, technical document that defines the characteristics (processes use or physical characteristics) that must be present in a product or service and the procedures to control the conformity of the product or service to these characteristics.

## SUSTAINABLE DEVELOPMENT

Sustainable development is development that meets present needs without compromising the ability of future generations to meet theirs. This definition, stated by the Prime Minister of Norway Gro Harlem Brundtland in 1987, was adopted by the international community in the Agenda 21 of the Rio Conference of 1992. Sustainable development rests on three pillars: economic, social and environmental. A fourth pillar of political and cultural development is often added.

## THIRD PARTY CERTIFICATION

Third-party certification is a process of allocating licenses (certificates) by a trusted third party, who finds evidence that a product complies with the requirements of the standard or technical specifications.

## TRACEABILITY

The ability to identify and trace the history, location, use and processing of products and materials is known as traceability. There are two types of traceability:

- documentary traceability is the means by which a certified ingredient in a finished product can be demonstrated to have come from an equivalent quantity of a certified ingredient purchased by an operator, but which has not necessarily been physically used in the product. This shall be through the identification of quantities, used and sold, on the related documentation and the demonstration that the quantities used match the quantities purchased, allowing for production conversions and losses.

- physical traceability: certified products must be separated from non-certified products and market with a label at each stage of production and processing.

## VOLUNTARY SUSTAINABILITY STANDARDS

Sustainability standards and certifications are voluntary, usually third party-assessed, norms and standards relating to environmental, social, ethical and food safety issues, adopted by companies to demonstrate the performance of their organizations or products in specific areas.





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# INTERNATIONAL GUIDE TO FAIR TRADE LABELS

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The reference tool to better understand the guarantees of fair trade labels, their standards, monitoring measures and how they differ from sustainable development labels.

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