

TECHNICAL STANDARDS DEFINING THE REQUIREMENTS RELATING TO PRODUCTS ORIGINATING FROM FAIR TRADE

Version: 15 February 2010

This document replaces the prior version of: 29 October 2007



ECOCERT FAIR TRADE Standards

For Fair trade in a spirit of Solidarity and Responsibility

Comments and requests for information concerning these standards can be sent to the following address:

fairtrade@ecocert.com

For more information please visit:

www.ecocert.com

TABLE OF CONTENTS

- 1. GOALS, FIELD OF APPLICATION, ELIGIBILITY 10**
 - 1.1. NORMATIVE CONTEXT AND REFERENCES 10
 - 1.2. AMENDMENTS OF THE STANDARDS 10
 - 1.3. GOALS 11
 - 1.4. DESIGNATIONS..... 11
 - 1.5. CHARACTERISTICS OF THE INTERNATIONAL EXCHANGES..... 11
 - 1.6. SECTORS AND ACTIVITY 12
 - 1.7. STRUCTURE OF THE STANDARDS 12
 - 1.8. OPERATORS' ELIGIBILITY CRITERIA 13

- 2. REQUIREMENTS REGARDING ORGANIC CHARACTERISTICS OF THE PRODUCT AND COMPOSITION RULES 16**
 - 2.1. AGRICULTURAL RAW MATERIALS..... 16
 - 2.2. SEMI-FINISHED AND FINISHED PRODUCTS 16
 - 2.3. RULES FOR COMPOSITION OF THE FINISHED PRODUCTS 16

- 3. BALANCE OF THE RELATIONSHIP BETWEEN THE PARTNERS 18**
 - 3.1. FAIR TRADE EXCHANGES: PROJECT SPONSORS 18
 - 3.2. FAIR TRADE EXCHANGES: FIRST PURCHASERS 19
 - 3.3. FAIR TRADE EXCHANGES: PRODUCTION GROUPS 24
 - 3.4. FAIR TRADE EXCHANGES: COMMODITY CHAIN 26

- 4. SOCIAL AND ENVIRONMENTAL RESPONSIBILITY.....27**
 - 4.1. SOCIAL RESPONSIBILITY 27
 - 4.2. ENVIRONMENTAL RESPONSIBILITY 31
 - 4.3. ADDITIONAL SOCIAL REQUIREMENTS: PRODUCTION GROUPS..... 32
 - 4.4. ADDITIONAL ENVIRONMENTAL REQUIREMENTS: PRODUCTION GROUPS 35
 - 4.5. OVERALL SUSTAINABLE DEVELOPMENT POLICY: COMMODITY CHAIN 36

- 5. TRANSPARENCY OF INFORMATION.....38**
 - 5.1. TRANSMISSION OF INFORMATION: COMMODITY CHAIN..... 38
 - 5.2. DISTRIBUTION OF INFORMATION TO THE PUBLIC: BRAND OWNERS 39

- 6. USE AND LABELLING OF FAIR TRADE PRODUCTS..... 40**
 - 6.1. SEPARATION MEASUREMENTS, RECORDS AND QUALITY SYSTEM..... 40
 - 6.2. PRODUCT LABELLING RULES 40

7. APPENDICES.....41

7.1. EXTRACTS FROM THE AFNOR AC X50-340 AGREEMENT 41

7.2. EXTRACTS FROM THE FINE CONSENSUS 43

7.3. LAW N° 2005-882 OF 2 AUGUST 2005 IN FAVOUR OF SMALL AND MEDIUM ENTERPRISES 44

7.4. THE TEN PRINCIPLES OF THE GLOBAL COMPACT 45

7.5. EXTRACTS FROM REGULATION (EC) N° 834/2007 47

7.6. ILO CONVENTIONS..... 48

7.7. CASE OF ELIGIBLE PLANTATIONS..... 49

RECITALS

Whereas:

1. The publication on 10 January 2006 of the AFNOR AC X50-340 "Fair trade" agreement, following the work undertaken by AFNOR at the request of the French State.
2. The need to combine the concept of faire trade with a concept of sustainability of the commodity chains.
3. Complementarity and the close link between the concept of equity and organic agriculture stipulated by IFOAM's principle n° 3 concerning "the principles of organic agriculture": *"This principle emphasizes that those involved in organic agriculture should conduct human relationships in a manner that ensures fairness at all levels and to all parties - farmers, workers, processors, distributors, traders and consumers."*¹.
4. Consumers' pursuit of better guarantees and greater transparency with regards to the growing diversity of the practical embodiments of fair trade.

The present standards seek:

1. To describe the technical rules outlining the three principles of the AFNOR AC X50-340 "Fair Trade" agreement in terms of objective criteria.
2. To establish and characterise a sustainable development approach through commodity chains based on close partnership with previously disadvantaged producers or workers.
3. To give a guarantee in relation to projects combining organic agriculture and fair trade.
4. To improve the credibility of fair trade for consumers, and to offer greater transparency in relation to this approach.

¹ http://www.ifoam.org/about_ifoam/principles/index.html

PREAMBLE

These standards have been drawn up by consulting representative groups of those involved. They are meant for all operators selling or seeking to sell products originating from organic agriculture and wishing to promote their involvement in fair trade in a spirit of solidarity and responsibility.

I. Meanings of the terms fair, solidarity and responsibility

Fair trade seeks to accomplish equity in commercial relationships, to guarantee rights for disadvantaged producers and workers located in Developing countries, and to be a part in the sustainable development process. It guarantees that the social conditions will be met and that trading terms will be re-balanced.

Solidarity refers to the ethical need to take action in the face of growing disparity of standards of living and qualities of life, as well as to a commitment in favour of correcting a non-egalitarian situation, and to the just sharing of the wealth produced throughout a commodity chain.

Responsibility appeals to the will to act in favour of the law, as well as social, economic and environmental balances throughout the commodity chain project.

II. Beneficiaries of the approach

The EFT approach gives priority to methods of organisation and development rationales which place the Producer at the heart of the commercial relationship, and allow for the sustainable economic development of the project (co-operative systems or other forms of organisations bringing Producers together). "Plantation" systems employing paid labour are not encompassed by the EFT rationale. These systems can be eligible only in exceptional cases and when an exemption is made.

III. The four foundations: Partnership, Sustainability, Development and Transparency

In order to guarantee the establishment of sustainable commodity chains, the EFT standards are based on the following four foundations: partnership, sustainability, development and transparency.

Close and sustainable **partnership** with producers or workers (listening to expectations, mutual benefits, respect for cultures, etc.);

Sustainability of the commercial relations and contractual undertakings; sustainability of the production systems through the principles of Organic Agriculture;

Development of a commodity chain (technical support, strategic development, human and financial investments), in order to work for the development of sustainable agriculture and for the maintenance of the rural fabric, within a broader social development goal;

Transparency in order to increase consumer information and raise consumers' awareness on the practices of fair trade in a spirit of solidarity and responsibility, as defined in the present standards (reality and effectiveness of the approach, clear and detailed information).

LIST OF ABBREVIATIONS

AA 1000:	AccountAbility's standards
AFNOR:	Association Française de Normalisation [French Standards Association]
DAC:	Development Assistance Committee
EFT:	ECOCERT Fair trade standards (Fair Trade in the spirit of Solidarity and Responsibility)
FINE:	FLO (Fair Trade Labeling Organizations International), IFAT (International Fair Trade Association), NEWS! (Network of European Worldshops) and EFTA (European Fair Trade Association)
FOB:	Free on board
GMO:	Genetically Modified Organism
IFOAM:	International Foundation for Organic Agriculture movements
ILO:	International Labour Organisation
ISO:	International Organization for Standardization
NGO:	Non-Governmental Organisation
PVC:	Vinyl polychloride
UN:	United Nations
UNCTAD:	United Nations Conference on Trade and Development
SA 8000:	Social Accountability 8000

DEFINITIONS

For the purpose of the present standards, the following terms have these meanings:

- a) "**Advertising**", any representation addressed at the public, by any means other than labelling, the purpose of which is, or which is such as, to influence and shapes attitudes, opinions and behaviour in order to promote directly or indirectly the sale of fair trade products.
- b) "**Brand Owner**", the operator responsible for labelling of the finished product, which sells finished products with its own brand.
- c) "**Child**", any person aged under 15, unless the local legislation stipulates a higher age for mandatory education or employment. The ILO stipulates that in certain Developing countries the minimum age may be 14.
- d) "**Commitment**", a contractual deed by which an operator undertakes to meet the criteria which are under its responsibility, and to accept the terms of the inspection process.
- e) "**Decent Income**", an income enabling a producer or worker to cover the basic requirements of half a family of average size. Basic requirements include essential expenditure such as food, drinking water, clothing, accommodation, transport, education, and mandatory legal social services, when they exist. Basic requirements are calculated on the basis of local prices.
- f) "**Development Fund**", a fund enabling social and technical development actions at the production group level to be financed (collective infrastructure, collective amenities, social education and health services, assistance with organisation, etc.).
- g) "**Distributor**", an operator specialising in the provision of finished products, undertaking no preparation activity (wholesalers, retailers).
- h) "**Ecosystem**", the dynamic system of living organisms (plants, animals and microorganisms), which interact with one another and with the environment (soil, climate, water, light) in which they live.
- i) "**Fair Product**", a product (finished or intermediate) certified as compliant with the EFT standards by ECOCERT.
- j) "**Fair trade Commodity Chain**", a succession of activities conducted by the operators in order to produce, prepare and distribute a "fair trade product", as defined in the present standards.
- k) "**Finished Product**", a product packaged with a view to its presentation for sale to end consumers or to communities. The packaging of the finished product is designed such that its content cannot be modified or replaced without the packaging being opened or damaged.
- l) "**First Purchaser**", "**Purchaser**" or "**Fair trade purchaser**", an operator which purchases a lot directly from the production group.
- m) "**Incoterms**", a series of international terms (for instance EXW, FOB, CIF, DDP...) used in international commercial transactions. They are used to divide transactions costs and responsibilities between buyer and seller and reflect exportation practices.
- n) "**Ingredient**", any substance, including additives, used in manufacturing or preparing a product and still present in the finished product, possibly in a modified form.
- o) "**Fair trade ingredient**", product sold by the production group and used as an ingredient within a fair trade commodity chain.
- p) "**Intermediate Operator**", operators other than production groups and distributors involved in activities of preparation or purchase of semi-finished products (transformers, exporters, importers, etc.).

- q) "**Labelling**", the terms, mentions, indications, commercial trademarks or commercial names, images or symbols relating to and shown on all packaging, documents, signs, labels, panels, rings or collars accompanying a product or referring to it.
- r) "**Large Companies**", companies which employ more than 250 persons, and the annual turnover of which is greater than 50 million Euros, or of which the total of the annual balance sheet is greater than 43 million Euros (according to the definition of Small and Medium Enterprises of recommendation n° 2003/361/EC).
- s) "**Mature Secondary Forest**", a secondary forest (a forest which is regenerated naturally or artificially from an indigenous forest vegetation) which is over 20 years old and which has marked differences in the structure of the forest and/or the composition of the species of the canopy compared to the youngest neighbouring forests.
- t) "**Minimum guaranteed price**". Two minimum guaranteed prices are distinguished:
- i. Minimum price for which the production group makes a commitment to the producers (minimum guaranteed price to the producers);
 - ii. Minimum price for which the first purchaser makes a commitment to the production group (minimum guaranteed price to the production group).
- u) "**Multinational Company**", a company with activity in more than one country, and operating through at least one subsidiary or local unit.
- v) "**Operator**", the individuals or legal entities with responsibility for overseeing compliance with the requirements of the present standards within the fair trade activity which is under their responsibility.
- w) "**Preparation**", the operations of preserving and/or processing of organic products, including slaughter and cutting for livestock products, and also packaging, labeling and/or alterations made to the labeling.
- x) "**Project Sponsor**", an operator committed with ECOCERT in a capacity of coordinating technical and accompanying support to producers and/or producer organisations.
- y) "**Producer**", a farmer, a livestock rearer or a picker with responsibility for production or collection of a product before delivering it to a production group. A producer can themselves undertake post-harvest processing activities.
- z) "**Production Group**", a company or organisation which undertakes primary production and brings the product to market in the country of production. It may have preparation activities. This is either a producer organisation, or a contract production company or, exceptionally, a plantation.
- i. "**Producer Organisation**", a grouping of producers (in the sense of the present standards: farmers, livestock farmers or pickers) organised and constituted, de facto or under law, to sell the product (for example: a cooperative, a formal association of producers);
 - ii. "**Contract Production Company**", a company with production and collection contracts with producers (in the sense of the present standards: farmers, livestock farmers or pickers) who are not yet organised, or organised into non-formal structures which it organises and supports;
 - iii. "**Plantation**", an agricultural production company employing agricultural workers (for example: a domain, an estate, a farm);
- aa) "**Purchase Price**". Two purchase prices are distinguished:
- i. The price paid to the producers by the production group (purchase price to the producers), whatever the place of the transaction;
 - ii. The price paid to the production group by the first purchaser (purchase price to the production group), whatever the place of the transaction.

The purchase price is always greater than or equal to the minimum guaranteed price.

- bb) "**Small Producer**", a producer not depending structurally on a regular or permanent salaried labour force, and operating his business using principally its workforce and the members of his family. Small producers devote most of their working time to agricultural activities on their farm. Income originating from the agricultural activities constitutes their principal income. The producer's capital, goods and infrastructures are such that the producer must necessarily act jointly with other producers to market and sell his products in the desired market.
- cc) "**Young Worker**", any worker older than a child (as defined by ILO) and under 18.
- dd) "**Worker**", any person employed in order to undertake temporary, seasonal or permanent work. The employees of a producer organisation with responsibility for the administrative aspects are considered to be workers, as are agricultural workers employed by producers. Permanent workers work for more than eight months per year within a given entity.
- ee) "**Stages of Production, Preparation and Distribution**", all the stages from primary production of a product until its processing, storage, transport, sale and supply to end consumers and, if applicable, labelling, advertising, importation, exportation and subcontracting activities.

1. GOALS, FIELD OF APPLICATION, ELIGIBILITY

1.1. NORMATIVE CONTEXT AND REFERENCES

- The present standards are designed to comply with the three principles defined by the AFNOR AC X50-340 agreement, "Criteria applicable to the fair trade approach". (Cf. Appendix 7.1).
- A joint charter, called the FINE consensus (December 2001), defines the strategic directions and the clear guiding principles of fair trade. The present standards respect the spirit of the FINE consensus, broadening it and stipulating it by means of inspection criteria. (Cf. Appendix 7.2).
- The process of devising these standards:
 - followed norm NF X50-067 (April 2008): "Creation of standards for certifying a product or service, or combination of product and service";
 - respects the recommendations of ISEAL (International Social and Environmental Accreditation and Labelling) Alliance as defined in the "Code of Good Practices for Setting Social and Environmental Standards (version 4, January 2006).
- The present standards make reference to the standards and laws that must be followed, particularly the international conventions of the ILO (International Labour Organisation).

1.2. AMENDMENTS OF THE STANDARDS

- Ecocert reserves the right to amend these standards on the basis of the opinion of the Technical Committee in charge of monitoring and managing the ET standards. The Technical Committee is comprised of members representing the interested parties.
- All amendments to the control procedures and certification standards will be brought before the Certification Supervisory Committee.
- ECOCERT will inform the operators of the amendments made and of the delays for the new requirements to be put into place.

1.3. GOALS

- The purpose of the present standards is to define the criteria which will enable consumers and partners in the commodity chain to be guaranteed a product originates from a fair trade, interdependent and responsible commodity chains,. It guarantees:
 1. Fair trade exchanges, within a sustainable development approach.
 2. Production and processing are respectful of the environment and socially responsible.
 3. Clear and transparent consumer information.

1.4. DESIGNATIONS

- Compliance with these standards enables two levels of designation to be obtained:
 1. "**Fair trade**" according to EFT standards or
 2. "**Fair trade, Commodity chain X**" according to EFT standards, specifying the commodity chain(s) concerned
- The distinction between the two designations is made according to the percentages of fair trade ingredients in the finished product (Cf. §.2.3).

1.5. CHARACTERISTICS OF THE INTERNATIONAL EXCHANGES

1.5.1. EXPORTING COUNTRY

In France, Law n° 2005-882 of 2 August 2005 in favour of small and medium enterprises understands fair trade as trade between Developed countries and disadvantaged producers located in Developing countries (Cf. Appendix 7.3). Accordingly:

- The EFT standards apply in priority in a South (Developing countries)-North (Developed countries) context;
- The application of this document to a South-South context is conceivable;
- The concept and putting into practice of the principles of fair trade within the context of North-North exchanges are both legitimate and pertinent, but would need to be laid out in another document specifying standards, . What is more, in France it could not be called "fair trade".

In the sense of these standards, Developing countries are those belonging to the most recent DAC

List of ODA Recipients².

1.5.2. IMPORTING COUNTRY

In order to favour local exchanges, importing countries eligible for direct importation of fair trade Products are those in which production of the product in question is non-existent or too low to be able to meet national demand.

1.6. SECTORS AND ACTIVITY

In this context, the EFT standards apply to all Operators undertaking activity at any stage of production, processing or distribution of the agricultural products, foodstuffs, or cosmetics or textiles products.

In addition to general parts 2 ("Organic character of the products") and 6 ("Use and labelling of fair trade products"), which apply to all operators, the following requirements apply according to the operator's activity and function :

		3. BALANCE OF THE RELATIONSHIP BETWEEN THE PARTNERS	4. SOCIAL AND ENVIRONMENTAL RESPONSIBILITY	5. TRANSPARENCY OF INFORMATION
Production Groups		§ 3.3 ; § 3.4	§ 4.1* ; § 4.2 ; § 4.3 ; § 4.5	§ 5.1
Intermediate operators involved in preparation activities	Developing countries	§ 3.4	§ 4.1* ; § 4.2 ; § 4.5	§ 5.1
	Developed countries	§ 3.4	§ 4.2 ; § 4.5	§ 5.1
Intermediate operators not involved in preparation activities; Distributors		§ 3.4	§ 4.5	§ 5.1
Project sponsors		§ 3.1		
First Purchasers		§ 3.2		
Brand owners				§ 5.2

* The social requirements defined in § 4.1 apply only to the production and preparation activities undertaken in Developing countries.

The EFT inspection plan document, stipulates the inspection points according to the various types of Operators.

1.7. STRUCTURE OF THE STANDARDS

² List available at www.oecd.org/dac/stats/daclist

These standards consist of requirements which are inspected by ECOCERT. These requirements are of three types:

- **Minimum requirements**, which operator must meet in order to enter the EFT approach;
- **General requirements**, which operator must meet during the first year after their commitment in the EFT approach.;
- **Progress requirements**, against which operators must demonstrate compliance through continuous improvements.

1.8. OPERATORS' ELIGIBILITY CRITERIA

*The eligibility criteria below are required **before** the operators' commitment with ECOCERT. However, in the same way as the other criteria of the standards, compliance with these criteria will also be checked **after** the operators' commitment.*

1.8.1. ALL OPERATORS

- The Operators commit to all their activities or practices not having any characteristics manifestly unethical or contrary to the spirit of fair trade, including in a field of activity not concerned by the present standards (non-respect of Human Rights, methods of production contributing to the deterioration of natural resources or impoverishment of biodiversity, support for the introduction of GMOs, destructive environmental practices, corruption, etc.). In the event of a doubt concerning operators' activities or practices, ECOCERT may consult NGOs (defence and protection of human rights, and of the environment) in order to request additional guarantees and if required, to undertake field investigations to confirm the eligibility of such operators. ECOCERT reserves the right to refuse approval to an operator which practices would be in flagrant contradiction to its values and to its ethical approach as conveyed in this document, or to an operator that would demonstrate recognised abusive practices.

1.8.2. LARGE MULTINATIONAL COMPANIES

- Multinational Companies undertake their activities in several countries. The need to direct them towards responsible conduct at group level has been emphasised by several international bodies (OECD: "OECD guidelines for multinational enterprises"³; UN: "Norms concerning responsibility in the field of human rights of multinational companies and other companies"). ECOCERT therefore requires additional guarantees in respect of social and environmental responsibility for the commitment of large multinational companies and their subsidiaries.
- Large Multinational Companies or their subsidiaries wishing to commit with ECOCERT must be

³ The guiding principles of the OECD stress that "Today's competitive forces are intense and multinational enterprises face a variety of legal, social and regulatory settings. In this context, some enterprises may be tempted to neglect appropriate standards and principles of conduct in an attempt to gain undue competitive advantage..."

signatories of the United Nations Global Compact⁴ (Cf. Appendix 7.4). *ECOCERT will accept companies having initiated equivalent approaches (the OECD guiding principles, AA1000, SA8000, other systems providing guarantees in respect of social responsibility acknowledged by ECOCERT) at company group level (several subsidiaries are committed).*

1.8.3. PRODUCTION GROUPS

- **Position relating to Plantations.** The EFT approach is both a development and a skills transfer tool primarily intended for independent producers, through their collective associated organisations which already exist or are in the process of being formed (associations, cooperatives, village committees, businesses established by producers, etc.). Using this approach, and in order to avoid inequitable competition, it does not target, within the context of the production of agricultural raw materials, large-scale private properties (ranches, latifundia), wholly consolidated, owning land, employing a permanent or seasonal or salaried workforce ("**Plantations**").

Accordingly, Plantation systems can be accepted only as an exemption. These cases of exemption must remain exceptional. The eligibility of a Plantation will be the subject of a thorough study with particular regards to:

- *the type of production considered, the social and economic organisation of the Plantation, the size of the land, the incorporation of the plantation in the rural fabric;*
- *the origin of the capital of the Plantation, its shareholding structure, any ramifications with other activities not eligible for the EFT approach.*

The principal goal of this study will be to assess:

- *the lack of risk of entering into competition with independent groupings of producers (unavailability of resources in viable conditions through independent groupings of producers, etc.).*
- *the potential contribution of the initiation of the EFT approach (improvement in living conditions of wage-earners, and environmentally friendly management of the plantation);*

The results of this study will be submitted to the Certification Supervision Committee for recommendations. ECOCERT will take the Committee's recommendations into account in order to reach a decision concerning the eligibility of the Plantation.

Requirements regarding eligible Plantations are described in Appendix 7.7.

⁴ A pact by which companies undertake to put their operations and their strategies in accordance with ten universally accepted principles relating to human rights, working norms, the environment and measures to fight corruption.

- **Position relative to Contract Production Companies.** The EFT approach is aimed in priority at small producers who are already organised into formal structures in the form of "Producer Organisations". However, cases may exist where there are no organisations of this type, for reasons relating to the product or to the regional context. Small producers (non-organised or organised into structures without any formal status) can then enter the EFT approach if they are in partnership with an entity (exporter, importer, private company or NGO) which has signed contracts with them, and which has the capacity to contribute to their social and economic development. This entity ("the **Contract Production Company**") must then demonstrate its continual efforts to create a dialogue structure enabling producers to gain autonomous decision-making. This structure could eventually lead to the creation of a producer organisation with economic autonomy.

1.8.1. PROJECT SPONSORS

An EFT commodity chain must be based on a supporting structure for the producers and workers which aims to assist them to better understand the market conditions and trends, and to develop knowledge, skills and resources. The purpose of the support structure must be to increase producers' independence, within a sustainable development perspective.

In the EFT approach, such support is achieved through a partnership enabling the social and economic development of the beneficiaries. An operator in the commodity chain, the "**Project Sponsor**", is identified in order to coordinate these development actions.

Depending on the commodity chains and the degree of independence and structuring of the Producers, the Project Sponsor may be:

- either the Contract Production Company structuring and supporting the non-organised producers in order to lead them towards independence;
- or the Producer Organisation, capable of contributing to the social and economic development of its members and of the associated communities;
- or a purchaser in the commodity chain wishing to contribute, and capable of contributing, to the economic and social development of the Production Group.

Before committing itself to the approach, every project sponsor must demonstrate that it wishes to assist, and is capable of assisting, the producers in reaching the degree of organisation enabling them to acquire more independent functions.

2. REQUIREMENTS REGARDING ORGANIC CHARACTERISTICS OF THE PRODUCT AND COMPOSITION RULES

2.1. AGRICULTURAL RAW MATERIALS

- **2.1.1. Minimum requirement.** In order to be compliant with the EFT standards, agricultural productions must be certified as compliant with Organic Agriculture by an accredited or approved certification body.
- **2.1.2. Minimum requirement.** In order to be compliant with the EFT standards, products from wild harvest must be certified as compliant with an organic standard by an accredited or approved certification body. (See Appendix 7.5 of this standard for the example of the European regulations). In the case of products from wild harvest used as ingredients in natural or organic cosmetic products, other sustainable wild harvest standards recognised by ECOCERT will be accepted.

2.2. SEMI-FINISHED AND FINISHED PRODUCTS

- **2.2.1. Minimum requirement.** Food products: in order to be compliant with the EFT standards, food products must be certified as compliant with organic agriculture by an accredited or approved certification body.
- **2.2.2. Minimum requirement.** Cosmetics products: in order to be compliant with the EFT standards, cosmetics products must be certified throughout the commodity chain according to ECOCERT's "Natural and Organic cosmetics" standards, or according to other standards recognised as equivalent by ECOCERT.
- **2.2.3. Minimum requirement.** Textiles products: in order to be compliant with the EFT standards, textiles products must be certified according to the "GOTS" standards (Global Organic Textile Standards), or according to other standards recognised as equivalent by ECOCERT.

2.3. RULES FOR COMPOSITION OF THE FINISHED PRODUCTS

Two designations are distinguished, depending on the percentage of fair trade ingredients contained in the finished product: designation "Fair Trade" and designation "Fair Trade, Commodity Chain X", where X represents the name of the ingredient originating from a fair trade Commodity Chain.

2.3.1. SAME INGREDIENT

- **2.3.1.1. Minimum requirement.** The finished product may not contain the same ingredient in "fair trade quality" and in "non-fair trade" quality. An exception may be made in the case of technical constraints for cosmetics and textiles products (ingredients with special characteristics not available in fair trade Commodity Chains).

2.3.2. "FAIR TRADE" DESIGNATION

To benefit from the designation "Fair Trade" according to the ECOCERT EFT standards, the rules of composition of the Finished Products are as follows:

- **2.3.2.1. Minimum requirement.** Food products: at minimum 95% of the ingredients of agricultural origin are fair trade ingredients (this percentage is a mass percentage; the calculation takes no account of water, salt or additives used).
- **2.3.2.2. Minimum requirement.** Cosmetics products : at minimum 95% of the total of the ingredients are fair trade ingredients (this percentage is a mass percentage;). A rehydrated or reconstituted fair trade ingredient is considered to be 100% fair trade if the mass of the ingredient after rehydration is equal to the original mass of the fair trade ingredient. If the mass of the ingredient after rehydration or reconstitution is greater than the original mass of the fair trade ingredient, a proportionality rule will be applied to define the percentage of the fair trade ingredient.
- **2.3.2.3. Minimum requirement.** Textiles products: at minimum 95% of the total of fibres are fair trade fibres (this percentage is a mass percentage).

2.3.3. "FAIR TRADE, COMMODITY CHAIN X" DESIGNATION

To benefit from the designation "Fair Trade, Commodity Chain X" according to the ECOCERT EFT standards, the rules of composition are as follows:

- **2.3.3.1. Minimum requirement.** Food products: at minimum 25% of the ingredients of agricultural origin are fair trade ingredients (this percentage is a mass percentage; the calculation takes no account of water, salt or additives used). The 25% is represented by a single ingredient.
- **2.3.3.2. Minimum requirement.** Cosmetics products : at minimum 5% of the total of the ingredients are fair trade ingredients (this percentage is a mass percentage). A rehydrated or reconstituted fair trade ingredient is considered to be 100% fair trade if the mass of the ingredient after rehydration is equal to the original mass of the fair trade ingredient. If the mass of the ingredient after rehydration or reconstitution is greater than the original mass of the fair trade ingredient, a proportionality rule will be applied to define the percentage of the fair trade ingredient.
- **2.3.3.3. Minimum requirement.** Textiles products : at minimum 70% of the total des fibres originate from fair trade Commodity Chains as a percentage of the total fibres (this percentage is a mass percentage).

3. BALANCE OF THE RELATIONSHIP BETWEEN THE PARTNERS

3.1. FAIR TRADE EXCHANGES: PROJECT SPONSORS

3.1.1. ACTION PROGRAMME

In consultation with the beneficiaries, the Project Sponsor draws up an action programme defining the purpose and goals of the partnership project and the resources deployed to achieve them. ECOCERT shall assess in particular:

- *The transparency and precision in describing the goals and resources (activities, structures, human and financial resources).*
- *The reality of the technical and human resources put in place.*
- *The relevance of the project in the case of eligible plantations.*
- **3.1.1.1. Minimum requirement.** At minimum the action programme:
 1. Identifies with the beneficiaries their technical support requirements and the social, economic and environmental development areas they wish to build;
 2. Draws up a forecast of the potential support and development projects to be coordinated;
 3. Defines the financial and technical resources which will be implemented to meet the identified requirements:
 - i. The contributed financial resources may come from the Project Sponsor itself, from sponsors involved in local development programmes, or from a combination of the two. The Project Sponsor has thus ascertained in advance that there are local assistance capacities, and secured their financing;
 - ii. The technical and human resources and the competences represent effective and regular technical assistance (actual and functional presence of technical assistance, appropriate for the situation of the production).

3.1.2. TECHNICAL SUPPORT

- **3.1.2.1. General requirement.** The Project Sponsor regularly undertakes missions in the field in order to coordinate the development actions identified with the beneficiaries through the action programme.
- **3.1.2.2. Progress requirement.** In addition, the Project Sponsor coordinates actions aimed at increasing the independence of the Producer Organisations, either existing or yet to be developed, such as:

- a. Support for the activity of the technicians, for training of local managers in crop-growing techniques, quality control, etc.
- b. Support for the organisation, assistance with management and supervision;
- c. The quest for optimisation of the processing activity, with the goal of increasing the value added before export, providing the quality level expected by the market is attained;
- d. Identification and promotion of local technical expertise;
- e. Diversification of the Producers' crops and/or activities.

3.1.3. ACTIVITY MONITORING

- **3.1.3.1. General requirement.** The Project Sponsor, in collaboration with the beneficiaries, is responsible for producing an activity report. This report assesses the effects of the project on the technical development of the raw materials commodity chain, and also on the social, environmental and economic development of the Production Group and its members. This report:
 1. examines and assesses progress made in achieving the goals of the action programme;
 2. presents the results of the project on the social, environmental and economic development of the Production Group and its members, as well as every element whereby the dynamics of the project can be assessed.
- **3.1.3.2. General requirement.** This report is sent to ECOCERT at year end, or before the end of the first quarter of the following year. It is kept available for the beneficiaries of the support.

3.2. FAIR TRADE EXCHANGES: FIRST PURCHASERS

3.2.1. NATURE AND CONTRACTUALISATION OF RELATIONS

The Purchaser develops a long-term partnership with the Production Group in order to build a special relationship between them. The commercial relationship between the two partners is contractualised by means of a framework contract. This contract summarises the principles of a sustainable relationship based on mutual benefit. The two parties can stipulate in a separate agreement the activity or activities of the additional parties (an NGO, support organisation, etc.).

- **3.2.1.1. Minimum requirement.** The framework contract contains, at minimum, the following clauses:
 1. The contractors. For the Purchaser and the Production Group, all the following are stipulated clearly: their name, address and details, corporate designation, legal form, registration number (trade register, craft register, etc.).

2. The purpose of the contract. The contract satisfies the principles defined in the EFT standards relating to the relationship between the Purchaser and the Production Group, such as organic agriculture and the balance of the commercial relationship.
3. The term of the contract. The Purchaser comits to a contract term established within a perspective of sustainable economic development (minimum 3 years).
4. The quantitative undertakings. The Purchaser makes a commitment towards a genuine policy of volumes, enabling the Production Group to have access to stable and sustainable markets, and to put in place appropriate technical, logistical and administrative resources. For each subject under consideration, the contract defines a supply plan stipulating the corresponding minimum purchase volumes, and the frequencies of the purchases.
5. The qualitative undertakings. The parties indicate the criteria to be met in respect to the quality and safety of the products and services, taking into account the applicable statutory requirements.
6. Production which is respectful of the environment and of the persons. The contract provides for the distribution of the liabilities in the fields of:
 - a. the application of the requirements to preserve natural ecosystems in accordance with the productions concerned;
 - b. the application of the principles of social and individual fundamental rights concerning producers.
7. The Purchase Price rationale. The contract specifies:
 - a. the Minimum guaranteed price paid to the Production Group and the incoterm defining it; the Minimum guaranteed price paid to the Producers, if applicable;
 - b. mechanisms for price fixing and price fluctuation of the Production Group Purchase Price, particularly if the local currency fluctuates in relation to the foreign currency;
 - c. frequency of invoicing and payments, the payment instrument, the payment deadlines, the consequences of any late payments;
 - d. any down payments and pre-financing;
 - e. the taxes applicable to export;
 - f. when the local currency is used, the exchange rate relative to a foreign currency on signature of the contract is stipulated.
8. The development rationale. The contract specifies:
 - g. the distribution of the roles in the support activities;
 - h. the methods of financial support for development, and in particular the sum allocated to the Development Fund.
9. The certification costs payment methods. The contract will stipulate the methods for paying for the certification costs including organic inspection.

10. The language of the contract. At minimum the contract is translated into the official national language of the Production Group.
11. The contract termination methods. The contract stipulates, in the event of conflict between the parties, the establishment of a process which gives preference to dialogue, and if necessary, calls for third party arbitration. It stipulates the terms for settlement of disputes: voluntary settlement, conciliation; failing these, arbitration or the competent courts.

3.2.2. FREEDOM OF SELLING

- **3.2.2.1. General requirement.** If a fair trade Purchaser pays the costs of inspection and certification of the Production Group:
 1. Above the volumes contractualised with this purchaser, the Production Group must be free to sell directly to other purchasers, whether or not they are "fair trade".
 2. If the Production Group were to come to other fair trade Purchasers, all appropriate solutions will be explored in order to share the Production Group's inspection and certification costs.

3.2.3. PARTIAL FAIR TRADE PURCHASE AND PAYMENT

- **3.2.3.1. General requirement.** The Purchaser does not negotiate the purchase of a "fair trade" production – at the price mentioned in the fair trade contract – for a price lower than the reference price for another "non-fair trade" production.
- **3.2.3.2. Progress requirement.** For a given production of equivalent quality, the First Purchaser can, exceptionally, obtain supplies both as "organic" production and as "organic and fair trade" production from the Production Group. In this case :
 - The "organic" purchase price must be the same as the "organic and fair trade" purchase price. Funding of the Development Fund (see § 3.2.6) will be based solely on the "organic and fair trade" volumes.
 - The First Purchaser undertakes to sustainably increase its purchases under "fair trade" conditions. If, after three years, the increase is not significant, an explanation will be required: market restrictions encountered or any other relevant reason.

3.2.4. PRE-FINANCING

Pre-financing may be granted in the form of an advance on purchase (down payment) to the production groups if the latter make a motivated and justified request for it. In this case the First Purchaser and the Production Group will reach a consensual agreement through negotiation. This pre-financing principally enables the Production Group to pay the Producers for the harvest. It can also enable the transport, export or packaging costs to be covered.

- **3.2.4.1. Minimum requirement.** If the Production Group makes an official request to this end, the First Purchaser grants pre-financing.
- **3.2.4.2. General requirement.** The pre-financing methods satisfy the following conditions:

1. The First Purchaser is bound to cover the value of the agreed payment.
2. The funds are available sufficiently early for the Production Group (initial stage of agricultural harvests or of the first processing).
3. The payment dates and the value of the pre-financing are stipulated in the contract.
4. If the First Purchaser charges interest to the Production Group, the interest rates may not be higher than those generally applied in the Purchaser's country. The reference taken is that of the average rates applied by the three largest banks of the country, or the official market rate of the national bank.

3.2.5. PRICE AND PAYMENT TO THE PRODUCTION GROUPS

The goal is to apply a Minimum guaranteed price at minimum 15% higher than the average of the prices normally applied for non-organic non-fair trade products; or at minimum 5% higher than the average of the prices normally applied for non-fair trade organic products.

The EFT minimum guaranteed prices are at least equivalent to the minimum prices defined by the international fair trade organisations, when they exist. The analytical comparison between the prices must take into account all the costs, including those concerning the support and technical assistance policy.

Minimum price guaranteed to the Production Group

- **3.2.5.1. Minimum requirement.** The Purchaser gives a contractual undertaking in relation to a Minimum guaranteed price paid to the Production Group.
- **3.2.5.2. Minimum requirement.** The Minimum Guaranteed Price is determined in a concerted, argued and justified manner, starting with a real dialogue with the Production Group and its members. A consensus is reached through transparent negotiations.
- **3.2.5.3. Minimum requirement.** The Minimum Guaranteed Price allows:
 1. the costs of production of the raw material to be covered (including, if applicable, the Minimum Guaranteed Price paid to the Producers);
 2. any transport, processing and packaging costs paid by the Production Group to be covered;
 3. the organisational costs to be covered (internal quality control, administration; certification costs if they are paid by the Group);
 4. attainment of the profit margin required by the structure to enable the production investments to be made;
 5. the export costs to be covered, if they are paid by the Group;
 6. the overseas transport costs to be covered, if they are paid by the Group;

Purchase price from the Production Group

- **3.2.5.4. Minimum requirement.** The Purchase Prices are determined by joint agreement between the Purchaser and the Production Group before each campaign.
- **3.2.5.5. Minimum requirement.** The Purchase Prices have the following characteristics:
 1. They are without exception greater than or equal to the Minimum Guaranteed Prices as defined above.
 2. They are higher than the prices applied in the market (world prices, if they are defined, e.g. prices of cotton and sugar on the New York Stock Exchange) in the case of non-organic non-fair trade products.
 3. They are higher than or equal to the prices applied in the market (world prices, if they are defined, e.g. prices of cotton and sugar on the New York Stock Exchange) in the case of organic products.

Payment methods

- **3.2.5.6. General requirement.** The purchase terms and frequencies take into account the financing constraints of the Production Group, and are compliant with the methods in the contract set out by joint agreement between the parties.
- **3.2.5.7. General requirement.** The First Purchaser pays the Production Group in cash and on the purchase dates determined in the contract.

Revision of the minimum price guaranteed to the production group

- **3.2.5.8. Progress requirement.** The Guaranteed Minimum Price is revised regularly, when the Production Group makes such a request. This revision notably relates to changes in costs paid by the Production Group (input, packaging, local transport, etc.).

3.2.6. FINANCIAL SUPPORT FOR DEVELOPMENT

Purchasers must fund a Development Fund. This fund will finance projects which goal is to raise the quality of life of the Producers and their families (collective amenities, education and health social services, etc.) and to promote income-generating activities in the villages and communities concerned (cooperative stores, transport, etc.). The funds can also be allocated for the purpose of making the commodity chain more secure over time, and can be used for commercial and technical support.

The Production Group redirects the sum paid to the Development Fund. The methods for managing the Development Fund are defined in part 3.3.4.

- **3.2.6.1. Minimum requirement.** In addition to the Purchase Price the First Purchasers pay the Production Group a sum to finance the Development Fund. The sum to be paid is defined in each sales contract.
- **3.2.6.2. Minimum requirement.** The sum paid into the Development Fund is at minimum 5% of the value of the minimum price guaranteed to the Producers.

- **3.2.6.3 Minimum requirement.** If the First Purchaser is the Project Sponsor, the direct technical investments (equipment, facilities, technical infrastructures) which it has made may be valued and included in the evaluation of the sum allocated to the Development Fund if:
 1. these goods are the property of the beneficiaries (or are made permanently available to them) (Cf. 3.3.3);
 2. there is an explicit, formal agreement of the Production Group: the distribution of the financial support for development is clearly stipulated in the contract (Cf. § 3.2).

3.2.7. COMMERCIAL SUPPORT

- **3.2.7.1. General requirement.** Depending on the demonstrated requirements, the First Purchaser provides support for marketing through information concerning the markets (practices, prices, quality requirements, applicable statutory changes, etc.) and the search for new outlets.

3.3. FAIR TRADE EXCHANGES: PRODUCTION GROUPS

3.3.1. COMMERCIAL OBLIGATIONS

- **3.3.1.1. General requirement.** The Production Group meets its commercial obligations with regard to its Purchasers, in terms of delivery deadlines and quality of the delivered product.

3.3.2. PRICE PAID TO THE PRODUCERS

The goal is to apply a Minimum guaranteed price at minimum 15% higher than the average price applied to non-fair trade non-organic products and at minimum 5% higher than the average price applied to non-fair trade organic products;

Minimum price guaranteed to the Producers:

- **3.3.2.1. Minimum requirement.** The Production Group makes a commitment concerning a Minimum guaranteed price paid to the Producers.
- **3.3.2.2. Minimum requirement.** The Minimum guaranteed price allows:
 1. the production costs paid by the Producer to be covered (cost of inputs, cost of labour, etc.);
 2. a remuneration to be obtained which, for the time devoted to the activity concerned, satisfies the basic requirements of the Producer and their family;
 3. the profitability of their activity (profit margin obtained) to be guaranteed.

Price of purchase from the Producers:

- **3.3.2.3. Minimum requirement.** The Purchase Prices are determined by joint agreement between the Production Group and the Producers before each campaign.
- **3.3.2.4. Minimum requirement.** The Purchase Prices have the following characteristics:
 1. They are without exception greater than or equal to the Minimum Guaranteed Prices as defined above;
 2. They are higher than the prices applied by the local intermediaries for non-organic non-fair trade equivalent products. They may be equal to those applied by the intermediaries in the case of intra-year sudden rises, for a limited period;
 3. They are higher than or equal to the prices applied in the organic market.
- **3.3.2.5. General requirement.** If, for the organic product in question, the Production Group cannot sell all of the volume produced to EFT purchasers, it shall pay the Producers using average pricing logic (taking into account the pricing policies of EFT purchasers and those of other purchasers).

3.3.3. USE OF PRE-FINANCING

- **3.3.3.1. General requirement.** If pre-financing has been obtained, the Production Group uses it for the reasons mentioned at the time of the application (purchase of raw materials, pre-financing of processing, of export costs, etc.) or for other justified reasons.

3.3.4. MANAGEMENT OF THE DEVELOPMENT FUND

This section describes the way in which the Development Fund is used. It ensures coherence in the use of the fund ; it also ensures that decisions made in relation to its use are taken after consultation with the beneficiaries.

- **3.3.4.1. Minimum requirement.** The Development Fund is managed transparently and responsibly: with separate accounting, transparent accounting, and regular data records.
- **3.3.4.2. Minimum requirement.** The Development Fund is used in favour of all the beneficiaries. There are no risks of appropriation by individuals or interest groups.
- **3.3.4.3. Minimum requirement.**
 1. The financed projects have been identified in consultation with the beneficiaries. The Producers participate, directly or through their representatives, and are informed of, the decisions relating to the Development Fund.
 2. All resources suitable for the social and cultural reality of the producers are used in order to involve the producers as much as possible in the decisions relating to use of the Development Fund.

- **3.3.4.4. General requirement.** When the fund's money is available, an assessment of the actions undertaken (or yet to be undertaken) is drawn up on the occasion of the annual meeting with the beneficiaries :
 - An assessment of the activities, and more specifically on the progression of existing financed projects;
 - Financial assessment concerning income, expenditure and the balance of the Development Fund;
 - Prospects for actions to be undertaken the following year;
- **3.3.4.5. General requirement.** These elements are sent to ECOCERT at year end, or before the end of the first quarter of the following year. They are made available to the beneficiaries of the support.

3.4. FAIR TRADE EXCHANGES: COMMODITY CHAIN

- **3.4.1. General requirement.** All the operators are transparent in relation to the margin rates applied to the fair trade Products, and justify any discrepancy with the margin rates applied on average to comparable and non-fair trade products (production costs and sales prices described in detail by the operator). If a significant discrepancy (higher than 10%) is noted in an agent in the commodity chain, this agent will then supply proof that this difference is necessary to ensure the viability of the commodity chain.
- **3.4.2. Progress requirement.** Operators with purchase and resale activity undertake to apply to the fair trade Products gross margins which are not significantly different from those applied on average to comparable and non-fair trade products.

4. SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Production and processing practices respect employee rights (respect for the fundamental ILO conventions referenced in Appendix 7.6) and the environment.

4.1. SOCIAL RESPONSIBILITY

This part applies to production groups and to operators involved in preparation activities located in Developing countries. It concerns relations established between employers and their salaried workers. Additional social requirements specific to production groups are explored in greater depth in part 4.3.

4.1.1. FORCED LABOUR

- **4.1.1.1. Minimum requirement.** No situation of forced labour or servitude for debt is occurring (obligatory labour which may result from certain forms of indebtedness of workers towards the employer).
- **4.1.1.2. Minimum requirement.** There is no retention of official documents when Workers are hired.
- **4.1.1.3. Minimum requirement.** Workers are free to leave their employer after giving reasonable notice, in accordance with the legal notice in the country concerned.

4.1.2. FREEDOM OF ASSOCIATION AND OF NEGOTIATION

- **4.1.2.1. Minimum requirement.** Workers can indeed join the organisation of their choice, form this type of organisation, draw up and enact their internal articles and regulations, and elect their representatives freely.
- **4.1.2.2. Minimum requirement.** The employer adopts an open attitude towards Workers' organisations and their activities.
- **4.1.2.3. Minimum requirement.** Workers' representatives are not discriminated against, and resources are given to them in order for them to accomplish their duties. Regular meetings with the management enable salaries, and all other claims relating to working conditions, to be discussed.
- **4.1.2.4. Minimum requirement.** If freedom of association and of collective bargaining is restricted by law, the employer will facilitate and will not hold back the growth of parallel means of association and of negotiation of the Workers.

If production or processing structures employ fewer than 10 permanent Workers, appropriate similar measures will be accepted.

4.1.3. CHILD LABOUR

- **4.1.3.1. Minimum requirement.** Apart from the exceptions mentioned in the last point, the use of child labour is prohibited. Only Workers aged over 15, or over the age at which mandatory education ceases, if higher, are hired. If, despite this, a local minimum age is established at 14, in agreement with the exceptions laid down by ILO convention 138 for Developing countries, the lower age will apply.
- **4.1.3.2. Minimum requirement.** Children or Young Workers (aged under 18) do not accomplish tasks which, by their nature or due to circumstances in which they are undertaken, risk harming them from the standpoint of health or safety, or from a moral standpoint. Night-time work for Children or Young Workers is not permitted.
- **4.1.3.3. Minimum requirement.** In the context of family assistance, within the community, Children can accomplish family and traditional tasks, provided:
 1. this work does not harm their health or their normal development;
 2. Children are regularly educated the rest of the time.

For any non-compliance on reported case of child labour, the employer will demonstrate that it has put itself into compliance by developing procedures and programmes for Child rehabilitation. These procedures and programmes are stipulated in ILO conventions 138 and 182.

4.1.4. DISCIPLINARY MEASURES

- **4.1.4.1. Minimum requirement.** Any departures from the standards concerning punishments and any form of intimidation of the Workers by the employer are prohibited (including bodily injury, verbal threats, moral harassment).
- **4.1.4.2. Minimum requirement.** All withholding of salary as a disciplinary measure is prohibited, as are all deductions from salaries not set out by the national legislation.

MORE THAN 10 PERMANENT WORKERS

If production or processing structures employ more than 10 permanent Workers, the following requirement applies:

- **4.1.4.3. Minimum requirement.** If the employer employs more than 10 permanent Workers, the internal regulations mention the nature and scale of the sanctions applicable in the company which can be inflicted on the Workers. A warning system announcing the disciplinary measure before it is applied is established.

4.1.5. NON-DISCRIMINATION AND INSERTION

- **4.1.5.1. Minimum requirement.** Employers make no distinction, exclusion or preference on the basis of race, skin, colour, sex, religion, political opinion, social origin, disability, etc., in respect of remuneration, recruitment, professional training, promotion, retirement and working conditions.
- **4.1.5.2. General requirement.** The employer seeks to minimise differences of treatment (notably in terms of salary and employee benefits) between temporary Workers and permanent Workers.
- **4.1.5.3. General requirement.** The employer does not use casual Workers, home-working Workers, or Workers on false apprenticeship contracts in the aim of procuring formal employment and/or employee benefits set out by the national legislation.
- **4.1.5.4. General requirement.** The employer justifies all use of temporary labour. Temporary labour must be used only in order to respond to one-off labour requirements during clearly set out periods. When the employer uses a temporary employment agency, it must ensure that the agency complies with local legislation, particularly with respect to wages and employee benefits.
- **4.1.5.5. Progress requirement.** Building modifications are made to facilitate access of disabled Workers to employment positions within the structure.

4.1.6. HEALTH AND SAFETY

Workers work in a safe and healthy working environment. All appropriate preventive measures are taken in order to prevent accidents and bodily injury relating to the employment, by minimising the causes of dangers inherent to the working environment:

- **4.1.6.1. Minimum requirement.** An analysis of the risks relating to each operation is made (handling of hazardous products, dangerous activities). In particular:
 1. Persons handling hazardous products or undertaking dangerous activities are equipped with basic protections.
 2. Management (handling, storage) of all hazardous material is done in the appropriate places and according to appropriate methods, in order to limit the level of danger, and prevent risks of contamination, such as poisoning.
 3. All products used are clearly identified and the containers clearly labelled.
- **4.1.6.2. Minimum requirement.** Vulnerable persons (Children, persons whose disability increases the risk of injury in this situation, and untrained workers, etc.) are not authorised to handle hazardous products or to undertake dangerous activities.
- **4.1.6.3. General requirement.** Training is given to Workers concerning the identified risks: Workers are informed of the risks and of all obligatory precautionary measures.
- **4.1.6.4. General requirement.** If necessary the employer will make premises available to all the personnel satisfying the health norms for the storage of foodstuffs.

- **4.1.6.5. General requirement.** If accommodation is provided by the employer, it will need to be appropriate and suitable considering the local context.

MORE THAN 10 PERMANENT WORKERS

If production or processing structures employ more than 10 permanent Workers, the following requirement applies:

- **4.1.6.6. Minimum requirement.** The Workers have access to a drinking water outlet and to sanitary facilities.
- **4.1.6.7. Minimum requirement.** There is an operational first aid station in the production location.
- **4.1.6.8. General requirement.** The Workers are familiar with the emergency procedures (safety, fire) and are trained in first aid.
- **4.1.6.9. Progress requirement.** From the second year on, a representative of the Workers is appointed to cover questions of Health and Safety.

4.1.7. FORMAL RELATIONSHIP

- **4.1.7.1. General requirement.** All the Workers receive clear information concerning their employment terms, including their wages, before being hired, and concerning the details of their pay, every time they are paid.
- **4.1.7.2. General requirement.** There are written contracts for all permanent Workers.

4.1.8. WAGES

- **4.1.8.1. Minimum requirement.** The wages paid for a normal working week are higher than or equal to the official minimum wages applied and to the wages defined by the commodity chain, if these exist.
- **4.1.8.2. Minimum requirement.** In all cases the wage paid for a normal working week enables each Worker to live decently from their employment and to receive a decent Income.
- **4.1.8.3. Minimum requirement.** Dated and signed payslips and/or registers certify that the wages have effectively been paid.
- **4.1.8.4. Minimum requirement.** The wage is paid in compliance with the contractualised deadlines and due dates. Wages are paid regularly, and at least once per month.

4.1.9. WORKING WEEKS

- **4.1.9.1. General requirement.** The accounting of the hours worked is transparent.

- **4.1.9.2. General requirement.** Except for the management team, the working week may not exceed 48 hours as a monthly average, or is in compliance with the local legislation if it is more restrictive.
- **4.1.9.3. General requirement.** One day of leave for each period of 7 days worked is obligatory.
- **4.1.9.4. General requirement.** Overtime may not exceed 12 hours per week, or the limit dictated by the local legislation if it is more restrictive.
- **4.1.9.5. General requirement.** Overtime is worked on a voluntary and occasional basis, and is remunerated with increased pay.

4.1.10. EMPLOYEE BENEFITS

- **4.1.10.1. General requirement.** At minimum, the local legislation is satisfied in respect of the workers' employee benefits (sickness, pension, maternity, etc.).
- **4.1.10.2. General requirement.** If the local legislation does not provide minimum social cover, minimum prevention and insurance methods are put in place in order to cover the risks of accident and sickness to which the Workers are exposed.

4.1.11. OTHER SOCIAL ACTIONS

- **4.1.11.1. Progress requirement.** Depending on the contexts, and according to the priorities established with the Workers, the Operators are encouraged to put in place other social actions: support for community-based social programmes (schools, health centres, students' grants, etc.), or more occasional actions intended to improve the working conditions of the most marginalised Workers.

4.2. ENVIRONMENTAL RESPONSIBILITY

This part applies to production groups and to operators involved in preparation activities (Developing countries and Developed countries). It concerns environmental practices. Additional environmental requirements specific to production groups are explored in greater depth in part 4.4.

4.2.1. WATER CONSERVATION

- **4.2.1.1. General requirement.** Consumption levels of surface water and underground water are known (origins and quantities). Producers' and workers' awareness concerning responsible water management is raised.
- **4.2.1.2. Progress requirement.** In order to optimise water management:
 1. Water conservation practices are put in place (control of irrigation, rational use during processing, etc.).

2. Appropriate methods for treatment of discharges and waste water are used, enabling risks for the environment and for health to be minimised.
3. Practices limiting the pollution of water ways and ground water are put into place.

4.2.2. WASTE MANAGEMENT

- **4.2.2.1. General requirement.** The various types of waste are identified, together with their polluting character. Producers' and workers' awareness concerning responsible waste management is raised.
- **4.2.2.2. Progress requirement.** In order to optimise waste management:
 1. Recyclable materials (paper, plastics, cartons, wood, etc.) are separated and recycled when possible;
 2. Hazardous waste is processed appropriately and safely;
 3. If they exist, recovery channels are used;
 4. Incineration is not used if other, less polluting alternatives exist;
 5. Fermentable waste is recycled (composting, biogas, mulching, etc.).

4.2.3. MANAGEMENT OF ENERGY RESOURCES

Use of local sources of renewable energy and limitation of the production of greenhouse gases will be sought:

- **4.2.3.1. Minimum requirement.** Crops grown in greenhouses heated by non-renewable energies are not accepted.
- **4.2.3.2. Progress requirement.** A policy to limit overall consumption of electricity and to seek alternative energy sources (solar or wind energy, etc.) is put in place.
- **4.2.3.3. Progress requirement.** A policy to limit consumption of fossil energy and to seek alternative methods (in particular, the least polluting forms of transport will be favoured) is put in place.

4.3. ADDITIONAL SOCIAL REQUIREMENTS: PRODUCTION GROUPS

This part applies to production groups. It concerns the social aspects specific to the Production Groups.

4.3.1. MEMBERS OF GROUPINGS OF PRODUCERS

- **4.3.1.1. Minimum requirement.** The members of producer organisations or companies with production contracts participating in the fair trade approach are clearly identified and registered.

- **4.3.1.2. Minimum requirement.** Most of the registered members are Small Producers:
 1. More than 60% of these members are Small Producers;Or
 2. More than 60% of the volumes (as an annual average) sold by the organisation or the company are produced by Small Producers.

4.3.2. OPERATION OF GROUPINGS OF PRODUCERS

These requirements concern democracy, participation and transparency within the groupings of producers. They apply both to producer organisations and to their parent companies (second degree organisations), if they exist.

PRODUCER ORGANISATIONS

- **4.3.2.1. General requirement.** The Producer Organisation has registered formal status.
- **4.3.2.2. General requirement.** The structure of a Producer Organisation must allow participation and inspection by the members of the organisation, it must operate on a democratic model:
 1. the organisation has operating methods/status and a memorandum/regulations which are transparent, in order to limit fraud or dominance by a group or individual;
 2. a meeting of the members or associates is held at least annually, in order to present the financial results and to take decisions according to democratic rules;
 3. the members or associates have access to the minutes of the meetings, to the voting records, to the annual accounts and to the other activity records.

CONTRACT PRODUCTION COMPANY

- **4.3.2.3. Minimum requirement.** From the first year on, Contract Production Companies draw up, an action plan with the Producers, to create a participatory body to represent the Producers.
 1. The plan will lay down practical measures combined with a schedule to eventually enable:
 - The participatory body to be involved in defining the areas the Producers wish to develop; more specifically, this will be done through their involvement in the decision-making in relation to the use of the Development Fund (see 3.3.33.3.4);
 - The participatory body to operate according to a democratic model (elected Producer representatives, structuring);
 - The participatory body to be a place for fair dialogue between the Producers and the company.
 2. The plan will therefore formalise an internal system for participatory and democratic decision-making.

- **4.3.2.4. Progress requirement.** With the ongoing support of the company, such a participatory body will be in place within three years.
- **4.3.2.5. Progress requirement.** With the ongoing support of the company, and if the Producers so wish, the participatory body will enable a shift towards an organisation structure where Producers are economically independent.

4.3.3. NON-DISCRIMINATION AND INCLUSION OF PRODUCERS

- **4.3.3.1. Minimum requirement.** The articles of the Producer Organisation or of the Contract Production Company (or any other similar internal regulations) do not restrict access of the Producers according to discrimination criteria such as race, skin colour, religion, sex, political opinion, national descent or social origin.
- **4.3.3.2. General requirement.** There is no characterised obstacle to the participation of women in the decision-making structures and procedures within the Producer Organisation or of the Contract Production Company.
- **4.3.3.3. Progress requirement.** Within the Group, the organisation or company seeks to improve the living conditions of the most disadvantaged Producers and/or of the communities which are associated with them (e.g. isolated producers in regions of great poverty, stigmatised native populations, groups of women, persons or groups of persons in a situation of disability, discrimination or exclusion).

4.3.4. RELATIONS WITH THE PRODUCERS

- **4.3.4.1. Minimum requirement.** Clear rules and mechanisms are established in order to determine the prices paid to the Producers, taking production costs into account.
- **4.3.4.2. General requirement.** The Producers are clearly and regularly informed of the mechanisms and rules enabling the prices which are paid to them to be determined, and also enabling the quantities of product which they can deliver to be determined.
- **4.3.4.3. General requirement.** Differential pricing systems relating to sustainable cultivation conditions, or to the quality of the raw material, may exist. In this case there are transparent procedures explaining the different price levels paid to the Producers.

CONTRATC PRODUCTION COMPANY

In the case of a company with production contracts:

- **4.3.4.4. Minimum requirement.** The company has established a commercial relationship at least one year previously with the registered members.
- **4.3.4.5. Minimum requirement.** Annual crops: the Producers are not constrained in any way whatever (explicit or implicit) to plant the certified crop each year. They will not be excluded by the company in any circumstances if they do not do so.

- **4.3.4.6. Minimum requirement.** the Producers are free to terminate their contracts using clear termination methods stipulated in the contract.
- **4.3.4.7. Minimum requirement.** The contract specifies:
 1. the obligations of the company in terms of support: provision of services, inputs, etc.
 2. the Producer's obligations: quality criteria, organic and sustainable crop-growing practices, priorities in terms of social aspects, etc.

4.3.5. METHODS OF PAYMENT TO THE PRODUCERS

- **4.3.5.1. Minimum requirement.** Payment of individual producers is effective. Clear documents certifying that the money has been paid trace the payment.
- **4.3.5.2. Minimum requirement.** Producers are paid according to the deadlines agreed with the Producers, and within a reasonable period after delivery of the product.

4.4. ADDITIONAL ENVIRONMENTAL REQUIREMENTS: PRODUCTION GROUPS

This part applies to production groups. It concerns the environmental aspects specific to the Production Groups.

4.4.1. MAXIMUM CONSERVATION OF BIODIVERSITY

- **4.4.1.1. Minimum requirement.** No operation has a significant negative impact on threatened species or habitats.
- **4.4.1.2. Minimum requirement.** No operation leads to a deterioration of the adjacent natural Ecosystems, or to their conversion to productive systems (cultivated systems or other productive systems). In particular the following is observed:
 1. no clearance by burning and/or felling of primary forests or Mature Secondary Forests;
 2. no conversion of protected wetland environments;
 3. no introduction of invasive exotic species.
- **4.4.1.3. Minimum requirement.** Poaching is prohibited for the Producers or Workers concerned.
- **4.4.1.4. General requirement.** A policy of maximum conservation of biodiversity and of the Ecosystems is applied, through diversification of the crops, of the methods of picking or spontaneous harvesting of the suitable plants, of measures for development of the rural territory, and of suitable crop-growing techniques. Natural Ecosystems are maintained, completed or developed, and are maintained competently. In particular the following is observed:
 1. no monocultures (including perennial crops) over more than 100 ha without management of biodiversity;

2. the existence of uncultivated and uncleared areas, or reforestation areas (on the tops of hills, and in buffer areas).

4.4.2. IMPROVEMENT OF SOIL FERTILITY AND STRUCTURE

- **4.4.2.1. Minimum requirement.** Risks of deterioration of the soil fertility and structure are identified (ploughing practices, irrigation, insufficient use of organic fertilising materials, little crop rotation, etc.).
- **4.4.2.2. General requirement.**
 1. Producers' and workers' awareness is raised to these risks. Good agricultural practices are listed and promoted.
 2. Appropriate actions seeking to improve soil fertility and structure are put in place. They are followed up through an action plan.

4.4.3. SOIL EROSION

- **4.4.3.1. Minimum requirement.** The possible causes of erosion are identified (overgrazing, ploughing, denuded areas, water run-off, etc.).
- **4.4.3.2. General requirement.**
 1. The producers' and workers' awareness is raised to these causes. Good agricultural practices and measures to tackle erosion are listed and promoted.
 2. Appropriate actions are taken. They are followed up through an action plan.

4.5. OVERALL SUSTAINABLE DEVELOPMENT POLICY: COMMODITY CHAIN

This part concerns the environmental aspects applicable to the entire commodity chain.

4.5.1. PACKAGING OF THE FINISHED PRODUCT

- **4.5.1.1. Minimum requirement.** The packaging of the finished product contains no PVC, polystyrene, or materials or substances which contain, are derived from, or have been manufactured using, GMOs or genetically modified microorganisms (written proofs from the suppliers).
- **4.5.1.2. Progress requirement.** In order to minimise the environmental impact of the packaging of finished products, the operator:
 1. minimises the quantity of materials used;
 2. maximises the quantity of materials which can be recycled, or reused (energy recovery, composting, etc.);

3. uses materials consisting partly of recycled materials if such technical possibilities exist.

4.5.2. RESPONSIBLE CHOICE OF CARRIERS

- **4.5.2.1. General requirement.** The Operator justifies the choice of air transport (perishable product, damage to quality which would compromise the commodity chain, unsuitable road infrastructure, distance to a port, political instability).
- **4.5.2.2. General requirement.** The Operator justifies the option of an all-lorry shipment when piggyback rail shipment is an option.
- **4.5.2.3. Progress requirement.** The Operator encourages grouping and the setting up of tools to encourage it.
- **4.5.2.4. Progress requirement.** The Operator makes the choice of maritime carriers, when such a choice exists, on the basis of a "best offer" in employment terms (no use of a shipment under a flag of convenience, or of shipowners which do not comply with minimum employment norms for the crews, etc.).

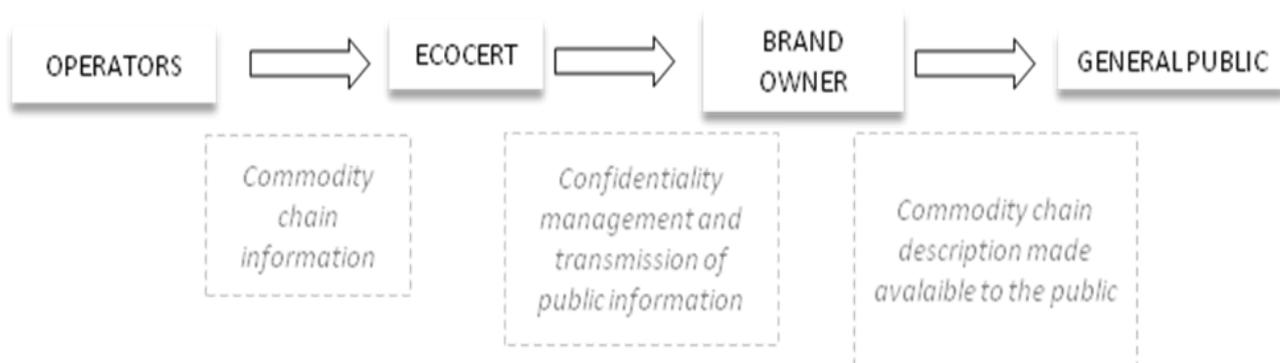
4.5.3. REDUCTION OF PAPER ADVERTISING

- **4.5.3.1. Progress requirement.** In order to reduce the ecological impacts of advertising on paper supports (prospectuses, advertising leaflets, catalogues, etc.):
 1. the Operator has a policy of reducing tonnages through a quest for finer targeting. There is an annual report presenting the different types of advertising supports used, and the quantities used.
 2. the Operator puts in place technical improvements: use of fibres originating from certified forests, of recycled paper which has not been whitened using chloride, of inks which are not toxic on combustion, etc.

5. TRANSPARENCY OF INFORMATION

Transparency of information for the general public is one of the foundations of the guarantee offered by the EFT standards. It is organised in three stages:

1. Transmission of the information to ECOCERT: Operators give ECOCERT information concerning the activities which are under their responsibility. This information is intended to be made public (See below table, column "Information sent to ECOCERT").
2. Management of confidentiality: The Operators can request that some information remains confidential from the public. Requests for confidentiality may relate only to certain information, and must be justified (data which may be strategic, e.g. if some reserve is necessary in the case of a competition risk). (See below table, column "Public Information").
3. Transmission of information to the general public: ECOCERT keeps available to the Brand Owner the information collected within the commodity chain. The Brand Owner makes the information available to the general public by means of a commodity chain description.



5.1. TRANSMISSION OF INFORMATION: COMMODITY CHAIN

- **5.1.1. Minimum requirement.** Each operator sends ECOCERT a number data concerning it. The table below lists the data to be supplied to ECOCERT for each raw material commodity chain. It stipulates the data which may be subject to confidentiality requests. ECOCERT will check the accuracy of these data.

THEME CONCERNED	DATA SENT TO ECOCERT	PUBLIC INFORMATION
ASPECTS RELATING TO THE COMMODITY CHAIN	1. Geographical activity areas (at minimum: country)	Yes
	2. Production and/or processing methods	Yes
EMPLOYMENT-RELATED, CULTURAL AND TECHNICAL ASPECTS	3. Type of Production Group (Producer Organisation, Contract Production Company, Plantation) and description of the way in which the beneficiaries are organised	Yes
	4. Economic, employment-related and cultural context of the beneficiary communities	Yes
	5. Actions initiated in the context of the technical support	Yes
	6. Methods and allocation of the financial support for development	Yes
	7. History of the project	Yes
	8. Name of Production Group	Confidentiality request possible
ECONOMIC ASPECTS	9. Purchase Price to the Producer, Purchase Price to the Production Group, FOB price*	Confidentiality request possible
	10. Relative differences of the purchase prices (Producer, Production Group) compared to the non-organic non-fair trade average prices (%)*	Yes
ENVIRONMENTAL ASPECTS	11. Description of the environmental measures in addition to organic agriculture.	Yes

*Average prices and sums applied during the previous campaign.

5.2. DISTRIBUTION OF INFORMATION TO THE PUBLIC: BRAND OWNERS

5.2.1. PROVISION OF INFORMATION ABOUT THE COMMODITY CHAIN

- **5.2.1.1. General requirement.** The brand owner makes available to the general public a commodity chain description using the data provided by the operators in the commodity chain to ECOCERT (Cf. § 0). This description must be easily accessible (website or information in the place of sale). The brand owner may communicate on indicator 10 (Relative difference of purchase prices) only if it communicates the proportion of the finished product's sale price going back to the Producer Country.

5.2.2. INFORMATION AND EDUCATION ACTIONS

- **5.2.2.1. General requirement.** The brand owner conducts educational actions through varied communication supports: such as point of sale information as well as publicity, publicity meetings, websites, and press articles, etc.
- **5.2.2.2. Progress requirement.** It maintains an attitude of permanent dialogue, i.e. participates in multi-professional meetings, colloquia, fairs, forums, in order to present its projects and policy, to participate in diagnoses or programmes, to remain in contact with the agents of fair trade, local communities, unions, NGOs, associations and public authorities, answers questions from consumers or Websurfers...

6. USE AND LABELLING OF FAIR TRADE PRODUCTS

6.1. SEPARATION MEASUREMENTS, RECORDS AND QUALITY SYSTEM

6.1.1. SEPARATION MEASUREMENTS

- **6.1.1.1. Minimum requirement.** Fair Trade Products are harvested, transformed, stored and transported so as to prevent all risks of substitution by "non-fair trade" products in the sense of these standards.

6.1.2. TRACEABILITY MEASURES

- **6.1.2.1. Minimum requirement.** All operations are recorded, the records are kept so that the auditor can trace back and know about:
 1. The nature, quantities and prices of the products entering the unit.
 2. The nature, quantities and prices of the products leaving the unit.
 3. The nature, quantities and prices of the products stored in the unit.
 4. The suppliers and the recipients of the products entering or leaving the unit.

6.1.3. PURCHASING CONTROL

- **6.1.3.1. Minimum requirement.** On reception of the Fair Trade Product:
 1. The Operator ensures that its supplier has a valid compliance certificate.
 2. The Operator checks that the packaging or container has not been breached, and checks - using the information contained on the Labelling or the accompanying documents - the origin and nature of all Products entering the unit. This check is recorded in a register or a reception document.

6.1.4. COMPLAINTS AND CLAIMS

6.1.4.1. General requirement. The operator must implement a system for recording complaints and claims, and the corrective measures which it has adopted to remedy to these.

6.2. PRODUCT LABELLING RULES

- The rules for Labelling and Advertising of the products (finished or non-finished) are stipulated in the separate document entitled "Rules for identification of products, organisations or activities inspected and verified as compliant by ECOCERT according to the EFT standards".

7. APPENDICES

7.1. EXTRACTS FROM THE AFNOR AC X50-340 AGREEMENT

"Fair trade. The three principles of fair trade. The criteria applicable to the fair trade approach". Extracts⁵

"This document is a reference document: it does not constitute a norm and it is not intended for certification purposes. An AFNOR agreement is a document produced collectively by identified agents. This status has an equivalence at European level (CWA: CEN Workshop Agreement) and internationally (IWA: International Workshop Agreement). The agreement in question could be used as a support for an extension to the discussions concerning fair trade at European level, for example. It can constitute a reference document to be used as a basis for developing a norm.

The three major principles

Fair trade implies a partnership between fair trade organisations (OCE), those who are actively involved, the producer organisations (PO) and/or worker organisations. It is founded on dialogue, transparency, respect and confidence. It acts in favour of disadvantaged producers and workers and their families in Developing countries. Fair trade seeks equity in commercial relationships, and is an integral part of a process of sustainable development. The drafters of the agreement considered that fair trade is based on the application of three fundamental, complementary and indissociable principles.

Principle I: a balance in the trading relationship between partners or co-contractors

The agreement upholds that the contract constitutes the basis of the commercial relationship. The agreement seeks to contribute assistance to the partners involved within a fair trade approach concerning the drafting of the contract and the definition of the respective rights and obligations, economically, and in organisational, employee-relations, environmental and health terms.

Principle II: support for producers and for POs engaged in fair trade

The agreement emphasises that the fair trade approach must enable producers and POs to improve their capacity and therefore their independence within a perspective of sustainable development. The support actions are formalised and planned, with determined goals and an assessment which is carry out periodically. These actions cover the production and sale of the products, the strengthening of the POs and of their networks, the participation of the POs and of the workers in the fair trade approach, and the support for POs which have not yet been incorporated into such an approach.

⁵ <http://www.ecologie.gouv.fr/Accord-AFNOR-AC-X50-340.html>

Principle III: provide information and raise the awareness of the consumer, the client, and the public in general.

According to the agreement, the public must be informed clearly, reliably and in a verifiable manner, and must be made aware of the principles and goals of fair trade, in particular concerning the solidarity demonstrated towards the most vulnerable producers, in respect of human rights, conservation of the environment, quality of the products, etc."

7.2. EXTRACTS FROM THE FINE CONSENSUS

Definition and principles of fair trade according to the FINE consensus (December 2001)⁶

“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 Organizations, 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.

The objectives of Fair Trade are:

- ▶ To improve revenues for and the welfare of producers by facilitating their access to the market, supporting producer organisations, guaranteeing them a better price, and establishing continuity in business relations.
- ▶ To encourage the growth of disadvantaged producers, and particularly women and persons living in misery, and to protect Children from exploitation in the production process.
- ▶ To increase consumer vigilance on the negative effects on producers of international trade, so that they use their purchasing power in a positive manner.
- ▶ To create model business relationships through dialogue, transparency and respect.
- ▶ To lead campaigns for change in the rules and practices of conventional international trade.
- ▶ To defend human rights by encouraging social justice, sound environmental practices, and economic security.”

⁶ <http://www.fairtrade-advocacy.org/>

7.3. LAW N° 2005-882 OF 2 AUGUST 2005 IN FAVOUR OF SMALL AND MEDIUM ENTERPRISES

**J.O.* No. 179 of 3 August 2005 page 12639
text no. 2⁷**

ACTS

Law n° 2005-882 of 2 August 2005 in favour of small and medium enterprises (1) PMEX0500079L

Article 6

- I. - Fair trade forms an integral part of the national strategy for sustainable development.
- II. - Within trading, craft manufacturing and service activities, fair trade organises exchanges of goods and services between Developed countries and disadvantaged producers located in Developing countries. Fair trade aims to establish long-term relationships which result in ensuring the social and economic progress of such producers.
- III. - Individuals and legal entities which respect the conditions defined above may receive approval by a commission whose composition, scope and criteria of acknowledgement of the aforementioned legal entities are defined by decree in Council of State

⁷ http://www.ecologie.gouv.fr/IMG/pdf/LOI_20pme.pdf

7.4. THE TEN PRINCIPLES OF THE GLOBAL COMPACT

Extract from the Ten Principles of the Global Compact ⁸

The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption:

The UN Global Compact's ten principles are derived from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

The principles, category by category, are as follows:

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour Standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

⁸ <http://www.unglobalcompact.org>

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

7.5. EXTRACTS FROM REGULATION (EC) N° 834/2007

Extract from regulation (EC) N°834/2007 relative to organic production and to the labelling of organic products.

Article 12. Rules applicable to plant production.⁹

“2. The collection of wild plants and parts thereof, growing naturally in natural areas, forests and agricultural areas is considered an organic production method provided that:

(a) those areas have not, for a period of at least three years before the collection, received treatment with products

other than those authorised for use in organic production under Article 16;

(b) the collection does not affect the stability of the natural habitat or the maintenance of the species in the collection area.”

⁹ <http://eur-lex.europa.eu>

7.6. ILO CONVENTIONS

Eight fundamental conventions of the ILO¹⁰

FREEDOM TO FORM A TRADE UNION

- ▶ Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
- ▶ Right to Organise and Collective Bargaining Convention, 1949 (No. 98)

ABOLITION OF FORCED LABOUR

- ▶ Forced Labour Convention, 1930 (No. 29)
- ▶ Abolition of Forced Labour Convention, 1957 (No. 105)

EQUALITY

- ▶ Discrimination (Employment and Occupation) Convention, 1958 (no 111)
- ▶ Equal Remuneration Convention, 1951 (No. 100)

ELIMINATION OF CHILD LABOUR

- ▶ Minimum Age Convention, 1973 (No. 138)
- ▶ Worst Form of Child Labour Convention, 1999 (No. 182)

¹⁰ www.ilo.org

7.7. CASE OF ELIGIBLE PLANTATIONS

In the case of eligible plantations, which are accepted on an exceptional basis (Cf. § 1.8.3), some requirements do not apply and others are added:

NON-APPLICABLE REQUIREMENTS

The following requirements don't apply in the case of Plantations

3.1. Fair trade exchanges: Project sponsors	3.1.2.2
3.2. Fair trade exchanges: First Purchasers	3.2.6.2
3.3. Fair trade exchanges: Production Groups	3.3.2.1; 3.3.2.2; 3.3.2.3; 3.3.2.4; 3.3.4.3
4.3. Additional social requirements: production groups	All the requirements of this part

ADDITIONNAL APPLICABLE REQUIREMENTS

The following additional requirements apply in the case of Plantations:

3.1. Fair trade exchanges: Project sponsors	<ul style="list-style-type: none"> 3.1.1.2. Minimum requirement. The Project Sponsor will provide additional information relating in particular to: <ol style="list-style-type: none"> the actual contribution of the establishment of the fair trade approach from a social standpoint (action plan in relation to improvement of Workers' living conditions, in particular for the most marginalised; implementation of social actions in terms of the community), and from an environmental standpoint (environmental management of the Plantation); the risk of coming into competition with groupings of independent Producers located in the same agro-ecological area.
	<ul style="list-style-type: none"> 3.1.2.3. General requirement. The Project Sponsor undertakes actions in order to support the workers association to improve their organisation, to support them in relation to questions relating to employment law, safety or management of the social projects which are to be implemented via the development fund.
3.2. Fair trade exchanges: First Purchasers	<ul style="list-style-type: none"> 3.2.6.4. Minimum requirement. The sum paid into the Development Fund is at minimum 5% of the value of the minimum price guaranteed to the Plantation.
3.3. Fair trade exchanges: Production Groups	<ul style="list-style-type: none"> 3.3.4.6. Minimum requirement. In the first year, a Plantation committee is officially established by electoral means. This committee is responsible for use of the Development Fund.
	<ul style="list-style-type: none"> 3.3.4.7. General requirement. The Plantation committee is balanced: it consists of representatives of the Workers and of representatives of the management of the Plantation, and will include, in the event of a dispute, outside experts, or representatives of the commodity chain purchasers.
	<ul style="list-style-type: none"> 3.3.4.8. General requirement. This committee demonstrates effective participatory and democratic operation.
	<ul style="list-style-type: none"> 3.3.4.9. General requirement. The representatives of the plantation do not

	have a right of veto, unless a decision clearly harms the interests of the company or is clearly illegal. In this case, their opposition must be voiced in an extraordinary meeting of the committee in the presence of outside experts or of representatives of the purchasers of the commodity chain
--	--

CONTENTS

1. GOALS, FIELD OF APPLICATION, ELIGIBILITY	10
1.1. NORMATIVE CONTEXT AND REFERENCES	10
1.2. AMENDMENTS OF THE STANDARDS	10
1.3. GOALS	11
1.4. DESIGNATIONS.....	11
1.5. CHARACTERISTICS OF THE INTERNATIONAL EXCHANGES.....	11
1.5.1. EXPORTING COUNTRY	11
1.5.2. IMPORTING COUNTRY	12
1.6. SECTORS AND ACTIVITY	12
1.7. STRUCTURE OF THE STANDARDS	12
1.8. OPERATORS' ELIGIBILITY CRITERIA	13
1.8.1. ALL OPERATORS	13
1.8.2. LARGE MULTINATIONAL COMPANIES.....	13
1.8.3. PRODUCTION GROUPS.....	14
1.8.1. PROJECT SPONSORS.....	15
2. REQUIREMENTS REGARDING ORGANIC CHARACTERISTICS OF THE PRODUCT AND COMPOSITION RULES	16
2.1. AGRICULTURAL RAW MATERIALS.....	16
2.2. SEMI-FINISHED AND FINISHED PRODUCTS.....	16
2.3. RULES FOR COMPOSITION OF THE FINISHED PRODUCTS	16
2.3.1. SAME INGREDIENT	17
2.3.2. "FAIR TRADE" DESIGNATION	17
2.3.3. "FAIR TRADE, COMMODITY CHAIN X" DESIGNATION	17
3. BALANCE OF THE RELATIONSHIP BETWEEN THE PARTNERS	18
3.1. FAIR TRADE EXCHANGES: PROJECT SPONSORS	18
3.1.1. ACTION PROGRAMME	18
3.1.2. TECHNICAL SUPPORT	18
3.1.3. ACTIVITY MONITORING	19
3.2. FAIR TRADE EXCHANGES: FIRST PURCHASERS	19
3.2.1. NATURE AND CONTRACTUALISATION OF RELATIONS	19
3.2.2. FREEDOM OF SELLING	21
3.2.3. PARTIAL FAIR TRADE PURCHASE AND PAYMENT.....	21
3.2.4. PRE-FINANCING	21
3.2.5. PRICE AND PAYMENT TO THE PRODUCTION GROUPS.....	22
3.2.6. FINANCIAL SUPPORT FOR DEVELOPMENT	23
3.2.7. COMMERCIAL SUPPORT.....	24
3.3. FAIR TRADE EXCHANGES: PRODUCTION GROUPS	24
3.3.1. COMMERCIAL OBLIGATIONS	24
3.3.2. PRICE PAID TO THE PRODUCERS	24

3.3.3.	USE OF PRE-FINANCING	25
3.3.4.	MANAGEMENT OF THE DEVELOPMENT FUND	25
3.4.	FAIR TRADE EXCHANGES: COMMODITY CHAIN	26
4.	<u>SOCIAL AND ENVIRONMENTAL RESPONSIBILITY</u>	<u>27</u>
4.1.	SOCIAL RESPONSIBILITY	27
4.1.1.	FORCED LABOUR	27
4.1.2.	FREEDOM OF ASSOCIATION AND OF NEGOTIATION	27
4.1.3.	CHILD LABOUR.....	28
4.1.4.	DISCIPLINARY MEASURES.....	28
4.1.5.	NON-DISCRIMINATION AND INSERTION	29
4.1.6.	HEALTH AND SAFETY	29
4.1.7.	FORMAL RELATIONSHIP	30
4.1.8.	WAGES	30
4.1.9.	WORKING WEEKS.....	30
4.1.10.	EMPLOYEE BENEFITS	31
4.1.11.	OTHER SOCIAL ACTIONS	31
4.2.	ENVIRONMENTAL RESPONSIBILITY	31
4.2.1.	WATER CONSERVATION.....	31
4.2.2.	WASTE MANAGEMENT.....	32
4.2.3.	MANAGEMENT OF ENERGY RESOURCES.....	32
4.3.	ADDITIONAL SOCIAL REQUIREMENTS: PRODUCTION GROUPS.....	32
4.3.1.	MEMBERS OF GROUPINGS OF PRODUCERS.....	32
4.3.2.	OPERATION OF GROUPINGS OF PRODUCERS.....	33
4.3.3.	NON-DISCRIMINATION AND INCLUSION OF PRODUCERS	34
4.3.4.	RELATIONS WITH THE PRODUCERS.....	34
4.3.5.	METHODS OF PAYMENT TO THE PRODUCERS.....	35
4.4.	ADDITIONAL ENVIRONMENTAL REQUIREMENTS: PRODUCTION GROUPS	35
4.4.1.	MAXIMUM CONSERVATION OF BIODIVERSITY	35
4.4.2.	IMPROVEMENT OF SOIL FERTILITY AND STRUCTURE	36
4.4.3.	SOIL EROSION.....	36
4.5.	OVERALL SUSTAINABLE DEVELOPMENT POLICY: COMMODITY CHAIN	36
4.5.1.	PACKAGING OF THE FINISHED PRODUCT	36
4.5.2.	RESPONSIBLE CHOICE OF CARRIERS.....	37
4.5.3.	REDUCTION OF PAPER ADVERTISING	37
5.	<u>TRANSPARENCY OF INFORMATION.....</u>	<u>38</u>
5.1.	TRANSMISSION OF INFORMATION: COMMODITY CHAIN.....	38
5.2.	DISTRIBUTION OF INFORMATION TO THE PUBLIC: BRAND OWNERS	39
5.2.1.	PROVISION OF INFORMATION ABOUT THE COMMODITY CHAIN.....	39
5.2.2.	INFORMATION AND EDUCATION ACTIONS	39
6.	<u>USE AND LABELLING OF FAIR TRADE PRODUCTS.....</u>	<u>40</u>
6.1.	SEPARATION MEASUREMENTS, RECORDS AND QUALITY SYSTEM.....	40
6.1.1.	SEPARATION MEASUREMENTS	40
6.1.2.	TRACEABILITY MEASURES.....	40

6.1.3. PURCHASING CONTROL..... 40

6.1.4. COMPLAINTS AND CLAIMS 40

6.2. PRODUCT LABELLING RULES..... 40

7. APPENDICES..... 41

7.1. EXTRACTS FROM THE AFNOR AC X50-340 AGREEMENT 41

7.2. EXTRACTS FROM THE FINE CONSENSUS 43

7.3. LAW N° 2005-882 OF 2 AUGUST 2005 IN FAVOUR OF SMALL AND MEDIUM ENTERPRISES 44

7.4. THE TEN PRINCIPLES OF THE GLOBAL COMPACT 45

7.5. EXTRACTS FROM REGULATION (EC) N° 834/2007 47

7.6. ILO CONVENTIONS..... 48

7.7. CASE OF ELIGIBLE PLANTATIONS..... 49