THE CODE

FAIRTRADE ORGANIZATION CODE

VERSION 0.1

Approved by the FI General Assembly on 4th July 2019

FAIRTRADE

CONTENTS

INTRODUCTION

Fairtrade International has adopted this Fairtrade Organization Code (hereinafter referred to as the "Code") to provide a clear framework for how we implement our values, principles, policies and procedures across all of our work as a Global System, and to ensure that we operate with high standards of behaviour, accountability and ethics.

The Code aims to deliver on Fairtrade's vision and mission to make international trade work better for farmers and workers, drive positive impact in achieving better livelihoods for producers and uphold and promote human rights and dignity for all, delivering Fairtrade's contribution to the achievement of the Sustainable Development Goals.

The Code sets out standards for our practice, rather than goals or targets, which are covered by our Theory of Change and Strategic Plans. The Code is approved and overseen by the Fairtrade International Board of Directors and the General Assembly.

Purpose and Objectives

The purpose of the Code is to deliver Fairtrade's vision and mission to transform international trade in favour of disadvantaged small farmers and workers by building greater trust and credibility with our stakeholders, partners, funders and the general public through the adoption of greater transparency, accountability and effectiveness in how we operate as a global System.

Objectives

1. To clarify and deliver against agreed standards of good practice expected of all Fairtrade Members (including Fairtrade International, licensing and marketing operations, producer networks and FLOCERT).
2. To provide assurance to Fairtrade stakeholders: partner organizations, business partners, licensees and trading partners, funders and donors, country governments where we operate, members of our national organizations, farmers' and workers' organizations, supporters of our movement, consumers and members of the general public.
3. To enable effective self-regulation and compliance, and deliver continuous strengthening and improvement of our system and operations.

Compliance with the Code

Once approved by the General Assembly, the Code is binding on all Members[1]. It applies equally to Fairtrade International, FLOCERT, National/Regional Fairtrade Organizations, Fairtrade Marketing Organizations and Producer Networks who are part of Fairtrade's global governance system. Small Producer Organizations, Hired Labour Organizations or Traders are covered by our Standards and Certification System, and as such are not covered by the Code.

The Code contains commitments requiring Members to adopt certain policies and procedures to implement the Code (as specified in the support package described below) and to ensure that such policies and procedures are compliant with relevant national or international legislation and regulations. Members are encouraged to include references to local legislation or regulations in their own policies and procedures as part of interpreting the Code within the context of their own local or national situation.

Alongside the Code, there will be a support package for Members, including a Fairtrade Organization Code Assurance Framework document, which will provide indicators to support Members to be able to demonstrate and report compliance with the Code. Further, the support package will include a schedule showing where a Policy/Procedure is (i) mandatory (MP), i.e. must be implemented by Members within a certain timeframe, or (ii) recommended (RP), i.e. is recommended to be adopted by Members voluntarily at their own discretion. Some sections will not require separate or additional policy/procedure development at Members' level but will reflect organizational Good Practices (GP) by Members. Finally, also part of the support package, the Guidance Manual plus model policy templates for agreed mandatory policies or procedures will aid Members in their implementation of the Code.

Each Member is required to designate a senior staff member to act as their organizational champion of Code compliance, and to work with their own Boards/Governance bodies and leadership teams to deliver compliance and ensure timely and accurate reporting against the compliance indicators contained in the Code Assurance Framework.

1 When referring to "Members" or "Fairtrade Members" this means a reference every organization contributing to the delivery of Fairtrade's governance and goals: Fairtrade International Central Office; FLOCERT; Regional and sub-regional Fairtrade Producer Networks and offices; National or Regional Fairtrade Organizations and Fairtrade Marketing Organizations.

Annual Reporting

Member organizations are required to report annually to Fairtrade International on their implementation of the Code. This annual reporting will cover:

- the adoption of agreed mandatory Policies and Procedures, including progress since the previous report
- any breaches of the Code identified or investigated during the previous 12 months and remediation measures taken
- actions and priorities to improve compliance against the Code, provide training or further capacity building to enable its effective implementation.

Fairtrade International's Ethics and Compliance Manager will facilitate the process of reporting and collation of a global report drawing on each Member Organization, against the Code Assurance Framework. Fairtrade International will provide System-wide oversight of reporting deadlines, and provide recommendations to the Governance Committee, based on the global report. The Governance Committee will review the report and submit any recommendations to the Fairtrade International Board.

Failure by any Member to submit an annual report will be addressed as part of the annual Compliance reporting process above. Fairtrade International will designate a responsible person to explore the reasons with the Member concerned, and agree a plan of action.

Code Review and Oversight

Oversight of the contents of the Code and Member compliance will be provided by Fairtrade International's Governance Committee, who will provide an annual report to the Board on overall Member compliance, and make recommendations to the Board and General Assembly for any revisions of the Code or other actions arising from Member non-compliance with the Code.

Every three years, the Governance Committee will conduct a full review of the Code itself, and of compliance and reporting patterns, and make recommendations to the General Assembly via the Board. Decisions over changes to the Code or compliance process are taken by the General Assembly.

Members wishing to propose any amendments or revisions to the Code should raise these in the first instance with Fairtrade International's Ethics and Compliance Manager.

FAIRTRADE'S VISION, MISSION & VALUES

All Members of Fairtrade International commit to work towards achievement of the global Fairtrade Vision and Mission, and embed these appropriately into their own statutes/constitutions, ways of working and internal and external communications.

Definition of Fair Trade

As a partner in the global Fair Trade movement we also share the following vision and definition for Fair Trade as a whole, of "a world in which justice, equity and sustainable development are at the heart of trade structures and practices so that everyone, through their work, can maintain a decent and dignified livelihood and develop their full potential".

"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 security 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."[2]

Fairtrade's Vision is of a world in which all producers can enjoy secure and sustainable livelihoods, fulfil their potential and decide on their future.

Fairtrade's Mission is to connect disadvantaged producers and consumers, promote fairer trading conditions and empower producers to combat poverty, strengthen their position and take control of their lives.

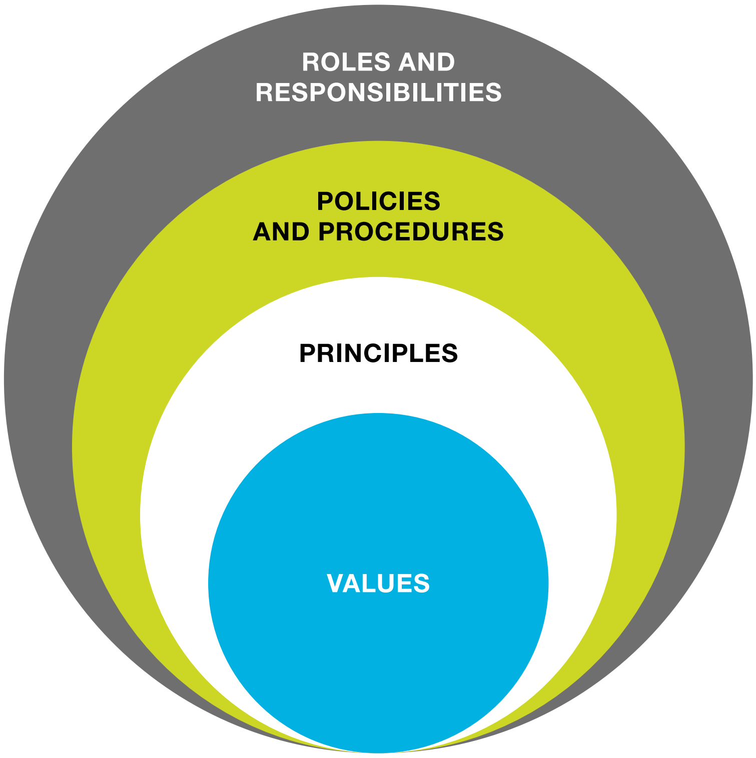
Our vision and mission are reflected in the values, by which we commit to work together so that we set an example for the changes we seek in others. Therefore we will work collaboratively and seek to empower those who wish to be partners in our mission. Trust is a crucial factor in our work and we will be mindful of our responsibilities to those who place their trust in us. Embracing transparency and stakeholder participation is an important way that we will be accountable for our work.

It is from our vision and mission statements, and other fundamental documents of the Fairtrade System (the Fairtrade International Constitution, our Theory of Change, our Brand Guidelines) that we draw the four values and ten principles that sit at the heart of the Code. These are not meant to be an exhaustive list of the values that we as individual members may have within our own organizations, but are values that govern the way that we work together, fulfil our responsibilities, are accountable to our stakeholders, and drive effective collaboration and trust with each other.

2 Definition of Fair Trade as adopted by Fairtrade International and World Fair Trade Organization, and now incorporated into the International Fair Trade Charter **https://www.fair-trade.website**

VALUES AND PRINCIPLES UNDERPINNING THE FAIRTRADE ORGANIZATIONAL CODE

Four values sit at the heart of our Code: accountability, respect, integrity and partnership. From these we draw 10 principles for how we act responsibly to live out these values in practice. These principles in turn drive the commitments to follow agreed policies and procedures, and ensure that all parts of the Fairtrade System are clear about their roles and responsibilities.



VALUE	PRINCIPLE
ACCOUNTABILITY	1. We manage our resources responsibly and ethically.
	2. We strive to be effective and deliver positive impact.
	3. We take responsibility for our actions.
RESPECT	4. We respect, protect and champion human rights, and fight for those disadvantaged in international trade.
INTEGRITY	5. We value, respect and nurture the people who work for us.
	6. We are honest, trustworthy and transparent about how we work.
	7. We govern our affairs in a responsible, democratic and transparent way.
	8. We practise what we preach in relation to fair and sustainable trade.
PARTNERSHIP	9. We collaborate and coordinate our efforts as one global system.
	10. We build partnerships and collaborate for greater global impact.

ACCOUNTABILITY

Accountability for our action and impact lies at the heart of trust and confidence in the Fairtrade System. This requires us to:

- manage all financial resources and other assets responsibly and ethically (Principle 1)
- continually monitor that we are achieving the goals and objectives of the Fairtrade System, and are effective in what we do, so that our work delivers positive impact (Principle 2)
- address any issues, concerns or allegations that may be made about Fairtrade, and have appropriate mechanisms to deal with them responsibly (Principle 3).

PRINCIPLE 1. WE MANAGE RESOURCES RESPONSIBLY AND ETHICALLY

ACCOUNTABILITY	
PRINCIPLE	**1. We manage resources responsibly and ethically**
	1.1 Financial Management and Reporting 1.2 Maintaining Responsible Levels of Reserves 1.3 Fraud and Corrupt Practices 1.4 Value for Money 1.5 Ethical Investment and Fundraising 1.6 Trademark Protection

1.1 Financial Management and Reporting

Fairtrade is committed to effective and accountable financial management, and transparency in our financial operations. This includes:

- Managing financial resources responsibly, accounting for all monies received and expended
- Producing budgets, forecasts and quarterly and annual accounts, and regularly reviewing and updating these
- Taking action to identify and reduce financial risk
- Ensuring financial management systems are legally compliant, and adopt best practices as relevant to their country/ies of operation and regulatory guidance
- Being effective in the use of resources, and minimising financial wastage
- Producing and publishing annual audited financial statements.

1.2 Maintaining Responsible Levels of Reserves

Reserves are needed for working capital and to cover temporary shortfalls in income and unforeseen increases in expenditure so that Members can continue to operate at all times, or can withstand sudden financial shocks.

As part of any financial and risk management process, the governance bodies of each Member of Fairtrade International are responsible for setting out a reserves policy as appropriate to the size of the organization, the nature of its work, and any local regulatory requirements associated with organizational registration or legal status. Members are required to report to their own governance bodies, members or key funders on the level of any reserves held as part of statutory annual reporting.

1.3 Fraud and Corrupt Practices

The Fairtrade System recognises its responsibility to safeguard resources in an economical and ethical manner. The Fairtrade System is committed to taking a robust and systematic approach to the prevention and detection of fraud and other corrupt practices, and maintaining a culture of honesty, integrity and opposition to fraud and corruption.

Fairtrade Members should adopt clear policies and control plans to prevent, detect and act on any evidence presented of fraudulent or corrupt practices. Commitments must apply to all persons acting on behalf of the Member, such as officers, employees, consultants, contractors and agents or other intermediaries. Every individual and organization contracted by Fairtrade should be made aware of their personal responsibility and obligation to conduct Fairtrade activities ethically and in compliance with the law. Members have a duty to report any and all suspected cases as part of compliance with this Code, including reporting to relevant authorities or regulatory bodies where necessary.

1.4 Value for Money

We are committed to delivering value for money as an integral part of our organizational strategy and will pursue efficiency, effectiveness and economy aligned with Fairtrade's ethics and values in order to deliver sustainable impact. The Fairtrade System will seek to adopt good practice and incorporate Value for Money principles in all of its activities, recognising the need to balance between ethical and sustainable practices and financial considerations. The responsibility for pursuing value for money lies with the governance bodies of each Member. Members are required to develop and implement a Value for Money Policy or statement documenting how they ensure they drive value for money. All individuals contracted by Fairtrade, should also be made aware of their responsibilities to deliver value for money.

1.5 Ethical investment and fundraising

Fairtrade International and its Members will seek to ensure that money raised and invested by their organizations do not conflict with the stated values and principles of the Fairtrade System.

Members are responsible for laying out clear policies for where and how they apply ethical criteria to applications for, or acceptance of, monies. Such policies should reflect any consensus agreement on specific sectors or issues, which may represent significant risk for the global system. Members shall seek where possible to hold and invest their money with financial institutions that can demonstrate that they operate satisfactory ethical investment policies of their own.

1.6 Trademark Protection

The name Fairtrade, the Fairtrade symbol and the registered FAIRTRADE certification and brand trademarks are valuable assets registered in over 160 countries, and their correct usage is central to the integrity of the Fairtrade System, and the trust placed in it.

Members of Fairtrade's Association have the right to use the Mark and to license usage by third parties according to the approved Guidelines and Manuals. Fairtrade Members are required to sign a Licence Agreement with Fairtrade International in order to licence the use of the FAIRTRADE Mark for an agreed territory, and commit to protecting the ownership, use and intellectual property of the FAIRTRADE Mark (and relevant brand, program or ingredient labels) at all times. Fairtrade Members must ensure they implement a control system to ensure correct use of Fairtrade's name, brand and certification Marks in their own materials, by third parties, and to correct any misuse of Fairtrade's name or trademarks.

PRINCIPLE 2. WE STRIVE TO BE EFFECTIVE AND DELIVER POSITIVE IMPACT

ACCOUNTABILITY	
PRINCIPLE	**2. We strive to be effective and deliver positive impact**
	2.1 Global Strategy 2.2 Key Performance Indicators 2.3 Impact Reporting and MEL

2.1 Global Strategy

In line with our vision, mission and values, Fairtrade sets out long term strategic plans over 3-5 year horizons, in a participatory process involving the Members and key stakeholders, overseen by the International Board, with final decision making on the strategic framework approved by the Members at the General Assembly. Each Fairtrade Member is responsible for developing and adopting its own strategic plan, for engaging with their stakeholders in its development, approval and dissemination, and ensuring sign off by their respective governance bodies and/or memberships.

2.2 Key Performance Indicators

Fairtrade is committed to establishing and monitoring its own performance and progress in relation to the agreed Global Strategy. This is done through identification and agreement of tangible key performance indicators (KPIs) reflecting the specific agreed outcomes and impact of the Global Strategy (in line with our Theory of Change framework), as well as indicators for assessing the Fairtrade System's operational effectiveness.

The Fairtrade International Board is responsible for establishing agreed KPIs in line with the Global Strategy, to guide operational decision-making and inform the allocation of system-wide financial resources and investments. Members are responsible for establishing and monitoring data collection systems including KPIs to monitor progress relevant to their roles and responsibilities, and for reporting into the global system according to their assigned KPIs and agreed timelines.

2.3 Impact reporting and MEL

As part of Fairtrade's commitment to delivering positive impact, it is critical to understand where and how the global Fairtrade System is delivering progress against its Vision and Mission. Fairtrade's Theory of Change (TOC) provides a clear Monitoring, Evaluation and Learning (MEL) framework for identifying the expected types of outputs, outcomes and impact generated through our own interventions in global markets and supply chains. This system is also designed to identify and learn where Fairtrade is not making sufficient progress, so as to support evidence-based changes to the way we work, and identify additional or alternative approaches to take.

Responsibility for reviewing or updating the TOC lies with the global MEL team, with final decisions taken by the Fairtrade International Board and the General Assembly. Fairtrade Members commit to establishing effective monitoring and evaluation processes in order to contribute to reporting on the size and scope of Fairtrade, provide evidence of benefits and impact, and support independent evaluations of Fairtrade's effectiveness.

Fairtrade's MEL Programme is committed to following the principles of ISEAL's Impacts Code and to external evaluation of compliance with the Code.

PRINCIPLE 3. WE TAKE RESPONSIBILITY FOR OUR ACTIONS

ACCOUNTABILITY	
PRINCIPLE	**3. We take responsibility for our actions**
	3.1 Complaints and Allegations 3.2 Whistleblowing 3.3 Risk Management

3.1 Complaints and allegations

Upholding credibility in the Fairtrade System requires our organizations to act swiftly and professionally to deal with any complaints or allegations about the quality or delivery of our services, or actions of our staff or any consultant or contractor acting on Fairtrade's behalf. Allegations may result from a breach of Fairtrade values, policies and procedures or the Code of Conduct by a staff member, consultant or contractor. Complaints may also include expressions of dissatisfaction with the quality or delivery of Fairtrade's services.

Members must have in place clear processes and procedures for dealing with allegations and complaints received either internally or from third parties, including analysing the nature of the allegation or the complaint, escalating issues within the Fairtrade System or with relevant authorities as required, protecting the identities of complainants, and communicating the process and outcome of any investigation triggered.

3.2 Whistleblowing

Fairtrade encourages all staff and contractors to raise any concerns that they may have about the conduct of others or the way in which the organization or global system is run.

Members commit to establishing and implementing a Whistleblowing Policy designed to ensure that concerns about possible inappropriate conduct, illegal or dangerous activities or other forms of malpractice are brought swiftly to management's attention, and reported into Fairtrade International's global Whistleblowing scheme. The policy will enable and encourage employees to raise genuine concerns about possible wrongdoing at work without fear of reprisal and to reassure them that such matters will be dealt with professionally and effectively. Policies should designate responsible individual(s) with whom employees may safely raise their concerns, and ensure those receiving reports are fully trained in the procedures to follow, including where and how to report into the global Whistleblowing scheme.

All Members are committed to ensure any Whistleblowing Policy takes into account any national regulations governing reporting to authorities, public information disclosure, and best practice in not-for-profit sector governance.

3.3 Risk Management

Fairtrade is committed to creating an organizational culture that enables the global System to achieve its objectives through appropriate management of risk. Sound risk management practices help to ensure that we take advantage of opportunities whilst also mitigating threats to our strategic objectives and business. All Fairtrade Members commit to establishing and operating a system of risk oversight and management to identify, assess, monitor and manage risks related to the conduct of their own activities. Members also have an obligation to contribute to Fairtrade's global risk management system, reporting any known System-wide risks arising from their own activities or assessments or actions being taken to mitigate or obviate these.

RESPECT

Fair trade is a trading partnership built on mutual respect, and respect for the human dignity and rights of all people is a core value we live by in the Fairtrade System. This means Fairtrade Members should:

- uphold and champion the human rights of those involved in international trade, in particular the men, women and children in communities around the world who are associated with Fairtrade supply chains (Principle 4)
- respect, value and nurture all those working for Fairtrade organizations as employees, contractors or volunteers (Principle 5).

PRINCIPLE 4. WE RESPECT, PROTECT AND CHAMPION HUMAN RIGHTS, AND FIGHT FOR THOSE DISADVANTAGED IN INTERNATIONAL TRADE

RESPECT	
PRINCIPLE	**4. We respect, protect and champion human rights, and fight for those disadvantaged in international trade**
	4.1 Human Rights 4.2 Protection of Children and Vulnerable Adults from Violence and Abuse 4.3 Gender Equality and Women's Economic Empowerment 4.4 Workers' Rights

4.1 Human Rights

All Fairtrade Members commit to demonstrating an organizational commitment to human rights, as enshrined in the United Nations (UN) Convention on Human Rights, and embedded in frameworks such as the UN Guiding Principles on Business and Human Rights. Fairtrade should seek to operate to the same standards on human rights as we expect of the businesses and supply chains with whom we work through our standards, certification and programmes. Members' human rights statements and policies should reflect the universal nature of human rights for all regardless of race, religion, ethnicity, disability, age, displacement, caste, gender or gender identity, sexual orientation, poverty, class or socio-economic status.

4.2 Protection of Children and Vulnerable Adults from violence and abuse

Fairtrade Members are committed to upholding all human rights and ensuring that our actions are in accordance with the principles enshrined in the UN Declaration of Human Rights and the UN Convention on the Rights of the Child, especially those articles focussing on the protection of children and vulnerable adults. These principles, along with relevant International Labour Organization (ILO) Conventions on Forced and Child Labour and commitments in the UN Global Compact are enshrined in Fairtrade Standards for Small Producer Organizations, Hired Labour, Contract Production and Traders.

In the framework of this code, all Members commit to developing and implementing internal policies and procedures designed to protect the wellbeing of children and vulnerable adults in communities associated with Fairtrade supply chains, and to safeguard them from any form of violence or abuse and that are in line with international conventions, good practices and domestic law.

All individuals acting or travelling on Fairtrade business must be made aware of their responsibility to follow procedures, including timely reporting of any suspected cases of breach of standards and/or policies designed to protect children and vulnerable adults. (See also Sections 5.2 and 5.3 below on Child Protection and Sexual Exploitation and Abuse.)

4.3 Gender Equality and Women's Economic Empowerment

Gender inequality remains a major barrier to human development globally. Fairtrade is dedicated to promoting equality and enabling women and men to access the benefits of Fairtrade equally.

The Fairtrade Gender Strategy seeks to promote gender equality and women's empowerment in producer organizations by building women's and girls' power and autonomy, and to deliver a transformative approach to gender mainstreaming in the Fairtrade System.

Fairtrade Members are encouraged to demonstrate their commitment to achieving gender equality in global supply chains and in the Fairtrade System itself, showing where and how their strategies, plans, programmes and/or partnerships contribute to the achievement of the goals in the Gender Strategy, as appropriate to the size and resources of their organization, their role in Fairtrade and the nature of their work. (See also Section 5.6 below on Diversity and Equal Opportunities.)

4.4 Workers' Rights

As a movement dedicated to ensuring every person can, through their work, maintain a decent standard of living, Fairtrade is committed to promoting and protecting workers' rights, as enshrined in the Conventions of the International Labour Organization.

Members should publish their commitment to championing workers' rights, including the right to freedom of association and collective bargaining, and to listening to and disseminating the perspectives of workers in Fairtrade supply chains. Members should seek opportunities to collaborate internally and with external partners, trade unions and workers' rights organizations to address the continuous improvement of workers' rights and working conditions as laid out in Fairtrade Standards, and Fairtrade International Workers' Rights and Living Wages strategies. (See also Section 5.7 below on workers' representation within our own organizations.)

PRINCIPLE 5. WE RESPECT, VALUE AND NURTURE THOSE WHO WORK FOR US

RESPECT	
PRINCIPLE	**5. We respect, value and nurture those who work for us**
	5.1 Code of Conduct 5.2 Child Protection 5.3 Sexual Exploitation and Abuse 5.4 Harassment and Anti-Bullying 5.5 Human Resources 5.6 Diversity and Equal Opportunities 5.7 Workers' Representation

5.1 Code of Conduct

All Members commit to developing and implementing a Code of Conduct, which requires those employed by, contracted to or representing them externally to uphold the values, principles, policies and procedures of the organization. Members must ensure that all individuals commit to comply with their Code of Conduct, have procedures in place to deal with any breaches of their Code of Conduct, and ensure high-level oversight including through their own governance bodies.

The Code of Conduct should apply to Board members, Board Committee members, directors, employees and staff members, contracted consultants, individual contractors, volunteers, student assistants, interns, and implementing partners and responsible parties engaged by Members of the Fairtrade System for the delivery of projects or activities and therefore working in Fairtrade's name. Members must ensure that any incidence of breaches of their own Code of Conduct are also reported in a timely manner into Fairtrade International's global compliance system, and any other affected Members should be alerted where necessary.

5.2 Child Protection

The Fairtrade System upholds children's rights to survival, development, protection, and participation as set out in the United Nations Convention on the Rights of the Child. We believe that child protection is both a corporate and an individual responsibility, and every person who shares in the work of Fairtrade also shares in the responsibility to take every precaution to protect the children and families we serve.

All Members commit to developing and implementing an internal Child Protection Policy and Procedure for all staff, consultants or others working on an employed or voluntary basis, which lays out clear guidelines for safeguarding children's wellbeing. The policy and procedure should be clearly referenced in any Code of Conduct as per Section 5.1 above.

5.3 Sexual Exploitation and Abuse

Fairtrade has a zero-tolerance towards sexual exploitation and abuse, and is committed to the prevention and protection of all individuals from all forms of sexual exploitation and abuse. We understand sexual exploitation as the actual or attempted abuse of a person in a position of vulnerability, differential power, or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another. Sexual abuse refers to the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions. All sexual activity with a minor is considered as sexual abuse.

Fairtrade Members must adopt policies laying out the responsibilities of staff, Board and Committee members, consultants and contractors, volunteers or interns to contribute to the prevention of sexual abuse. These shall include clear procedures for addressing any allegations or concerns, ensuring the safety and protection of any potential victim of abuse, and for preventing any future harm. A commitment to uphold policies and procedures should be part of the Member Code of Conduct.

5.4 Harassment and Anti-Bullying Policy

Fairtrade Members are committed to providing a safe and suitable working environment, in which there is mutual trust, respect and confidence. Members must operate zero-tolerance towards any form of harassment or bullying that causes employees or other persons to feel intimidated, insecure or offended.

Bullying may occur face-to-face, by email, telephone or letter and can take the form of spreading malicious rumours, unfair treatment, aggressive behaviour towards another person, picking on or regularly undermining another person, or unfairly denying someone training or developmental opportunities. Bullying can take place between senior and junior people, or between peers.

Members commit to adopting clear policies to prevent harassment and bullying, and integrating these into their staff Code of Conduct. Members' policies should ensure appropriate mechanisms are in place for detecting, reporting and remediating any report of harassment or bullying, with clear procedures for staff and managers to follow.

5.5 Human Resources

As a Fairtrade System committed to upholding the human dignity and value of all those work, or who wish to work, in our organizations, Members commit to operating human resource policies designed to:

- recruit and retain a skilled and diverse workforce
- enhance workforce competencies through effective professional development and training
- provide effective leadership and performance management for the organization
- drive organizational effectiveness and change programmes, adapting to the external environment, financial forecasting, emerging strategies and directions
- provide appropriate remuneration and benefits to employees and contracted organizations and individuals
- ensure compliance with relevant employment, health and safety legislation and drive best practice.

Members should demonstrate how they operate professional human resources management, as appropriate to their size, income and nature of their work. All Members should put in place a core set of human resource policies.

5.6 Work force Security

Fairtrade International and its members agree to adopt appropriate measures to protect workers, consultants, and contractors working in conflict countries or regions, or in places where their physical integrity and life can be put in danger.

5.7 Diversity and Equal Opportunities

Members commit to practising inclusion and non-discrimination on the basis of sex, age, religion, race, ethnicity, economic status, caste, citizenship, sexual identity, ability/disability and urban/rural locality.

Members will be able to demonstrate a clear policy commitment to equality of opportunity for all employees, and aim to ensure their workplaces are free of all forms of discrimination. These should be embedded within their core employment policies and procedures, applied to recruitment processes, and reported and monitored as part of organizational governance systems. The objective is to create and sustain a work environment that supports and assists every person to reach his or her maximum potential.

Members are encouraged to adopt policies suitable to their own organizational size, role and national legislative frameworks to contribute to the achievement of gender equality within their own organizations and employment practices, as a complement to commitments to driving gender equality in Fairtrade supply chains and producer communities (as outlined in Section 4.3 above).

5.8 Workers' Representation

As part of Fairtrade commitments promoting and protecting workers' rights, as enshrined in the Conventions of the International Labour Organization, we seek to ensure fair working conditions and constructive relationships between management and employers within our own organizations, based on mutual trust, respect and regular dialogue.

According to their size and the nature of their work, Fairtrade organizations should establish an official system for representation of workers' voices with management, and ensure employees are freely able to join trade unions or other forms of worker association, according to their own choice. Members commit to operating transparent systems and processes for negotiating any changes to working conditions, policies or procedures affecting employees.

INTEGRITY

Operating with integrity means that Fairtrade follows its own principles and values, and that we:

- are honest and transparent in sharing truthful information about who we are, what we are doing and how well we are performing (principle 6)
- organise and govern our organizations and decision making processes in a transparent, responsible and democratic manner (principle 7)
- hold ourselves to at least the same standards that we expect of others in terms of fair and sustainable trade practices (principle 8).

PRINCIPLE 6. WE ARE HONEST, TRUSTWORTHY AND TRANSPARENT ABOUT HOW WE WORK

INTEGRITY	
PRINCIPLE	**6. We are honest, trustworthy and transparent about how we work**
	6.1 Annual Reporting 6.2 Communication / Public Information Disclosure 6.3 Working with the Media 6.4 Data Governance 6.5 Conflict of Interest

6.1 Annual Reporting

Transparency is a core principle of Fairtrade's way of working, and Fairtrade is committed to providing clear and accessible information about our strategy, our plans, what we are achieving, how we are spending monies entrusted to us in pursuit of agreed goals, and where we need to change and improve what we do and how.

Members must publish annual reports according to best practice on reporting in their respective sectors and national regulatory requirements. Annual reports must include summaries of audited financial accounts, comply with reporting requirements of regulatory bodies in their countries of registration, and be approved by their Boards of Directors and Trustees. Members must disseminate their Annual Reports to stakeholders and make them publicly available.

6.2 Communication / Public Information Disclosure

Fairtrade aims to speak out powerfully and with one voice as a global movement. Our communications seek to drive the conversation about the need for change in international trade and about Fairtrade's own role as a credible and significant actor driving positive impact for farmers and workers.

All Fairtrade communications should be aligned with the principles and guidelines outlined in Fairtrade Communications Strategy, Fairtrade's Brand Handbook and Mark Management guidelines, as well as the Media Crisis Management Procedure (see section 6.3 below). It is vital to Fairtrade's integrity that our communications are open about the context of poverty, inequality, human rights and the realities of Fairtrade's work, acknowledging problems as well as providing evidence in support of positive impact messages. This puts the Fairtrade System on the front foot, being honest about those challenges, rather than being defensive and reacting to criticism as it comes.

6.3 Working with the Media

Fairtrade recognizes the important role of the media in driving public engagement and understanding of the need for fairer global trade and the work we do. The development of professional contact with journalists locally, nationally or internationally is an important part of managing Fairtrade's outreach and reputation. Fairtrade seeks to work proactively with the media to bring stories to their attention, as well as respond in a timely manner to any stories, requests for information, or in response to allegations about the impact and effectiveness of our own work.

Fairtrade Members should deal openly and transparently with the media, insofar as this is in line with policies and procedures regarding protection of vulnerable people, data protection and commercial confidentiality. Members must ensure that there is a clear point of contact responsible for dealing with media enquiries swiftly and efficiently. Individuals should be trained in good practice media management, and be familiar with Fairtrade's media crisis and risk management policy and procedure.

6.4 Data Governance

Fairtrade collects, processes, transfers and uses producer, licensee and trader data for the purpose of compliance with our standards and certification processes, for assessing the impact of Fairtrade, creating reports and providing support to Fairtrade Producer Organizations. Members also collect data in relation to market-based activities, from individual supporters, organization representatives, funders and donors, and from suppliers and other contracted partners.

Members shall treat any information received from another Party, including any reported data, internal policies and training documents, as confidential. Members must ensure that their employees, representatives, consultants and or other contracted partners adhere to policies regarding confidentiality. Confidentiality obligations do not apply where disclosure may be required by law or by governmental authorities, or if information has already been made public elsewhere.

Members must have a clear data protection and privacy policy in place, and be transparent in the purposes and processes for any data collection, data use and processing or data sharing within the Fairtrade System. Data protection and privacy policies must be compliant with national and/or international legislation.

6.5 Conflict of Interest

The Fairtrade System works with many different stakeholders to achieve secure and sustainable livelihoods for Farmers and Workers. As such, employees and consultants of Fairtrade Members often work with producers and traders, receive confidential information from both sides and may even act as a mediator for negotiations. Employees, Directors, Board or committee members or consultants must exercise the utmost good faith in all transactions involved in their duties, and they must not use their positions with Fairtrade International or with its Members, or knowledge gained from their position, for their personal benefit or to benefit one party to the disadvantage of the other.

Members must implement an approved Conflict of Interest policy, which defines certain typical conflicts of interest that could arise within their operational context and the appropriate procedures and possible remedies to be applied.

PRINCIPLE 7. WE GOVERN OUR AFFAIRS IN A RESPONSIBLE, DEMOCRATIC AND TRANSPARENT WAY

INTEGRITY	
PRINCIPLE	**7. We govern our affairs in a responsible, democratic and transparent way**
	7.1 Global Governance and Ownership 7.2 Member Governance 7.3 Legal Compliance 7.4 Decision Making Roles and Responsibilities 7.5 Membership

7.1 Global governance and ownership

Fairtrade International's General Assembly is the highest authority within the Fairtrade System, and is the body through which Members exercise their responsibilities and powers as owners of the Association. 50% of decision-making votes are held by Producer Networks and 50% by National/Regional Fairtrade Organizations. All Members have the right of representation by way of Delegates at the General Assembly via their membership groups. The Board of Fairtrade International is elected by the General Assembly to provide year-round governance of the global Fairtrade System. Its membership is based on nominations representing Producer Networks, National/Regional Fairtrade Organizations and independent members.

Members commit to actively participate and exercise their ownership rights and responsibilities through the General Assembly and International Board, according to the rules and procedures laid out in Fairtrade International's Constitution.

7.2 Member Governance

All Members are responsible for establishing and operating their own effective governance bodies. Good governance is accountable, transparent, compliant with laws and regulations, responsive to stakeholder needs, efficient, equitable, inclusive and participatory, and in line with relevant statutory guidance and best practices for organizations of similar nature and size.

7.3 Legal Compliance

Ensuring Fairtrade organizations operate according to the laws and regulations of their country/region is central to the integrity of our global Fairtrade System. All Fairtrade Members are required to be legally registered entities in their own country of operation and must ensure they meet legal obligations and reporting requirements with regard to relevant authorities. Members should ensure that they include professional legal advice and oversight in all relevant organizational, financial, policy development, human resources, contract development or dispute resolution processes.

Fairtrade Members respect anti-trust and competition law when engaging in discussions with competitors (eg. other certification, licensing and labelling bodies or commercial suppliers working in the same sectors, product categories and markets), as well as the implications of competition law for any negotiations leading to licensing, trading deals or commercial partnership development.

7.4 Decision Making Roles and Responsibilities

The Fairtrade System respects the autonomy of Members to freely make decisions relating to their own organization, provided that such decisions do not conflict with the overall direction of Fairtrade, or resolutions and decisions of the General Assembly, and respect the Policy and procedures on territorial rights and interests (see section 9.3 below).

7.5 Membership

Membership of Fairtrade International is open to National or Regional Fairtrade Organizations or Producer Networks operating within a defined geographical location. The process and criteria for applications for membership, and the rights and obligations of Members are laid out in Section 4 of the Fairtrade International Constitution. The Governance Committee and the Board are responsible for reviewing any application for new membership. Decisions on membership are taken by the General Assembly. Members may be subject to sanctions by the Board or the General Assembly for any major breach of the rights, membership obligations or compliance reporting requirements of the Fairtrade System.

PRINCIPLE 8. WE PRACTICE WHAT WE PREACH IN RELATION TO FAIR AND SUSTAINABLE TRADE

INTEGRITY	
PRINCIPLE	**8. We practice what we preach in relation to fair and sustainable trade**
	8.1 Procurement Policy 8.2 Ethical and Fairtrade Sourcing 8.3 Living Wages 8.4 Environmental Management and Impact

8.1 Procurement Policy

Members will operate clear, transparent and open processes when procuring (or issuing tenders where these apply) for supplies, equipment and services, and ensure that contracts are managed with good administrative practices and sound business judgement. Members commit to dealing fairly and transparently with their suppliers, including paying fair prices for services.

Fairtrade Members' own Code of Conduct will apply to procurement of goods and services (including management of contracts and grants) to govern the performance, behaviour and actions of Members' governance bodies, employees or related parties, and to ensure vested interests or conflicts of interest are avoided. Members' procurement policies will ensure open and transparent processes for all contracting or tendering for goods or services above an agreed value, as set by their own governance structures.

8.2 Ethical and Fairtrade Sourcing

Members are encouraged to model best practice in procurement of ethical, Fairtrade and sustainably certified goods and services for their offices, events or other activities, wherever these are available in their local market.

Where Fairtrade certified goods are not available, or for products and services not currently covered by Fairtrade standards, Members should apply ethical and sustainability criteria, or other relevant recognised certifications wherever they can. Members are encouraged to seek to source goods and services from companies able to demonstrate their commitment and actions to drive positive social, environmental and economic sustainability, alongside other considerations on value for money, as part of any contracting or evaluation of supplier options.

8.3 Living Wages

Members will uphold and promote payment of living wages both internally and in relation to any service providers and procurement policies. As a minimum, Members will ensure they source from, and partner with, organizations able to demonstrate full compliance with relevant national legislation governing minimum wage levels. Recognising that in many countries, national minimum wage levels still sit below poverty lines, Members will seek to pay above minimum or industry standard rates where necessary and possible, and apply available calculations of living wages where these exist.

Members are encouraged to support coalitions and platforms established in their own main country/region of operation, to improve wage levels to close any gap between existing levels and benchmarks for living wages, to the best of their ability, according to their own size and capability.

8.4 Environmental Management and Impact

In recognition of the global environmental and climate emergency, Members commit to environmental sustainability and climate change prevention, and to improved environmental outcomes in their work towards Fairtrade's goals to improve livelihoods for small-scale farmers and workers through better trade.

Given the need for urgent action to address environmental and climate impacts, Members will demonstrate an organizational commitment to environmental sustainability and improved environmental outcomes in their own internal operations, seeking to minimise negative environmental impacts wherever possible in relation to their size, nature of work and influence. This includes travel, office and property management, procurement of goods and services, events, meetings, or use of vehicles and equipment. Members will encourage all employees or other contracted parties to be responsible in their own behaviour and their use of natural resources to the best of their own ability.

PARTNERSHIP

PRINCIPLE 9. WE COLLABORATE AND COORDINATE OUR EFFORTS AS ONE GLOBAL ORGANIZATION

PARTNERSHIP	
PRINCIPLE	**9. We collaborate and coordinate our efforts as one global organization**
	9.1 Strategic Planning 9.2 Membership roles and responsibilities 9.3 Territorial Rights and Interests 9.4 Resourcing the Global System

9.1 Strategic Planning Processes

The global Fairtrade System is committed to a participatory and democratic approach to strategic planning, and to ensuring the effective collaboration and co-ordination of Members in the establishment, monitoring and reporting, and review and evaluation of strategic plans. Members commit to actively participate in global strategic planning processes, and to a spirit of cooperation and solidarity in the interests of building consensus over contextual analysis, strategic directions, priorities and plans. Members shall support the full participation of Producer Networks and their membership through the strategic planning process to ensure the voices and reality of small farmer organizations and workers in Fairtrade are clearly heard. Members should respond to requests for information or feedback in a timely manner, and collaborate within their membership groups and relevant working parties to facilitate the process of final decision by the General Assembly.

9.2 Membership roles and responsibilities

Members commit to fulfilling their own stated responsibilities as laid out in the Fairtrade International Constitution, this Code and any existing or future Members' Agreements or relevant resolutions of Fairtrade International's General Assembly or Board. In order to maximise efficiency, and focus skills and experience, Fairtrade Members seek to respect the roles of other parts of the Fairtrade System, bring in relevant expertise from others when needed for their own work, and avoid duplicating the roles of others.

9.3 Territorial Rights and Interests

When it comes to territorial matters, Fairtrade Members commit to treating each other fairly and respectfully, and to following the policy on Territorial Rights and Interests adopted at the General Assembly in 2018, and the processes laid out therein for consultation and information sharing.

9.4 Resourcing the Global System

In order to ensure a robust global system, Fairtrade is reliant on collaboration and partnership amongst Members to provide sufficient resources to deliver the core functions and programmes agreed as part of the global strategy. Members are required to pay annual membership fees as determined by the Fairtrade International Board in accordance to the Constitution. Members will not withhold or make any offset against their membership fees, unless agreed by the Fairtrade International Board. Members are encouraged to collaborate with each other and with Fairtrade International to secure major partnership funding for agreed programmes and initiatives, and to leverage relationships with governments and major funders in the service of the global System, especially where collaboration could result in greater resources being mobilised than would be possible by an individual Member. Members may also mutually provide financial or in-kind assistance to each other without any intervention by the Board of Fairtrade International, but in the interests of full transparency all Members should declare any assistance received or provided by other parts of the Fairtrade System.

PRINCIPLE 10. WE BUILD PARTNERSHIPS AND COLLABORATE FOR GREATER GLOBAL IMPACT

PARTNERSHIP	
PRINCIPLE	**10. We build partnerships and collaborate for greater global impact**
	10.1 Farmers' and Workers' Organizations 10.2 Movement for fair and sustainable trade 10.3 Stakeholder engagement and participation 10.4 Fairtrade Supply Chain Partners 10.5 Corporate Partnerships 10.6 Policy and Advocacy 10.7 Professional Networks and Forums

10.1 Farmers' and Workers' Organizations

As an organization whose vision and mission is to secure better livelihoods from international trade for farmers and workers, Fairtrade works in close partnership with organizations of small producers and workers, and is proud to be the only global product certification scheme that is 50% owned by Fairtrade producer networks.

Fairtrade seeks wherever possible to collaborate with the wider movements representing small-scale farmers and artisanal miners, with the cooperative movement and with workers' rights and trade unions in pursuit of a common vision to improve the livelihoods and terms of trade, wage and income levels, safe and secure working conditions, fulfilment of human rights and actions to reduce negative environmental or social impacts from international trade. We are committed to listening to the voices of small scale farmers' networks and movements and to internationally recognised workers' rights platforms and trade unions, in the development of our standards, policies and programmes. We value and support common platforms and partnerships to drive systemic change at local, national and international level.

10.2 Movement for fair and sustainable trade

The organizations that make up Fairtrade International are part of a bigger Global Fair Trade Movement, united by a common vision, purpose and set of shared principles as laid out in the International Fair Trade Charter. We are committed to collaborating across our movement to campaign for trade justice for farmers and workers, and secure more opportunities for disadvantaged producers to secure a fairer deal for their products. We work together to advocate the principles and practices of Fair Trade towards government and intergovernmental organizations and as part of established public procurement processes.

The Fair Trade Movement is also part of a wider platform for ethical and sustainable trade, and for responsible, trustworthy certification of supply chains and products made, grown or harvested in line with credible and robust social, environmental and economic standards. Fairtrade International works closely with partners as part of the ISEAL Alliance to develop and implement common codes of good practice in managing credible sustainability standards. Members collaborate locally, nationally or regionally with a range of producer platforms, civil society and NGO networks, other certification or ethical labelling bodies, ethical trade initiatives and academic institutions to build common good practice, share insight and learning, advocate for shared policy goals, drive public awareness and consumer behaviour change, or engage with government in supporting innovative alternative models of trade and production.

10.3 Stakeholder engagement and participation

Fairtrade has a partnership approach to trade, and the contribution of many stakeholders to its development ensures that we remain rooted in the real experiences of producers, businesses, civil society organizations, government policy makers, researchers and members of the public.

Fairtrade therefore seeks to ensure the meaningful participation and listen to the experience and insight of key stakeholders in our governance, our standard and policy setting processes, business innovation approaches, programme development, advocacy and campaigning initiatives. Members commit to ensuring effective and timely communication with stakeholders in relation to new information or developments in the global Fairtrade System.

10.4 Fairtrade Supply Chain Partners

Fairtrade's partnership approach to working with businesses in global supply chains relies on building relationships that are mutually respectful, accountable and responsive. Maintaining effective customer relations with licensees, traders and other private sector partners is critical to the trust they place in us, and to value for money for businesses engaging with the Fairtrade System.

Members commit to operating high standards of customer service for supply chain partners and timely involvement in any standards, policy or other development that may impact upon their business, ensuring their voices are heard alongside others. Fairtrade Members must also fulfil their duties to challenge business partners when necessary, always maintaining a culture of respect.

Fairtrade Members are encouraged to collaborate with Fairtrade corporate partners to develop and leverage appropriate insight and learning from their supply chain experience, and to inform the ongoing strengthening of the Fairtrade System. Where there is good alignment of policy and vision, Fairtrade organizations may work with private sector partners on joint platforms for influencing industry, government or other stakeholders for the benefit of farmers and workers.

10.5 Corporate Partnerships

The Fairtrade System respects the autonomy of Members to freely make decisions relating to the funding of their own organization and to enter into corporate partnerships, provided that such decisions do not conflict with the Constitution and decisions of the General Assembly and respect the Policy and procedures on territorial rights and interests of other members.

10.6 Policy, Advocacy and Global Campaigning

To achieve the radical shift Fairtrade seeks to a fair, sustainable global trading system, Fairtrade must work with others who share our vision to bring about greater systemic change, and bring its own insight and experience from practising an alternative approach to the attention of government and other decision makers and influencers.

At the heart of Fairtrade's approach to policy and advocacy, Members commit to amplify the voices of farmers and workers in key policy debates, supporting them to confront policies at the national, regional and global level that impede fair trade and sustainable business. Fairtrade will also support platforms for producers, civil society and consumers to work together for government policies that create an enabling environment for fairer trade. Fairtrade Members also seek to engage the public in thinking about the actions they can take individually, or within families and communities, including purchasing and product choices and the actions they can take to influence greater change, and to champion and support local communities in forging their own local campaigns for Fair Trade.

10.7 Professional networks and forums

The global Fairtrade System is part of a wider movement of professional, standards and certification, agricultural and manufacturing, not-for-profit, social enterprise and civil society organizations engaged in building social justice, global sustainability and more equitable trade. As such, we have much to contribute to, and learn from, our peers at local, national and international level.

Fairtrade Members are encouraged to contribute to professional networks and forums relevant to their status, size and the nature of work, and to draw on training, best practice or codes of conduct within their own sector. Fairtrade Members are encouraged to join and take part in initiatives or common cause campaigns where these could contribute to addressing opportunities or threats facing the Fairtrade System and the communities we represent.

APPENDICES

APPENDIX 1: GLOSSARY OF TERMS

Accessible: easy to reach, approach, speak to or use. Presented in a form, format, language or media that is appropriate to the audience and readily usable.

Accountability: the processes through which an organization makes a commitment to respond to and balance the needs of stakeholders in its decision making processes and activities, and delivers against this commitment (Pathways to Accountability, the GAP Framework One World Trust, 2005).

Advocacy: a systematic and strategic approach to influencing governmental and institutional policy and practice change. In Fairtrade it refers to policies and practices that create an external environment in which fairer trade practices can flourish, and which provide a platform for the needs and voices of marginalised small-scale producers and workers to be heard and understood.

Allegation: an accusation, made by a third party, claiming that a Fairtrade operator is violating Fairtrade policies and procedures, is damaging Fairtrade International's reputation or is misusing the FAIRTRADE Certification Mark. Furthermore an allegation can include claims against a Fairtrade operator not certified by FLO-CERT to violate the Fairtrade standards.

Anything of Value: includes cash, gifts, gratuities, travel, meals, entertainment and offers of employment. Also may include event sponsorships, consultant contracts, and charitable contributions made at the request of, or for the benefit of, a Third Party's employee, their family, or other relations, even if made to a bona fide charity.

Association: the Association of Fairtrade Labelling Organizations International (or Fairtrade International) acting collectively through its Central Office or one or more of its Members.

Bribery: the offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of Anything of Value, including gifts, loans, fees, rewards or other advantages (taxes, services, donations, favours etc.). (See also definition for Anything of Value)

Board: the Board of Fairtrade International elected through the General Assembly.

Brand Mark: the Association's corporate identity symbol and trademark.

Campaign: a project designed to mobilise public or other stakeholder support towards a defined change goal.

Central Office: the Central Office of Fairtrade International, which provides professional and administrative support to the governance bodies of the Association and which coordinates specific tasks to support and encourage global system functioning and any other functions as directed by the Board.

Child Labour: work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development (IPEC/ILO). See also glossary terms: Worst Forms of Child Labour; Hazardous Child Labour.

Child Protection: actions, policies and procedures that create and maintain environments in which children are protected from all forms of exploitation, violence or abuse, and their rights and needs are respected.

Child Rights: the rights as listed in the 54 articles of the United Nations Convention on the Rights of the Child (UNCRC).

Civil Society/Civil Society Organization (CSO): civil society is "the arena, outside of the family, the state and the market, where people associate to advance common social interests" (CIVICUS Civil Society Index). Civil Society Organizations (CSOs) include Non-Governmental Organizations (NGOs), not-for-profit organizations, charities, community-based organizations, religious organizations, trade unions, foundations and other institutions outside of the corporate or government sectors.

CLAC: the Cooordinadora Latinoamericana y del Caribe de Pequeños Productores y Trabajadores de Comercio Justo, or the Latin America & Caribbean network of Fairtrade farmers and workers.

Collective Bargaining: a process of negotiation between employers and a group of employees aimed at agreements to regulate working salaries, working conditions, benefits, and other aspects of workers' compensation and rights for workers.

Complaint: an accusation, made by a third party, against Fairtrade services, Fairtrade conduct and/or Fairtrade staff/representative and/or consultant claiming that this person or organization violated Fairtrade policies, procedures and regulations or Fairtrade Services, or damaged Fairtrade's reputation.

Confidentiality: a state of keeping information private or process of protecting it from disclosure that could be harmful to an individual or organization.

Consent to Release: a document in which a producer organization, or other certified entity, authorizes, upon request, any member organization to release its individual data to a third party outside the Fairtrade System.

Constitution: the Constitution of Fairtrade International, as amended from time to time by the international Board, and approved by the General Assembly.

Corruption: the abuse of entrusted power for private gain.

Data: data collected, processed and used by Fairtrade International whether this be individual organizational, operational or business data of certified producer organizations (POs) in which the identity is clearly shown.

Development: process of bringing about positive and sustainable change or progress.

Dignity: the feeling of having decision making power, freedom and autonomy over life choices, of having self-worth and self-confidence, and having the respect of others.

Disability: a long term physical, mental, intellectual or sensory impairment which in interaction with various barriers may hinder full and effective participation in society on an equal basis with others (UN Convention on Rights of People with a Disability).

Disadvantaged: those who are in a social or economically unfavourable position in relation to others, or are excluded from opportunities available to others. In international trade disadvantaged farmers and workers are those who face barriers in accessing markets and/or employment on fair terms delivering a decent livelihood.

Diversity: recognition of every individual as unique and respect for differences, in relation to issues including race, ethnicity, gender, sexual orientation, socio-economic status, age, physical or mental abilities, religious or political beliefs, or other social or cultural background or ideology.

Due Diligence: research and analysis of an organization in preparation for a programme, business transaction or activity, prior to signing any contractual agreement.

Effectiveness: the degree to which actions and interventions are successful in delivering the desired result.

Efficiency: performance against time and resource parameters, measuring inputs and outputs, including value for money, and the quality of outcomes delivered.

Ethical: in accordance with rules or standards for correct conduct and practice, whether they be social, financial/economic or environmental.

Expert Body: an independent expert body in which the composition is solely based on the expertise needed on a particular subject matter under discussion without a requirement for membership group representation.

Fairtrade Activities: the collected activities to be performed by Fairtrade International and its Members in pursuance of Fairtrade, as reserved to Fairtrade International or allocated to any of its membership groups (NFOs and PNs), all as described in the Constitution and as resolved by the General Assembly from time to time.

Fair Trade Advocacy Office: a joint initiative of Fairtrade International and the World Fair Trade Organization based in Brussels, which co-ordinates advocacy and campaigning in favour of fair trade and trade justice.

Fairtrade Africa: the member organization of Fairtrade International representing the network of Fairtrade Producers in Africa and the Middle East.

Fairtrade Association: Fairtrade Labelling Organizations International e.V., acting collectively through its Central Office or one of more of its Members (Fairtrade International Constitution).

Fairtrade Assurance Scheme: the rules and procedures established by Fairtrade International ensuring adequate and credible oversight of implementation, verification and use of the Fairtrade Standards and the licensing of Intellectual Property of Fairtrade International.

Fairtrade Intellectual Property: any Fairtrade Trademarks and any other intellectual property of Fairtrade International, including the Fairtrade Standards, the Fairtrade Assurance Scheme, the domains and websites of Fairtrade International, any studies, reports, overviews and other materials created by or for Fairtrade International.

Fairtrade International: the abbreviated term used to refer to Fairtrade Labelling Organizations International e.V.

FAIRTRADE Mark/Fairtrade Certification Mark: the registered trademark owned by the Association.

Fairtrade Marketing Organization (FMO): an organization with the main purpose of promoting Fairtrade in territory where no National/ Regional Fairtrade Organization is registered, and which has a contractual relationship with the Association.

Fairtrade Member: organization contributing to the delivery of Fairtrade's governance and organization including Fairtrade International's Central Office; FLOCERT; Regional and sub-regional Fairtrade Producer Networks and offices; National or Regional Fairtrade Organizations and Fairtrade Marketing Organizations.

Fairtrade Products: finished products certified to Fairtrade standards, or product categories eligible for certification.

Fairtrade Proprietary Assets: any Fairtrade Intellectual Property and any entities owned or controlled, in whole or in part, by Fairtrade International, as well as any financial assets, real estate and any other tangible or intangible assets owned or controlled, in whole or in part, by Fairtrade International.

Fairtrade Producers: farmers and workers involved in the producer organisations that are certified to Fairtrade's Producer Standards.

Fairtrade Standards: the Fairtrade International Standards, including Producer and Trader Standards, Product Standards and Guidance Documents, established and amended by Fairtrade International from time to time.

Fairtrade System: the organizational structures, existing from time to time, for the purpose of realizing Fairtrade and the Fairtrade Activities, with such organizational structures being currently composed of Fairtrade International, its subsidiaries, its Members, Applicant Organizations and Fairtrade Marketing Organizations**.**

Fairtrade Trademarks: any registered or non-registered trademark owned by Fairtrade International.

Farmers and Workers: individual farmers, workers, artisans or equivalents; including those who are members or employees of Fairtrade Producers and Producer Organizations.

FLOCERT: the global certification body for Fairtrade, offering verification services to Fairtrade organizations globally. It operates as a subsidiary to Fairtrade International, to act independently of the standard-setting side of the organization, ensuring quality and credibility of the Fairtrade certification system.

Fraud: a deliberate deception to secure unfair or unlawful gain, or to deprive a person or organization of a legal right. Fraud includes false representation, failure to disclose information or abuse of position.

Freedom of Association: the right of workers and employers to establish and join organizations of their own choosing, and to organize freely and not be liable to be dissolved or suspended by administrative authorities.

Gender: the socially ascribed characteristics and opportunities associated with being a man or a woman, and the relationships between them. In contrast, sex refers to the physical characteristics and differences between males and females as determined by biology.

Gender equality: The concept that all human beings, men and women and boys and girls, are free to develop their personal abilities and make choices without the limitations set by stereotypes, rigid gender roles, or prejudices.

Gender equity: Fairness in the distribution of responsibilities and benefits between women and men; this may require temporary positive measures to compensate for the persistent disadvantages women experience.

Gender mainstreaming: the process of assessing the implications for women and men of any planned action, including legislation, policies or programmes, in any area and at all levels. It is a strategy for making the concerns and experiences of women as well as of men an integral part of the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres, so that women and men benefit equally, and inequality is not perpetuated. The ultimate goal of mainstreaming is to achieve gender equality.

Gender sensitivity: The demonstrated ability to take into account gender issues in development strategies and actions.

General Assembly (GA): the General Assembly of Fairtrade International, which brings together representatives of all Member organizations, Producer Networks and subsidiary bodies, according to the rules and procedures laid out in the Constitution and terms of reference.

Good Practice: a recommended technique, methodology or approach that has been shown through previous experience or research to work well, reliably, produce desirable results.

Governance: the way in which an organization is managed at the highest level, and the systems for decision making over its policies and practices.

Guidelines: information and advice to aid the establishment of a particular area of work or course of action, which can include rules, principles, checklists, examples, model planning documents or procedures.

Human Rights: the basic rights and freedoms that belong to every person in the world from birth to death, as laid out in the Universal Declaration of Human Rights and reflected in international conventions, and in regional and national legislation.

ISEAL: also known as ISEAL alliance, the global membership organization for driving credibility of global sustainability standards, of which Fairtrade International is a member.

Legislation: a law or set of laws adopted by a Government.

KPIs: Key Performance Indicators which are related to certain measurable criteria, and which are used to evaluate the performance of the Fairtrade International Central Office, Fairtrade Members and Fairtrade International's CEO.

Licence Agreement: a contracted agreement between a Fairtrade Member and a business which sets out the terms and conditions for the use of the FAIRTRADE Mark (or other trademark) on products certified to Fairtrade standards.

Licence Fee: the fee paid by a business or other partner to a Fairtrade Member for use of the FAIRTRADE Certification Mark (or other Fairtrade Ingredient/Program Mark) on products certified to agreed Fairtrade standards.

Licensee: a business or organization who has signed a Licence Agreement with a Fairtrade Member.

Media Crisis: a situation that exists in the media or social media that has, or risks having, a serious, negative and long-term impact on an organization, or an organization's reputation.

Member: see Fairtrade Member.

Membership: the legal status of being a full member of Fairtrade International from the date of acceptance as such by Fairtrade International until termination of such status, both in accordance with the Constitution.

Monitoring, Evaluation and Learning (MEL): the programme of monitoring and impact assessment that Fairtrade uses to assess progress against our vision and strategy, and which supports learning and improvement in the Fairtrade System. Fairtrade's MEL system is compliant with ISEAL's Impacts Code.

National/Regional Fairtrade Organization (NFO): a member of Fairtrade International operating the Fairtrade Mark which includes awareness raising for Fairtrade, licensing of the Fairtrade Mark and representing Stakeholders within a defined geographical territory in which Fairtrade Products are sold or where the market for Fairtrade Products may be developed and with support from businesses and civil society organizations.

Network of Asian and Pacific Producers (NAPP): the member organization of Fairtrade International representing the network of Fairtrade Producers in Asia and the Pacific Region.

Non-disclosure Agreement (NDA): means an agreement signed between an individual or organization (either internal or external) for the purpose of sharing specific data relating to Fairtrade's operations, producer and trader partners with that particular member organization, in line with Confidentiality policies.

Non-discrimination: fair and unprejudiced treatment of all categories of people.

Non-governmental Organization (NGO): an organization on a local, national or international level that is independent of government or international governmental organizations. NGOs usually operate on a not-for-profit basis, are typically rooted within civil society networks, and exist to further a particular social, political, economic or environmental cause.

Not-for-profit (NFP): an organization with rules that do not allow it to distribute profits or assets to its members, management or anyone else with whom it is operating, but which reinvests on an ongoing basis into its mission and objectives.

Participatory: allowing opportunities for individuals or groups to join in with a process of decision making or development.

Partner: individuals, groups of people or organizations that collaborate with Fairtrade Members to achieve mutually agreed objectives.

Partnership: an ongoing working relationship with one or more Fairtrade Members and/or stakeholders, rooted in a shared vision, with mutually agreed objectives, programmes and resource allocation.

Personal Data: any information concerning the person or material circumstances of an identified or identifiable natural person.

Policy: a document outlining principles, rules and guidelines that have been formulated or adopted by an organization to guide its overall conduct, decisions or a specific course of action, in line with its vision and long-term goals.

Producer Network (PN): a regional network of Fairtrade Producers who work together to advance their common interest, providing technical support, shared policy, advocacy and joint programming, and who represent Fairtrade Producers in the governance of the Fairtrade System.

Producers: see Fairtrade Producers.

Standards: see Fairtrade Standards.

Stakeholders: any or all individuals or groups with an interest in Fairtrade's success in delivering its intended results, which can affect or are affected by Fairtrade's policies and/or actions. For the purposes of this constitution it shall include (without limitation) all those who contribute to its work financially or in kind, or have a mandate to represent Farmers and Workers and can help the Association address the needs of those groups. It shall also include other Fair Trade networks and employees of the Association.

Strategy: Fairtrade's Global Strategy, usually adopted for 3-5 years, and approved by the General Assembly.

Supply Chain: see Value Chain.

Sustainable development: development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Theory of Change: a method that explains how an intervention, or set of interventions, may be expected to lead to a specific development change, drawing on causal analysis based on available evidence. Used to guide the development of evidence-based strategies, with assumptions and risks spelled out, as well as for evaluation and learning about what is working or hindering progress, so that approaches may be adjusted for better impact.

Third Party: Any stakeholder or partner organization with whom Fairtrade interacts in the course of their Fairtrade activities, including but not limited to: ministries and government officials, producer organizations, member organizations (Producer Networks and National Fairtrade Organizations), Fairtrade Marketing Organizations, companies, NGO's, Donors, UN organizations and other partners and individuals.

Trade Union: an organised association of workers in a workplace, profession, trade or group of trades formed in order to protect and promote their rights and interests. Trade unions are usually independent of employers, but have close working relationships with them.

Trader: any individual or enterprise actively engaged in the buying, selling or processing of Fairtrade products, or any operator who takes legal ownership of Fairtrade products.

Transparency: an organization's openness about its activities, providing information on what it is doing, where and how this takes place and how it is performing.

Value Chain: the process by individuals and enterprises produce and receive raw materials, add value to them through various processes to create a finished product, and sell the finished product to customers. Also often referred to as a supply chain.

Volunteer: a person who willingly gives their time for the common good and without financial gain. This includes formal volunteering that takes place within organizations in a structured way, and informal volunteering acts by supporters giving their time outside of a formal organizational system.

Whistleblower: a member of staff, volunteer, contractor or partner who reports suspected wrong-doing, including suspicion of fraud, misuse of resources, neglect of duties, breach of human rights or risk to health and safety.

Workers' Rights: the legal rights and claimed human rights relating to labour relations between workers and their employers, and enshrined in labour and employment laws – covering issues such as pay, benefits and safe, respectful working conditions.

Worst Forms of Child Labour (WFCL): the forms of child labour as defined by Article 3 in ILO Convention 182, including slavery, trafficking, debt bondage, forced or compulsory labour, forced recruitment for armed conflict, prostitution, pornography, illicit activities, drug production and trafficking, or any work likely to damage the health, safety or morals of children.

Youth Inclusive Community Based Monitoring and Remediation (YICBMR): a local community and child/young person centred approach (used in several Fairtrade producer communities) for establishing locally-owned and implemented systems for identifying and remediating risks to child wellbeing, and protecting the rights of children and young people.

APPENDIX 2 – BACKGROUND TO VALUES AND PRINCIPLES

Fairtrade International's Constitution lays out some important principles in managing a global Fairtrade System:

- Equity – recognizing the rights and responsibilities of all Members towards furthering the objectives of the Association in relation to their capacity to do so.
- Fairness – recognizing the need for all Members to be treated reasonably and to have their views heard in decision-making processes.
- Transparency – recognizing the need for Members to share information with each other and to respect the confidence of such information shared by others.
- Non-discrimination – recognizing the need for rules to apply consistently to all Members.
- Mutual respect – recognizing that a diversity of opinions and experiences can strengthen the ability of the Association to further its objectives.
- Justice – recognizing the responsibilities of all Members towards the prevention and elimination of unfair trade practices affecting Fairtrade Producers.

Fairtrade's Brand Handbook from 2010, is also rooted in the following set of values underpinning how we express our brand in behaviours, words and imagery both internally and externally:

- Action
- Integrity
- Respect
- Challenge
- Optimism

FAIRTRADE