



**FAIRTRADE**  
INTERNATIONAL

To: Fairtrade hired labour organizations  
Fairtrade Traders

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cc: Board of Directors  
Fairtrade members  
Standards Committee  
Fairtrade International  
FLOCERT

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**Announcement:**

**For Hired Labour organizations on increased flexibility for the optional distribution of Fairtrade Premium in cash to workers, and decision making process for Premium use**

Dear Fairtrade partners,

In view of the persistent situation the world is facing with the COVID-19 pandemic, Fairtrade's role in supporting the livelihoods of small-scale producers and workers remains increasingly important. As such, Standards & Pricing, via endorsement by the Standards Committee, renews the validity of the interpretation note for more flexibility in the decision-making process and use of Fairtrade Premium. With this flexibility the Fairtrade Premium Committee (FPC) in agreement with the company, can increase the distribution of the Fairtrade Premium in cash distribution to up to 100% of total Fairtrade Premium (as the food security and access of other essential necessities may be limited with the spread of COVID-19, in-kind disbursements of consumable goods are also possible). This flexible premium use continues to be valid until the end of December 2020 and it is meant to address critical circumstances during the COVID-19 pandemic.

Please note that certain criteria are applicable:

- The FPC defines the beneficiaries of these disbursements and strives to benefit all workers equally. It is necessary to consult trade union/elected worker representatives in advance and allowed at least two days to provide comments. If equal distribution amongst workers of these cash and/or in-kind disbursements is not possible, agreement from the trade union/elected worker representatives is required.
- Once a General Assembly (GA) of workers is possible, the GA needs to ratify the Premium use retroactively.
- The company needs to inform FLOCERT before the disbursements are made by filling [this template](#) and sending it to their certification contact. This information will help Fairtrade to have an overview of the distribution of Fairtrade Premium under these exceptional circumstances. The certification body will not charge any fees for processing this information.

We trust that by taking this decision, Fairtrade can ease some of the negative impacts of this pandemic for workers and farmers. Nevertheless, we count on the efforts of all producers, producer organizations and commercial partners in the Fairtrade system to minimize harm related to COVID-19, where possible.

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Fairtrade Labelling Organizations International e.V. German Register of Associations, No. VR 7795



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To the employers involved in the production of Fairtrade certified goods: we recognize the disruption in your supply chains and know that they are significant for some of you. Still, we ask that you take all measures necessary to respect the fundamental rights and freedoms of your workers. Please keep your workers safe by ensuring their ability maintain a safe distance from each other while performing their tasks, as well as during any transport you provide. Please also ensure workers have facilities to regularly wash and disinfect their hands. Please continue paying regularly scheduled workers that are required to self-isolate, in order to protect their livelihoods. Please limit overtime to reduce the risk of employees contracting the COVID-19 in the workplace. We ask that you help ensure workers receive adequate healthcare, when needed. We also ask that you carefully consider alternatives to lay-offs and retrenchments, as this would be the worst outcome for workers lacking other income. Particularly, in times of economic insecurity, it is vital that your workers are legally registered and have access to social security. In all decisions on health and safety and employment related to this global crisis, we urge you to work with trade unions and other elected worker representatives through social dialogue, both at sectoral and company level.

To the traders and distributors of Fairtrade product: we ask that you continue your support of Fairtrade producers by meeting contractual terms and investing in your relationship with them. Please work with them, in solidarity, to protect jobs and livelihoods and to help ensure that they have the capacity to put necessary health & safety measures in place for themselves and their workers.

We thank you, Fairtrade producers and commercial partners, for your dedication to the principles of fair trade and confirm our commitment to work with you in order to overcome the short- and long-term challenges you face as a result of the pandemic.

We will continue to monitor the developments and assess the challenges in the implementation of Fairtrade Standards and will inform all stakeholders on any further temporary measures.

Please refer to the interpretation note, available in different languages for [hired labour organizations](#) in Fairtrade's website.

With best regards,

Alina Amador

Head of Standards