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| **Consultation Document for Fairtrade Stakeholders**Contract Production Standards Review  |
| Consultation Period | July - September 2024 |
| Project Manager | Kerstin Cron, Standards Unit |

# PART 1 Introduction

## 1. Context

The full review of the Fairtrade Standard for Contract Production is due since 2016. The last revision of the standard took place in 2011. Currently, the standard is not fully serving its purpose to enable the producers to organize into autonomous producer organizations that are over time able to comply with the Fairtrade Standard for Small Producer Organizations.

There is a need to update and align key areas, such as Human Rights and Environmental Due Diligence with other recently updated Fairtrade Standards. Further there is a need to align with the most recent version of the SPO standard and to take into account findings from research. While this Standard was being reviewed, EU parliament has passed a regulation prohibiting the sale, import, and export of goods made using forced labour. In this context the forced labour section in the Contract Production Standard was reviewed too.

## 2. Background

As a member of the ISEAL Fairtrade International is required to review its standards once in five years. The Contract Production (CP)Standard has been due for review since 2016. Further new and/ or upcoming HREDD regulations in the European Union as well as in individual consuming countries such as France, Netherlands, Germany, Switzerland, Belgium and UK require that the CP Standard align with HREDD requirements. The Standard for Small-scale Producer Organisations (SPO) has been revised and there was a need to align with many elements of this standard as well.

The consultation document has four main sections. The four sections deal with labour standards; environmental protection, business development and democracy, and with HREDD.

## 3. Objectives

• Address topics from the Monitoring Log of the CP standard

• Alignment with the SPO Standard where possible

• Implementation of product strategies, such as e.g. cotton and rice through the standard

• Address findings in external studies related to Contract Production set ups

• Introduce requirements on Human Rights and Environmental Due Diligence

• Strengthen especially the chapter on Labor Conditions

• Develop clear transitioning timelines and other requirements for CP set ups to become SPOs

• To ensure requirements are credibly implementable

• Ensure consistency in standards by aligning changes in all related standards

• Improve standard language for better clarity and simplicity

4. Project and Process Information

The complete project assignment is available [here](https://www.fairtrade.net/standard/contract-production-standard-review-2023).

## 4. Timeline

The schedule of the CP Standard review is given below:

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| Consultation | July – September 2024 |
| Analysis of proposals and feedback | September – November 2024 |
| Standards Committee decision | December 2024 |
| Publication and implementation | Q1 2025 |

## 5. Confidentiality

All information we receive from respondents will be treated with care and kept confidential. Results of this consultation will only be communicated in aggregated form. All feedback will be analysed and used to draw up the final proposal. However, when analysing the data we need to know which responses are from producers, traders, licensees, etc. so we kindly ask you to also record the name of your organisation or company below.

## 6. Target groups and consultation structure

**The target groups of this consultation are:**

* CP producers already certified under the Fairtrade Standard for Contract Production, this includes the Producer Executive Bodies (PEBs), Promoting Bodies (PBs), and registered producers
* Licensees and retailers as well as traders certified under the Fairtrade Standard for Traders who trade or sell products produced under the CP Standard (see scope, p. 4 of the CP Standard)
* Producer Networks, National Fairtrade Organizations, Fairtrade International, FLOCERT
* Governmental bodies, industry bodies, NGOs, researchers and subject matter experts, consumers, etc.
* Workers and Worker Representatives

**Structure of the questionnaire:** Before we get into the structure it is good to familiarize oneself with some actors in the Contract Production set-up, namely Promoting Body, Producer Executive body, Producer organization and registered producers.

**Promoting Body (PB):**

The promoting body is the intermediary organization that either contracts and/or supports small producers in producing and marketing one or more crops. It is responsible for supporting these producers to get organized. The promoting body can either be a trader (exporter/ processor), or non-trader (NGO or private) which is a legal entity forming a partnership with the producers it contracts and/or supports, i.e. the registered producers. The promoting body is the holder of the Fairtrade certificate and is responsible for supporting the registered producers in complying with this standard.

**Registered producers:**

Registered producers refer to all the small-scale producers contracted and/or supported by the promoting body and participating in Fairtrade. The registered producers form the membership of the producer organization once it is established.

**Producer Organization:**

The producer organization is a group of registered producers contracted and/or supported by the Promoting Body. Its purpose is to enable the registered producers to democratically decide on the Fairtrade Premium use and negotiate with the Promoting Body over terms of trade. The producer organization is expected to become stronger over time and become an autonomous small-scale producer organization which can comply with the Fairtrade Standard for Small-scale Producer Organizations. When producer organization is referred to in the text, it can mean one or more than one producer organization.

**Producer Executive Body (PEB):**

The producer executive body comprises elected representatives of all the registered producers. It is the intermediary between the registered producers and the promoting body until the producer organization can adequately represent the producers’ interest and manage the Fairtrade Premium money. Once the producer organization has developed these capacities, the producer executive body can, if so wished, assume the function of a structure similar to an executive committee.

**Transition into SPO**

In the transition from CP to SPO the roles of the actors mentioned above change too. The proposals presented here take into cognisance the changing roles required on the part of each actor. The PB strongly supports the development of the PEB and registered producers during the first 3 years after the initial certification; then, the PEB and registered producers take on more responsibility. While after completing year 6, the PEB and registered producers should be formalized and able to become certified as SPO. The changes from existing CP standard are clearly mentioned. Often references to SPO Standard are mentioned since that is the road map for CP producers to reach in order to complete transition in the given time line. Some proposals are new keeping in line with the SPO Standard requirement while in some others rewording has been done to bring better clarity.

It is to be noted that specific proposals have been made to help registered producers complete this transition into a legal organization. The newly established Producer Organisation can decide if they want to apply for certification as an SPO. However, their certification with the Promoting Body within the scope of Contract Production will cease a number of years after they will have established their own organisation.

The Standard is divided into 2 parts; the first part deals with requirements for the Promoting Body; the second part lists the requirements the for the Producer Executive Body and the registered producers. The new and amended proposals are presented with reference to the relevant requirements in the Standard. For each new proposal, the rationale and the implications are outlined. Stakeholders are invited to provide their views on the different proposals as well as to provide additional input.

The Network of Asia Pacific Producers (NAPP) will be conducting workshops to assist in the consultation. Please get in touch with them at the following email address:manoj@fairtradenapp.org; sayali@fairtradenapp.org; amit.das@fairtradenapp.org.

**Please take as much space as you need to respond to the questions.**

# PART 2 Draft Standard Consultations

This consultation is divided into the following sections:

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[3. Objectives 1](#_Toc170820754)

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# Information about you and your organization

Please complete the information below:

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| **Q0.1Please provide us with information about you and your organisation so that we can analyse the data precisely and contact you for clarifications if needed. The results of the survey will only be presented in an aggregated form and all respondents’ information will be kept confidential.**Name of your organisation Your name Your email Country FLO ID **Q0.2Are your responses based on your own personal opinion or is it a collective opinion representing your organization?**[ ] Individual opinion[ ] Collective opinion representing my organization/company**Q0.3What is your gender? (Note: this is for data analysis purposes only)**We want to be aware of how many non-binary, women and men do participate in the consultation and we find it important to hear the views from all.[ ] Non-binary[ ] Female[ ] Male**Q0.4 What is your responsibility within the scope of the Standard for Contract Production?**[ ] **Producer Executive Body**[ ] **Registered Producer**[ ] **Promoting Body**[ ] **Other (please specify below)****Q0.5 What is your main responsibility in the supply chain?** [ ] Producer[ ] Worker[ ] Exporter[ ] Importer[ ] Processor[ ] Distributor[ ] Retailer[ ] Licensee[ ] Other (e.g. PN, NFO, FLOCERT, FI, NGO, Researcher, consumers, Government agency, etc)**Q0.6**W**hich is your main product? Please select one product.****If you produce/trade multiple products, please select the last option and provide more information in the comment box.**[ ] cotton[ ] rice[ ] Other or multiple products (please specify)  |

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| Overview of consultation proposals

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| **No.** | **Title** | **Applicable to** | **Applicably when, etc** |
| 1 | *Certification* |
| 1.1a | Trading with integrity | PB | Year 0, core |
| 1.1b | Trading with integrity | PEB, registered producers | Year 3, core |
| 2 | *Labour conditions* |
| 2.1  | Occupational Health & Safety |  |  |
| 2.1.1a | First aid equipment and training | PB | Year 1, core |
| 2.1.1b | First aid equipment and training | PEB, registered producers | Year 1, core |
| 2.1.2a | Access to toilets and hand washing facilities | PB | Year 0, core |
| 2.1.2b | Access to toilets and hand washing facilities | PEB, registered producers | Year 0, core |
| 2.1.3a | Access to clean showering or washing facilities | PB | Year 0, core |
| 2.1.3b | Access to clean showering or washing facilities | PEB, registered producers | Year 0, core |
| 2.1.4a | Provision of clean drinking water | PB | Year 0, core |
| 2.1.4b | Provision of clean drinking water | PEB, registered producers | Year 0, core |
| 2.1.5a | Workplace safety | PB | Year 0, core |
| 2.1.5b | Workplace safety | PEB, registered producers | Year 0, core |
| 2.2 | *Conditions of Employment and wage related* |
| 2.2.1a | Wages | PB | Year 0, core |
| 2.2.1b | Wages | PEB, registered producers | Year 0, core |
| 2.2.2a | Subcontracted workers | PB | Year 0, core |
| 2.2.2b | Subcontracted workers | PEB, registered producers | Year 3, core |
| 2.2.3a | Production, quotas and piece rate | PB | Year 3, core |
| 2.2.3b | Production, quotas and piece rate | PEB, registered producers | Year 6, core |
| 2.2.4a | Payments in legal tender | PB | Year 0, core |
| 2.2.4b | Payments in legal tender | PEB, registered producers | Year 0, core |
| 2.2.5a | Documentation of payment | PB | Year 0, core |
| 2.2.5b | Documentation of payment | PEB, registered producers | Year 3, core |
| 2.2.6a | Record keeping | PB | Year 1, core |
| 2.2.6b | Record keeping | PEB, registered producers | Year 3, core |
| 2.2.7a | Freedom to join a workers’ organization | PB | Year 0, core |
| 2.2.7b | Freedom to join a workers’ organization | PEB, registered producers | Year 6, core |
| 2.2.8a | Allowing trade union representatives to meet with workers | PB | Year 1, core |
| 2.2.8b | Allowing trade union representatives to meet with workers | PEB, registered producers | Year 6, core |
| 2.2.9a | No discrimination against unionized workers | PB | Year 0, core |
| 2.2.9b | No discrimination against unionized workers | PEB, registered producers | Year 0, core |
| 2.3 | *Forced Labour* |
| 2.3.1a | No forced labour | PB | Year 0, core |
| 2.3.1b | No forced labour  | PEB, registered producers | Year 0, core |
| 2.3.2 | No abuse of any kind | PEB, registered producers | Year 0, core |
| 2.3.3 | No tolerance of violence | PB | Year 0, core |
| 3 | *Democracy, organization, participation, decision making and Transparency* |
| 3.1a | Compliance with national law | PB | Year 0, core |
| 3.1b | Compliance with national law | PEB, registered producers | Year 1, core |
| 3.2 | Organisational structure | PEB, registered producers | Year 3, core |
| 3.3 | Communicating organizational structure | PEB, registered producers | Year 3, core |
| 3.4 | Legally establishing your organisation | PEB, registered producers | Year 6, core |
| 3.6 | *Development Potential* |
| 3.6 | Fairtrade Development Plan | PEB, registered producers | Year 3, core |
| 4 | *Environment and Development* |
| 4.1 | Protection of forests and vegetation | PEB, registered producers | Year 6, core |
| 4.1.1 | Person Responsible for Environmental protection | PEB, registered producers | Year 3, core |
| 4.1.2 | Central storage of hazardous materials | PEB, registered producers | Year 3, core |
| 4.1.3 | Use of hazardous materials containers | PEB, registered producers | Year 3, core |
| 5 | *HREDD* |
| 5.1 | Written commitment to respecting human rights and the environment | PB | Year 0, core |
| 5.2 | Written commitment to respecting human rights and the environment | Legal organization of registered producers | Year 6, core |
| 5.3 | Awareness raising | PB | Year 1, core |
| 5.4 | Risk assessment | PB | Year 3, core |
| 5.5 | Risk assessment | Legal organization of registered producers | Year 6, core |
| 5.6 | Human Rights Based Grievance Mechanism | PB | Year 1, core |
| 5.7 | Promoting Grievance Mechanism | PB | Year 3, development |
| 5.8 | Human Rights and Environmental Policies | PB | Core, year 3 |
| 5.9 | Action Plan | PB | Year 3, core |
| 5.10 | Remediation | PB | Year 1, core |
| 5.11 | Dialogue with buyers | PB | Year 3, core |
| 5.12 | Tracking | PB | Year 6, core |

CertificationIntent: outlines the requirements that relate to the certification and to the scope of thisStandard. The intent of this section is to provide the necessary framework for the effectiveimplementation of the Standard.1.1 Trading with integrityBackground: Unfair trading practices mostly occur in cases of imbalance between trading partners, which can happen anywhere in the chain but most frequently at the expense of producers. In the last revision of the Trader Standard a new requirement on trading with integrity was added to tackle unfair trading practices (TS requirement 4.1.8).Sanctioning unfair trading practices is very challenging since by nature they are difficult to identify and verify. The current proposal is drafted at a high level to be able to have the possibility to act in case bath faith practices are found without having to define precisely which requirements they violate.Outcomes: Actions to circumvent the standard may lead to non- conformities and/or suspension of organizations.**1.1a NEW Trading with integrity** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PB  |
| **Year 0** | **Core** | There are no indications that you take actions to evade the Standard. |
| **Guidance:** Fairtrade does not accept dishonest practices that damage producers’ capacity to compete on a level playing field. Dishonest practices are those that grossly deviate from good commercial practice and are contrary to good faith. Some examples of such practices are: • sales of non-Fairtrade products as Fairtrade products; • falsification of documentation  |

**1.1a Do you agree/ disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **1.1b NEW Trading with integrity** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PEB together with registered producers  |
| **Year 3** | **Core** | There are no indications that you or your registered producers take actions to evade the Standard. |
| **Guidance:** Fairtrade does not accept dishonest practices that damage producers’ capacity to compete on a level playing field. Dishonest practices are those that grossly deviate from good commercial practice and are contrary to good faith. Some examples of such practices are: • sales of non-Fairtrade products as Fairtrade products; • subdivision of land plots in order to classify as small-scale producer; • falsification of members’ records;• “double selling” volumes when members belong to more than one organization. |

**1.1b Do you agree/ disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     Labour conditions Intent: to ensure safe working conditions for all workers. Fairtrade International uses the ILO conventions as reference to develop these standards. Core CP Standards already existing (B 3.2.1 to 3.2.6, B 3.2.8-3.2.11) dealing with non-discrimination, ban on forced and child labour in the labour standards remain applicable. The Standard applies to all workers employed by PB, PEB and registered producers in their premise, farms and processing facilities that are owned by you and your registered producers to the extent of 75%.The standard applies to additional entities declared by PB as well.2.1 Occupational Health and Safety**Background:** The objective is to ensure that workers enjoy safe working conditions and have access to first-aid, clean drinking water, toilet, shower, handwash and access to personal protective equipment at all times. **Outcomes:** Such facility ensures that injuries and illness to workers are minimized and immediate assistance is provided in case of emergencies. **2.1.1a NEW First aid equipment and training** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PB  |
| **Year 1** | **Core** | You as PB have accessible first aid boxes and equipment and a sufficient number of people trained in first aid in the workplace at all times. This becomes applicable in case you employ 10 or more workers for 30 hours per week, that are present for one month or more during a year or equivalent. |

**Rationale:** Provision of first-aid ensures that consequences of injury and illness are minimized and immediate treatment is provided until medical practitioner is available to the workers. **Outcomes:** Immediate care is provided to the workers in case of illness or injury.**2.1.1a Do you agree/ disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.1.1b NEW First aid equipment and training** *(a similar requirement is included in the SPO standard)*

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| --- |
| **Applies to:** PEB and registered producers |
| **Year 1** | **Core** | You as PEB together with registered producers have accessible first aid boxes and equipment and a sufficient number of people trained in first aid in the workplace at all times. This becomes applicable in case you employ 10 or more workers for 30 hours per week, that are present for one month or more during a year or equivalent. |
| **Guidance:** Fairtrade Premium can be spent to comply with Standard requirements. |

**Rationale:** Provision of first-aid ensures that consequences of injury and illness are minimized and immediate treatment is provided until medical practitioner is available to the workers. **Outcomes:** Immediate care is provided to the workers in case of illness or injury.**2.1.1b Do you agree/ disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.1.2a NEW Access to toilets and hand washing facilities***(a similar requirement is included in the SPO standard)*

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| **Applies to:** PB |
| **Year 0** | **Core** | You provide clean toilets/latrines with hand washing facilities close by for workers. These facilities are separate for women and men and the number of facilities is in proportion to the number of workers. |

**Rationale:** Good sanitation facilities are critical to help prevent the spread of illnesses and diseases.**Outcomes:**Workers have access to good sanitation and are spared from illnesses and diseases. **2.1.2aDo you agree/ disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.1.2b NEW Access to toilets and hand washing facilities** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PEB together with registered producers |
| **Year 0** | **Core** | You and your registered producers provide clean toilets/latrines with hand washing facilities close by for workers. These facilities are separate for women and men and the number of facilities is in proportion to the number of workers. |

**Rationale:**Good sanitation facilities are critical to help prevent the spread of illnesses and diseases.**Outcomes:** Workers have access to good sanitation and are spared from illnesses and diseases. **2.1.2b Do you agree/ disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.1.3a NEW Access to clean showering or washing facilities** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PB |
| **Year 0** | **Core** | You provide showering or washing facilities with access to soap for workers who handle pesticides. These facilities are separate for women and men and the number of facilities is in proportion to the number of workers. |
| Guidance: The standard is applicable in case PB employs field workers who are handling pesticides. |

**Rationale:** workers upon completion of chemical usage can immediately wash minimising chemical exposure on their skin.**Outcome:** Workers are getting rid of chemicals residue and return home in clean condition.**2.1.3a Do you agree / disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.1.3b New Access to clean showering or washing facilities** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PEB together with registered producers |
| **Year 0** | **Core** | You provide showering or washing facilities with access to soap for workers who handle pesticides. These facilities are separate for women and men and the number of facilities is in proportion to the number of workers. |

**Rationale:** workers upon completion of chemical usage can immediately wash minimising chemical exposure on their skin.**Outcome:** Workers are getting rid of chemicals residue and return home in clean condition.**2.1.3b Do you agree / disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.1.4a New Provision of clean drinking water***(a similar requirement is included in the SPO standard)*

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| **Applies to:** PB |
| **Year 0** | **Core**  | You as PB provide clean drinking water to all workers at your premises and farms managed by you. |
| **Guidance:** Becomes applicable in case PB manages farm(s). |

**Rationale:** Clean drinking water prevents against water borne diseases.**Outcomes:** workers have access to clean and safe drinking water and are ensured against water borne diseases.**2.1.4a Do you agree / disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.1.4b New Provision of clean drinking water** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PEB together with registered producers |
| **Year 0** | **Core**  | You as PEB together with registered producers provide clean drinking water to all field workers at your premises and farms managed by you. |

**Rationale:** Clean drinking water prevents against water borne diseases.**Outcomes:** workers have access to clean and safe drinking water and are ensured against water borne diseases.**2.1.4b Do you agree / disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.1.5a Workplace safety** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PB |
| **Year 0** | **Core**  | You make work processes, workplaces, machinery and equipment on your production site safe for workers engaged by you. In addition, support the PEB/registered producers to ensure workers’ safety. |

**Rationale:** Safety for workers at their workplace is of paramount importance.**Outcome:** Workers remain safe and accidents are prevented.**2.1.5a Do you agree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.1.5b Workplace safety** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PEB together with registered producers |
| **Year 0** | **Core**  | You and the registered producers make work processes, workplaces, machinery and equipment on your production site safe for workers engaged by you. |

**Rationale:** Safety for workers at their workplace is of paramount importance.**Outcome:** Workers remain safe and accidents are prevented. **2.1.5b Do you agree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     2.2 Conditions of Employment and wage relatedIntent is that workers’ employment contracts follow the minimum requirement of job description, wage rate set at minimum wage rates or above, working hours, workers are paid in legal tender and the same applies to workers employed by sub-contractors. In case of piece rates wages to be specified without any ambiguity. This is a new requirement brought forth from SPO standards. This follows the content of ILO Convention 100 on Equal Remuneration and on ILO Convention 110 on Conditions of Employment of Workers. **Core requirements in this section are applicable to all workers employed by you or by the members of your organization.****2.2.1a Wages** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PB |
| **Year 0** | **Core** | You ensure that you pay wages to all workers set at statutory minimum wages or CBA wages or at regional averages which-ever is higher. |

**Rationale:** Minimum wages are calculated taking into account prevalent inflation rate. Paying less than minimum wages is considered as exploitation of labourers.**Outcomes and implications:** All workers are paid at least minimum wages set by the state or the CBA rates.**2.2.1a Do you agree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.2.1b Wages** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PEB and registered producers.  |
| **Year 0** | **Core** | You as PEB together with registered producers ensure that you pay wages to all workers set at statutory minimum wages or CBA wages or at regional averages which-ever is higher. |

**Rationale:** Minimum wages are calculated taking into account prevalent inflation rate. Paying less than minimum wages is considered as exploitation of labourers.**Outcomes and implications:** All workers are paid at least minimum wages set by the state or the CBA rates. **2.2.1b Do you agree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.2.2a Subcontracted workers** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PB |
| **Year 0** | **Core** | If you employ migrant or seasonal workers through a contracting agency or person, you put effective measures in place to ensure that their hiring and working conditions also comply with this Standard. |

**Rational:** All workers deserve equal treatment with respect to wages and working conditions.**Outcomes and implications:** This ensures parity among local, migrant and seasonal workers with respect to wages and working conditions.**2.2.2a Do you agree / disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.2.2b Subcontracted workers** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PEB and registered producers |
| **Year 3** | **Core** | If you employ migrant or seasonal workers through a contracting agency or person, you put effective measures in place to ensure that their hiring and working conditions also comply with this Standard. |

**Rational:** All workers deserve equal treatment with respect to wages and working conditions.**Outcomes and implications:** This ensures parity among local, migrant and seasonal workers with respect to wages and working conditions.**2.2.2b Do you agree / disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.2.3a Production, quotas and piece rate** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PB |
| **Year 3** | **Core** | You as PB define wages for all works, piece rate for works where applicable, production quota and ensure that they are set above prevailing minimum wages applicable.Information about this pay rate is available for all workers and worker organizations.  |

**Rationale:** Workers are aware of wage rates and all get correct payment for work rendered.**Outcomes:** Workers get paid for their work correctly and without any ambiguity.**2.2.3a Do you agree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.2.3b Production, quotas and piece rate** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PEB and registered producers |
| **Year 6** | **Core** | You as PEB and the registered workers define wages for all works, piece rate for works where applicable, production quota and ensure that they are set above prevailing minimum wages applicable.Information about this pay rate is available for all workers and worker organizations.  |

**Rationale:** Workers are aware of wage rates and all get correct payment for work rendered.**Outcomes:** Workers get paid for their work correctly and without any ambiguity.**2.2.3b Do you agree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.2.4a Payments in legal tender** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PB |
| **Year 0** | **Core** | You follow timely payment of all wages in legal tender (local currency) in the frequency agreed with the workers. Only if the workers explicitly agree you may make payments in kind. |
| **Guidance:** Legal tender is the valid currency used for payment and is recognised by law of the country.  |

**Rationale:** It is required to pay in legal tender to workers as per law.**Outcomes and possibilities:** Legal obligations of paying in local tender remain fulfilled.**2.2.4a Do you agree / disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.2.4b Payments in legal tender** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PEB and registered producers |
| **Year 0** | **Core** | You together with registered producers follow timely payment of all wages in legal tender in the frequency agreed with workers. Only if the workers explicitly agree you may make payments in kind. |
| **Guidance:** Legal tender is the valid currency used for payment and is recognised by law of the country.  |

**Rationale:** It is required to pay in legal tender to workers as per law.**Outcomes and possibilities:** Legal obligations of paying in local tender remain fulfilled.**2.2.4b Do you agree / disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.2.5a Documentation of payment** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PB |
| **Year 0** | **Core** | You As PB document the payments with a pay slip or a log system containing all necessary information e.g. the work done and the payment received. |

**Rationale:** Such documentation would avoid any disputes with workers and serves as a transparent record.**Outcomes and Implications:** transparency is maintained regarding wages and its payment to workers.**2.2.5a Do you agree / disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.2.5b Documentation of payment** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PEB and registered producers |
| **Year 3** | **Core** | You As PEB together with registered producers document the payments with a pay slip or a log system containing all necessary information e.g. the work done and the payment received. |

**Rationale:** Such documentation would avoid any disputes with workers and serves as a transparent record.**Outcomes and Implications:** transparency is maintained regarding wages and its payment to workers.**2.2.5b Do you agree / disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.2.6a Record keeping** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PB |
| **Year 1** | **Core** | You as PB ensure that you keep records of all workers employed by you.This list contains permanent, temporary, casual, and sub-contracted workers, containing for each worker: name, age, full address and unique ID number (in countries applicable) and emergency contact numbers. |
| **Guidance:** The record may contain details of blood group. |

**Rationale:** Such a record helps in fulfilling legal obligations with respect to labour employment.**Outcomes:** Workers’ records are kept up to date and fulfil legal obligations**2.2.6a Do you agree/ disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.2.6b Record keeping** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PEB and registered producers |
| **Year 3** | **Core** | You as PEB together with registered producers must ensure that records of all workers employed by you and are kept. You may take the help of PB for template of records and how to keep records. This list contains permanent, temporary, casual, and sub-contracted workers, containing for each worker: name, age, full address and unique ID number (in countries applicable) and emergency contact numbers. |
| **Guidance:** The record may contain details of blood group. |

**Rationale:** Such a record helps in fulfilling legal obligations with respect to labour employment.**Outcomes:** Workers’ records are kept up to date and fulfil legal obligations**2.2.6b Do you agree/ disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **Freedom of association and collective bargaining** **Intent and scope:** To protect workers against discrimination when defending their rights to organize and to negotiate collectively based on the content of ILO Convention 87 on Freedom of Association and Protection of the Right to Organize, ILO Convention 98 on the Right to Organize and Collective Bargaining and ILO Recommendation 143 on Workers’ Representatives. “Workers and employers, without distinction whatsoever, shall have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorisation. Workers’ and employers’ organizations shall have the right to draw up their constitutions and rules, to elect their representatives in full freedom, to organize their administration and activities and to formulate their programmes”. **Core requirements in this section are applicable to all workers employed PB, PEB, and registered producers.****2.2.7a Freedom to join a workers’ organization** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PB |
| **Year 0** | **Core** | You ensure that all workers are free to join a workers’ organization of their own choosing, and that workers are free to participate in group negotiations regarding their working conditions. You do not deny these rights in practice. You have not opposed these rights in the last two years. |
| **Guidance:** “Workers organization” is any organization of workers, most notably trade unions, with the objective of “furthering and defending the interests of workers” (ILO Convention 87 and 98 on Freedom of Association), including collective bargaining. If there has been opposition to these rights in the last two years you and your members can still fulfil this requirement if your circumstances have changed substantially, for example in case of a change of management. |

**Rationale:** Workers have their inherent right to join any organization furthering their interest.**Outcomes and Implications:** Fulfil ILO convention on workers’ rights and allows them to join an organization of their choice to further their individual and collective interest. **2.2.7a Do you agree/ disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.2.7b Freedom to join a workers’ organization** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PEB and registered producers |
| **Year 6** | **Core** | You and the registered producers ensure that all workers are free to join a workers’ organization of their own choosing, and that workers are free to participate in group negotiations regarding their working conditions. You do not deny these rights in practice. You have not opposed these rights in the last two years. |
| **Guidance:** “Workers organization” is any organization of workers, most notably trade unions, with the objective of “furthering and defending the interests of workers” (ILO Convention 87, and 98 on Freedom of Association), including collective bargaining. If there has been opposition to these rights in the last two years you and your members can still fulfil this requirement if your circumstances have changed substantially, for example in case of a change of management. |

**Rationale:** Workers have their inherent right to join any organization furthering their interest.**Outcomes and Implications:** Fulfil ILO convention on workers’ rights and allows them to join an organization of their choice to further their individual and collective interest. **2.2.7b Do you agree/ disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.2.8a Allowing trade union representatives to meet with workers** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PB |
| **Year 1** | **Core** | You allow trade unions that do not have a base in the organization to meet workers and to share information. You do not interfere in these meetings. Time and place for these meetings have to be agreed in advance |

**Rationale:** This is part of workers’ rights as per ILO convention.**Outcome and Implications:** Workers are granted their right to meet with the Trade Union and allowed to discuss issues of their concern.**2.2.8a Do you agree/ disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.2.8b Allowing trade union representatives to meet with workers** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PEB and registered producers |
| **Year 6** | **Core** | You allow trade unions that do not have a base in the organization to meet workers and to share information. You do not interfere in these meetings. Time and place for these meetings have to be agreed in advance. Without forcing workers to attend, you are cooperative in making these meetings possible. |

**Rationale:** This is part of workers’ rights as per ILO convention.**Outcome and Implications:** Workers are granted their right to meet with the Trade Union and allowed to discuss issues of their concern.**2.2.8b Do you agree/ disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.2.9a No discrimination against unionised workers** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PB |
| **Year 0** | **Core** | You ensure that there is no discrimination against workers and their representatives for organizing, joining (or not) a trade union or any other workers’ organization, or for participating in the legal activities of the workers’ organization. If a workers’ organization representative is dismissed, you and your members report it immediately to the certification body and explain the reason. You and your members keep a record of all terminated contracts. These records include the reason for termination and indicate if workers are members of a workers’ organization. |
| **Guidance:** “Discrimination” means that workers are treated differently or suffer any negative repercussions. Some actions that could indicate discrimination against workers who form a workers’ organization or who are trying to form one are closing production, denying access, longer working hours, making transport difficult or dismissals. |

**Rationale:** It is an important ILO convention that needs to be fulfilled.**Outcomes and Implications:** Record keeping maintains transparency so that a case can be made out for non-discrimination policy of the organization. **2.2.9a Do you agree/ disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.2.9b No discrimination against unionised workers** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PEB and registered producers |
| **Year 0** | **Core** | You ensure that there is no discrimination against workers and their representatives for organizing, joining (or not) a trade union or any other workers’ organization, or for participating in the legal activities of the workers’ organization. If a workers’ organization representative is dismissed, you and your members report it immediately to the certification body and explain the reason. You and your members keep a record of all terminated contracts. These records include the reason for termination and indicate if workers are members of a trade union or other workers’ organization in so far you were informed of their membership. |
| **Guidance:** “Discrimination” means that workers are treated differently or suffer any negative repercussions. Some actions that could indicate discrimination against workers who form a workers’ organization or who are trying to form one are closing production, denying access, longer working hours, making transport difficult or dismissals. |

**Rationale:** It is an important ILO convention that needs to be fulfilled.**Outcomes and Implications:** Record keeping maintains transparency so that a case can be made out for non-discrimination policy of the organization. **2.2.9b Do you agree/ disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     2.3 Forced Labour*Context:* EU Parliament has given its final approval to a new regulation enabling the EU to prohibit the sale, import, and export of goods made using forced labour. Member state authorities and the European Commission will be able to investigate suspicious goods, supply chains, and manufacturers. If a product is deemed to have been made using forced labour, it will no longer be possible to sell it on the EU market (including online) and shipments will be intercepted at the EU’s borders. In view of this Fairtrade International has thought it fit to amend the Contract Production Standard on forced labour to better reflect the 11 indicators for forced labour as defined by ILO. *From the SPO Standard:* **Freedom from forced or compulsory labour** Intent and scope: To prevent forced or bonded labour, including trafficking and sexual exploitation based on the content of ILO Conventions C29 (Forced Labour Convention) , C105 (Abolition of Forced Labour Convention) , UN 2000 “Protocol to prevent, Suppress and Punish Trafficking in Persons’ (Palermo Declaration) and ILO Recommendation 203 on Forced Labour (Supplementary Measures). “Forced or compulsory labour shall mean all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily” (Article 2). This section is applicable to all workers employed by you and by the members of your organization. This section applies to workers employed directly or indirectly (subcontracted). Sections B3.2.3 and B 3.2.4 in the Contract Production Standard continue to apply. The content in these two now apply to PB as well and hence has been added.**2.3.1a NEW No forced labour (*changes in red*)**

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| **Applies to:** PB |
| **Year 0** | **Core** | You as PB do not directly or indirectly engage in forced labour, including slave, bonded or involuntary prison labour. You explain this to all workers.  |
| **Guidance:** “Forced labour” includes work for which a person has not offered him or herself voluntarily and is forced to perform under the threat of any penalty. Some examples of forced labour include: • slavery • involuntary prison labour; • forced recruitment • debt bondage • human trafficking for labour and/or sexual exploitation; Examples of practices that are considered forced labour are: • retaining any part of the workers’ salary, benefits, property or documents in order to force them to remain in their employment; • requiring or forcing workers to remain in employment against their will using any physical or psychological measure; • demanding unreasonable notice period for termination of the contract of employment. The term “bonded labour” or “debt bondage” refers to workers that have received loans from employers, where these loans are subject to unreasonable and/or unjust terms and conditions for repayment, where the worker and/or their families are held to pay off the loan through their labour against their will. The following indicators developed by ILO can help you to assess if your organisation is at risk of forced labour. • Abuse of vulnerability; • Deception: workers are promised some things at time of recruitment which they do not find when they actually begin work. Lack of a written employment contract accentuates this indicator.• Restriction of movement• Isolation• Physical and sexual violence• Intimidation and threats.• Retention of identity documents• Withholding of wages.• Debt bondage• Significant abusive and living conditions• Excessive overtime: Work time is considered as 48 hrs plus 12 hours as overtime for a week as per ILO standards. Wages significantly lower than the minimum wage and farmer income significantly lower than the cost of sustainable production can also be an indicator of risk of forced labour. If you feel there are risks of forced labour you may consider mapping them under HREDD and take action. |

**Rationale:** It is necessary to stay compliant to the new regulation on forced labour. It is also connected to the strategic theme shifting the balance of power, to strengthen the rights of workers through the Standard.**Outcome and Implications:** Producer organisation stays compliant to the new regulations on Forced labour and remain free from any associated risks. **2.3.1a Do you agree/ disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.3.1b No forced labour** *(the requirement will replace the existing requirement B3.2.5 in the CP Standard, changes in red)*

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| **Applies to:** PEB and registered producers |
| **Year 0** | **Core** | You as PEB and registered producers do not directly or indirectly engage in forced labour, including slave, bonded or involuntary prison labour. You explain this to all workers. |
| **Guidance:** “Forced labour” includes work for which a person has not offered him or herself voluntarily and is forced to perform under the threat of any penalty. Some examples of forced labour include: * slavery
* involuntary prison labour;
* forced recruitment \_
* debt bondage
* human trafficking for labour and/or sexual exploitation;

Examples of practices that are considered forced labour are: * retaining any part of the workers’ salary, benefits, property or documents in order to force them to remain in their employment;
* requiring or forcing workers to remain in employment against their will using any physical or psychological measure;
* demanding unreasonable notice period for termination of the contract of employment.

The term “bonded labour” or “debt bondage” refers to workers that have received loans from employers, where these loans are subject to unreasonable and/or unjust terms and conditions for repayment, where the worker and/or their families are held to pay off the loan through their labour against their will. The following indicators developed by ILO can help you to assess if your organisation is at risk of forced labour. * Abuse of vulnerability;
* Deception: workers are promised some things at time of recruitment which they do not find when they actually begin work. Lack of a written employment contract accentuates this indicator.
* Restriction of movement
* Isolation
* Physical and sexual violence
* Intimidation and threats.
* Retention of identity documents
* Withholding of wages.
* Debt bondage
* Significant abusive and living conditions
* Excessive overtime: Work time is considered as 48 hrs plus 12 hours as overtime for a week as per ILO standards.

Wages significantly lower than the minimum wage and farmer income significantly lower than the cost of sustainable production can also be an indicator of risk of forced labour. If you feel there are risks of forced labour you may consider mapping them under HREDD and take action. |

**Rationale:** It is necessary to stay compliant to the new regulation on forced labour. It is also connected to the strategic theme shifting the balance of power, to strengthen the rights of workers through the Standard.**Outcome and Implications:** Producer organisation stays compliant to the new regulations on Forced labour and remain free from any associated risks. **2.3.1b Do you agree/ disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.3.2 NEW No abuse of any kind**

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| **Applies to:** PEB together with registered producers |
| **Year 0** | **Core** | You as PEB and registered producers you **do not engage in, support or tolerate** the use of corporal punishment, mental or physical coercion or verbal abuse.  |
| **Guidance:** Where such practices are endemic within a sector or region you are encouraged to address this within the framework of your HREDD plan, for example by developing a written policy and a system to prevent improper disciplinary practice. |

**Rationale:** Violation of any kind of this standard would amount to high risk of forced labour. **Outcome and implications:** By following the standard you remain compliant and avoid any associate risk. **2.3.2 Do you agree/ disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **2.3.3 NEW No tolerance of violence**

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| **Applies to:** PB  |
| **Year 0** | **Core** | As PB you **do not engage in, support or tolerate** behaviour, including gestures, language, and physical contact, that is sexually intimidating, abusive or exploitative.  |
| **Guidance:** Where such practices are within a sector or region you are encouraged to address this within the framework of your HREDD plan, for example by developing a written policy and a system that clearly prohibits sexually intimidating behaviour. |

**Rationale:** Violation of any kind of this standard would amount to high risk of forced labour. **Outcome and implications:** By following the standard you remain compliant and avoid any associate risk. **2.3.3 Do you agree/ disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     Democracy, organization, participation, decision making and transparency**Intent and scope** This section intends to ensure that you facilitate the social and economic development of the registered producers and guarantee that the benefits of Fairtrade reach them. Organization is an instrument for the social and economic development of registered producers and the benefits of Fairtrade are intended to reach them and their families. Therefore, the registered producers, with support from the promoting body, are required to organize into a producer organization with democratic structures and a transparent administration, enabling effective control by its members. The promoting body supports the producer organization to improve its structures and practices continuously in order to maximize the participation of members and their sense of ownership of the producer organization. Fairtrade International follows ILO Recommendation R193 “on the promotion of cooperatives” which is based on the cooperative principles of “voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education, training and information, cooperation among cooperatives and concern for the community”. Fairtrade International extends these principles to primary producer organizations (cooperatives, associations or other types of organizations) and to umbrella organizations where they exist. In this chapter, there are requirements which explicitly require from the PEB and registered producers to form an organisation and to establish it legally. This, together with the other requirements in this chapter, supports a smooth transition to becoming an SPO.3.1 Compliance with national law**3.1a NEW Compliance with national law**

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| **Applies to:** PB |
| **Year 0** | **Core** | It is your responsibility to be aware of the applicable national legislation on the topics covered by this standard in your country and there are no indications of its violation.  |

**Rationale:** There have been cases where there is no clarity on what to do in case that a requirement of the Fairtrade Standard is in contradiction with the national law. This requirement would fill this gap. Also, Fairtrade would have a tool to act in case organisations are in non-compliance with national law. This requirement is also part of other voluntary sustainability and private codes.**Outcomes and implications:** Non-compliances for not abiding with national law could be issued. Organisations, PNs, and auditors would need to have a good knowledge on the applicable national laws. On labour and natural resources management the higher standards would apply. In particular cases, Fairtrade International would need to issue interpretations.**3.1a Do you agree/ disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **3.1b NEW Compliance with national law**

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| **Applies to:** PEB and registered producers |
| **Year 1** | **Core** | It is your responsibility to be aware of the applicable national legislation on the topics covered by this standard in your country and there are no indications of its violation. You may accept support from the PB to fulfil this requirement.  |

**Rationale:** There have been cases where there is no clarity on what to do in case that a requirement of the Fairtrade Standard is in contradiction with the national law. This requirement would fill this gap. Also, Fairtrade would have a tool to act in case organisations are in non-compliance with national law. This requirement is also part of other voluntary sustainability and private codes.**Outcomes and implications:** Non-compliances for not abiding with national law could be issued. Organisations, PNs, and auditors would need to have a good knowledge on the applicable national laws. On labour and natural resources management the higher standards would apply. In particular cases, Fairtrade International would need to issue interpretations.**3.1b Do you agree/ disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     The PEB and registered producers, with support from the promoting body, are required to organize into a producer organization with democratic structures and a transparent administration, enabling effective control by its members.An organization should strive to improve structures and practices continuously in order to maximize the members’ participation and their sense of ownership of the organization.3.2 Organisational structureA 4.2.1 to A 4.2.4 in the Contract Production Standard defining the role of Promoting Body remains the same. New additions brought forth from SPO Standard enable the transition of the PEB together with registered producers into a Small-scale producer organization. This standard together with 3.4 in this questionnaire defines two critical steps. The PB continues to support transition of the PEB and registered producers to an SPO.

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| **Applies to:** PEB and registered producers |
| **Year 3** | **Core** | You ensure that the structure of your producer organization has: * a General Assembly (GA) as the highest decision-making body where all major decisions are discussed and taken; GA meeting should be held at least once in a year.
* equal voting rights for all members in the General Assembly;
* general assembly chosen by free and transparent elections
* membership criteria who to include and whom to exclude
* at least two thirds of registered producers must be small farmers.
* separate roles and responsibilities between the Board/ PEB and executive management.
* Board/ PEB should reflect the composition of the registered producers
* All this covered by a constitution/bye-law approved in the General Assembly.
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| **Guidance:** Staff hired by your organization is controlled by the Board which is in turn controlled by the General Assembly. In the General Assembly members can either vote directly or through a system of elected delegates if you choose so. The system is based on the principle that each member or member organization has the equal or proportional number of delegates.The role of the Board is to govern and provide strategic direction while the role of management is to ensure that the decisions of the Board are implemented. Lack of clarity between the roles and responsibilities of the Board and management can lead to extreme situations of either power concentration or insufficient room for decision making. I f due to the size of the organization it is not feasible for the organization to separate the roles of the Board from those of management you demonstrate this to the certification body. |

**Rationale:** Even as an informal organization it is good to have such a process and constitution developed so that members understand the functioning of the organisation as you grow into a SPO.**Outcomes and implications:** The organization of registered producers starts to function as an informal body and ready to transform into a legal body at a later time.**3.2 Do you agree/ disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     3.3 Communicating organizational structure

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| **Applies to:** PEB and registered producers |
| **Year 3** | **Core** | Your producer organization ensures that roles and their associated responsibilities are communicated and understood throughout your membership. Your organization develops and publishes an organogram to show the management structure of your organization, including the assigned roles responsibilities for the management system. |
| **Guidance:** For further information, please see SPO Guidelines on Internal Management Systems (IMS) |

**Rationale:** Improve communication and collaboration across employees and the wider membership hereby promoting transparency and inclusivity and reducing duplication and silos. **Implications and outcomes:** PEB together with registered producers who don't already have this in place will need to develop and publish an organogram which will require some resource. However, lines of communication between individuals can be improved and inclusivity likely promoted as individuals can see the bigger picture and how their role contributes to the organization. Organograms also support SPO management with staff allocation decision. **3.3 Do you agree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     3.4 New Legally establishing your organisationOnly a legally registered organization can become a SPO and hold the Fairtrade certificate and enter into agreements etc. This proposal is in line for registered producers to transition to an SPO. Following from sec 3.2 complying to these requirements the PEB and registered producers develop towards a SPO as defined in Fairtrade standards for small producer organization.

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| **Applies to:** PEB together with registered producers |
| **Year 6** | **Core** | 1. You are legally registered with a constitution and board etc. Following registration, you can have your own bank account with at least two signatories and take over management of the Fairtrade Premium.
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| AG**GuiGuidance:** Achieving this step in the development of a producer organisation is also a result of following the targets laid out in the ODP. PEB and the registered producers may want to self-assess if the newly established organisation achieves autonomy in governance, finance, human resource, delivering services to members. |

**Rationale:** As a legal entity you can own certification in your own name, enter into agreements with buyers, borrow money from lenders, sue and sued in the name of law and thus truly represent the producers as a legal entity. You have your own bank account and be fully in charge of premium management. The GA is the supreme body of this organisation and all decisions are approved by the GA. Fairtrade International understands that small-scale producer organization goes a long way to empower farmer producers. They work on the basis of collective and cooperative action. They can conduct their own business in Fairtrade and benefits the farmer members. **Outcomes and implications:** The PEB together with registered producers is registered as a suitable legal entity with its own constitution, structure, rules and regulations. The bank account is owned by the producers’ organisation and the organisation is responsible for premium management. All decisions are approved by the GA. As an independent organization they would henceforth be able to move forward in the path towards autonomy in governance, finance and human service and fulfil delivery of services to members.**3.4 Do you agree/ disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     3.5 Leaving the scope of the Contract Production Standard, becoming SPOWhen the PEB and registered producers will have formed and legally established their own producer organisation, and by complying with all new requirements up to year 6 as described in this document, the new producer organisation will have become eligible for certification according to the Fairtrade Standard for Small-scale Producer Organisations. In practice, the new organisation may choose to remain with the PB for a few years longer to refine their practices and orient themselves on the market. At some point, they shall leave the scope of the Contract Production Standard, and if they wish to, become certified as SPO. We seek to learn from the stakeholders about the right point in time for the new producer organisation to be released from the certificate of the PB. **3.5 When should the producer organisation become independent from the PB?**[ ] After 8 years[ ] After 9 years[ ] After 10 years[ ] Undecided[ ] Not relevant to me / I don’t knowA different year:      **Please explain your rationale in case you are undecided or don’t agree**     3.6 Development Potential **Intent and scope:** Fairtrade should lead to the demonstrable empowerment and environmentally sustainable social and economic development of producers, and through them of the workers they employ, and the surrounding community. The intent of this section is to ensure that the direct beneficiaries of Fairtrade are small producers, including their families. **3.6 Fairtrade Development Plan (FDP)** *(a similar requirement is included in the SPO standard)*CP standards A 4.1 to A 4.1.4 defining the role of Promoting body remains the same. B 4.1.1 to B4.1.5 for the PEB will change to PEB together with registered producers and remain applicable. These requirements mandate that registered producers and workers can provide ideas for the FDP. Such inclusive planning will stimulate increasing participation of the registered producers in the organisational activities.

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| **Applies to:** PEB together with registered producers |
| **Year 3** | **Core** | As PEB you develop a Fairtrade Development Plan based on registered producers' needs assessment and action plan developed to address HREDD risks. The plan is approved by the General Assembly. A participatory process should be agreed upon for need assessment to develop the FDP in the GA.  |
| **Guidance:** As a best practice, in the following year, the PEB reports in the GA on the following aspects:* Were the actions carried out yes/no? If not, why?
* When?
* At what cost?
* Was the objective achieved or are further actions needed?
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**Rationale:** Essentially the Fairtrade Premium is used to meet the needs of the registered producers and for expenses towards remaining compliant to the standards. It is to be noted that an action plan developed to address HREDD risks (see below) can become part of the FDP.**Outcomes and implications:** Registered producers will be actively involved through the needs assessment and contribute to the Fairtrade Development Plan. **3.6 Do you agree/ disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     Environment and DevelopmentCP standards related to Integrated Pest Management B 3. 1.2 To B3.1.4, B 3.1.7 remain applicable. Concerning choice of pesticides, CP Standards B 3.1.9 and B3.1.10 remain applicable. Regarding conservation of Forest, Protected Areas and biodiversity CP standards B 3.1.13 that cover biodiversity remain applicable as it is. CP standard B 3.1.15 related to wild harvest remains applicable. These requirements should be read as applicable to PEB together with registered producers.For PB all standards in the environmental and development section remain applicable. **4.1 Protection of forests and vegetation** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PEB and registered producers |
| **Year 6** | **Core** | You ensure that registered producers do not cause deforestation and do not destroy vegetation in carbon storage ecosystems or protected areas. |
| **Guidance:** Deforestation is the conversion of forest to other land use or the permanent reduction of the tree canopy cover below the minimum 10 percent threshold (The Global Forest Resources Assessment, FAO, 2015). The following activities are not considered ‘deforestation': • When a tree crop is replaced by crops like cocoa, coffee etc• Tree management in agroforestry or home-garden production systems. Your members may identify protected areas with the help of local, regional or national authorities. Carbon storage ecosystems are terrestrial and aquatic ecosystems with a capacity to sequester and store carbon, maintain environmental quality and provide living conditions to plants and animals. |

**Rationale:** Deforestation directly affects climate change and causes disturbances in rainfall and increase in temperature affecting crop cycles and productivity.**Outcomes and implications:** Members positively contribute to prevention of climate change impacts. **4.1 Do you agree/ disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **4.1.1 NEW Person Responsible for Environmental protection** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PEB together with registered producers |
| **Year 3** | **Core** | 1. As PEB you designate one person from among you to be responsible for compliance to environment standards. |
| **Guidance:** The chosen person does not need to have a formal education in subjects such as the environment or agronomy but needs to have enough practical or theoretical knowledge to be able to perform these tasks properly. This person should be in a position that can influence decision making at the organizational level.  |

**Rationale:** once a specific person is assigned they become accountable for compliance against requirements protecting the environment.**Outcomes and implications:** Registered producers comply with the requirements in the section on environmental protection.**4.1.1 Do you agree/ disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **4.1.2 Central storage of hazardous materials** (a similar requirement is included in the SPO Standard)

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| **Applies to:** PEB together with registered producers |
| **Year 3** | **Core** | 1. If you have a central storage area for pesticides and other hazardous chemicals, you maintain it in a way that minimizes risks. You ensure that the storage area: • is locked and accessible only to trained and authorised personnel; • is ventilated to avoid a concentration of toxic vapours; • have equipment such as absorbent materials to handle accidents and spills, • does not contain food; • contains hazardous materials clearly labelled and indicating contents, warnings and intended uses, preferably in the original container when possible; and • contains information on proper handling (safety sheets). |
| **Guidance:** To further reduce risks you are encouraged to store the least amount of stock as possible and practical for you, depending on need, season, and distance to suppliers. It is good practice to keep obsolete materials in your storage area until they can be disposed of properly. |

**Rationale:** Safe storage methods for hazardous materials is essential part of safety and accident prevention.**Outcomes and Implications:** Work premises remain safe for humans. Accidents are prevented. **4.1.2 Do you agree/ disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     **4.1.3 Use of hazardous materials containers** *(a similar requirement is included in the SPO standard)*

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| **Applies to:** PEB together with registered producers |
| **Year 3** | **Core** | You and the registered producers do not reuse pesticide and other hazardous chemical containers to store or transport food or water. |

**Rationale:** Residues of pesticides remain in containers for long and its reuse gives scope to pesticide contamination. **Outcomes and Implications:** All possible pesticide contamination stand prevented.**4.1.3 Do you agree/ disagree with the proposal?**[ ] Strongly agree[ ] Undecided[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree**     Human Rights and Environmental Due Diligence (HREDD)HREDD in Fairtrade StandardsRespect for human rights and the environment is central to Fairtrade. Fairtrade’s commitment to human rights is currently reflected in the producer and trader standards which refer to multiple International Labour Organization (ILO) conventions.To render business fairer, all actors in supply chains are nowadays expected to perform HREDD and to cooperate with one another. Essentially, HREDD is a process of reducing human rights and environmental risks linked to the operations of a given supply chain. Fairtrade’s vision for HREDD is explained in detail [here](https://www.fairtrade.net/standard/hredd-approach-in-fairtrade-standards).The idea that business and supply chain organisations have a responsibility to perform HREDD and also to support due diligence work of their supply chain partners was agreed at the United Nations Human Rights Council in 2008. This responsibility was clarified in the UNGuiding Principles on Business and Human Rights (UNGP) in 2011. Following this, national legislation has been passed - including the German Supply Chain Act, the French Duty of Vigilance and Dutch Child Labour Due Diligence law [among others](https://www.focusright.ch/en/rising-expectations#world-map) - making HREDD mandatory for many companies operating in these countries. The European Union is currently negotiating an EU-wide regulation, to oblige all large companies in the EU to conduct HREDD.Our aim is to support Fairtrade certified companies and producers to thrive in this new business environment, where HREDD is becoming the global norm. Companies and producers will find it easier to start strengthening their HREDD measures step-by-step *before* business partners or regulations demand fast progress and high investment.Fairtrade also supports HREDD through producer support and projects and seek to influence international HREDD rules through advocacy work, research and awareness raising.**Why is HREDD important for Contract Production?*** **Better worker relations:** when a company/ organization performs HREDD, including social dialogue with both producers and workers, it becomes better at understanding the needs and the expectations of both producers and workers. Thus management /leadership can better respond and identify relevant and feasible ways to address its producers’ and workers’ needs and expectations.
* **Market access:** in order to comply with HREDD legislations, buyers increasingly need information about their suppliers’ due diligence measures and results.
* **Opportunities to prioritise:** HREDD offers a generally accepted way to define priorities for your organizations’ work on social and environmental issues.
* **Influencing your supply chain:** HREDD gives you a better chance to influence how your business partners conduct their due diligence.
* **Gaining support from buyers:** when you have identified the most serious human rights and environmental issues, your buyers should support you to address them. International due diligence guidance is very clear that HREDD is about collaboration.

**The five steps of HREDD procedure in the Fairtrade Contract Production Standard****Kuva, joka sisältää kohteen diagrammi  Kuvaus luotu automaattisesti**Building on the [OECD Due Diligence Guidance for Responsible Business Conduct](https://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf),Fairtrade will require all certified organisations to undertake the HREDD process in five steps:1. **Commit** to respecting human rights and the environment.
2. **Identify** the salient human rights and environmental issues linked to its operations and value chains.
3. Take action to **address and remediate** those issues.
4. **Track** progress.
5. **Communicate** about this work to stakeholders.

At every step, certified entities are expected to consult with all people affected by their operations: producers, workers (including women, men, migrants and young people), trade unions, people living close to their operations and local experts. It is important to note that PBs and PEBs are already implementing several HREDD activities. These include policies on child labour, forced labour and/or discrimination; making provisions in premium allocation for workers’ needs, preventing soil erosion, biodiversity conservation, waste water disposal etc.The next sections introduce the five HREDD steps in detail, as well as the proposed corresponding requirements in the CP Standard.**Step 1: Commit**The first step of HREDD is for your organisation to publicly commit to respecting human rights and the environment and to conducting due diligence. To do this, your organisation can:1. **Foster buy-in among management, staff and the PEB.** Management /leadership awareness and support for HREDD work is vital from the outset. The PEB and staff working on environmental or social issues also need to be trained on human rights and HRED to start with and later the registered producer members too.
2. **Develop and operationalise a commitment to respect human rights and environmental sustainability.** Your first human rights and environmental commitment need not be lengthy or complicated ([please see the example on page nine of the HREDD guide for Traders](https://files.fairtrade.net/publications/Fairtrade_HREDD-guide-for-traders_EN.pdf)).
3. **Raise awareness.**
* inform and educate your board, management, staff, workers, suppliers/registered producers and other partners about their rights and responsibilities as well as your organisation’s commitment to human rights, environmental sustainability and due diligence;

**Activities to raise awareness may include:*** training events held by own staff or external experts;
* producing educational resources such as infographics and videos;
* more examples can be found [here](https://files.fairtrade.net/standards/Fairtrade_HREDD-guide-for-smallholder-farmer-organisations_EN.pdf)

You can request awareness-raising materials or training from your PN contact. Workshops and materials are also often available from local government agencies and civil society organisations. **The proposed changes are :** **5.1 A new Core Year 0 requirement for PBs committing to respecting Human Rights and the Environment.****NEW Written commitment to respecting human rights and the environment**

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| **Applies to:** PB |
| **Core** | You (Promoting Body, PB) have a written commitment to respect human rights and environmental sustainability approved by your board which:- confirms your commitment to conduct due diligence- refers to all internationally recognised human rights- confirms your commitment to align your operational policies and procedures with the commitment and embed the commitment into your existing management systems- is informed by relevant internal and/or external expertise and approved by the Producer Executive Body (PEB).You report on availability of the written commitment to Fairtrade International.  |
| **Year 0** |
| **Guidance:** Please see Guidance Document “[Implementing Human Rights and Environmental Due Diligence (HREDD) – Guide for Smallholder Farmer Organizations](https://files.fairtrade.net/standards/Fairtrade_HREDD-guide-for-smallholder-farmer-organisations_EN.pdf)”.Reporting to Fairtrade International will enable communication with internal (Producer Networks) and /or external (commercial partners) stakeholders for the purpose of due diligence reporting. |

**Rationale:** The statement and its subsequent sharing with stakeholders confirms your commitment to human rights and environment protection and sharing information will enable communication with stakeholders for the purpose of due diligence reporting which is relevant for example EU regulations (CSRD, CS3D, ESRS).**Outcome and implications:** your commitment stands affirmed and communicated to all stakeholders, and you report to FI on the commitment. This statement will guide you in your future operations.**5.1a Question: Do you agree with the requirement text?****[ ] Agree****[ ] Disagree****[ ] Undecided****[ ] I don’t know / Not relevant to me****5.1b Question : If you do not agree with the proposed wording, please provide your rationale and suggestion here:**      **5.2 A new Core Year 6 requirement for legal organization of registered producers committing to respecting Human Rights and the Environment.****NEW Written commitment to respecting human rights and the environment**

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| **Applies to:** Legal organization of registered producers |
| **Core** | You as a legally registered producers have a written commitment to respect human rights and environmental sustainability approved by your board which:- confirms your commitment to conduct due diligence- refers to all internationally recognised human rights- confirms your commitment to align your operational policies and procedures with the commitment and embed the commitment into your existing management systems- is informed by relevant internal and/or external expertise and approved by the General Assembly. You report on availability of the written commitment to Fairtrade International. |
| **Year 6** |
| **Guidance:** Please see Guidance Document “[Implementing Human Rights and Environmental Due Diligence (HREDD) – Guide for Smallholder Farmer Organizations](https://files.fairtrade.net/standards/Fairtrade_HREDD-guide-for-smallholder-farmer-organisations_EN.pdf)”.Reporting to Fairtrade International will enable communication with internal (Producer Networks) and /or external (commercial partners) stakeholders for the purpose of due diligence reporting. |

**Rationale:** The statement and its subsequent sharing with stakeholders confirms your commitment to human rights and environment protection and sharing information will enable communication with stakeholders for the purpose of due diligence reporting which is relevant for example EU regulations (CSRD, CS3D, ESRS).**Outcome and implications:** your commitment stands affirmed and communicated to all stakeholders. This statement will guide you in your future operations.**5.2a Question: Do you agree with the requirement text?****[ ] Agree****[ ] Disagree****[ ] Undecided****[ ] I don’t know / Not relevant to me****5.2b Question: If you do not agree with the proposed wording, please provide your rationale and suggestion here:**      **5.3 A new Core Year 1 requirement on PBs Awareness raising.****New Awareness raising**

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| **Applies to:** PB |
| **Core** | You (PB) educate your board, management and staff members and members of the Producer Executive Body, registered producers about your commitment to respecting human rights and the environment, and its implications for your operations.You take measures to inform the registered producers, business partners and/or other relevant stakeholders. It is best practice to make the commitment publicly available online.You report on awareness raising activities to Fairtrade International. |
| **Year 1** |
| **Guidance:** Please see Guidance Document “[Implementing Human Rights and Environmental Due Diligence (HREDD) – Guide for Smallholder Farmer Organizations](https://files.fairtrade.net/standards/Fairtrade_HREDD-guide-for-smallholder-farmer-organisations_EN.pdf)”.Reporting to Fairtrade International will enable communication with internal (Producer Networks) and /or external (commercial partners) stakeholders for the purpose of due diligence reporting. |

**Rationale:** With awareness raising, the stakeholders’ attitude and behaviour stands positively influenced towards human rights and environment safeguards and sharing information will enable communication with stakeholders for the purpose of due diligence reporting which is relevant for example EU regulations (CSRD, CS3D, ESRS).**Outcome and implications:** During Board meetings, general meeting of producers and workers awareness can be carried out. All Stakeholders become sensitised to HREDD protection aspects.**5.3a Question: Do you agree with the requirement text?****[ ] Agree****[ ] Disagree****[ ] Undecided****[ ] I don’t know / Not relevant to me****5.3b Question: If you do not agree with the proposed wording, please provide your rationale and suggestion here:**      **5.3c Question: Do you see any additional implications in relation to the implementation of proposed requirements under Step 1: Commit?**     **Step 2: Identify**The second step in HREDD process is to identify the most serious and common - or “salient” - human rights and environmental risks and problems linked to your organisation and production. Note that this risk assessment is about risks and problems for people and the environment, not about risks to your business.Human rights and environmental risks are generated by multiple direct and indirect causes at farm, country and supply chain level. Root causes may include low prices, poverty, poor human resource management, discrimination, environmental calamities, unfair division of value in global supply chains and limited public services. But you can only manage the risks and problems if you first recognise and document them**.**PBs and PEBs and registered producers are not expected to eliminate these risks on their own, but can work together with suppliers, buyers, governments and civil society. It is crucial to show that you recognise and understand your salient risks. If some issues are common in your country or field of production, buyers increasingly expect you to acknowledge them and explain how you are managing them.There are two key tools for identifying human rights and environmental risks and problems: risk assessment and grievance mechanism.**Risk assessment** As part of HREDD, risk assessment involves identifying and evaluating actual and potential adverse impacts on the workers, stakeholders and environment connected to your organisation’s activities and business relationships. The assessment should be participatory, inclusive and conducted at least every three years.**Your risk assessment should include the following steps:*** mapping the human rights and environmental risks that are common in your country and field of production
* assessing the risks relating to your specific operations and supply chains
* identifying and further assessing at least three of the most salient challenges
* identifying the most vulnerable groups of people and analysing factors affecting their vulnerability.

Fairtrade has developed a [Fairtrade Risk Map](https://riskmap.fairtrade.net/) and a [Risk Assessment Tool for SPOs](https://www.fairtrade.net/standard/spo) designed to support producer organisations to assess their human rights and environmental risks. This can be a helpful tool for Contract Production set-ups as well. However, as long as you follow a similar process, you are of course free to use other methods. **The proposed changes are:** **5.4 A new Core Year 3 requirement on conducting a human rights and environmental risk assessment.** **NEW Risk assessment**

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| **Applies to: PB** |
| **Core** | You (PB) conduct a human rights and environmental risk assessment at least every 3 years with PEB and the registered producers:1. Map all the risks and challenges in your country and field of production, considering external data and research.2. Identify at least three most salient issues related to your operations and supply chains and assess their root causes.3. Identify the most vulnerable groups of people that are or could be impacted.Strengthen your assessment methods over time by engaging an increasing number of stakeholders. You can engage for example registered producers, farm workers and/or community members.You report on the risk assessment to Fairtrade International. |
| **Year 3** |
| **Guidance:** Acknowledging your risks and challenges allows you to address them before they grow bigger and builds your credibility among business partners and other stakeholders. Include child labour and forced labour in your salient issues if Fairtrade or another reliable source has indicated these as a high risk in your country and field of production. In any organisation or society, some groups of people are disadvantaged. This may be for example migrant workers, women and girls, youth, minorities, indigenous peoples and so forth. You may choose to use Fairtrade’s Due Diligence Risk Assessment Tool that guides you through this basic risk assessment process and offers you relevant data and research findings. Further, you can use other environmental and social risk assessment tools to conduct deeper analysis of your high risk issues. For further guidance, please see Guidance Document “[Implementing Human Rights and Environmental Due Diligence (HREDD) – Guide for Smallholder Farmer Organizations](https://files.fairtrade.net/standards/Fairtrade_HREDD-guide-for-smallholder-farmer-organisations_EN.pdf)”.Reporting to Fairtrade International will enable communication with internal (Producer Networks) and /or external (commercial partners) stakeholders for the purpose of due diligence reporting. |

**Rationale:** Risk assessment enables the producer organisation to identify and assess actual and potential risks and address them before they grow bigger and sharing information will enable communication with stakeholders for the purpose of due diligence reporting which is relevant for example EU regulations (CSRD, CS3D, ESRS).**Outcome and implication:** Risks and measures have been identified and resources allotted to manage them. Risks becoming bigger are avoided.**5.4a Question: Do you agree with the requirement text?****[ ] Agree****[ ] Disagree****[ ] Undecided****[ ] I don’t know / Not relevant to me****5.4b Question : If you do not agree with the proposed wording, please provide your rationale and suggestion here:**      **5.4c Question : If you do not agree with the proposed wording, please provide your rationale and suggestion here:**      **5.5 A new Core Year 6 requirement on conducting a human rights and environmental risk assessment.** **NEW Risk assessment**

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| **Applies to:** legal organization of producers |
| **Core** | You as an independent organization conduct a human rights and environmental risk assessment at least every 3 years with your registered producers. You may take the help of PB in your first exercise. 1. Map all the risks and challenges in your country and field of production, considering external data and research.2. Identify at least three most salient issues related to your operations and supply chains and assess their root causes.3. Identify the most vulnerable groups of people that are or could be impacted.Strengthen your assessment methods over time by engaging an increasing number of stakeholders. You can engage for example registered producers, farm workers and/or community members.You report on the risk assessment to Fairtrade International. |
| **Year 6** |
| **Guidance:**You may choose to use Fairtrade’s Due Diligence Risk Assessment Tool that guides you through this basic risk assessment process and offers you relevant data and research findings. Further, you can use other environmental and social risk assessment tools to conduct deeper analysis of your high risk issues. For further guidance, please see Guidance Document “[Implementing Human Rights and Environmental Due Diligence (HREDD) – Guide for Smallholder Farmer Organizations](https://files.fairtrade.net/standards/Fairtrade_HREDD-guide-for-smallholder-farmer-organisations_EN.pdf).Acknowledging your risks and challenges allows you to address them before they grow bigger. You build your credibility among business partners and other stakeholders. Include child labour and forced labour in your salient issues if Fairtrade or another reliable source has indicated these as a high risk in your country and field of production. Please assess how women, children, tribals etc are vulnerable to these risks. Reporting to Fairtrade International will enable communication with internal (Producer Networks) and /or external (commercial partners) stakeholders for the purpose of due diligence reporting. |

**Rationale:** Risk assessment enables the producer organisation to identify and assess actual and potential risks and address them before they grow bigger and sharing information will enable communication with stakeholders for the purpose of due diligence reporting which is relevant for example EU regulations (CSRD, CS3D, ESRS).**Outcome and implication:** Risks and measures have been identified and resources allotted to manage them. Risks becoming bigger are avoided.**5.5a Question : Do you agree with the requirement text ?****[ ] Agree****[ ] Disagree****[ ] Undecided****[ ] I don’t know / Not relevant to me****5.5b Question : If you do not agree with the proposed wording, please provide your rationale and suggestion here:**      **Grievance mechanism**A grievance mechanism is a formal process for receiving and responding to complaints from workers, staff, local community members and other individuals and groups**.** These complaints**:*** allow you to respond to concerns and incidents early, before the problem grows bigger
* bring you information about rising risks and problems, so that you can consider strengthening your related policies and practices.

Complaints could be about various issues including:* discrimination
* problems with working conditions or wage/salary payments
* read more examples [here](https://files.fairtrade.net/standards/Fairtrade_HREDD-guide-for-smallholder-farmer-organisations_EN.pdf)

It is essential that the complaints procedure a) allows for anonymous complaints to be made in written and verbal form and b) ensures that those making complaints face no retaliation or harm.You can start by assigning setting up a Grievance Committee. The committee can propose a grievance procedure specifying how complaints are made, handled and recorded, and will also be responsible for handling complaints. To ensure that complaints are handled fairly, the committee membership should be diverse in terms of gender, age etc.**5.6 A new Core Year 1 requirement on setting up and running a Human Rights based grievance mechanism.** **New Human Rights Based Grievance Mechanism**

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| **Applies to:** PB |
| **Core** | You (PB) have a written procedure for managing any complaints of injustice, harm or fraud related to your PB, the PEB or registered producers. The procedure specifies timeframes and outcomes. You handle and document complaints in line with this procedure and communicate your follow-up actions to all parties involved. Your procedure includes making a senior person responsible to handle provisions to prevent retaliation, threats or harm against people who file complaints.You report on the Human Rights Based Grievance Mechanism procedures to Fairtrade International. |
| **Year 1** |
| **Guidance**: If there is a shared grievance mechanism for your sector or country, which fulfils this requirement, you can participate in that mechanism and not establish your own.A grievance mechanism is meant to help your organization to hear about and address grievances early, before they grow bigger. It is best practice to review and update your grievance mechanism regularly, based on your analysis of the grievance cases and dialogue with key stakeholders. For further guidance, please see Fairtrade’s “Implementing Human Rights and Environmental Due Diligence, Guide for Smallholder Farmer Organizations”.Reporting to Fairtrade International will enable communication with internal (Producer Networks) and /or external (commercial partners) stakeholders for the purpose of due diligence reporting. |

**Rationale:** Grievance mechanism is an early warning system to redress HRE issues. It provides those who are affected a first-aid like measure to take. Your participation ensures that grievances are addressed before they become bigger. Also, sharing information will enable communication with stakeholders for the purpose of due diligence reporting which is relevant for example EU regulations (CSRD, CS3D, ESRS).**Outcome and implication:** Grievance mechanism is in place and functioning and provides an avenue for raising complaints.**5.6a Question : Do you agree with the requirement text ?****[ ] Agree****[ ] Disagree****[ ] Undecided****[ ] I don’t know / Not relevant to me****5.6b Question : If you do not agree with the proposed wording, please provide your rationale and suggestion here:**      **5.7 A new Development Year 3 requirement on promoting the grievance mechanism.** **NEW Promoting Grievance Mechanism**

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| **Applies to:** PB |
| **Dev** | You (PB) take annual measures to make the mechanism better known and increasingly accessible, equitable and legitimate to registered producers, the PEB and other stakeholders.You seek to improve the mechanism and prevent future harms through a regular analysis of the grievance cases and dialogue with key stakeholders. |
| **Year 3** |
| **Guidance**: For further guidance, please see Fairtrade’s “Implementing Human Rights and Environmental Due Diligence, Guide for Smallholder Farmer Organizations”. |

**Rationale:** Wide promotion of grievance mechanism makes it useful for all stakeholders.**Outcome and implication:** The wider the promotion, more is the potential for its use and thereby prevention of risk from growing bigger.**5.7a Question : Do you agree with the requirement text ?****[ ] Agree****[ ] Disagree****[ ] Undecided****[ ] I don’t know / Not relevant to me****5.7b Question: If you do not agree with the proposed wording, please provide your rationale and suggestion here:**      **5.7c Question: Do you see any additional implications in relation to implementing the proposed requirements under Step 2: Identify?**     **Step 3: address and remediate**The third step in HREDD process is to take actions to address the most salient human rights and environmental risks and problems linked to your organisation. More specifically, these actions aim to prevent, mitigate or remediate the salient issues or cease your linkage to those issues.There are three general activities to take into consideration :1. Develop and implement policies and procedures for each of the salient issues(for example, many producer organizations have policies for forced labour and non-discrimination).
2. Develop and implement an action plan that sets out the concrete activities to implement these policies.
3. Take measures to remediate serious human rights and environmental harms.

It is advisable to consult several groups of people when drafting a policy or action plan, to ensure they are relevant and that key stakeholders such as staff, workers, young people, women, management and external experts support them.A template Action Plan can be found in Appendix 5 of the [HREDD Guide for Hired Labour Organisations](https://files.fairtrade.net/publications/Fairtrade_HREDD-guide-for-plantations_EN.pdf). **Remediation**If you identify cases where a person’s human rights have not been respected, you need to take remediating measures. The key steps are:1. **Seek to end the violation**, for example by reversing it (inappropriate termination of work, etc.) or safely withdrawing the affected person from the situation (child labour, forced labour, sexual harassment etc.).
2. **Support the affected person(s)**, for example by reimbursing costs, finding alternative employment, providing schooling or training, or giving financial or non-financial compensation. The aim is to rehabilitate victims by returning them to a good, healthy life.
3. **Take actions to prevent the violation from happening again.** This can entail any of the prevention or mitigation activities listed above.

An individual company can rarely provide full remediation on their own, so remember to report to and support the work of relevant government agencies. If buyers have contributed to the violation, for example by paying low prices, they also have a responsibility to participate in remediation.**Monitoring and remediation system**Where the risk of child labour, forced labour or gender-based violence is high, the producer organisation should consider establishing a monitoring and remediation system to address those specific issues. Read more about a monitoring and remediation system [here](https://files.fairtrade.net/standards/Fairtrade_HREDD-guide-for-smallholder-farmer-organisations_EN.pdf).**5.8 A new Core Year 3 requirement on Human Rights and Environmental Policies.** **New Human Rights and Environmental Policies**

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| **Applies to: PB** |
| **Core** | You have and implement policies to mitigate, prevent and remediate at least the three most salient issues identified through your risk assessment. You communicate the policies at least to PEB and registered producers.You review and revise the policies as often as required, but at a minimum every six years.You report on the Human Rights and Environmental Policies to Fairtrade International. |
| **Year 3** |
| **Guidance**: For further guidance, please see Fairtrade’s “Implementing Human Rights and Environmental Due Diligence, Guide for Smallholder Farmer Organizations”.It is best practice to also communicate the policies to farm operators and workers, job brokers, contractors and suppliers. This communication can happen via your members, where needed.Reporting to Fairtrade International will enable communication with internal (Producer Networks) and /or external (commercial partners) stakeholders for the purpose of due diligence reporting. |

**Rationale:** Written policies serve as intention to act in case a situation arises. It also informs all stakeholders about your stance with respect to such issues and sharing information will enable communication with stakeholders for the purpose of due diligence reporting which is relevant for example EU regulations (CSRD, CS3D, ESRS).**Outcome and implication:** Policies help in prevention of risk occurrence as stakeholders are all informed and do not engage in risk causing actions.**5.8a Question : Do you agree with the requirement text ?****[ ] Agree****[ ] Disagree****[ ] Undecided****[ ] I don’t know / Not relevant to me****5.8b Question : If you do not agree with the proposed wording, please provide your rationale and suggestion here:**      **5.9 A new Core Year 3 requirement on setting up and implementing an Action Plan.** **NEW Action Plan**

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| **Applies to:** PB |
| **Core** | You together with the PEB and registered producers develop and implement an action plan to mitigate and prevent the salient issues. The plan is revised annually to keep it up to date.You report on the action plan to Fairtrade International. |
| **Year 3** |
| **Guidance**: Your action plan may include to have a dialogue and collaboration with Fairtrade suppliers, other companies, public authorities and/or civil society actors; or to raise awareness and train your management and staff on the salient human rights and environmental issues, or to provide support for Fairtrade suppliers and/or producerActivities can include contribution to or provision of services; improvement of tools, facilities or processes; partnerships with local organisations; or negotiations with local authorities etc. Awareness raising can be through presentations, discussions and meetings; posters and leaflets; and training programs including sketches and role play. Reporting to Fairtrade International will enable communication with internal (Producer Networks) and /or external (commercial partners) stakeholders for the purpose of due diligence reporting. |

**Rationale:** Action plans are actual measures to implement policies and commitment. Without action, policies remain on paper serving no one and sharing information will enable communication with stakeholders for the purpose of due diligence reporting which is relevant for example EU regulations (CSRD, CS3D, ESRS).**Outcome and implication:** A meaningful use of Fairtrade premium is rendered. Action plans continue to develop over time. Risk prevention stands strengthened.**5.9a Question : Do you agree with the requirement text ?****[ ] Agree****[ ] Disagree****[ ] Undecided****[ ] I don’t know / Not relevant to me****5.9b Question : If you do not agree with the proposed wording, please provide your rationale and suggestion here:**      **5.10 A new Core Year 1 requirement on Remediation.** **NEW Remediation**

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| **Applies to:** PB |
| **Core** | You have a written procedure that guides your remediation work that includes measures on providing for or cooperating in the remediation of any case found. If you have identified cases of human rights or environmental harms in your supply chain or operations which your company or the registered producers have caused or contributed to, you follow up according to your procedure.  |
| **Year 1** |
| **Guidance**: Remediation measures can have many goals, including:- ending the violation- ensuring the prolonged safety of the affected person(s)- restoring the person(s) or environment to the situation prior to the violation- enabling compensation or other remediation that corresponds to the significance and scale of the violation- preventing further cases Remedy may include withdrawal of the person(s) from the situation, restitution, rehabilitation, financial or non-financial compensation, apologies, punishment of wrong-doers and projects to prevent future violations. When determining the remedy, the affected person(s) and their representatives need to be consulted, unless this puts their safety and security in jeopardy. If the harm is in your supply chain, you can collaborate in remediation by providing financial support to your supplier’s remediation work.It is best practice to engage suppliers or buyers and/or public authorities as they may have a responsibility to cooperate in remediation. You report cases to public authorities. This should be in the best interest of the impacted parties, and only if they give their consent.You may also engage non-governmental organizations, human rights and environmental expert organizations. |

**Rationale:** Remediation work serves as an off-setting measure. Those affected by it merit remediation. It serves to enhance your commitment to HRE issues.**Outcome and implication:** A written statement of steps are available and helps in remediation. Justice is rendered to those who are affected.**5.10a Question : Do you agree with the requirement text ?****[ ] Agree****[ ] Disagree****[ ] Undecided****[ ] I don’t know / Not relevant to me****5.10b Question: If you do not agree with the proposed wording, please provide your rationale and suggestion here:**      **5.11 A new Core Year 3 requirement on dialogue with buyers.** **NEW Dialogue with buyers**

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| **Applies to:** PB |
| **Core** | You seek dialogue and collaboration with your largest buyers on the human rights and environmental challenges in your operations and operational environment. You present your action plans and remediation activities and invite buyers to present theirs, and agree a mutually acceptable type and level of support from your buyers' to your activities. You also invite the PEB to participate in this dialogue.Where a buyer co-finances some activity, you report about its implementation to the buyer. You report to Fairtrade International on types of support and where relevant the estimated monetary value of each provided towards the Human Rights and Environmental Due Diligence (HREDD) work in the past year from buyers. |
| **Year 3** |
| **Guidance**: Remember that where a buyer contributes to human rights or environmental challenges, for example via low pricing, they have a responsibility to cooperate in remediating those challenges. It may be useful to also invite public authorities and/or civil society organisations to join the dialogue. For further guidance, please see Fairtrade’s “Implementing Human Rights and Environmental Due Diligence, Guide for Farmer Organizations”.Reporting to Fairtrade International will enable communication with internal (Producer Networks) and /or external (commercial partners) stakeholders for the purpose of due diligence reporting. |

**Rationale:** Many buyers are also committed to deploy resources to off-set or prevent HRE violations. It gives them a chance to support you in implementation and sharing information will enable communication with stakeholders for the purpose of due diligence reporting which is relevant for example EU regulations (CSRD, CS3D, ESRS).**Outcome and implication:** Additional resources and expertise are obtained from buyers.**5.11a Question: Do you agree with the requirement text ?****[ ] Agree****[ ] Disagree****[ ] Undecided****[ ] I don’t know / Not relevant to me****5.11b Question : If you do not agree with the proposed wording, please provide your rationale and suggestion here:**      **5.11c Question :Do you see any additional implications in relation to the implementation of the proposed requirements under Step 3: Address and remediate?**     **Step 4: Track**The fourth step of HREDD is tracking, which means checking whether your activities have been effective. Producer organizations should track progress to:* + learn whether their due diligence activities are actually working and effective
	+ identify and continue best practices
	+ change ineffective activities

You need to track (a) **your progress in due diligence activities** and (b) **changes in your salient issues.**Examples of indicators for tracking progress in due diligence activities include : * number and topics covered in awareness raising activities
* salient risks and vulnerable groups of people identified through risk assessment
* More examples can be found [here](https://files.fairtrade.net/standards/Fairtrade_HREDD-guide-for-smallholder-farmer-organisations_EN.pdf).

To track **changes in your salient issues**, you need annually to:* check whether the issues are becoming more or less common and serious by using the same indicators and methods as in your risk assessment
* analyse the information you have gained through your grievance mechanism

**The proposed change is :** **5.12 A new Core Year 6 requirement on tracking due diligence activities.** **NEW Tracking**

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| **Applies to:** PB |
| **Core** | You (PB) define and implement annual measures to track the implementation and effectiveness of your due diligence activities, drawing on feedback from Producer Executive Body. You document and use the lessons learned to improve these activities. You report key lessons learnt to your Board and Producer Executive Board.You report on tracking measures to Fairtrade International. |
| **Year 6** |
| **Guidance**: You could utilise- the implementation report of your previous action plan - risk assessment indicators related to your salient issuesIt is best practice to draw on feedback from various internal and external sources and pay particular attention to impacts on most vulnerable groups or people.Reporting to Fairtrade International will enable communication with internal (Producer Networks) and /or external (commercial partners) stakeholders for the purpose of due diligence reporting. |

**Rationale:** Tracking completes the loop of activities starting with commitment, plan, action and monitoring. It helps you to identify shortcomings in your actions before audit find it out or becomes a public issue and sharing information will enable communication with stakeholders for the purpose of due diligence reporting which is relevant for example EU regulations (CSRD, CS3D, ESRS).**Outcome and implication:** Tracking identifies shortcomings before they become a bigger problem. It completes the full circle of HRE due diligence.**5.12a Question : Do you agree with the requirement text ?****[ ] Agree****[ ] Disagree****[ ] Undecided****[ ] I don’t know / Not relevant to me****5.12b Question : If you do not agree with the proposed wording, please provide your rationale and suggestion here:**      **5.12c Question :Do you see any additional implications in relation to the implementation of the proposed requirements under Step 4: Track?**     **Step 5 Communicate**The last step of HREDD is to communicate to your stakeholders what your salient issues are, how you have conducted due diligence, and what impact your activities have had. Active communication can make you a valuable partner to both your buyers and your suppliers.**5.13a Question: Could you indicate if you are in agreement with sharing information on HREDD in general?****[ ] Yes****[ ] No****[ ] Undecided****[ ] I don’t know / Not relevant to me****5.13b Question: Do you agree with sharing information on the HREDD steps/ requirements where reporting is relevant:**

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| **Topic** | **Yes** | **No** |
| **Written commitment** | **[ ]**  | **[ ]**  |
| **Awareness raising** | **[ ]**  | **[ ]**  |
| **Risk assessment** | **[ ]**  | **[ ]**  |
| **Human Rights Based Grievance Mechanism** | **[ ]**  | **[ ]**  |
| **Human Rights and Environmental Policies**  | **[ ]**  | **[ ]**  |
| **Action Plan** | **[ ]**  | **[ ]**  |
| **Support and estimated monetary value** | **[ ]**  | **[ ]**  |

**5.13c Question: Could you indicate the reason why you do not agree with reporting for each step of HREDD? Select all that apply**

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| **Topic** | **Resource constraints** | **Relevance** | **Lack of clarity** | **Data sensitivity** | **Fear of negative consequences** | **Other** |
| **Written commitment** | **[ ]**  | **[ ]**  | **[ ]**  | **[ ]**  | **[ ]**  | **[ ]**  |
| **Awareness raising** | **[ ]**  | **[ ]**  | **[ ]**  | **[ ]**  | **[ ]**  | **[ ]**  |
| **Risk assessment** | **[ ]**  | **[ ]**  | **[ ]**  | **[ ]**  | **[ ]**  | **[ ]**  |
| **Human Rights Based Grievance Mechanism** | **[ ]**  | **[ ]**  | **[ ]**  | **[ ]**  | **[ ]**  | **[ ]**  |
| **Human Rights and Environmental Policies**  | **[ ]**  | **[ ]**  | **[ ]**  | **[ ]**  | **[ ]**  | **[ ]**  |
| **Action Plan** | **[ ]**  | **[ ]**  | **[ ]**  | **[ ]**  | **[ ]**  | **[ ]**  |
| **Support and estimated monetary value** | **[ ]**  | **[ ]**  | **[ ]**  | **[ ]**  | **[ ]**  | **[ ]**  |

**Other, please explain:**     **Explanation:*** Resource constraints: we lack the resources (time, personnel, budget) to collect and report this information
* Relevance: we do not believe that the HREDD steps are relevant or necessary for us
* Lack of clarity: the requirement and expectations for reporting this information are unclear
* Data sensitivity: we are concerned about the sensitivity of the data and how it might be used
* Fear of negative consequences or penalties on business when disclosing this information (“cut-and-run”)

**5.13d Question: How do you think information on HREDD should be shared? Select one****[ ] Aggregated****[ ] Disaggregated****[ ] I do not know****5.13e Question: Under which conditions do you believe this information should be shared? Select all that apply****[ ] Only with internal stakeholders (Producer Network)****[ ] With Fairtrade International****[ ] With external stakeholders (e.g. commercial partners) under confidentiality agreements or when the sourcing partner is committing for a long term contract****[ ] Only when necessary for compliance with regulations in importing countries****[ ] Other please specify here**      **5.13f If you would like to make any other suggestions on this topic, or you already implement this step in your due diligence procedure and would like to share your experience, please use this comment box** |

# Part 3 General comments/ feedback

In this section you are invited to provide additional feedback on any of the requirements in the [Fairtrade Standard for Contract Production](https://files.fairtrade.net/standards/CP_EN.pdf) or provide general comments. If you are referring to a particular requirement, please include the requirement number where possible and your comments.

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| **Topic/ requirement number** | **Comments/ feedback** |
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If you need some more information before commenting on this document do not hesitate to contact standards-pricing@fairtrade.net