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| **Consultation Document For Fairtrade Stakeholders**  **Review of Fairtrade Standard for Flowers and Plants** | |
| Consultation Period | **12th September- 10th October 2022** |
| Standard Senior Project Manager: | **Jebet Winnie Yegon** |

**1. General Introduction**

Fairtrade Standards support the sustainable development of small-scale producers and workers in the Global South. Producers and traders must meet applicable Fairtrade Standards for their products to be certified as Fairtrade. Within Fairtrade International, Standard & Pricing (S&P) is responsible for developing Fairtrade Standards. The procedure followed, as outlined in the [Standard Operating Procedure for the Development of Fairtrade Standards](https://files.fairtrade.net/SOP_Development_Fairtrade_Standards.pdf) is designed in compliance with all requirements of the [ISEAL Code of Good Practice for Setting Social and Environmental Standards](https://www.isealalliance.org/get-involved/resources/iseal-codes-good-practice). This involves wide consultation with stakeholders to ensure that new and revised standards reflect Fairtrade International’s strategic objectives, are based on producers’ and traders’ realities and meet consumers’ expectations.

You are kindly invited to participate in this consultation reviewing the Fairtrade Standard for Flowers and Plants for hired labour and traders. For this purpose, we kindly ask you to comment on the proposals suggested in this document and encourage you to give explanations, analysis and examples underlying your statements. All information we receive from respondents will be treated with care and kept confidential.

**Please submit your comments to the Senior Project Manager, Jebet Winnie Yegon at:** [**j.yegon@fairtrade.net**](mailto:j.yegon@fairtrade.net) **by 10/10/22.**

Following the consultation, S&P will compile and aggregate all the comments received and share them anonymously via email and on the Fairtrade International website.

**2. Background**

The Fairtrade Standard for Flowers and Plants is due for review, as part of the regular monitoring and review cycle. The review is also an opportunity to adapt and to ensure that the standard is in line with the Fairtrade global strategy 2021-2025 and contributes to its achievement. The strategy places great emphasis on empowered farmers and workers, growth and innovation, advocacy and digitalisation. The revision of the standard will mainly address the last three of these aspects.

The main focus of the review will therefore be:

* Wage improvement (but not wage levels)
* Human rights topics
* Environment
* Trade rules to help increase sales

The proposals presented in this consultation were developed based on inputs received from various stakeholders since the last review of the standard that took place in 2016. During the research phase, the proposed changes were also discussed with various experts including Producer Networks (PNs), thematic ,product and market experts.

Fairtrade recognizes the difficult financial situation faced by flower farms due to the covid pandemic and the war in Ukraine. There will therefore be second stage to the consultation during quarter one of 2023 which will mainly focus on wage improvement towards a living wage.

**3. Objectives of the standard review**

The goal of the review is to improve the Fairtrade Standard for flowers and plants so that it contributes to a greater sustainability of flowers and plants and trade, fairer trade practices and sustainable livelihoods for flower workers and their families.

**Objectives:**

1. Review and analyze outstanding issues included on the monitoring log on the Flower and Plant Standard since last revision.
2. Seek solutions from stakeholders to resolve standard related issues.
3. Consider options to improve wage measurement and reporting.
4. Consider options to optimize the use Fairtrade Premium.
5. Strengthen requirements to ensure decent working conditions in the labour conditions chapter
6. Strengthen the environmental requirements.
7. Explore options to further increase flower volumes through retro-certification, regional auctions and bouquet composition rules.
8. Ensure consistency in standards by aligning changes in all related product standards in particular the Fairtrade Standard for Hired Labour and Fairtrade Trader Standard.
9. Improve standard language for better clarity and simplicity.
10. Develop final proposals for the Flower standard for approval by Standards Committee.

**4. Project and Process Information**

The project started in July 2022 and the [project assignment](https://files.fairtrade.net/standards/Final-PA_-Flowers-and-Plants-Standard-Review.pdf) is available on the Fairtrade International website.

The current Fairtrade Standards for [Flowers and Plants](https://files.fairtrade.net/standards/Flowers-and-Plants-Standard-HL-EN.pdf) and [Hired Labour](https://files.fairtrade.net/standards/HL_EN.pdf) are also available on the Fairtrade International website.

The progress to date and next steps are described in the table below:

**Table 1.** Progress to date and next steps

|  |  |  |
| --- | --- | --- |
|  | Activity | Timeline |
| Standards Review | Scoping | June/ July 2022 |
| Desk research | June- August 2022 |
| Consultation | Sep- Oct |
| Analysis of consultation responses | Oct – Nov |
| Draft final proposal | Oct- Nov |
| SC decision | Nov 2022 |
| Publication | tbc |
| Implementation | tbc |

**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 analyzed and used to draw up the final proposal. However, when analyzing the data we need to know which responses are from producers, traders, licensees, etc. so we kindly ask you provide us with information about your organization.

**6. Acronyms and definitions**

|  |  |
| --- | --- |
| ATCB | All that can be |
| CBA | Collective Bargaining Agreement |
| FI | Fairtrade International |
| FP | Fairtrade Premium |
| FPC | Fairtrade Premium Committee |
| FSI | Fairtrade Sourced Ingredient |
| GA | General Assembly |
| HL | Hired Labour |
| ILO | International Labour Organization |
| LW | Living wage, remuneration received for a standard work week by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing, and other essential needs, including provision for unexpected events. |
| MEL | Monitoring Evaluation &Learning |
| NFO | National Fairtrade Organization, Fairtrade country organizations in the consumer markets |
| NGO | Non-Governmental Organization |
| PN | Producer networks, regional Fairtrade organizations in the producer Markets |
| PO | Producer Organisation |
| SC | Fairtrade International Standards Committee |
| SM | Sustainability margin |
| S&P | Standards &Pricing |
| TU | Trade Union |
| UN | The United Nations |
| WB | World Bank |
| WHO | World Health Organisation |

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

* Flower producers already certified or interested in becoming certified under the Fairtrade Standard for Flowers and Plants for Hired labour.
* Licensees and traders certified / interested in becoming certified under the Fairtrade Trader Standard and the Fairtrade Standard for Flowers and Plants.
* Workers of certified producer organizations
* Producer Networks, National Fairtrade Organisations, Fairtrade International, FLOCERT, NGO´s, researchers, etc.

Each section first introduces the background information to the specific issue. Where relevant the proposed changes to the standard are presented, you are asked for your opinions and feedback.

**PART 2 Draft Standard Consultations**

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# Information about your organization

**Q0.1** **Please provide us with information about your organization 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 organization

Your name

Your email

Country

FLO ID

**Q0.2** **Are 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

**Q0.3** **What is your gender? (Note: this is for data analysis purposes only)**

Female

Male

Other

**Q0.4 What is your main responsibility in the supply chain?**

**!** *tick* ***one*** *box only, that corresponds to your main responsibility*

|  |  |
| --- | --- |
| Producer  Workers  Exporter  Importer  Other (e.g. PN, NFO, FLOCERT, FI), specify below | Processor  Retailer  Licensee |

**Q0.5 What is your role or responsibility in your organization?**

**!** *tick* ***one*** *box only*

Management representative

Worker representative from Fairtrade Premium Committee

Worker representative from other Workers’ Committee, please specify here:

Other, specify here:

Not relevant

# Proposed key changes and Standard consultations

All changes to the standards are shown in red to easily identify the differences.

# Topic 1. General Requirements- bouquet composition

1. **Fairtrade Flower Standard: 1.2.1 Flower bouquet composition**

**Background:** The majority of flowers sold are sold in bunches with 100% of the flowers being Fairtrade certified. There is a small volume sold in UK and Nordic countries which allows up to 50% non-certified flowers and fillers which are not available as Fairtrade to be included as an exception in the Fairtrade bouquet This may be misleading to consumers as the information is not clearly available at point of sale.

To ensure a transparent system for bouquets, 2 options are presented below: The first option would follow the Fairtrade Sourced Ingredient [[1]](#footnote-2)(FSI ) rule in case not all flowers can be sourced as Fairtrade **(Option 1 below)**. The second option would be to keep the existing bouquet composition requirement and increase the threshold from 50% to 80 % (**Option 2 below)**

**Rationale:** The current system for labelling bouquets is not transparent for the consumer and involves significant bureaucracy. A simpler and clearer approach is suggested in line with other Fairtrade commodities.

**Option 1 Proposed change**

|  |  |
| --- | --- |
| **Applies to:** | Companies and Traders |
| **Core** | You ensure that all the flowers and plants to be sold as Fairtrade are Fairtrade certified.  If not all flowers are Fairtrade certified the Fairtrade Sourced Ingredient rules must be followed. |
| **Year 0** |
| **Guidance:** The Fairtrade Sourced Ingredient Certification Mark must be used to name the type of flowers which are Fairtrade in a bouquet, and they have to be 100% Fairtrade (eg Fairtrade Roses, carnations) and allows the creation of bouquets with other non-Fairtrade flowers | |

**Option 2**

An alternative option is to adjust the 50% rule to require a higher proportion of flowers are Fairtrade certified and permit a proportion of non-certified stems but without any labelling which stems are Fairtrade and which are not.

This proposal gives some flexibility for bouquets using the “All that can be rule”.

**Proposed change (changes highlighted in red)**

|  |  |
| --- | --- |
| **Applies to:** | Companies and Traders |
| **Core** | You ensure that all the flowers and plants to be sold as Fairtrade are Fairtrade certified.  For bouquets, you ensure they contain as many Fairtrade fillers and flowers as are available. At least 80% of the stems are from Fairtrade producers |
| **Year 0** |
| **Guidance:** It is recommended that non-Fairtrade flowers are locally sourced | |

**Implications:** This change will particularly impact UK and Nordic countries where the current 50% rule is used. The implication for the first option would be less license fee income and losing the full Fairtrade Mark of some bouquets. The implication for the second option might lead to an overall lose of the All that can be (ATCB) volumes.

**Q 1.1 Which option do you prefer?**

Option 1

Option 2

**Q 1.2 Do you agree with the proposed wording in option 1?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Q 1.3 Do you agree with the proposed wording in option 2?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale here:**

# Topic 2. Social Development- Fairtrade Premium and FPC

1. **Flower Standard:2.1.1 Self-assessment of Fairtrade Premium Committee**

**Background.** The standard requires certain training and awareness raising much of which is offered by Producer Networks (PNs), however, many farms hire external(expensive) consultants to do the trainings and there is a danger of misinformation and misspending. Whilst Fairtrade may not have capacity to deliver trainings to all Fairtrade Premium Committees (FPCs), Fairtrade recommends that the availability of their training is raised.

**Relevant requirements in the Fairtrade HL and flower standards:**

**Fairtrade Flower Standard/s:** Hired Labour Standard requirement 2.2.3: Guidance: Importantly, the **regular self-assessment** of the FPC builds upon the basic training for FPCs which the management is expected to have organized during the pre-certification phase

**2.1.1 (Flower Standard) Self-assessment of Fairtrade Premium Committee:** The FPC regularly self-assesses its effectiveness in operating a transparent, participatory, and democratic administration of premium money and implementation of premium projects. The FPC seeks external support in case the implementation of Fairtrade is not effective.

The method, findings and recommendations of the self-assessment are documented and made available to the certification body.

**Rationale:** This change does not affect the standard but is added to the guidance session as it is not mandatory.

**Proposed change to requirement 2.1.1 (changes highlighted in red)**

|  |  |
| --- | --- |
| **Applies to:** | Companies |
| **Core** | The FPC regularly self-assesses its effectiveness in operating a transparent, participatory and democratic administration of premium money and implementation of premium projects. The FPC seeks external support in case the implementation of Fairtrade is not effective.  The method, findings and recommendations of the self-assessment are documented and made available to the certification body. |
| **Year 1** |
| **Addition to the guidance:** It should be noted that training is available from the PNs to support producers in specialised areas. External training on Fairtrade should be carefully reviewed to ensure it meets the needs of the FPC | |

**Implications:** The recommendation seeks to provide additional guidance and is therefore not a binding requirement and will have no implications for compliance.

**Q 2.1 Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale here:**

1. **Flower Standard:2.1.2 Premium reporting**

**Background**

The Fairtrade Premium can be reported via email or an online platform currently. The existence of two options in parallel causes a lack of consistency and makes audit and data analysis difficult.

**Rationale:** Make reporting premium use to be only via the online platform to aid consistency and visibility of information.

**Proposed change to requirement 2.1.2 (changes highlighted in red):**

|  |  |
| --- | --- |
| **Applies to:** | Companies |
| **Core** | You report at least once a year on the use of Fairtrade Premium using the following  indicators:   * Name and description of project (purpose and objectives; project partners) * Target group(s) (e.g. men-women or all members of cooperative, migrant workers, * family members, community) * Estimated number of beneficiaries within each target group * Project budget (total / annual) * Project start and end date * Date of approval of project and who approved it * You ~~send this information to flowers@fairtrade.net or~~ upload it to the Online Premium * Platform (https://premium.fairtrade.net) |
| **Year 0** |
| **Guidance:** unchanged | |

**Implications:** There should be no additional workload or difficulty in providing this information using an online platform Most producers are already using the premium platform and this will therefore have no significant implications and will lead to more transparency on impact towards market partners.

**Q 2.2 Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale here:**

1. **Fairtrade Premium Committee membership**

**Background:** There is need to provide additional guidance on the FPC membership in addition to what is mentioned in HL standard 2.1.1 and Flower standard 2.1.1 on FPC

**Rationale:** Worker’s membership in the FPC should be significantly higher than the number of management representatives as per existing rules. Management representatives can be very vocal and this can create a power imbalance, as workers might be intimidated to make decisions that favour the management. It should be noted that management representatives retain the ability to veto proposals in case of suspected fraud.

**New requirement : Proposed change**

|  |  |
| --- | --- |
| **Applies to:** | Companies |
| **Core** | The roles of management and union representatives are clearly defined within the FPC (written and communicated to all members). |
| **Year 0** |
| **Guidance:** Each representative should have a particular skill that they bring to the FPC | |

**Implications:** The outcome of this will be clearly defined roles and understanding between members of the FPC. It is expected that it will lead to a reduction in the number of management representatives in the FPC.

**Q2.3 Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale/comment here:**

1. **Financial audit on Fairtrade Premium**

**Background:** Fairtrade must ensure there is no misuse of premium. The risk is higher especially when high premium sums are involved. A proposal to require a financial audit on Fairtrade premium exceeding 30,000 USD is put forward.

**Rationale**

This would increase oversight on the use of Fairtrade Premium. A similar approach is taken in the SPO standard and found to be effective.

**New requirement: Proposed change**

|  |  |
| --- | --- |
| **Applies to:** | Companies |
| **Core** | If the Fairtrade Premium per annum is above 30,000 USD you contract a financial company to audit your Fairtrade Premium accounts.  external auditors must be appointed by the management of the producer organization. |
| **Year 0** |
| **Guidance:** The intention of this requirement is to increase oversight on the use of the Fairtrade Premium.  The PN may prepare a list of recommended auditors. | |

**Implications:** This will help prevent fraud. In case the external auditors are paid using the premium funds, then this would incur additional costs.

**Q2.4 Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale/comment here:**

**A recommendation to pay the external auditors using premium funds has been suggested.**

**Q 2.5 Do you agree that the external auditors are paid using premium funds?**

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale/comment here:**

1. **Provisions in case of decertification or dissolution of FPC**

**Background**

Requirement 2.1.8 in the HL standard states that “Upon establishment of the Fairtrade Premium account, your company signs a legally binding agreement with the legal body registered to manage Fairtrade Premium (see 2.1.3) that states that in case your company is decertified or dissolved, the balance of the Fairtrade Premium account is made available to the Fairtrade Premium Committee and is used for the on-going and planned Fairtrade Premium projects or is distributed among the workers within 3 months after decertification or dissolution in accordance with the laws governing the legal body”.

**Rationale:** When farms are merged or acquired premium monies can be misappropriated. Requirement 2.1.8 in the HL standard addresses the issue of provision in case of decertification or dissolution, but the risk of misappropriation is high.

During decertification and dissolution of producer FPC, the standard requires that in 3 months, the current premium balance is shared among workers equally. However, in the case there are assets, it is not practical to dissolve the FPC within this period. Therefore, workers do not benefit in the event assets are disposed or continue to earn income after closure of the farm. As there is no consequence if the criterion is not followed, and no form of follow up (Farm is decertified), it’s not possible to enforce any action if the premium funds are misused and don't benefit workers thereafter. A proposal that ensures that workers are able to benefit from premium in case a producer is decertified is put forward.

**New requirement: proposed change**

|  |  |
| --- | --- |
| **Applies to:** | Companies |
| **Core** | If the producer is decertified or ceases to operate FPC shall engage the PN to ensure fair and equitable sharing of the premium and any assets amongst the workers. |
| **Year 1** |
| **Guidance:** The PN will have a defined process to follow in the case this arises. | |

**Implications:** This gives the PN a vital role to ensure equity and fairness in the distribution of assets owned by the FPC.

**Q 2.6 Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale/comment here:**

1. **Use of Fairtrade Premium**

**Background:**  There is concern that some projects implemented by the FPC are unsustainable over the long term and careful consideration is required in project selection. Other relevant requirement in the standards on Premium Use include 2.1.15 Fairtrade Premium plan (HL standard).

**Rationale:** Based on the experience in recent years on flower farms the standard should give more guidance around use of FP. The farm can also demonstrate co-investment eg enhanced pension, medical cover, home ownership.

If FPCs cooperate with other producer FPC’s when selecting community projects a greater and more cost effective approach can be realised.

**New requirement : Proposed change:**

|  |  |
| --- | --- |
| **Applies to:** | Companies |
| **Core** | If investing in community projects the FPC must investigate jointly/collaboratively with other certified producers within the same location.  Before investing in food subsidies, the FPC must plan and implement at least one project with long term benefits (more than a year.) Any premium to be spent on food subsidy must be matched by an equal contribution from the company. |
| **Year 0** |
| Guidance  The FPC must investigate jointly/collaboratively needs of any community project with other producers within the same location (this can be demonstrated by minutes of the FPC meeting) | |

**Implications:**

This guidance should help FPC to select appropriate projects to support which are sustainable for the long-term.

**Q 2.7 Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale/comment here:**

# Topic 3. Labour conditions

1. **Flower Standard 3.1.2 Policy, Procedures and Training against sexual misconduct and gender-based violence**

**Background**

Requirement 3.1.2 of the flower standard requires companies to establish and implement a policy that clearly prohibits sexual harassment. A proposal to further strengthen this requirement is put forward

**Rationale**: Based on experience and learnings there is a need to include additional control points to ensure avoidance of any unwanted sex-related acts or conduct, including harassment and assault.

**Proposed change to requirement 3.1.2 (changes highlighted in red)**

|  |  |
| --- | --- |
| **Applies to:** | Companies |
| **Core** | Your company establishes and implements a policy and procedures, including allegation reporting and a case management system that clearly prohibits sexual misconduct and remediates all such unacceptable conduct.  Your company trains workers and management on this policy and procedures and its contents. Records are kept of these training activities indicating information on topics, time, duration, participants names, gender, categories of worker and management, including age groupings of attendees and trainers. |
| **Year 0** |
| Guidance: This requirement complements requirement 3.1.6 in the HL standard.  Disclosure of exact age is not needed - also could be a right to privacy or some participants may not know this. Age groups meaning, below 15, between 16 to 24, 25 to 35, 36 to 45, 46 to 55 and above 55.  “Sexual misconduct” is a broad term that covers unwanted sexual activity, which includes sexual harassment and sexual assault. As a best practice define the various categories of unwanted sexual activity that falls under your Policy.  Your Policy must have procedures to confidentially submit or report an allegation and a process for following up and resolving it, including a system to safely store and document the cases.  All company staff, management and board, including all workers, must be trained on the Policy and Procedures. Trainings should reduce stigma and fear of those reporting, increase understanding that the impacted subjects proven to be at harm should be protected or safeguarded and prevention protects need to be implemented to ensure a working environment where workers and staff do not feel sexually abused and/or exploited. | |

**New requirement: Proposed change**

|  |  |
| --- | --- |
| **Applies to:** | Companies |
| **Core** | you have responsible focal points and your company has a fully operating case documentation and management system for the reporting and processing of these allegations. Confidentiality and the right to privacy must be respected. Confidentiality in this context means only those persons involved in processing and deciding on allegations will be informed |
| **Year 1** |

**Implications:** in addition to having a policy that prohibits sexual misconduct, companies will also need to have procedures in place as well as having trained and responsible focal points and operating case documentation and management systems to increase prevention, investigations and victim care, including resources needed to refine and sustain response capacity of your company to these violations.

**Q3.1 Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale/comment here:**

1. **Policy, Procedures and Training against forced labour and child labour**

**Background**

A proposal to require companies to have a policy, and procedures that clearly prohibits forced labour and child labour is presented

**Rationale**

Requirement 3.3.3 of the HL standard requires producers to establish and implement a child labour policy. Forced labour is also prohibited in requirement 3.2.1 of the HL standard. There is however a need to strengthen these requirements to ensure that companies have the right procedures and tools in place that will strengthen these requirements.

**New requirement: Proposed change**

|  |  |
| --- | --- |
| **Applies to:** | Companies |
| **Core** | Your company establishes and implements a policy and procedures, including allegation reporting and a case management system that clearly prohibits forced labour and child labour and remediates all such unacceptable labour practices.  Your company trains workers and management on this policy and procedures and its contents. Records are kept of these training activities indicating information on topics, time, duration, participants names, gender, categories of worker and management age groupings of attendees and trainers. |
| **Year 0** |
| Guidance: This requirement complements requirement3.2.1, 3.3.3, 3.3.5, in the HL standard.  As a best practice your policy makes specific references to the type of unacceptable labour that could be defined as forced labour and child labour  Your Policy must have procedures to confidentially submit or report an allegation and a process for following up and resolving it, including a system to safely store and document the cases.  All company staff, management and board, including all workers, must be trained on the Policy and Procedures. Trainings should reduce stigma and fear of those reporting, increase understanding that the impacted subjects proven to be at harm should be protected or safeguarded and prevention protects need to be implemented to ensure that no forced labour or child labour practices are taking place. | |

**New requirement: Proposed change**

|  |  |
| --- | --- |
| **Applies to:** | Companies |
| **Core** | You have responsible focal points and your company has a fully operating case documentation and management system for the reporting and processing of these allegations. Confidentiality and the right to privacy must be respected. Confidentiality in this context means only those persons involved in processing and deciding on allegations will be informed |
| **Year 1** |

**Implications:** In addition to having policies in place that prohibit child labour and forced labour, the company will need to have additional procedures in place as well as training workers and management on these policies and procedures.

**Q 3.2 Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale/comment here:**

1. **Protection of informal and vulnerable workers**

**Background**

The flower industry employs informal and part-time workers who in most cases fall under vulnerable, disadvantaged and minority groups. Protection of these groups is therefore necessary.

**Rationale**

Discrimination especially among vulnerable groups remains a persistent global problem and continues to perpetuate poverty and violence. The proposed requirement therefore ensure that these groups are particularly protected.

**New requirement: Proposed change**

|  |  |
| --- | --- |
| **Applies to:** | Companies |
| **Core** | Informal or part time workers must not be discriminated against, especially vulnerable groups (women, youth, disabled, elderly, migrants etc.) |
| **Year 0** |

**Implications:** Companies would need to ensure that the existing or new policies also cover informal or part time workers to ensure that they are also protected.

**Q 3.3 Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale/comment here:**

1. **Marketing images**

**Background**

There have been incidences in the past where photographs and videos of workers were taken without their informed consent. There is therefore a need to have a requirement in place that ensures that photographs, videos or audio recording can only be taken with the signed and informed consent of the workers.

**Rationale**

Photographing someone exposes them to scrutiny, both by others and by themselves. People have a basic right to integrity, to make their own decisions about their bodies and where and how they will be shown or heard and to what audiences.

**New requirement : Proposed change**

|  |  |
| --- | --- |
| **Applies to:** | Companies |
| **Core** | Photographs, videos and audio recordings of workers are only permitted with their signed and informed consent. Vulnerable or at-risk workers will not be photographed, video-taped, or audiotaped, |
| **Year 0** |
| Guidelines: If you think that a worker who has given informed consent to be photographed, videoed or audio taped, could be in harm or become vulnerable, then you would need to change the name and obscure the visual identity of these persons. | |

**Implications:**

The company will need to inform and create worker awareness on this topic.

**Q3.4 Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale/comment here:**

1. **Staffing requirements for packhouses/ processing**

**Background:**

There are different interpretations by farms whether workers in the packhouse are permanent workers. There is therefore a need to have a requirement in place that brings clarity as to which workers in the packhouse are permanent.

The proposed change complements HL requirement 3.5.22: All regular work is undertaken by permanent workers.

**Rationale:** Farms will have a base line packing requirement through the whole year and these workers should be permanent. There is additional volume sold at seasonal peaks which demands additional packing staff, and these can be temporary.

**New requirement: Proposed change**

|  |  |
| --- | --- |
| **Applies to:** | Companies |
| **Core** | The producer must establish a baseline staffing level for the packhouse used year-round and these workers are made permanent. This means at least 90% of workers in packhouses outside of peaks must be on permanent contracts. Additional packing staff required at peak season (eg Valentines, Mother's Day, Christmas, Easter) can be temporary. |
| **Year 0** |
|  | |

**Implications:**

Some farms may need to make a few workers permanent where they are currently considered temporary.

**Q3.5 Do you agree with the proposed change?**

***!*** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale/comment here:**

1. **Mandatory Wage Reporting**

**Background:**

In order to improve the transparency of wages paid to workers and to be able to model, track and evaluate impact a proposal for mandatory wage reporting is put forward.

**Rationale:** The reporting enables the capture of wages, cash from FP and also other social benefits that count towards total renumeration .

**New requirement: Proposed change**

|  |  |
| --- | --- |
| **Applies to:** | Companies |
| **Core** | You report data to the Standards and Pricing Unit at Fairtrade International every year. The data is presented using the template available in the Fairtrade webpage and includes:  • Number of workers (field workers, pack-house workers, other workers)  • Lowest gross salaries (field workers, pack-house workers, other workers)  • The amount of cash workers received on average from FP  • Number of hectares under production (in hectares/year)  • Total production and sales volumes (breakdown by Fairtrade, non-Fairtrade, organic and conventional), split into export and local market volumes  • List of cash social benefits (statutory and non-statutory ones) provided by producers to workers, which increase or reduce the net salary received as cash by workers. Examples of monetary social benefits are: 13th month pay, birthday bonus, etc. |
| **Year 0** |

**Implications:**

This data is should be readily available on farms and will be treated confidentially by the Fairtrade standards unit in Bonn. The data will remain confidential in Fairtrade offices and not be permitted to be used elsewhere without the written permission of producers. Farms will need to fill in the template provided with the information requested and send it back to Fairtrade International at least once a year.

**Q3.6 Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale/comment here:**

1. **Youth Employment**

**Background**

Successful engagement of young people in the labour market and society is crucial not only for their own personal economic prospects and well-being, but also for overall economic growth and social cohesion. Through adequate skills, employment, social and broader policy settings, young people have the opportunity to fulfil their potential and maintain confidence in their future prospects.

A requirement that ensures that youth have access to decent employment and skills development is put forward.

**Rationale**

This requirement would address the working conditions for youth and would ensure decent employment and skills development when it is legal to employ workers over the age of 16.

**New requirement: Proposed change**

|  |  |
| --- | --- |
| **Applies to:** | Companies |
| **Core** | If it is legal to employ workers over the age of 16 and you do employ and promote decent youth employment and skills development for persons between 16 to 24 years old, you ensure they be provided with these opportunities which enables them to earn an income on par with their adult counterparts for work of equal value and to learn a skill. (type and conditions of work [see section 3 ‘Labour conditions’](https://files.fairtrade.net/standards/HL_EN.pdf)). |
| **Year 0** |
| **Guidance:** Youth employment can be decent **only** if it incorporates the other three dimensions of decent work as well: rights, protection, voice and representation. Decent employment means female and male youth are not exploited, abused, discriminated against or are involved in dangerous work; they are paid wage equivalents of adults for equal jobs.  Examples of work that is potentially damaging includes work that takes place in an unhealthy environment, involves excessively long working hours, night work, the handling or any exposure to toxic chemicals, work at dangerous heights, and operation of dangerous equipment. | |

**Implications**

Companies would need to put in measures that ensure that youth have access to decent employment and skills development. Examples would be having policies and projects that create better opportunities for the youth, especially vulnerable and at-risk youth, ensuring that youth are not discriminated against or exploited etc.

**Q3.7 Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale/comment here:**

1. **Overtime work restrictions**

**Background**

The HL requirement 3.5.11 states that overtime should not extend over a period of more than 3 consecutive

months. This does not fit well with the fluctuations in flower production as a result of seasonal peaks in supply and demand. Overtime would typically be required during Christmas and continue until the European Mother’s Day in May. It is suggested to change the requirement to 3 months in total instead as typically there will be weeks of low demand and labour requirement during this period to give workers a break, and times of overtime requirement.

**Rationale** HL 3.5.11 overtime does not extend over a period of more than 3 consecutive months, and the proposal for flowers and plants is to change this to 3 months continuously.

**New requirement : Proposed change**

|  |  |
| --- | --- |
| **Applies to:** | Companies |
| **Core** | Overtime is allowable if it is voluntary and not used on a regular basis and does not exceed more than 3 months in total over a calendar year. |
| **Year 0** |

**Implications:**

This change should address some of the challenges producers have around overtime requirements, whilst ensuring workers receive the same level of protection.

**Q3.8 Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale/comment here:**

1. **Providing workers with appropriate tools**

**Background:** The guidance section of requirement 3.3.8 in the flower standard states that in order to safeguard the workers’ health, the employer should provide two sets of uniforms to all workers. There is however no implication for compliance since this is not part of the requirement. To ensure that workers are provided with the appropriate tools, a proposal us put forward on the provision of personal protective equipment (PPE).

**Rationale:** Workers must be protected and clarity of guidance will support this aim.

**Proposed change (Changes highlighted in red):**

|  |  |
| --- | --- |
| **Applies to:** | Companies |
| **Core** | You provide proper tools and suitable work clothes for all workers appropriate to their tasks, and replace them regularly free of charge. |
| **Year 0** |
| Guidance: All flower workers handing chemicals wear a clean and fitting uniform at their workplace. All workers handling pesticides or carrying out hazardous work receive two sets of PPE/uniforms appropriate for the chemicals being handled which are undamaged. The producer sets a process on how to ensure the cleanliness of the uniforms and that the clothes are washed within the producer’s grounds. | |

**Implications:**

This will not have any implications on most farms as they are already operating to this standard.

**Q3.9Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale here:**

# Topic 4. Environment

## Carbon footprint estimation

**Background**

Requirement 4.7.1 in the HL standard states that ‘*In processing facilities where non-renewable energy is used your company keeps records of energy consumption, takes measures to use energy more efficiently and replaces non-renewable sources by renewable ones as far as possible’.* Requirement 4.7.2 in the HL standard further states that ‘*Your company researches and implements practices that reduce greenhouse gas emissions and increase carbon sequestration’*.

**Rationale:** Producers are doing a lot of work on carbon footprinting and renewable energy. Fairtrade should be able to support producers getting the message to the market about the steps taken on farm to address this issue.

A high proportion of the total carbon footprint comes from the transport to market in many cases by air so it is important that this is not missed.

The carbon footprint of the packing operations by traders in destination countries can also be significant.

**New requirement: Proposed change**

|  |  |
| --- | --- |
| **Applies to:** | Companies, Conveyors & Traders |
| **Core** | You must estimate your carbon footprint (CO2e) per stem and identify opportunities for improvement on an annual basis  Conveyors and Packers must estimate their carbon footprint (CO2e) (including the inbound transport phase) per stem and identify opportunities for improvement on an annual basis |
| **Year 0** |
| Guidance tools like Horti-Footprint, Cool Farm Tool are available to support this process by offering a credible emission estimation.  Footprinting may include direct emissions controlled by the producer (Scope 1 and 2):  o tractors  o farm machinery  o change of land use  o methane emissions from livestock, where applicable  o leaks from refrigeration  o sequestration off-setting potential from environmental features (e.g., waterbodies, peat, and trees, etc.)  Opportunities for improvement might include  o enhancing energy use efficiency  o minimising energy consumption  o reducing dependency on non-renewable energy sources  o reducing greenhouse gas emissions  The Fairtrade Climate Standard - once applicable for flowers and plants - will allow producers to produce and sell Fairtrade Carbon Credits which can be purchased by traders for in- or offsetting of supply chain emissions. | |

**Implications:**

Most farms and packers already have well developed systems for capturing data around carbon and reduction plans. There will be some farms and packers which will need to implement some data collection and carbon footprint estimation as a result of this change.

**Q4.1 Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale/comment here:**

## Climate Resilience

**Background**

Climate resilience is vital to achieve Fairtrade other objectives of living income and wages, stopping environmental degradation and Human Rights and Environmental Due Diligence (HREDD).

**Rationale**

Climate resilience of producers is a fundamental requirement to the success of the business. The anticipation of potential changes in climate and adaption to possible changes is key to long-term profitability.

**New requirement: Proposed change**

|  |  |
| --- | --- |
| **Applies to:** | Companies |
| **Core** | You identify and record the environmental risks to your business and identify steps towards climate resilience among your business, its workers, and the landscape where it operates.  You develop a climate adaptation plan and update this plan every year.  You monitor progress and impact and record it annually. |
| **Year 0** |

**Implication:**

Companies must actively investigate what this means for their locality and how adaption plans can be rolled out to their business, workers and the landscape locally.

**Q4.2 Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale/comment here:**

## Water Management

**Background** Water availability and scarcity is an important issue and critical in many communities. It is therefore necessary to demonstrate that this vital resource is managed effectively and efficiently for benefit of the producer and the local community. This is important for the RAMSAR status (Wetland of International Importance) around Lake Naivasha but also in most flower growing areas.

**Rationale:** The introduction of a holistic water management plan requirement aims to ensure a holistic view is taken across the farm on water sourcing, use, planning, efficiency measures and management of waste.

**New requirement: Proposed change**

|  |  |
| --- | --- |
| **Applies to:** | Companies |
| **Core** | You develop a Water Management Plan to ensure responsible use of a precious resource. This includes sourcing of water and efficient use, whilst minimising impact on the environment including any management of waste water.   * water use efficiency is completed and recorded annually identifying ways to improve efficiency eg agronomic or technical practices. * consideration is given to increasing the proportion of water that can be re-used or collected from periods of excess eg water needs are met by harvesting and storing from the greenhouse rooftops   All producers must have on site storage of rainwater where plentiful supply is not available. The extraction of this water must not harm the environment.  Appropriate staff must be trained in the management plan. |
| **Year 0** |
| Guidance the water management plan includes:   * the producer is conversant with calculation of the water requirements for each crop and this is monitored e.g. by use of tensiometers, evapotranspiration, temperature and other meteorological data. * water meters are installed that can be reconciled with the licensed water use/abstraction limits issued. * an inventory of sources of waste water is in place and includes processing, production, workers living quarters and storm drainage. All these should be handled in a manner that does not have a negative impact on the environment, water quality locally, soil health and structure, or food safety. * demonstrate how any waste of water is minimised eg use of a closed-loop irrigation system * demonstrate how indirect water use (other than production and post-harvest) is minimised | |

**Implications:**

The farm in most cases will already have a water management plan to comply with other certifications. This requirement ensures for any farms who do not have other certifications that this is in place.

**Q4.3 Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale/comment here:**

**Collection of environmental data**

**Background:** The Fairtrade standard should include requirements on data reporting to fulfil industry reporting requirements.

**Rationale:** Most farms are already recording such data and simple data interchange should be available to make the information easily transferred.

**New requirement :Proposed change**

|  |  |
| --- | --- |
| **Applies to:** | Companies |
| **Core** | You collect information on plant protection products and fertilisers on a daily basis and water and energy on a monthly basis.  Producers report this information to Fairtrade. |
| **Year 0** |
| |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Type of record** | **What is measured** | **Units** | **Area** | **Time period** | | Use of fertilisers with nitrogen | Every fertiliser with N | Kg of N | Hectares | Month | | Use of fertilisers with phosphorus | Every fertiliser with P | Kg of N | Hectares | Month | | Names and amounts of Plant Protection Products applied | Active ingredient | Kg | Hectares | Month | | Abstraction | Total water abstracted per week or month. (with each source listed separately)  Percentage that is applied as irrigation (and type of irrigation used eg drip irrigation or other water saving technology) | M3 |  | Month | | Irrigation applied | Total water used in crop irrigation per week or month | M3 |  | Month | | Water for Sanitation and cleaning | Total water used in sanitation and cleaning per month | M³ |  | Month | | Water use for other purposes (e.g. cooling) | Total water used for other purposes, e.g. cooling | M³ |  | Month | | Total energy used in production | Sum of all energy used from electricity, fuel, other- distinguish between renewable and non-renewable | KWh | Hectares | Month | | Energy demand of water supply system | Sum of energy used for water supply system | KWh |  | Month | | Renewable energy use to run water supply system | Percentage of energy use to run water that is covered by renewable energy | % |  | month | | |

**Implications:**

The change will most likely be in the standardisation of the reporting format and may not be an additional requirement to collect new data.

**Q4.4 Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale/comment here:**

## Integrated Pest Management plan

**Background.** HL requirement 4.2.1 states that ‘*Your company has access to and receives guidance from an expert in integrated pest management (IPM).’*

The additional requirement to create a plan identifying how to reduce the plant protection products use to a minimum whilst having effective control of pests and diseases is put forward.

**Rationale:** Producers are taking significant steps to reduce the plant protection products usage and this plan provides an opportunity to have this information together to demonstrate impact.

**New requirement :Proposed change**

|  |  |
| --- | --- |
| **Applies to:** | Companies |
| **Core** | Your company must develop an integrated pest management plan which is reviewed at least annually. |
| **Year 0** |
| Guidance  The document describes per crop the pests (including insects, diseases, and weeds) of economic importance. For each pest the (economic) intervention threshold and details of bio-controls where available.  The plan should include possible preventive measures and those employed, as well as the use of non-chemical methods, pest monitoring and records of the monitoring made.  Interventions, should be listed and those used, based on threshold, should be recorded, with justification (e.g. reason for plant protection product choice).  Measures to avoid the build-up of plant protection product resistance (e.g. rotation regarding mode of action) should be explained.  Selection and justification of plant protection products used at appropriate dose rates and timings. | |

**Implications:** The producers will have this in place already in many cases.

**Q4.5 Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale/comment here:**

## Consulting surrounding communities

**Background:**

Req4.3.1 of the flower standard states that ‘*You consult with surrounding communities regarding real and perceived risks of water pollution because of the presence of the flower farm in the area, and then work to mitigate the risks’*.  This is a Year 3 development requirement, and the proposal is to change it to core Year 0.

**Rationale:** Strengthens focus especially following feedback from a study that was conducted around lake Naivasha . The study provides a summary of scientific studies and flower farms’ impact on lake Naivasha’s water quality and surrounding environment and addresses the key challenges the Lake Naivasha ecosystem faces due to climate change, growing population and intensive production by the flower farms.

**Requirement 4.3.1 Proposed change (change highlighted in red):**

|  |  |
| --- | --- |
| **Applies to:** | Companies |
| **Core** | You consult with surrounding communities regarding real and perceived risks of water pollution because of the presence of the producers in the area, and then work to mitigate the risks. |
| **Year 0** |
| This consultation could include how to manage in cases of droughts or heavy rains, and how risks can be mitigated. | |

**Implications:** Producers which are already Fairtrade certified will have this in place. This will primarily impact new Fairtrade farms joining the system.

**Q4.6 Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale/ comment here:**

# Topic 5. Trade

## Sourcing plans

1. **Fairtrade Flower Standard– Long term commitment in sourcing**

**Requirement:** **5.1.1 Sourcing plans; 5.1.2 Progressive commitment to sourcing plans; 5.1.3 Purchase of less volumes**

**Background**

The current sourcing plans do not achieve the intended outcome in some cases. The plans rely on retailers ordering consistent volume across the year. The reality can be quite different. Any significant change to the sourcing plan requires exceptions to be logged with the certification body which creates additional paperwork and bureaucracy.

The requirements state that:

* You provide a sourcing plan that covers a period of at least six months. Sourcing plans are renewed a minimum of three months before they expire.
* In the first year of a new trade relationship, you purchase at least 50% of the Fairtrade volumes as indicated in the sourcing plan. In subsequent years, you purchase at least 75% of the Fairtrade volumes as indicated in the sourcing plan.
* In the event that the Fairtrade payer purchases less than the volumes indicated in requirement 5.1.2, and where this is due to non-fulfilment of orders by the client, then you inform the certification body of this in writing and provide the necessary evidence.

It currently not permissible to have sourcing plans of less than 6 months.

**Rationale:** The current system does not work; it creates bureaucracy and does not serve the purpose intended. The purpose is to protect farms from regular switching of suppliers by traders and to incentivise traders to remain loyal to producers.

**New requirement to replace requirements 5.1.1, 5.1.2 and 5.1.3**

|  |  |
| --- | --- |
| **Applies to** | Price and Premium payer |
| **Core** | The price and premium payer buys from a limited number of producers (core producers) on a consistent basis. They must purchase at least 60% of their volume from these core producers on a weekly basis.  Sourcing plans must cover a 12 month period |
| **Year 0** |
| Guidance:  The objective of sourcing plans is to promote long term relationships between producer and trader and give the best possible indication of expected volumes.  Core producers are those from which the trader purchases the majority of their volume.  In the case of Force Majeure and the trader is unable to purchase in a particular week the trader must identify the reason to the producer and hold on file the written communication for their inspection.  The Fairtrade Payers and Conveyors must develop a sourcing plan which is shared with the producers giving the best indication of expected volume (volumes may vary +/- 50%) and provide a 12 month breakdown of supply.  These sourcing plans should justify periods where supply is not possible  At peak events additional volumes may be purchased from other producers (growers) for a shorter period to meet demand and appropriate sourcing plans exchanged.  The sourcing plan must describe a maximum additional volume on top of the total that can be retrocertified.  Sourcing plans should renewed a minimum of three months before they expire (and) so that there is no gap where sourcing plans are not in force. | |

**Implications:**

This change should achieve the intended outcome with a different approach whilst reducing paperwork and bureaucracy.

**Q5.1 Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale/ comment here:**

**Q 5.2 Is the 60% of volume from core growers the correct figure or would you suggest and alternative?**

**Q5.3 Do you have a better definition of core producer than those from whom you purchase on a weekly basis?**

1. **Flower Standard:** **5.2.1 Contracts between the company and the Fairtrade payer**

**Background**

For Flowers and Plants, sourcing plans can be considered as contracts between company and buyer. They need to as a minimum clearly indicate the quality, price, payment terms, delivery conditions and estimated volumes. These must include the applicable jurisdiction.

**Rationale:** To follow the example of the cotton standard to include country of jurisdiction on the list of requirements for contract.

**Proposed change to requirement 5.2.1 (changes highlighted in red):**

|  |  |
| --- | --- |
| **Applies to:** | Traders |
| **Core** | For Flowers and Plants, sourcing plans can be considered as contracts between company and buyer. They need to as a minimum clearly indicate the quality, price, estimated volumes, payment terms that are transparent, terms of delivery using international commercial terms and agreement on applicable jurisdiction. |
| **Year 0** |
| Guidance: The other Fairtrade Trader Standard requirements on contracts do not apply | |

**Implications:**

The country of jurisdiction may assist in resolving any conflicts.

**Q 5.4 Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale/ comment here:**

## Auction sales

1. **Auction contracts with companies and agreements**

**Background:**

Fairtrade sales to florists is limited and the potential to expand the market for producers by permitting sales via regional auctions has been trialled in a pilot project for 2 years. Auctions play an important role in the transactions of flowers. When leaving the auction, the traceability of flowers becomes difficult, as intermediates distribute the products among a lot of clients throughout Europe. Therefore, Fairtrade intends to accept only small regional auctions in the system, where flowers are mainly directly ending up in florist shops, garden centres and small wholesalers in the region nearby.

**Rationale:** The current pilot system to calculate the premium to 10% of the FOB requires all costs to be added for each order from FOB to delivery at the auction from the producer which is time consuming and laborious. Based on these daily calculations from the trial auction supply and the previous Cost of Sustainable Production calculations for flowers it is proposed the 10% FOB is replaced by 6% of the gross sales value shown on the auction clock. These funds are passed via the auction to the FPC.

**New requirement : Proposed change**

|  |  |
| --- | --- |
| **Applies to:** | Companies and regional auctions |
| **Core** | In the case that producers sell Fairtrade flowers through a regional auction directly to the auction buyers and without an importer in between, the auction becomes the Fairtrade price and premium payer. The premium shall be paid at 6% of the gross sales (clock) value. The premium is paid by the buyer of the Fairtrade flowers in addition to the gross sales price.  All flowers are sold in packaging with the Fairtrade Mark Certification Mark and producer FLO ID packed at the producer to permit clear traceability. |
| **Year 0** |
| Guidance  The auction organization must have a license contract with the home NFO. This implies the following - amongst others:   gets the Fairtrade flower sleeves artwork approved by the involved NFO.   provides yearly a list of Fairtrade buyers to the involved NFO.   distributes point of sale material of the involved NFO (when available) to the florists that buy Fairtrade flowers regularly.   Administers in ‘Connect’ system | |

**Implications:**

The biggest sales of Fairtrade flowers are through the supermarket sector- especially the shorter lengths.

A much smaller part of Fairtrade flowers is sold to the florist segment. This segment is mainly interested in the longer roses. Because the regional auctions mainly sell to florists, these auctions increase the possibility for farms to sell their longer lengths as Fairtrade. The farm can sell a larger share of its total production as Fairtrade.

The regional auctions reach the German, Dutch and Belgian florists.

We do not expect florists who are not currently buying from the regional auction, to become new customers of the regional auction as buying at the clock is a specialism that is not easy to learn and there are auction fees associated with buying at the clock.

**Q5.5 you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale here:**

1. **Glossary- Definition of regional auction**

**Proposal**

Regional Auctions  
Regional auctions are flower trading platforms with auction clocks that target mainly customers who are florists, garden centres and wholesalers like cash and carry’s (selling to florists or garden centres) or weekly markets (non-retail). More than 70% of the direct customers at the regional auction need to belong to the customer group described before.   
(In contrast, international auctions are auction clocks that target mainly customers from retail like wholesalers selling to retail or large trading and exporting companies selling to retail. International auctions are not in the scope of Fairtrade certification).  
Regional auctions are in the scope of Fairtrade certification if producer(s) sell their Fairtrade flowers through the flower trading platform directly to the auction customers. There is no other price and premium payer in between.

**Q5.6 Do you agree with the proposed definition?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please any changes you would make here:**

1. **Flower Standard:** **5.2.2 Confirmation of final purchase order**

**Background:** The regional auctions cannot provide purchase orders only confirmation of sales.

**Rationale:** The auction takes on the role of the Fairtrade price and premium payer and so is responsible for communicating the price the flowers achieved on the auction.

**Proposed change to requirement 5.2.2 (changes highlighted in red):**

|  |  |
| --- | --- |
| **Applies to:** | Companies |
| **Core** | You confirm the final purchase order in writing. (For auctions, you confirm the final sale in writing) |
| **Year 0** |
|  | |

**Implications:** None

**Q 5.7 Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale here:**

1. **Flower Standard:** **5.4.1 Agreement on market price**

**Background:** The price is determined on a daily basis by the clock at an auction.

**Rationale:** The auction takes on the role of the Fairtrade price and premium payer.

**Proposed change to requirement 5.4.1 (changes highlighted in red):**

|  |  |
| --- | --- |
| **Applies to:** | Companies (except for auctions) |
| **Core** | You negotiate with the company the paid price. |
| **Year 0** |
|  | |

**Implications:** The producer is not able to negotiate or set a minimum price on an auction.

**Q 5.8 Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale here:**

**Q 5.9 Any other comments or concerns about the auction sales:**

## Retro-certification

1. **Retro-certification**

**Background:**

If Fairtrade flowers sell at a higher level than expected and additional stock is ordered there is a delay in supply if Fairtrade flowers are not in stock. This delay means lost sales for the supermarket, trader and grower as shelves will be empty and the consumer disappointed as well as ‘lost’ Fairtrade premium for workers.

In many cases, the Fairtrade trader buys both Fairtrade flowers and non-Fairtrade flowers from a Fairtrade grower. These non-Fairtrade flowers may be present in the destination country from a Fairtrade producer but cannot be sold as Fairtrade without an exception being raised.

**Rationale:** Retro-certification should increase sales, premium to workers and ensure more Fairtrade flowers are on sale. It is proposed that this is permitted under carefully controlled conditions to ensure openness and transparency up and down the chain. Fairtrade products can be retro-certified in other commodities and these lessons are applied here where appropriate.

**There are some general questions about retro-certification at the end of this section**

**New requirement: Proposed change**

|  |  |
| --- | --- |
| **Applies to:** | Price and premium payer |
| **Core** | Flowers purchased as non-Fairtrade may be converted into Fairtrade under the following criteria:  1. They must come from a Fairtrade producer  2. Only the Fairtrade Price and Premium payer can convert any flowers (other traders cannot retro-certify non-Fairtrade flowers).  3. Flowers cannot be converted from Fairtrade to non-Fairtrade to off-set other flowers which are retro-certified.  4. Any price difference between non-Fairtrade stems and Fairtrade stems must be paid. (Maybe stated in the sourcing plan).  5. As a condition of this retro-certification the FLO ID of the producer must be applied to the label of the product |
| **Year 0** |
| Guidance- Fairtrade labels are approved by the NFOs | |

**Implications:** The implications for this are extensive and any change needs to be carefully managed to ensure confidence is maintained in the brand and the flow of premium back to the FPC.

**Q 5.10 Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale here:**

1. **Retro-certification reporting**

**Background:** There needs to be a clear reporting mechanism for confidence in the system.

**Rationale:** There needs to be transparency and credibility up and down the chain.

**New requirement : Proposed change**

|  |  |
| --- | --- |
| **Applies to:** | Price and premium payer |
| **Core** | 1. The Fairtrade price and premium payer must notify the certified producer weekly of retro-certification of flowers so that an invoice can be raised for additional price/ premium  2. The Fairtrade price and premium payer must provide a monthly overview of retro-certification sales to the certification body |
| **Year 0** |
| Guidance  Reporting back to the producer can be done on Fairtrace for example (with the words “Retro-Certification” noted in the comments section)  The monthly reporting to FLO Cert can be done via Fairtrace for example | |

**Implications:** The requirements are designed to fit with current systems whilst being robust and reliable in the reporting of sales.

**Q 5.11 Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale here:**

1. **Retro-certification limits**

**Background:** There needs to be a clear reporting mechanism for confidence in the system.

**Rationale:** There needs to be transparency and credibility up and down the chain.

**New requirement: Proposed change**

|  |  |
| --- | --- |
| **Applies to:** | Price and premium payer |
| **Core** | Prior to commencing initial Retro-Certification, you inform the Certification Body of the intent to do so and demonstrate the producer is willing to have their flowers retro-certified  An additional 25% on top of the Fairtrade purchased value can be retro-certified based on the quarterly volume.  Flowers can be retrospectively declared as Fairtrade up to 7 days after delivery, Plants can be retrospectively declared as Fairtrade up to 2 months after delivery.  Clear records are required monthly summarising the following:   * Value of Fairtrade stems * Value of retro-certificated stems and the producers from which these came * Value of premium of retro-certified stems and the FPC this is paid to |
| **Year 0** |
| Guidance: A copy of the sourcing plan signed by both the price and premium payer and the producer can be used as evidence to present to the Certification Body. | |

**Implications:** These controls aim to ensure close control of retro-certification and limit the conditions.

**Q 5.12 Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale here:**

**Overall Feedback on Retro-certification**

**Q 5.13 If permitted, do you anticipate that retro-certification would be a benefit for your business?**

**Q 5.14 If you are interested in retro-certification what value of sales may you expect in a year?**

**Q 5.15 What percentage of sales does this represent?**

**Q 5.16 How do you perceive the risk and benefit of retro-certification for your company?**

## Fairtrade Premium beneficiary definition

1. **Fairtrade Flower Standard/s: Guidance page 5-** Supervisors to be included as beneficiaries of the Fairtrade Premium

**Background:** Workers are defined in page 5 of the Flower standard ‘as all workers including migrant, temporary, seasonal, sub-contracted and permanent workers. ‘Workers’ is not limited to field workers but includes all hired labour personnel, such as employees working in the company’s administration. The term is restricted to personnel that can be unionised and therefore normally excludes middle and senior management. However, in Kenya, workers also include Supervisors who in the organization’s hierarchy come immediately after/above the general worker (lowest grade supervisor; junior supervisor, senior supervisor) and no other higher-level management.

S&P has received feedback thatsupervisors need to be included as beneficiaries of the premium in the definition. Also, some projects cannot be completed as there could be some benefit received by middle managers eg health care.

A proposal is therefore put forward to include it as a requirement in the standard so as to ensure compliance and not in the definition section of the flower standard.

**Rationale:** This is a particular issue in Uganda as well as Ecuador.

**New requirement : Proposed change**

|  |  |
| --- | --- |
| **Applies to:** | Companies |
| **Core** | Workers are defined as all workers including migrant, temporary, seasonal, sub-contracted and permanent workers. ‘Workers’ is not limited to field workers but includes all hired labour personnel, such as employees working in the company’s administration and supervisors. The term is restricted to personnel that can be unionised and therefore normally excludes senior management and directors |
| **Year 0** |
|  | |

**Implications:** This change should allow more fairness in the distribution of Fairtrade projects and allow certain projects to proceed which have some possible benefit for middle managers whilst not the target beneficiary.

**Q 5.17 Do you agree with the proposed change?**

**!** *tick* ***one*** *box only*

Strongly agree

Partially agree (*in the box below specify what part or what element you don’t agree with*)

Disagree

Not relevant to me / I don’t know

**Please explain your rationale/comment here:**

1. **Stakeholders’ comments / feedback on the present consultation**

In this section, you are invited to provide additional feedback regarding the revision of the Flower and Plant Standard consultation

|  |  |
| --- | --- |
| **Topic** | **Comments/ feedback/ suggested improvements** |
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|  |  |

If you need more information before commenting on this document, please do not hesitate to contact Jebet Yegon at [j.yegon@fairtrade.net](mailto:j.yegon@fairtrade.net)

1. Fairtrade Sourced Ingredient (FSI) is a commodity-sourcing approach. The model focuses on the sourcing of Fairtrade commodities and is indicated by the use of the FSI Mark [↑](#footnote-ref-2)