



Code of Practice

Last revised: January 3, 2020

342 North Queen Street Rear

Lancaster, PA 17603

302.655.5203

info@fairtradefederation.org

www.fairtradefederation.org

Table of Contents

Mission & Vision 1

Values 2

Principles 3

Overarching Requirements 4

Sourcing Requirements 7

Fair Trade Practices 11

 Create Opportunities for Economically & Socially Marginalized Producers 11

 Develop Transparent & Accountable Relationships 13

 Build Capacity 16

 Promote Fair Trade 19

 Pay Promptly and Fairly 21

 Support Safe and Empowering Working Conditions 23

 Ensure the Rights of Children 26

 Cultivate Environmental Stewardship 27

 Respect Cultural Identity 30

Appendix A: Process Overview 32

Appendix B: Summary of Revisions 33

I. MISSION AND VISION

Mission

The FTF is a trade association of fair trade enterprises fully committed to equitable and sustainable trading partnerships. We strengthen and support our members in order to grow the global movement of trade that values the health of the planet, and the labor, dignity, and equality of all people.

Long-Term Vision

As part of the global fair trade movement, the Fair Trade Federation shares a vision of a world in which justice, equity and sustainable development are at the heart of trade structures and practices so that everyone, through their work, can maintain a decent and dignified livelihood. (Vision is shared in solidarity with the international Fair Trade Charter.)

II. ORGANIZATIONAL VALUES

Trade as a Force for Positive Change

We value trading relationships that distribute power, risks and rewards equitably. We believe that trade should be a tool to eliminate inequality and create self-determination for all people. We are committed to trade that includes fair compensation, safe and healthy working conditions, direct and long-term relationships, transparent business practices, and workplaces free from discrimination and forced child labor.

Fullest Commitment to Fair and Sustainable Practices

We believe that credibility comes through open and transparent interactions. We believe we have a responsibility to maintain the highest standards and expectations of ourselves and we value organizations that aspire to fully embrace fair trade principles, including the application of economic, social, cultural, and environmentally sustainable practices.

Respectful Partnerships

We celebrate the contribution and value of all people in the supply chain and recognize the dignity of each person and organization in our interactions and relationships. We believe that people have a right to participate in the decisions that affect their lives based on open sharing of information.

Solidarity in a Global Community

We believe that communities grounded in trust, moral support, cooperation, and a sense of belonging makes us stronger individually and as a whole. We value the impact that comes from empowering consumers with knowledge and believe that our unified voices convey a powerful message.

III. FAIR TRADE FEDERATION PRINCIPLES

Federation members fully commit to the following principles:

1. Create Opportunities for Economically and Socially Marginalized Producers

Fair Trade is a strategy for poverty alleviation and sustainable development. Members create social and economic opportunities through trading partnerships with marginalized producers. Members place the interests of producers and their communities as the primary concern of their enterprise.

2. Develop Transparent and Accountable Relationships

Fair Trade involves relationships that are open, fair, consistent, and respectful. Members show consideration for both customers and producers by sharing information about the entire trading chain through honest and proactive communication. They create mechanisms to help customers and producers feel actively involved in the trading chain. If problems arise, members work cooperatively with fair trade partners and other organizations to implement solutions.

3. Build Capacity

Fair Trade is a means to develop producers' independence. Members maintain long-term relationships based on solidarity, trust, and mutual respect, so that producers can improve their skills and their access to markets. Members help producers to build capacity through proactive communication, financial and technical assistance, market information, and dialogue. They seek to share lessons learned, to spread best practices, and to strengthen the connections between communities, including among producer groups.

4. Promote Fair Trade

Fair Trade encourages an understanding by all participants of their role in world trade. Members actively raise awareness about Fair Trade and the possibility of greater justice in the global economic system. They encourage customers and producers to ask questions about conventional and alternative supply chains and to make informed choices. Members demonstrate that trade can be a positive force for improving living standards, health, education, the distribution of power, and the environment in the communities with which they work.

5. Pay Promptly and Fairly

Fair Trade empowers producers to set prices within the framework of the true costs of labor time, materials, sustainable growth, and related factors. Members take steps to ensure that producers have the capacity to manage this process. Members comply with or exceed international, national, local, and, where applicable, Fair Trade Minimum standards for their employees and producers. Members seek to ensure that income is distributed equitably at all times, particularly equal pay for equal work by women and men. Members ensure prompt payment to all of their partners. Producers are offered access to interest-free advance payment for handmade goods, or pre-finance of agricultural harvest with favorable terms.

6. Support Safe and Empowering Working Conditions

Fair trade means a safe and healthy working environment free of forced labor. Throughout the trading chain, Members cultivate workplaces that empower people to participate in the decisions that affect them. Members seek to eliminate discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, age, marital, or health status. Members support workplaces free from physical, sexual, psychological, or verbal harassment or abuse.

7. Ensure the Rights of Children

Fair trade means that all children have the right to security, education, and play. Throughout the trading chain, Members respect and support the UN Convention on the Rights of the Child, as well as local laws and social norms. Members disclose the involvement of children in production. Members do not support child trafficking and exploitative child labor.

8. Cultivate Environmental Stewardship

Fair trade seeks to offer current generations the ability to meet their needs without compromising the ability of future generations to meet their own needs. Members actively consider the implications of their decisions on the environment and promote the responsible stewardship of resources. Members reduce, reuse, reclaim, and recycle materials wherever possible. They encourage environmentally sustainable practices throughout the entire trading chain.

9. Respect Cultural Identity

Fair trade celebrates the cultural diversity of communities, while seeking to create positive and equitable change. Members respect the development of products, practices, and organizational models based on indigenous traditions and techniques to sustain cultures and revitalize traditions. Members balance market needs with producers' cultural heritage.

IV. OVERARCHING REQUIREMENTS

The following are overarching requirements for all membership categories:

1. Full commitment to fair trade

Member organizations must be fully committed to Fair Trade Federation Principles. They must demonstrate strong internal systems for making business decisions that a) keep the well-being of producers as a central concern; and b) are consistent with all nine Fair Trade Federation Principles. Fair trade must be an integral part of members' organizational mission, structure, and daily operations. Members must source their products in a manner consistent with Fair Trade Federation Principles, with very few exceptions. For more detail, please refer to the sourcing requirements under each membership category.

2. Trade as the primary activity for membership

Trade should be the primary activity of a member organization. If trade is not the primary activity of the organization, any trading branch or division may be eligible for Federation membership if, and only if:

- The work of the parent organization is in broader support of the Federation's Vision and Principles;
- The branch/division demonstrates separate financial accounting from the parent organization;

and

- The branch/division demonstrates as many independent decision-making systems based on the Fair Trade Federation Principles from the parent organization as possible.

2. Minimum time in operation before an organization can apply

Organizations must be in operation for at least 365 days and have experienced a full year's sales/production cycle before applying for Federation membership. This helps to ensure that applicants have an established relationship with producers/artisans/farmers to draw upon when completing the application.

However, a retailer buying from wholesalers may apply after 180 days of active trading if

- They only buy from importers (not buying direct) and
- They have reached at least \$20,000 in sales

3. A minimum sales threshold before an organization can apply

There is no minimum threshold of sales for an organization to be a member of the Federation.

5. Weighting of the nine Fair Trade Federation Principles

Members and applicants must demonstrate evidence of work in all categories in order to be admitted and/or continue membership. Members and applicants cannot provide considerable evidence under one Principle as a way to compensate for less evidence in another.

6. Items sourced from suppliers in the Global North

Items sourced in the Global North are not considered sourced under Fair Trade Federation Principles, because producers/artisans/farmers in the Global South¹ face greater economic and social difficulties, as well as greater

¹ The Fair Trade Federation uses the term "Global South" to refer to those nations within Africa, Central America, South America, the Caribbean, and Asia that have a medium or low Human Development Index (generally <0.7.) Most of these nations are within the Southern Hemisphere.

structural barriers to sustainable development – resulting in greater economic and social marginalization. The Federation also recognizes that institutions evolve and change over time. As fair trade from the Global North (often called “domestic fair trade” in the USA and Canada) grows and changes, the Federation’s approach to it and organizations supporting it may also change.

7. Presence in the United States or Canada

Members and applicants must report their sales to a taxing authority in the USA/Canada; and have an operational presence (staff, volunteers, or other workers) in the USA/Canada. These individual(s) must perform substantive, functional work, and be actively engaged in trade with the US and/or Canadian market.

The following are overarching policies for all applicants/members who are working directly with artisans, farmers, and/or other producers:

1. Direct relationships with socially and economically marginalized producers

In all cases, members and applicants must demonstrate that they have direct and supportive relationships with socially and economically marginalized producers in the Global South. These relationships may focus on raw materials (inputs) or on production of a final product. Where the focus is on final production, members also strive to source the inputs/materials/components for all products under Fair Trade Federation Principles, where available, while balancing the need to produce market-viable products. Where the focus is on raw materials and where production or processing takes place in large facilities and/or in the Global North, members must be able to demonstrate that these facilities meet a high standard of health and safety and are in compliance with the eight core conventions of the International Labor Organization.

Applicants are required to include at least one producer/artisan/farmer as a reference with their application.

V. SOURCING REQUIREMENTS

1. Retailers Buying from Wholesalers

Sourcing Requirements

All products that are reasonably available² from sources aligned with the Fair Trade Federation principles must be purchased from those sources.

Members and applicants must source at least 75% of inventory, measured as a percentage of total annual wholesale purchases, in accordance with the Fair Trade Federation principles, including any combination of the following sources:

- products purchased from members of the Fair Trade Federation or World Fair Trade Organization;
- products purchased from non-member organizations (including certified fair trade products), as long as members and applicants are able to demonstrate in detail how they verify items are sourced in accordance with the Fair Trade Federation principles;

The remaining 25% of inventory can include any combination of the following products. Members and applicants must be able to demonstrate how they verify items do not harm people, the environment, or cultures.

- environmentally friendly products;
- products made by local individuals;
- products made by socially or economically marginalized producers in the Global North;
- books, music, and educational material if the topic relates to at least one of the Fair Trade Federation Principles;
- products and accessories not reasonably available³ from sources aligned with the Fair Trade Federation principles if they are in support of and compatible with the sale of fair trade products.

Members and applicants submit supplier lists documenting how their inventory meets the sourcing requirements to the Fair Trade Federation as part of screening, rescreening, and membership renewal processes. Members and applicants are expected to be able to explain why they have chosen to source and sell products.

2. Handmade Products: Businesses Buying Directly from Producers

Sourcing Requirements

All items must be sourced from economically and socially marginalized producers in a manner consistent with Fair Trade Federation Principles. Wholesalers and retailers buying handmade products directly from producers are committed to direct and supportive relationships with producer groups, typically at the point of production. The primary focus must be on producers in the Global South.

Members also strive to source the inputs/materials/components for all products under Fair Trade Federation Principles, where available, while balancing the need to produce market-viable products.

In cases where specific educational materials are a key part of promoting fair trade and are not reasonably available³ under Fair Trade Federation Principles, the committee may allow some discretion. In all cases, members are expected to be able to explain why they have chosen to source and sell these items.

² & ³ It is at the discretion of the screening committees as to what constitutes “reasonably available”.

3. Food & Farm Products: Businesses Buying Directly from Producers

Sourcing Requirements

All items must be sourced from economically and socially marginalized producers in a manner consistent with Fair Trade Federation Principles. Businesses buying food and farm products directly from producers are committed to direct and supportive relationships with producer groups, typically at the point of input (raw materials.) The primary focus must be on producers in the Global South.

Members have an in-depth knowledge of the production processes involved in preparing raw ingredients for sale. In cases where raw materials are being processed in large, contract production facilities, members must demonstrate that these facilities meet a high standard of health and safety and are in compliance with the eight core conventions of the International Labor Organization.

In cases where specific products, such as cups, equipment, stirrers, etc, are critical to the sale of food and farm products and are not reasonably available⁴ under Fair Trade Federation Principles, the committee may allow some discretion. In all cases, members are expected to be able to explain why they have chosen to source and sell these items.

Note: Members and applicants may choose to use third party verification as a tool for monitoring conditions on farms or in worksites. Applicants are welcome to submit audit documentation, such as audit reports, as part of their application. However, fair trade certification is not required for Fair Trade Federation membership.

Sourcing Requirements for Multi-Ingredient Agricultural Products

In addition to the sourcing requirements outlined above, Fair Trade Federation members who sell multi-ingredient agricultural products must ensure that these multi-ingredient products meet the following criteria:

Members strive towards using all fair trade ingredients for their products. In all cases, at least 2/3 (66.67%) of the ingredients in each product are sourced from economically and socially marginalized producers in the Global South in a manner consistent with Fair Trade Federation Principles. Members and applicants must be willing to identify non fair trade ingredients and explain why they are being used.

The percentage of fair trade ingredients in each product is to be measured by dry weight or volume. Members and applicants must be able to identify the method they use to calculate the percentage of fair trade ingredients.

As best practice, Federation members who sell multi-ingredient products are strongly encouraged to clearly label their products with the overall percentage of fair trade ingredients. They should also indicate which ingredients are fair trade.

4. Café Network

Definition

A member of or applicant to the Café Network can demonstrate a full commitment to fair trade, even though sourcing all of the items they need to operate under Fair Trade Federation Principles may not be possible. For this reason, the Federation has created a separate Café Network which offers modified benefits and expectations, including dues, to cafés and coffee shops.

Terminology

For the purposes of these guidelines, the following terms will be used:

- Café – A small, food-oriented retail establishment
 - Coffee Shop – A beverage-oriented retail establishment which may also serve some food
 - Food and Farm with Café/Coffee Shop – A business whose primary operation is the wholesale distribution
-

of food or beverages which may also operate a cafe or coffee shop. Businesses in this category must apply under Food and Farm expectations (example: a Coffee Roaster who also operates a café)

- Retail Shop with Café/Coffee Shop - A business whose primary operation is the retail of non-food and farm products, but which may also operate a cafe or coffee shop. Businesses in this category must apply under Retailers' expectations.

Sourcing Requirements

For items used or sold by the café, sourcing expectations are separated into three levels:

1. Cafés and coffee shops must focus on sourcing consumable/finished products which are available according to Fair Trade Federation Principles. When buying licensed fair trade certified items that are not from Fair Trade Federation member organizations, members and applicants must demonstrate that all of their sources in these product categories are in line with all of the Fair Trade Federation's Principles.
2. Where reasonably available⁵, cafés and coffee shops also source those items which are available from Fair Trade Organizations under Fair Trade Federation Principles (examples: t-shirts or uniforms, aprons, cups, baskets, and other products). Network members must have systems in place to evaluate suppliers in these product categories that are not Fair Trade Federation members for their work in relation to Fair Trade Federation Principles. (For example: using the Fair Trade Federation application to evaluate organizations, reviewing the company's WFTO application, etc.)
3. For items not reasonably available⁶ under Fair Trade Federation Principles, Network members must have clear systems in place to demonstrate how they source responsibly.⁷

If a member or applicant is buying from a company which has applied for and been denied membership by the Federation, they will be informed of that fact and encouraged to consider other suppliers.

Members seek to increase the percentage of items that they source according to Fair Trade Federation Principles over time.

Expected Due Diligence

At a minimum, members of and applicants to the Network are expected to have specific questions for vendors at each level of sourcing outlined above to gauge compliance with Fair Trade Federation Principles, as well as an understanding of how answers relate to the nine Principles. This list should also include specific questions to determine if responsible practices are in place for those items which cannot be sourced under Fair Trade Federation Principles. Members and applicants must provide enough information during the screening, rescreening, and renewal processes to provide reasonable assurance that they are conducting due diligence and collecting enough information to know that Fair Trade Federation Principles are in practice.

^{5&6} It is at the discretion of the screening committees as to what constitutes "reasonably available".

⁷ Including alternative options like, supporting small farmers, buying locally grown and/or organic products, and other methods. If alternative options are unavailable, members and applicants should be able to explain why.

VI. Fair Trade Practices

1. Create Opportunities for Economically and Socially Marginalized Producers

PRINCIPLE: Fair trade is a strategy for poverty alleviation and sustainable development. Members create social and economic opportunities through trading partnerships with marginalized producers. Members place the interests of producers and their communities as the primary concern of their enterprise.

A. Retailers Buying from Wholesalers

To demonstrate their commitment to economically and socially marginalized peoples, at least 75% of inventory must be sourced in accordance with Fair Trade Federation Principles. Members and applicants have a policy on the selection of suppliers based on these criteria. (*Note: for guidance on the remaining 25%, please see Section V: Sourcing Requirements.*)

Members and applicants understand and can generally explain the efforts of their suppliers to create economic opportunities for marginalized producers.

Members and applicants have systems in place to evaluate suppliers who are not Fair Trade Federation members or registered World Fair Trade Organization (WFTO) members.

Members' and applicants' mission statements and business materials convey that meeting Fair Trade Federation Principles is a core value of the organization and show a clear understanding of what they mean. Members' and applicants' mission statements and business materials do not have to explicitly use the words "Fair Trade;" however, as best practice, mission statements and business materials should use them.

[*Note: When buying directly from producers, retailers must meet the same standards and requirements in the section for Businesses Buying Directly from Producers corresponding to product type.*]

B. Handmade Products: Businesses Buying Directly from Producers

Members and applicants focus on creating opportunities for artisans/producers that are economically and socially marginalized or otherwise challenged or isolated within their society.

Members and applicants show how artisans/producers fall into socially and economically marginalized categories by describing their social and economic circumstances, including, but not limited to, examples of

- average education level
- average income
- living conditions
- ethnic background
- other options for earning an income outside of their work with the member/applicant, and
- other indicators that show their standard of living and marginalization.

Members and applicants have a clear mission statement to convey this focus and a policy on the selection of suppliers based on these criteria. Members' and applicants' mission statements do not have to explicitly use the words "Fair Trade;" however, as best practice, mission statements and business materials should use them.

C. Food & Farm Products: Businesses Buying Directly from Producers

Members and applicants focus on creating opportunities for farmers/producers whose labor, and that of

their family members, constitutes a significant proportion of the total agricultural labor undertaken on their farm. For example:

- Most of the producer's working time should be spent undertaking agricultural work on his or her own farm,
- Revenues from the producer's agricultural activities should constitute a major part of their total income.
- The capital, assets, and infrastructure required for agriculture should be such that collective marketing is necessary in order to sell to the target market.

Members and applicants have a clear mission statement to convey this focus and a policy on the selection of suppliers based on these criteria. Members' and applicants' mission statements do not have to explicitly use the words "Fair Trade;" however, as best practice, mission statements and business materials should use them. Applicants should demonstrate their interest in producers' well-being by articulating a focus on fair price, sustainable development, and respect for local values and traditions.

Note regarding products sourced from plantations: Currently, fair trade certification is available for some plantation-produced crops, such as tea, fruit, and cut flowers, whose sources do not typically meet these criteria. Products sourced from any farms that do not meet the criteria outlined above would not count as goods sourced under Fair Trade Federation Principles.

D. Café Network

To demonstrate their commitment to economically and socially marginalized peoples, members and applicants patronize suppliers in all of their work who offer opportunities for economically and socially marginalized communities, particularly those in the Global South.

Members and applicants have systems in place to evaluate suppliers who are not Fair Trade Federation members or registered World Fair Trade Organization (WFTO) members.

Members' and applicants' mission statements and business materials convey that meeting Fair Trade Federation Principles is a core value of the organization and show a clear understanding of what they mean. Members' and applicants' mission statements and business materials do not have to explicitly use the words "Fair Trade;" however, as best practice, mission statements and business materials should use them.

2. Develop Transparent and Accountable Relationships

PRINCIPLE: Fair trade involves relationships that are open, fair, consistent, and respectful. Members show consideration for both customers and producers by sharing information about the entire trading chain through honest and proactive communication. They create mechanisms to help customers and producers feel actively involved in the trading chain. If problems arise, members work cooperatively with fair trade partners and other organizations to implement solutions.

A. RETAILERS

Members and applicants commit to regular communication and regular orders as guided by the size of their retail operation and sales.

Members and applicants understand and can generally explain the efforts of their suppliers to build transparent and accountable relationships with producers/artisans/farmers.

Members and applicants communicate regularly with suppliers, particularly when there are major changes in buying patterns or terms. Communication of major changes comes directly from the retail member (example: not just posting on one's website). Both parties must have full, free, and open input into contracts, if any.

Members and applicants provide suppliers with regular feedback from the market, including details on consumer demand for items not readily available.

Members and applicants are encouraged to share financial and business practices.

Members and applicants visit artisans/farmers/producers as they are able.

Members and applicants demonstrate collaborative work in their community with other businesses and organizations, particularly others involved in fair trade.

Members and applicants demonstrate that they have systems in place to resolve disagreements with fair trade partners and other organizations.

Members and applicants submit suppliers' lists, financial statements, and/or other documents as requested to the Federation as a part of the screening, rescreening, and renewal processes. These documents will be kept confidential by the Federation and only used for screening, rescreening, and renewal processes. As a best practice, members and applicants share their information with other fair traders and the public. If a member or applicant is buying from a company which applied for Fair Trade Federation membership and was not accepted, they may be informed of that fact and encouraged to consider other suppliers.

[Note: When buying directly from producers, retailers must meet the same standards and requirements in the section for Businesses Buying Directly from Producers corresponding to product type.]

B. Handmade Products: Businesses Buying Directly from Producers

Wholesalers and retailers buying directly from producers are an important link between retailers and artisans/producers. Members and applicants proactively provide stories and information about artisans/farmers/producers to customers as a way to strengthen the connections between all parts of the supply chain. At a minimum, members and applicants should provide information about the end artisan's/farmer's/producer's first name, organization name or organizational affiliation (if any), country, and story, including their history and information about the marginalized community of which they are a part.

Upon acceptance into the Federation, members inform their artisan/farmer/producer partners of their membership

and provide them with a list of Fair Trade Federation Principles and Practices, as well as contact information.

To maintain connected and long-term relationships, members and applicants seek direct contact with artisans and develop secure ways that artisans/producers can notify them with any concerns. This contact could be in the form of regular visits that include meeting with individual artisans/producers and/or regular communication through emails, calls, and other forms of communication. Members have on-going evaluation systems rather than a one-time assessment to gauge their impact.

Members cooperate amongst each other to maximize the effectiveness of their work and the positive impact they can create for artisans/farmers/producers. They share information and details on their work, as appropriate, and respect the time and talent others have spent developing relationships, designs, and materials. When a member or applicant selects an existing product from an artisan/farmer/producer, systems are in place to verify that they are not infringing on the proprietary designs of other organizations. Members and applicants are encouraged to build capacity through innovation and notable differences among products. Exclusive contracts initiated by the member or applicant for products not designed by the member or applicant are not considered a fair practice.

Members and applicants are allowed to sell on consignment if all parties agree and if it is an item that the member or applicant would not normally buy (examples: one-of-a-kind pieces or unusually higher-priced items). Regularly buying on consignment is not considered a fair practice.

Members and applicants communicate regularly with suppliers and customers, particularly when there are major changes in buying patterns or terms. Communication of major changes comes directly from the wholesale member (example: not just posting on one's website). Both parties must have full, free, and open input into contracts, if any.

Members and applicants submit suppliers' lists, financial statements, and/or other documents as requested to the Federation as a part of the screening, rescreening, and renewal processes. These documents will be kept confidential by the Federation and only used for screening, rescreening, and renewal processes. As a best practice, members and applicants share their information with other fair traders and the public. If a member or applicant is buying from a company which applied for Fair Trade Federation membership and was not accepted, they may be informed of that fact and encouraged to consider other suppliers.

C. Food & Farm Products: Businesses Buying Directly from Producers

Members and applicants must demonstrate that they are committed to long-term relationships by purchasing from the same suppliers year after year whenever possible. As members grow in sales volume, they should continue to support the same suppliers by increasing their purchases where supply and quality permits, even as they add new suppliers. However, it is acceptable if a member or applicant chooses to gradually shift some purchasing volume away from more established farmers/producers to more marginalized farmers/producers. If farmers/producers cannot meet their commitments to a member, their organization has dissolved, or it has experienced other extenuating circumstances, this requirement may be eased.

Upon acceptance into the Federation, members inform their farmer/producer partners of their membership and provide a list of Fair Trade Federation Principles and Practices, as well as contact information.

Exclusive contracts initiated by the member or applicant are not considered a fair practice. Members and applicants may buy an entire harvest from an organization if that is the decision, made openly and freely, of the farmers/producers and the members or applicants. As a best practice and a long-term goal, members and applicants avoid cultivating an unhealthy dependence by a farmer/producer group upon the member or applicant.

Members and applicants are expected to share current information about farmers/producers with customers via email, newsletters, and Internet-based and/or promotional materials (examples: annual reports, brochures, posters, fliers, and other materials), including information about the social, economic, and environmental development of the farmer organization and its members, the workers employed by the farmer organization or by the members,

and the surrounding community.

As part of the screening, rescreening, and renewal processes members and applicants must submit the necessary financial documentation to the Fair Trade Federation to show transparent and accountable relationships in their sourcing. This information will be kept confidential by the Fair Trade Federation, although members are strongly encouraged to share it with the public.

Members and applicants communicate regularly with suppliers and customers, particularly when there are major changes in buying patterns or terms. Communication of major changes comes directly from the Food and Farm member (example: not just posting on one's website). Both parties must have full, free, and open input into contracts, if any.

Members and applicants submit suppliers' lists, financial statements, and/or other documents as requested to the Fair Trade Federation as a part of the screening, rescreening, and renewal processes. These documents will be kept confidential by the Fair Trade Federation and only used for screening, rescreening, and renewal processes. As a best practice, members and applicants share their information with other fair traders and the public. If a member or applicant is buying from a company which applied for Fair Trade Federation membership and was not accepted, they may be informed of that fact and encouraged to consider other suppliers.

D. Café Network

Members of and applicants to the Network commit to regular communication and regular orders, as guided by the size of their operation and sales.

Members of and applicants to the Network and their suppliers communicate regularly in both directions, particularly when there are major changes in buying patterns or terms. Communication of major changes comes directly from the café (example: not just posting on one's website). Both parties must have full, free and open input into contracts, if any.

Members of and applicants to the Network demonstrate collaborative work in their community with other businesses and organizations, particularly others involved in fair trade.

Members of and applicants to the Network proactively share information with consumers about the communities and suppliers from which they buy, how the café determined which suppliers are fair trade, and products' places of origin.

Members of and applicants to the Network proactively provide suppliers with regular feedback from the market, including details on what consumers want, but are not finding. Members of and applicants to the Network demonstrate that they have systems in place to resolve disagreements with fair trade partners and other organizations.

Members and applicants submit suppliers' lists, financial statements, and/or other documents as requested to the Fair Trade Federation as a part of the screening, rescreening, and renewal processes. These documents will be kept confidential by the Fair Trade Federation and only used for screening, rescreening, and renewal processes. As a best practice, members and applicants share their information with other fair traders and the public. If a member or applicant is buying from a company which applied for Fair Trade Federation membership and was not accepted, they may be informed of that fact and encouraged to consider other suppliers.

3. Build Capacity

PRINCIPLE: Fair trade is a means to develop producers' independence. Members maintain long-term relationships based on solidarity, trust, and mutual respect, so that producers can improve their skills and their access to markets. Members help producers to build capacity through proactive communication, financial and technical assistance, market information, and dialogue. They seek to share lessons learned, to spread best practices, and to strengthen the connections between communities, including among producer groups.

A. Retailers Buying from Wholesalers

When buying from importers, members and applicants have no obligation to provide direct assistance to producers/artisans/farmers.

Members and applicants understand and can generally explain the capacity building efforts of their suppliers.

Members and applicants actively seek opportunities to share lessons learned with each other, with the public, and with their suppliers (example: tell customers from out of town if there is a fair trade store in their area or, at least, encourage them to check the Fair Trade Federation website for members close to home.).

Members and applicants share market information and product design ideas with importers to help improve the marketability of products and to expand the fair trade market.

Members and applicants are encouraged to use excess resources, if any, in a responsible manner, such as to help improve the marketability of products or to expand the fair trade market.

[Note: When buying directly from producers, retailers must meet the same standards and requirements in the section for Businesses Buying Directly from Producers corresponding to product type.]

B. Handmade Products: Businesses Buying Directly from Producers

Members and applicants strive to have long-term relationships with their producer groups. They can identify when they began working with artisans/producers. They demonstrate continued support and consistency by showing that they provide regular contact and regular orders, as guided by the size of their operation and sales (examples: submitting invoices, evidence of personal visits, and on-going training and education). Members and applicants demonstrate a low turnover rate in relationships with artisans/producers. They disclose to the Fair Trade Federation during the screening, rescreening, and renewal processes if there have been other artisans/producers they have worked with in the past with whom they are no longer working and why.

Members and applicants seek to assist artisans/producers in improving their skills, access to markets, and overall sales through formal or informal information sharing, including product feedback, access to workshops, training, networking, and/or related opportunities.

Members and applicants initiate proactive communication through personal visits, regular contact via phone, email, Skype, and/or other methods, and regular check-ins with artisans/producers to see if there are any issues pending and to understand how Fair Trade Federation Principles are being met.

Members and applicants provide personal stories from the artisans/producers showing the positive impact of their business relationship on the artisans/producers, particularly through quantitative information like improved wages, improved working conditions, and improved capacity over time.

Unless buying from registered Fair Trade Organizations, members should conduct personal visits to the artisan/producer communities. If personal visits have not yet been made, members and applicants must explain in

detail how and how they determined that Fair Trade Federation Principles are in practice.

Members and applicants actively seek opportunities to share lessons learned with each other, with their customers, and with their suppliers. Members and applicants also seek to have systems in place which allow them to share information about artisan/producer communities with other artisans/producers, customers, and non-governmental organizations who are working on these issues, as a means of facilitating communication regarding collaborative projects and common needs.

Members and applicants are encouraged to use excess resources, if any, in a responsible manner, such as to benefit the artisans/producers, to reinvest in the artisans'/producers' communities, or to grow their business to further benefit artisans/producers.

Outside development organizations, acting as an intermediary, may provide some of the benefits expected of a member or applicant under Fair Trade Federation Principles. Members and applicants should work to build linkages between producers and outside intermediaries who provide services.

C. Food & Farm Products: Businesses Buying Directly from Producers

Members and applicants can explain the social, economic, and environmental development of the farmer organization and its members, the workers employed by the farmer organization or by the members, and the surrounding community. Over time, members demonstrate a trend of working with farmers/producers to increase capacity and independence. They report on continuing progress on the needs identified by the farmers/producers (examples: education, health, and sustainability goals).

Members should document all visits to the farming/producing communities in order to demonstrate their commitment to farmer/producer communities, show progress on the ground, support the creation of educational tools, and help track an organization's work in relation to the Fair Trade Federation Principles. In the future, it is hoped that this documentation and information will assist farmers/producers in becoming part of the larger fair trade movement.

Long-term relationships will be demonstrated by an initial minimum purchase of consecutive years or harvests, taking into account supply and the members'/applicants' needs. Members and applicants should seek first to work with current suppliers, where possible, and, if supply or quality has decreased measurably, then the member should seek another fair trade source while leaving the door open to the original group to re-qualify.

Members and applicants should have clear communication tools in place to address issues (examples: quality, best practices, market knowledge, and ways to improve business skills between buyer and farmers/producers). Farmers/producers have access to any available formal or informal training, especially in regards to market information, product feedback, finances, and technical assistance, as a way to share information in these areas.

As proactive communication is important to healthy relations, members should conduct personal visits to the farmer/producer communities. They must also demonstrate that they take advantage of email, phone calls, Skype, to remain in consistent contact with farmers/producers between visits to see if there are any issues pending, and to make sure fair trade criteria are being met. Members and applicants demonstrate that they use these tools recurrently in their work.

Members and applicants also seek to have systems in place that allow them to share information about farmers/producer communities with other farmers/producers, customers, and non-governmental organizations who are working on these issues, as a means of facilitating communication regarding collaborative projects and common needs.

Members and applicants actively seek opportunities to share lessons learned with each other and with their suppliers.

Members and applicants are encouraged to use excess resources, if any, in a responsible manner, such as to benefit

farmer/producer groups, to reinvest in the farmers'/producers' communities, or to grow their business to further benefit their producer groups.

Outside development organizations, acting as an intermediary, may provide some of the benefits expected of a member or applicant under Fair Trade Federation Principles. Members and applicants should work to build linkages between producers and outside intermediaries who provide services.

D. Café Network

When buying from importers, members and applicants have no obligation to provide direct assistance to producers/artisans/farmers.

Members and applicants understand and can generally explain the capacity building efforts of their suppliers.

Members and applicants actively seek opportunities to share lessons learned with each other and with their suppliers.

Members and applicants are encouraged to use excess resources, if any, in a responsible manner, such as to help improve the marketability of products or to expand the fair trade market.

4. Promote Fair Trade

PRINCIPLE: Fair trade encourages an understanding by all participants of their role in world trade. Members actively raise awareness about fair trade and the possibility of greater justice in the global economic system. They encourage customers and producers to ask questions about conventional and alternative supply chains and to make informed choices. Members demonstrate that trade can be a positive force for improving living standards, health, education, the distribution of power, and the environment in the communities with which they work.

A. Retailers Buying from Wholesalers

Members and applicants promote fair trade in their primary communication vehicles, such as websites, catalogs, signs and displays, and brochures. Members are strongly encouraged to put the the Fair Trade Federation member logo, name, pledge, and/or website link in the same places (within policy guidelines).

Members and applicants accurately tell producers'/artisans'/farmers' stories, identifying suppliers as often as possible. Through these and other actions, members and applicants strive to create links between producing and consuming communities.

Members and applicants educate constituents about conventional and fair trade supply chains.

Members and applicants act as an educational resource for their community on Federation, member, and partner programs. They cultivate a network of contacts to which messages about fair trade, the Fair Trade Federation, and all nine of the Fair Trade Federation's Principles can be distributed. As a way to demonstrate that they are a valuable resource for others, members participate in talks, forums, seminars, conferences, panels, festivals, fairs, community groups, and other activities, particularly in regards to fair trade and economic justice. Members and applicants can list and provide information on their outreach events, including public education, awareness-raising, and other activities.

Members should try to cultivate contacts with like-minded businesses in their community for the benefit of making more trade fair.

[Note: When buying directly from producers, retailers must meet the same standards and requirements in the section for Businesses Buying Directly from Producers corresponding to product type.]

B. Handmade Products: Businesses Buying Directly from Producers

Members and applicants promote fair trade in their primary communication vehicles, such as websites, catalogs, signs and displays, and brochures. Members are strongly encouraged to put the Fair Trade Federation member logo, name, pledge, and/or website link in the same places (within policy guidelines).

Members and applicants promote fair trade and tell artisans'/producers' stories at various touch points, such as during conversations with customers and speaking engagements, at trade shows and conferences, and on their websites, signage, and displays. Through these and other actions, members and applicants strive to create links between producing and consuming communities.

As a way to demonstrate that they are a valuable resource for others, members should strive to participate in talks, forums, seminars, conferences, panels, festivals, fairs, community groups, and other activities.

C. Food & Farm Products: Businesses Buying Directly from Producers

Members and applicants promote fair trade in their primary communication vehicles, such as websites, catalogs, signs and displays, and brochures. Members are strongly encouraged to put the Fair Trade Federation member

logo, name, pledge, and/or website link in the same places (within policy guidelines).

Members and applicants identify the communities from which they purchase and accurately and respectfully represent those communities, including during conversations with customers, speaking engagements, at trade shows and conferences, and on their websites, signage, packaging, and displays. Through these and other actions, members strive to create links between producing and consuming communities.

As a way to demonstrate that they are a valuable resource for others, members should strive to participate in talks, forums, seminars, conferences, panels, festivals, fairs, community groups, and other activities, particularly in regard to fair trade and economic justice.

Members and applicants can provide information on their outreach events, including public education, awareness-raising, and other activities.

D. Café Network

Members and applicants promote fair trade in their primary communication vehicles, such as websites, catalogs, and brochures. Members are strongly encouraged to put the Fair Trade Federation café logo, name, pledge, and/or website link in the same places (within policy guidelines).

Members and applicants accurately tell producers'/artisans'/farmers' stories, identifying suppliers as often as possible. Through these and other actions, members and applicants strive to create links between producing and consuming communities.

Members and applicants educate constituents about conventional and fair trade supply chains.

Members and applicants act as an educational resource for their community on Federation, member, and partner programs. They cultivate a network of contacts to which messages about fair trade, the Fair Trade Federation, and all nine of Fair Trade Federation's Principles can be distributed. As a way to demonstrate that they are a valuable resource for others, members participate in talks, forums, seminars, conferences, panels, and community groups/activities, particularly in regard to fair trade and economic justice. Members and applicants can list and provide information on their outreach events, including public education, awareness-raising, and other activities.

Members should try to cultivate contacts with like-minded businesses in their community for the benefit of making more trade fair.

5. Pay Promptly and Fairly

PRINCIPLE: Fair trade empowers producers to set prices within the framework of the true costs of labor time, materials, sustainable growth, and related factors. Members take steps to ensure that producers have the capacity to manage this process. Members comply with or exceed international, national, local, and, where applicable, Fair Trade Minimum standards for their employees and producers. Members seek to ensure that income is distributed equitably at all times, particularly equal pay for equal work by women and men. Members ensure prompt payment to all of their partners. Producers are offered access to interest-free advance payment for handmade goods, or pre-finance of agricultural harvest with favorable terms.

A. Retailers Buying from Wholesalers

Members and applicants meet the terms, including payment terms, as mutually agreed on with suppliers.

Members and applicants understand and can generally explain the efforts of their suppliers to pay promptly and fairly.

[Note: When buying directly from producers, retailers must meet the same standards and requirements in the section for Businesses Buying Directly from Producers corresponding to product type.]

B. Handmade Products: Businesses Buying Directly from Producers

A primary goal for members and applicants is to ensure that artisans/producers receive a living wage. Therefore, members and applicants perform cost analyses with artisans/producers as a way to

- understand how artisans/producers have determined their prices
- and/or
- support the artisans/producers in understanding the costs of their labor time, materials, sustainable growth, and related factors, so that all products can be properly priced. Members and applicants perform trainings (informal or formal) and/or provided printed material (such as costing worksheets), as needed. Members show that these analyses are part of an ongoing evaluation system rather than a one-time assessment.

Members and applicants work with artisans/producers to

- understand how they
- or
- develop systems which distribute income equitably among individual artisans/producers. Members and applicants show that these processes are part of an ongoing evaluation system rather than a one-time assessment.

Members and applicants ensure that artisans/producers understand all ordering policies, including cancellation policies, at the time of order. They try to lessen the impact of cancellations on artisans/producers by providing adequate compensation for all completed work and purchase of raw materials, if orders need to be cancelled through no fault of the artisans/producers.

Members and applicants offer advanced payment in the form of money or materials, whichever is the preference of the artisans/producers. Payments should be made in the forms preferred by producer groups (example: purchasing of raw materials directly instead of sending funds).

Members and applicants provide final payment upon receipt of goods.

Goods and services (such as healthcare) may be provided in lieu of final payment, if producer groups request this type of support. The exchanged goods or services should be calculated at market value and given promptly at receipt of product. While these trades are permissible, fair payment is strongly preferred.

C. Food & Farm Products: Businesses Buying Directly from Producers

Members demonstrate that their purchases meet or exceed international, national, local, and Fair Trade Minimum price standards per unit. Therefore, the Fair Trade Federation has no minimum criteria for prices or wages, but members must also demonstrate improved price over time in the context of a mutually beneficial relationship.

Members and applicants must treat all suppliers equitably and be able to demonstrate that they meet all contractual obligations, including offering advance payment or pre-finance, to all farmers/producer groups. Members and applicants submit existing trade documentation to demonstrate that pre-finance has been offered. The pre-finance interest rates should NEVER exceed the buyers' current cost of borrowing and should, whenever possible, be lower than the buyers' current cost of borrowing.

Members and applicants should be knowledgeable about the systems for the equitable distribution of income among farmers. They should also be aware of any efforts, such as leadership and skill training, focused on women or other marginalized groups. Members demonstrate that these efforts are part of ongoing system rather than a one-time assessment.

Members and applicants ensure that farmers/producers understand all ordering policies, including cancellation policies, at time of order.

D. Café Network

Members and applicants meet the terms, including payment terms, as mutually agreed on with suppliers.

Members and applicants understand and can generally explain the efforts of their suppliers to pay promptly and fairly.

[Note: When buying directly from producers, cafés must meet the same standards and requirements in the section for Businesses Buying Directly from Producers corresponding to product type.]

6. Support Safe and Empowering Working Conditions

PRINCIPLE: Fair trade means a safe and healthy working environment free of forced labor. Throughout the trading chain, Members cultivate workplaces that empower people to participate in the decisions that affect them. Members seek to eliminate discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, age, marital, or health status. Members support workplaces free from physical, sexual, psychological, or verbal harassment or abuse.

A. Retailers Buying from Wholesalers

Members and applicants understand and can generally explain the efforts of their suppliers to support safe and empowering working conditions.

Members and applicants demonstrate that they have an open and transparent workplace in their US/Canadian operation by outlining the processes in place to allow employees to participate in the decisions that affect them, to cultivate a safe and healthy working environment, to offer fair wages, and to develop tools that properly address grievances.

Members and applicants have a clear non-discrimination policy that has been communicated to employees, including a commitment to equal pay for work of equal value, support for both men and women to progress in the organization, and a process for employees to complain against any perceived discrimination.

In their US/Canadian operations, members and applicants are mindful of using the work of volunteers and/or general contractors instead of hiring and utilizing fairly paid employees.

Members and applicants meet or exceed all relevant labor and safety guidelines in the USA/Canada (examples: OSHA, Canadian Centre for Occupational Health and Safety, US Consumer Product Safety Commission, Health Canada, equal opportunity laws, and state, provincial, and local regulations).

[Note: When buying directly from producers, retailers must meet the same standards and requirements in the section for Businesses Buying Directly from Producers corresponding to product type.]

B. Handmade Products: Businesses Buying Directly from Producers

Members should be role models for others. Members and applicants have policies in place to create or support participatory and empowering work environments in both their US/Canadian operation and among artisans/producers.

Members and applicants have systems to enable artisans/producers to communicate with them directly and with the Fair Trade Federation. Members and applicants can show ways in which they address this issue.

Members and applicants have systems to document the health and safety conditions under which artisans/producers work and strategize with artisans/producers about ways to continuously improve conditions therein (examples: fire safety, working with hazardous materials, safe production processes, access to safe drinking water, sanitation). Members show that these processes are part of an ongoing evaluation system rather than a one-time assessment.

In order to cultivate trading relationships that distribute power, risks and rewards more equitably, members and applicants work with artisans, workshops, and groups which

- Are participatorily- and/or cooperatively-owned
- Give individual artisans/producers a voice in decision making
- Provide a system of checks and balances to make sure the working relationship between workers and owners is a partnership and is fair,

and/or

- Have procedures to enable artisans/producers to actively participate in decisions that affect them on a regular basis and to appropriately communicate decisions to artisans/producers

Members and applicants demonstrate in detail how their artisan/producer partners fulfill these criteria.

Members and applicants do not engage in any discriminatory or coercive practices on the basis of religion.

Members and applicants demonstrate that they have an open and transparent workplace in their US/Canadian operation by outlining the processes in place to allow employees to participate in the decisions that affect them, to cultivate a safe and healthy working environment, to offer fair wages, and to develop tools that properly address grievances.

In their US/Canadian operations, members and applicants are mindful of using the work of volunteers and/or general contractors instead of hiring and utilizing fairly paid employees.

Members and applicants have a clear non-discrimination policy that has been communicated to employees, including a commitment to equal pay for work of equal value, support for both men and women to progress in the organization, and a process for employees to complain against any perceived discrimination.

Members and applicants meet or exceed all relevant labor and safety guidelines in the USA/Canada (examples: OSHA, Canadian Centre for Occupational Health and Safety, US Consumer Product Safety Commission, Health Canada, equal opportunity laws, and state, provincial, and local regulations).

C. Food & Farm Products: Businesses Buying Directly from Producers

Members should be role models for others. Members and applicants buy from producer organizations which have demonstrated that they are an instrument for the social and economic development of small-scale farmers/producers and the benefits of fair trade have been shown to reach the farmers/producers.

In order to cultivate trading relationships that distribute power, risks and rewards more equitably, members and applicants show that the farmer/producer organizations have democratic structures in place and a transparent administration, enabling effective control by its members over the organization, as well as enabling the members to hold its governing body accountable for its activities. The organizations from which members and applicants buy must strive to improve its structures and practices continuously in order to maximize the participation of members and their sense of ownership over the organization. At the same time, members and applicants do not have to limit their purchases specifically to cooperatives.

Members and applicants buy from organizations (primary farmer/producer organizations and/or umbrella organizations) that operate on the principles of voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education, training and information, cooperation among groups/cooperatives, and concern for the community.

Members and applicants have adequate systems in place to evaluate farmer/producer organizations for their commitment to these principles and demonstrate these systems to the Fair Trade Federation during the screening, rescreening, and renewal processes.

Members and applicants do not engage in any discriminatory or coercive practices on the basis of religion.

Members and applicants demonstrate that they have an open and transparent workplace in their US/Canadian operation by outlining the processes in place to allow employees to participate in the decisions that affect them, to cultivate a safe and healthy working environment, to offer fair wages, and to develop tools that properly address grievances.

Members and applicants have a clear non-discrimination policy that has been communicated to employees, including a commitment to equal pay for work of equal value, support for both men and women to progress in the organization, and a process for employees to complain against any perceived discrimination.

In their US/Canadian operations, members and applicants are mindful of using the work of volunteers and/or general contractors instead of hiring and utilizing fairly paid employees.

Members and applicants meet or exceed all relevant labor and safety guidelines in the USA/Canada (examples: OSHA, Canadian Centre for Occupational Health and Safety, US Consumer Product Safety Commission, Health Canada, equal opportunity laws, and state, provincial, and local regulations).

D. Café Network

Members and applicants demonstrate that they have an open and transparent work place in their US/Canadian operation by outlining the processes in place to allow employees to participate in the decisions that affect them, to cultivate a safe and healthy working environment, to offer fair wages, and to develop tools that properly address grievances.

Members and applicants have a clear non-discrimination policy that has been communicated to employees, including a commitment to equal pay for work of equal value, support for both men and women to progress in the organization, and a process for employees to complain against any perceived discrimination.

In their US/Canadian operations, members and applicants are mindful of using the work of volunteers and/or general contractors instead of hiring and utilizing fairly paid employees.

Members and applicants meet or exceed all relevant labor and safety guidelines in the USA/Canada (examples: OSHA, Canadian Centre for Occupational Health and Safety, US Consumer Product Safety Commission, Health Canada, equal opportunity laws, and state, provincial, and local regulations).

7. Ensure the Rights of Children

PRINCIPLE: Fair trade means that all children have the right to security, education, and play. Throughout the trading chain, Members respect and support the UN Convention on the Rights of the Child, as well as local laws and social norms. Members disclose the involvement of children in production. Members do not support child trafficking and exploitative child labor.

A. Retailers Buying from Wholesalers

Members and applicants understand and convey as appropriate what role, if any, children have in production.

Members and applicants meet or exceed all national, state, and local laws regarding the rights of children in their US/Canadian business.

[Note: When buying directly from producers, retailers must meet the same standards and requirements in the section for Businesses Buying Directly from Producers corresponding to product type.]

B. Handmade Products: Businesses Buying Directly from Producers

Members and applicants fully support the rights of children. It is understood that, in some cultures, older children may help parents in production during non-school hours. If buying from artisans/producers where this situation is in place, members and applicants determine that children are properly enrolled in school and have enough time for studies, play, and to be a child.

Members and applicants understand and convey what role, if any, children have in production.

Members and applicants meet or exceed all national, state, and local laws regarding the rights of children in their US/Canadian business.

C. Food & Farm Products: Businesses Buying Directly from Producers

Members and applicants understand and convey what role, if any, children have in production.

Members and applicants may buy from organizations where children are working if, and only if, their work is structured, so as to enable them have access to security, to be properly enrolled in school, to progress in their education, to play, and to be a child. The Fair Trade Federation does not consider family labor in the form of children helping their parents after school or during holidays as child labor, as long as it is within reasonable limits and guided by a family member. If children work, they do not execute tasks that are hazardous for them because of their age.

Members and applicants meet or exceed all national, state, and local laws regarding the rights of children in their US/Canadian business.

D. Café Network

Members and applicants understand and convey as appropriate what role, if any, children have in production.

Members and applicants meet or exceed all national, state, and local laws regarding the rights of children in their US/Canadian business.

[Note: When buying directly from producers, retailers must meet the same standards and requirements in the section for Businesses Buying Directly from Producers corresponding to product type.]

8. Cultivate Environmental Stewardship

PRINCIPLE: Fair trade seeks to offer current generations the ability to meet their needs without compromising the ability of future generations to meet their own needs. Members actively consider the implications of their decisions on the environment and promote the responsible stewardship of resources. Members reduce, reuse, reclaim, and recycle materials wherever possible. They encourage environmentally sustainable practices throughout the entire trading chain.

A. Retailers Buying from Wholesalers

Members and applicants have an overall understanding of how their work affects the environment locally and abroad, such as in their store and shipping choices. They demonstrate this awareness by explaining their systems to identify environmental challenges and offering examples of environmentally responsible choices that they have made.

Members and applicants understand and can generally explain the efforts of their suppliers to cultivate environmental stewardship.

Members and applicants show the ways in which they are making environmentally responsible choices in their US/Canadian operation, including, but not limited to:

- Selecting products made from recycled and/or sustainably grown materials from Fair Trade suppliers
- Highlighting the environmental stewardship practiced by suppliers and producers/artisans/farmers
- Using energy-efficient heating and lighting
- Recycling everything possible.
- Encouraging customers to take bags only when they need them.
- Conserving water and other resources.
- Using recycled paper and other recycled products
- Reusing shipping materials from suppliers
- Using efficient vehicles, mass transit, bicycles or walking when feasible.

Members are encouraged to apply for green certification where it is available.

Members and applicants should remind customers that when people have a decent income to care for their families, they are able to treat the environment more gently.

[Note: When buying directly from producers, retailers must meet the same standards and requirements in the section for Businesses Buying Directly from Producers corresponding to product type.]

B. Handmade Products: Businesses Buying Directly from Producers

Members and applicants have an overall understanding of how their work affects the environment locally and abroad, such as in their offices, shipping, production, and raw materials choices. They demonstrate this awareness by explaining systems to identify environmental challenges and offering examples of environmentally responsible choices that they have made.

Members and applicants are aware of the health and environmental concerns that are part of the production process and have plans to assist artisans/producers in addressing them over time.

Members work with artisans/producers to introduce and encourage environmentally-friendlier materials and production practices over time.

Members and applicants particularly consider the environmental impact of shipping in all areas of the supply

chain and strive to choose the shipping method that produces the lowest environmental impact, such as by sea. However, as the primary goal should be to provide work to artisans/producers, if a faster shipping method is required to secure work, then it is acceptable.

Members and applicants meet or exceed existing laws regarding product safety testing and the use of natural materials and/or items from endangered species.

Members and applicants show the ways in which they are making environmentally responsible choices in their US/Canadian operation, including, but not limited to:

- Reusing shipping and packing material whenever available
- Using energy-efficient heating and lighting
- Recycling everything possible
- Conserving water and other resources
- Using recycled paper and other recycled products
- Using energy-efficient vehicles and mass transit whenever possible

C. Food & Farm Products: Businesses Buying Directly from Producers

Members and applicants have an overall understanding of how their work affects the environment locally and abroad, such as in their offices, shipping, waste, packaging, and production. They demonstrate this awareness by explaining systems to identify environmental challenges and offering examples of environmentally responsible choices that they have made.

Members and applicants demonstrate that they not only cultivate environmental stewardship in their US/Canadian operations, but also help to identify environmental challenges in production and to assist in the development of solutions.

Members and applicants demonstrate:

- How environmental stewardship, particularly for farmers, is part of their operation's goals, policies, or official statements.
- How they communicate achievements in environmental stewardship, particularly as a principle of fair trade.

Members and applicants show the ways in which they are making environmentally responsible choices in their US/Canadian operation, including, but not limited to:

- Conserving water and other resources
- Reusing shipping and packing material whenever available
- Using energy-efficient heating and lighting
- Recycling everything possible
- Using recycled paper and other recycled products
- Using energy-efficient vehicles and mass transit whenever possible

D. Café Network

Members and applicants have an overall understanding of how their work affects the environment locally and abroad, such as in their cafe and shipping choices. They demonstrate this awareness by explaining systems to identify environmental challenges and offering examples of environmentally responsible choices that they have made.

Members and applicants have clear systems in place to reuse and/or recycle materials. They continually explore ways to reduce or reclaim materials, including food waste, water, and carbon emissions. Members communicate

in what ways they are meeting these goals as part of the renewal process. Members and applicants choose recycled, compostable, or reusable products and product packaging where available.

Members and applicants show the ways in which they are making environmentally responsible choices in their US/Canadian operations, including, but not limited to:

- Selecting products made from sustainably grown, recycled, and/or environmentally responsible materials
- Highlighting the environmental stewardship practiced by suppliers and producers/artisans/farmers
- Conserving water and other resources.
- Using energy-efficient heating and lighting.
- Recycling everything possible.
- Encouraging customers to take bags only when they need them.
- Using recycled paper and other recycled products.
- Reusing or recycling shipping materials from suppliers.
- Using efficient vehicles, mass transit, bicycles or foot when feasible.

Members seek to promote environmental stewardship among their suppliers and customers.

[Note: When buying directly from producers, cafés and coffee shops must meet the same standards and requirements in the section for Businesses Buying Directly from Producers corresponding to product type.]

9. Respect Cultural Identity

PRINCIPLE: Fair trade celebrates the cultural diversity of communities, while seeking to create positive and equitable change. Members encourage the development of products, practices, and organizational models based on indigenous traditions and techniques. They seek to sustain cultures and revitalize traditions. Members balance market needs with producers' cultural heritage.

A. Retailers Buying from Wholesalers

Members and applicants understand and can generally explain the efforts of their suppliers to respect cultural identity.

Members and applicants develop mechanisms to learn about and share information on the traditional practices and cultural identities of producers/artisans/farmers. When appropriate and possible, they strive to educate customers in a way that helps them to be respectful of other cultures.

Members and applicants have a good understanding of local traditions and customs when dealing with producers/artisans/farmers and ensure that, when hosting or visiting producers/ artisans/farmers, all those attending are prepared to respect local traditions and customs.

[Note: When buying directly from producers, retailers must meet the same standards and requirements in the section for Businesses Buying Directly from Producers corresponding to product type.]

B. Handmade Products: Businesses Buying Directly from Producers

Members and applicants work with artisans/producers to both preserve traditional techniques or elements of cultural identity and ensure that products are marketable outside of the artisan/producer community, so that employment is viable, particularly in regard to product development and design.

Members or applicants and artisans/producers work together to determine the degree to which traditional techniques are preserved. Members and applicants are encouraged to introduce new techniques or methods that improve the marketability of a product and the return to the artisan/producer, if the new approach

- is openly discussed with and accepted by the artisans/producers and
- does not degrade the perceived value of the product or their cultural heritage.

Trading antiques and/or culturally or historically sensitive artifacts is not considered in keeping with Fair Trade Federation Principles. In specific instances where value-added processes directly contribute to income-generating work for fair trade producer groups, the screening committee may use its discretion. In all cases, members and applicants must know and understand the origins of these items and/or product components to demonstrate they are purchased under fair and non-exploitative conditions. In no instances may members and applicants trade antiques and artifacts that are protected by a country's or international cultural heritage laws.

Members and applicants develop mechanisms to learn about and share information on the traditional practices and cultural identity of artisans/producers. When appropriate and possible, they strive to educate customers in a way that helps them to be respectful of other cultures.

Members and applicants have a good understanding of local traditions and customs when dealing with artisans/producers and ensure that, when hosting or visiting artisans/ producers, all those attending are prepared to respect local traditions and customs.

C. Food & Farm Products: Businesses Buying Directly from Producers

Members and applicants develop mechanisms to learn about and share information on the traditional sustainability practices of farmer/producer partners and any current projects for improvement.

Members or applicants and farmers/producers work together to determine the degree to which traditional techniques are preserved. Members and applicants are encouraged to introduce new techniques or methods that improve the product and the return to the farmers/producers, if the new approach

- is openly discussed with and accepted by the farmers/producers and
- does not degrade the perceived value of the product or their cultural heritage.

Members and applicants have a good understanding of local traditions and customs when dealing with farmers/producers and ensure that, when hosting or visiting farmers/producers, all those attending are prepared to respect local traditions and customs.

D. Café Network

Members and applicants develop mechanisms to learn about and share information on the traditional practices and cultural identities of producers/artisans/farmers. When appropriate and possible, they strive to educate customers in a way that helps them to be respectful of other cultures.

Members and applicants should have a good understanding of local traditions and customs when dealing with producers/artisans/farmers and ensure that, when hosting or visiting producers/ artisans/farmers, all those attending are prepared to respect local traditions and customs.

Appendix A: Process Overview

In September 2008, the Fair Trade Federation Board unanimously adopted nine Fair Trade Principles (see below) as part of its Strategic Plan (SP 1.1.1). The Principles, as adapted from the standards of the World Fair Trade Organization to focus on businesses operating in the USA/Canada, provided an overarching framework for members and ways that the Fair Trade Federation seeks to live its Values.

To continue providing guidance on the expectations of membership, the Fair Trade Federation convened a committee of eight volunteers on September 30, 2008 to draft expected practices under each of these Principles. The committee divided into subcommittees for each of the Fair Trade Federation's three existing membership categories (Retail, Wholesale-Handmade, Wholesale-Commodities) and to create criteria for a new Network of cafés. The Practices Committee also crafted responses to five overarching questions which would apply to all members.

Between September 30, 2008 and June 14, 2009, the subcommittees drafted expected Practices for members of and applicants to the Fair Trade Federation in each category. The Committee met once per month to come to consensus on the proposals they wanted to advance. Then, the Committee submitted the draft expectations to the Board for affirmation. Once the Board affirmed each document, a survey of members was conducted.

For the initial drafts in each category,

- 60% of respondents believed the expectations were set appropriately for Wholesale-Commodities
- 55% of respondents believed the expectations were set appropriately for Retailers
- 47.4% of respondents believed the expectations were set appropriately for Wholesale-Handmade

NOTE: Expectations for the Café Network were not surveyed, as no members were currently operating in this category.

Once each category's survey was completed, member feedback was directed to the appropriate subcommittee. Between June 14 and September 11, 2009, the Committee worked to revise the categories' expectations in accordance with members' opinions and best practices. Efforts were also made to ensure that expectations between the four categories were in balance with each other.

Between September 11 and September 22, 2009, the Board reviewed, discussed, and amended the Committee's final proposals. On September 22, 2009, the Board voted unanimously to adopt the Practices for each category, the guidelines which apply to all members, and to create a new Café Network.

In 2011, The Board created a committee of Fair Trade Federation commodities members and Board members to review the expectations for Wholesale – Commodities, and to create guidelines for multi-ingredient products. The committee drafted expected Practices for Wholesalers of Commodity Products (later changed to “Wholesalers of Food and Farm Products”) and recommended some changes to other sections in order to maintain consistency through all member categories. The committee also conducted a survey of commodities members. On September 27, 2012, the Board of Directors voted unanimously to adopt the revisions, with additional revisions accepted on October 26th and December 13th, 2012. For a summary of these revisions, see Appendix B.

Appendix B: Summary of Revisions

The following revisions have been made to the Code of Practice. All revisions are voted on by the Fair Trade Federation Board of Directors. Major revisions are proposed by a committee of board members and other Fair Trade Federation members that are appointed by the Board of Directors for that purpose. For a complete description of this process, see Appendix A, *Process Overview*.

- On April 26, 2012, the Board of Directors added the following clarification for all wholesalers (p. 25): “Members and applicants do not engage in any discriminatory or coercive practices on the basis of religion.”
- On April 26, 2012, the Board of Directors added the following clarification to the overarching member requirement “*US/Canadian Presence:*” (p. 8) “Members and applicants must a) be a legal entity in the US or Canada; and b) have a presence in the USA or Canada in order to be considered for membership.”
- On July 26, 2012, the Board of Directors added the following clarification to the overarching member requirement “*Minimum time in operation before an organization can apply*” (p.7): Organizations must be in operation for at least 365 days *and* have experienced a full year’s sales/production cycle before applying for Fair Trade Federation membership
- On September 27, October 26, and December 13, 2012 the Board of Directors, with recommendations from the Commodities Committee and input from Fair Trade Federation commodities members, adopted significant changes to the Code of Practice. (Note that the term “commodity” was later replaced with “Food and Farm;” see below.) The changes are as follows:
 - To avoid confusion within the Code of Practice, all references to specific certification systems were removed.
 - An overarching policy for all membership categories, entitled “*Full Commitment to Fair Trade,*” was added. (p. 7)
 - An overarching policy for members working directly with producers, entitled “*Direct relationships with socially and economically marginalized producers*” (p.8) was added.
 - The sourcing requirements for Wholesalers of Food and Farm Products were revised. (p. 10)
 - Sourcing requirements for multi-ingredient agricultural products (p. 10) were added.
 - A change was added to Principle #5, *Pay Promptly and Fairly*. For Wholesalers of Food and Farm Products, it was clarified that pre-harvest finance should be on favorable terms. (p 22-23)
- On December 16, 2013, the Board of Directors, with recommendations from the Retailer Review Committee and the Strategic Planning Committee and based on input from the entire Fair Trade Federation membership, adopted changes to the Retailer Sourcing Requirements. The changes are as follows:
 - Additional categories of items allowable under the 15% of non-fair trade inventory were added. (p 9)
 - Allowable educational materials were defined as relating to at least one of the Fair Trade Federation Principles. (p 9)
- On December 16, 2014, the Board of Directors changed the business category name of Wholesalers of Commodity Products to Wholesalers of Food and Farm Products.

- On March 23, 2015, the Board of Directors clarified expectations regarding the sale of antiques and culturally or historically sensitive artifacts by adding language under the Respect Cultural Identity principle:

“Trading antiques and/or culturally or historically sensitive artifacts is not considered in keeping with Fair Trade Federation Principles. In specific instances where value-added processes directly contribute to income-generating work for fair trade producer groups, the screening committee may use its discretion. In all cases, members and applicants must know and understand the origins of these items and/or product components to demonstrate they are purchased under fair and non-exploitative conditions. In no instances may members and applicants trade antiques and artifacts that are protected by a country’s or international cultural heritage laws.”

- On March 23, 2015, the Board of Directors clarified the Overarching Requirement: “Trade as the primary activity for membership”. They clarified that non-trading branches must demonstrate separate financial accounting from the parent organization, and removed the requirement that revenues be kept within the trading branch.
- In May 2015, the Board of Directors, with input from the Geographic Requirements Committee, clarified the Overarching Requirement: “North American presence”. They specified that members and applicants must report their sales to a taxing authority in the USA/Canada and clarified that an operational presence in the USA/Canada means staff, volunteers, or other workers performing substantive, functional work and in active engagement with the US and/or Canadian market. Because FTF members are based in the US and Canada only, reference to “North American” was changed to “US/Canadian” throughout.
- In October 2017, the Board of Directors changed the business categories from Retailer Buying from Various Wholesalers, Wholesaler of Handmade Products, and Wholesaler of Food & Farm Products to: Retailers Buying from Wholesalers, Handmade Products: Businesses Buying Directly from Producers, Food & Farm Products: Businesses Buying Directly from Producers, respectively. This more accurately reflects requirements for members and applicants with multiple sales channels.
- In October 2019, as part of a new strategic planning process, the Board of Directors confirmed a proposal by the Strategic Planning Committee to update the Mission and Vision and Organizational Values to better reflect current language used to describe the philosophical approach of FTF members and to more directly connect the FTF community to the global fair trade movement.
- In December 2019, the Board of Directors, with recommendations from the Retailer Sourcing Review Committee and based on input from the entire Fair Trade Federation membership, adopted changes and clarifying language in Sourcing Requirements. The changes are as follows:
 - The percentage of non-fair trade inventory which Retailers Buying from Wholesalers may purchase increased to 25% and fair trade inventory decreased to 75%.
 - The measurement of inventory is specified as *annual wholesale purchases*.
 - Except for the Café Network, definitions for business categories were removed.
 - The sentence, “*If a member or applicant is buying from a company which applied for Fair Trade Federation membership and was not accepted, they may be informed of that fact and encouraged to consider other suppliers.*”, was moved from Sourcing Requirements to each business category in Develop Transparent and Accountable Relationships.