



Code of Practice

Last revised: November 11, 2021

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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 support self-determination for all people. We are committed to trade that includes fair compensation, safe and healthy working conditions, direct and long-term equitable relationships, transparent business practices, and inclusive workplaces free from discrimination and exploitative 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 recognize the contributions of all individuals across the supply chain and approach relationships with respect, acknowledging that collaborating and working together is mutually beneficial. We believe in transparency of information and that people have a right to participate in the decision-making process, especially decisions that affect their livelihoods.

Solidarity in a Global Community

We believe that communities grounded in collaboration, trust, support, and a sense of belonging makes us stronger individually and as a whole. We value the impact that comes from empowering stakeholders throughout the supply chain 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. Cultivate New Market Opportunities for Economically and Socially Marginalized Producers

Fair Trade is a strategy for poverty alleviation and sustainable development through trading partnerships. Members collaborate with marginalized communities to nurture equitable social and economic opportunities by growing market access. 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, respectful, and value an equitable distribution of power. Members are transparent with customers and producers about their supply chains by sharing information about the entire trading chain through honest and proactive communication. They create mechanisms to actively involve producers and customers 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 support producers' self-sustainability and access to markets. Members maintain long-term relationships based on solidarity, trust, and mutual respect. Members collaborate with producers to build capacity through proactive communication, knowledge exchange, financial and technical assistance, market information, and dialogue. They seek to share lessons learned, to share best practices, and nurture collaborative relationships with and 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 members use pricing frameworks based on the true cost of labor, time, materials, skill level, training, 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 all. 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 industry-specific terms.

6. Support Safe and Empowering Working Conditions

Fair Trade means a safe and healthy working environment free of forced, exploitative, or underpaid labor. Throughout the trading chain, Members cultivate inclusive workplaces that encourage individuals to participate in the decisions that affect them. Members seek to eliminate discrimination based on religion, race, caste, national origin, disability, gender, sexual/affectional 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, FTF 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 and recognize that individuals often pass down their skillsets and traditions through generations, so there may be circumstances in which children are involved in production. Members have open communication with suppliers/producers about ways children may be involved and ensure that this does not conflict with educational opportunities when this occurs. Members do not support or in any way enable child trafficking or 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, recycle, and regenerate materials wherever possible. They encourage environmentally sustainable practices throughout the entire trading chain.

9. Respect Cultural, Racial, and Ethnic Identity

Fair trade celebrates the cultural, racial, and ethnic diversity of communities. Members work collaboratively with suppliers/artisans/producer groups to integrate traditional techniques and elements to support community-led cultural preservation initiatives. Members actively engage in open, collaborative, and honest conversations to create positive and equitable relationships within the trading system, and proactively address any concerns about the objectification or appropriation of cultural identities, traditions, techniques, and/or elements.

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 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

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.

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 collaborative 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. REQUIREMENTS FOR RETAILERS BUYING FROM WHOLESALERS

Definition

Retail businesses (for-profit or non-profit) that source products exclusively from wholesalers that are both based in the US and Canada and source from suppliers/artisans/producers in the Global South.² When sourcing directly from suppliers/artisans/producers in the Global South, retailers must meet the same standards and requirements as Handmade Products: Wholesaler or Retailer Sourcing Directly from Suppliers/Artisans/Producer Groups, so that application must be used.

Sourcing Requirements

All products that are reasonably available³ 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, indicating FTF or WFTO membership where applicable, and providing contact information for at least one representative of each supplier/producer group not within the member or applicant's own organization. Members must submit a supplier list every year as a part of the ongoing verification renewal process, even if no changes have been made from the previous year. Members and applicants are expected to be able to explain why they have chosen to source and sell products.

Principles Requirements

1. Cultivate New Market Opportunities for Economically and Socially Marginalized Producers

² The Fair Trade Federation uses the term “Global South” to refer to those countries 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 countries are within the Southern Hemisphere.

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

PRINCIPLE: Fair Trade is a strategy for poverty alleviation and sustainable development through trading partnerships. Members collaborate with marginalized communities to nurture equitable social and economic opportunities by growing market access. Members place the interests of producers and their communities as the primary concern of their enterprise.

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 wholesale brands to facilitate economic opportunities and address global inequities.

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 can demonstrate access to retail markets, through online, brick-and-mortar, or other forms of retailing. Members have required federal and state tax identifications.

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 the principles 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 this terminology, as to further adhere to principle #4: Promote Fair Trade.

[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.]

2. Develop Transparent and Accountable Relationships

PRINCIPLE: Fair Trade involves relationships that are open, fair, consistent, respectful, and value an equitable distribution of power. Members are transparent with customers and producers about their supply chains by sharing information about the entire trading chain through honest and proactive communication. They create mechanisms to actively involve producers and customers in the trading chain. If problems arise, members work cooperatively with fair trade partners and other organizations to implement solutions.

Members and applicants commit to regular communication and sustainable orders, consistent with their growth and demand, and in partnership and regular communication with the brands they source products from.

Members and applicants understand and can generally explain the efforts of their wholesale brands to build transparent and accountable relationships with suppliers/artisans/producer groups.

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 demonstrate collaborative work in their community with other businesses and organizations, working collectively to address systemic inequities both locally, domestically and globally.

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.

[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.]

3. Build Capacity

PRINCIPLE: Fair Trade is a means to support producers' self-sustainability and access to markets. Members maintain long-term relationships based on solidarity, trust, and mutual respect. Members collaborate with producers to build capacity through proactive communication, knowledge exchange, financial and technical assistance, market information, and dialogue. They seek to share lessons learned, to share best practices, and nurture collaborative relationships with and between communities, including among producer groups.

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.

[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.]

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.

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 educate constituents about conventional and fair trade supply chains, aiming to show customers the collaborative nature of fair trade supply chains. As part of this, members share processes and techniques used by artisans and farmers to create their products, as well as producers' stories, when accompanied by informed consent, as given by wholesalers on behalf of producer groups.

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 expanding the reach of fair trade and its networks.

[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.]

5. Pay Promptly and Fairly

PRINCIPLE: Fair Trade members practice using pricing frameworks based on the true cost of labor, time, materials, skill level, training, 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 all. 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 industry-specific terms.

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.]

6. Support Safe and Empowering Working Conditions

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

Members and applicants understand and can generally explain the efforts of their partners to support safe working conditions and agency within the workplace.

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 people, regardless of gender, to progress in the organization, and a process for employees to complain against any perceived discrimination.

In their US/Canadian operations, members and applicants demonstrate a commitment to hiring and utilizing fairly paid employees and take into account ethical considerations involved in using the work of volunteers and/or general contractors before doing so.

Members and applicants do not engage in any discriminatory or coercive practices on the basis of religion, including requiring participation in prayer, study/discussion of religious texts, and participation in any religious services as a requirement, explicit or implicit, of employment.

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.]

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, FTF 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 and recognize that individuals often pass down their skillsets and traditions through generations, so there may be circumstances in which children are involved in production. Members have open communication with suppliers/producers about ways children may be involved and ensure that this does not conflict with educational opportunities when this occurs. Members do not support or in any way enable child trafficking or exploitative child labor.

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, recycle, and regenerate materials wherever possible. They encourage environmentally sustainable practices throughout the entire trading chain.

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; and
- Using efficient vehicles, mass transit, bicycles or walking when feasible.

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

[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.]

9. Respect Cultural, Racial, and Ethnic Identity

PRINCIPLE: Fair trade celebrates the cultural, racial, and ethnic diversity of communities. Members work collaboratively with suppliers/artisans/producer groups to integrate traditional techniques and elements to support community-led cultural preservation initiatives. Members actively engage in open, collaborative, and honest conversations to create positive and equitable relationships within the trading system, and proactively addressing any concerns about the objectification or appropriation of cultural identities, traditions, techniques, and/or elements.

Members and applicants understand and can generally explain the efforts of their suppliers to respect cultural identity and proactively work to ensure they are not sourcing items that may result in the objectification or appropriation of a community or culture.

Members and applicants are mindful of not appropriating items with spiritual or cultural significance and proactively take efforts to communicate with wholesale partners about concerns regarding cultural appropriation.

Members and applicants develop mechanisms to learn about the traditional techniques and cultural heritage of suppliers/artisans/farmers/producer groups. When appropriate and possible, they strive to educate customers by sharing resources created by educators from that community.

Members and applicants approach relationships with suppliers/artisans/farmers/producer groups with respect, confronting and addressing any internalized assumptions, biases or prejudice about communities or cultures. Members and applicants actively work to build a strong understanding of local traditions and customs and ensure that, when hosting or visiting suppliers/artisans/farmers/producer groups, all those attending are prepared to respect local traditions and customs, while being mindful of not appropriating the cultural heritage of the communities they are visiting.

[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.]

VI. Handmade Products: Businesses Buying Directly from Producers

Definition

Businesses (for-profit or non-profit) that source products directly from suppliers/artisans/producers in the Global South⁴ to sell in the US and Canada. This includes retailers that source any products directly from any suppliers/artisans/producer groups, even a minor percentage of inventory.

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 available⁵ 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.

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, indicating FTF or WFTO membership where applicable, and providing contact information for at least one representative of each supplier/producer group not within the member or applicant's own organization. Members must submit a supplier list every year as a part of the ongoing verification renewal process, even if no changes have been made from the previous year. Members and applicants are expected to be able to explain why they have chosen to source and sell products.

Principles Requirements

1. Cultivate New Market Opportunities for Economically and Socially Marginalized Producers

PRINCIPLE: Fair Trade is a strategy for poverty alleviation and sustainable development through trading partnerships. Members collaborate with marginalized communities to nurture equitable social and economic opportunities by growing market access. Members place the interests of producers and their communities as the primary concern of their enterprise.

Members and applicants focus on addressing inequities by collaborating with community partners to facilitate opportunities for individuals who are marginalized or sidelined within society. Members proactively collaborate with individuals from within the community to develop thoughtful, community-centered solutions.

Members and applicants must be able to demonstrate to the Fair Trade Federation how suppliers/artisans/producer groups fall into socially and economically marginalized categories by describing their social and economic circumstances, including, but not limited to, examples of:

⁴ The Fair Trade Federation uses the term “Global South” to refer to those countries 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 countries are within the Southern Hemisphere.

- 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 can demonstrate access to wholesale and/or retail markets, through either retailing or reselling of products. Members have required federal and state tax identifications.

Members and applicants have a clear mission statement to convey this focus and a policy on the selection of suppliers/artisans/producer groups 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 this terminology, as to further adhere to principle #4: Promote Fair Trade.

2. Develop Transparent and Accountable Relationships

PRINCIPLE: Fair Trade involves relationships that are open, fair, consistent, respectful, and value an equitable distribution of power. Members are transparent with customers and producers about their supply chains by sharing information about the entire trading chain through honest and proactive communication. They create mechanisms to actively involve producers and customers in the trading chain. If problems arise, members work cooperatively with fair trade partners and other organizations to implement solutions.

Businesses buying directly from producers are an important link between retailers and suppliers/artisans/producer groups. Members and applicants provide information about their production process to customers as a way to strengthen the connections between all parts of the supply chain. Any and all information about and/or images of suppliers/artisans/producer groups is shared with informed consent. Consent should be regularly reassessed, and if any individual asks for their information to be no longer distributed or shared, members and applicants must take the necessary steps to remove the information and inform all retail partners.

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 strive to establish direct, equitable relationships built on mutual respect, and develop secure and safe ways for suppliers/artisans/producer groups to notify them with any concerns. This contact could be in the form of regular visits that include meeting with individual suppliers/artisans/producer groups 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 collective impact.

Members cooperate amongst each other to maximize the effectiveness of their work and the positive impact they can facilitate for marginalized suppliers/artisans/producer groups. 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 suppliers/artisans/producer groups, 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.

Traditional techniques, motifs and cultural elements belong to artisans from respective communities and cultures. Members and applicants actively work against misappropriating designers by crediting the artisan/producer/community whose design(s) is(are) used as the foundational inspiration for a product.

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/artisans/producer groups 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/artisans/producer groups.

3. Build Capacity

PRINCIPLE: Fair Trade is a means to support producers' self-sustainability and access to markets. Members maintain long-term relationships based on solidarity, trust, and mutual respect. Members collaborate with producers to build capacity through proactive communication, knowledge exchange, financial and technical assistance, market information, and dialogue. They seek to share lessons learned, to share best practices, and nurture collaborative relationships with and between communities, including among producer groups.

Members and applicants strive to have long-term relationships with their producer groups. They can identify when they began working with suppliers/artisans/producer groups. 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 suppliers/artisans/producer groups. They disclose to the Fair Trade Federation during the screening, rescreening, and renewal processes if there have been other suppliers/artisans/producer groups they have worked with in the past with whom they are no longer working and why.

Members and applicants support suppliers/artisans/producer groups through collaborative skill building and knowledge exchange to improve market access and overall sales. This can occur 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 suppliers/artisans/producer groups to see if there are any issues pending and to assess how Fair Trade Federation Principles are being met.

Members and applicants provide information shared with informed consent from the suppliers/artisans/producer groups, creating transparency within the supply chain about the impact of their business relationship with the suppliers/artisans/producer groups, particularly through qualitative and quantitative information like wages, working conditions, and capacity over time.

Members and applicants are welcome to share the success of their business based on the relationships with their suppliers/artisans/producer groups. If and when approved, supplier's self-written or approved message can be shared.

Applicants and members should conduct personal visits to the artisan/producer/supplier communities for those not registered with any Fair Trade Organizations and are also encouraged to do so for those that are. 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/artisans/producer groups. 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. Proper consent should be in place before any information is shared, particularly personal information/stories.

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.

After being vetted by the supply chain, non-member development/advocacy/humanitarian 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 links between producers and outside intermediaries who provide community-vetted services.

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.

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). They promote the fair trade nature of their organization at various touch points, such as during conversations with customers and speaking engagements, at trade shows and conferences, and on their online presence.

Members and applicants educate constituents about conventional and fair trade supply chains, aiming to show customers the collaborative nature of fair trade supply chains. As part of this, members share processes and techniques used by suppliers/artisans/producer groups to create their products, as well as producers' stories, when accompanied by informed consent. Members understand that consent is fluid, and regularly check in with producer groups to ensure their safety and understanding of where any individual images or story elements are being used. Members strive to create links between producing and consuming communities by finding appropriate information throughout the supply chain that can be shared either with producers or consumers.

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.

5. Pay Promptly and Fairly

PRINCIPLE: Fair Trade members practice using pricing frameworks based on the true cost of labor, time, materials, skill level, training, 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 all. 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 industry-specific terms.

A primary goal for members and applicants is to ensure that suppliers/artisans/producer groups receive a living wage, and fair prices for their work. Recognizing that suppliers/artisans/producer groups are experts in their

communities, but may not always have the tools, resources and global or long-term planning information necessary to ensure they are asking a fair price for their products, members and applicants perform cost analyses with artisans/producers as a way to:

- understand how suppliers/artisans/producer groups have determined their prices; and/or
- support the suppliers/artisans/producer groups in evaluating the costs of their labor time, materials, sustainable growth, and related factors, if this has not already been done, to ensure all products are properly priced to guarantee fair compensation.

Members and applicants perform trainings (informal or formal) and/or provide printed materials (such as costing worksheets), as needed or requested.

Members show that these analyses and conversations are part of an ongoing evaluation system rather than a one-time assessment.

Members and applicants collaborate with suppliers/artisans/producer groups to:

- understand how they; or
- support them in developing systems which distribute work and income equitably among individual suppliers/artisans/producer groups.

Members and applicants show that these processes are part of an ongoing evaluation system rather than a onetime assessment.

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

Members and applicants offer advanced payment in the form of money or materials, whichever is the preference of the suppliers/artisans/producer groups. 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.

6. Support Safe and Empowering Working Conditions

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

Members should be role models for others. Members and applicants have policies in place to create or support employee participation and agency in work environments in both their US/Canadian operation and among suppliers/artisans/producer groups.

Members and applicants have systems to enable suppliers/artisans/producer groups 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 suppliers/artisans/producer groups 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 suppliers/artisans/producer groups.

Members and applicants demonstrate in detail how their suppliers/artisans/producer groups fulfill these criteria.

Members and applicants do not engage in any discriminatory or coercive practices on the basis of religion, including requiring participation in prayer, study/discussion of religious texts, and participation in any religious services as a requirement, explicit or implicit, of employment.

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 demonstrate a commitment to hiring and utilizing fairly paid employees and take into account ethical considerations involved in using the work of volunteers and/or general contractors before doing so.

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 people, regardless of gender, 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).

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, FTF 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 and recognize that individuals often pass down their skillsets and traditions through generations, so there may be circumstances in which children are involved in production. Members have open communication with suppliers/producers about ways children may be involved and ensure that this does not conflict with educational opportunities when this occurs. Members do not support or in any way enable child trafficking or exploitative child labor.

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 suppliers/artisans/producer groups 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.

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, recycle, and regenerate materials wherever possible. They encourage environmentally sustainable practices throughout the entire trading chain.

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 suppliers/artisans/producer groups in addressing them over time.

Members collaborate with suppliers/artisans/producer groups to identify opportunities to incorporate sustainable materials and practices into production. Members and applicants strive to source materials locally whenever possible.

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 suppliers/artisans/producer groups, 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; and
- Using energy-efficient vehicles and mass transit whenever possible.

9. Respect Cultural, Racial, and Ethnic Identity

PRINCIPLE: Fair trade celebrates the cultural, racial, and ethnic diversity of communities. Members work collaboratively with suppliers/artisans/producer groups to integrate traditional techniques and elements to support community-led cultural preservation initiatives. Members actively engage in open, collaborative, and honest conversations to create positive and equitable relationships within the trading system, and proactively addressing any concerns about the objectification or appropriation of cultural identities, traditions, techniques, and/or elements.

Members and applicants work with suppliers/artisans/producer groups to facilitate and support efforts being led by communities to preserve traditional techniques or elements of cultural heritage. Members and applicants work and design collaboratively with suppliers/artisans/producer groups to ensure that products do not capitalize on elements of spiritual or cultural significance.

Members and applicants work closely with suppliers/artisans/producer groups to collaboratively design products that are salable to the global market. 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 suppliers/artisans/producer groups; and
- does not degrade the perceived value of the product or the cultural heritage.

Members and applicants design and/or collaborate on the creation of products using techniques and cultural elements traditional to the communities producing the products to ensure any possibility of cultural appropriation is addressed through open, direct, and safe channels of communication.

Traditional techniques, motifs and cultural elements belong to artisans from respective communities and cultures. Members and applicants actively work against misappropriating designers by crediting the artisan/producer/community whose design(s) is(are) used as the foundational inspiration for a product.

Trading antiques and/or culturally or historically significant items is not considered in keeping with Fair Trade Federation Principles. In specific instances, the screening committee may use its discretion in determining what is culturally and/or historically significant on a case by case basis. 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 the traditional techniques and cultural heritage of suppliers/artisans/farmers/producer groups. When appropriate and possible, they strive to educate customers by sharing resources created by educators or experts from that community.

Members and applicants approach relationships with suppliers/artisans/farmers/producer groups with respect, confronting and addressing any internalized assumptions, biases or prejudice about communities or cultures. Members and applicants actively work to build a strong understanding of local traditions and customs and ensure that, when hosting or visiting suppliers/artisans/farmers/producer groups, all those attending are prepared to respect local traditions and customs, while being mindful of not appropriating the cultural heritage of the communities they are visiting.

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

Definition

Businesses (for-profit or non-profit) that source food and farm products (i.e. coffee, cocoa, tea, and/or other products that use agricultural ingredients) directly from farmers/producers in the Global South⁶ to sell in the US and Canada.

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 available⁷ 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.

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, indicating FTF or WFTO membership where applicable, and providing contact information for at least one representative of each supplier/producer group not within the member or applicant's own organization. Members must submit a supplier list every year as a part of the ongoing verification renewal process, even if no changes have been made from the previous year. Members and applicants are expected to be able to explain why they have chosen to source and sell products.

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 be measured by dry weight or volume. Members and

⁶ The Fair Trade Federation uses the term “Global South” to refer to those countries 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 countries are within the Southern Hemisphere.

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.

Principles Requirements

1. Cultivate New Market Opportunities for Economically and Socially Marginalized Producers

PRINCIPLE: Fair Trade is a strategy for poverty alleviation and sustainable development through trading partnerships. Members collaborate with marginalized communities to nurture equitable social and economic opportunities by growing market access. Members place the interests of producers and their communities as the primary concern of their enterprise.

Members and applicants focus on cultivating 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 this terminology, as to further adhere to principle #4: Promote Fair Trade. Members and 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.

2. Develop Transparent and Accountable Relationships

PRINCIPLE: Fair Trade involves relationships that are open, fair, consistent, respectful, and value an equitable distribution of power. Members are transparent with customers and producers about their supply chains by sharing information about the entire trading chain through honest and proactive communication. They create mechanisms to actively involve producers and customers in the trading chain. If problems arise, members work cooperatively with fair trade partners and other organizations to implement solutions.

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. Instead, they help facilitate and/or encourage a diversity of partnerships.

Members and applicants are expected to share current information about their supply chain with customers via email, newsletters, and internet-based and/or promotional materials (examples: annual reports, brochures, posters, fliers, and other materials), including updates 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.

3. Build Capacity

PRINCIPLE: Fair Trade is a means to support producers' self-sustainability and access to markets. Members maintain long-term relationships based on solidarity, trust, and mutual respect. Members collaborate with producers to build capacity through proactive communication, knowledge exchange, financial and technical assistance, market information, and dialogue. They seek to share lessons learned, to share best practices, and nurture collaborative relationships with and between communities, including among producer groups.

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. They listen and learn from farmers, who are the stewards of the land and understand the needs of the land they are farming.

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.

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.

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 educate constituents about conventional and fair trade supply chains, aiming to show customers the collaborative nature of fair trade supply chains. As part of this, members share processes and techniques used by farmer/producer groups to create their products, as well as producers' stories, when accompanied by informed consent. Members understand that consent is fluid, and regularly check in with producer groups to ensure their safety and understanding of where any individual images or story elements are being used. Members strive to create links between producing and consuming communities by finding appropriate information throughout the supply chain that can be shared either with producers or consumers.

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.

5. Pay Promptly and Fairly

PRINCIPLE: Fair Trade members practice using pricing frameworks based on the true cost of labor, time, materials, skill level, training, 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 all. 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 industry-specific terms.

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.

6. Support Safe and Empowering Working Conditions

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

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, including requiring participation in prayer, study/discussion of religious texts, and participation in any religious services as a requirement, explicit or implicit, of employment.

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 people, regardless of gender, to progress in the organization, and a process for employees to complain against any perceived discrimination.

In their US/Canadian operations, members and applicants demonstrate a commitment to hiring and utilizing fairly paid employees and take into account ethical considerations involved in using the work of volunteers and/or general contractors before doing so.

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).

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PRINCIPLE: Fair trade means that all children have the right to security, education, and play. Throughout the trading chain, FTF 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 and recognize that individuals often pass down their skillsets and traditions through generations, so there may be circumstances in which children are involved in production. Members have open communication with suppliers/producers about ways children may be involved and ensure that this does not conflict with educational opportunities when this occurs. Members do not support or in any way enable child trafficking or exploitative child labor.

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.

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, recycle, and regenerate materials wherever possible. They encourage environmentally sustainable practices throughout the entire trading chain.

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 collaborate with producers 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; and
- 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; and
- Using energy-efficient vehicles and mass transit whenever possible.

9. Respect Cultural, Racial, and Ethnic Identity

PRINCIPLE: Fair trade celebrates the cultural, racial, and ethnic diversity of communities. Members work collaboratively with suppliers/artisans/producer groups to integrate traditional techniques and elements to support community-led cultural preservation initiatives. Members actively engage in open, collaborative, and honest conversations to create positive and equitable relationships within the trading system, and proactively addressing any concerns about the objectification or appropriation of cultural identities, traditions, techniques, and/or elements.

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 listen to farmers/producers and collaboratively determine which traditional farming techniques are used. 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 approach relationships with farmers/producer groups with respect, confronting and addressing any internalized assumptions, biases or prejudice about communities or cultures. Members and applicants actively work to build a strong understanding of local traditions and customs and ensure that, when hosting or visiting farmers/producer groups, all those attending are prepared to respect local traditions and customs, while being mindful of not appropriating the cultural heritage of the communities they are visiting.

VIII. 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.

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 available⁸, 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

^{8&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.

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.

Principles Requirements

1. Cultivate New Market Opportunities for Economically and Socially Marginalized Producers

PRINCIPLE: Fair Trade is a strategy for poverty alleviation and sustainable development through trading partnerships. Members collaborate with marginalized communities to nurture equitable social and economic opportunities by growing market access. Members place the interests of producers and their communities as the primary concern of their enterprise.

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 through members of the Fair Trade Federation (FTF) and World Fair Trade Organization (WFTO).

Members and applicants have systems in place to evaluate suppliers who are not FTF members or registered 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 this terminology, as to further adhere to principle #4: Promote Fair Trade.

2. Develop Transparent and Accountable Relationships

PRINCIPLE: Fair Trade involves relationships that are open, fair, consistent, respectful, and value an equitable distribution of power. Members are transparent with customers and producers about their supply chains by sharing information about the entire trading chain through honest and proactive communication. They create mechanisms to actively involve producers and customers in the trading chain. If problems arise, members work cooperatively with fair trade partners and other organizations to implement solutions.

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 proactively share information with consumers about how they source, their supply chain, how the café determined which suppliers are fair trade, and products' places of origin.

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 support producers' self-sustainability and access to markets. Members maintain long-term relationships based on solidarity, trust, and mutual respect. Members collaborate with producers to build capacity through proactive communication, knowledge exchange, financial and technical assistance, market information, and dialogue. They seek to share lessons learned, to share best practices, and nurture collaborative relationships with and between communities, including among producer groups.

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

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 educate constituents about conventional and fair trade supply chains, aiming to show customers the collaborative nature of fair trade supply chains. As part of this, members share processes and techniques used by artisans and farmers to create their products, as well as producers' stories, when accompanied by informed consent, as given by wholesalers on behalf of producer groups.

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 members practice using pricing frameworks based on the true cost of labor, time, materials, skill level, training, 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 all. 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 industry-specific terms.*

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, exploitative, or underpaid labor. Throughout the trading chain, Members cultivate inclusive workplaces that encourage individuals to participate in the decisions that affect them. Members seek to eliminate discrimination based on religion, race, caste, national origin, disability, gender, sexual/affectional orientation, union membership, political affiliation, age, marital, or health status. Members support workplaces free from physical, sexual, psychological, or verbal harassment or abuse.*

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 people, regardless of gender, to progress in the organization, and a process for employees to complain against any perceived discrimination.

In their US/Canadian operations, members and applicants demonstrate a commitment to hiring and utilizing fairly paid employees and take into account ethical considerations involved in using the work of volunteers and/or general contractors before doing so.

Members and applicants do not engage in any discriminatory or coercive practices on the basis of religion, including requiring participation in prayer, study/discussion of religious texts, and participation in any religious services as a requirement, explicit or implicit, of employment.

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, FTF 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 and recognize that*

individuals often pass down their skillsets and traditions through generations, so there may be circumstances in which children are involved in production. Members have open communication with suppliers/producers about ways children may be involved and ensure that this does not conflict with educational opportunities when this occurs. Members do not support or in any way enable child trafficking or exploitative child labor.

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, recycle, and regenerate materials wherever possible. They encourage environmentally sustainable practices throughout the entire trading chain.*

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; and
- 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, Racial, and Ethnic Identity

***PRINCIPLE:** Fair trade celebrates the cultural, racial, and ethnic diversity of communities. Members work collaboratively with suppliers/artisans/producer groups to integrate traditional techniques and elements to support community-led cultural preservation initiatives. Members actively engage in open, collaborative, and*

honest conversations to create positive and equitable relationships within the trading system, and proactively addressing any concerns about the objectification or appropriation of cultural identities, traditions, techniques, and/or elements.

Members and applicants develop mechanisms to learn about the traditional practices and cultural heritage of suppliers/farmers/producer groups. When appropriate and possible, they strive to educate customers by sharing resources created by educators from that community.

Members and applicants approach relationships with farmers/producer groups with respect, confronting and addressing any internalized assumptions, biases or prejudice about communities or cultures. Members and applicants actively work to build a strong understanding of local traditions and customs and ensure that, when hosting or visiting farmers/producer groups, all those attending are prepared to respect local traditions and customs, while being mindful of not appropriating the cultural heritage of the communities they are visiting.

IX. 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.

X. 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*.
 - 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.

- In October 2021, the Board of Directors adopted changes to the Code of Practice recommended by the Fair Trade Federation Justice, Equity, Diversity, and Inclusion Committee to more fully reflect our values and to de-colonize our language with specific a focus on:
 - Consent in storytelling, making sure artisans and stakeholders are giving permission and understanding how their stories will be used.
 - Removing binary language, such as terms like "men" and "women" and replacing it with "individuals" acknowledging that gender is a social construct and does not fairly represent how individuals may identify.
 - An affirmation that artisans preserve their own traditions, not US/Canadian based organizations.
 - Rethinking principle #9, “Respect Cultural Identity,” replacing it with “Respect Cultural, Racial and Ethnic Identity” to better acknowledge the different intersections of any individual’s experience.