



ECOCERT ESR Standard on Social Responsibility & Fair Trade

12th WFTO Conference
28 May, Rio de Janeiro

Laurent LEFEBVRE

ECOCERT

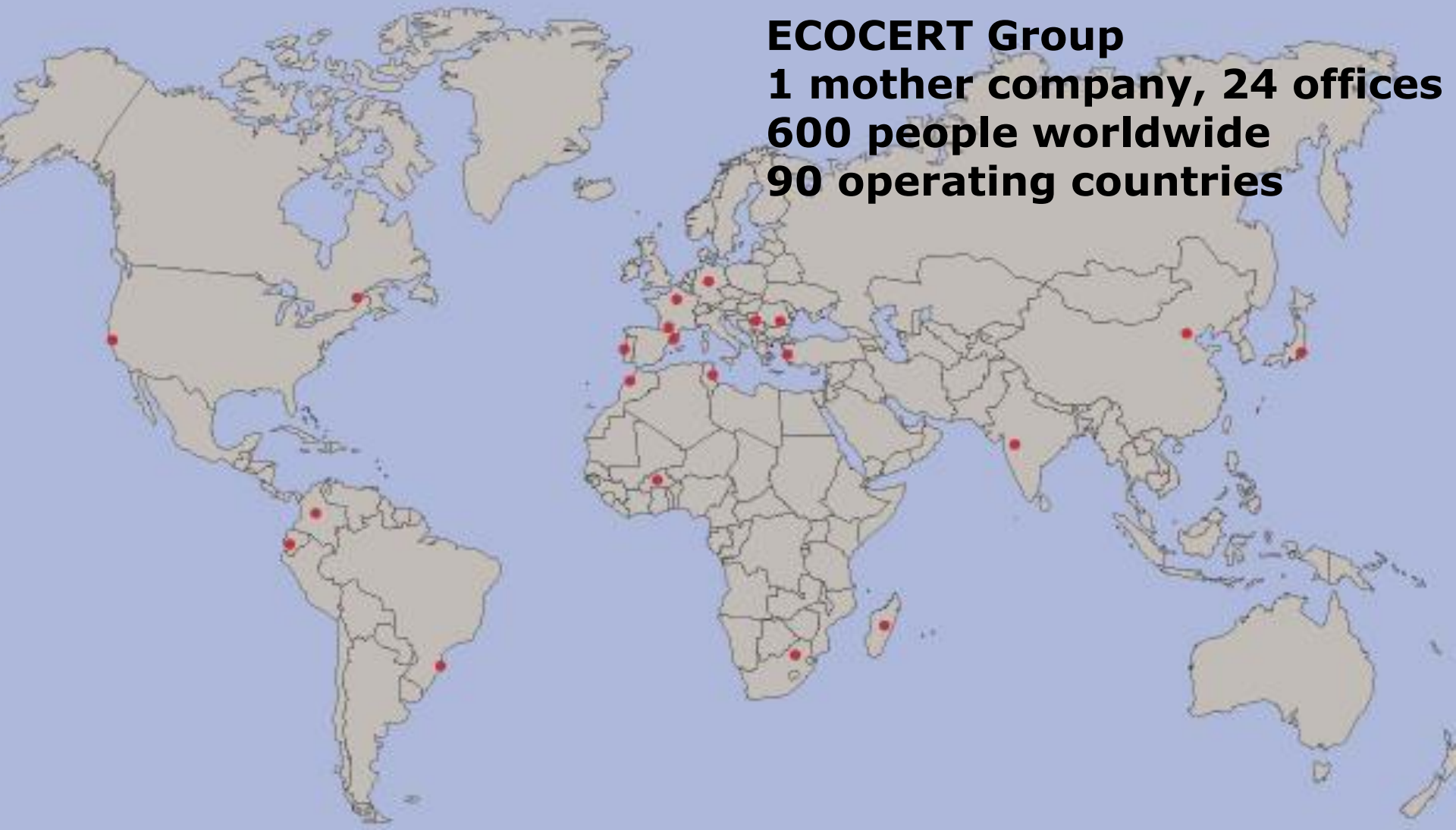
Who are we ?



- **Values:** a company at the service of both human being and the environment:
 - ✓ ECOCERT Corporate Foundation
 - ✓ Carbon neutral operations
 - ✓ Energy-plus buildings
- **Mission:** promote the changing, encourage players to adopt more responsible practices, bring added value
- **Expertise:** control & certification on products / systems based on social & environmental objectives, sustainable practices, climate change; standard design & setting up; training & guidance
- **Independence:** ISO 65 accredited, no trade mark fees, no % taken on the sales volumes of certified products



ECOCERT Group
1 mother company, 24 offices
600 people worldwide
90 operating countries



An international and regionalized network for a local service in order to guarantee the controls and the traceability in all countries

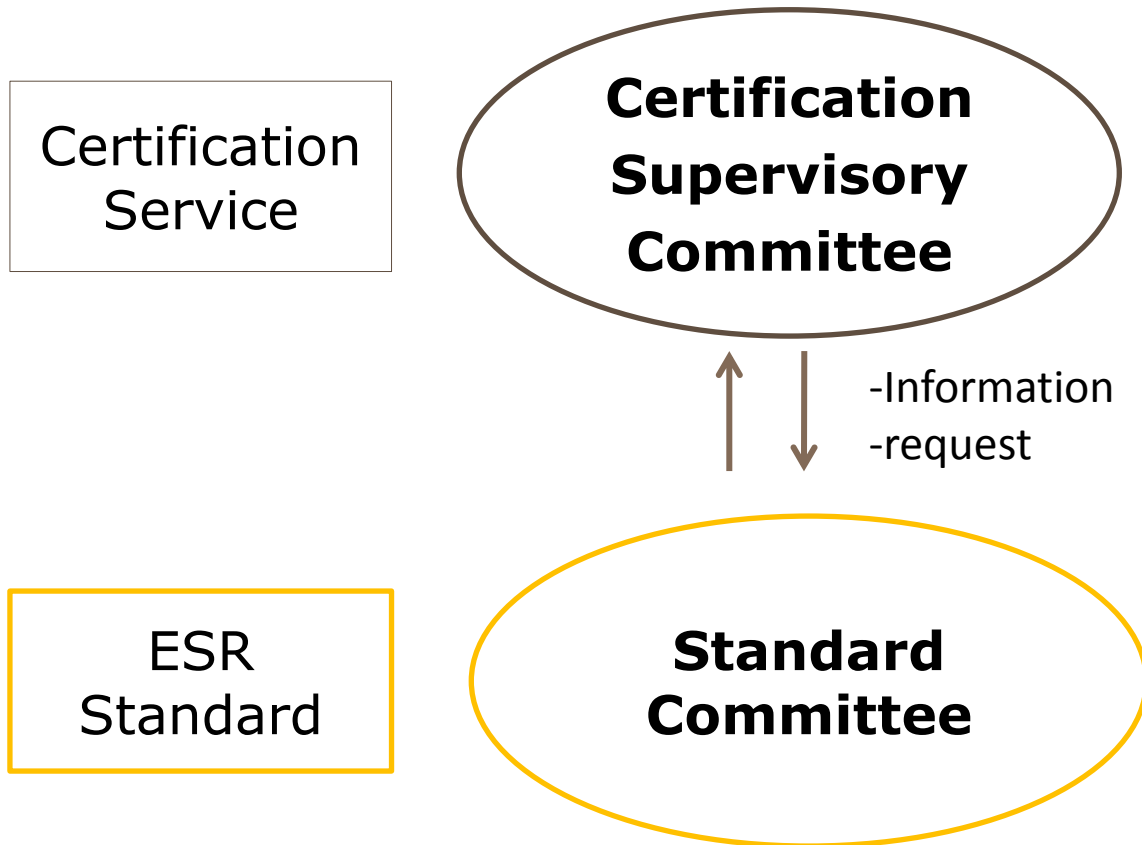
ESR standard

Social responsibility & Fair Trade



- **Fair Trade product** certification and **Corporate Social Responsibility** certification programme
- Designed in 2007, due to explicit demand from clients and partners. **3rd version** coming into force on **15 June 2013**
- Builds on standards like ILO Conventions, SA 8000, WFTO principles, existing Fair Trade standards and ISO 26000 guidelines
- Adapted to realities and challenges in **SME companies**, both in **developing** and **developed** countries
- Production, processing or trade of **organic** products from farming, aquaculture, stock rearing, harvesting or craft work
- Presently, **150** projects certified, **30** producing countries

ESR programme Management



Independence and impartiality of the certification process

- Supervision
- Derogations
- Appeals

Follow-up of the standard's evolution

- Legal framework, norms, standards;
- Chains realities;

ESR programme

A strengthened Responsible basis



The structure of requirements follows the 26000 guidelines and was adapted to Fair Trade sector

- Quality Assurance
- Organisation governance
- Human Rights
- Work relations and conditions
- Respect of the Environment
- Good business practices
- Relationship with consumers
- Communities and local development

Procedures implemented to comply with the standard

Corporate Social Responsibility



Fair Trade criteria are integrated all along these different areas

ESR programme

A strengthened Responsible basis



Companies committed to Fair Trade shall be **Responsible**

- The ESR audit assesses the CSR (Corporate Social Responsibility) management system according to the main ISO 26000 guidelines

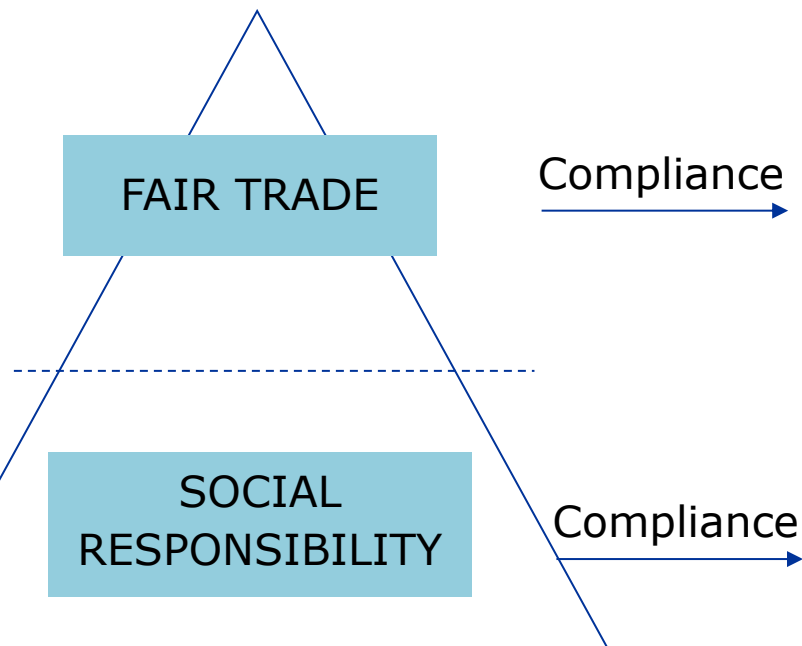


- The company knows its **performance** in the CSR process and can **value** its practices thanks to the system-guarantee "**Responsible Company**" delivered by ECOCERT



ESR programme

2 certification schemes



Fair Trade
certificate

Communication
about **Product /
supply chain**



Social
Responsibility
certificate

Communication
about
Organisation

ESR programme

Scoring of standard criteria and certification requirements



- 4 criteria levels: KO (Knock Out), major, minor, recommendation

- Criteria scoring from 0 to 4

0	1	2	3	4
Not done	Partially done	Compliant	Does better	Excellence
				

- Certification awarded when
 - ✓ No KO, no Major
 - ✓ A Min % of compliance is achieved: Years 1 + 2: 80%, year 3: 100%
- Total score obtained allows to determine the performance level reached: "**Commitment**", "**Mastery**", "**Excellence**"
- Monitoring of corrective actions: action plan and achievement of corrective actions are met within set deadlines

ESR programme

Inspection within Fair Trade chains



Control plan adapted to the realities of Fair trade chains

- Clear distinction between **2 kinds of operators**:
 - **"Key"** –operators = Production Groups, First Buyers / Importers, Brand owners
 - **"Intermediate"** operators = Intermediate buyers (including Subcontractors) and Handlers
- **Intermediate operators** involving a low risk in terms of activity, traceability, and social and environmental issues can be registered

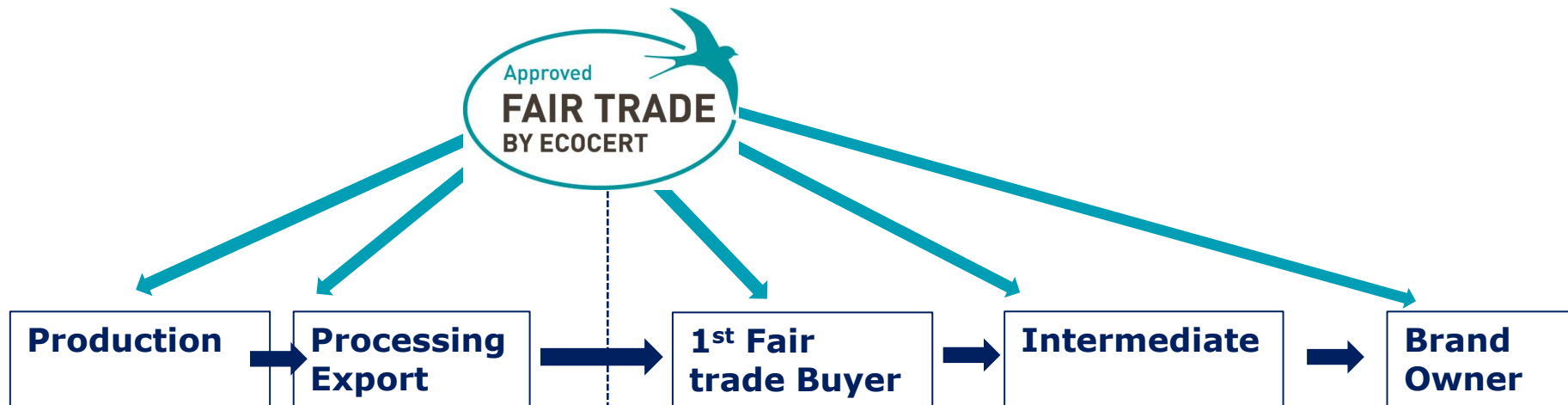
CERTIFICATION	REGISTRATION
Full & physical annual audit cycles	Annual document review Possible unannounced physical audits according to risk analysis

ESR programme

Inspection within Fair Trade chains



- The whole supply chain is audited from producer to brand owner
- Full physical traceability till finished products



- Organization and governance
- Social Responsibility
- Environmental sustainability
- Fair trade prices and development fund
- Wise mgt of Fair trade benefits
- Empowerment of farmers & workers

- Governance
- Social Responsibility towards own workers
- Environmental responsibility
- Responsible business practices & communication
- Fair trade prices and development fund

ESR programme

Costs and fees structure



- No licensee fees, no trademark fees
- Only audit and certification fees are paid, based on time spent
- Time assessment based on:
 - ✓ Project size
 - ✓ Project structure
 - ✓ Project complexity
- Fees structure: rate / day (per area) X numbers of days
 - ✓ Application review
 - ✓ Transportation and accommodation (including plane tickets and per diem)
 - ✓ Audit fees (including preparation work, travel time, on-site control(s), reporting)
 - ✓ Certification fees and supply chain's surveillance (including report review, issuance of certificate, control of labels, prices, communication,...)

Relations to Other Fair Trade schemes



- **French National Commission for Fair Trade** : collaboration with WFTO and FLO / FLO-Cert to design a public framework in France
- **Good collaboration with IMO** since several years
- Aim to collaborate even closer (together with organic fair trade schemes) to:
 - discuss tricky/critical standard aspects
 - agree on mutual equivalency of the scheme
 - develop jointly used tool (living wage calculations, fair pricing calculation tools)
 - collaborate in development of training materials, where suitable
 - agree on joint fair trade principles with mid term aim to develop a joint baseline standard



**THANK YOU FOR YOUR
ATTENTION !**

fairtrade@ecocert.com
www.ecocert.com/equitable