Home of Fair Trade Enterprises

The WFTO Fair Trade Standard

Version: 1.0 (Final Draft)

Date: 11. September 2026

Expected year of next review: 2027

© World Fair Trade Organisation, 2026. All Rights Reserved
https://wfto.com/

Home of Fair Trade Enterprises

Content

1 Introduction 4
2 Purpose 4
3 Scope 4
4 Normative and informative references 4
5 Terms and definitions 4
6 WFTO requirements 7
6.1 Classification of requirements 7
6.2 WFTO principles & criteria 8
6.2.1 Principle 1– Creating opportunities for economically marginalised producers 8
6.2.2 Principle 2 – Transparency & accountability 10
6.2.3 Principle 3 – Fair trading practices 12
6.2.4 Principle 4 – Fair payment 16
6.2.5 Principle 5 – Ensuring no child labour & forced labour 19
6.2.6 Principle 6 – Commitment to non-discrimination, gender equity & 22
6.2.7 Principle 7 – Ensuring good working conditions 24
6.2.8 Principle 8 – Providing capacity building 28
6.2.9 Principle 9 – Promote fair trade 29
6.2.10 Principle 10 – Climate action and protection of the environment 31
7 Subset criteria 35
7.1 Applicable subset criteria 35
8 Implementation and management system requirements 36
8.1 Improvement planning 36
8.2 Supplier Monitoring System (SMS) 37
8.3 Risk assessment of excluded suppliers and service providers 38
8.4 Management of multi-site organisations 38
8.5 Supplier monitoring system requirements 38
9 Conformity assessment framework 39
9.1 Basic principles of assessment 39
9.2 Self-Assessment Report (SAR) 40
9.3 Certification and surveillance audits 41
9.3.1 Risk assessment 41

9.3.2 Risk assessment set-up 42
10 Certification requirements and status 43
10.1 Handling of non-conformities 44
10.2 Reporting to system owner 45
11 Use of the WFTO label and claims 45
11.1 Licensing fees and right of use 45
11.2 Conditions for label use and claims 46
12 Governance and review of the standard 47
12.1 Governance, roles, and responsibilities 47
12.2 Review and improvement of the standard and assurance arrangements 47
12.3 Bodies and responsibilities 48
12.4 Separation of decision-making, assessment and conflict of interests 48
13 Entry into force and transition rules 48
Annex A - Additional requirements for global north producers to be considered economically 50
marginalised 50
Annex B – Labelling rules 51
Annex C – List of other recognised or benchmarked standards 58

1 Introduction

The World Fair Trade Organization (WFTO) is an association of visionary small and medium-sized enterprises (SMEs) that believes that a new economy is possible. The organisation supports Fair Trade enterprises in changing the global economy. WFTO members are committed to ensuring the highest standards of sustainability, encompassing both environmental and social aspects in their businesses.

2 Purpose

The WFTO Fair Trade Standard aims to use trade as a powerful means of reducing poverty and promoting social justice by placing economically marginalised producers and workers at the centre of economic activity. Its primary objective is to ensure that fair trade delivers tangible improvements in livelihoods, enabling people to move from vulnerability and income insecurity toward long-term economic and social empowerment.

The purpose of the WFTO Fair Trade Standard is to specify the organisational requirements for the implementation and assessment of the WFTO Principles of fair trade. It provides a consistent and credible basis for verification, certification and communication of fair trade practices, while supporting continuous improvement and strengthening trust in WFTO-certified organisations.

The standard contains WFTO's 10 Principles of fair trade and defines compliance criteria. The WFTO Principles are set by WFTO members and are based on common fair trade values, the International Labour Organisation (ILO) conventions, human rights and other internationally recognised principles. The standard specifies mandatory requirements (including requirements applicable at approval and requirements to be achieved by a defined year) and continuous improvement requirements for which members shall demonstrate measurable progress throughout the evaluation processes.

The WFTO Fair trade Standard is intended to be applied by organisations seeking recognition under the WFTO certification system and eligibility to use the WFTO certified fair trade enterprise label. It requires organisations to implement the applicable criteria in a diligent, transparent and consistent manner and to demonstrate continuous improvement in their fair trade practices over time. Compliance with this document shall be assessed through the mechanisms defined by the WFTO certification system, including self-assessment and third-party audits. This document is subject to periodic review and revision in accordance with the WFTO review policy.

3 Scope

This standard defines normative organisational requirements that operationalise the 10 fair trade Principles. The WFTO Fair trade Standard shall be applied as an organisation-level standard built around the WFTO Principles and the associated compliance criteria. It shall apply to all WFTO system participants that are seeking certification under the WFTO certification system, to be eligible to use the WFTO certified fair trade enterprise label. Certification under this standard is

limited to a single legal entity. Group certification is not permitted. The certified organisation shall demonstrate sufficient authority, control, or verifiable influence over its own management system or over the management system of the producers or manufacturers of the fair trade products traded under the WFTO certified fair trade enterprise label to ensure conformity with the requirements of this standard.

Compliance to the WFTO standard shall be assessed through the combined mechanisms of Self Assessment and third-party audits (document checks, remote audits and on-site audits) within the WFTO certification system.

The standard shall not be used or presented as a product certification and shall not certify single supply chains.

4 Normative and informative references

This standard is based on and should be interpreted in alignment with:

(a) Self-Assessment Report (SAR) with additional indicators and guidance notes
(b) the document "Requirements for WFTO certification processes and certification bodies";
(c) internationally recognised principles referenced by WFTO, including human rights instruments and international labour conventions:
    a. Universal Declaration of Human Rights (UDHR)
    b. ILO Core Conventions
    c. UN Guiding Principles on Business and Human Rights
    d. OECD Guidelines for Multinational enterprises
    e. Applicable national labour and human rights legislation

5 Terms and definitions

For the purposes of this document, the terms and definitions in the WFTO standard shall apply. The following distinctions shall be used to determine which requirements apply to which actors and relationships in fair trade operations:

Certified fair trade enterprise (it may be referred to only as "certified enterprise"): An organisation that is certified against (this) WFTO standard.

Corrective Action Plan: A corrective action plan is a documented set of actions established to eliminate the cause of a non-conformity or non-compliance. Minimum content is the nonconformity/ non-compliance, the measure to correct it and to prevent the recurrence, the responsible person and the deadline for implementation.

Economically marginalised: Persons, communities, producers, workers or enterprises restricted to the lower or peripheral edge of the economy and prevented from full participation in mainstream economic activity by factors beyond their control, such as lack of opportunities, barriers to education, discrimination, disability, geographic isolation, structural inequalities, or unfair trade structures. Economic marginalisation may occur in any country or region and shall be assessed in relation to the local social, economic and sector-specific context rather than solely based on geographic location. Producers and enterprises located in the Global North may also be considered economically

marginalised where objective evidence demonstrates such disadvantage. The member organisation shall demonstrate that its fair trade activities primarily target and benefit such groups. Additional requirements applicable to Northern producer enterprises are specified in Annex A.

Excluded suppliers: Suppliers that are exempted from monitoring requirements for documented reasons and do not hold other recognised verification may be accepted, provided that the enterprise demonstrates that sourcing from such suppliers is necessary, justified, and consistent with its fair trade objectives. Excluded suppliers shall be subject to a documented risk assessment conducted by the organisation. The risk assessment shall consider geopolitical risks, environmental risks, financial risks, process risks and production risks associated with the supplier or the supplied products (including semi-finished products and ingredients).

Externally verified supplier of fair trade products: An organisation that is certified against either the WFTO standard **or** any other recognised standard (benchmarked standard), see Appendix C.

Fair trade (FT): Fair trade practices in line with the WFTO standard or other recognised fair trade systems.

Fair trade products: Any product grown, produced, or supplied by a fair trade source: a WFTO certified enterprise, another supplier externally verified for the relevant product or supply chain, or an SMS supplier (see chapter Supplier Monitoring System (SMS)). The fair trade status of a product is not affected by whether this is subsequently sold or distributed through conventional or fair trade channels. Fair trade products may refer to finished and semi-finished products, as well as ingredients. Enterprises are expected to buy most of their products from FT Sources. In the case of mixed products, all ingredients that can be sourced as fair trade shall be sourced from verified fair trade sources (WFTO certified enterprises, externally verified suppliers, or SMS suppliers). Any ingredients that cannot reasonably be sourced as fair trade may be sourced from excluded suppliers, provided there is a documented justification, the sourcing is aligned with the organisation's mission, and an appropriate risk assessment has been conducted. The sale of fairtrade products or services shall represent at least 80% of the enterprise's total revenue. For nonfair trade sourced ingredients, materials or components, the organisation shall demonstrate that no reasonably available fair trade alternative exists and shall maintain a sourcing improvement plan.

Products purchased through intermediaries (conventional traders) may still be considered fairtrade, provided there is a documented justification for purchasing through the intermediary, the arrangement is aligned with the organisation's mission, and the product can be demonstrated to originate from a verified fair trade source.

First buyer: First buyers are organisations that purchase products from WFTO certified enterprises. They may use a specific label variant (first buyer label) when authorised by WFTO, subject to a formal agreement and applicable fees.

First buyer label: The first buyer label is the labelling used by organisations that purchase products from a WFTO-certified enterprise and sell those products under their own brand, under the conditions specified in this standard. The first buyer label provided by WFTO clearly states the name of the WFTO-certified enterprise from which the product is sourced (see Annex B).

Supplier Monitoring System (SMS): A documented and implemented management system for the selection, evaluation, monitoring and periodic reassessment of suppliers of fair trade products to ensure continued conformity with the requirements of this standard (see chapter Supplier Monitoring

System (SMS)). Spot-check visits to a sample of SMS suppliers are included in an enterprise's audits starting from year 2 of certification to cross-check the efficiency of their supplier SMS.

Improvement Plan (IP): Plan that addresses points for improvement, measures that improves and corrects. An IP is a documented instrument for the structured implementation and monitoring of measures to ensure continual improvement of processes, products, and systems.

Ingredients: This refers to the ingredients that make up food products and cosmetics. Suppliers of ingredients must be externally verified suppliers or monitored under the certified enterprise's Supplier Monitoring System as SMS suppliers.

Local living wage: A local living wage is remuneration received for a standard work week – no more than 48 hours – by a worker in a particular place, sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing, and other essential needs, including provision for unexpected events.

Non-conformity: A non-conformity is the non-fulfilment of specified requirements within a certification or conformity assessment process.

Non-compliance: A non-compliance is the non-fulfilment of binding external requirements (e.g. legal or regulatory).

Raw materials: These refer to the materials used to make handicraft products, which should be sourced responsibly. If there are fair trade sources available, every effort should be made to use these sources. Suppliers of raw materials are not included in the SMS.

Service providers: Where an enterprise outsources processing or other value-adding activities that contribute to the production of a fair trade product (e.g. roasting, manufacturing, finishing, packaging or transformation processes), while retaining ownership of the product, the external party shall be considered a service provider and not an SMS supplier. The enterprise shall conduct a risk assessment of the service provider in line with the requirements applicable to excluded suppliers.

Supplier of fair trade products: Vendor of fair trade products to a fair trade enterprise. They may be independent business units who manage their own production/ sourcing, marketing and sales (independent supplier). They may also be individuals or producer groups that make or grow the fair trade products for the certified enterprise, and who own the product until it is sold (dependent supplier, also referred to as producers). The workplace of dependent suppliers may be their home, farm or even the certified enterprise's premises if there is no employment relationship.

When suppliers are certified enterprises, or organisations certified under a recognised fair trade system, they are externally verified suppliers of fair trade products to the extent covered by the scope of the relevant certification or verification system. Where products, supply chains, or sourcing relationships fall outside the scope of such external verification, the enterprise shall assess and document compliance with the applicable fair trade requirements through its Supplier Monitoring System. In such cases, the enterprise may rely on available evidence from the recognised fair trade system and shall apply additional verification measures, proportionate to the identified risk, such as document review, supplier engagement, or supplier visits, where necessary. Otherwise, a supplier must be included in an enterprise's Supplier Monitoring System as "SMS Supplier".

Suppliers may provide an enterprise with finished products, semi-finished products, or ingredients. Providers of raw materials and components are not to be included in the SMS.

Providers of raw materials or components used by an enterprise to produce their fair trade product are not to be included in the SMS; the enterprise's practices in this area are assessed under Principle 3 (sourcing policy).

Subset criteria: A selected and then fixed set of criteria that are derived from the principles and apply to suppliers (see chapter 7).

Self-Assessment Report (SAR): A questionnaire that is working through selected criteria and/ or indicators that must be filled out by the enterprise that aims for certification. SAR is also used for risk assessment and is part of the audit program.

WFTO members: All WFTO member organisations. The WFTO fair trade Principles refer to the member as "the organisation".

Worker: All those who have an employment relationship with the enterprise. Workers can be factory workers, home workers, piece rate workers, employees, contracted workers, seasonal or casual workers working for the FTO.

Note: Unlike suppliers, workers normally do not own the product, are provided with materials and do not bear the financial risk of production.

6 WFTO requirements

6.1 Classification of requirements

The WFTO Fair trade Standard comprises the 10 Principles of fair trade with a set of compliance criteria to assess how well organisations are implementing the principles which are applicable for certified enterprises. The WFTO Principles, as well, apply to all members of WFTO.

The criteria defined for each principle in chapter 6.2 are the requirements that must be met to get certified as a WFTO certified enterprise. In the SAR additional indicators and guidance notes are laid out to help understand what will be expected to demonstrate compliance with this standard.

Not all criteria need to be met from the beginning and the time by which they must be achieved is also indicated below the criteria: "Achieved by". This indicates the time frame and type of compliance criteria. There are 3 "achieved by" levels, i.e. Mandatory, Mandatory by year X, and Continuous Improvement.

Mandatory means that the compliance criteria must be met for approval as a WFTO certified enterprise.

Mandatory by year X means the criteria must be met at the latest X years (the year is specified in the respective indicator) after first certification as (certified) fair trade enterprise (and that year counts as Year 0).

Continuous improvement means the organisation is expected to work on the requirement and show progress according to its size and abilities; certified organisations must continue to show progress at least until the compliance criterion is met.

If the organisation does not yet comply with criteria that will become mandatory in the coming years, it shall define realistic actions to achieve compliance within the specified timeframe in its Improvement Plan that is aligned with the Corrective Action Plan for certification.

The organisation shall implement corrective actions (CA) to address the non-conformities. The CA shall be robust enough to avoid the recurrence of the non-conformity (see chapter 10.1) in the sense of a preventive measure.

The organisation' risk level will be determined through a risk assessment, which will be conducted following an assessment of SAR and upon completion of the audit (see chapter 9.1) The resulting risk classification may affect the audit approach and frequency (see Figure 1).

6.2 WFTO principles & criteria

The following principles and their respective criteria define the requirements that all enterprises must comply with to achieve certification. Compliance with these requirements is assessed during the certification process using the indicators specified for each criterion.

6.2.1 Principle 1– Creating opportunities for economically marginalised producers

Poverty reduction through trade forms a key part of the organisation's aims. The organisation supports economically marginalised producers and workers, whether they are grouped in associations, co-operatives or companies, employed in fair trade committed family businesses, or informal/self-employed workers or homeworkers. It seeks to enable them to move from income insecurity and poverty to social and economic empowerment. The organisation has a plan of action to carry this out.

Criterion 1.1: Mission

Your constitution, bylaws, articles of association or other legal documents confirm that decreasing economic inequality through trade, the commitment to improve the socio-economic conditions of economically marginalised producers and workers, and/or trade justice are your organisation's priority. Where legal or other legitimate barriers prevent this, the primacy of the social mission must be demonstrated through other supporting evidence.

Indicators

1.1a)	Your constitution, bylaws, articles of association, other legal documents or supporting evidence expresses your commitment to fair trade as a core aim.	Mandatory
1.1b)	You express your mission and commitment to fair trade publicly (e.g. on your website and with your trading partners) and throughout your organisation.	Mandatory
1.1c)	The sale of fair trade products (or services) represents at least 80% of your total revenue.	Mandatory

Criterion 1.2: Senior management responsibility

Fair trade is recognised at the highest level as an organisational objective and the implementation of the WFTO Fair trade Standard is assigned to senior management. All management staff understand the fair trade Principles.

Indicators

1.2a)	Your management team and key management functions are aware of WFTO membership and Fair trade Standard requirements.	Mandatory
1.2b)	A senior management person has been designated as the overall FT manager and is also responsible for both compliance and its documentation.	Mandatory
1.2c)	You establish, maintain and periodically update an Improvement Plan to support conformity with the WFTO FairTrade Standard. The Improvement Plan includes, where applicable, corrective actions, continuous improvement objectives, responsibilities and timeframes, and addresses mandatory requirements where you are not yet compliant, as well as requirements that are not yet applicable to your year of certification. You maintain an Improvement Plan even when full conformity with the standard has been achieved.	Mandatory

Criterion 1.3: Focus on economically marginalised producers/workers

You work and trade primarily with workers and suppliers of FT products who are socially and/or economically marginalised, or who are buying from such groups, or otherwise demonstrate positive impact on economically marginalised groups as a central part of your business.

Indicators

1.3a)	Your list of workers and suppliers of FT products (listed in the SAR Datasheet) demonstrates that you primarily work with economically marginalised groups or with organisations that work with such groups.	Mandatory
1.3b)	If you work (also) with workers or suppliers of FT products who do not belong to such marginalized groups you have a clear reasoning for this, which explains how this ties in with your commitment to fair trade.	Mandatory

Criterion 1.4: Reinvesting profits

As a fair trade committed organisation, you re-invest most of your profits in your FT business and expansion of your fair trade activities and pay management at proportionate levels.

Indicators

1.4a)	The majority of your profits is reinvested in your FT business or used for social projects in line with your mission. --> Please describe your use of profits.	Mandatory
1.4b)	Compensation for directors and/or owners (salary, bonus and profit share) is not extraordinarily high/at proportionate levels.	Mandatory

6.2.2 Principle 2 – Transparency & accountability

The organisation is transparent in its management and commercial relations. It is accountable to all its stakeholders and respects the sensitivity and confidentiality of commercial information. The organisation finds appropriate, participatory ways to involve workers, producers and members in its decision-making processes. It ensures that relevant information is provided to all its trading partners. The communication channels are good and open at all levels of the supply chain.

Criterion 2.1: Organisation and governance

You have a defined and functional organisational and governance structure, and a credible accounting system.

Indicators

2.1a)	You are able to provide up to date documentation of your organisational structure and governance.	Mandatory
2.1b)	You are able to provide financial accounts in line with the legal requirements of your Country.	Mandatory

Criterion 2.2: Transparency

Transparency: You provide transparent and well-founded information on your fair trade activities, including supply chains or membership requirements, to your trading partners and the public (as appropriate).

Indicators

2.2a)	You provide your trade partners with relevant information about your suppliers of FT products as well as your FT work and impact.	Mandatory
2.2b)	Your public information (website, marketing materials) provides truthful information about your fair trade activities and supply chains.	Mandatory

Criterion 2.3: Communication and feedback

You have an effective process of internal communication with your workers, producers and/or members as well as with your trading partners. You collect and consider feedback from these key stakeholders at least every 2 years.

Indicators

2.3a)	You have a process for internal communication with your workers and suppliers of FT products that allow you to collect and record regular feedback on your performance.	Continuous Improvement
2.3b)	If you are a membership organisation, you have at least one annual general assembly with your members. Members are informed and involved in governance of the organisation.	Continuous Improvement

Criterion 2.4: Participatory decision-making

You have appropriate participatory procedures to involve your suppliers, workers and/or members in your decision-making, including through representation at the board level.

Indicator

2.4a)	Your workers and/or suppliers of FT products are informed and consulted on any major business decisions that may affect them.	Continuous Improvement

Criterion 2.5: Product labelling & claims

You label products correctly and make truthful, substantiated and non-misleading fair trade claims in accordance with chapter 11 of the WFTO Fair trade Standard. The organisation shall refer to fair trade, WFTO membership, certification status, the WFTO mark or the WFTO label only within the scope covered. During the transition from the previous WFTO system, any continued use of the WFTO product label by organisations that were previously entitled to use it as Guaranteed Members shall be limited to the transition conditions and timeframes defined by WFTO in accordance with chapter 13 of the standard.

Indicators

2.5a)	Where the organisation uses the WFTO label, it shall do so only if it has successfully completed the applicable WFTO certification process, holds a valid certification status and has been granted the corresponding right of use.	Mandatory by year 2
2.5b)	In product marketing, including websites, product tags and sales information, you make only truthful, substantiated and non-misleading fair trade claims.	Mandatory by year 2

6.2.3 Principle 3 – Fair trading practices

The organisation trades with concern for the social, economic and environmental well-being of economically marginalised producers and workers and does not maximise profit at their expense.

Defined trade commitments

It is responsible and professional in meeting its commitments in a timely manner. Suppliers of FT products respect contracts and deliver products on time and to the agreed quality and specifications.

Payment and pre-finance fair trade buyers, recognising the financial disadvantages faced by producers and suppliers of FT products, ensure orders are paid on receipt of documents or as mutually agreed. For handicraft and other non-food FT products, an interest free pre-payment of at least 50% is made on request. For food FT products, pre-payment of at least 50% at a reasonable interest rate is made if requested. Interest rates paid by suppliers must not be higher than the buyers' cost of borrowing from third parties. Charging interest is optional and as agreed between the trade partners. Where fair trade suppliers receive a pre-payment from buyers, they ensure that this payment is passed on to the producers who make or grow their fair trade products.

Cancellation and dealing with problems buyers consult with their producers or suppliers of FT products before cancelling or rejecting orders. Where orders are cancelled or changed at short notice through no fault of producers or suppliers, adequate compensation is guaranteed for work already done. Suppliers and producers consult with buyers if there is a problem with delivery and agree on revised terms when delivered quantities and qualities do not match those ordered or products are delivered late.

Long term trading partnerships

The organisation maintains long-term relationships based on solidarity, trust and mutual respect that contribute to the promotion and growth of fair trade. It maintains effective communication with its trading partners. Parties involved in a trading relationship seek to increase the volume of the trade between them and the value and diversity of their product offer as a means of growing fair trade for the producers in order to increase their incomes.

Fair competition

The organisation works cooperatively with the other fair trade Organisations in its country and avoids unfair competition. It avoids duplicating the designs or patterns of other organisations without permission.

Cultural identity and respect of traditional skills

Fair trade recognises, promotes and protects cultural identity and traditional skills reflected in indigenous craft designs, food products and other related services.

Criterion 3.1: Trade agreements

You have written agreements with your suppliers of FT products, with relevant and appropriate details. E.g. product specification, delivery and lead times, pre-finance, price and payment terms, cancellation, and problem resolution.

Indicators

3.1a)	When buying from suppliers of FT products, you have written documents which specify both parties' responsibilities and all relevant details (see CC). All terms of trade can be included in your Purchase Orders, or you can have separate MoUs (Memorandums of Understanding) outlining the terms of trade in more detail in addition to your purchase orders.	Mandatory

Criterion 3.2: Respecting agreements

You respect your trade agreements and deliver products (or services) on time and to the desired quality and specification. In case of problems, you communicate in a timely manner with your trade partners and work to improve your performance.

Indicators

3.2a)	You keep a register/file of quality claims and complaints made by your trade partners and how you addressed and resolved them.	Mandatory
3.2b)	You have a quality management system in place to manage production according to specifications and quality expectations.	Mandatory

Criterion 3.3: Payment

When buying FT products, you pay on receipt of the products/documents or within an agreed short period to allow for quality checks.

Indicators

3.3a)	You maintain documentation of payments to suppliers of fairtrade products.	Mandatory
3.3b)	You pay your suppliers of FT products on receipts of the products and on time, as agreed. If you have persistent payment problems, you inform your trade partner and work on possible solutions.	Mandatory

Criterion 3.4: Prefinance

When buying FT products, you provide prefinance on request according to the following requirements: Handicraft and other non-food products: 50% interest-free pre-finance. Food products: 50% interest-free or at reasonable interest, not higher than your cost of borrowing.

Indicators

3.4a)	On request you provide at least 50% prefinance according to WFTO terms. If no, or lower, prepayments have been agreed in specific circumstances, e.g. to agricultural producers, this is indicated in the trade agreement or related documents.	Mandatory by year 2

Criterion 3.5: Use of pre-payments

If you receive prepayment from your FT buyers, you use it as agreed with the buyer.

Indicator

3.5a)	You are able to demonstrate that received pre-payments have been used as agreed. Please describe any disputes you had with buyers regarding pre-payments in the last 3 years, and how they were resolved.	Mandatory

Criterion 3.6: Quality problems & compensation

You have a fair and transparent system, including a communication mechanism and a system of compensation, to deal with quality problems and product cancellation in line with FT objectives.

Indicators

3.6a)	Your terms of trade make it clear how you handle quality problems and order cancellations (incl. communication mechanism and a system of compensation).	Mandatory by year 2
3.6b)	You keep a file to record all cases in which you cancelled orders or flagged important quality problems and how the cases were resolved.	Mandatory by year 2
3.6c)	If you have cancelled orders, you have done so with duty of care, providing compensation for work already done.	Mandatory by year 2

Criterion 3.7: Long-term relations

You maintain long-term relationships with your FT buyers, suppliers of FT products, aiming to maintain and, if possible, increase trade levels to benefit producers. You do not terminate trading relations or stop buying without appropriate notice and reason.

Indicators

3.7a)	You maintain long-term relationships with your suppliers of FT products and FT buyers.	Mandatory
3.7b)	You make efforts to maintain trade levels with your FT suppliers.	Mandatory
3.7c)	You terminate relationships or stop buying only in justified cases and do so with appropriate notice and reason.	Mandatory

Criterion 3.8: Unfair competition

You do not engage in unfair competition with other enterprises and respect intellectual property and associated rights regarding protected names/ brands, designs, including logos, labels and culturally based designs or names. Unfair competition is defined as any deliberate action to harm competitors, e.g. making defamatory remarks about other enterprises to their buyers to persuade them to change to you as their supplier; deliberate short term / unsustainable dumping pricing practices to force competitors out of business.

Indicators

3.8a)	You have no reported cases of unfair competition practices; if there are disputes with competitors they are documented and resolved.	Mandatory
3.8b)	You have a written policy where you commit to respect intellectual property and associated rights and against unfair competition practices.	Mandatory

Criterion 3.9: Cultural identity

You respect the value of cultural identity, local materials and skills e.g. in your product development, selection and labelling. Where possible, traditional local skills, materials and products are used or incorporated in updated product designs.

Indicators

3.9a)	You use local skills and materials in your products, where possible and appropriate.	Continuous Improvement

Criterion 3.10: Sourcing policy

You strive to know the origin of the main ingredients, raw materials, components or constituents of the FT products you make, and you provide an overview of outsourced processes. You develop a fair trade sourcing policy (including outsourcing if any of your operations are outsourced) with the aim of buying your raw ingredients/ raw materials/ components from FT sources where possible and otherwise predominantly from sustainable or ethical supply chains, starting with particularly high-risk materials/processes and main components.

Indicators

3.10a)	You have a fair trade sourcing policy with the aim to source the main ingredients/components /constituents of your FT product from FT sources where possible and otherwise predominantly from verified sustainable and ethical sources (including any outsourced production or processing of the FT product).	Continuous Improvement

3.10b)	If not sourcing from/subcontracting to FT units or verified sustainable suppliers, you justify your sourcing practices and develop plans to gradually replace unsustainable components/raw materials by better alternative sources, starting with high-risk materials and main components/materials and processes.	Continuous Improvement

6.2.4 Principle 4 – Fair payment

A fair payment is one that has been mutually negotiated and agreed by all through on-going dialogue and participation, which provides fair pay to the producers and can also be sustained by the market, considering the principle of equal pay for equal work by women and men. The aim is always the payment of a local living wage.

Fair payment is made up of Fair Prices, Fair Wages and local living wages.

Fair prices

A Fair Price is freely negotiated through dialogue between the buyer and the seller and is based on transparent price setting. It includes a fair wage and a fair profit. Fair prices represent an equitable share of the final price to each player in the supply chain.

Fair wages

A Fair Wage is an equitable, freely negotiated and mutually agreed wage, and presumes the payment of at least a local living wage.

Local living wage

A local living wage is remuneration received for a standard working week (no more than 48 hours) by a worker in a particular place, sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing, and other essential needs, including provision for unexpected events.

Criterion 4.1: Minimum wage

You pay your workers at least the legally required Minimum Wage. If your wage analysis shows that you do not pay legally required minimum wages, this needs to be addressed with top priority on your way towards local living wages.

Indicators

4.1a)	Your salary administration demonstrates that all workers earn at least the Minimum Wage that applies to them.	Mandatory
4.1b)	All your piece rate workers (on and off site) earn the minimum wage and you have a documented and transparent calculation method to convert their piece rate income into a monthly salary, based on a standard working day and without overtime.	Mandatory

Criterion 4.2: Local living wage ladder

You research and compile living wage estimates, in the sectors and regions covered by your business and SMS. This may be done through the WFTO "Local Living Wage Ladder" and "Local Context Notes" tools, or through other credible and context-appropriate methodologies, benchmarks, or studies. Where living wages other than those estimated through the WFTO tools are used, the source and methodology should be explained and documented.

Indicators

4.2a)	You have complete and up to date “Local Living Wage Ladder” and "Local Context Notes" documents indicating your own and reference wage levels, or otherwise have researched, documented and maintained up-to-date living wage estimates applicable to the areas under your business and SMS.	Mandatory by Year 2
4.2b)	If wages and prices are below the applicable living wage (estimated or otherwise researched), you have a time-bound, documented plan in place to achieve living wage levels within 2 years, including defined steps and responsibilities.	Mandatory by Year 2

Criterion 4.3: Local living wages for workers

You pay your workers a local living wage. FTOs who are not paying local living wages analyse their gaps and have a plan to work towards local living wages with a realistic timeline and targets.

Indicator

4.3a)	Your payment records confirm that all your workers (including piece rate workers) earn the local living wage (as estimated in your local living wage Ladder tool or based on other credible sources and methodology) or more.	Mandatory by year 4

Criterion 4.4: Fair prices for your dependent suppliers (producers)

Your dependent suppliers receive Fair Prices that allow them to earn an income on local living wage level. Living Wage calculations for dependent consider which part of their working time is spent on producing FT products and can include other household income. Enterprises who are not paying prices that correspond to living wages analyse their gaps and have a plan to work towards local living wage price levels with a realistic timeline and targets (included in their WFTO Improvement plan).

Indicator

4.4a)	Your prices paid to dependent suppliers and your product Costings show that you pay a price that corresponds to the local living wage (or more).	Mandatory by year 4

Criterion 4.5: Fair prices for independent suppliers of FT products

If you buy from independent suppliers of FT products, you pay them fair prices.

Indicators

4.5a)	The documentation of your pricing negotiations with suppliers confirms that the prices you pay are accepted by the supplier and allow them to pay their workers a Living Wage.	Mandatory by year 4
4.5b)	You request and retain evidence that your independent suppliers have researched and documented living wage estimates applicable to the regions and sectors covered by their business.	Mandatory by year 4

Criterion 4.6: Fair negotiation process

You schedule and document regular wage negotiations with representatives of workers and management as well as price negotiations with your suppliers of FT products and buyers. “P4 GUIDE: Negotiation & Dialogue” and “P4 GUIDE: Meetings and Minutes” provide additional guidance. The aim is to prove that the enterprise regularly engages in dialogue about prices with relevant stakeholders.

Indicators

4.6a)	You hold and document regular formal meetings with workers, including piece rate workers, to negotiate wages. The minutes are adequately detailed.	Mandatory by year 2
4.6b)	You regularly hold and document price negotiations with your suppliers of FT products, as well as with your buyers.	Mandatory by year 2

Criterion 4.7: Information sharing

You ensure that the parties to the fair payment dialogue are sufficiently informed and adequately educated to participate as equals in the wage and price setting dialogues. The aim is dialogue in the spirit of good faith and integrity of purpose.

Indicators

4.7a)	Before starting any wage/price negotiations, you make sure that your suppliers and workers (including piece rate workers) have adequate understanding of the negotiation process and have adequate up to date information at hand (e.g. product Costings, Living Wage estimates) to participate as equals.	Continuous improvement

Criterion 4.8: Product costing

You have up-to-date product costings for all your products. See the "P4 GUIDE: Product Costings" for additional guidance.

Indicators

4.8a)	You have up-to-date costings system and models suitable for all your products.	Mandatory by year 4
4.8b)	You share and explain the price development along the supply chain with your direct trade partners, if requested.	Mandatory by year 4
4.8 c)	Your product costings include a breakdown of price distribution between you and your direct trade partners (costs, margins, and values added at this stage). This breakdown is shared with your direct trading partners as part of your price negotiations.	Mandatory by Year 4

6.2.5 Principle 5 – Ensuring no child labour & forced labour

The organisation adheres to the UN convention on the rights of the child and national/local law on the employment of children. Organisations who buy fair trade products from producers/ producer groups or fair trade companies ensure that the producers comply with the UN convention on the rights of the child and national/local law on the employment of children. Any involvement of children in the production of fair trade products (including learning a traditional art or craft) is always disclosed and monitored and does not adversely affect the children's wellbeing, security, educational requirements and need for play.

Forced labour & human trafficking

The organisation ensures that there is no forced labour or human trafficking in its workforce and/or by its producers, producer groups or homeworkers.

Criterion 5.1: No child labour

You do not employ children below the age of 15 or under the age defined by local law (whichever is higher) as workers. For specified cases where child work is allowed by national law (e.g. work experience during school holidays) you must monitor the health, safety, welfare, education and right to play of working children according to the relevant UN Convention on the Rights of the Child.

Indicators

5.1a)	Your commitment to ensuring "no child labour" is explicitly expressed and communicated.	Mandatory
5.1b)	You have a procedure in place to verify the age of all your workers and have the age of all your workers on file.	Mandatory

5.1c)	You do not employ children below the age of 15 or under the legal minimum age of your country. If the laws of your country define exceptions, such as allowing children below the minimum age to work during school vacations, you have a mechanism to monitor that their participation in production is within legal limits, and to monitor their health, safety, and wellbeing and school attendance.	Mandatory
5.1d)	If any children < 15 yrs. are present in your production premises although they are not employed by you (e.g. because they accompany their parents) you have adequate mechanisms to ensure they do not participate in production.	Mandatory
5.1e)	Children who you have taken out of your production process because of violation of the no Child Labour principle cannot be left on their own; they must be monitored and appropriate measures must be taken to ensure due schooling and to prevent that they end up as child labourers again.	Mandatory

Criterion 5.2: Protection of young workers

If you employ young workers (15 - 17 years) you ensure that their working conditions conform to applicable national regulations. You must not submit workers of less than 18 years of age to any work which is likely to jeopardise their health, safety, morals or their school attendance.

Indicators

5.2a)	You know the legal requirements and work restrictions applicable to young workers.	Mandatory
5.2b)	Your management staff knows and monitors restrictions for young workers.	Mandatory
5.2c)	Young workers between the ages of 15 to 18 perform only light, age-appropriate work within legal restrictions. They are not exposed to work in an unhealthy environment, excessively long working hours, night hours, the handling of, or exposure to, chemicals or operation of dangerous equipment.	Mandatory

Criterion 5.3: Enterprises with suppliers and/or homeworkers

Suppliers' involvement of children in production: you monitor the risks of involvement of children in your production processes (in your supplier SMS) and work with your suppliers/homeworkers to ensure that:

Children under 15 years of age are not employed, contracted, or engaged as workers. If suppliers/ homeworkers involve their own children under 15 in family-based production activities, this involvement must be limited, occasional, age-appropriate, supervised by parents or guardian, and must not: interfere with schooling, homework, rest, or play; take place during school hours; involve hazardous, exploitative, or harmful work. Involvement of children under 13 years of age shall be exceptional and strictly minimal. Neither young family members (15-17 years) nor employed young

workers may perform hazardous or exploitative work. Children under 15 years of age may only help their parents within the limits above and may not use dangerous machinery, handle hazardous substances, carry heavy loads, work excessive hours, or perform night work.

Visiting SMS suppliers is not mandatory before the second year of certification. However, at the first audit, you shall have established a framework for managing SMS suppliers, including relevant templates, monitoring procedures and visit schedules, demonstrating how you will monitor and address children's involvement in production by the second year of certification.

Indicators

5.3a)	Involvement of children under the age of 13 (even if helping their parents learning the craft) shall be exceptional and strictly minimal. This is monitored and documented in your SMS.	Mandatory
5.3b)	Suppliers do not contract, employ or engage children (under 15 years of age) as workers. This is monitored and documented in your SMS.	Mandatory
5.3c)	If children (under the age of 15) help their parents in production, this is kept to the minimum, is never dangerous and does not interfere with schooling, i.e. only after school and during holidays, not for long hours. Their work is always only under supervision of their parents. This is monitored and documented in your SMS.	Mandatory
5.3d)	Younger family members (15-17 years) and young workers under the age of 18 are not exposed to any dangerous or exploitative work. This is monitored and documented in your SMS.	Mandatory

Criterion 5.4: No forced labour and human trafficking

You and your suppliers do not restrict workers' freedom of movement or employment and are not involved in human trafficking.

Indicators

5.4a)	You do not withhold payments or original legal documents of your workers. Workers are free to leave your premises (suitable security measures are accepted) and they are free from debt bondage or financial burdens related to recruitment, employment, and termination.	Mandatory
5.4b)	Your suppliers do not use forced labour and are not involved in human trafficking. This is monitored and documented in your supplier SMS.	Mandatory

6.2.6 Principle 6 – Commitment to non-discrimination, gender equity & women's economic empowerment & freedom of association

Non-discrimination and equal pay

The organisation does not discriminate in hiring, remuneration, access to training, promotion, termination or retirement based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, HIV/AIDS status or age. Where women are employed within the organisation, even where it is an informal employment situation, they receive equal pay for equal work. The organisation recognises women's full employment rights and is committed to ensuring that women receive their full statutory employment benefits. The organisation considers the special health and safety needs of pregnant women and breastfeeding mothers.

Gender equity

The organisation has a clear policy and plan to promote gender equality that ensures that women as well as men have the ability to gain access to the resources that they need to be productive and also the ability to influence the wider policy, regulatory and institutional environment that shapes their livelihoods and lives. Organisational constitutions and by-laws allow for and enable women to become active members of the organisation in their own right (where it is a membership-based organisation) and to take up leadership positions in the governance structure regardless of women's status in relation to ownership of assets such as land and property.

Freedom of association

The organisation respects the right of all workers to form and join trade unions of their choice and to bargain collectively. Where the right to join trade unions and bargain collectively is restricted by law and/or political environment, the organisation will enable means of independent and free association and bargaining for workers. The organisation ensures that representatives of workers are not subject to discrimination in the workplace.

Criterion 6.1: No discrimination

In your employment practices you do not practice any discrimination in hiring, remuneration, access to training, promotion, disciplinary practices, termination, or retirement based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, HIV/Aids status or age. Preferential treatment to disadvantaged groups may be given based on the equity principle and in alignment with the organisation's mission.

Indicators

6.1a)	Your commitment to "no discrimination" in employment is explicitly expressed and communicated, e.g. in a nondiscrimination Policy, or a related chapter of your employee handbook.	Mandatory

6.1b)	In your hiring, access to training, promotion, disciplinary practices, termination and retirement, you act in accordance with your policy and do not practice any discrimination.	Mandatory
6.1c)	You have a transparent system to set wages, and you do not practice discrimination in wages.	Mandatory

Criterion 6.2: Fair selection of suppliers

In selection of suppliers of FT products, you do not practice any discrimination. Preferential selection of disadvantaged groups (in line with your mission) is not considered "discrimination".

Indicators

6.2a)	Your selection process for new suppliers of FT products is transparent and not discriminatory.	Mandatory

Criterion 6.3: Gender policy

You have a policy and plan to ensure that women as well as men can access the resources, they need to be productive, take part in decision-making in your organisation and beyond, and take up leadership positions. See WFTO gender policy for guidance in developing/updating your policy.

Indicators

6.3a)	You have a written policy and related activities on gender equality (in line with WFTO Global Gender Policy).	Mandatory by year 2

Criterion 6.4: Violence/sexual harassment in your organisation

You have a system to enable confidential reporting of violence, harassment or sexual abuse and you follow up and resolve any such incidents.

Indicators

6.4a)	You have a policy against violence and sexual harassment, which includes provision of training on such issues.	Mandatory
6.4b)	You provide confidential reporting mechanisms for all workers to report on sexual harassment or violence.	Mandatory
6.4c)	You register all cases/ reports received and document how you resolved any problems in a responsible manner.	Mandatory

Criterion 6.5: Pregnant women and new parents

You respect all legal requirements for pregnant women and new parents.

Indicators

6.5a)	You know applicable legal requirements regarding pregnancy and new parents. Your HR personnel is aware thereof.	Mandatory
6.5b)	Your employee handbook, contract or other information for workers describes the rights of pregnant women and new parents and you protect them accordingly.	Mandatory

Criterion 6.6: Freedom of Association

You respect the right of all your workers to form and join workers' organisations of their choice and to bargain collectively. Where the right to join trade unions and bargain collectively is restricted by law and/or political environment, you should support alternative means of independent and free association and bargaining.

Indicators

6.6a)	You allow workers to form and join organisations of their choice and inform them of this right.	Mandatory
6.6b)	Workers' representatives are not subject to discrimination in the workplace.	Mandatory

Criterion 6.7: Support workers' and suppliers' organisation

You support and encourage your workers, suppliers and homeworkers to organise, meet and discuss problems both with each other and with management.

Indicators

6.7a)	You encourage and support any active workers' representation in your organisation.	Continuous Improvement
6.7b)	You encourage and support suppliers to organise in groups to strengthen their negotiation and market access capacities.	Continuous Improvement

6.2.7 Principle 7 – Ensuring good working conditions

Health and safety at work

The organisation provides a safe and healthy working environment for workers and producers. It complies, at a minimum, with national and local laws and ILO conventions on health and safety.

Working hours and conditions

Working hours and conditions for workers and/or producers (and any homeworkers) comply with conditions established by national and local laws and ILO conventions.

Safe working conditions for producers and suppliers

Fair trade organisations are aware of the health and safety conditions in the producer groups they buy from. They seek, on an ongoing basis, to raise awareness of health and safety issues and improve health and safety practices in producer groups.

Criterion 7.1: Health & safety risk assessment and management

You have an up-to-date assessment of health and safety risks in your operations and record accidents or work-related health problems, analysing all incidents and taking appropriate corrective action to improve the situation.

Indicators

7.1a)	You have an assessment of the health and safety risks.	Mandatory
7.1b)	You keep a register of accidents and incidents (including "near misses") as well as work related health problems and take appropriate measures to improve the situation.	Mandatory
7.1c)	You have a manager responsible for H&S who makes sure that supervisors are trained in H&S and aware of relevant risk areas and risk prevention.	Mandatory

Criterion 7.2: Health & safety training and workers involvement

You train your workers in health & safety and involve them in identifying and addressing risks in their workplaces.

Indicators

7.2a)	You provide initial and regular training in H&S to your workers, as needed to address the identified risk.	Mandatory
7.2b)	You involve your workers in identifying and addressing risks in their workplaces.	Mandatory

Criterion 7.3: Safe conditions

You provide safe working conditions for your workers and minimise risks of accidents or health problems including safe management of chemicals and other high-risk activities, safe building & emergency procedures, adequate fire prevention and first aid.

Indicators

7.3a)	You manage fire hazards responsibly (incl. alarms, extinguishers, regular control of electric installations).	Mandatory

7.3b)	Emergency evacuation is always possible and workers know emergency procedures.	Mandatory
7.3c)	Building structures are sound and safe.	Mandatory
7.3d)	You provide adequate personal protection for workers and ensure responsible handling of chemicals (training in correct use, safe storage, product safety information available).	Mandatory
7.3e)	Machinery is protected and staff is trained in its use to prevent accidents.	Mandatory
7.3f)	Safe drinking water and adequate toilet facilities are provided.	Mandatory
7.3g)	Emergency first aid is available on site at all times.	Mandatory

Criterion 7.4: Suppliers' health & safety practices

You monitor important health & safety risks at supplier/home worker level and work with your suppliers/homeworkers to ensure safety risk awareness, accident prevention and minimisation of health risks for themselves, their families and workers (if any).

Visiting SMS suppliers is not mandatory before the second year of certification. However, at the first audit, you shall have established a framework for managing SMS suppliers, including relevant templates, monitoring procedures and visit schedules, demonstrating how you will monitor suppliers' health and safety practices by the second year of certification.

Indicators

7.4a)	Suppliers are aware of safe practices as relevant in their production and supervise safe conditions for their family members and workers (if any).	Mandatory
7.4b)	If using dangerous machinery, tools, practices or chemicals, your suppliers (and their families and workers) apply safe practices and use protective equipment as agreed.	Mandatory
7.4c)	Your suppliers' storage of chemicals, discarded chemical containers, or dangerous machinery, is adequately safe (for humans and environment).	Mandatory

7.4d)	Your SMS monitors and documents safe production practices of suppliers.	Mandatory

Criterion 7.5: Working hours

You record working hours of your workers and meet national legislation regarding working hours, overtime, statutory holidays, and annual leave.

Indicators

7.5a)	You have a system to monitor and record working hours of your workers including piece rate workers.	Mandatory
7.5b)	You meet legal requirements regarding working hours and overtime, including overtime remuneration for all workers.	Mandatory
7.5c)	You meet legal requirements for statutory holidays and annual leave for all your workers.	Mandatory
7.5d)	If excessive overtime is a problem, you work with your workers and trade partners on optimising processes and lead times to avoid excessive workload.	Mandatory

Criterion 7.6: Work & family

You support workers in combining family and work duties. E.g. flexible working hours, allowing time for breastfeeding, some flexibility to tend to sick children.

Indicator

7.6a)	You have some flexibility in working hours and allow for childcare support or leave in family emergency situations, e.g. if family members are ill.	Mandatory by year 2

Criterion 7.7: Minimum social security

You provide your workers with all legally required social benefits (e.g. retirement c
leave, basic social security, health care contributions, as applicable).

Indicator

7.7a)	You provide all legally required social security benefits to your workers and pay at least the legal minimum contributions as employer.	Mandatory

Criterion 7.8: Additional social security

You strive to provide additional social security and benefits to your workers, above legal obligations, in particular health insurance/medical support, retirement schemes, social security in case of disability or death of the income earner, sick leave.

Indicator

7.8a)	You provide additional social security and benefits to your workers beyond legal requirements.	Continuous Improvement

Criterion 7.9: Paying workers

You make payments to workers at scheduled intervals in a form convenient to them, according to legal requirements, and documented on payslips.

Indicators

7.9a)	Payments to workers are done on time, at scheduled intervals and as agreed.	Mandatory
7.9b)	Payments must be made in cash or by bank transfer, or in any other way which is legal and convenient for workers.	Mandatory
7.9c)	With every payment workers receive a payslip which includes all details of the salary calculation, including deductions, in line with legal requirements, if any.	Mandatory

Criterion 7.10: Regular employment

You monitor the ratio of regular workers to casual workers, strive to provide regular employment and do not use limited term contracts or apprenticeships to avoid social security for workers.

Indicator

7.10a)	You regularly review how many casual workers you have and offer them regular employment and social security whenever you can.	Continuous Improvement

6.2.8 Principle 8 – Providing capacity building

The organisation seeks to increase positive developmental impacts for economically marginalised producers and workers through fair trade. The organisation develops the skills and capabilities of its workers and producers/producer groups. Organisations working directly with producers develop specific activities to help these producers improve their management skills, production capabilities and access to markets – local / regional / international / fair trade and mainstream – as appropriate. Organisations which buy fair trade products assist their suppliers of FT products to develop their capacity to support the economically marginalised producers that they work with.

Criterion 8.1: Training plan

You have a plan to build the capacity of your workers and dependent suppliers (if any) according to their needs and your need as an organisation. You should aim to improve your workers' and dependent suppliers' capacity as needed and as required in this standard. The training plan should include at least the following aspects required in the standard chapters:

- Improving production, management & business skills (Principle 8)
- Basic information for fair price and wage setting (Principle 4)
- Gender equity and leadership (Principle 6)
- Health & safety issues (Principle 7)
- Fair trade awareness of workers and producers (Principle 9)
- Minimising Impact on the environment (Principle 10)

Indicators

8.1a)	You regularly assess the training needs of your workers and dependent suppliers and set up a training plan and budget accordingly.	Mandatory by year 2
8.1b)	Your training plan includes at least the topic listed by the criteria.	Mandatory by year 2
8.1c)	Training materials and records confirm training is provided according to the plan.	Mandatory by year 2

Criterion 8.2: Support for independent suppliers

When buying from independent suppliers of FT products you support them to improve their management skills, production capabilities, leadership, product quality and access to markets, and support them in their efforts to meet the WFTO standard as appropriate for your scale and leverage as a buyer.

Indicator

8.2a)	If you have independent suppliers of FT products you work with them on improvement of management and production capacities E.g. quality trainings and visits; regular exchange, helping suppliers to find additional buyers, supporting supplier's visits to FTO and key markets.	Mandatory by Year 2

6.2.9 Principle 9 – Promote fair trade

The organisation raises awareness of the aims of fair trade and of the need for greater justice in world trade through fair trade. It creates awareness of ongoing climate change and the impact this has on the fair trade community everywhere and especially on growers, producers and artisans who produce the lowest carbon emissions but suffer most from floods, droughts, changing rainfall patterns and rising temperatures. The organisation educates its employees, constituencies, consumers and the public about climate change and ways for them to combat it. It is the responsibility of the fair trade Organisation whether in the north or the south to assist producers in their transition to compliance

with the criteria. It provides its buyers and customers with information about the products it markets and the producer organisations, producers or workers that make or grow the products. Honest advertising and marketing techniques are always used.

Criterion 9.1: Promoting fair trade

You promote and/or raise awareness of FT and FT principles internally (with your workers and dependent suppliers) as well as to your trade partners and the public (consumers, local community) according to the scope of your organisation.

Indicators

9.1a)	You communicate your commitment to the WFTO principles to all your workers and suppliers.	Mandatory
9.1b)	You promote fair trade and fair trade enterprises, at least as part of business promotion.	Mandatory

Criterion 9.2: Advocacy for FT issues and engagement in WFTO

You engage in awareness raising, education, campaigning or advocacy on important FT issues and engage in the WFTO community (e.g. at regional organisation level, at conferences or by contributing to working groups) according to the scale of your operations, possibly in collaboration with partners or local FT networks.

Indicators

9.2a)	You have activities to campaign, raise awareness or educate about the role of fair trade enterprises and/or specific issues within fair trade, including environmental impact.	Continuous Improvement
9.2b)	You engage in WFTO activities, such as meetings, working groups or regional forums, and support the promotion of fairtrade and the WFTO community in a manner consistent with chapter 11 of the standard.	Continuous Improvement

Criterion 9.3: Living up to your claims

You use honest, substantiated and ethical advertising and marketing techniques. Any fair trade claim, and any use or reference to the WFTO mark or WFTO label, shall be consistent with chapter 11 of the standard and shall not mislead customers, business partners or the public about the organisation's membership status, certification status or the scope of products, activities or entities covered.

Indicator

9.3a)	You employ ethical advertising and marketing methods and ensure that any fair trade claims, and any use or reference to the WFTO mark or WFTO label, are truthful, substantiated and not misleading, in accordance with chapter 11 of the standard.	Mandatory

Criterion 9.4: Creating awareness of ongoing climate change and the need to protect our planet

Indicators

9.4a)	You have a written policy plus a separate action plan to create awareness of climate change within your organisation and beyond.	Mandatory by Year 2
9.4b)	You share relevant information and support your suppliers to mitigate against climate change.	Mandatory by Year 2
9.4c)	You communicate your own mitigation efforts to tackle ongoing climate change to your constituency, consumers and the general public and help dependent suppliers to adapt.	Mandatory by Year 2

6.2.10 Principle 10 – Climate action and protection of the environment

Climate action and reduction of greenhouse gas emissions

Fair trade organisations support and practice production, agriculture, service and trade activities that are natural resource conserving, low-emitting, culturally sensitive, socially just and economically viable. They work on adapting and building resilience to climate change and reducing the greenhouse gas emissions of their operations. Where they work with groups of agricultural producers and indigenous people, FTOs contribute to the conservation of their territories, strengthen their systems of land use (cultural landscapes) and protect their biodiversity with the aim of preserving the ecosystem and strengthening their agricultural models to gain resilience to climate change. Buyers and importers of fair trade products and services support their supply chain partners in adopting practices and transport options that encourage sustainable development and protect our planet at this time of crisis. As far as possible producer FTOs encourage and promote local production and local sourcing of raw materials. Fair trade enterprises ship goods by sea, as far as possible choosing shipping lines with the greenest, most sustainable credentials. Regarding consumption, efforts are made to reduce environmental damage or ill-effects. All airline travel needs to be carefully considered, preferring to hold virtual meetings as far as possible, while recognizing the value of in-person visits to achieve better.

Sustainable production and waste management

Fair trade organisations grow, produce and trade their products or services with minimum greenhouse gas emissions (see above), harm to natural ecosystems, wildlife and biodiversity. Ways are found to lessen unsustainable energy use. Solar, wind, hydro or other alternative energy use is encouraged. Water use as well as water and air pollution is minimised. Fair trade organisations manage their waste responsibly, in line with reduce-reuse-recycle principles, in order to reduce significantly the amount of waste that is thrown away. Farmers and indigenous peoples, by preserving their ecosystems and suffering from climate change, have their rights and territories guaranteed and their agricultural models strengthened to be more resilient to climate change. Fair trade agricultural commodity producers adapt their practices to the changing climate, adjusting planting dates, using drought-resistant varieties, diversifying their crops and conserving natural resources. In flood-prone areas, flood alleviation measures are taken. They use organic or low-pesticide production methods wherever possible. Fair trade organisations that produce or sell consumable agricultural products have a written policy statement on their position about genetically modified organisms.

Product design and packaging

Wherever possible, raw materials, ingredients, components and elements of fair trade products or such materials required for services are obtained from fair trade or sustainable, responsible sources, or made from recycled or re-used material. Products are designed to be as readily recyclable, compostable or biodegradable as possible. To the extent possible, only recycled or easily biodegradable materials are used for product packing, and the use of non-recycled plastics is reduced to the minimum.

Criterion 10.1: Policy and reporting

Your organisation has a documented approach to managing its environmental impacts and supporting Principle 10.

Indicator

10.1a)	You have a policy document that describes (a) your intention to support Principle 10, (b) the actions you plan to take within a timeframe appropriate to your organisation, c) the resources available or accessible to support your action plan, (d) your position with regard to GMOs, (e) your commitment to comply with relevant environmental legal requirements in your country. If you are a buyer or importer, you describe what you are doing to support your supply chain partners in addressing the environmental impacts linked to your operations.	Mandatory

Criterion 10.2: Environmental assessment planning

Your organisation is planning how to manage the assessment and reporting of environmental impacts of its operations.

Indicator

10.2a)	You have established a plan for assessing and reporting the environmental impacts[1] of your production and operational activities, including GHG and other harmful emissions, waste generated (solid, liquid and gaseous), and actions needed to reduce and manage these impacts.	Mandatory by Year 2

Criterion 10.3: Environmental assessment and improvement actions

Your organisation assesses the environmental impacts of its operations and uses the findings to implement improvement actions.

Indicators

10.3a)	You are assessing and reporting environmental impacts of your production and operational activities, including GHG and other harmful emissions, waste generated (solid, liquid and gaseous), and actions needed to reduce and manage these impacts.	Mandatory by Year 4[1]
10.3b)	The improvement actions include reduction of (a) waste generated and (b) GHG and other harmful emissions.	Mandatory by Year 4
10.3c)	You report on actions taken and progress made through your SAR, Improvement Plan or a sustainability or environmental report.	Mandatory by Year 4[2]

Criterion 10.4: Circularity

Reduce - Reuse - Recycle.

Indicators

10.4a)	You aim to reduce, reuse and recycle waste including wastewater.	Continuous Improvement
10.4b)	Your disposal practices do not pose health or safety risks to producers, workers, other people or natural ecosystems.	Continuous Improvement
10.4c)	Plastic waste is not left on the land or thrown into waterways but disposed of responsibly.	Continuous Improvement

Criterion 10.5: Nature conservation

Nature conservation, biodiversity, protection of forests and other natural ecosystems.

Indicators

10.5a)	You avoid producing or trading in products that come from degraded ecosystems or forests.	Continuous Improvement
10.5b)	If you are located in a forested neighbourhood, you make efforts to discover their status and the status of other natural ecosystems and advocate for their conservation and to reduce conversion of these to agricultural land or other land use.	Continuous Improvement

[1] A materiality assessment could be a suitable method to identify the relevant environmental issues. Other, potentially simpler, approaches can also be used to identify the organisation's most significant environmental issues. [2] The report must be presented in the audit (so reporting must be done for the previous fiscal year)

Criterion 10.6: Adapting agricultural practices to climate change

If you are an agricultural producer or work with agricultural producers, you encourage:

Indicators

10.6a)	Good management practices and adopt measures to mitigate climate change.	Continuous Improvement
10.6b)	Traditional agricultural practices that minimise harm to the environment, traditional knowledge and sustainable practices.	Continuous Improvement
10.6c)	Agri-ecological practices, transformation that support organic, sustainable production.	Continuous Improvement
10.6d)	Technical innovations that respect different cultural lifestyles e.g. the use of land, diversification of crops and varieties (including disease resistant crops), biological pest control, use of rainwater, renewable energy sources etc and their costs and benefits are shared.	Continuous Improvement

Criterion 10.7: Product design and packaging

Indicators

10.7a)	Raw materials, ingredients, components and elements of FT products or such materials required for FT Services are from sustainable, socially responsible sources or made from recycled materials wherever possible.	Continuous Improvement
10.7b)	Products are designed and packaged to be as readily recyclable, compostable or biodegradable as possible. Use of non-recycled plastic is minimised.	Continuous Improvement

Criterion 10.8: Learning together

Indicator

10.8a)	You work together with your partners respecting the cultural characteristics of the producers, to identify, and then implement, measures to mitigate and adapt to climate change and minimise environmental impact.	Continuous Improvement

7 Subset criteria

The subset criteria are those criteria that shall be fulfilled by the unverified suppliers monitored under the enterprises' Supplier Monitoring System (SMS).

Each supplier is responsible for meeting these criteria within their own operation and in relation to the people working within it. Throughout these criteria, "you" refers to the supplier. The term "workers" should be understood in light of the supplier's nature: where the supplier is an informal producer group or cooperative, "workers" means the member of that group, regardless of whether a formal employment relationship exists; where the supplier is a more formally structured organisation, it will normally mean their employees.

The certified enterprise must monitor their supplier to confirm that they meet the applicable requirements.

The Supplier Monitoring System with all related documentation will be verified during the enterprise's certification cycle. From year 2 of certification, the enterprise's audits include a visit to a sample of SMS suppliers to cross-check the efficiency of the SMS.

7.1 Applicable subset criteria

a) Focus on economically marginalised suppliers/workers:

You work and trade primarily with workers, suppliers of FT products who are socially and/or economically marginalised, or who are buying from such groups, or otherwise demonstrate positive impact on economically marginalised groups as a central part of your business.

b) Fair prices for your dependent suppliers (producers):

Your dependent suppliers receive Fair Prices that allow them to earn an income on local living wage level.

Living Wage calculations for dependent suppliers consider which part of their working time is spent on producing FT products and can include other household income. FTOs who are not paying Fair Prices to dependent suppliers analyse their gaps and have a plan to work towards local living wage price levels with a realistic timeline and targets (included in their WFTO Improvement plan).

c) Enterprises with suppliers and/or homeworkers

Children under 15 years of age are not employed, contracted, or engaged as workers. If suppliers/homeworkers involve their own children under 15 in family-based production activities, this involvement must be limited, occasional, age-appropriate, supervised by parents or guardian, and must not: interfere with schooling, homework, rest, or play; take place during school hours; involve hazardous, exploitative, or harmful work. Involvement of children under 13 years of age shall be exceptional and strictly minimal. Neither young family member (15-17 years) nor employed young workers may perform hazardous or exploitative work. Children under 15 years of age may only help their parents within the limits above and may not use dangerous machinery, handle hazardous substances, carry heavy loads, work excessive hours, or perform night work.

d) No forced labour and human trafficking:

You and your suppliers do not restrict workers' freedom of movement or employment and are not involved in human trafficking. Sometimes even well intended services can lead to undue dependence or restriction of freedom, e.g. loan schemes that keep suppliers/workers in longterm debt, keeping original identity papers of workers etc.

e) No discrimination:

In your employment practices you do not practice any discrimination in hiring, access to training, promotion, disciplinary practices, termination or retirement based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, HIV/Aids status or age. Preferential treatment to disadvantaged groups may be given based on the equity principle and in alignment with the organisation's mission.

f) Suppliers' health & safety practices:

You monitor important health & safety risks at supplier/homeworker level and work with your supplier/ home workers to ensure safety risk awareness, accident prevention and minimisation of health risks for themselves, their families and workers (if any).

g) Learning together

You work together with your partners, respecting their cultural characteristics, to identify and implement measures to mitigate and adapt to climate change and minimise environmental impact.

8 Implementation and management system requirements

This clause specifies the management system elements that support the implementation, maintenance and continuous improvement of conformity with the WFTO Fair trade Standard. It defines the general expectations regarding planning, internal monitoring, assignment of responsibilities, documentation and oversight within the organisation. The implementation of a management system is mandatory for certified enterprises and will be checked during the audit process.

The management system must include as a minimum the following:

(a) Documents and Processes that support and ensure compliance with all WFTO Principles
(b) A robust improvement plan that is regularly updated and challenged to be "fit for purpose" (c) A robust Supplier Monitoring System

8.1 Improvement planning

The organisation shall establish, maintain and periodically update an improvement plan to support continued implementation and the conformity level of the WFTO Fair trade Standard. The plan shall address, as applicable, corrective actions, continuous improvement objectives, responsibilities and

timeframes. It is mandatory for certified enterprises to set-up and maintain an Improvement Plan, even if they already reached full conformity.

8.2 Supplier Monitoring System (SMS)

Each certified enterprise must manage their direct suppliers and implement a Supplier Monitoring System (SMS). This includes as a minimum the check, approval and monitoring.

All suppliers (including producers and producers organized in producer groups) must be listed and graded according to their "status" (externally verified supplier, certified enterprise, SMS supplier, excluded supplier, service providers). Every certified enterprise is responsible for WFTO standard compliance of their own operation and must monitor and work with their suppliers to ensure that they comply at least with the subset of criteria applicable to suppliers.

Certified enterprises can accept the following suppliers:

1. Externally Verified suppliers: WFTO certified enterprises or organisations certified according to a scheme recognised by WFTO (see Annex E). **Guaranteed WFTO Members and those with status "Renewal in progress" are accepted as externally verified suppliers until 28.02.2027.**
2. Suppliers without external recognised certification but monitored by the certified enterprise under their SMS to confirm they comply with the subset criteria.

The organisation shall manage its fair trade suppliers in a manner that safeguards the social, economic and environmental well-being of economically marginalised producers and workers and shall not maximise profit at their expense. The Supplier Monitoring System shall include clear and reliable trading arrangements, timely fulfilment of commitments, and effective communication with suppliers of FT products and buyers. The organisation shall ensure that contracts or equivalent trading arrangements define relevant terms, including quality and product specifications, delivery requirements, payment conditions, pre-financing arrangements where applicable, and procedures for handling delivery problems, changes or cancellations.

Where the organisation acts as a buyer, it shall ensure fair and transparent payment practices that consider the financial constraints of suppliers of FT products. Payments shall be made on receipt of products or documents, or as otherwise mutually agreed. Where pre-financing is requested, the organisation shall provide it in accordance with the applicable fair trade requirements. For handicraft and other non-food FT products, this shall include at least 50% interest-free pre-financing; for food FT products, at least 50% pre-financing shall be made available at no more than a reasonable interest rate, which shall not exceed the buyer's cost of borrowing from third parties. The organisation shall maintain procedures for dealing fairly and transparently with delivery problems, order changes and cancellations. Buyers shall consult suppliers of FT products before cancelling or rejecting orders. Where orders are cancelled or changed at short notice through no fault of the supplier, adequate compensation shall be provided for work already completed. Where delivery quantities, quality or timing do not meet the agreed terms, the parties shall communicate without delay and agree on appropriate corrective measures or revised terms. The organisation shall seek to maintain long-term trading relationships based on solidarity, trust and mutual respect and shall manage these relationships in a way that contributes to the continuity and growth of fair trade and to improved income opportunities for suppliers. The organisation shall also avoid unfair competition, respect the rights and legitimate interests of other fair trade actors, including their designs and patterns, and recognise, promote and protect cultural identity and traditional skills reflected in products, services and trading relationships.

8.3 Risk assessment of excluded suppliers and service providers

Suppliers that do not fit either of the above categories for documented reasons may be exempted from monitoring requirements provided that the enterprise demonstrates that sourcing from such suppliers is necessary, justified, and consistent with the fair trade objectives. The enterprise shall conduct a documented risk assessment for its excluded suppliers, considering risks associated with the supplier or the supplied products, including semi-finished products and ingredients. This should include geopolitical, environmental, financial, process, production, social, labour or human right risks, as applicable. This can be done also in a separate section of the SMS.

Where an enterprise outsources processing or other value-adding activities that contribute to the production of a fair trade product (e.g. roasting, manufacturing, or transformation processes), while retaining ownership of the product, the external party shall be considered a service provider and not a supplier. However, the enterprise shall conduct a risk assessment of the service provider in line with the requirements applicable to excluded suppliers. The enterprise is also expected to make continuous improvements to source such services from FT or at least ethical and sustainable suppliers; progress made is assessed under Principle 3 (sourcing policy).

Providers of raw materials or components used by an enterprise to produce the fair trade product are not to be included in the SMS. The enterprises' practices in this area are only assessed under Principle 3 (sourcing policy).

8.4 Management of multi-site organisations

A multi-site organisation is a single legal entity operating under one central management system, with activities carried out at more than one site. The central function, normally the headquarters, shall control and maintain the management system and ensure that all sites within the certification scope comply with, implement and apply all applicable requirements of this standard in practice.

All sites covered by the certification remain part of the certified organisation and shall not be treated as suppliers, SMS suppliers, excluded suppliers or service providers for the purpose of this standard. During certification and surveillance audits, the certification body shall assess the headquarters as the central function and verify implementation at relevant sites, where appropriate on a sampling basis. Sampling shall provide sufficient confidence that the standard is effectively implemented across all sites and that the central management system is functioning.

8.5 Supplier monitoring system requirements

SMS-1 (Mandatory)

You have a system in place to check the fair trade Status of all your suppliers of FT products: For externally verified suppliers (WFTO certified enterprises or verified according to a recognized FT scheme) you regularly verify the FT Status. Other suppliers of FT products are to be included in your Supplier Monitoring System. This requirement is also related to Indicator 1.3a).

SMS-2 (Mandatory by year 2)

You have a system to ensure SMS-suppliers have a monitoring audit at least once every 3 years by a competent internal or external expert and that the results are documented. The SMS supplier audit reports are adequately detailed, assessing production conditions and monitoring fair conditions: fair prices, no child labour, no forced labour, no discrimination, safe conditions, environmental impacts.

SMS-3 (Mandatory)

If you identify non-conformities with the fair trade Principles you work with your supplier on improving the situation. In case of very serious non-conformities, you have a process in place to ensure the supplier's commitment to and implementation of improvement measures with ultimately the option to suspend/stop FT purchases.

SMS-4 (Mandatory for enterprises sourcing from excluded suppliers)

When you source from excluded suppliers you demonstrate that sourcing from such suppliers is necessary, justified, and consistent with the fair trade objectives. You conduct a documented risk assessment for these excluded suppliers, considering geopolitical risks, environmental risks, financial risks, process risks and production risks associated with the supplier or the supplied products (including semi-finished products and ingredients).

SMS-5 (Mandatory for enterprises sourcing through non-FT intermediaries)

If you purchase products through intermediaries which are conventional traders and consider these products as fair trade, you shall document the justification for purchasing through the intermediary, demonstrate that the arrangement is necessary and consistent with your fair trade objectives, conduct a risk assessment and demonstrate that the product originates from a verified fair trade source (WFTO certified enterprise, externally verified supplier, SMS-supplier).

SMS-6 (Mandatory for enterprises outsourcing processing)

If you outsource processing or other value-adding activities related to the production of your fairtrade products while retaining ownership of the product, you shall conduct a risk assessment of the service provider in line with the requirements applicable to excluded suppliers.

9 Conformity assessment framework

The conformity assessment under the WFTO certification system is based on a combination of self-assessment and independent third-party (document checks, remote audits and on-site audits) assessment. The purpose of the assessment framework is to provide a consistent basis for determining conformity with this standard and for supporting certification decisions. In the following the general set-up is explained. The detailed design of the assessment cycle, including assessment methods, frequencies, planning rules and surveillance arrangements are defined in the document “Requirements for WFTO certification processes and certification bodies”.

9.1 Basic principles of assessment

Certification under the WFTO certification system combines self-assessment in the form of a SAR, to indicate readiness for third party certification audits. The standard’s compliance criteria are used as a basis for Self-Assessment Reports (SARs) and certification audits. The elements interact to verify implementation and the continuous improvement of the system participants over time.

The audit cycle comprises 4 years and consists of the SAR, the initial certification audit, surveillance audits in the following years and at the beginning of the new cycle a re-certification audit. The audit frequency is related to the risk assessment which is conducted based on the SAR and the certification audit (see Table 1). It is to be sent for verification towards the certification body every two years. A new

risk classification can be performed every two years. This means that high risk classified enterprises may be classified with low risk.

Table 1 Risk categories and their implication for the certification cycle

Risk Category	Certification cycle impact
Low Risk	Reduced surveillance between certification cycles
High Risk	Increased surveillance between certification cycles

Enterprises classified as high risk must take audits more frequently than enterprises classified as low risk. The criteria for risk assessment are explained in chapter 9.3.2 Figure 1 below shows the cycle and the audit methods required related to the risk classification.

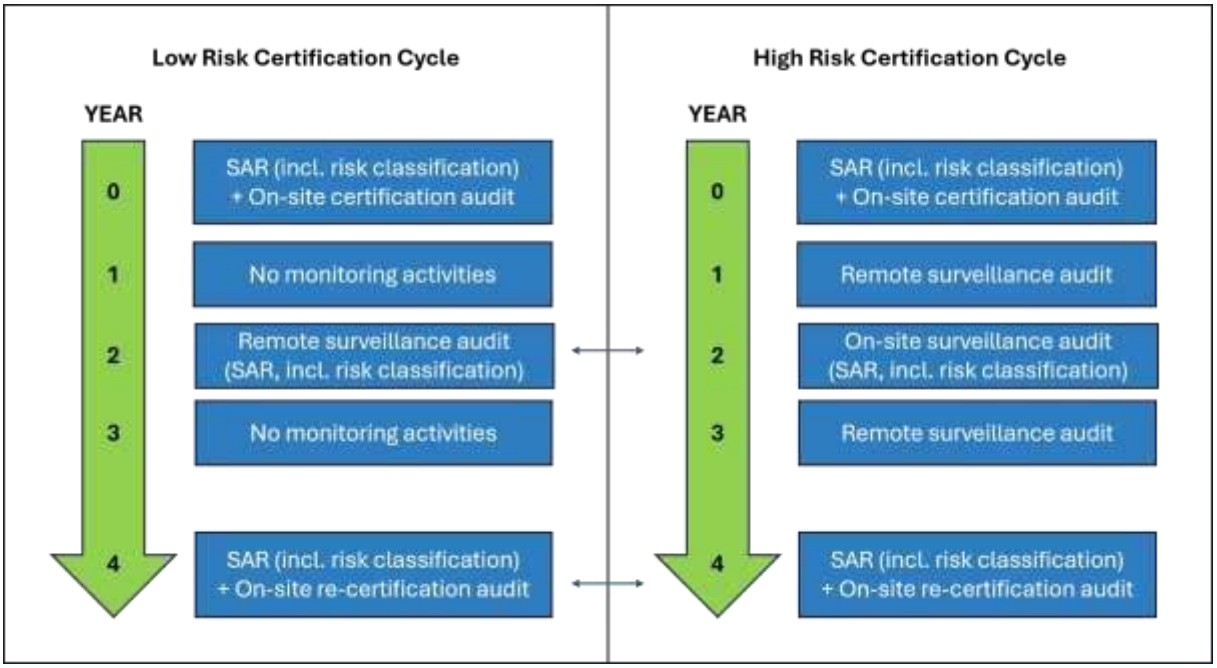

Figure 1 Certification cycle in relation to risk classification

9.2 Self-Assessment Report (SAR)

The Self-Assessment Report must be prepared and or updated annually by the applicant, and evidence of this will be requested at each audit appointment. The SAR must be submitted to the certification body every two years. It is documenting how the participant meets each applicable compliance criterion and provides evidence and explanations, supported by the indicators and guidance notes in the SAR form. The SAR shall include an improvement plan that assigns actions, responsibilities and timelines for (a) criteria that become mandatory in later years and (b) continuous improvement criteria. In this context, the SAR represents an important mechanism for the enterprise to reflect on its own fair trade performance, identify areas for improvement, and demonstrate progress over time.

After an organisation expresses interest in becoming certified, WFTO sends the relevant guidelines and forms as well as a list of currently approved and accepted certification Bodies under the WFTO

certification standard. The organisation receives a deadline for submission of the Self-Assessment Report (SAR), with a further reminder issued at the deadline.

The organisation's management conducts the necessary internal consultations and visits to ensure that the entire operation is assessed against the WFTO Fair trade Standard and the requirements of the Supplier Monitoring System. This includes documentation of consultations with suppliers over the previous years. The findings of the enterprise's internal monitoring of fairtrade conditions for suppliers are also reviewed.

The enterprise completes the SAR, including all required forms, and submits it to the certification body by the agreed deadline. If the SAR is not received within the 30 days of the deadline, a reminder is sent. Continued failure to submit may trigger the sanctions procedure.

In the certification system, the SAR serves to:

- assess readiness for certification
- identify risks and areas requiring further verification
- define the method for the surveillance and monitoring

During the on-site audit the auditor evaluates the enterprise's management system (see chapter 9.3) as well as the compliance with the criteria and indicators. Furthermore, it is the auditor's responsibility to cross-check the information provided in the SAR during the initial audit and reflect this in the audit report. Together with audit results the SAR serves as a basis for decisions on certification or sanctions.

The evaluation of the SAR will contribute to risk classification of the enterprise and therewith defines the modalities and frequency of the external audit (see 9.1).

9.3 Certification and surveillance audits

Enterprises send an inquiry to the certification body authorised to issue certificates for the WFTO certification standard.

In the beginning of the certification cycle (after the SAR process) an on-site certification audit is conducted by an independent third-party auditor. In the following years of the cycle surveillance audits and monitoring are carried out.

As outlined in chapter 9.1, the frequency of on-site and remote surveillance audits depends on the risk assessment of the organisation. For low-risk organisations an on-site audit takes place every 4 years. For high-risk organisations an on-site visit is scheduled every 2nd year.

The criteria for risk assessment are outlined in chapter 9.3.2.

9.3.1 Risk assessment

The risk assessment framework is designed to classify certified organisations into risk categories in the beginning of the certification cycle as well as after every on-site audit. The purpose is to:

- Set audit frequency and audit type in proportion to risk.
- Provide a transparent and consistent basis for deciding between remote and on-site audits.
- Support evidence-based surveillance intervals.
- Enable certification bodies and auditors to apply audit planning consistently.

9.3.2 Risk assessment set-up

The risk classification system should:

- Be objective and repeatable.
- Use measurable indicators wherever possible.
- Avoid excessive complexity.
- Be understandable by auditors and certified organisations.
- Allow documented justification for overrides.
- Be periodically reviewed and calibrated.

The risk classification is based on two groups of risks (see Table 2) and assessed with the help of suitable indicators (see Table 3). Both groups of indicators are assessed together to determine the overall risk category.

Table 2 Risk types and their meaning for the assessment

Risk type	***Purpose***
A. Inherent Risk	*Structural complexity and exposure*
B. Performance & Compliance Risk	*Audit performance and control effectiveness*

To identify the risks several indicators are defined to assess the inherent and the performance & compliance risk. The following table (Table 3) gives an overview of the indicators for identifying the inherent and the performance and compliance risks.

The risk assessment shall be reviewed:

- after every audit,
- after substantiated complaints, ● following major organisational changes,
- or following suspension or reinstatement.

Table 3 Indicators and their rationale for the risk assessment for the two risk types

Risk type	***Indicator***	***Rational***
A. Inherent risk	***Organisation type***	Trading entities generally present higher traceability and transaction risks.
	Number of excluded suppliers	A higher number of suppliers outside the regular SMS reduces direct monitoring and control.
	Number of product lines	Additional product lines increase audit complexity and traceability risk.

B. Performance & compliance indicators	***Internal control quality***	Effective internal controls reduce the risk of noncompliance and support reliable implementation of the standard.
	Serious complaints or allegations (last 12 months)	Verified, substantiated or credible complaints may indicate system weaknesses or integrity risks
	Audit non-conformities	Audit performance is the strongest predictor of future compliance risk.

Regardless of total score, an organisation shall automatically be classified as high risk if any of the following occur:

- Fraud or intentional misrepresentation
- Critical labour rights violations
- Evidence of product substitution
- Obstruction of audits
- Repeated suspension history
- non-compliances (legislation or contractual arrangements concerning this standard)

Positive performance over time should allow movement into the lower-risk category. A first change of the risk classification from a high into a low risk is possible after the two years (on-site Surveillance Audit).

10 Certification requirements and status

Certification under the WFTO certification system shall be granted only where the applicant demonstrates conformity with the applicable requirements of this standard and provides the evidence required through the Self-Assessment Report and audits.

The certification status shall reflect the organisation's current level of conformity and shall be maintained only where continued compliance is demonstrated throughout the certification cycle.

Where non-conformities are identified, the organisation shall implement correction, corrective action and, where necessary, preventive action within the below given timeframes. The type, severity and persistence of non-conformities, including any high-risk classification, shall determine whether certification may be granted, maintained, suspended, placed on hold or withdrawn. The detailed handling of non-conformities and the reporting of certification outcomes to WFTO as system owner are specified in 10.1 and 10.2.

Certified organisations shall maintain effective arrangements to monitor ongoing compliance and conformity; address identified weaknesses in a timely manner and support the integrity and credibility of the WFTO certification system.

As the certification system owner, WFTO approves the respective certification information, which it receives from the CB, and will then manage this information in a publicly available database. Therefore, WFTO lists the name, the address, the ZIP code, the city, and the country of the system participant, as well as the certification status. Furthermore, a copy of every certificate can be viewed online by accessing the WFTO database. To ensure the best possible overview, WFTO will provide all certification bodies with rules for the nomenclature and the generating of the certificate number (see also Requirements for WFTO certification processes and certification bodies).

10.1 Handling of non-conformities

This standard provides the general framework for the handling of non-conformities. The detailed procedures for the handling of non-conformities shall be set out in the document *Requirements for certification and certification bodies*. That document shall include:

- classification of non-conformities (including major and minor non-conformities);
- correction, root cause analysis, corrective action, preventive action, and verification of effectiveness;
- applicable timeframes for implementation and closure;
- certification decision rules, including the meaning and consequences of each certification status;
- sanctions and related procedural consequences.

The procedure for appealing a certification decision made by a certification body is set out in the WFTO Quality Management Manual.

Non-conformities are identified where an organisation does not meet applicable requirements of the WFTO certification system. They shall be documented, communicated to the organisation and addressed within the applicable timeframes. Enterprises are required to address identified non-conformities within defined timeframes and work on their corrective action sheet. The severity and nature of non-conformities shall be considered in determining appropriate corrective actions or sanctions.

For initial certification, all minor non-conformities identified during the certification assessment shall be closed before a certificate is issued. Closure shall include the implementation of appropriate corrective actions and verification by the certification body that the non-conformity has been effectively addressed. An approved corrective action plan alone is not sufficient for the issuance of a certificate.

Failure to address non-conformities or a failure to meet deadlines for the implementation of measures/ corrective measures will result in the application of sanctions, including the suspension or withdrawal of certification.

In the following the classification of the severity of non-conformities is explained.

Major non-conformities: can be considered where mandatory process elements are missing or not implemented, resulting or potentially resulting in a failure of the organisation's management system, posing risks to employee health or safety or violating human rights, creating immediate risks to product or service quality, indicating systematic non-conformity, or where multiple minor non-conformities collectively lead to system failure.

Major non-conformities must be closed within 3 months; however, in certification and recertification audits, they must be verified and formally closed before certificate issuance.

Minor non-conformities: can be considered where there is a shortcoming in part of the management system documentation representing a single, isolated instance of non-compliance, posing only a small or low risk to workers, not affecting the overall functionality of the system, and/or indicating a weakness in the evidence demonstrating compliance with a requirement classified as continuous improvement.

Minor non-conformities must be closed within 12 months; however, in certification and recertification audits, they must be verified and formally closed before certificate issuance.

10.2 Reporting to system owner

Decisions on certification status shall be reported to WFTO as the system owner. Evaluation results and monitoring outcomes shall be provided annually by the CB to WFTO for statistical purposes.

This reporting supports oversight, decision-making, and the continuous improvement of the certification system.

A negative certification decision will be reported towards the standard owner within one working day after the final certification decision.

11 Use of the WFTO certified fair trade enterprise label and claims

The WFTO certified fair trade enterprise label (WFTO Label) and any related fair trade claims shall be used only in a manner that is accurate, transparent and not misleading. An organisation shall use the WFTO label only where it has successfully completed the applicable WFTO certification process and has been granted the corresponding right of use under the WFTO system.

11.1 Licensing fees and right of use

All enterprises that successfully achieve WFTO certification shall pay an annual licensing fee. This fee is separate from WFTO membership fees and applies to all certified enterprises, irrespective of whether they are WFTO members.

The licensing fee contributes to the costs of maintaining and continuously improving the WFTO certification system. These include certification administration, monitoring and compliance mechanisms, quality assurance processes, brand protection, and the further development of tools and systems that support the credibility and integrity of certification.

In addition, payment of the licensing fee grants certified enterprises the right to use the WFTO certified fair trade enterprise label in accordance with WFTO policies and guidelines. The value of the WFTO label derives from the trust, recognition and market credibility that the WFTO community has built collectively through many years of investment, advocacy, monitoring and promotion of fair trade principles.

The licensing fee therefore reflects not only the operational costs of managing the certification system, but also the value of participating in and benefiting from a globally recognised fair trade assurance framework. Through this contribution, certified organisations help sustain the reputation, visibility and consumer confidence associated with the WFTO brand, ensuring that its value is maintained for all users of the system.

11.2 Conditions for use and claims of the WFTO label and WFTO mark

The right to use the WFTO label shall remain valid only for as long as the organisation maintains a valid certification status and complies with the applicable licensing and communication rules.

Where certification is suspended, withdrawn, expires or otherwise ceases to be valid, the organisation shall immediately cease all use of the WFTO label and shall remove or discontinue all references implying current certification status.

Any statement, representation or marketing claim referring to the WFTO label, certification, membership or fair trade status shall be truthful, substantiated and limited to the actual scope of the granted certification or licence. The organisation shall not use the WFTO label or related claims in a manner that suggests certification, approval or verification of products, activities or entities that are not covered. The label can be used on the whole product range if suppliers are verified (externally verified, or under SMS) and that there is a risk assessment for any excluded suppliers.

The WFTO mark is distinct from the WFTO label. The WFTO mark signifies WFTO membership and shall not in itself be presented as certification under the WFTO certification system or as product certification. Its use shall remain linked to valid WFTO membership status and shall cease where membership is suspended, terminated, expires or otherwise ceases to be valid, in accordance with the applicable WFTO rules. The WFTO mark may not be used on products.

The distinction between WFTO membership, organisational certification status and any permitted product-related use shall always remain clear. Neither the WFTO mark nor the WFTO label shall be used in a manner that exaggerates the scope of approval or suggests certification, approval or verification of products, activities or entities that are not covered.

Organisations using the WFTO label or making related claims shall ensure that customers, business partners and other stakeholders can understand what the label stands for, which entity it refers to, and what is and is not covered by the certification. The rules on claims, labelling and use of the WFTO mark and the WFTO label shall be always complied with (Annex B). Detailed rules for label use, approval procedures, licensing conditions and marketing communication shall be defined in the applicable WFTO system documentation.

Where the WFTO label is used in marketing, labelling or product presentation, such use shall comply with the applicable graphical, approval and content requirements defined by WFTO. WFTO may require prior approval of product labels, packaging designs and related marketing claims before use and may reject, require modification of, or withdraw approval for any use that does not comply with the applicable rules.

First buyers and other third parties shall not use the WFTO label unless they have themselves successfully completed the applicable WFTO certification process and have been granted the corresponding right of use. Third parties that are not certified may use the WFTO label only in exceptional cases and only for specifically authorised purposes, such as reporting, educational or similar non-promotional uses, provided that WFTO has granted prior written approval. Any such use

shall be limited to the approved purpose and shall not imply that the third party, its products or its activities are certified or otherwise authorised beyond the scope expressly approved by WFTO (see Terms and Definitions & Annex B first buyer label).

Compliance with the requirements governing the use of the WFTO label and related claims may be monitored by WFTO through audits, review of labels and promotional materials, approval procedures and stakeholder feedback. Any false, misleading or unauthorised claim of certification or use of the WFTO label shall be treated as a violation of the WFTO certification system and may result in corrective action, withdrawal of approval, suspension of use or other sanctions in accordance with the applicable WFTO system documentation.

12 Governance and review of the standard

This clause sets out the general governance framework for the maintenance, review and further development of the WFTO Fair trade Standard and its associated assurance arrangements. It clarifies the responsibilities of WFTO, relevant governance bodies, assessment entities and participating organisations in support of credibility, transparency, impartiality and continuous improvement.

Detailed procedural rules, mandates, appointment processes and operating arrangements for governance and assurance bodies shall be defined in the applicable WFTO system documentation and the quality manual of this standard.

12.1 Governance, roles, and responsibilities

WFTO shall maintain governance arrangements that ensure effective stewardship of the standard and of the certification system. Roles, responsibilities and decision-making authority shall be clearly defined and documented for the development, maintenance, interpretation and oversight of this standard and for the management of related assurance arrangements.

Within participating organisations, responsibility for implementation of the standard shall be assigned at an appropriate management level. Within the WFTO system, responsibilities shall be allocated so that standard-setting, assurance oversight, operational implementation and certification-related decisions are managed in a coherent and accountable manner.

12.2 Review and improvement of the standard and assurance arrangements

The WFTO Fair trade Standard and its associated assurance arrangements shall be reviewed periodically to ensure their continued relevance, effectiveness and credibility. Reviews may consider implementation experience, lessons learned from assurance activities, developments in fair trade practice and relevant internationally recognised principles and frameworks.

Review and revision shall support the continuous improvement of the standard, its criteria and its practical application. Criteria and assurance mechanisms may be revised, clarified or further developed where necessary to improve relevance, consistency, accessibility, proportionality or alignment with the objectives of the WFTO Fair trade Standard, provided that the integrity of the certification system is maintained and applicable WFTO governance arrangements are followed.

12.3 Bodies and responsibilities

WFTO may assign defined roles in the governance, review and development of the standard and its assurance arrangements to expert bodies, advisory groups and other organisational bodies established for that purpose. Such bodies may contribute technical expertise, stakeholder perspectives and recommendations, but shall operate within clearly defined mandates and in accordance with the applicable governance framework.

Each participating organisation shall assign responsibility for the implementation, maintenance and internal oversight of conformity with this standard. Within the WFTO system, bodies, certification bodies, auditors and other entities involved in assessment, oversight or decisionmaking shall perform their functions in accordance with their defined roles and applicable system rules to support competence, consistency, accountability and confidence in the certification system.

12.4 Separation of decision-making, assessment and conflict of interests

Decision-making on the standard, the criteria and the indicators as well as on certificationrelated matters shall be organised in a manner that safeguards impartiality and credibility.

WFTO and all entities acting within the certification system shall establish arrangements to identify, disclose and manage conflicts of interest. Governance and assurance processes shall be implemented in a transparent and accountable manner consistent with the objectives of the WFTO Fair trade Standard and certification system.

13 Entry into force and transition rules

This standard, and any revised version of it, shall enter into force on the date determined by WFTO. WFTO may define transitional provisions and timelines to allow existing members, certified enterprises and other participating entities sufficient time to adapt to revised requirements, procedures and system documents. Transitional provisions shall also specify how revised criteria apply to existing members, including timelines for requirements that become mandatory by a specified year and any transition periods for adapting internal monitoring or assurance arrangements. Existing rights of use shall remain subject to continued compliance with the applicable WFTO requirements, and any transition conditions defined by WFTO.

During the transition from the previous WFTO system to this standard, WFTO shall determine how existing membership-related and certification-related rights to use the WFTO label are phased out, maintained, or replaced. Existing users of the WFTO label shall notify WFTO, within two months after the entry into force of this standard, of the products or packaging for which continued use is intended and initiate the applicable certification process within the same period. The certification process shall be successfully completed within three months thereafter.

Until 28 February 2027, enterprises authorised under the previous WFTO system, including Guaranteed Members previously permitted to use the WFTO product label, may continue to use the label only under the conditions defined by WFTO and only where there are no reasonable grounds to believe that such use is misleading or that the underlying system, product, or service cannot substantiate the associated claim.

Full conformity with this standard shall be demonstrated no later than the end of the transition period. Thereafter, the right to use the WFTO label as a certification-related sign shall be limited to enterprises that have successfully completed the applicable WFTO certification process, maintain a valid certification status, and are recognised as certified fair trade enterprises. Any use by organisations that have not obtained and maintained such status shall cease within the timeframe defined by WFTO.

Transitions between statuses within the WFTO system, including entry, certification, suspension, withdrawal, reinstatement and the replacement of previous categories or rights of use, shall be managed in accordance with the applicable WFTO system rules. Any associated rights, obligations and limitations, including those relating to claims, use of the WFTO mark or the WFTO label, surveillance or reporting, shall apply according to the status held and the applicable transitional provisions.

Annex A - Additional requirements for global north producers to be considered economically marginalised

Since the resolution approved by the Annual General Meeting (AGM) of WFTO in Delhi in November 2017, new concepts of northern producers and economically marginalized producers were introduced within WFTO.

Small-scale producers, artisans or farmers from the Global North complying with WFTO criteria can now be considered fair trade producers.

The following requirements, which are also part of the Self-Assessment Report, must be fulfilled as a Global North producer, in order to be considered economically marginalised.

1. Do you sell products produced in the Global North?

   → Yes

2. Are you involved with small-scale producers, artisans or farmers?

   → Yes
   → Provide credible evidence

3. Are these involved workers and producers economically marginalised?

   → Yes
   → Provide credible evidence

4. Do you provide some kind of additional social economic opportunities for these workers and producers?

   → Yes
   → Provide credible evidence

5. Organic verification status? Farmers must:

   → Have organic status or be in organic transition
   → You are involved in participatory guarantee systems

Annex B – Labelling rules

1. WFTO Certified Fair Trade Enterprise Label

WFTO Certified Fair Trade Enterprise Label

The WFTO certified fair trade enterprise label is exclusively available to enterprises that have achieved certification under the WFTO certification system. To use this WFTO certified fair trade enterprise label, a certified fair trade enterprise must first enter a formal labelling contract, ensuring clear agreement on the terms of use. The application of the label is governed by strict rules regarding design and placement, reflecting the organisation's commitment to maintaining the integrity and credibility of this fair trade claim.

These measures help guarantee that only those enterprises meeting the requirements of WFTO can display the label, and that its representation remains consistent and trustworthy across all certified enterprises.

WFTO owns and manages the use of its visual identity elements, including the WFTO mark and the WFTO certified fair trade enterprise label.

The use of the mark and the label is controlled to ensure that all claims related to fair trade are accurate, credible, and consistent with the WFTO Fair trade Standard and certification system.

The WFTO certified fair trade enterprise label is granted only to enterprises that have been certified under the WFTO certification system. The label signifies that the enterprise has been independently assessed and verified as complying with the WFTO Fair Trade Standard.

The use of the WFTO certified fair trade enterprise label is limited to certified enterprises, regardless of whether they are WFTO members and applies to products and communications in accordance with WFTO rules. The WFTO certified fair trade label demonstrates that the enterprise's activities comply with the 10 Fair trade Principles and that its supply chains are managed accordingly. Enterprises may use the WFTO certified fair trade enterprise label only after certification has been granted and for the duration of the validity of the certification.

2. Licensing conditions

The use of the WFTO certified fair trade enterprise label is strictly regulated under conditions set by WFTO to ensure integrity and compliance with the WFTO Fair Trade Standard. To be eligible for the label, an enterprise must comply with the WFTO Fair Trade Standard and any other applicable requirements. Moreover, adherence to the prescribed guidelines for using the label is essential, as is a commitment to respecting all rules regarding communication and claims.

The right to use the WFTO certified fair trade enterprise label is conditional upon valid certification status, payment of the applicable licensing fee and compliance with all WFTO rules on labelling, claims and communication. The label may be used only within the scope of the granted certification or licence and shall not imply certification, approval or verification of products, activities or entities not covered by that scope.

WFTO reserves the right to delegate the full authority of granting, suspending, or withdrawing the rights to use the WFTO certified fair trade enterprise label to certification bodies, which are approved by the WFTO certification system and WFTO Fair Trade Standard. This means that the WFTO sets specific conditions for the use and, in cases where the label is misused, can require corrective actions to maintain the credibility of the fair trade system. The licensing conditions are in place to ensure that the WFTO label is only associated with enterprises that genuinely uphold Fair Trade principles and practices.

3. Suspension and withdrawal of use

The right to use the WFTO certified fair trade enterprise label is linked to certification status.

Where certification is suspended or withdrawn by the authorised certification body:

- the enterprise shall immediately cease use of the label;
- any reference to certification shall be removed from products and communications.

WFTO may verify compliance with these requirements and take further action where necessary.

4. First buyer label use

WFTO First Buyer Label

4.1 General criteria

The first buyer label may be used by organisations that purchase products from a WFTO-certified enterprise and sell those products under their own brand.

The first buyer shall:

- Source the labelled product, or the specified product component where applicable, directly from a WFTO-certified enterprise.

- Enter into a contract with WFTO and the WFTO-certified enterprise supplying the product, confirming their commitment to meeting the applicable criteria of the standard.
- Pay an annual licensing fee to WFTO equivalent to 1% of the purchase order amount, with a minimum fee of EUR 100.
- Renew the contract and pay the applicable licensing fee annually.

The first buyer label provided by WFTO shall clearly state the name of the WFTO-certified enterprise from which the product is sourced. It is not possible to use the first buyer label on products from excluded suppliers.

Where the first buyer label is applied to a complete final product, 100% of the product shall be produced by the WFTO-certified enterprise from which it is sourced and must be part of their fair trade product range. Where only part of the final product is sourced from the WFTO-certified enterprise, this shall be clearly indicated on the label. The specified product component to which the label refers shall be produced entirely by the WFTO-certified enterprise.

4.2 Monitoring and verification

First buyers authorised to use the first buyer label shall maintain sufficient records to demonstrate compliance with all applicable requirements, including product traceability, sourcing, labelling and related claims.

The WFTO reserves the right to conduct risk-based announced or unannounced verification activities, including document reviews, traceability checks, remote assessments, and on-site audits, at any time during the validity of the licensing agreement.

The first buyer shall provide timely access to all relevant records, personnel, products, and facilities necessary to verify compliance.

All claims, communications, and marketing materials associated with the first buyer label shall accurately reflect the fair trade content and scope of the claim and shall not create a misleading impression regarding the certification status, origin or fair trade characteristics of the product.

5. Surveillance

WFTO monitors the use of the WFTO certified fair trade enterprise label as well as the first buyer label and addresses cases of misuse through different mechanisms, depending on whether the misuse is by a certified enterprise, a first buyer, or an organisation with no formal relationship to WFTO.

5.1. Misuse by certified enterprises (including WFTO members)

Monitoring of the WFTO certified fair trade enterprise label use by certified enterprises is carried out primarily through Monitoring Audits and the fair trade Accountability Watch (FTAW).

During Monitoring Audits, a specific review of label use is conducted to verify compliance with

the applicable requirements on product labelling and claims. Any noncompliance identified during the audit shall be addressed within agreed timelines through corrective actions.

In addition, the fair trade Accountability Watch (FTAW) provides a mechanism through which stakeholders can raise concerns or report potential misuse of the label. FTAW enables continuous feedback and monitoring by enterprises, workers, partners, and other stakeholders.

Reports of misuse submitted through FTAW are handled in accordance with the complaints procedure and may lead to further investigation, corrective actions, or sanctions by the WFTO and/ or authorized certification bodies.

5.2. Misuse by first buyers

First buyers are organisations that purchase products from WFTO certified enterprises and market them under their own brand. They may use a specific label variant (first buyer label) when authorised by WFTO, subject to a formal agreement and applicable fees.

The use of the first buyer label is primarily monitored through the Monitoring Audit of the WFTO certified enterprise with which the first buyer has a contractual relationship.

Misuse may also be reported by the certified enterprise concerned or identified through other monitoring mechanisms. Misuse of the label by a first buyer is considered a serious issue.

WFTO reserves the right to delegate the withdrawal of permission for the use of the label by a first buyer, in cases where misuse is identified, to an authorised certification body.

First buyers and other third parties shall not use the WFTO certified fair trade enterprise label unless they have themselves successfully completed the applicable WFTO certification process and have been granted the corresponding right of use.

Third parties that are not certified may use the WFTO certified fair trade enterprise label only in exceptional cases and only for specifically authorised purposes, such as reporting, educational or similar non-promotional uses, provided that WFTO has granted prior written approval. Any such use shall be limited to the approved purpose and shall not imply that the third party, its products or its activities are certified or otherwise authorised beyond the scope expressly approved by WFTO.

5.3. Misuse by non-authorised organisations

Where misuse of the WFTO certified fair trade enterprise label is identified by an organisation with no formal relationship to WFTO, WFTO will first contact the organisation to clarify the situation.

If a commercial relationship with a certified enterprise exists, WFTO will seek to resolve the issue of label misuse in a constructive manner. The process typically involves clarifying how the label should be used correctly, requesting the removal or amendment of the label if necessary, and, where appropriate, proposing suitable arrangements to ensure ongoing compliance. This approach helps maintain the integrity of the label, fosters clear communication between parties, and supports the continued partnership between WFTO and its certified members.

If the organisation has no relationship with WFTO, it will be requested to cease use of the label. WFTO may provide information on how the organisation can become authorised to use the label, including through certification or other recognised arrangements.

WFTO aims to resolve such cases in a manner that protects the integrity of the label while avoiding unnecessary disruption to commercial relationships.

Where misuse is not resolved through these measures, WFTO may take further action, including legal measures where appropriate.

6. Marketing

WFTO regulates the use of marketing, communication, and claims related to fair trade and the WFTO certified fair trade enterprise label to ensure that all statements are accurate, verifiable, and not misleading.

Marketing and communication activities by enterprises within the WFTO system shall comply with the requirements set out by WFTO and shall be consistent with the WFTO Fair Trade standard and certification system.

6.1. General principles for marketing and claims

Enterprises are encouraged to communicate their commitment to fair trade and their association with WFTO, if they ensure that all claims are truthful, accurate, and substantiated. It is important that such communication does not give any misleading impression to anyone about the enterprise's certification status or product compliance. Enterprises must also clearly distinguish between being a WFTO member and holding WFTO certification and avoid suggesting that WFTO endorses their activities beyond the scope of their actual membership or certification.

As both the WFTO mark and the WFTO certified fair trade enterprise label are organisational marks, enterprises shall not present their status in a way that suggests that their products are certified.

Enterprise shall not assign, directly or indirectly, or sublet the use of the WFTO certified fair trade enterprise label to any other organisation without signing a first buyer label agreement. The first buyer label conditions need to be agreed on in a separate contract as detailed in clause 4.

6.2. Use of the WFTO certified fair trade enterprise label in marketing

The WFTO certified fair trade enterprise label may be used only by certified enterprises and in accordance with the conditions defined by WFTO and agrees to follow the existing labelling guidelines. The label cannot be altered in any way.

The label can appear on product packaging and tags, and in promotional materials relating to the product. However, it is crucial that the use of the label clearly corresponds to the certified enterprise.

Also, the WFTO certified fair trade enterprise label shall not be used in any way that implies that WFTO endorses, participates in or is responsible for activities performed by the certified enterprise outside the scope of WFTO certification.

When the label is used in marketing or product presentation, all graphical and content requirements set by WFTO must be respected to ensure clarity and prevent any misleading impressions.

6.3. Approval of marketing and labelling claims

WFTO operates a system for the control and approval of marketing and labelling claims related to the WFTO certified fair trade enterprise label. Approved use of the label is verified during Monitoring Audits.

For certain uses, including by first buyers, prior approval of packaging and label design is mandatory.

Certification bodies, authorised by WFTO, reserve the right to reject, request modification of, or withdraw approval for any marketing or labelling claim that does not comply with the requirements of the WFTO certification system and WFTO Fair trade Standard.

6.4. Monitoring and control of marketing claims

WFTO monitors compliance with marketing and communication requirements through:

- Certification audits and surveillance audits
- review of product labelling and promotional materials
- stakeholder feedback, including through the Fair Trade Accountability Watch (FTAW)

Any misuse or misleading claim may be treated as a non-conformity and addressed through corrective actions or sanctions by the WFTO and/ or authorized certification bodies.

7. Fraudulent claim of certification

Any false or misleading claim of certification, including the unauthorised use of the WFTO fair trade enterprise label, is considered a violation of the certification system.

Such cases shall be investigated and may result in corrective actions or sanctions by the WFTO and/ or authorized certification bodies.

WFTO reserves the right to take appropriate measures to protect the integrity of the certification system and the credibility of the label.

8. Graphical rules

The WFTO certified fair trade enterprise label is available in English, French and Spanish.

The WFTO certified fair trade enterprise label consists of the 3 graphic elements: 5 people in 5 shades of green and blue forming a globe, the Circular Text “World Fair Trade Organization” and the words “certified fair trade enterprise”.

Only the graphics made available and released by WFTO may be used on the product. The colours or proportions of the individual elements may not be altered. The label may not be rotated or shown in mirror image. It should not be stretched horizontally or vertically, nor displayed with any effects.

The WFTO certified fair trade enterprise label can be used in the colour version and in greyscale or black and white, in line with the guidelines described above.

The certified fair trade enterprise is responsible for ensuring that it follows the labelling rules; product labelling will be checked during certification audits and surveillance audits.

8.1. Placement and typography

The WFTO certified fair trade enterprise label should be used as a co-branded label (use of the WFTO label in conjunction with the trademark of the certified enterprise bringing the product into the market), in accordance with the regulations.

The use of the certified fair trade enterprise label on products is voluntary, and it may be used in combination with other product quality labels. The label may be used directly on the product packaging, on tags on the product, or attached to the product.

If the WFTO certified fair trade enterprise label is used on products, the following rules shall be observed:

- The product description and brand name stand independently of the WFTO fair trade enterprise label.
- The size shall be at least 15 mm; exceptions may be approved on a case-by-case basis.
- The WFTO fair trade enterprise label shall be clearly visible on the product and thus a clear zone around the label should be maintained.

For the text utilisation and typography, the following rules must always be respected:

- WFTO full name is explained as “World Fair Trade Organization” and spelled correctly with initial capital letters.
- The abbreviation “WFTO” may not be translated to other languages.

Annex C – List of other recognised or benchmarked standards

WFTO recognises the following fair trade certification systems for categorisation as externally verified suppliers of FT products to certified fair trade enterprises (CFTEs):

- ECOCERT / IMO - Fair For Life
- FLO Cert
- SPP (FUNDEPPO)
- Naturland fair trade standards
- FairTSA
- Fair Rubber
- Other social certification bodies may be accepted as partially equivalent where fairtrade Organisations have the audit reports on file and have scrutinised the results and complemented the monitoring to ensure the supplier complies with core fairtrade Principles.

WFTO may recognise individual fair trade certification systems if they include a similar level of Assurance including a system for audits of participants as well as sampling of fair trade practices in supply chains.

If any other schemes, which are not listed above, are used, the system participants must first request the approval from WFTO.