

# FAIR TRADE SUSTAINABILITY ALLIANCE

FairTSA



INSPECTION & CERTIFICATION GUIDE  
FOR  
FAIR TRADE AND SOCIAL RESPONSIBILITY STANDARD FOR  
AGRICULTURAL PRODUCTS, PROCESSED FOODS,  
WILD COLLECTED PLANTS, TEXTILES AND PERSONAL CARE PRODUCTS AND  
COSMETICS

Version: 4.10

Date of Publication: July 15, 2021

# Fair Trade Sustainability Alliance Inspection and Certification Guide, Version 4.10

## Table of Contents

Introduction	4
1. Cooperating Certification Agencies (CCAs)	6
Requirements for Cooperating Certification Agencies	6
CCA Quality Management	7
Requirements for Inspection and Certification Personnel	7
2. Admissibility for Certification	7
Individual Farms	7
Grower Groups – Internal Control Systems	8
Grower Groups – Cooperatives and Associations	8
Grower Groups – Key Development Partners	8
Processing	9
3. Licensing Program and Supply Chain	10
Fair Trade Prices, Premiums and Licensing Fees	10
Certificates, Trademarks and Labeling	11
Fair Trade Practices in the Supply Chain	12
4. Certification Process	13
The Certification Process	13
Certification, Denial, Suspension and Revocation	14
5. Community Development Projects and Capacity Building	15
Beneficiaries, Locations and Existing Projects	15
Types of Eligible Projects	16
Management of Community Development Projects	16
Capacity Building	18
Economic Progress Goals for Cooperatives and Associations	18
6. Labor Requirements	19
Protection of Children and Youths	19
Human Rights	20
Conditions of Employment	21
Contracts, Wages and Work Time	21

# Fair Trade Sustainability Alliance Inspection and Certification Guide, Version 4.10

Freedom of Association, Collective Bargaining and Rights of Non-Unionized Workers	24
Social Security and Health Benefits	24
Specific Requirements for Agricultural Workers Including Seasonal and Migrant Workers	25
Management and Communication Requirements for Operations with More Than 50 Regular Workers	26
<b>7. Environmental Requirements</b>	<b>26</b>
Water Sources, Water Use and Water Conservation	26
Energy Management, Minimizing of Greenhouse Gases and Climate Change	27
<b>8. Additional Requirements for Conventional Agricultural Production</b>	<b>27</b>
Agrochemicals	27
<b>9. Wild Collection of Plants</b>	<b>29</b>
Sustainability of Wild Collection	29
Contracting of Collectors	29
Additional Requirements	29
<b>10. Processing of Certified Foods</b>	<b>29</b>
Other Requirements	30
<b>12. Textiles</b>	<b>30</b>
General Requirements for Textile Production and Processing	30
<b>13. Social Responsibility Program</b>	<b>31</b>
General Requirements for Food Products	31
<b>14. Labeling Provisions</b>	<b>32</b>
FairTSA Fair Trade Food Products Shipped by Producers	32
Labeling of Socially Responsible Certified Food Products	32
Labeling of Textiles	32

# Fair Trade Sustainability Alliance Inspection and Certification Guide, Version 4.10

## Introduction

### **Purpose of the Guide**

This Guide is meant to accomplish three objectives: elaborate on certain standard requirements, support and alleviate the work of inspectors/auditors and certification reviewers, and define in more definite terms major noncompliances and their sanctions. Thus, it is meant to create a level playing field regardless of the certification agency in charge and to support the important work of inspectors/auditors and certification reviewers/certifiers.

### **Certification Decisions**

The certification evaluation is the responsibility of the reviewer/certifier in charge. The certification decision is entirely based on the applicable parts of the relating FairTSA Standard and accompanying documentation such as this Guide. In order to streamline certification decisions and keep them fair across all CCAs, we have listed most of the major non-compliances in this Guide.

### **Major Non-Compliances**

Major non-compliances require immediate action by the certifier. Certifiers have three options to choose from:

1. Describing the major non-compliance and set a firm date when the major non-compliance must be remedied
2. Describing the major non-compliance and suspend the certification of the operation for not longer than one year
3. Describing the major non-compliance and revoke or deny certification

When contemplating the severity of a noncompliance, the following factors should be taken into account:

1. Was the non-compliance a deliberate act involving upper management, owners, or responsible representatives of the operation?
2. Did the operation make attempts to cover up the non-compliance and/or was it uncooperative in the effort to clarify and/or remedy the situation?
3. Did products certified FairTSA products from the operation in question reach the stream of commerce even though major noncompliances where detected?
4. What is the track record of the operation in question? Do they have any prior major non-compliance(s)?
5. How is the general quality of communication with the client?
6. Any other documented factor that the reviewer/certifier can take into account when assessing the severity of the non-compliance.

# Fair Trade Sustainability Alliance Inspection and Certification Guide, Version 4.10

If the answer to any of the first four questions is yes, the probability that a suspension, or, in severe cases, the revocation of the of certification could be justified. The reviewer/certifier should use his/her best judgment in deciding what course of action to take in case of major non-compliances. In unusual cases or when the certifier/reviewer s not very experienced, they may consult with FairTSA’s management. However, the certification decision rests in all cases with the certifier.

For inspectors it is important to note any information regarding the questions above at the beginning of the Inspection Report in the appropriate field.

### Notification of Major Non-Compliances

If a major non-compliance has been established, the operation in question should be notified within 10 business days. The notification letter must at least contain the following:

1. Date
2. Date of inspection when the major non-compliance was detected
3. Detailed reason(s) for establishing the major non-compliance with reference to the applicable section of the then-valid FairTSA standard
4. All prior communication regarding the issue(s) in questions
5. A definite date for the remedy of the major non-compliance
6. Proof of addressing the major non-compliance (if applicable)
7. In case of suspension or revocation/denial of certification, a clause describing the right to appeal to the FairTSA Appeals Committee, with information how to directly contact FairTSA

### **Minor Non-Compliances**

Minor non-compliances must be corrected within a reasonable time frame, at least before the subsequent inspection. Minor noncompliances must be described in a letter accompanying the certificate and points 1-5 above must be addressed. It is not necessary to inform FairTSA management in case of minor non-compliances.

### **Effects of Denial, Suspension, and Revocation of Certification**

Measure	Consequence	Timeframe
Denial of Certification	Operation must not sell any products as FairTSA Fair Trade certified	Operation may reapply after one year
Suspension of Certification	Operation must not sell products as FairTSA Fair Trade certified unless and until suspension is lifted	Operation can start selling products as FairTSA Fair Trade certified with the date of the lifting of the suspension
Revocation of Certification	Operation must stop selling products as FairTSA Fair Trade certified from the date of revocation of the certificate	Operation may reapply after two years.

# Fair Trade Sustainability Alliance Inspection and Certification Guide, Version 4.10

## 1. Cooperating Certification Agencies (CCAs)

<b>1.1</b>	<b>Requirements for Cooperating Certification Agencies</b>
1.1.1	<p><b>Agreements with Certification Agencies</b></p> <p><b>Guidance:</b> CCAs with multiple offices must ensure that the “FairTSA Clause” is included in all certification contracts by all offices.</p>
1.1.2	<p><b>Costs of Inspection and Certification</b></p> <p><b>Guidance:</b> On occasion and true to its mission, FairTSA may ask you for an amended cost estimate, especially in cases of small producer organizations.</p>
1.1.3	<p><b>FairTSA System Plan</b></p> <p><b>Guidance:</b> We strongly recommend that producers are given enough time to fill out the System Plan before the first inspection. In this way, the System Plan serves as a pre-assessment tool that enables producers to gain a clear idea of their compliance status before the first inspection.</p>
1.1.4	<p><b>Inspections</b></p> <p><b>Guidance:</b> There is a flow chart on our web site (available at <a href="https://www.fairtsa.org/certifier-documents">https://www.fairtsa.org/certifier-documents</a>) that depicts the workflow between FairTSA and CCAs.</p>
1.1.9	<p><b>Inspection Requirements for Grower Groups with Internal Control System (ICS)</b></p> <p><b>Guidance:</b> If Internal Control Systems for organic production programs are in place, but the producer operation has problems in implementing the additional requirements for the Fair Trade program, we strongly recommend that certifier personnel inform FairTSA of such cases so that additional training and support can be provided.</p>

# Fair Trade Sustainability Alliance Inspection and Certification Guide, Version 4.10

<b>1.2</b>	<b>CCA Quality Management</b>
1.2.2	<b>Internal Audits</b>  <b>Guidance:</b> FairTSA reserves the right to request copies of annual Internal Audit results.
<b>1.3</b>	<b>Requirements for Inspection and Certification Personnel</b>
1.3.1	<b>Qualifications</b>  <b>Guidance:</b> CVs of inspectors need to be sent for review at least 7 days before any training.
1.3.2	<b>Training</b>  <b>Guidance:</b> Inspectors/auditors are authorized for a period of 2 years.

## 2. Admissibility for Certification

<b>2.1</b>	<b>Individual Farms</b>
2.1.1	<b>Applicability</b>  <b>Guidance:</b> The differentiation between small farms where it is appropriate for the farmer to receive the full premium and medium-sized farms can be fluid and depends on factors such as the productivity of the land as well as the socio-economic situation. In such cases, it is best practice to discuss the situation beforehand and find a solution among all participants. FairTSA will facilitate such conversations.

Fair Trade Sustainability Alliance Inspection and Certification Guide, Version  
4.10

2.1.2	<p><b>Small Farms</b></p> <p><b>Guidance:</b> See 2.1.1</p>
<b>2.2</b>	<b>Grower Groups – Internal Control Systems</b>
2.2.1	<p><b>Internal Control System Requirement</b></p> <p><b>Guidance:</b> See 1.1.9</p>
<b>2.3</b>	<b>Grower Groups – Cooperatives and Associations</b>
2.3.2	<p><b>Democratic Structure and Voting Rights</b></p> <p><b>Guidance:</b> In the case of very small cooperatives or cooperatives that have been recently established, the CCA may grant a transition time in which all requirements must be met. The transition time cannot be longer than 2 years.</p>
2.3.3	<p><b>Transparency and Accountability</b></p> <p><b>Guidance:</b> See 2.3.2</p>
<b>2.4</b>	<b>Grower Groups – Key Development Partners</b>
2.4.1	<p><b>Role of Key Development Partners (KDPs)</b></p> <p><b>Guidance:</b> Key Development Partners (KDPs) are often a crucial link between the buyers of the products who pay the premium and the small farmers that produce the agricultural raw products. It is important that management understands and accepts this role and the related responsibility towards the small farmers, especially with regard to supporting the organization and administration of community projects for the small farmers. This is one important subject</p>



# Fair Trade Sustainability Alliance Inspection and Certification Guide, Version 4.10

	<p>matter of FairTSA Producer Webinars. CCAs should also emphasize this function to potential KDPs before the first inspection.</p> <p>If there is a community project where workers are involved, KDPs have the same responsibilities regarding administration and organization of the projects.</p> <p>If Non-Government Organizations (NGOs) support the role of KDPs, direct communication with FairTSA is necessary. NGOs may be reimbursed for organizational expenses causally related to their work in support of KDPs. The activities must be properly documented, and the reimbursement must never exceed 10% of the total Premium received per year.</p>
2.4.2	<p><b>Farmer Contracts</b></p> <p><b>Guidance:</b> In case farmers are illiterate and cannot sign contracts, the fingerprint method as per section 6.4.1 in this document may be used. Key components of the contracts must be at least orally communicated to illiterate farmers.</p>
2.4.3	<p><b>Administration of the Community Development Fee</b></p> <p><b>Guidance:</b> An important role of the KDP is the administration of the Social Premium. This includes the responsibility for timely and accurate Project Development Proposals and Community Development Project Evaluations.</p>
<b>2.6</b>	<b>Processing</b>
2.6.1	<p><b>Food Processing Operations</b></p> <p><b>Guidance:</b> Food processing facilities are often supplied by small farmers organized under an Internal Control System. If that is the case, management needs additional guidance regarding their role as Key Development Partner and especially regarding their obligations towards small producers and facility workers.</p>
2.6.3	<p><b>Textiles</b></p> <p><b>Guidance:</b> Textiles used for bagging purposes such as sacks for potatoes or coffee may blend FairTSA and non-FairTSA certified fibers. The bags or sacks may still carry the full FairTSA logo if the following conditions are met:</p>

# Fair Trade Sustainability Alliance Inspection and Certification Guide, Version 4.10

	<ol style="list-style-type: none"> <li>1. The fiber production of FairTSA certified fibers fulfills an important social and/or ecological function within the region.</li> <li>2. The number of sacks or bags carrying the FairTSA logo must not exceed the number of bags that can be produced with the amount of fiber harvested and bought domestically.</li> </ol> <p>Example: A company buys 50 metric tons of fiber that fulfill the criteria under no. 1 above and 80 metric tons of fiber not fulfilling this criterion. With 50 metric tons of fiber a maximum of 150,000 bags can be produced. In this case, the maximum number of bags carrying the FairTSA logo is 150,000.</p>
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## 3. Licensing Program and Supply Chain

<b>3.2</b>	<b>Fair Trade Prices, Premiums and Licensing Fees</b>
3.2.1	<p><b>Price for FairTSA Certified Products</b></p> <p><b>Guidance:</b> FairTSA will issue a Guidance Document Premiums to address the premiums for specific products or cases or circumstances. The premiums listed in the Guidance Document Premiums are binding.</p>
3.2.2	<p><b>Social Premium</b></p> <p><b>Guidance:</b> The Social Premium must be properly traceable in the producer’s bookkeeping system. Normally, it is not necessary for the recipient of the Social Premium to deposit the amounts in a separate bank account. However, in case of tracing irregularities CCAs may request that such a separate bank account must be established by the producer.</p> <p>Receipts, work orders and other documentation of the Community Development Project (CDP) must be made available for inspection, together with any other documentation such as photographs, short video clips, or notes of oral accounts of stakeholders and beneficiaries of the CDP.</p>

# Fair Trade Sustainability Alliance Inspection and Certification Guide, Version 4.10

	<p>The Social Premium must be documented on the Producer’s invoice. This can be either as a separate line item on the invoice or an invoice note such as: “This amount includes a FairTSA Social Premium amount of (Name of Currency) XXXX.XX.”</p> <p>While the normal case is that the Social Premium is at least 10% of the farm gate price for the respective products, special circumstances may make it necessary for the premium to be set higher or lower. If that is the case, this will be done transparently between Producer, buyer/licensee and FairTSA and communicated to the respective CCA.</p> <p>The Social Premium should amount to 10% in addition to the negotiated farm gate price. However, the premium may be lower if one of the following circumstances is present:</p> <ul style="list-style-type: none"> <li>• In case of a KDP, if such KDP provides documented long-term (at least three years) and unpaid services for the supplying farmer network, the premium may be lower than 10%.</li> <li>• If the market situation is such that an operation, including a KDP with farmer network, would lose their market owing to the amount of the premium, the Social Premium may be lower than the recommend 10%.</li> <li>• The Social Premium must never be lower than 3% of the farm gate price.</li> </ul> <p>FairTSA will also evaluate companies and organizations that have a substantial premium in-built in their business model. For example, a company may decide to invest a substantive part of their profits in projects for their producer communities as part of their business model. Such companies may be certified without paying an additional premium, if such payments are based on a longstanding policy (at least 5 years) and the amount of profits transferred is equal or higher that the normal premium amount.</p>
3.2.3	<p><b>Payment of Licensing Fees</b></p> <p><b>Guidance:</b> Companies may ask for extension of payment terms if their financial situation warrants such a request. At its sole discretion, FairTSA may grant such requests or deny them.</p>
3.3	<p><b>Certificates, Trademarks and Labeling</b></p>

# Fair Trade Sustainability Alliance Inspection and Certification Guide, Version 4.10

3.3.1	<p><b>Certificates</b></p> <p><b>Guidance:</b> Licensee Certificates are either issued by a CCA or FairTSA directly. Certificates are valid for three years.</p>
3.3.3	<p><b>Label Review for Licensees</b></p> <p><b>Guidance:</b> Label reviews may be carried out by a CCA or FairTSA directly. Label reviews should occur within a 48-hour timeframe.</p>
<b>3.4</b>	<b>Fair Trade Practices in the Supply Chain</b>
3.4.5	<p><b>Pre-Financing of Crops by the Buyer</b></p> <p><b>Guidance:</b></p> <p>Pre-financing of crops can be a valuable tool to support producer communities and enable them to avoid taking on high-interest loans. Therefore, FairTSA supports pre-financing whenever warranted.</p> <p>On the other hand, pre-financing also creates a liability for producers that must be taken seriously. If a producer cannot fulfil pre-financed contracts, they must inform the buyer immediately and negotiate a resolution with the buyer, and FairTSA will facilitate such negotiations upon request.</p> <p><b>Major noncompliances:</b> Licensees that refuse to engage in pre-financing discussions even if there is a legitimate reason for the producer group to request pre-financing. If such behavior persists, it can lead to suspension or revocation of the licensee certificate.</p> <p>Producers that do not hold up their end of the financing and deliver no products or products of low quality or exceed the time frame for delivery by more than 60 days may be suspended or certification can be revoked.</p>

# Fair Trade Sustainability Alliance Inspection and Certification Guide, Version 4.10

## 4. Certification Process

<b>4.1</b>	<b>The Certification Process</b>
4.1.1	<p><b>Webinar Participation</b></p> <p><b>Guidance:</b> Producers and their representatives may attend FairTSA Producer Webinars as often as they wish at no cost. We strongly recommend that a producer representative attends a webinar every year in order to stay current with the regulations and the obligations under the standard.</p>
4.1.2	<p><b>Cost of Certification</b></p> <p><b>Guidance:</b> True to our commitment, especially to small farmers and cooperatives, FairTSA may occasionally request a reduction of certification costs if warranted. Certifiers are not obligated to honor such requests.</p>
4.1.4	<p><b>FairTSA System Plan</b></p> <p><b>Guidance:</b> Before the first inspection the FairTSA System Plan serves as a pre-assessment tool for the operation to be certified. As the System Plan needs to be updated annually, it also functions as means to inform the certifier of any notable changes of the operation. FairTSA will increasingly emphasize the importance of the System Plan as an assessment tool for operations wishing to be certified under the FairTSA standard.</p>
4.1.5	<p><b>Inspections</b></p> <p><b>Guidance:</b> Inspections for farms should take place during harvesting season if at all possible. This is especially important in the case of contract and migrant workers, that are only hired by the operation during harvest time. This requirement may be waived for one year, but in such case the subsequent inspection must take place during harvest time.</p> <p>Inspections of processing facilities should also take place during the processing and storage of FairTSA Fair Trade certified products. If this is not possible,</p>

# Fair Trade Sustainability Alliance Inspection and Certification Guide, Version 4.10

	inspection may take place for two years in a row without FairTSA certified products being processed, but not longer.
4.1.6	<p><b>Unannounced Inspections</b></p> <p><b>Guidance:</b> Unannounced inspections should happen at the same interval as required by the respective organic, GlobalGAP or similar certification program, but not less than once in 5 years. If a risk-based assessment by the responsible CCA indicates the necessity of more frequent unannounced inspections, they should be carried out per the CCAs assessment.</p>
<b>4.3</b>	<b>Certification, Denial, Suspension and Revocation</b>
4.3.1	<p><b>Certification</b></p> <p><b>Guidance:</b> The certification decision is entirely based on the applicable parts of the relating FairTSA Standard and accompanying documentation such as Guidance Documents or this Guide.</p>
4.3.2	<p><b>Denial of Certification</b></p> <p><b>Guidance:</b> See Introduction</p>
4.3.3	<p><b>Suspension of Certification</b></p> <p><b>Guidance:</b> See Introduction</p>
4.3.4	<p><b>Revocation of Certification</b></p> <p><b>Guidance:</b> See Introduction</p>
4.3.5	<p><b>Appeals Process</b></p> <p><b>Guidance:</b> See Introduction</p>

## 5. Community Development Projects and Capacity Building

<p><b>5.1</b></p>	<p><b>Beneficiaries, Locations and Existing Projects</b></p>
<p>5.1.1</p>	<p><b>Beneficiaries of CDPs</b></p> <p><b>Guidance:</b> It is of utmost importance that the inspector ensures that the beneficiaries of the Community Development Projects (CDPs) are the intended small farmers and/or farm and factory workers per the project proposal.</p> <p>The Social Premium must be kept in a separate bookkeeping account. Reimbursement for managing the project(s) to a member of the management team are not permissible.</p> <p>If a Non-Government Organization (NGO) is materially involved in the support of projects, such NGOs may be reimbursed for directly project-related expenses if properly documented. but never more than 10% of the annual Social Premium.</p>
<p>5.1.2</p>	<p><b>Locations</b></p> <p><b>Guidance</b></p> <p>Typically projects should be localized in or in close vicinity of the producer communities. Exemptions from this requirement may be granted by the certification agency or FairTSA in very well-reasoned cases. Such an exemption must be given in writing, listing all grounds for the exemption.</p>
<p>5.1.3</p>	<p><b>Existing Projects</b></p> <p><b>Guidance</b></p> <p>Existing projects funded by a FairTSA licensee can be taken into account when setting the Social Premium. The determination to which extent must be made by the CCA and FairTSA in collaboration, considering documented expenses and accepted projects.</p>

# Fair Trade Sustainability Alliance Inspection and Certification Guide, Version 4.10

<b>5.2</b>	<b>Types of Eligible Projects</b>
5.2.9	<p><b>Other Admissible Community Development Projects</b></p> <p><b>Guidance:</b> When in doubt about the admissibility of a project, contact your CCA or FairTSA directly. The main criterion is that a project supports the coherence and needs of the producer community. If that is guaranteed, the project will most likely be approved.</p> <p>Example: Supporting a football (soccer) team was approved as it was determined that this would strengthen the coherence of the worker community involved and help ease social tensions.</p>
<b>5.3</b>	<b>Management of Community Development Projects</b>
5.3.1	<p><b>Initiation of CDPs</b></p> <p><b>Guidance:</b> In rare cases, producer representatives may initiate and propose the CDP.</p> <p>Example: A project proposed to support migrant workers while the workers are not yet on the premises and their villages are too distant to be involved in the planning process. Such projects or parts of projects must be designed exclusively and obviously for the benefits of the migrant workers.</p>
5.3.4	<p><b>Project-Based Accountability</b></p> <p><b>Guidance:</b> Please note that the Community Development Project typically does not apply for the first inspection and only happens during the second inspection if the Social Premium amount exceeds USD 1,000. At the first inspection, the inspector should briefly inform the responsible person that a CDP is part of the FairTSA program. Further questions by the representative of the operation should be directed to FairTSA’s management.</p> <p>The inspector will be given the Community Development Plan, any additional available information and a financial statement at least ten workdays before the inspection by the FairTSA Management.</p>



# Fair Trade Sustainability Alliance Inspection and Certification Guide, Version 4.10

A financial audit according to the following formula must be carried out at the second inspection. The basis for the audit is the calendar year preceding the inspection.

+ Social Premium funds received for the CDP by the operation during the preceding calendar year  
- documented expenses  
= monies still available for CDP.

The remaining money must be clearly identifiable in the bookkeeping system of the operation that holds the Social Premium. This amount must also be noted in the inspection report. This will allow the inspectors at the next inspection conduct the financial audit according to the following formula:

+ Social Premium still available after last inspection  
+ Social Premium received during the preceding calendar year  
- documented expenses  
= monies still available for CDP.

### Criterion for Inspection

Community Development Project is initiated/in progress/completed according to plan.

### Indicators

Bank statements, building plans, buildings completed or in progress (preferably documented by electronic images), oral discussions/interviews with beneficiaries of the community development program, receipts for equipment and other goods bought (pictures, if possible), receipts for labor carried out and labor, buildings started and/or completed, equipment bought as indicated in the CDP plan, documents of seminars and workshops held, statistics and other evidence documenting the execution and impact of the CDP.

**Major Non-Compliance:** Substantial irregularities in the administration of the funds for the Social Development Project constitute a major non-compliance. Deviations of more than 10% must be treated as major non-compliance and corrective actions must implemented no less than three months from the date of the inspection. In such cases the CCA may, at its discretion, insist that the operation establish a bank account just for the Social Premium funds. If more than 5%, but not more than 10% of the Social premium cannot be traced, this should be treated as a minor noncompliance, unless it is systematic and recurring, in which case it should be treated as major noncompliance.

# Fair Trade Sustainability Alliance Inspection and Certification Guide, Version 4.10

	<p>Examples: Money that is obviously embezzled by one or more persons, receipts for labor carried out with no corresponding work documented, projects that do not resemble the project plan submitted. Minor deviations (less than 5% of the monies are not traceable, reasonable changes and amendments to the initial plan) should be documented and treated as minor non-compliances. Deviations above 5% up to 10% may be treated as major or minor non-compliance, depending on the following factors:</p> <ul style="list-style-type: none"> <li>• Did the irregularity occur more than once?</li> <li>• Is the operation forthcoming in explaining the irregularity?</li> <li>• Did the operation proactively implement a procedure to ensure that such irregularities will not occur in the future?</li> </ul>
<p><b>5.4</b></p>	<p><b>Capacity Building</b></p>
<p>5.4.1</p>	<p><b>Food Security</b></p> <p><b>Guidance:</b> Food security projects, especially involving farm and processing facility workers, should be emphasized. It is recommended that Key Development Partners engage in securing land for workers to cultivate and provide basic nutritional training whenever possible.</p>
<p><b>5.5</b></p>	<p><b>Economic Progress Goals for Cooperatives and Associations</b></p>
<p>5.5.1</p>	<p><b>Financial Projections and Business Plan</b></p> <p><b>Guidance:</b> The business plan should include all activities but should only be inspected by the inspector and not documented in the inspection report, as it will most likely contain proprietary information.</p>

## 6. Labor Requirements

<b>6.1</b>	<b>Protection of Children and Youths</b>  <b>Guidance:</b> Working conditions for children must be evaluated very carefully. When in doubt, the CCA must schedule an unannounced inspection to clarify the issue and ensure that the operation complies with all provisions regarding child labor. In case of grey areas, for example, when children work as part of a family unit and the whole family is working for pay, this may be permissible under the following circumstances: <ul style="list-style-type: none"><li>• Available schooling is not prevented</li><li>• The work is age-appropriate for the child</li><li>• No undue pressure such as per-piece work for children is exerted</li><li>• Children have additional breaks and are allowed to play during work time</li><li>• It is part of a cultural system that allows such families to make a living.</li></ul> In cases where children younger than 15 years accompanying their parents at work serves as a security measure for such children, the cases must be clearly documented, including names and ages of children and the time frame where this acceptable.  <b>Major Non-Compliance:</b> Violations of child labor requirements always constitute a major non-compliance that must result in denial or revocation of certification if not immediately addressed and corrected by the operation (nor more than one month from the date where the violation was documented).
6.1.1	<b>Minimum Age and Schooling</b>  <b>Guidance:</b> The operation must be committed to supporting children attending school. Girls and boys must be treated equally in this regard.  <b>Major Non-Compliance:</b> Prevention or discouragement of available schooling is always a major non-compliance and results in immediate suspension or revocation of certification.

# Fair Trade Sustainability Alliance Inspection and Certification Guide, Version 4.10

6.1.2	<p><b>Dangerous Environments</b></p> <p><b>Guidance:</b> Children must not be exposed to situations such as gambling or drinking alcohol or use of other drugs. Children may also not be permitted to stay in the vicinity of dangerous equipment.</p> <p><b>Major Non-Compliance:</b> If children are encountered in dangerous situations, this must lead to immediate suspension at least until such situations have been remedied and confirmed in a follow-up on-site inspection.</p>
6.2	<p><b>Human Rights</b></p>
6.2.1	<p><b>No Forced, Bonded or Compulsory Labor</b></p> <p><b>Guidance:</b> Forced or bonded labor is not permitted under any circumstances.</p> <p><b>Major Non-Compliance:</b> Discovery of forced or bonded labor situations must result in immediate denial or revocation of certification. A waiting period of at least three years must be kept before another application for FairTSA Fair Trade certification can be considered.</p>
6.2.2	<p><b>Punishment of Workers</b></p> <p><b>Guidance:</b> Punishment of workers in whichever form, including working longer unpaid hours or wage deductions, is not permissible.</p> <p><b>Major Non-Compliance:</b> Punishment as a matter of policy must lead to revocation or denial of certification or suspension until and unless such policy is revoked. Such revocation must be stated openly and accessibly for all concerned workers.</p>
6.2.3	<p><b>Sexual and Other Harassment</b></p> <p><b>Guidance:</b> Gender relations must be given special attention due to often longstanding practices of disadvantaging or patronizing women.</p>

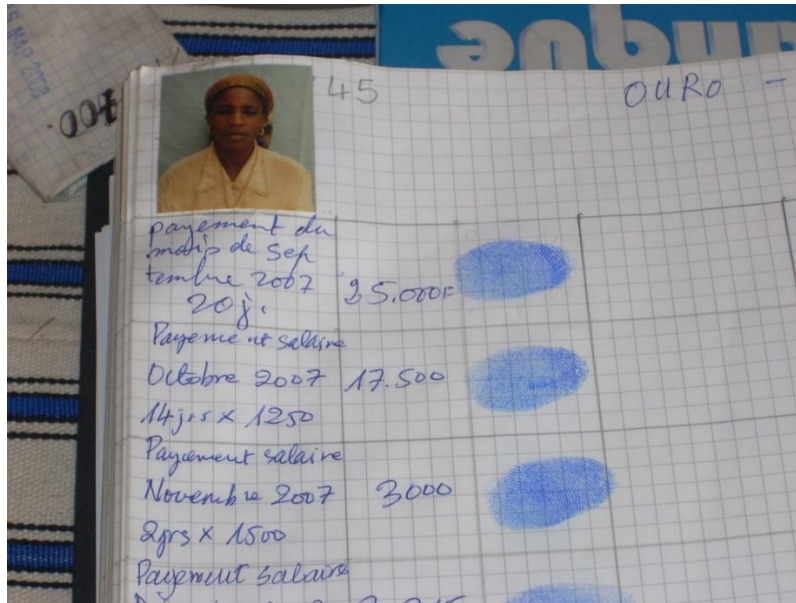
# Fair Trade Sustainability Alliance Inspection and Certification Guide, Version 4.10

	<p><b>Major Non-Compliance:</b> Harassment and abuse in any form must not be tolerated and are grounds for immediate denial or revocation of certification.</p>
<b>6.3</b>	<b>Conditions of Employment</b>
6.3.1	<p><b>General Conditions of Employment</b></p> <p><b>Guidance:</b> Discrimination is often a grey area and may occur in many forms and disguises. The expectation here is that obvious forms of discrimination such as gender discrimination, discrimination because of race or skin color and similar open forms of discrimination cannot be tolerated.</p> <p><b>Major Non-Compliance:</b> If open and clearly discernible forms of discriminations exist, they are grounds for immediate denial, suspension or revocation of certification.</p>
6.3.2	<p><b>Pregnant Employees</b></p> <p><b>Guidance:</b> In some countries and cultures, pregnancy test may be normal and even permitted by law. FairTSA requires that such practices, if established, must be abandoned immediately.</p> <p><b>Major Non-Compliance:</b> The requirement to conduct pregnancy test for female workers before hiring is a major noncompliance. The operation must cease to request this, or denial or revocation of certification will follow.</p>
<b>6.4</b>	<b>Contracts, Wages and Work Time</b>
6.4.1	<p><b>Contracts</b></p> <p><b>Guidance:</b> Missing contracts for workers, especially for seasonal and migrant workers, is probably the most frequent standard violation.</p> <p>Special attention needs to be given to wages for migrant or seasonal workers. This is even more necessary when the employment of such workers is facilitated by contracting agencies or middlemen. Even in such situations, all requirements</p>

## Fair Trade Sustainability Alliance Inspection and Certification Guide, Version 4.10

regarding contracts must be observed. However, in the case of seasonal, migrant or contract workers "umbrella" contracts are permissible. A sample of one version of a contract is shown below.

Figure 1: Umbrella contract and wage documentation in West Africa



The figure above shows part of a combined umbrella contract and wage documentation in a West African country. The first two pages of the book (not shown) contain the contract clauses in French. The contract was read and approved by the illiterate female workers by fingerprint. Each worker has their own payment section in the book and each payment is individually documented and confirmed by fingerprint. This is an acceptable low-tech solution for combining umbrella contracts and wage documentation.

Documented wage differentiation because of different job functions is permissible.

Please note that basic employment contracts in several languages are downloadable from our web site, available at [www.fairtsa.org/producers](http://www.fairtsa.org/producers).

**Major Non-Compliances:** Missing contracts for workers constitute a major non-compliance. It can be remedied by the operation by timely submission of appropriate contracts. If contracts are present, but do not completely comply with FairTSA requirements, the missing parts must be noted as minor non-compliances and either added to the contract or treated as contract addendum and be submitted at the next inspection.

# Fair Trade Sustainability Alliance Inspection and Certification Guide, Version 4.10

	<p>Contracts that enshrine discrimination (e.g. because of gender or tribal origin of workers) must be declared obsolete by the operation. Appropriate contracts must be submitted including a written declaration that discriminating contracts will not be used in the future.</p> <p>If an operation does not show timely and good-faith efforts to remedy such situations, the certification must be denied or revoked as applicable.</p>
6.4.2	<p><b>Wages</b></p> <p><b>Guidance:</b> The operation must provide a clear and intelligible basis for wage payment and present that evidence at inspection. Pay slips or other documentation must be handed out to the workers so that they are able to review their wages and inform management if discrepancies are found by a worker.</p> <p>In the case of migrant or contract workers, this may not be possible. However, at minimum the “umbrella” contract must be in place and the wage must be documented and confirmed by the individual workers (see also the guidance in 6.4.1.)</p> <p>Applicable minimum wage must be documented in the inspection report by the inspector. If no applicable minimum wage exists, the average wage paid in the industry should be noted with a remark that no legal minimum wage exists.</p> <p>Please note FairTSA is working on its own minimum wage for specific countries where no minimum wage exists or where the minimum wage is so low that it does not enable workers to live a decent life. Our expressed goal is working toward a defined living wage for all workers.</p> <p><b>Major Non-Compliances:</b> No wage documentation, missing wage documentation for some workers, wage discrimination of any kind, especially because of gender or tribal origin, not complying with the FairTSA-instituted minimum wage if applicable.</p>
6.4.3	<p><b>Regular Work Time and Rest Period</b></p> <p><b>Guidance:</b> Overtime is often a problematic issue, both in terms of being paid appropriately and it being carried out voluntary. If an operation is heavily relying on overtime,</p>

# Fair Trade Sustainability Alliance Inspection and Certification Guide, Version 4.10

	the inspector should give special importance to worker interviews regarding this topic.
<b>6.5</b>	<b>Freedom of Association, Collective Bargaining and Rights of Non-Unionized Workers</b>
6.5.2	<p><b>Freedom of Association and Collective Bargaining</b></p> <p><b>Guidance:</b> If there is a Collective Bargaining Agreement in place, the operation must make it accessible for review by the inspector. The inspector must then check if the operation complies with all requirements regarding age, overtime pay and any other benefits stipulated in the Collective Bargaining Agreement.</p>
6.5.3	<p><b>Rights of Non-Unionized Workers</b></p> <p><b>Guidance:</b> Worker representation is a pillar of the FairTSA labor requirements. Unless it is a very small operation, worker associations are an essential part of the requirements. Worker associations must also be included in the decision-making about Community Development Projects. Such associations do not need to be legally registered but notes of regular must be made available for inspection.</p> <p><b>Major Non-Compliance:</b> The absence of a worker association or worker committee constitutes a major non-compliance, except for during the first inspection. At the first inspection, it may be treated as a minor non-compliance, but it must be mentioned in the non-compliance letter that this fact will constitute a major non-compliance in the future and may lead to suspension of the operation or revocation of the certificate.</p>
<b>6.6</b>	<b>Social Security and Health Benefits</b>
6.6.1	<p><b>Social Security Benefits</b></p> <p><b>Guidance:</b> Documentation of timely Social Security payments to state or federal authority must be provided for inspection.</p>



# Fair Trade Sustainability Alliance Inspection and Certification Guide, Version 4.10

	<p><b>Major Non-Compliance:</b> Non-payment or untimely payment of Social Security contributions is a major non-compliance. If such non-payment results in workers not being able to receive benefits for which they would be otherwise entitled to, the operation must be suspended and not be reinstated before such payments have been made and the operation is in good standing with the respective Social Security administration.</p>
6.6.2	<p><b>Medical Care Benefits</b></p> <p><b>Major Non-Compliance:</b> Non-payment or untimely payment of Medical Care contributions is a major non-compliance. If such non-payment results in workers not being able to receive benefits for which they would be otherwise entitled to, the operation must be suspended and not be reinstated before such payments have been made and the operation is in good standing with the respective Medical Care administration.</p>
<b>6.8</b>	<p><b>Specific Requirements for Agricultural Workers Including Seasonal and Migrant Workers</b></p>
6.8.1	<p><b>Additional Labor and Work Requirements</b></p> <p><b>Guidance:</b> Special attention must be paid in situations where the work is especially challenging, such as in the cutting of sugar cane, or in situations where the temperatures are extreme. In such situations, additional breaks or other measures to alleviate the workers' situation may be appropriate and be required by the CCA.</p>
6.8.2	<p><b>Living Conditions for On-Farm Workers</b></p> <p><b>No Guidance</b></p>
6.8.3	<p><b>Employment of Migrant Workers</b></p> <p><b>Guidance:</b> If migrant workers are employed and the payment of Social Security and Medical Care premiums is not possible, an amount equal to such premiums must be paid in addition to the regular wage.</p>

# Fair Trade Sustainability Alliance Inspection and Certification Guide, Version 4.10

<b>6.9</b>	<b>Management and Communication Requirements for Operations with More Than 50 Regular Workers</b>
6.9.3	<p><b>Information Sessions Every Year</b></p> <p><b>Guidance</b> Information sessions about FairTSA requirements must be conducted in a language understandable for all workers.</p>

## 7. Environmental Requirements

<b>7.1</b>	<b>Water Sources, Water Use and Water Conservation</b>
7.1.1	<p><b>Water Sources</b></p> <p><b>Guidance:</b> In many regions of the world water is a scarce resource. Therefore, water sources should be chosen with consideration, taking into account the water use of the operation itself as well as neighboring operations and the community at large.</p>
7.1.2	<p><b>Water Use</b></p> <p><b>Guidance:</b></p> <p><b>Major Non-Compliance:</b> Willful and substantial violations of the water use section such as wasteful irrigation practices and regularly discharging contaminated wastewater in open water bodies constitute a major non-compliance.</p> <p>Growing of crops that are not suited for the climate and have excessive water needs that impact the community at large is considered a noncompliance. In such case a transition plan needs to be established that addresses the water situation in a satisfactory manner, either by minimizing water use considerably or by switching to a crop rotation or plants that are better suited to the climate in question. The transition time should not exceed five years.</p>

# Fair Trade Sustainability Alliance Inspection and Certification Guide, Version 4.10

<b>7.3</b>	<b>Energy Management, Minimizing of Greenhouse Gases and Climate Change</b>
7.3.1	<p><b>Energy Consumption</b></p> <p><b>Guidance:</b> The requirements on energy consumption should be handled with caution, as this is the first time that such requirements have been introduced into the FairTSA standard. Only egregious and obvious examples such as trucks running idle for long hours should be treated initially as minor non-compliance.</p>

## 8. Additional Requirements for Conventional Agricultural Production

<b>8.1</b>	<b>Agrochemicals</b>
8.1.1	<p><b>General Principles</b></p> <p><b>Guidance:</b> Consumers rightfully expect that Fair Trade certified products are not harmful for their health. Therefore, utmost care must be given by the inspector during the inspection process. Violations of any of the requirements regarding purchase, application, storage and disposal of agrochemicals have a high degree of probability for constituting a major non-compliance. Therefore, it is necessary that the inspector includes questions regarding all aspects of the handling of agrochemicals in the worker interviews.</p>
8.1.2	<p><b>Purchases and Recordkeeping</b></p> <p><b>Guidance:</b> Purchases of any agrochemicals must be centralized, and all storage areas must be inspected and documented – either directly by the inspector or by the field inspector in case of Internal Control Systems</p> <p><b>Major Non-Compliance:</b> Use and application of agrochemicals for which no purchasing information exists constitutes a major non-compliance and must result in immediate suspension of the operation as a minimum.</p>

# Fair Trade Sustainability Alliance Inspection and Certification Guide, Version 4.10

8.1.3	<p><b>Training and Personnel</b></p> <p><b>Guidance:</b> Personnel and training documentation must be complete for all personnel authorized to deal with any aspect of the handling of agrochemicals. Only agrochemicals listed on the FairTSA System Plan can be used.</p> <p><b>Major Non-Compliance:</b> If any untrained or unauthorized person is involved in the storage, application, or disposal of agrochemicals, this must lead to the immediate suspension of the operation. Use of undisclosed chemicals must also lead to immediate suspension of the operation, at least until the undocumented use is clarified.</p>
8.1.4	<p><b>Storage and Deposition</b></p> <p><b>Major Non-Compliance:</b> Unsafe storage of agrochemicals is a major non-compliance and must be immediately corrected. Unsafe disposal must lead to immediate suspension and can lead to denial or revocation of certification if humans, wildlife or ecosystems have been majorly impacted.</p>
8.1.5	<p><b>Application</b></p> <p><b>Guidance:</b> Inspections must be carried out at such a time that the application of agrochemicals can be observed and at least two workers responsible for application of agrochemicals must be interviewed.</p> <p><b>Major Noncompliances:</b> All violations of proper application rules as defined by law, by the rules of the agrochemical manufacturer and as laid down in the FairTSA standard constitute major noncompliances.</p>
8.1.6	<p><b>Equipment</b></p> <p><b>Guidance:</b> The inspector should include the cleaning procedure in the informal interview if it cannot be observed directly.</p> <p><b>Major Non-Compliance:</b> Improper cleaning and discarding of residual agrochemicals and water or other fluids for cleaning constitutes a major non-compliance.</p>

## 9. Wild Collection of Plants

<b>9.1</b>	<b>Sustainability of Wild Collection</b>
9.1.1	<p><b>General Sustainability Considerations</b></p> <p><b>Guidance:</b> Wild collectors are often members of severely economically- disadvantaged and sometimes illiterate populations. It is therefore imperative that all requirements in this chapter be thoroughly inspected and that all requirements of this chapter are communicated in a way that is intelligible to the wild collectors. The burden of translation in local languages is always on the party purchasing the wild collected plants.</p>
<b>9.2</b>	<b>Contracting of Collectors</b>
9.2.1	<p><b>Contracts and Payments</b></p> <p><b>Guidance</b> All applicable guidance in Chapter 6, Labor Requirements, applies.</p>
<b>9.3</b>	<b>Additional Requirements</b>
9.3.2	<p><b>Social and Labor Requirements and Working Conditions</b></p> <p><b>Guidance:</b> All applicable guidance in Chapter 6, Labor Requirements, applies.</p>
9.3.3	<p><b>Community Development and Social Premium</b></p> <p><b>Guidance:</b> All applicable guidance in Chapter 6, Labor Requirements, applies.</p>

## 10. Processing of Certified Foods

# Fair Trade Sustainability Alliance Inspection and Certification Guide, Version 4.10

<b>10.2</b>	<b>Other Requirements</b>
10.2.1	<p><b>Labor Requirements</b></p> <p><b>Guidance:</b> All requirements in Chapter 6 apply.</p>
10.2.2	<p><b>Occupational Health and Safety Requirements</b></p> <p><b>Guidance:</b> All requirements in chapter 6 apply.</p>
10.2.4	<p><b>Community Development and Capacity Building for Facilities Processing Food</b></p> <p><b>Guidance:</b> Depending on the setup and the specific situation, workers in processing facilities may be included in the Community Development and capacity building activities of the certified project. To apply for this, an informal application may be submitted to FairTSA. A decision on the application must be issued within four weeks after receipt of said application.</p> <p>If processing facilities are included in such activities, all requirements in Chapter 5, Community Development Projects and Capacity Building, apply.</p>

## 12. Textiles

<b>12.1</b>	<b>General Requirements for Textile Production and Processing</b>
12.1.1	<p><b>Labor Practices</b></p> <p><b>Guidance:</b> Guidance and non-compliance considerations per Chapter 6, Labor Requirements, apply.</p>
12.1.2	<p><b>Occupational Health and Safety</b></p> <p><b>Guidance:</b></p>

## Fair Trade Sustainability Alliance Inspection and Certification Guide, Version 4.10

	Guidance and non-compliance considerations per Chapter 6, Labor Requirements, apply.
12.1.4	<p><b>Labeling</b></p> <p><b>Guidance:</b> Guidance and non-compliance considerations per Chapter 14, Labeling Provisions, apply.</p>
12.2.3	<p><b>Community Development for Textile Processing Under the Global Organic Textile Standard</b></p> <p><b>Guidance:</b> Guidance and non-compliance considerations per Chapter 5, Community Development Projects and Capacity Building, apply.</p>

### 13. Social Responsibility Program

<b>13.1</b>	<b>General Requirements for Food Products</b>
13.2.1	<p><b>Socially Responsibly Processed Logo</b></p> <p><b>Guidance:</b> Special attention must be given during inspection that the logo does not appear on any products.</p> <p><b>Major Non-compliance:</b> If the logo appears on products, the company must be immediately suspended unless and until such products are removed from the stream of commerce or the labels have been removed from the products themselves.</p>
13.2.2	<p><b>Requirements for Facilities to be Certified</b></p> <p><b>Guidance:</b> All guidance and noncompliance considerations per chapter 6, Labor Requirements, apply.</p>

## 14. Labeling Provisions

<b>14.3</b>	<b>FairTSA Fair Trade Food Products Shipped by Producers</b>
14.3.1	<b>Requirements for Food Products Shipped by Producers</b>  Guidance: The inspector must ensure that only products intended for sale to licensed FairTSA buyers are labeled with the FairTSA Fair Trade logo.
<b>14.4</b>	<b>Labeling of Socially Responsible Certified Food Products</b>
<b>14.5</b>	<b>Labeling of Textiles</b>
14.5.2	<b>Textiles Manufactured Under the Global Recycled Standard</b>  Guidance: All guidance and noncompliance requirements per Chapter 5, Community Develop Projects and Capacity Building, Chapter 6, Labor Requirements, and Chapter 7, Environmental Requirements, apply.