

## Fairtrade Standard for Hired Labour (16.04.2024\_v 2.2)

### Interpretation Notes

<b>Date</b>	<b>Oct 01, 2024</b>				
<b>Reference</b>	<b>Hired Labour Standard</b>				
<b>Affected standard requirement</b>	<p><b>NEW 2025*</b> <b>Human rights-based grievance mechanism</b></p> <table border="1"> <tr> <td><b>Core</b></td><td>You have a grievance mechanism which allows workers, community members and other individuals and groups to anonymously raise complaints of injustice, harm or fraud linked to your organisation, including environmental harms. The grievance mechanism:</td></tr> <tr> <td><b>Year 0</b></td><td> <ul style="list-style-type: none"> <li>Is accessible in your national language(s) and the language(s) spoken by workers.</li> <li>Supports both written and verbal complaints.</li> <li>Respects the anonymity of the complainants and protects them from retaliation, threats or harm.</li> <li>Ensures resolutions are decided and remediation implemented in a timely manner.</li> <li>Ensures that all parties are kept informed about progress while respecting confidentiality.</li> <li>Allows for an appeals process.</li> <li>Ensures confidential handling of sensitive grievances.</li> <li>Aligns with internationally recognised human rights and national laws.</li> <li>Includes a procedure for cases of sexual harassment.</li> </ul> <p>Grievances regarding gender-based violence are reported to and addressed by specially appointed women or gender committees, which are linked to a female senior manager where possible and have direct access to the Chief Executive. The same principles apply in cases of sexual harassment of groups other than women.</p> <p>If applicable, you report human rights violations to any relevant national agencies.</p> </td></tr> </table> <p><b>Guidance:</b> A grievance mechanism is meant to help your organisation hear about and address grievances early, before they grow bigger.  You can operate your own grievance mechanism or participate in a collaborative grievance mechanism operated by an external organisation. This is particularly relevant for smaller HLOs.  HLOs can build on existing grievance mechanisms and include the new elements introduced.  Trade union and worker representatives should be trained on this mechanism and play an active role in putting the procedure in place.  The Fairtrade Producer Network in your region (CLAC, Fairtrade Africa, NAPP) are best placed to support you with building and implementing the grievance mechanism and procedures, as well as with addressing identified risks and violations. The Producer Networks operate an act to protect policy while social compliance experts support members in their duty of care, avoiding further harm and acting in the best interests of the affected person(s).  Examples of environmental harm include: deforestation, water pollution and contamination, greenhouse gas emissions, soil degradation, etc.  For further guidance, please see the <a href="#">HREDD Guide for Hired Labour Organisations</a>.  *HLOs certified before 1 Jan 2025 have to comply with this requirement by 1 Jan 2026.</p>	<b>Core</b>	You have a grievance mechanism which allows workers, community members and other individuals and groups to anonymously raise complaints of injustice, harm or fraud linked to your organisation, including environmental harms. The grievance mechanism:	<b>Year 0</b>	<ul style="list-style-type: none"> <li>Is accessible in your national language(s) and the language(s) spoken by workers.</li> <li>Supports both written and verbal complaints.</li> <li>Respects the anonymity of the complainants and protects them from retaliation, threats or harm.</li> <li>Ensures resolutions are decided and remediation implemented in a timely manner.</li> <li>Ensures that all parties are kept informed about progress while respecting confidentiality.</li> <li>Allows for an appeals process.</li> <li>Ensures confidential handling of sensitive grievances.</li> <li>Aligns with internationally recognised human rights and national laws.</li> <li>Includes a procedure for cases of sexual harassment.</li> </ul> <p>Grievances regarding gender-based violence are reported to and addressed by specially appointed women or gender committees, which are linked to a female senior manager where possible and have direct access to the Chief Executive. The same principles apply in cases of sexual harassment of groups other than women.</p> <p>If applicable, you report human rights violations to any relevant national agencies.</p>
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<b>Interpretation</b>	<b>In countries where many languages are spoken, is it possible to ensure that the grievance mechanism is accessible in all languages spoken in the country ?</b>				

	<p>Many Fairtrade HLOs are geographically located in countries where several languages are spoken. It is therefore not possible to ensure that the grievance mechanism is available in all languages spoken in the country. In this case the HLO is required to ensure that the grievance mechanism is available in the official language(s) spoken in the country and the most widely spoken language among its workers.</p> <p><b>In cases where the grievant is illiterate, verbal complaints are accepted. How can verbal complaints be raised anonymously?</b></p> <p>There needs to be an anonymous platform that supports verbal complaints. This can be done through a designated focal worker representative, responsible for collecting the verbal complaints and passing them to the HLO anonymously .</p> <p>The focal worker representative needs to protect the anonymity and confidentiality of the complainant so that she/he cannot be identified by the employer, family, community members etc.</p> <p>The HLO can also provide hotlines that is accessible to all workers and the workers should be given an option not to disclose their identity, if they choose to. The hotlines should be available in the official language(s) spoken in the country and the most widely spoken regional language of where the HLO is located.</p> <p><b>In case of anonymous complaints, how are the anonymous parties informed ?</b></p> <p>Where a complaint has been made anonymously, the resolution and updates on implementing the remediation should be published on a noticeboard easily accessible to workers.</p> <p><b>The requirement states that the grievance mechanism ensures that resolutions are decided and remediation implemented in a timely manner. How quickly should remediation measures be decided upon and implemented?</b></p> <p>This depends on the grievance and type of remedy. Sometimes the reported injustice is clear and undisputed, so grievance handlers can focus on identifying suitable remedial measures, while in other cases it may take several weeks to establish the facts. Some measures also take longer to implement than others.</p> <p>Importantly, each certified organisation should set some timeframes and procedural steps in their own written procedure for managing grievances – and the handling of grievances should adhere to this.</p> <p>Certified organisations need to manage stakeholder expectations and share information with all parties about progress in decision-making and the</p>
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	implementation of remedial measures. To this effect, the requirement states that HLOs need to ensure that all parties are kept informed about progress. This is especially relevant in cases where the decision takes several weeks or even months to establish.
<b>Date</b>	<b>May 30, 2021</b>
<b>Reference</b>	<b>Hired Labour Standard</b>
<b>Affected standard requirement</b>	<p><b>References</b></p> <p>Fairtrade International requires that companies always abide by national legislation on topics covered by this standard, unless that legislation conflicts with internationally recognized standards and conventions, in which case the higher criteria prevail. However, if national legislation sets higher standards or ensures more favourable conditions for workers on an issue than Fairtrade International, then it prevails. The same applies to regional and sector-specific practices.</p> <p><b>Labour requirements</b></p> <p>All relevant requirements in the labour chapter applicable to the organization or their members on freedom from discrimination (3.1.1 – 3.1.8), freedom from forced or compulsory labour (3.2.1 – 3.2.2), child labour and child protection (3.3.1 – 3.3.5), freedom of association and collective bargaining (3.4.1 – 3.4.11), conditions of employment (3.5.1 – 3.5.28) and occupational health and safety (3.6.1 – 3.6.30).</p>
<b>Interpretation</b>	<p><b>How are labour requirements covered by this standard interpreted in the context of Dominican Republic where there are challenges to the regularization of migrant workers?</b></p> <p>While the authorities of Dominican Republic have done efforts to legalize foreign workers, access to regularization for Haitian migrant workers is still limited due to challenges with regards to documentation in country of origin, high costs of documentation/ regularization and the frequency of renovation.</p> <p>Fairtrade is supporting local actors in their efforts to ensure that the migrant workers employed in banana organizations certified by Fairtrade in this country can enjoy their rights, have the same or similar benefits as a Dominican worker and as a regularized migrant worker at the workplace and that their safety is guaranteed. The vision, short and long term objectives, implementation plan and monitoring are described in a roadmap.</p> <p>For the time that this roadmap is in place, regarding the above mentioned requirements, the certification body will audit that migrant workers have access to the same (or equivalent) labour conditions and enjoy equal benefits as a Dominican worker and as a regularized migrant worker at the workplace.</p>

	<p>To enable FLOCERT to audit that all workers do effectively have access to the same (or equivalent) labour conditions and benefits, for the DR it is compulsory that the hired labour organizations do have an up to date record of all workers, including temporary, casual and sub-contracted workers, containing for each worker:</p> <ul style="list-style-type: none"> <li>• Full name</li> <li>• Gender</li> <li>• Year of birth</li> <li>• Nationality</li> <li>• Start and end date of employment</li> <li>• Type of work (permanent, temporary, seasonal, full time/part-time)</li> <li>• Salary rate earned per day, week, fortnight or month</li> <li>• Social / in-kind benefits received or available when applied (health, education, food, housing, transportation)</li> <li>• Affiliation to social security and / or private health insurance</li> </ul>			
<b>Affected standard requirement</b>	<p><b>3.5.4 Wage level increase</b></p> <table border="1"> <tr> <td><b>Core</b></td><td rowspan="2"> <p>If remuneration (wages and benefits) is below the living wage benchmarks as approved by Fairtrade International, your company <b>ensures</b> that real wages are increased annually to continuously close the gap with living wage.</p> <p>The incremental steps and timeline toward the applicable living wage <b>are negotiated</b> with trade union/elected worker representatives.</p> </td></tr> <tr> <td><b>Year 1</b></td></tr> </table> <p><b>Guidance:</b> 'Remuneration' consists of wages, other monetary benefits and in-kind benefits.</p> <p>The living wage benchmarks approved by Fairtrade International are the "Living Wage Reference Values" published by the Global Living Wage Coalition, published at <a href="http://www.globallivingwage.org">www.globallivingwage.org</a>.</p> <p>Once a living wage is reached, wage increases are expected to continue to keep up with inflation at a minimum to maintain purchasing power.</p> <p>Where living wage benchmarks (LWB) have not yet been established, regular wage increases are required in addition to increases for inflation.</p> <p>Real wages refers to wages that have been adjusted for inflation. The real wage increase is intended to raise wage levels to an eventual living wage.</p> <p>To ensure that real wages are increased and to show this your company uses a table or platform where a full salary calculation is reflected. The data provided in this table will be verified by the assurance provider.</p> <p>As a basis for the negotiation of incremental steps and timeline toward the applicable living wage your company makes the LWB available to TU and worker representatives. Timeline and steps agreed in the negotiation are available in writing.</p>	<b>Core</b>	<p>If remuneration (wages and benefits) is below the living wage benchmarks as approved by Fairtrade International, your company <b>ensures</b> that real wages are increased annually to continuously close the gap with living wage.</p> <p>The incremental steps and timeline toward the applicable living wage <b>are negotiated</b> with trade union/elected worker representatives.</p>	<b>Year 1</b>
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	<p>The Wage negotiations with trade unions or elected worker representatives can take place in different periods such as every year, every two or even three years, depending on the term or duration of the wage agreements. Nevertheless, real wages are increased every year according to the average annual inflation for the country.</p>
<b>Interpretation</b>	<p><b>How should remuneration increases be assessed as required in HL 3.5.4?</b></p> <p>The company systematically ensures that the real wages are increased every year above annual inflation for the country.</p> <p>For the calculation of the real wage, the company should consider the gross wage value. The calculation should not consider the in-kind benefits.</p> <p>The calculation of the real wage is based on the wage increases that take place within a full calendar year, from January to December. The resulting percentage value of increases in wages is compared with the latest available information on the average annual inflation rate over the year of the country.</p> <p>It means that the wage of a worker or job category should be increased higher than the inflation rate from the previous full calendar year, or the latest available average annual inflation rate.</p> <p>The reference value of inflation should be based primarily on the nationally recognized source or national statistics institution from the country where the company is based. In case the information of inflation is not available in the country, the alternative source is the World Bank official statistics on inflation and Consumer Price Index per country:</p> <p><a href="https://databank.worldbank.org/reports.aspx?source=2&amp;series=FP.CPI.TOTL.ZG&amp;country">https://databank.worldbank.org/reports.aspx?source=2&amp;series=FP.CPI.TOTL.ZG&amp;country</a></p> <p>For the calculation of the real wages, the following parameters should be taken into consideration:</p> <ul style="list-style-type: none"> <li>- The percentage values and inflation rate should be preferably calculated with one numeral and one decimal fraction. For example: 3,8%.</li> <li>- In case the approximation of a percentage is necessary, numbers that are less than five should be rounded down and numbers that are five or higher get rounded up. For example: 1.47 rounds to 1.5; 1.42 rounds to 1.4; 1.4535412 rounds to 1.5.</li> </ul> <p>If reference inflation rates are agreed in a collective bargaining agreement covering the workers in the company, the calculation of real wages described above is not necessary.</p> <p>In the case certain job categories or a number of workers are not covered by a collective bargaining agreement, then either the calculations of real wage</p>

	presented above should be applied to these workers, or the CBA rates extended to such workers.						
<b>Date</b>	<b>March 05, 2021</b>						
<b>Reference</b>	<b>Flower and Plant Standard (15.04.2017_ v 1.3)</b>						
<b>Affected standard requirement</b>	<p><b>3.2.1 NEW APRIL 2017 Floor wages</b></p> <table border="1"> <tr> <td colspan="2"><b>Applies to:</b> Companies</td></tr> <tr> <td><b>Core</b></td><td>Your company ensures that <b>base</b> wages paid to <b>all</b> workers do not fall below the global poverty line of <b>\$1.90/day Purchasing Power Parity (PPP)</b> set by the World Bank noting that this amount could increase depending on the world bank adjustments.</td></tr> <tr> <td><b>Year 0</b></td><td> <p>The floor wage relates <b>only</b> to the <b>base wage</b> received by the worker, therefore in-kind benefits cannot be counted. Cash allowances issued regularly to all workers as an entitlement and allowing workers full discretion on how to spend the money without a link to the attendance or performance of workers, count towards the base wage.</p> <p>You ensure that no benefits have been worsened /reduced after the introduction of this requirement except when formally agreed with a trade union.</p> </td></tr> </table> <p><b>Guidance:</b> This requirement is related to the minimum amount needed by the worker and their family for daily expenses, therefore it is a net cash wage after taxes and deductions  The PPP rates reflect the real wages that have been adjusted for inflation.  To calculate the wages using the (\$1.90/day PPP) in real terms use the formula: <u><b>[PPP rate private consumption for the given year x 1.90 x 30.4(days/month) x typical number of family members]/workers per family.</b></u>  The PPP rate for private consumption are updated by the world bank on a regular basis and can be found here: (<a href="http://data.worldbank.org/indicator/PA.NUS.PRVT.PP">http://data.worldbank.org/indicator/PA.NUS.PRVT.PP</a>)  Companies currently in the system will be given the following transition period to comply with this requirement:  April 2018: Comply with 85 of the 1.90\$ PPP / day  April 2019: Comply with 100% of the 1.90 \$ PPP / day  All new companies joining Fairtrade on or after the publication of this standard will need to comply with the requirement by year 0 without any transition period.  Examples of cash allowance issued regularly to all workers include monthly housing or transport allowance. What is not included in the base wage are those monetary benefits or payments that are not for all (e.g. bonuses related to performance), not monthly or not for discretionary use.  Please refer to the <a href="#">explanatory document</a> on how to calculate floor wages for more information.</p>	<b>Applies to:</b> Companies		<b>Core</b>	Your company ensures that <b>base</b> wages paid to <b>all</b> workers do not fall below the global poverty line of <b>\$1.90/day Purchasing Power Parity (PPP)</b> set by the World Bank noting that this amount could increase depending on the world bank adjustments.	<b>Year 0</b>	<p>The floor wage relates <b>only</b> to the <b>base wage</b> received by the worker, therefore in-kind benefits cannot be counted. Cash allowances issued regularly to all workers as an entitlement and allowing workers full discretion on how to spend the money without a link to the attendance or performance of workers, count towards the base wage.</p> <p>You ensure that no benefits have been worsened /reduced after the introduction of this requirement except when formally agreed with a trade union.</p>
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<b>Interpretation</b>	<p><b>Given the current Coronavirus disease (COVID-19) pandemic, and considering this is an exceptional circumstance, are flower farms permitted to reduce wages below the floor wage and rates in the collective bargaining agreement?</b></p> <p>We understand that this has unfortunately been a practise since the start of the pandemic. To minimise the risk of workers losing their jobs and therefore not benefiting from Fairtrade as well finding a solution for flower farms to cope</p>						

	<p>with economic hardship due to the pandemic, Fairtrade will allow reduced payment of workers under the following conditions:</p> <ul style="list-style-type: none"> <li>• Evidence of decrease of flower volume sales at the Fairtrade flower farm requesting an exception of more than 20% in relation to the previous year (data will be validated in detail by FLOCERT during the next audit).</li> <li>• Level of wages: Exceptions may be granted to flower farms paying workers at least 50 % of their contractual agreed wage between 1st March – 31st May and will be phased out as follows: <ul style="list-style-type: none"> <li>○ April 1, 2021: All workers will earn at least 75% of the Fairtrade floor wage</li> <li>○ May 1, 2021: All workers will earn at least 85% of the floor wage and by June</li> <li>○ June 1, 2021: All workers will earn at least 100% of the floor wage or their contractual salary whichever is higher.</li> </ul> </li> <li>• The exceptions cannot be applied retrospectively.</li> <li>• Flower farms decreasing wages unilaterally without a previously signed written agreement with a union, owe workers that amount and shall pay it back to them in full by December 31, 2021.</li> <li>• Flower farms that have reduced wages below floor wages and CBA rates are required to negotiate with a trade union representing workers or, in their absence, elected worker representatives, a schedule for retroactive payment of unpaid wages since the pandemic.</li> <li>• Any agreements between employers and unions offering rights more favourable to workers supersede these requirements.</li> <li>• During the next audit all the data and information related to this topic should be prepared and ready for the auditor.</li> <li>• This exceptional approach is strictly limited to the COVID pandemic.</li> </ul> <p>Flower farms need to apply for the exception between 1st March – 31st May using a special form available at FLOCERT. Only if this is accepted, farms are able to pay lower wages than required in this standard without certification consequences.</p>	
<b>Date</b>	<b>March 05, 2021</b>	
<b>Reference</b>	<b>Hired Labour Standard</b>	
<b>Affected standard requirement</b>	<b>3.5.1 Wages and conditions of employment</b>	
	<table border="1"> <tr> <td data-bbox="431 1755 565 1818"><b>Core Year 0</b></td><td data-bbox="565 1755 1425 1852">Your company <b>sets</b> wages for workers and other conditions of employment according to legal or CBA regulations where they exist, or at regional average wages or at official minimum wages for similar</td></tr> </table>	<b>Core Year 0</b>
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	<p>occupations; whichever is the highest, with the intention of continually increasing salaries (<a href="#">see 3.5.4</a>).</p> <p>Your company <b>specifies</b> wages for all employee functions and employment terms, such as piecework.</p> <p><b>Guidance:</b> National laws and applicable CBA terms need to be complied with especially if they exceed this Standard. However, this Standard applies if it goes beyond those laws and terms.</p>
<b>Interpretation</b>	<p><b>Given the current Coronavirus disease (COVID-19) pandemic, and considering this is an exceptional circumstance, is it possible that workers in flower farms can receive reduced wages?</b></p> <p>Yes. To minimise the risk of workers losing their jobs and therefore not benefiting from Fairtrade as well finding a solution for flower farms to cope with the current economic hardship due to the pandemic, Fairtrade will allow reduced payment of workers under the following conditions:</p> <ul style="list-style-type: none"> <li>• Workers maintain their existing employment contract and associated entitlement – no termination of contracts and rehiring against less favourable terms.</li> <li>• A previously signed wage agreement between the company and the union that represents the workers of the company. In the case that the company is not unionized but follows the wage rates of a sectoral agreement, that sectoral agreement is also valid.</li> <li>• Farms that have decreased wages without an agreement with a union, are indebted to the worker for that amount and shall pay it back to the worker and in full by December 31, 2021.</li> <li>• During the next audit all the data and information related to this topic should be prepared and ready for the auditor.</li> <li>• This exceptional approach is strictly limited to the COVID pandemic.</li> </ul> <p>Flower farms need to apply for the exception between <b>1st March – 31st May</b> using a special form available at FLOCERT. Only if this is accepted, farms are able to pay less wages without certification consequences</p>
<b>Date</b>	<b>March 27, 2020</b>
<b>Reference</b>	<b>Hired Labour Standard</b>



<p><b>Affected standard requirement</b></p>	<p><b>2.1.20 NEW 2014 Optional distribution of Fairtrade Premium to workers</b></p> <table border="1"> <tr> <td><b>Core</b></td><td>If workers so choose, up to 20%, and in exceptional circumstances up to 50%, of Fairtrade Premium money per year can be distributed equitably amongst all workers in cash as a Fairtrade bonus.</td></tr> <tr> <td><b>Year 0</b></td><td>In the case that workers choose the option to distribute some Fairtrade Premium money in cash to workers, the Fairtrade Premium Committee <b>consults</b> with trade union/workers' representatives to ensure that the collective bargaining process is not undermined.</td></tr> </table> <p><b>Guidance:</b> As with all Fairtrade Premium expenditures, cash distribution must satisfy requirement 2.1.19, be presented in the Fairtrade Premium plan (2.1.15), be democratically approved in a general assembly of workers (2.1.16), and be allowable under national legislation. Cash distribution is considered a major project and requires a risk assessment to be presented at the GA (2.1.17).</p> <p>The intention of the 20% limitation is to prevent that Fairtrade Premium is used to supplement regular wages, which can potentially undermine collective bargaining processes. The percentage of cash distribution may be increased to up to 50% of total Fairtrade Premium under exceptional circumstances only, such as where there is a majority of migrant workers in the work force that cannot benefit from Fairtrade Premium projects or in case of an emergency situation or other exceptional situation. In these cases exception requests are submitted to and approved by the certification body before any additional cash distribution can take place.</p> <p>The FPC may already include trade union/elected workers' representatives involved in the bargaining process and therefore may not need to consult outside the Fairtrade Premium Committee.</p> <p>Equitable distribution means that any cash distribution made should be done at least in accordance to time worked. It is recommended, but not obligatory to consider distributing cash on a needs basis, supporting those who have less security and higher needs. Cash disbursement of Premium money to temporary and seasonal workers is at least proportionate to the days worked in the year the Premium was received</p>	<b>Core</b>	If workers so choose, up to 20%, and in exceptional circumstances up to 50%, of Fairtrade Premium money per year can be distributed equitably amongst all workers in cash as a Fairtrade bonus.	<b>Year 0</b>	In the case that workers choose the option to distribute some Fairtrade Premium money in cash to workers, the Fairtrade Premium Committee <b>consults</b> with trade union/workers' representatives to ensure that the collective bargaining process is not undermined.
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<p><b>Interpretation</b></p>	<p><b>Given the current Coronavirus disease (COVID-19) pandemic, and considering this is an exceptional circumstance, is it possible to have more flexibility in terms of the optional distribution of Fairtrade Premium in cash to workers?</b></p> <p>Yes. To minimize the spread of the disease and to mitigate any negative economic impact on workers and their families, until <b>31<sup>st</sup> December 2020</b> it will be possible:</p> <ul style="list-style-type: none"> <li>- For the Fairtrade Premium Committee (FPC) in agreement with the company, to increase the distribution of the Fairtrade Premium in cash distribution to up to 100% of total Fairtrade Premium without making a formal request to the certification body before the cash distribution takes place. As the food security and access of other essential necessities may be limited with the spread of COVID-19, in-kind disbursements of consumable goods are also possible.</li> <li>- The FPC defines the beneficiaries of these disbursements and strives to benefit all workers equally. Trade union/elected worker representatives need to be actively consulted in advance and allowed at least two days to provide comments. If equal distribution amongst workers of these cash and/or in-kind disbursements is not possible, agreement from the trade union/elected worker representatives is required.</li> <li>- Once a General Assembly (GA) of workers is possible, the GA needs to ratify the Premium use retroactively.</li> </ul>				

	<ul style="list-style-type: none"> <li>- The company needs to inform FLOCERT before the disbursements are made by filling <a href="#">this template</a> and sending it to their certification contact. This information will help Fairtrade to have an overview of the distribution of Fairtrade Premium under these exceptional circumstances. The certification body will not charge any fees for processing this information.</li> </ul>				
<b>Affected standard requirements</b>	<p><b>2.1.16 Annual general assembly held by the Fairtrade Premium Committee</b></p> <table border="1"> <tr> <td><b>Core</b></td><td>Your company <b>ensures</b> that the Fairtrade Premium Committee leads a general assembly (GA) of all workers at least once a year. The purpose of the GA is to report on (<a href="#">see 2.1.18</a>) and democratically approve the Fairtrade Premium plan (2.1.15).</td></tr> <tr> <td><b>Year 1</b></td><td></td></tr> </table> <p><b>Guidance:</b> It is possible that the Fairtrade Premium Plan may need to be changed in between GA meetings. This might be necessary in situations where, for example, more or less Fairtrade Premium money was received than planned, or where members or the community are affected by an unexpected event and workers wish to respond. If this happens, the FPC will need to document the decisions to make the changes, and explain the changes and get ratification from the GA of workers retrospectively. The GA should be held during the time of year when the majority of the workforce is present.</p> <p>A delegate system can be put in place where appropriate to ensure representation of all workers in the case of a large workforce, as defined in the terms of reference of the FPC (<a href="#">see 2.1.4</a>).</p>	<b>Core</b>	Your company <b>ensures</b> that the Fairtrade Premium Committee leads a general assembly (GA) of all workers at least once a year. The purpose of the GA is to report on ( <a href="#">see 2.1.18</a> ) and democratically approve the Fairtrade Premium plan (2.1.15).	<b>Year 1</b>	
<b>Core</b>	Your company <b>ensures</b> that the Fairtrade Premium Committee leads a general assembly (GA) of all workers at least once a year. The purpose of the GA is to report on ( <a href="#">see 2.1.18</a> ) and democratically approve the Fairtrade Premium plan (2.1.15).				
<b>Year 1</b>					
<b>Interpretation</b>	<p><b>Can the current coronavirus disease (COVID-19) pandemic be considered an unexpected event to have more flexibility in terms of decision making on Premium use?</b></p> <p>Yes. The guidance in requirement 2.1.16 highlights the circumstances under which the Fairtrade Development Plan may need to be changed in between General Assemblies (GA) of workers.</p> <p>If the Fairtrade Premium Committee (FPC) identifies investments to minimize the spread of the disease and/or to mitigate any potential negative effects on workers and their families, it is possible to make these Premium investments without prior GA of workers' approval, according to the following guidance:</p> <ul style="list-style-type: none"> <li>- For the FPC to invest Fairtrade Premium in goods/projects that help to minimize the spread of the disease and any negative economic impact on workers and their families (for example hygiene awareness campaigns and purchases of protective requirement like face masks). This flexibility does not exempt the companies from the normal duties to protect the health of the workers and provide a safe environment for their work, nor can the Premium be used for the company to meet their legal obligations. For guidance on basic protective measures against the COVID-19 outbreak please consult the information provided by the <a href="#">World Health Organization</a>.</li> <li>- The FPC defines the beneficiaries of these goods/projects and strives to benefit all workers equally. The FPC is encouraged to actively consult with trade union/elected worker representatives in advance.</li> </ul>				

	- The FPC is required to document the changes in the Fairtrade Premium Plan. Once a GA of workers is possible, the GA needs to explain the changes and ratify the Premium use retroactively.				
<b>Date</b>	<b>December 20, 2019</b>				
<b>Reference</b>	<b>HL-INT</b>				
<b>Affected standard requirements</b>	<p><b>Definition of workers and purpose of the Fairtrade Premium</b> Workers are defined as all workers including migrant, temporary, seasonal, sub-contracted and permanent workers. Workers are waged employees, whether they are permanent or seasonal/temporary, migrant or local, subcontracted or directly employed. Workers include all hired personnel whether they work in the field, in processing sites, or in administration. The term is restricted to personnel that can be unionised and therefore middle and senior and other professionals are generally not considered workers.</p> <p><b>2.1.19 Purpose of the Fairtrade Premium</b></p> <table border="1"> <tr> <td><b>Core</b></td><td>The Fairtrade Premium <b>benefits</b> workers, their families and their communities through Fairtrade Premium projects that address their needs and preferences as decided and adequately justified by workers.</td></tr> <tr> <td><b>Year 0</b></td><td> <p>The Fairtrade Premium <b>is not used</b>:</p> <ul style="list-style-type: none"> <li>To meet any expenditure for which the company is legally responsible (e.g. health and safety requirements);</li> <li>To replace existing social and environmental expenditures of the company</li> <li>To cover the running costs of the company;</li> <li>For costs of compliance with the requirements of this Standard or associated Fairtrade product Standards unless stated differently;</li> <li>To be involved in any activity which is illegal, fraudulent, could jeopardize the business or certification of the company or have a demonstrable negative structural, financial or social impact on the company;</li> <li>As salary supplements to individual workers.</li> </ul> </td></tr> </table> <p><b>Guidance:</b> Projects that involve individual disbursements of non-consumable goods are allowable when these are accessible to all workers equally. These are not payments to workers that can be seen as salary supplements.</p>	<b>Core</b>	The Fairtrade Premium <b>benefits</b> workers, their families and their communities through Fairtrade Premium projects that address their needs and preferences as decided and adequately justified by workers.	<b>Year 0</b>	<p>The Fairtrade Premium <b>is not used</b>:</p> <ul style="list-style-type: none"> <li>To meet any expenditure for which the company is legally responsible (e.g. health and safety requirements);</li> <li>To replace existing social and environmental expenditures of the company</li> <li>To cover the running costs of the company;</li> <li>For costs of compliance with the requirements of this Standard or associated Fairtrade product Standards unless stated differently;</li> <li>To be involved in any activity which is illegal, fraudulent, could jeopardize the business or certification of the company or have a demonstrable negative structural, financial or social impact on the company;</li> <li>As salary supplements to individual workers.</li> </ul>
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<b>Interpretation</b>	<p><b>If the local law allows the unionization of middle, senior and other professionals, could they benefit from the Fairtrade Premium?</b></p> <p>No. Fairtrade aims to bring benefits to disadvantaged farmers and workers. Even if the national law allows middle, senior and other professionals to unionize, these employees are more likely to a secure and sustainable livelihood than other workers.</p> <p>Examples of <b>workers that can be beneficiaries</b> from the Fairtrade Premium are:</p>				

	<ul style="list-style-type: none"> <li>- field workers (planting, harvesting, weeding, spraying etc.);</li> <li>- supervisor/ foreman/forewoman (coordinating, not sanctioning power);</li> <li>- pack house and processing plant workers;</li> <li>- maintenance workers (Plumber, electrician, builder, mechanic etc.),</li> <li>- clerical workers (secretary etc.);</li> <li>- other workers (driver, storekeeper, cleaner, cook, gardener, nurse, guards or security personnel etc.).</li> </ul> <p>Senior and middle professionals (jobs that require a high level of education) as well as management (jobs with the right to take decisions including the right to hire, fire, formally discipline, promote and determine wages) <b>cannot be beneficiaries</b> from the Fairtrade Premium, examples of these jobs are:</p> <ul style="list-style-type: none"> <li>- senior and middle professionals: engineers, company doctor, accounting trained personnel, senior supervisor, occupational health &amp; safety practitioner;</li> <li>- managers: HR manager, finance manager, admin manager, packhouse manager, quality control manager, production/field workers' manager.</li> </ul>
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