



Code of Conduct for Fairtrade NAPP Board members

(Draft for approval by the Fairtrade NAPP Board and Fairtrade NAPP GA)

This Code has been produced as a guideline document that sets out the manner in which the Fairtrade Network of Asia Pacific Producers (FT NAPP) Board members are expected to conduct themselves while they hold office in the Fairtrade Network of Asian & Pacific Producers. In cases where a Board Member's behaviour has fallen seriously short of the level expected, the Board reserves the right to consider appropriate action and sanctions, including requesting the member to resign from the Board.

1. General duties

- 1.1. Board Members are responsible for ensuring that FT NAPP acts within its statutes, policies and procedures and in-line with its role and responsibilities within the Fairtrade system. Accordingly Board Members are expected to maintain an up-to-date knowledge of FT NAPP's work and its context.
- 1.2. Board Members are responsible for protecting and promoting the vision and mission of Fairtrade both through action and in spirit. Their behaviour and attitudes should be consistent with Fairtrade values, especially its commitment to improving the lives of farmers and workers.

2. Probity and Personal Integrity

- 2.1. Board Members must not benefit from their position beyond what is allowed by the law and what is in the interests of FT NAPP. They should take decisions solely in terms of FT NAPP's best interests and not to gain financial or other material benefits for themselves, their family, or their friends
- 2.2. It is therefore important that Board Members are mindful of any conflicts of interest, or any circumstance that might be viewed by others as a conflict of interest. To ensure that as soon as it arises, the matter is reported to the Board and recorded in FT NAPP's register of interests. They must abstain themselves from any discussion or decision where there is any such conflict.
- 2.3. Board Members must comply with any and all rules agreed by the board including those relating to the acceptance of gifts and hospitality and the avoidance of activities and discussions which might compromise the political neutrality of FT NAPP and the Fairtrade system.
- 2.4. Board Members must be open, responsive and accountable to each other, members of staff and other stakeholders about their decisions, actions and work, including their use of FT NAPP's resources.
- 2.5. Board Members must disclose anything in their past, or any change in their circumstances, which could bring FT NAPP or Fairtrade into disrepute such as removal or disqualification from any governance role or membership of organisations, or any other matter that might disqualify them as a company director (e.g. bankruptcy or insolvency proceedings or prosecution or conviction for a criminal offence).
 - 2.5.1 Board Members must disclose any change in their circumstances such as Decertification of their Organisation / their organization leaving the Fairtrade system / resigning from their position in the organization or any such matter that might disqualify them as a company director.
- 2.6. Board Members are deemed to abide by all the below listed Policies existing in FT NAPP
 - Fairtrade Network of Asia and Pacific Producers Policy and Procedure for Protection of Children and Vulnerable Adults
 - Fairtrade Network of Asia and Pacific Producers Anti-Fraud and Anti-Corruption Policy, (Prevention and Awareness Policy)
 - Fairtrade Network of Asia and Pacific Producers Anti- Harassment and Anti-Bullying Policy and Procedures
 - Fairtrade Network of Asia and Pacific Producers Anti- Harassment, including Anti-Sexual Harassment, Code of Conduct for Travel



- Fairtrade Network of Asia and Pacific Producers Whistle Blower policy
- Fairtrade Network of Asia and Pacific Producers Standard Complaints Mechanism
- Fairtrade Network of Asia and Pacific Producers— Addendum to policies

3. Professional relationships

3.1. Board Members must treat each other, members of staff and others they come into contact with when working in their role with respect and courtesy at all times. Bullying, harassing, using unpleasant language, abusive or intimidating treatment, passing derogatory/unsubstantiated comments without evidence, passing racist remarks, targeting members of a particular region, using inappropriate language or gestures, disorderly conduct or violence and any other conduct that interferes with Co-Board Members ability to do his or her job in any form will not be tolerated.

4. Protecting the organisation’s reputation

4.1. Board Members should strive to uphold the reputation and positive public image of FT NAPP and the Fairtrade system and those who work for it. They should remember that any public comments they make, even in a personal capacity, may be perceived as being made on behalf of FT NAPP. If in doubt, Board Members should seek advice from the Chair or Chief Executive Officer before making public statements.

5. Respecting Confidences

- 5.1. Board Members must respect the status of confidential documents and information they receive in the course of their work.
- 5.2. Board Members should respect the “Chatham House Rule” in any reporting of Board discussions. This means that while remarks made during meetings may be repeated, they should not be attributed to an individual, except where this has been included in the approved minutes of that meeting.

6. During meetings

- 6.1. Board Members should try to attend all meetings of the board and committees of which they are members. They should send their apologies to the Chair if they are unable to do so.
- 6.2. Board Members should prepare adequately for all meetings by reading in advance the supporting papers provided.
- 6.3. Board Members are expected to actively participate in Board discussions while showing respect for the positions and opinions of others in their behaviour and the way they raise questions or comments. They should work with each other to build consensus on issues requiring a Board decision.
- 6.4. Board Members should respect the board’s governance procedures and practices, taking account of the advice of the Chair and Chief Executive Officer and abiding by rulings of the Chair in deciding on the conduct of meetings.
- 6.5. Board Members are required to use their knowledge, expertise and experience to take the best decisions they can in the interests of FT NAPP. They are equally responsible for all decisions of the board. Board Members should also promote and support the principles of good governance by leadership and example and should act in a personal capacity as a FT NAPP Board member and not as a representative of any other group or organisation.

7. Promoting good governance

- 7.1. It is the responsibility of all Board Members to help strengthen FT NAPP’s governance, for example by participating in induction, training and development activities, to support the Chief Executive Officer and his/her senior staff in their executive roles and to work with other Board Members on enhancing the leadership capacity of the organisation.
- 7.2. To assist in orderly succession planning, Board Members should be mindful of the need to identify good candidates for future membership of the Board and encourage them to apply as



and when there are vacancies on the Board.

8. Leaving the board

- 8.1. A Board Member who cannot fulfil his/her duties on the Board for any reason should resign at the earliest opportunity by writing to the Chair, stating his/her reasons and the date from which his/her resignation is effective.
- 8.2. A Board Member who is appointed to another board or committee in the Fairtrade system by virtue of his/her membership of the FT NAPP Board and who leaves the FT NAPP Board for any reason will tender their resignation to those other boards and committees if requested to do so by the FT NAPP Board.
- 8.3. The board reserves the right to request a Board Member to resign from the position if he/she is absent for two (2) consecutive meetings of the Board of Directors or from all meetings of the Board of Directors for more than six (6) months, whichever is longer, without obtaining leave of absence from the Board of Directors.
- 8.4. All retiring or resigning Board Members should participate in an exit interview if required.
- 8.5. A Board Member not re-elected in General Assembly should within next 5 working days of General Assembly being held should send in the resignation letter on his/her own account.

9. Breaches of the code

9.1 INFLUENCING, HARASSING AND TARGETING OF FT NAPP MANAGEMENT

- 9.1.1 The 'Board of Directors' shall at all times endeavour to maintain a healthy respect and a professional relationship with FT NAPP Management without interfering in their work and reporting systems.
- 9.1.2 A 'Director' from a 'Position of Power' shall at all times refrain from engaging in or trying to influence any 'Management Personnel' either directly or indirectly for reasons of personal benefits or otherwise.
- 9.1.3 A 'Director' from a 'Position of Power' shall at all times refrain from vindictive behaviour and engaging in targeting of 'Management Personnel' in all forms, either directly and /or indirectly and /or covertly in public space and /or within FT NAPP and /or Fairtrade System. Vindictive behaviour and targeting are defined as, but not limited to–
 - (i) *Bad mouthing: Be it through oral or written expression.*
 - (ii) *Casting unfounded allegations and aspersions: Be it through oral or written expression.*
 - (iii) *Spreading rumours and gossip: Be it through oral or written expression.*
- 9.1.4 A 'Director' from a 'Position of Power' shall at all times refrain from engaging in harassment of 'Management Personnel' in all forms, either directly and /or indirectly and /or covertly. Harassment is defined as, but limited to–
 - (i) *Physical and verbal threats.*
 - (ii) *Reaching out to 'Management Personnel' (especially past office work hours) without seeking prior permission /consent from the Line Manager or the Individual.*
 - (iii) *Seeking sexual and other favours.*

At the same time, a Director shall have full liberty to first bring to the notice of the FT NAPP Board of anything untoward happenings related to the behaviour or performance of any 'Management Personnel' and a decision on appropriate actions will be taken by consensus of the Board.

- 9.2 Board Members should acknowledge the adoption of this Code and accept that the Board has the right to investigate instances or allegations of breach and to take action and apply appropriate sanctions if they are substantiated.
- 9.3 Any Board Member subject to such investigation shall be entitled to a fair and transparent process including the opportunity to explain or justify his/her actions to the members of any investigative panel established by the Board (or to the entire Board if the Board decides to adjudicate the matter).



- 9.4 Handling of complaints under this code shall be confidential to the Board and shall not involve any employee of FT NAPP. It may be necessary for the CEO to be informed that the Board is investigating a complaint but details (including the names of the persons involved) need not be disclosed.
- 9.5 Any allegation or complaint in respect of this code should be addressed to the Chair or, if the Chair is the subject of the complaint, to the Chair of the Board's HR/Protection Committee.
- 9.6 In the event that the Chair is the subject of a complaint then he/she shall immediately recuse himself/herself from any discussion of the matter except for participation in any investigation or adjudication of the matter established by the board.
- 9.7 Where the subject of a complaint is a Board Member other than the Chair, then the Chair shall establish a panel of at least two Board Members to investigate and provide them with the details of the complaint and terms of reference for this investigation. This shall include a reasonable timeframe to investigate and report on the matter which shall not normally exceed 90 days. The Chair may be a member of such an investigative panel if this does not compromise their independence.
- 9.8 An investigative panel established under paragraphs 9.4 or 9.6 may request additional help from someone with an independent perspective and/or relevant expert knowledge/ or from within FT NAPP Management.
- 9.9 Where the complaint relates to section 3 of this code (Professional Relationships) and where the complainant agrees, the complaint will initially be dealt with through informal mediation. If this resolves the matter to both parties' satisfaction then the matter will be regarded as settled with no need for any formal recording.
- 9.10 In all other cases, an investigative panel shall report on its findings with a recommendation to the Chair or, if the Chair is the subject of the complaint, to all other Board Members. If the complaint is upheld, panels have the option of recommending
- a. an informal reprimand of the trustee concerned
 - b. a formal reprimand to be recorded in a confidential section of the minutes of the next board meeting, or
 - c. suspension or cancellation of membership of the Board.
- 9.11. Breach of Code of Conduct: FT NAPP reserves the right to initiate legal proceedings against the erring member for breach of this code of conduct.

10. GOOD STANDING FOR BOARD OF DIRECTORS

A member (s/he) willing to contest for a Board Position at FT NAPP should be a member of a certified "Fairtrade Producer Organization" (Eligibility conditions mentioned in the FT NAPP Constitution). A Member (s/he) willing to contest for a Board Position at FT NAPP and also upon elected as a Director on the FT NAPP shall fulfil the following terms and conditions under the 'Good Standing' requirement under this Code of Conduct of FT NAPP.

- 10.1 'Contestant' and /or 'Elected Director' has not been terminated from the Board Position of FT NAPP or Fairtrade International (FI) or associated Fairtrade National Fairtrade Organizations (NFOs) at any point of time for violating the principles of Fairtrade which includes but not limited to corruption charges, sexual harassment charges, non-declaration of conflict of interest, pending criminal cases, cases, de-



certification of the representing entity (organization /company) from Fairtrade System, etc.

- 10.2 The 'Contestant' and /or 'Elected Director' fully complies with the 'Social Compliance' Systems /Criteria laid out by FT NAPP.
- 10.3 The 'Contestant' and /or 'Elected Director' and shall be willing to undergo and cooperate with a due diligence check and scrutiny by FT NAPP or its Third Party Agencies at any point of time.
- 10.4 The 'Contestant' and /or 'Elected Director' shall submit a duly signed 'Self-declaration Form' committing to 'Good Standing' (template attached).
- 10.5. The 'Contestant' and /or 'Elected Director' should submit a Certificate of 'Good Standing' from their existing Fairtrade certified organization /company signed by the Board and passed through a Board Resolution before filing for nomination (template attached).
- 10.6 The above terms and conditions also apply for External Person (s) invited to the FT NAPP Board or any technical/advisory committee as 'Additional Directors' and /or 'Expert Directors' and/or 'Advisors'.

11. BASIC LITERACY

A Member (s/he) willing to contest for a Board Position at FT NAPP and also upon elected as a Director on the FT NAPP shall fulfil the following terms and conditions under the 'Basic Literacy' 'Code of Conduct of FT NAPP:

- 11.1 The 'Contestant' and /or 'Elected Director' is considered 'Literate' or fulfils the criteria of 'Basic Literacy' as per the 'laws of the land' in the existing country of origin.
- 11.2 The 'Contestant' and /or 'Elected Director' has a good comprehension and understanding of their local vernacular in all forms such as reading, writing and speaking.
- 11.3 The 'Contestant' and /or 'Elected Director' has at least basic understanding of English including writing skills, reading text, understanding numbers /numeric and calculations, signature, etc.
- 11.4 The 'Contestant' and /or 'Elected Director' has ability to comprehend conversations discussions on mails or during virtual /in person meetings (incl. with translation support), analyse and take informed and independent decisions.

12. Confidentiality: Board Members are permitted to accept various managerial positions in other organisations within Fairtrade network. However they shall ensure that confidential FT NAPP operational and strategic information are not shared during such employment. Members shall abide by the confidentiality requirements at all times.

13. Dual Membership:

- 13.1 Board Members are permitted to accept various managerial positions in any organisations within the Fairtrade Network with the prior approval of FT NAPP Board.
- 13.2 Board Members are not permitted to hold parallel position in any entity which is in similar line of business as that of FT NAPP.

14. Cooling off Period: No member shall accept any managerial position in any entity in the similar line of business as that of FT NAPP for a period of One Year from the date of leaving FT NAPP.

Name:
Flo ID:

Dt: Signature
Name of the Organisation:



Conflict of Interest Policy for FT NAPP Board members

1. Introduction

1.1. A 'conflict of interest' is defined as

“A set of circumstances by which a reasonable person would consider that an individual’s ability to apply judgement or act in their role as a Board Member of FT NAPP is, or could be, impaired or influenced by another interest or duty they hold.”

1.2. Conflicts of interests can

- prevent open discussion at board meetings
- result in decisions or actions which are not in the best interests of FT NAPP
- result in the impression that Board Members have not acted properly

1.3. The purpose of this policy is therefore to protect the organisation from these risks.

1.4. Board Members must manage any situation where they have the potential to benefit personally from their position as a Board Member or where they could be influenced by conflicting loyalties.

1.5. It is not always possible to avoid conflicts of interest but it is important that in cases where they could arise, there are clear and transparent processes for managing them.

2. Type of Conflict of Interest

Type of Conflict	Description
1. Financial interests:	Where a Board Member may get direct financial benefit from the consequences of a decision they are involved in making, for example by becoming an employee or through selling an asset or providing a service to FT NAPP.
2. Non-financial professional interests:	Where a Board Member may obtain a benefit from the consequences of a decision they are involved in making such as increasing their professional reputation or promoting their professional career.
3. Indirect interests:	<p>Where someone in the Board Member’s immediate family, a business colleague or other person with whom they have a close relationship could benefit from a decision they are involved in making.</p> <p>Immediate family includes, but is not limited to, the Board Member’s own spouse or partner, their siblings and their spouses or partners, their children and their spouses or partners, parents and parents-in-law.</p> <p>An indirect interest also arises when the organisation that a Board Member works for or is a member of, stands to benefit from a decision of the Board, except where the benefit is generic to all types of such organisations associated with FT NAPP.</p> <p>Board Members may also be conflicted if they combine work in their capacity as a FT NAPP Board Member (and claim travel or subsistence expenses for that) with work for</p>



	another organisation with which they are associated.
4. Conflict of loyalty	Where a Board Member's decision-making is influenced by responsibilities to another organisation, whether as an employee, Board Member or other capacity.

3. Management of conflict of interests

- 3.1. FT NAPP will maintain a register of interests that every Board Member will be required to complete upon taking up their role, and to update at least annually or more frequently if their circumstances change. It is the responsibility of every Board member to ensure that actual or potential conflicts of interest are recorded in the register and failure to do so will be regarded as a Breach of the Board's Code of Conduct.
- 3.2. There shall be a standing item at the start of each Board Meeting agenda at which the Chair shall remind all Board Members to declare any Conflicts of Interest that they may have about any item to be discussed, regardless of whether this has been previously declared on the register of interests.
- 3.3. In the event that a matter is due to be discussed at a meeting that raises a potential conflict of Interest for a Board member, that Board Member will inform the Chair at the earliest opportunity and no later than the start of the meeting under "Declarations of Conflict of Interest
- 3.4. A Board Member who declares an interest in any item of business should leave the meeting to allow the other Board Members to decide how to manage the Conflict of Interest. A quorum must be present for the discussion and decision on how to manage the Conflict of Interest. The conflicted Board Member will not count towards the quorum. The decision will be taken by majority vote. The options open to the Board are:
 - a. To request the conflicted Board Member to leave the meeting for all discussion and voting on the matter on which they are conflicted.
 - b. To allow the conflicted Board Member to speak on the matter concerned but to leave the meeting for any vote on the matter.
 - c. To allow the conflicted Board Member to speak on the matter concerned and not to vote on the matter, but remain present while the vote takes place.
- 3.5. The Board shall ensure that the declaration of interest and the process to decide on its management are recorded in the minutes of the meeting.
- 3.6. Board Members should consider that even where they are not conflicted in any of the ways described in this policy, that situations might arise where others might reasonably believe that their decision on a matter of Board business might not be objective and unbiased. In such cases they should declare the matter to the Board but may remain in the meeting, participate in the discussion and vote if they wish.
- 3.7. If a trustee is in any doubt about the application of this policy, they should adopt a cautious approach and consult the Chair.

4. Gifts and hospitality

- 1.2. It is important that Board Members are not influenced (or suspected of being influenced) in decisions they take by the receipt of gifts or hospitality from third-parties.
- 1.3. All gifts to and hospitality for Board Members from third-parties should be declared and recorded in the register of interests. The information recorded should include its estimated value, the date on which it was received, who it was given by and the reason for the gift



- 1.4. Gifts and hospitality with a value of **lesser** than 50 Euros can be accepted providing that the gift or hospitality is not given or accepted with an expectation that there is any obligation owed as a result of the gift.
- 1.5. Where a gift or hospitality is received or offered which exceeds the value of 50 Euros, the gift or hospitality should be declined. If the gift has already been provided it should be returned to the sender or, if this is not practical, the gift should be donated to FT NAPP for use in its work or for donation to another appropriate organisation, for example an organisation working for a similar purpose to FT NAPP which could include a Fairtrade Producer Organisation.
- 1.6. Gifts and hospitality should never be solicited and any gifts and hospitality specifically offered to influence the decisions of Board Members should NEVER be accepted.

2. Record Keeping

- 2.1. All Board Members shall be provided with a standard form to register their declarations of interest and receipt of gifts and hospitality upon appointment to the Board. If there are no interests or gifts or hospitality to declare then a “nil return” shall be submitted.
- 2.2. The forms submitted by members shall be collated into a Register of Interests which shall be made available to all Board Members.
- 2.3. All Board Members shall update their entry to the register of interest and receipt of gifts and hospitality whenever their circumstances change or at least annually on a date to be agreed by the Board (generally the first day of the organisation’s fiscal year).
- 2.4. Where the Board makes a decision on a matter of Conflict of Interest it will be minuted accordingly to include:
 - a. the nature, extent and value of the conflict
 - b. the discussion which took place
 - c. the action taken to manage the conflict
- 4.5. Board Members should, at all times perform their duties in a non-partisan manner within the framework of the roles, responsibilities and discipline laid out for Board members without influencing the members of the Executive Management for personal or professional benefit or for any other reason.

I have read, understood and agree to uphold the code of conduct and conflict of interest policy for Board members.

Name of Board Member _____

NAME OF THE PRODUCER ORGANISATION

FLO ID

Signature _____

Date _____