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CODE OF CONDUCT FOR FAIRTRADE NETWORK OF ASIA

PACIFIC PRODUCER MEMBERS (FT NAPP)

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

1. PREAMBLE

This Code has been produced to clarify expectations from Members of the conduct expected of them while they are members of the Fairtrade Network of Asia & Pacific Producers (FT NAPP) also referred to as 'the Company'. In cases where a Member's behaviour has fallen seriously short of the level expected, the FT NAPP Board reserves the right to consider appropriate sanctions, including stopping all Producer related services (PSR) to the member.

Members include Fairtrade certified Small Producer Organizations, Hired Labor Organisations and Contract Production Organisations.

2. SCOPE

The Code of Conduct is applicable to all Members of FT NAPP. In essence, any Member representing FT NAPP or any Member working on the Company's behalf is expected to act consistently with the Code. It is expressly clarified that Members shouldn't interfere with the governance of the Company. Members waive such right of interference, if any, to interfere with the governance of the Company.

3. RESPONSIBILITIES UNDER THE CODE

It is the responsibility of each Member, to be aware of and abide by the code of conduct elucidated in this document. Additionally, all Members also have the responsibility of behaving/acting in an ethical manner compliant with the applicable laws of the land. Further, each Member is responsible for reporting any violations of the code they observe within the company, their organisation or any other member to the redressal body formed by the NAPP board. In addition to the above, the members have an additional responsibility to drive a culture of integrity, honesty, ethical and law-abiding behaviour among other Members of their organization. Towards this end, they are expected to reinforce the code of conduct as part of their internal Members communication and encourage fellow Members to report violations of the Code and guard against taking retaliatory action against someone for reporting a violation in 'good faith'.

A. Fraud and Corrupt Practices

Members should adopt clear internal policies and control plans to prevent, detect and act on any evidence presented of fraudulent or corrupt practices. Commitments must apply to all persons acting on behalf of the Member, such as officers, employees, consultants, contractors and agents or other intermediaries. Members have a duty to report any and all suspected cases as part of compliance within this Code, including reporting to FT NAPP Management and Board where necessary.

B. Trademark Protection

The name FT NAPP, the FT NAPP symbol/logo and the registered FT NAPP certification and brand trademarks are valuable assets and their correct usage is central to the integrity of the FT NAPP, and the trust placed in it. **Formal** Members of FT NAPP Association do not have the right to use the trademark and to license usage by third parties. Any exception have to be approved by FT NAPP Management.

4. EQUAL OPPORTUNITY WORKPLACE

At FT NAPP, we strive to provide a work environment free from discrimination and harassment. We are an equal opportunity employer and membership decisions are based on merit and business needs. We are dedicated to promote equality and enabling all genders to access equal opportunities. We are committed to following fair membership practices that provide equal opportunities to all Members. We do not discriminate or allow harassment on the basis of race, colour, religion, disability, gender, national origin, sexual orientation, gender identity, gender expression, age, genetic information or any other legally protected status. At FT NAPP, we value diversity and believe that a diverse workplace builds a competitive advantage.

1. To put these values in practice, the members must ensure that decisions affecting Member organisations and their stakeholders are based on business factor only. Members must also ensure that there is no verbally or physical mistreatment or offensive behaviour within and outside of the organisation. This includes 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- Members ability to do his or her job. Members must promote a healthy and safe work environment. All forms of substance abuse as well as the use or distribution of drugs and alcohol in their workplace is prohibited. Should a member observe any unsafe situations at work, please reach out to us at; _____

Members are encouraged to adopt policies suitable to their own organisational size, role and National legislative frameworks to contribute to the achievement of gender equality and prohibition of discrimination within their own organizations and employment practices.

5. POLICIES:

All Members are deemed to abide by all the below listed Policies existing in FT NAPP. Members commit to adopting these policies into their staff and members Code of Conduct.

- 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

6. **ETHICS IN BUSINESS ACTIVITIES**

Fairtrade and FT NAPP members enjoy a hard-won reputation for honesty, integrity and fair dealing. Without question, this reputation is an invaluable part of our success. There are certain regulations that members are subject to and we should ensure that we comply both in letter and in spirit with these as is applicable.

A. Preventing Corruption

All members, irrespective of their country of domicile are subject to all relevant anti- corruption laws. These prohibit bribery of government officials and commercial partners.

Members should never offer, directly or indirectly, any form of gift, entertainment or anything of value to any government official, commercial partners including customers or their representatives to:

- Obtain or retain business;
- Influence business decisions; or
- Secure an unfair advantage

This includes bribes, kickbacks and facilitation payments.

- What is a bribe? A bribe is anything of value that may be seen as an attempt to influence an action or a decision in order to obtain or retain business or acquire an improper advantage. This could include money, gifts, favours, use of organisational resources, entertainment or other items of value.
- What is a kickback? A kickback is a form of corruption that involves two parties agreeing that a portion of their sales or profits will be kicked back (given back) to the purchasing party in exchange for making the deal.
- What is a facilitation payment? Certain countries may have a practice of ‘facilitation payments’, which are payments to government officials to expedite or ensure routine actions, such as issuing visas, work permits, licenses etc.

Members should not do any of these, nor allow third parties acting on their behalf, such as agents, consultants, suppliers and contractors to make any payments like these.

7. **PROVIDING INFORMATION TO THE MEDIA**

To protect FT NAPP’s confidential information from misuse and to ensure that only accurate information about the Company is disclosed, we have designated our Corporate Communications team to handle exchanges with the media. Additionally, our Leadership team and Communications Manager are the official spokespeople for the Company. Members are not allowed to speak or post information on behalf of the Company without explicit permission from the CEO and or

Communications manager.

8. CONFLICT OF INTEREST

FT NAPP is a non-profit organization, working with many different stakeholders to achieve secure and sustainable livelihoods for Farmers and Workers. It is important that Members are mindful of any conflicts of interest or any circumstance that might be viewed by others as a conflict of interest.

Members must implement an approved Conflict of Interest policy, which defines certain typical conflicts of interest that could arise within their operational context and the appropriate procedures and possible remedies to be applied.

9. INTERACTING WITH AUDITORS AND/OR REGULATORS

Members must fully and truthfully cooperate with any examination or request for information from a Fairtrade Auditor, FT NAPP management, regulator or law enforcement agency.

10. RISK MANAGEMENT

Sound risk management practices help to ensure that we take advantage of opportunities whilst also mitigating threats to the strategic objectives and business. FT NAPP Members commit to establishing and operating a system of risk oversight and management to identify, assess, monitor and manage risks related to the conduct of their organisational activities.

Members have an obligation to contribute to the ongoing effectiveness of the global risk management system, as well as implement risk management processes and systems within their own organizations, as relevant to their own size, the nature of their work and programmes, and the specific context in which they are working and nature of risks relating to those.

11. ENVIRONMENTAL MANAGEMENT AND IMPACT

Members commit to environmental sustainability and climate change prevention, and to improved environmental outcomes in their work towards our goals to improve livelihoods for small-scale farmers and workers through better trade. Members will also demonstrate an organizational commitment to environmental sustainability and improved environmental outcomes in their own internal operations, seeking to minimise negative environmental impacts wherever possible, including travel, office and property management, procurement of goods and services, events, meetings, or use of vehicles and equipment. Members will encourage all employees or other contracted parties to be responsible in their own behaviour and their use of natural resources to the best of their own ability.

12. ANTI-TRUST AND ANTI-COMPETITION

Anti-trust laws exist to ensure competitors in the same markets do not engage in activities such as price fixing or exchanges of commercial information that may result in a less-competitive consumer market. All members are required to respect anti-trust and competition law when engaging in discussions with competitors as well as the implications of competition law.

13. STRATEGIC PLANNING PROCESSES

We are committed to a participatory and democratic approach to strategic planning, and to ensuring the effective collaboration and co-ordination of Members in the establishment, monitoring and reporting, and review and evaluation of strategic plans. It is critical that the voices and reality of small farmer organizations and workers in FT NAPP are clearly heard and understood as part of the global strategic process and all Members shall support the full participation of Producer Networks through the strategic planning process. Members commit to actively participate in global strategic planning processes, and to a spirit of cooperation and solidarity in the interests of building consensus over strategic directions, priorities and plans and also to align their own organisation's strategic plan to FT NAPP's Strategy.

14. MONITORING, EVALUATION AND LEARNING

FT's Theory of Change (TOC) provides a clear Monitoring, Evaluation and Learning (MEL) framework for identifying the expected types of outputs, outcomes and impact generated through our own interventions in global markets and supply chains. Fairtrade and FT NAPP conduct monitoring, evaluation and learning in line with the Theory of Change (TOC) framework, which highlights both the intended and unintended changes arising from FT activities and indicators for measuring and reporting these. Members commit to effectively contributing to monitoring and evaluation as part of their annual plans and strategies and any new major programme or partnership and that they are able to contribute to:

- Relevant data from certification audits, market based information, sales, premiums, numbers of individuals in the organizations etc.
- Providing evidence of Fairtrade benefits and impact for farmers and workers in their organizations.
- Supporting independent evaluation of FT's effectiveness, and recommendations based on learning from these.

15. WORKERS' RIGHTS AND REPRESENTATION

FT NAPP is committed to promoting and protecting workers' rights, as enshrined in the Conventions of the International Labour Organization. We strive to support mature systems of industrial relations based on mutual trust, respect and regular dialogue between workers, their unions and employers. Members should seek opportunities to collaborate internally and with external partners and workers' rights organizations to address the challenges and continuous improvement of worker's rights and working conditions. Members should establish an official system for representation of worker's voices with management and ensure employees are freely able to join trade unions or other forms of worker association of their own choosing and should negotiate with the workers regarding any changes in working conditions.

16. DECISION MAKING ROLES AND RESPONSIBILITIES

Members shall freely make decisions relating to their own organization, provided that such decisions do not conflict with the overall direction or operations within the Fairtrade System and respect the

Policy and procedures on territorial rights and interests. Members shall respect and implement resolutions and decisions of the FT NAPP Board. Where a decision may affect the status, rights or obligations of any or all Members, the Board and General Assembly or any relevant Committee must ensure they consult with such Members who would be affected.

17. TERRITORIAL RIGHTS AND INTERESTS

Members are committed to treating each other fairly and respectfully, to sharing information in a timely manner on matters that may impact on others and to involve other Members in consultations or any decision-making that may have an impact in their territory, so as to avoid potential conflicts or disputes. Members should also make all efforts to avoid making commitments to third parties that prevent them from sharing important information within the FT System.

18. ADMINISTERING OUR CODE

A. Investigations

FT NAPP has put in place a “Standard Complaint Mechanism” process to review and investigate all potential Code violations. The procedure approved by the Board Level Protection Safeguarding and compliance committee will be followed in all cases.

Investigations will be conducted ‘confidentially’ and will be respectful and fair. If an allegation is substantiated by an investigation, the appropriate team will review the findings and determine the final outcome. Should you report a potential violation in good faith, you are assured of all support by the Company. This support is extended to any person who is assisting in any investigation or process with respect to such a violation. You can report any potential violation in good faith without ever worrying, for instance if it will affect you professionally. Any such retaliation may be immediately reported to the Helpline. If you are the subject of an external investigation, you should immediately report this to the Company unless it is prohibited by law. Any Member subject to any investigation shall be entitled to a fair and transparent process including the opportunity to explain or justify their actions to the members of any investigative panel established by the Board.

19. AMENDMENTS / MODIFICATIONS TO OUR CODE

The Company’s Board of Directors are responsible for reviewing the Code which will be placed before the Company’s General Assembly for approval. The Code will be reviewed periodically to determine whether revisions may be required due to changes in the law or regulations or changes in our business or the business environment. Board of Directors can recommend and approve the changes to the code and any such change will have to be approved by the Members at the General Assembly.

20. DISCIPLINARY ACTIONS

If the Code is violated, the Company will take appropriate disciplinary action. The matters covered in this Code are of the utmost importance to the Company, its stakeholders and are essential to the Company’s ability to conduct its business in accordance with its stated values. We expect all our members to adhere to these rules in carrying out their duties as members of Fairtrade.

We take violations of this Code, Company policies and applicable laws seriously. Where appropriate,

the Company may initiate prompt corrective action including termination of Membership. We strive for consistency and fairness in discipline for Code violations. Discipline may include a verbal or written warning; suspension or, for the most serious offences or repeated misconduct, termination of Membership.

Any disciplinary action depends on the nature, severity, and frequency of the violation. It may vary depending upon local law.

21. MANAGING COMPLAINTS AND ALLEGATIONS

FT NAPP has in place a “Standard Compliant Mechanism”. This mechanism states clear processes and procedures for dealing with allegations and complaints received either internally or from third parties, including analysing the nature of the allegation or the complaint, escalating issues within the FT NAPP System or with relevant authorities as required, protecting the identities of complainants and communicating the process and outcome of any investigation.

22. INFLUENCING, HARASSING AND TARGETING OF FT NAPP MANAGEMENT

- 21.1 The Members 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.
- 21.2 A Member 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.
- 21.3 A Member 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–
- Bad mouthing: Be it through oral or written expression.
 - Casting unfounded allegations and aspersions: Be it through oral or written expression.
 - Spreading rumours and gossip: Be it through oral or written expression.
- 21.4 A Member 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–
- Physical and verbal threats.
 - Reaching out to ‘Management Personnel’ (especially past office work hours) without seeking prior permission /consent from the Line Manager or the Individual.
 - Seeking sexual and other favours.
- 21.5 At the same time, a Member 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 the Board or a Board appointed committee.

23. GOOD STANDING FOR MEMBERS

A member willing to contest for any Regional Conference (RC) 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 any RC Position at FT NAPP and also upon being elected as a Coordinator/Dy. Coordinator or any position in RC of the FT NAPP shall fulfil the following terms and conditions under the 'Good Standing' requirement of this Code of Conduct.

- 22.1 'Contestant' and /or 'Elected Member' has not been terminated (currently or in the past) from any 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. These include 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.
- 22.2 The 'Contestant' and /or 'Elected Member' fully complies with the 'Social Compliance' Systems /Criteria laid out by FT NAPP.
- 22.3 The 'Contestant' and /or 'Elected Member' 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.
- 22.4 The 'Contestant' and /or 'Elected Member' shall submit a duly signed 'Self-declaration Form' committing to 'Good Standing' (template attached).
- 22.5 The 'Contestant' and /or 'Elected Member' 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).

24. DUAL MEMBERSHIP:

Members are permitted to accept various positions in any organisations within the Fairtrade Network with the prior approval of FT NAPP Board.

25. LEGAL COMPLIANCE

Members must operate according to the laws and regulations of the country/region. All Members must ensure they meet legal obligations and reporting requirements and shall comply with all the Laws applicable to your Organization.

26. MEMBER GOVERNANCE

All Members are responsible for establishing and operating effective governance bodies. Good governance is accountable, transparent, compliant with laws and regulations, responsive to stakeholder needs, efficient, equitable, inclusive and participatory. Members are responsible for ensuring their own relevant membership and stakeholder representation requirements are met including areas of specific professional expertise and knowledge, in line with relevant statutory guidance and best practice for organizations of similar nature and size. You should seek to balance membership in terms of your commitments to diversity and equal opportunities.

Appendix 1: Glossary of Terms

Allegation: an accusation, made by a third party, claiming that a Member is violating FT policies and procedures, is damaging FT NAPP's reputation.

Anything of Value: includes cash, gifts, gratuities, travel, meals, entertainment and offers of employment. Also may include event sponsorships, consultant contracts, and charitable contributions made at the request of, or for the benefit of, a Third Party's employee, their family, or other relations, even if made to a bona fide charity.

Bribery: the offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of Anything of Value, including gifts, loans, fees, rewards or other advantages (taxes, services, donations, favours etc.). (See also definition for Anything of Value)

Board: the Board of FT NAPP

Complaint: an accusation, made by a third party, against FT services, FT conduct and/or FT staff/representative and/or consultant claiming that this person or organization violated FT policies, procedures and regulations or FT Services, or damaged FT's reputation.

Confidentiality: a state of keeping information private or process of protecting it from disclosure that could be harmful to an individual or organization.

Corruption: the abuse of entrusted power for personal gains

Data: data collected, processed and used by FT NAPP whether this be individual organizational, operational or business data of certified producer organizations (POs) in which the identity is clearly shown.

Development: process of bringing about positive and sustainable change or progress.

Disability: a long term physical, mental, intellectual or sensory impairment which in interaction with various barriers may hinder full and effective participation in society on an equal basis with others (UN Convention on Rights of People with a Disability).

Diversity: recognition of every individual as unique and respect for differences, in relation to issues including race, ethnicity, gender, sexual orientation, socio-economic status, age, physical or mental abilities, religious or political beliefs, or other social or cultural background or ideology.

Due Diligence: research and analysis of an organization in preparation for a programme, business transaction or activity, prior to signing any contractual agreement.

Effectiveness: the degree to which actions and interventions are successful in delivering the desired result.

Ethical: in accordance with rules or standards for correct conduct and practice, whether they be social, financial/economic or environmental.

FT Activities: the collected activities to be performed by FT NAPP and its Members in pursuance of FT, as reserved to FT International or allocated to any of its membership groups (NFOs and PNs), all as

described in the Constitution and as resolved by the General Assembly from time to time.

FT Products: finished products certified to FT standards, or product categories eligible for certification.

FT Producers: organizations or legal entities that are certified to FT's Producer Standards.

FT Standards: The FT International Standards, including Producer and Trader Standards, Product Standards and Guidance Documents, established and amended by FT International from time to time.

FT System: the organizational structures, existing from time to time, for the purpose of realizing FT and the FT Activities, with such organizational structures being currently composed of FT International, its subsidiaries, its Members, Applicant Organizations and FT Marketing Organizations.

FT Trademarks: any registered or non-registered trademark owned by FT International.

Farmers and Workers: individual farmers, workers, artisans or equivalents; including those who are members or employees of FT Producers and Producer Organizations.

Fraud: a deliberate deception to secure unfair or unlawful gain, or to deprive a person or organization of a legal right. Fraud includes false representation, failure to disclose information or abuse of position.

Gender: the socially ascribed characteristics and opportunities associated with being a man or a woman, and the relationships between them. In contrast, sex refers to the physical characteristics and differences between males and females as determined by biology.

Gender equality: The concept that all human beings, men and women and boys and girls, are free to develop their personal abilities and make choices without the limitations set by stereotypes, rigid gender roles, or prejudices.

Good Practice: a recommended technique, methodology or approach that has been shown through previous experience or research to work well, reliably, produce desirable results.

Governance: the way in which an organization is managed at the highest level, and the systems for decision making over its policies and practices.

Guidelines: information and advice to aid the establishment of a particular area of work or course of action, which can include rules, principles, checklists, examples, model planning documents or procedures.

Human Rights: the basic rights and freedoms that belong to every person in the world from birth to death, as laid out in the Universal Declaration of Human Rights and reflected in international conventions, and in regional and national legislation.

Legislation: a law or set of laws adopted by a Government.

Membership: the legal status of being a full member of FT International from the date of acceptance as such by FT International until termination of such status, both in accordance with the Constitution.

Fairtrade Network of Asia and Pacific Producers (FT NAPP): the member organization of FT International representing the network of FT Producers in Asia and the Pacific Region.

Participatory: allowing opportunities for individuals or groups to join in with a process of decision

making or development.

Partner: individuals, groups of people or organizations that collaborate with FT Members to achieve mutually agreed objectives.

Partnership: an ongoing working relationship with one or more FT Members and/or stakeholders, rooted in a shared vision, with mutually agreed objectives, programmes and resource allocation.

Policy: a document outlining principles, rules and guidelines that have been formulated or adopted by an organization to guide its overall conduct, decisions or a specific course of action, in line with its vision and long-term goals.

Stakeholders: any or all individuals or groups with an interest in FT's success in delivering its intended results, which can affect or are affected by FT's policies and/or actions. For the purposes of this constitution it shall include (without limitation) all those who contribute to its work financially or in kind, or have a mandate to represent Farmers and Workers and can help the Association address the needs of those groups. It shall also include other Fair Trade networks and employees of the Association.

Third Party: Any stakeholder or partner organization with whom FT interacts in the course of their FT activities, including but not limited to: ministries and government officials, producer organizations, member organizations (Producer Networks and National FT Organizations), FT Marketing Organizations, companies, NGO's, Donors, UN organizations and other partners and individuals.

Trade Union: an organised association of workers in a workplace, profession, trade or group of trades formed in order to protect and promote their rights and interests. Trade unions are usually independent of employers, but have close working relationships with them.

Transparency: an organization's openness about its activities, providing information on what it is doing, where and how this takes place and how it is performing.

Whistle-blower: a member of staff, contractor or partner who reports suspected wrong-doing, including suspicion of fraud, misuse of resources, neglect of duties, breach of human rights or risk to health and safety.

Workers' Rights: the legal rights and claimed human rights relating to labour relations between workers and their employers, and enshrined in labour and employment laws – covering issues such as pay, benefits and safe, respectful working conditions.