

## Fair Trade Laos Certification guideline



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**Fair Trade and CSR definitions and benefits**

## What is Fair Trade?

Fair Trade is a lot of things: a social justice movement, an alternative business model, a system of global commerce, a tool for international development, a faith-based activity. It means different things to different people. There is no single, regulatory, authoritative body.

Individuals need to explore various models and concept. Fair Trade has many definitions, but always centered around the exchange of goods based on principles of economic and social justice.

In 1998, four European organizations created a widely accepted definition of fair trade. Fair trade labeling organizations (now Fair Trade international, FI), International Fair Trade Association (now World Fair Trade Organization, WFTO), the Network of European world shops (NEWS) and the European Fair Trade (EFTA) created a work group known as FINE, an acronym of their names, and defined Fair Trade as:

“A trading partnership, based on dialogue, transparency, and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading condition to, and securing the right of, disadvantage producer and workers” - *FINE, 1998.*

“Every business transaction is a challenge to see that both parties come out fairly” Adam Smith, 1759.

## Corporate Social Responsibility (CSR)



## **What is Corporate Social Responsibility (CSR)?**

Corporate Social Responsibility essentially is about “Doing good, Doing Well”. It is about positive business practices with sustainable development in mind. It refers to process of integrating social values within business decision-making, to achieve positive and sustainable outcomes for all stakeholders including business, employees, unions, environment and the community at large. A key concept is the CSR bottom-line toward the 3Ps of Profit (Economic), People (Community) and Planet (Environment).

Referring to this definition, company regardless of their size and ownership structure, can voluntarily commit to integrate CSR into their decision-making to achieve wider economic, community and environmental impact in which they operate; the positive development in society in turn will enhance their ability to pursue their business successfully in the long term.

CSR is in fact about building business competitive advantage and value creation. Companies that have the respect and trust of their stakeholders are more likely to function better and be sustainable.

### **How companies benefit from Corporate Social Responsibility and Fair Trade (CSR)?**

#### **Improve public Image**

Companies that demonstrate their commitment to various causes are perceived as more philanthropic than companies whose corporate social responsibility and fair trade activities are nonexistent. A corporation’s public image is dependent of its social responsibility and fair trade programs and how aware consumers are of these programs. Remember, consumers feel good shopping at institutions that help the community. Companies can improve their public image by treating the employees well, trading fairly with its partners, supporting nonprofits through financial contributions, volunteerism, in-kind donations of products and services, and strong partnerships. By publicizing their efforts and letting the general public know about their philanthropy, companies increase their chances of becoming favorable in the eyes of consumers.

#### **Satisfied customers**

Research shows that a strong record of fair trade and CSR improves customers’ attitude towards the company. If a customer likes the company, they will buy more products or services and will be less willing to change to another brand.

#### **Relevant research**

IBM study ‘Attaining Sustainable Growth through Corporate Social Responsibility’ shows that the majority of business executives believe that CSR activities are giving their firms competitive advantage, primarily due to favorable responses from consumers.

Better Business Journey, UK Small Business Consortium reports, “88% of consumers said they were more likely to buy from a company that supports and engages in activities to improve society.”

### **Improve Positive Workplace Environment and Boost Employee Engagement.**

When companies exhibit philanthropic behavior, they are more likely to provide employees with a positive workplace. Consequently, employees feel engaged and productive when they walk into work each day. Instilling a strong culture of corporate social responsibility within every employee from the top down will help to create a positive and productive workforce. Companies that care about the lives of people outside the walls of their businesses are more likely to create a positive environment. It is also likely that you will receive more job applications because people want to work for you. It means that your company will have more choice for a better workforce.

### **More business opportunities**

A Fairtrade and CSR program requires an open, outside oriented approach. The business must be in a constant dialogue with customers, suppliers and other parties that affect the organization. Because of continuous interaction with other parties, your business will be the first to know about new business opportunities.

### **Attracts & Retains Investors**

Investors who are pouring money into companies want to know that their funds are being used properly. Not only does this mean that corporations must have sound business plans and budgets, but it also means that they should have a strong sense of fair trade and corporate social responsibility. When companies donate money to fair trade organizations and encourage their employees to volunteer their time, they demonstrate to investors that they don't just care about profits. Instead, they show that they have an interest in the local and global community. Investors are more likely to be attracted to and continue to support companies that demonstrate a commitment not only to employees and customers, but also to causes and organizations that impact the lives of others.

*Reference: [www.csrinpractice.com](http://www.csrinpractice.com)*

*[www.doublethedonation.com](http://www.doublethedonation.com)*

*[www.fairtrade.net](http://www.fairtrade.net)*

Here is the link <http://www.laosfairtrade.org/shop-fair-trade/> of Fair Trade Laos' members who integrate the CSR in their business operation.

## **Who is Fair Trade Laos (FTL)?**

Fair Trade Laos (FTL) is a non-profit organization established in 2008 by businesses and organizations that recognized the potential of Fair Trade to improve producers' and farmers' lives and also offer high-quality products and services to consumers.

Fair Trade Laos' overall goal is to contribute to sustainable livelihoods, and aims to develop FTL to become a nationally and internationally recognized and trusted label.

### **What FTL do.**

- Develop Fair Trade certification body and standards that fit the Lao context,
- Certify Fair Trade businesses in Laos (company, hotel, restaurant, producers groups, cooperatives),
- Create understanding of the value of Fair Trade,
- Facilitate joint marketing activities amongst members.

### **Why should you join Fair Trade Laos?**

- Use Fair Trade Laos logo to certify your company or products,
- Access the national and international Fair Trade market platform,
- Receive Fair Trade information,
- Receive information on Fair Trade producers in Laos (Handicrafts, Agriculture, [Services, etc.](#)),
- Share information, products, with other Fair Trade companies, producer groups, and cooperatives,
- Access volunteers who could support specific tasks.

Do you run a social enterprise or run your business? And are you interested becoming FTL's member. See the next part of this book for more detail about FTL standards and certification system.

## **FTL Certification**

## **I. Introduction**

Fair Trade Laos first issued FTL Certification as a pilot project in 2012 through the development of minimum standards and procedure based on small and medium enterprises (SMEs) ecosystem in Laos. The main objective of FTL Certification is to provide practical guidance for local SMEs to operate their businesses in accountability manner to social and environment.

Through research, pilot projects, evaluation and consultative meetings, FTL comes up with a new set of standards in September 2016. The FTL Certification combines Fair Trade and Corporate Social Responsibility (CSR) concepts because of its common core values and ethics of accountable and sustainable business practices. The existing Lao laws, Fair Trade International standards, UN Global Compact and ISO26000 standards were use as main guidelines for FTL Certification standards development.

FTL Certification is a voluntary system to prove that SMEs operate business under fair and accountable conditions. FTL Certification looks at internal management of the company (fair for workers/staff, business partners and consumers) as well as production chain (fair for final beneficiaries: producers, artisans) to ensure the fair and accountable practices in overall business operation.

FTL develops Certification standards that are suitable to the Lao context and SMEs ecosystem. The FTL Certification 2017 will focus on enforcement of the exiting local social and environmental standards of SMEs. FTL Certification operates under the model of participatory guarantee system and peer to peer approach. It provides opportunities for SMEs committed to FT and CSR values but not yet able to fully meet all of standards to be involved in the network and to fully comply with the standards.

## **II. Eligible applicants**

### **1. Producer FTOs (PO)**

- Cooperatives, producer groups or groups of artisans owned and controlled by the producers.
- Fair Trade workshops or Fair Trade motivated producers' companies /organizations with employees producing Fair Trade products.
- Umbrella organizations of producer organizations where the umbrella organization is controlled by the producer organizations and responsible for the marketing and selling of their Fair Trade products.

### **2. Marketing FTOs (MO)**

- Retailers
- Wholesalers: exporters, importers, other traders, brand companies
- Marketing organizations (e.g. national exporters) buying from independent producer groups and other Fair Trade suppliers and marketing their products.

### 3. Service Business

- Travel agencies
- Hotels/Guest house
- Restaurants
- Museum

## III. Principles of practices

FTL develops the Principle of practices into two levels: **Minimum** and **Progressive** standards

- **Minimum standards** are the standards that the new applicants or SMEs need to meet in order to join Fair Trade Laos network.
- **Progressive standards** are the standards that SMEs have to comply or improve their performance within the timeframe and indicators that participatory set by SMEs and Fair Trade Laos.

### Principle 1: Vision towards sustainable practices

Minimum Standard: 1.1 Members and applicants must have a clear policy expressing their commitment to improve and uphold good social and environmental practices.

### Principle 2: Fair for Employees

The principle of Fair for employee has developed according to the Lao Labor Law, amended in 2014

Principles	Minimum standards	Progressive standards
2.1 Fair Wage	The employers must pay salary to employees above minimum wage based on level of education, knowledge, capacity, and expertise and work experience. In according to recent updated Notification of Lao government.  In 2015, the minimum wage is 900,000 LAK/month	Minimum based
2.2 Fair overtime payment	The employers must pay overtime to employees, except the employees self-volunteer but it must not exceed 2 hours per day, 3 days per week.  The overtime payment can be paid by providing compensation day instead of cash payment based on the agreement by both parties.  Overtime rate payment per hour can be set by the employer but it should be above the minimum wage.	Overtime payment must be compliance with the Lao Labor Lao, amended in 2014. - Day time : 150% - Night time : 200% - Assign to work on the night shift he shall be paid an additional bonus of at least 15% of his regular hourly wage for every hour.
2.3 Fair working hour	The regular working hours not exceed 8 hours per day and 6 days per week or 26 days per month. Lunch break shall not be less than 60 minutes.  Overtime shall not exceed 45 hours per month or 3 hours per day.	Minimum based

	Fully paid holiday shall be at least 3 working weeks.	
2.4 Healthcare	<p>Employees must be allowed sick leave with full payment at least 10 days per year upon presentation of a medical certificate. In case of serious injured, the employees must be allowing for 30 days sick leave.</p> <p>Employers must ensure that all of its employees have good physical and mental health. In case the employee has disease due to his workplace, employer must take responsibility for full payment of treatment and makes the best effort to provide as good as possible healthcare for employees according to the economic situation.</p> <p>Employers provide a healthy insurance to employees or fully cover healthcare cost for staff case by case upon the sickness of every employee.</p>	<p>Employees participate and employers contribute to social security regime to contribute to social security fund which cover the cost of healthcare and long term social benefits of employees.</p> <p>Assign one staff responsible for health and safety.</p>
2.5 Pregnancy	<p>Employers must protect the right of pregnant women and those with a new reborn child based regarding to Lao labor law stated below:</p> <ul style="list-style-type: none"> <li>✓ Pregnant women or women with a newborn child under 12 months are not allowed to work overtime and under heavy or hazardous conditions.</li> <li>✓ Provide at least 90 days of maternity leave with full payment before and after birth.</li> <li>✓ If the woman gets ill, she can have additional 30 days with a payment of 50% of her salary.</li> <li>✓ During the first year after birth, she has the right to one-hour rest per day in order to feed the child. If she suffers miscarriage, she is entitled to take full paid leave for a period of time as determined by a doctor.</li> <li>✓ If she has twins, she gets additional allowance of 50% of the maternity allowance. She is also entitled to this allowance in case of miscarriage.</li> </ul>	Minimum based
2.6 Safe working conditions	<p>Employers must provide appropriate equipment to minimize or eliminate employees' occupational risks. In order to achieve this objective members and applicants will need to:</p> <ul style="list-style-type: none"> <li>✓ Provide First-aid kit</li> <li>✓ Regularly maintain the workplace safety standards, including machinery and equipment safety systems, and good air environmental standards.</li> </ul>	Minimum based

	<ul style="list-style-type: none"> <li>✓ Supplying safety equipment, information, recommendation, training and protection for employees regarding work safely.</li> <li>✓ Prohibit the use of addictive substances or drink, or any mind-altering substances in or around the workplace.</li> </ul>	
2.7 Fair access to information and contract	<p>Employers have a contract signed with both parties for every employee which state clearly on job description, contract periods, salary, benefit and restrictions.</p> <p>Employers have clear basic companies' policy and regulation as a guideline for employees.</p>	<p>Employers have a clear companies' policy and regulation that compliance with Fair Trade Laos standards</p> <p>Employees have an access to information on Lao labor law, Fair Trade Laos standards and other relevant information regarding to their rights and responsibilities</p> <p>Employers have a clear data base information of the employees (name, date of birth, address, position and contact)</p>
2.8 Fair Performance review	<p>Employees provide positive feedback to employees to improve their performance at least once a year.</p> <p>Employers allow employees to provide feedback to improve the operational system in appropriate way.</p>	<p>Set up bonus or reward system and criteria for employees that have excellent performance.</p> <p>Employers conduct consultative feedback meeting with employees at least on a year and make an improvement where it appropriate.</p>

### Principle 3: Fair for producers or suppliers

Principles	Minimum standards	Progressive standards
3.1 Fair price	<p>The price of the products is participatory set and satisfies by both parties.</p> <p>In community level, the product price set up should be compliance with the living cost in each area.</p>	<p>Provide extra payment for community development.</p> <p>More detail please refers to Principle 10. Fund for Good</p>
3.2 Fair Practices	<ul style="list-style-type: none"> <li>✓ Be respectful of intellectual property and associated rights regarding protected names / brands, designs, including logos, labels, and culturally based designs or names.</li> <li>✓ Commit to transparent, fair and accountable relationship with its stakeholders, producers, suppliers, etc.</li> </ul>	<p>Have written agreement with relevant clear and appropriate details (e.g. product quality, quantity, price, cancellation). Both parties must have full and open input into that agreement and respect the agreement to maintain long-</p>

	<ul style="list-style-type: none"> <li>✓ Have a transparent communication mechanism and a system of payment, to deal with quality problems and product cancellation in line with ethical trade objectives.</li> <li>✓ Provide regular feedback from the market e.g. detail on consumer demand.</li> <li>✓ Allow producers and suppliers to visit the shop and meet customers.</li> </ul>	<p>term trading relationships.</p> <p>Have a clear producers and suppliers data base ( Number of producers/ suppliers, location, type of product purchase, contact)</p>
3.4 Safe working conditions	<p>FTL not encouraging the usage of chemical. However regarding to market demand especially in handicraft sector, FTL encourages companies to choose the chemical that has none negative health effect, provide trainings and protected equipment to producers / suppliers.</p> <p>The training must provide information on negative of effects of the chemical upon the wrong usage proportion and process, as well as solution if in case of accident occurs.</p>	<p>In case, the chemical has been used by producers or suppliers in tradition. The companies/ suppliers must find out the chemical usage and provide training and information according to minimum standards.</p> <p>Companies/buyers provide appropriate advice to suppliers/ producers for safety working station and conditions where it necessary, especially in communities.</p>

#### **Principle 4: Capacity building.**

Principles	Minimum standards	Progressive standards
4.1 Capacity building for employee	The employers have a policy to provide training, mentorship, courses or study tour for employees in the area that relevant to the job description. The training is providing under fair conditions and commitment of employees.	Minimum based
4.2 Capacity building for producers / suppliers	The companies/ employers are building capacity of producers / suppliers where is appropriate based on the needs of the group.	Producers/suppliers know how to calculate product price/ cost analysis  In case of working as a group, producers/suppliers have capacity to manage their group and have basic transparent accounting system.

#### **Principle 5: Non-discrimination, gender equality and respect culture identity**

Principles	Minimum standards	Progressive standards
5.1 Non-discrimination	The companies commit to non-discrimination regardless of ethnic group, gender, religion, age, and disability, marital, sexual orientation, HIV/Aids status in hiring, remuneration, access to training, promotion, termination or retirement.	Minimum based

5.2 Gender equality	Male and female employees/producers receive equal payment for equal work; go through equally recruitment process and equally benefits based on capacity and performance.	Minimum based
5.3 Respect cultural identity	Companies work with producers/suppliers to both preserve traditional techniques or elements of cultural identity and ensure that products are marketable outside of the producers/suppliers community.	Members develop mechanisms to learn about and share information on the traditional practices and cultural identity of producers/suppliers.  When appropriate and possible, companies strive to educate customers in a way that helps them to be respectful of the cultures.

### Principle 6: No child or forced labor

Principles	Minimum standards	Progressive standards
6.1 No child labor	<p>The companies must not employ children below the age of 15 or under the age defined by the Lao Labor law.</p> <p>Where children/youth (16-18) are employed the members must keep records on them with the following content: Name and Surname; Age and Date of birth; Address; Date of beginning work; Position. According to Lao labor law.</p> <p>In case children involve in the production as a local cultural or traditional trend of transfer knowledge, skill and contribute to family support is an acceptance but it needs to be ensure that children have access to education, games and other children activities.</p>	Minimum based
6.2 No forced labor	Members and applicants do not employ forced labor and must comply with relevant national law with regard to forced labor. Members and applicants shall not withhold payments, property or any legal documents from its employees, directly employed producers and suppliers in order to force them to remain.	Minimum based

### Principle 7: Environmental stewardship.

Principles	Minimum standards	Progressive standards
7.1 Buildings, workshops, office operation	Have a goal to towards environmentally practices	<p>Have a policy / regulation for environmentally practices:</p> <ul style="list-style-type: none"> <li>- Use energy and water efficiently</li> <li>- Practice 3R ( Reuse, Reduce, Recycle)</li> <li>- Efficient waste management</li> </ul>

7.2 Production	<p>Genetically Modified Organisms (GMO), shouldn't be used including animals, seed, fertilizers, as well as crop protection materials (Lao Organic Agriculture Standard, Article 8)</p> <p>Has appropriate wastewater treatment process, such as filter that cleans up or removes dirt form water before releasing into river or nature in in order to avoid water supplies contraindication</p>	<p>Use local raw material where it possible to reduce carbon footprint</p> <p>Encourage for Organic certified where it appropriate</p> <p>Employees, producers and suppliers are practiced the environmental stewardship standards</p>
7.3 Packaging	The company understand the basic principle and the important of environmentally packaging	Where possible members are encouraged to use minimal packaging and when possible when packaging is used recycled or recyclable forms of packaging are encouraged (Lao Organic Agriculture Standard, Article 23, standards 4&5). The use of Styrofoam packaging is strongly discouraged (Lao organics article 23 standard 6)

### Principle 8: Fair for consumers

Minimum standards	Progressive standards
Members and applicants commit to provide good quality products and service with reasonable(fair) price to the customers/consumers	Proactively provide story and information about artisans/producers to customers (e.g. Artisans' and Producers' name, name of the producers group, brief story of product: material, production processes) and any information about the community of which they are a part

### Principle 9: Fair Trade promotion

Principles	Minimum standards	Progressive standards
9.1 Internal communication	Management team have basic understanding on the value of sustainable/responsible business practices	<p>Assign one employee to be the main coordinator with Fair Trade Laos and conduct workshop about Fair Trade Laos to every employee at least one time per year</p> <p>Building understanding about Fair Trade Laos standards to producers and suppliers at least 3 groups per year</p> <p>Organize Fair Trade Laos information corner at the office</p>
9.2. External communication	Progressive based	FTL members use FTL logo in their communication materials, such as websites, catalogs, signs and brochure

		<p>Actively participate in awareness raising activities, organized by FTL at least once a year</p> <p>Provide information about Fair Trade Laos to consumers or in other events where it appropriate</p>
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**Principle 10: Fund for Good**

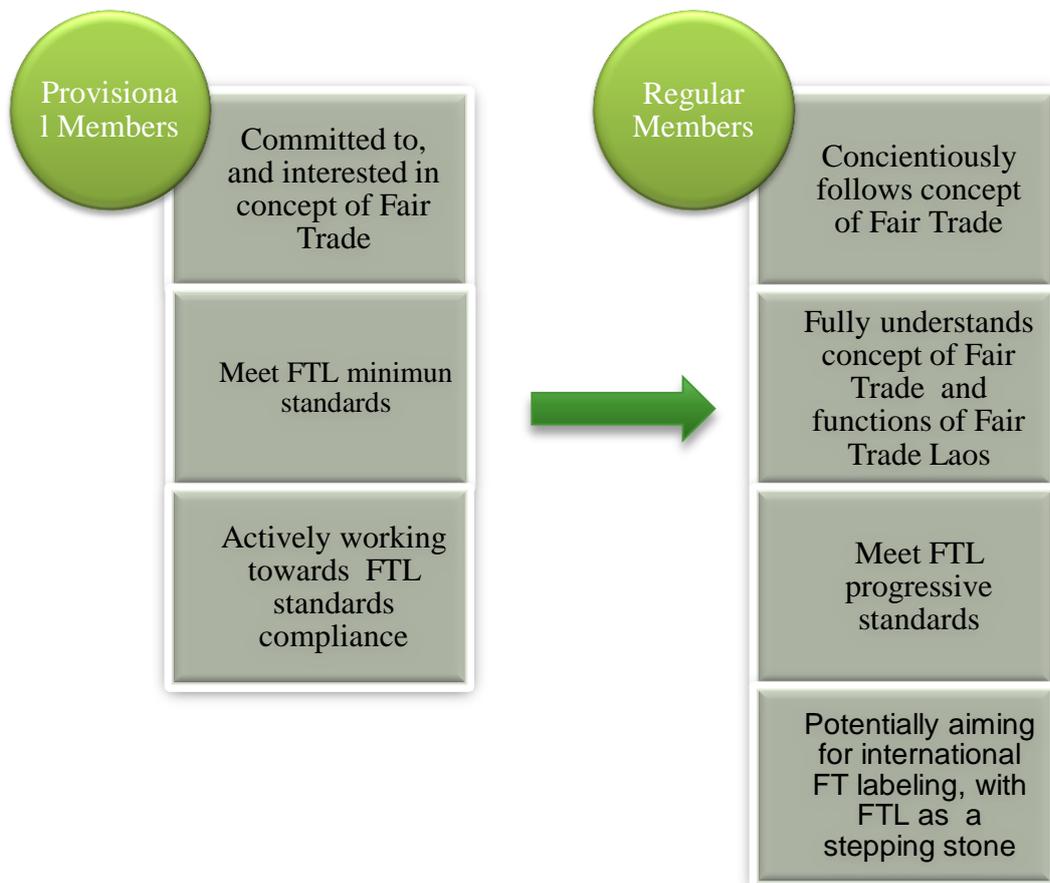
Fund for good is a community development fund that comes from the portion of profit of the companies’ allocation for community development activities. The Fund for Good must be spend for community development purpose such as build school, repair road, building health center or improve other infrastructure that own by communities. It could also use for capacity building activities or improve production equipment that own by communities.

This is a progressive standard; the companies could save the fund for producers/suppliers upon the purchase of producers with a transparent accounting record. In case producers/suppliers have capacity to management the fund by themselves, the companies’ handover the fund to communities. The companies have the role and responsible to build capacity and monitor if they fund has been spending according the goal of the Fund.

**IV. How to become a fair Trade Laos’ member**

**4.1 Type of Fair Trade Laos members**

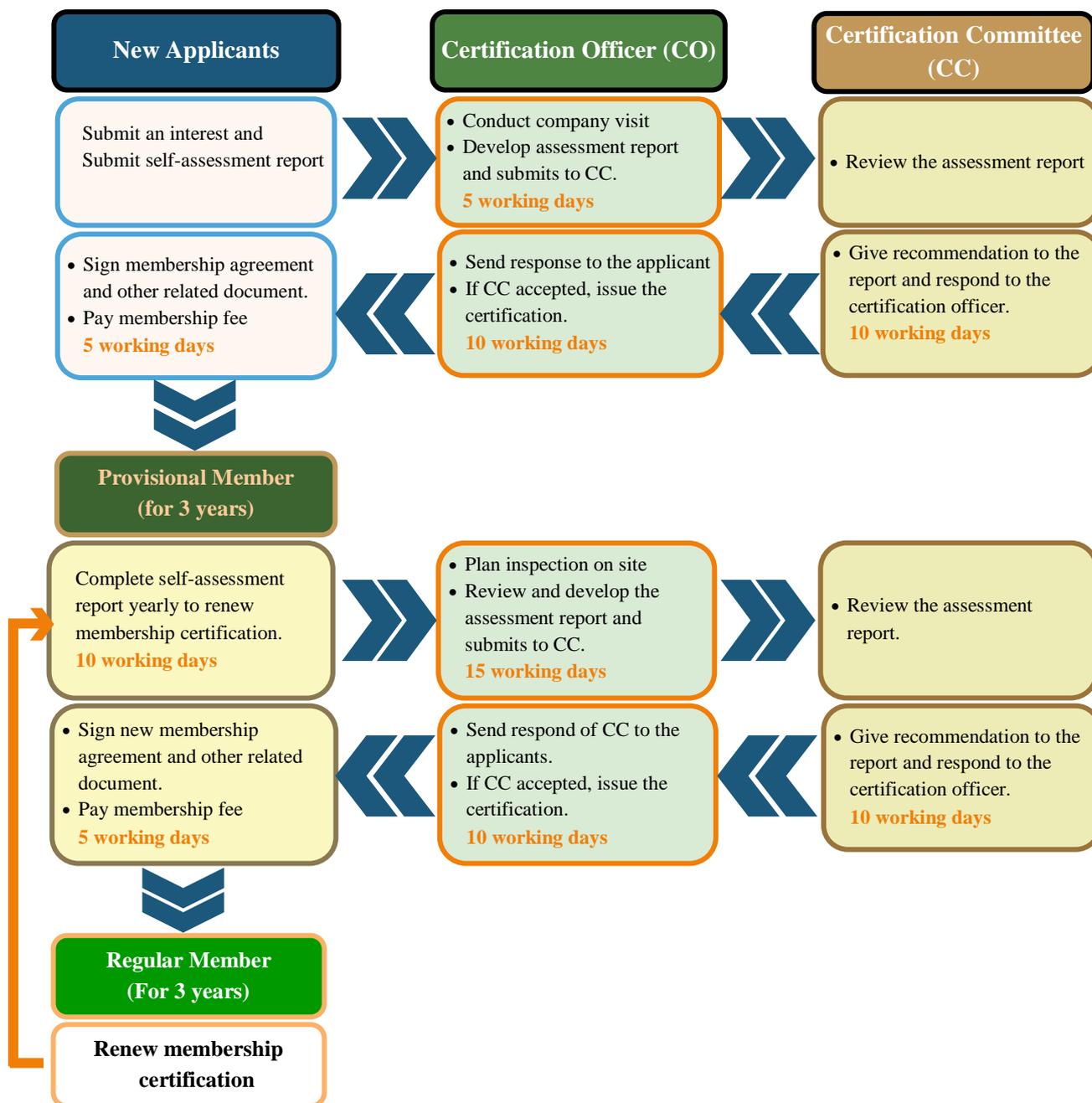
There are two types (level) of Fair Trade Laos members:



Provisional members have maximum 3 years’ timeframe to improve towards the compliance of progressive standards. The provision members have the same rights as responsibility as a regular members on providing

feedback and voting at Fair Trade Lao annual meeting. However, the provision members do not have the same rights on FTL logo usage.

#### 4.2 Fair Trade Laos certifying process



The random check may be conduct during the certified period by FTL certification officer.

##### 4.2.1 New applicants

Step 1	Submit an express of interest to FTL and have a meeting with FTL Certification Officer
Step 2	Submit application or self-assessment report to FTL Certification officer. The guideline and self-assessment report are sent by FTL Certification officer
Step 3	FTL Certification officer review self-assessment report and conduct company visit within 5 working days after receiving the application. Additional questions might be asked to the applicant during report development period.

Step 4	Submit the assessment report to Certification committee, the applicant will be in cc for the report submission
Step 5	The Certification Committee responds back to the Certification officer within 10 working days with official document to approve or reject the applicant. Additional questions might be asked to the Certification officer during the report period
Step 6	Certification officer participatory develop report with applicant regarding to Certification Committee feedback within 10 working days
Step 7	If the applicants meet the minimum standards, the membership agreement and membership invoice will be sent to applicant for signing. The application shall -return all signed documents to Certification officer and precede membership fee payment within 5 working days
Step 8	Applicant becomes provisional members and FTL issues FTL certification for application with 5 working days. The membership period is 3 years but evaluation is conducting yearly to follow up the improvement progress of members. Random check might be conduct anytime during certified period with 5 days advance inform by certification officer

#### 4.2.2 Provisional members and regular members

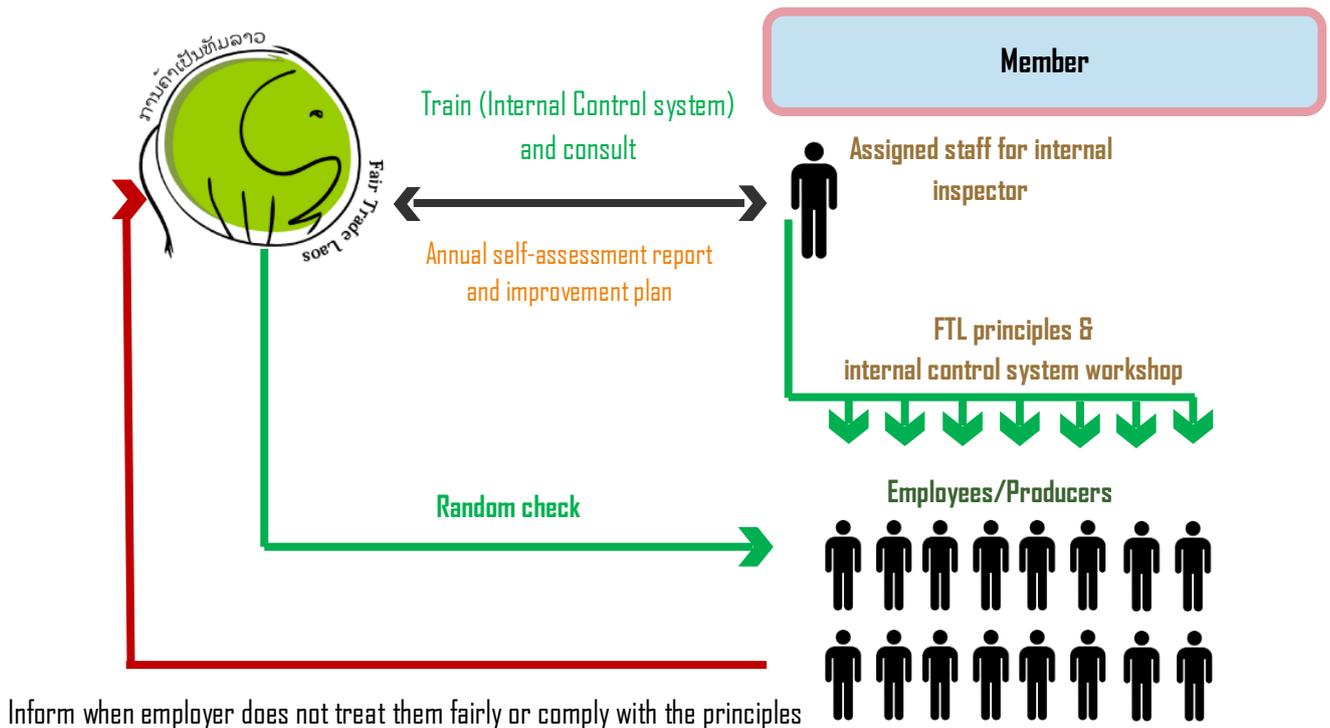
Step 1	FTL Certification officer send a yearly evaluation report format to members. Members submit evaluation report to FTL with one 15 working days
Step 2	<u>Yearly evaluation</u> : Cert officer review evaluation report and develop the review report within 10 working days. Additional questions might be asked to the member during report development period. <u>End of 3 years certified period</u> : Cert officer review evaluation report and conduct random check within 15 days. Then submit the review report to Certification Committee (CC) and the CC responds back within 10 working days
Step 3	<u>Yearly evaluation</u> : Certification officer send the review report and yearly membership fee invoice to members. The membership fee shall be paid within 5 working days <u>End of 3 years certified period</u> : Upon the approval of CC, FTL sends yearly membership invoice to members. FTL issue the new certification to members upon the receipt of membership payment with 5 working days

#### 4.3 Monitoring and internal control system

- **Monitoring** : FTL is conducting yearly evaluation and set up the random check mechanism. The yearly review report will be monitoring the improvement progress of members. The company visit must conduct at the end of 3 years certified period.

○ **Internal control system:**

- + Members assign one employee to a main coordinator between FTL and members. The coordinator will be trained in FTL Certification standards and procedures. The coordinator has a role to organize workshop to employees and producers based on FTL standards at least one time per year.
- + Employees and producers have an access to FTL information and contact.
- + Members provide data base information of producers and employees upon request for random check. FTL have the responsibility to keep members' information in confidential.



**V. Logo Usage**

- ✓ FTL members have a right to use Fair Trade Laos' Logo on the poster, website, retail shop displays and other communication materials
- ✓ Only regular members allow to use FTL logo on their products upon the fully compliance FTL minimum and progressive standards, especially Principle 3: Fair for producers and suppliers

**VI. Members rights and responsibilities**

Fair trade Laos' members have rights and responsibility to:

- Provide honest and truthful information
- Highly commit to make an improvement towards FTL standards and follow FTL certification procedures requirement which including the acceptance of monitoring and internal control system
- Provide information and respond back relevant survey timely
- Actively participate in the annual meeting

- Actively participate in all activities organized by Fair Trade Laos where it's appropriate
- Pay yearly membership fee and other certifying fee according to FTL certification cost
- A right to vote and provide feedback on FTL operation
- A right to report to FTL board regarding to FTL performance
- A right to use FTL logo according to FTL logo usage
- A right to report to FTL if members in the network perform against FTL standards and request for random check.

## V. Termination of membership

FTL membership will be terminated after 3 years. However, the membership will be terminated before three years according to below conditions:

- ✓ Members do not make progress on the improvement towards FTL progressive standards after receive two official notifications from FTL according to membership timeframe
- ✓ Members do not comply the membership agreement
- ✓ Member do not fulfil the monitoring obligation as mention in the Fair Trade Laos guideline
- ✓ Members do not pay an annual membership fee
- ✓ Member's stop business operation
- ✓ Member perform against Lao laws and Fair Trade Laos standards

## VII. Certification cost

### 7.1 Application fee and Membership Fee

FTL membership fee is calculated based on the membership type with the following level:

members/applicant	Application fee (LAK)	Annual membership fee* (LAK)
Small Producer group, small business	50,000	300,000
POs, MOs, Service business	150,000	1,500,000

*\*FTL certificate have three years certified timeframe but membership is paying by yearly*

*For the new applicants FTL will look at the payment capacity but the minimum membership fee is 500,000 LAK/year*

### 7.2 Product certification fee

According to the logo usage on products, FTL is charging product certification fee 500,000 LAK for product chain assessment fee that could certified up to 15 producer groups. For the next 16th producer group will be charge 50,000 LAK per group. The fee is cover the service cost for three years.

**Reference.**

- ✓ Lao labour Law, 2013 (No.43/NA)
- ✓ UN Global compact.
- ✓ 10 Principle of Fair Trade, World Fair Trade Organization.
- ✓ Certification (Standard Operating Procedure) by Fairtrade International.
- ✓ Fair Trade Federation Code of Practice.
- ✓ Fair Trade USA standards.