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Fair for Life –Social & FairTrade Certification Programme Control Requirements Along the Chain of Custody

Technical Update January 2010

Overview:

Control and handling requirements for Fair for Life certified products are presented in chapter 1.2.2 of the Fair for Life Social & FairTrade Certification programme.

With a growing number of companies in the Fair for Life programme and increasing complexity of product flows the handling rules had to be extended by the following additional requirements for brand holder companies.

A full revision of the Fair for Life Certification Programme is planned for 2010, which will include a stakeholder consultation process according to the ISEAL Code for Standard Setting.

Changes to the Control Requirements along the Chain of Custody

BRAND HOLDERS including RETAILERS WITH EXCLUSIVE RETAIL BRANDS

With effect of 01 January 2010, IMO has changed the minimum control requirements for brand holders of Fair for Life certified products. As a first step, all brand holders and retailers with own brands (irrespective of whether these brands are owned by the retailer or by a subsidiary selling fair trade products under a brand that is exclusively marketed through the retailer) of Fair for Life labelled products must be audited and certified as FairTrade Buyers within the Fair for Life Programme. Compliance requirements are defined in adapted FairTrade Buyer criteria, as detailed in the 'Checklist IMO II, 33.3.1 Fair for Life Brand Holders', including the brand holder's fair trade sourcing policy and social policy for its own company as minimum requirements.

The following exemptions apply:

- Brand holders / retailers with very small FFL assortment: if a brand holder / retailer only has between one and three FFL labelled products from one single Fair for Life certified supply chain in its assortment, it can be exempted from brand holder audit and certification, if this – in numbers – small FFL assortment does not account for more than 5% of the brand holder's / retailer's total production (in volume) or turnover (in monetary terms).
 - Exempted brand holders / retailers have to sign a FFL labelling agreement and send to IMO a detailed annual list of all sales of Fair for Life products. The annual registration fee is currently 200 Euro; no licence fee for label use applies.

- In the case of re-labelling of products certified according to other fair trade certification schemes accepted as equivalent by Fair for Life or in case of purchase of FFL products from several FFL suppliers, there is no exemption of the control requirement.
- Small brand holders: Brand holders that are small companies with a maximum of 3 full time employees can be exempted from being audited. They are similarly exempted if the FFL audit and certification costs are higher than 2% of their annual turnover. However, they must sign a labelling agreement with IMO as indicated above.
- Brand holders of full Fair for Life production chains: If full production chains (i.e. all producers, processors etc. and the FT buyer / brand holder) are controlled and certified Fair for Life by IMO, subsidiaries or sister brand companies of the certified brand holder can be exempted from the control requirements.

Small brand holders or brand holders / retailers with very small FFL assortment as detailed above can be fully audited and certified upon their own request.

The application of the above exemption rules as well as additional exemptions are exclusively decided by IMO Switzerland.

For brandholder, intermediate traders and clients of Fair for Life certified companies, the new Labelling Guide for Traders provides answers to frequently asked questions.