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ORGANIZATION CODE

Latin American and Caribbean Network of
Fair Trade Small Producers Association

CLAC

Version 1.0

Approved by the Board of Directors

September 2020.




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Introduction.

CLAC has adopted this Organization Code to provide a clear framework on how to implement our values, principles, policies, and procedures in all the work we do as members of Fairtrade International, and to ensure our stakeholders that we operate with the highest standards of behavior, accountability, and ethics.

The Code aims to fulfill CLAC's mission, which is to represent democratically organized Fairtrade certified organizations in Latin America and the Caribbean, ensure their strengthening and development, as well as provide assistance to its members, promote their products and values, and influence social, political and economic instances.

This Code establishes standards for practice that are included in our plans, projects, and programs.

The Code is approved and supervised by CLAC's Board of Directors.

Purpose and Objectives.


Purpose.

The purpose of the Code is to carry out the mission of CLAC, both as a union organization and as a member of Fairtrade International.

Objectives.

The Code's objectives are:

1. To clarify and comply with agreed standards of good practice expected of all parties involved in CLAC.
2. To provide assurance to stakeholders, such as members of our national organizations, producer and worker organizations, licensees and business partners, funders and donors, governments of the countries in which we operate, supporters of our movement, consumers, and members of the general public, that we operate with the highest standards of behavior, accountability and ethics on the internal regulations applicable in CLAC.
3. To enable effective self-regulation and compliance, and to provide continuous strengthening and improvement of our system and operations.

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Code Compliance.

This code is binding and must be complied with, as of its approval, for all those natural persons linked to CLAC:


- Members of the Directive Board.
- Members of the Board of Directors.
- Members of committees and commissions of the Board of Directors.
- Members of the Management Committee.
- Individuals who are members of CLAC National Platforms, Product Networks, Workers' Networks, their committees, and commissions.
- Employees and members of the CLAC staff.
- Consultants, contractors, and vendors.
- Volunteers.
- Students.
- Interns.
- Partners and responsible parties engaged / contracted by CLAC for projects or activities determined as "implementing partners" and "responsible parties," respectively.

It is expected that all persons associated with CLAC will be familiar with it. CLAC will arrange for a copy to be made available on CLAC's internal web pages.

Small Producer Organizations, Hired Labor Organizations or Traders are governed by Fairtrade standards and certification, and as such are not covered by the Code.

Within the first year of approval by the CLAC Board of Directors, CLAC National Platforms, Product Networks, Worker Networks may adopt this Code, however, they are encouraged to include references to local legislation or regulations in their own policies and procedures as part of the interpretation of the Code in the context of their own local or national situation.

CLAC will appoint an Ethics Compliance Officer, who will be senior staff, to act as an organizational advocate for compliance with the Code and to work with the Governance bodies and leadership teams for compliance and ensure timely and accurate reporting regarding compliance with the Code.

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Annual Report.

CLAC will prepare an annual report on the implementation of the Code that will be shared internally and externally with its key stakeholders, including Fairtrade International. This annual report will contain:

- Indication of progress in adopting policies and procedures, including progress since the previous report.
- Indication of any violations of the Code identified or investigated during the previous 12 months and remedial actions taken.
- Indication of actions and priorities for improving compliance with the Code, providing training, or building capacity to enable effective implementation.

CLAC's Ethics Compliance Officer or an equivalent role will assist in the process of submitting and compiling a report based on the internal reporting and information submitted by the CLAC National Platforms, Product Networks, and Workers' Networks.


If a CLAC National Coordinator, Product Network or Worker Network omits to submit an annual report, this omission will be addressed as part of the annual compliance reporting process mentioned above. The CLAC's Ethics Compliance Officer will explore the reasons for the organization in question and agree on a plan of action.

Code review and monitoring.

CLAC's Board of Directors oversees the content of the Code and compliance by all CLAC stakeholders including CLAC National Platforms, Product Networks, Workers' Network.

CLAC will establish the necessary processes to ensure that lessons learned from identified or investigated cases contribute to the continuous improvement of the Code. Every three years after approval, CLAC will conduct a full review of the Code and compliance and reporting patterns. Decisions on changes to the Code or the compliance process are made by the Board of Directors, unless the Board decides to refer them to the General Assembly.

Interested parties wishing to propose amendments or revisions to the Code should raise them in the first instance with CLAC's Ethics Compliance Officer.

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Values and principles on which the CLAC Code is based.

At the core of our Code are four values:

- Accountability.
- Respect.
- Integrity.
- Association.


These four values are broken down into 10 principles for acting responsibly and living the values in practice. These principles, in turn, drive commitments to follow agreed policies and procedures, and ensure that all parties involved in CLAC are clear about their roles and responsibilities.

VALUE	PRINCIPLE
Accountability	1. We manage resources responsibly and ethically.
	2. We strive to be effective and to deliver positive impact.
	3. We take responsibility for our actions.
Respect	4. We respect, protect and defend human rights and fight for the most disadvantaged people in international trade.
	5. We respect, value and care for those who work for us.
Integrity	6. We are honest, trustworthy and transparent about the way we work.
	7. We manage our affairs in a responsible, democratic and Transparent manner.
	8. We practice what we preach in relation to fair and sustainable trade
Association	9. We collaborate and coordinate our efforts as a global system.
	10. We forge partnerships and collaborate for greater global impact.

I ACCOUNTABILITY.

Accountability for our action and impact is at the core of trust in CLAC. This requires of us:

- Manage all financial resources and other assets responsibly and ethically.

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- Continually monitor that we are achieving CLAC's goals and objectives, and that we are effective in what we do, so that our work has a positive impact.
- Address any issues, concerns or allegations that may be raised about CLAC, and have appropriate mechanisms in place to deal with them responsibly.

Principle 1. We manage resources responsibly and ethically.

1.1 Financial management and reporting.

CLAC is committed to effective and responsible financial management and transparency in our financial operations. This includes:

- Manage financial resources responsibly, correctly accounting for all income received and expended.
- Prepare quarterly and annual budgets, forecasts and accounts and regularly review and update them.
- Take steps to identify and reduce financial risk.
- Ensure that financial management systems comply with laws and adopt best practices relevant to the country or countries of operation and regulatory guidance.
- Be efficient in the use of resources and minimize financial waste.
- Prepare and publish annual audited financial statements.


1.2 Maintaining responsible stock levels.

Reserves are required for working capital and to cover temporary shortfalls in income and unforeseen increases in expenses so that the operation can be maintained at all times or CLAC can withstand sudden financial crises.

As part of any financial and risk management process, CLAC's governance bodies are responsible for establishing a reserve policy appropriate to the size of the organization, the nature of its work, and any local legal or regulatory requirements associated with the organization's registration or legal status. As part of the statutory annual report, CLAC is required to report to its own governance bodies, members or major funders on the level of reserves held.

1.3 Fraudulent and corrupt practices.

CLAC recognizes its responsibility to safeguard resources in a cost-effective and ethical manner. CLAC is committed to adopting a sound

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and systematic approach to the prevention and detection of fraud and other corrupt practices, and to maintaining a culture of honesty, integrity and opposition to fraud and corruption.

CLAC will adopt clear policies and control plans to prevent, detect and act on evidence of fraudulent or corrupt practices. The commitments must apply to all persons acting on behalf of CLAC, such as officers, employees, consultants, contractors and agents or other intermediaries. Each individual and organization hired by CLAC must be aware of his or her personal responsibility and obligation to conduct CLAC activities in an ethical manner and in compliance with the law. CLAC is committed to reporting any and all suspected cases as part of its compliance with this Code, including reporting to the appropriate authorities or regulatory bodies when necessary.

1.4 Value for Money or Quality — Price Ratio.

We are committed to delivering Value for Money or Quality — Price

– Ratio as an integral part of our organizational strategy and will seek efficiency, effectiveness and economy aligned with CLAC's ethics and values in order to achieve sustainable impact.

CLAC will seek to adopt best practices and incorporate the principles of Value for Money or Quality — Price Ratio in all its activities, recognizing the need for a balance between ethical and sustainable practices and financial considerations.

The responsibility for pursuing Value for Money or Quality — Price Ratio rests with CLAC's governance bodies. CLAC is committed to developing and implementing a Value for Money or Quality — Price Ratio Policy that documents how they ensure that Quality — Price Ratio is


– promoted at CLAC. All parties involved in CLAC's operation should be aware of their responsibilities to deliver Quality — Price

– Ratio.

1.5 Ethical investment and fundraising.

CLAC will seek to ensure that the origin of money raised and invested does not conflict with its values and principles or those of the Fairtrade System.

CLAC is committed to establishing clear policies on where and how ethical criteria are applied to applications or acceptance of funds. Such policies should reflect any consensual agreement on specific sectors or issues,

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which may represent a significant risk to CLAC or the Fairtrade system. CLAC will, as far as possible, seek to hold and invest its money with financial institutions that can demonstrate implementation of their own satisfactory ethical investment policies.

1.6 Trademark protection.

The CLAC and Fairtrade names, the CLAC and Fairtrade symbols, the FAIRTRADE registered certification, and any other trademarks are valuable assets protected in multiple countries. All parties involved in CLAC are committed to make appropriate use of each of these names, symbols, logos and trademarks to achieve the integrity of the Fairtrade System and the trust placed in it.

CLAC will implement a monitoring system to ensure the correct use of both CLAC and Fairtrade names and trademarks on its own materials, by third parties, and to correct any misuse of any of these names, trademarks or logos.


Principle 2. We strive to be effective and to deliver positive impact.

2.1 Global strategy.

CLAC establishes long-term strategic plans with a three or more-year horizon, in a process involving grassroots organizations and key stakeholders. This process is overseen by the Board of Directors, with final decisions made on the strategic framework approved at the General Assembly. The CLAC National Platforms, Product Networks and Workers' Networks are responsible for developing and adopting their own strategies in alignment with CLAC's strategic plan, as well as engaging with their stakeholders in its development, approval and dissemination, and ensuring approval by their respective governance bodies and/or members.

2.2 Key performance indicators.

CLAC is committed to establishing and monitoring its own performance and progress against the global strategy agreed in the Fairtrade System. This is done through the identification and agreement of tangible key performance indicators or KPIs, which reflect the specific agreed outcomes and impact of the strategy.

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The Board of Directors is responsible for setting agreed KPIs in accordance with CLAC's strategy, guiding operational decision making and informing the allocation of financial resources and investments across the system. CLAC is committed to establish and oversee data collection systems, including KPIs, to monitor progress related to its roles and responsibilities, and to report to the Fairtrade System in accordance with assigned KPIs and agreed timelines.

2.3 Impact reports and MEL.


As part of CLAC's commitment to delivering positive impact, it is critical to understand where and how progress is being made in line with our Vision and Mission. CLAC will apply the Fairtrade System's Theory of Change (TOC) as a monitoring, evaluation and learning (MEL) framework to identify the expected types of outputs, outcomes and impact generated through our own interventions in markets and supply chains. This system is also designed to identify and learn where CLAC is not making sufficient progress, and thus support evidence-based changes in the way we work and identify additional or alternative approaches we should take.

CLAC is committed to establishing effective monitoring and evaluation processes in order to contribute to reporting on the size and scope of its interventions, provide evidence of benefits and impact, and support independent evaluations of the effectiveness of the Fairtrade System.

Principle 3 We take responsibility for our actions.

3.1 Complaints and allegations.

Maintaining the credibility of CLAC's operations requires that we act promptly and professionally to address any complaints or allegations about the quality or delivery of our services, or the actions of our directors, staff or any consultant or contractor acting on CLAC's behalf. Complaints may result from non-compliance with Fairtrade standards by certified operators, or from the violation by a member of the governing body or staff of CLAC's values, policies and procedures or the Code of Conduct. Complaints may also include expressions of dissatisfaction with the quality or delivery of CLAC services.

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CLAC is committed to establishing clear processes and procedures for dealing with allegations and complaints received either internally or from third parties (relevant authorities), including analysis of the nature of the allegation or complaint, protection of the complainants' identities, communication of the process and the outcome of any investigation that has been initiated.

3.2 Whistleblowing.

CLAC encourages all staff and contractors to raise any concerns they may have about the conduct of others or about the way the organization or the overall system is managed.


CLAC is committed to establishing and implementing a Whistleblower Policy designed to ensure that concerns about possible misconduct, illegal or dangerous activities or other forms of negligence are brought promptly to the attention of any member of the leadership team. This policy will enable and encourage employees to express genuine concern about potential wrongdoing at work without fear of retaliation and assure them that these issues will be dealt with professionally and effectively. Policies should designate the responsible person(s) with whom employees can safely raise concerns and ensure that those receiving reports are fully trained in the procedures to be followed, including where and how to report in the global whistleblowing regime.

CLAC is committed to ensuring that any whistleblowing policy will take into account national standards governing reporting to authorities, public disclosure and best practice in not-for-profit sector governance.

3.3 Risk management.

CLAC is committed to creating an organizational culture that enables it to achieve its objectives through appropriate risk management. Sound risk management practices help to ensure that we take advantage of opportunities while mitigating threats to our strategic objectives and our business.

CLAC is committed to establishing and operating a risk oversight and management system to identify, assess, monitor and manage risks related to the conduct of its own activities. CLAC is committed to informing the Fairtrade System of any risks to the system arising from its own

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activities or assessments or actions being taken to mitigate or avoid them.

II RESPECT

CLAC is an association based on mutual respect, and respect for human dignity. The right of the person is a fundamental value that we uphold in CLAC. This means that all CLAC stakeholders must:

- respect and uphold the Human Rights of those involved in international trade, in particular the men, women, boys and girls from communities around the world who are associated with Fairtrade supply chains (Principle 4).
- respect, value and care for all people who work for Fairtrade organizations as employees, contractors or volunteers (Principle 5).


Principle 4 We respect, protect and defend human rights and fight for the most disadvantaged people in international trade.

4.1 Human Rights.

CLAC is committed to demonstrating an organizational commitment to human rights as enshrined in the United Nations Convention on Human Rights and embedded in frameworks such as the United Nations Guiding Principles on Business and Human Rights. In its operations, CLAC will seek to apply the same human rights standards that we expect from the companies and supply chains we work with through Fairtrade standards and certification. CLAC is committed to reflecting and following the universality of human rights for all people, regardless of race, religion, ethnicity, special abilities, age, displacement, caste, gender or gender identity, sexual orientation, poverty, class or socio-economic status.

4.2 Protecting children and vulnerable adults from violence and abuse.

CLAC is committed to upholding all human rights and ensuring that our actions are in accordance with the principles enshrined in the

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United Nations Universal Declaration of Human Rights and the United Nations Convention on the Rights of the Child, especially those articles that focus on the protection of children and vulnerable adults. These principles, together with the relevant International Labor Organization (ILO) conventions on forced and child labor, and the commitments of the United Nations Global Compact, are enshrined in the Fairtrade Standards for Small Producer Organizations, Hired Labor, Contract Production and Traders.


Within the framework of this code, CLAC is committed to developing and implementing internal policies and procedures designed to protect the welfare of children and vulnerable adults in communities associated with Fairtrade supply chains, and to protect them from any form of violence or abuse. These policies and procedures shall be in line with international conventions, good practice and national legislation. All individuals acting or traveling on CLAC business must be aware of their responsibility to follow procedures, including the timely reporting of any suspected cases of non-compliance with standards and/or policies designed to protect children and vulnerable adults. (See also sections 5.2 and 5.3 on child protection and sexual abuse and exploitation.)

4.3 Gender equality and women's economic empowerment.

Gender inequality remains a major obstacle to human development around the world. CLAC actively promotes equality and enables women and men to equally access Fairtrade benefits.

CLAC's Gender Strategy seeks to promote gender equality and women's empowerment in producer organizations by strengthening the power and autonomy of women and girls, and to provide a transformative approach to gender mainstreaming in the Fairtrade System.

All CLAC stakeholders are encouraged to demonstrate their commitment to achieving gender equality in global supply chains and in the Fairtrade System itself by showing where and how their strategies, plans, programs and/or associations contribute to the achievement of the objectives of the Gender Strategy, as appropriate to the size and resources of their organization, their role in Fairtrade and the nature of their work. (See also Section 5.6 on Diversity and Equal Opportunity.)

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4.4 Workers' rights.

As part of a movement dedicated to ensuring that every person can, through their work, maintain a decent standard of living, CLAC is committed to the promotion and protection of workers' rights, as enshrined in the Conventions of the International Labor Organization.

CLAC is committed to upholding workers' rights, including the right to freedom of association and collective bargaining, and to listening to and disseminating the perspectives of workers in Fairtrade supply chains. CLAC will seek opportunities to collaborate internally and with external partners, trade unions and workers' rights organizations to address the continuous improvement of workers' rights and working conditions as set out in the Fairtrade Standards and Fairtrade International Workers' Rights and Living Wage strategies. (See also Section 5.7 on worker representation in our organizations).


Principle 5 We respect, value and care for those who work for us.

5.1 Code of Conduct.

CLAC is committed to enforcing this Organization Code through training and communication. CLAC employees, contractors, contractors' employees and persons representing CLAC externally are expected to uphold the values, principles, policies and procedures set forth in this Code. CLAC will be vigilant and will ensure that all persons who collaborate with CLAC are committed to complying with this Code, by establishing procedures to address any non-compliance and ensuring high-level oversight, including through its own governance bodies.

The Code of Conduct shall apply to all natural persons linked to CLAC who are:

- Members of the Directive Board.
- Members of the Board of Directors.
- Members of committees and commissions of the Board of Directors.
- Members of the Management Committee.
- Individuals who are members of CLAC National Platforms, Product Networks, Workers' Networks, their committees and commissions.

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- CLAC employees and staff members.
- Consultants, contractors and vendors.
- Volunteers.
- Students.
- Interns.
- Partners and responsible parties engaged / contracted by CLAC for projects or activities determined as “implementing partners” and “responsible parties,” respectively.

It is expected that all persons in the scope of this Code will be familiar with it. CLAC will arrange for a copy to be made available on CLAC's internal web pages.

Small Producer Organizations, Hired Labor Organizations or Traders are governed by Fairtrade standards and certification, and as such are not covered by the Code.


5.2 Child protection.

CLAC promotes children's rights to survival, development, protection and participation as set forth in the United Nations Convention on the Rights of the Child. We believe that child protection is both an organizational and an individual responsibility, and that each person involved in CLAC's work also shares the responsibility to take every precaution to protect the children and families we serve.

CLAC is committed to developing and implementing an internal child protection policy and procedure for all staff, consultants, or other individuals working on an employed or volunteer basis. This policy and procedure will establish clear guidelines for safeguarding the welfare of children.

5.3 Sexual abuse and exploitation.

CLAC has zero tolerance for sexual exploitation and abuse and is committed to the prevention and protection of individuals from all forms of sexual exploitation and abuse. We understand sexual exploitation to mean the actual or attempted abuse of a person in a position of vulnerability, differential power or trust, for sexual purposes, including, but not limited to, obtaining monetary, social or political gain from the sexual exploitation of another person. Sexual abuse refers to actual or threatened

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physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions. Any sexual activity with minors is considered sexual abuse and a reportable offense to the respective local authority.

CLAC is committed to adopting policies that establish the responsibilities of individuals who are members of the Directive Board, the Board of Directors, committees and commissions of the Board of Directors, individuals who are members of the Management Committee, individuals who are members of CLAC National Platforms, Product Networks, Worker Networks, their committees and commissions, CLAC employees and staff members, consultants, contractors and vendors, volunteers, students, interns, partners and responsible parties engaged/contracted by CLAC for projects or activities determined as "implementing partners" and "responsible parties," respectively.

CLAC will establish clear procedures to address any allegations or concerns, to ensure the safety and protection of any potential victims of abuse, and to prevent any future harm.

[5.4 Anti-bullying and harassment policy.](#)


CLAC is committed to providing a safe and appropriate work environment in which there is mutual trust, respect and safety. CLAC has zero tolerance for any form of harassment or bullying that causes employees or others to feel intimidated, unsafe or offended.

Bullying can occur face-to-face, by email, social media, telephone or letter and can take the form of spreading malicious rumors, unfair treatment, aggressive behavior toward another person, regularly harassing or undermining another person, or unfairly denying someone training or development opportunities. Bullying may occur between people in senior to junior positions (or vice versa) or between peers.

CLAC is committed to adopting clear policies to prevent harassment and bullying, ensuring that appropriate mechanisms are in place to detect, report and remedy any allegations of harassment or bullying, with clear procedures for staff and managers to follow.

[5.5 Human Resources.](#)

CLAC is committed to upholding the human dignity and value of all those who work or wish to work in our organization. CLAC is committed to implementing human resources policies designed to:

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- recruit and retain a qualified and diverse workforce.
- enhance the competencies of the workforce through effective professional development and training.
- provide effective leadership and results management for the organization.
- drive organizational effectiveness and change programs, adapting to the external environment, financial forecasts and new strategies and directions.
- provide appropriate compensation and benefits to employees, organizations and contractors.
- ensure compliance with relevant employment, health and safety legislation and promote best practices.

CLAC is committed to establishing a core set of human resources policies.

5.6 Diversity and equal opportunity.


CLAC is committed to practicing inclusion and non-discrimination on the basis of sex, age, religion, race, ethnicity, economic status, caste, citizenship, gender identity, sexual orientation, special abilities, and urban/rural location.

CLAC is committed to equal opportunity for all workers and to ensuring that its workplaces are free from all forms of discrimination. CLAC will seek to ensure that these values are integrated into its core employment policies and procedures, applied to hiring processes, and reported and monitored as part of CLAC's governance systems. The goal is to create and maintain a work environment that supports and helps each individual to reach his or her full potential.

CLAC is committed to adopting policies appropriate to its own organizational size, role and national legislative frameworks to contribute to the achievement of gender equality within its organization. Likewise, CLAC is committed to establishing employment practices, as a complement to commitments to drive gender equality in Fairtrade supply chains and producer communities (as described in Section 4.3 above).

5.7 Employee representation.

CLAC promotes and protects the rights of workers, as enshrined in the Conventions of the International Labor Organization. CLAC seeks to ensure fair working conditions and constructive relationships between

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executive director, the leadership team and workers throughout the organization, based on mutual trust, respect and regular dialogue.

CLAC is committed to establishing a formal system for the representation of workers' voices to the executive director and ensuring that workers are free to join trade unions or other forms of workers' associations of their own choosing. CLAC is committed to operating transparent systems and processes for negotiating any changes in working conditions, policies or procedures that affect employees.

III INTEGRITY.

Operating with integrity means that CLAC follows its own principles and values and that we:


- are honest and transparent in sharing truthful information about who we are, what we are doing, and how well we are performing (principle 6)
- organize and govern our operations and decision-making processes in a transparent, accountable and democratic manner (principle 7)
- adhere to at least the same standards we expect from others in terms of fair and sustainable business practices (principle 8).

Principle 6 We are honest, reliable and transparent in our work.

6.1 Annual Report.

Transparency is a core principle of CLAC's way of working, so CLAC is committed to providing clear and accessible information about our strategy, our plans, what we are achieving, how we are investing the money entrusted to us in pursuit of agreed objectives, and where we need to change and improve what we do and how we achieve it.

At CLAC we are committed to publishing annual reports in accordance with best practice in nonprofit reporting and national regulatory requirements. Annual reports must include summaries of audited accounts, comply with the reporting requirements of the regulatory bodies in the country of registration, and be approved by the Board of

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Directors. CLAC is committed to disseminating its annual reports to interested parties and making them publicly available on our website.

6.2 Communication / Public Information Disclosure.

CLAC's goal is to speak with strength and with one voice as part of the Fairtrade System. Our communications seek to promote the conversation about the need for change in international trade and CLAC's own role as a credible and meaningful actor driving positive impact for producers and workers.


CLAC is committed to aligning its communications with the principles and guidelines outlined in the Fairtrade Communications Strategy, the Fairtrade Brand Manual and Brand Management guidelines, as well as the Media Crisis Management Procedure (see section 6.3 below). It is vital to CLAC's integrity that our communications are open about the context of poverty, inequality, human rights and the realities of Fairtrade's work, acknowledging the issues and providing evidence to support positive impact messages. This puts CLAC at the forefront, acting truthfully about these challenges, rather than being defensive and reacting to criticism when it comes.

6.3 Working with the media.

CLAC recognizes the important role of the media in promoting public participation and understanding of the need for fairer world trade and the work we do. Developing professional contacts with journalists locally, nationally or internationally is an important part of CLAC's outreach and reputation management.

CLAC seeks to work proactively with the media to bring it to their attention, as well as to respond in a timely manner to any stories, requests for information, or in response to complaints about the impact and effectiveness of our own work.

CLAC will seek to work with the media in an open and transparent manner, to the extent that this is in line with policies and procedures relating to the protection of vulnerable people, data protection and commercial confidentiality. CLAC will ensure that there is a clear point of contact responsible for handling media inquiries promptly and efficiently. Individuals should be trained in good media management practices and be familiar with

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CLAC's media risk and crisis management policies and procedures.

6.4 Data governance.


CLAC collects, processes, transfers and uses data from producer organizations, worker organizations, licensees and traders in order to comply with certification standards and processes, to evaluate the impact of CLAC and the Fairtrade System, to create reports and to provide support to Fairtrade Producer Organizations. CLAC also collects data related to market activities from representatives of organizations, funders and donors, civil society organizations, suppliers, partners and other stakeholders.

CLAC considers all information received from other parties to be confidential, including reported data, internal policies and training documents. CLAC will ensure that all of its stakeholders, including individuals on governing bodies, employees, representatives, consultants, or other contracted partners adhere to confidentiality policies. Confidentiality obligations do not apply when disclosure may be required by law or governmental authorities, or if the information has already been made public elsewhere.

CLAC shall establish a clear data protection and privacy policy, transparent and indicating the processes for data collection, use and processing, as well as any data sharing in the Fairtrade System. The data protection and privacy policy shall comply with national and/or international legislation.

6.5 Conflict of Interest.

CLAC works with many stakeholders to achieve secure and sustainable livelihoods for producers and workers. As such, CLAC employees and consultants often work with producers and traders, receive confidential information from both parties, and may even act as mediators in negotiations. All parties involved in CLAC must exercise the best good faith in all transactions involved in their duties and must not use their positions in CLAC or knowledge gained from their position, for their personal benefit, to benefit one party to the disadvantage of the other or a third party.

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CLAC shall establish a conflict of interest policy that defines typical conflicts of interest that could arise in its operational context, as well as the appropriate procedures and possible remedies to be applied.

Principle 7 We manage our affairs in a responsible, democratic and transparent manner.

7.1 Governance of CLAC.

The General Assembly is the highest authority within CLAC and is the body through which producer and worker organizations exercise their responsibilities and powers as members of the Association. All producer and worker organizations have the right of representation through delegates to the General Assembly elected through democratic processes in each of the Latin American and Caribbean countries where CLAC has operations.

The CLAC Board of Directors is elected by the General Assembly to provide governance of CLAC for a period of three years. Its membership is based on nominations from the different regions and products represented in CLAC. The Workers' Network has its own representation.


Producer and worker organizations commit to actively participate and exercise their membership rights and responsibilities through the General Assembly, the Board of Directors, the CLAC National Platforms, the Product Networks and the Workers' Network of CLAC, in accordance with the rules and procedures established in the Constitution of the Association.

7.2 CLAC Governance Bodies.

CLAC strives to have accountable and effective governance bodies. CLAC seeks to maintain good governance that is accountable, transparent, compliant with governing laws and regulations, responsive to stakeholder needs, efficient, equitable, inclusive and participatory, and consistent with relevant statutory guidance and best practices for not-for-profit organizations of similar size and scope to CLAC.

7.3 Legal compliance.

CLAC adjusts its operations to the laws and regulations of the country(ies) in which it operates. CLAC is a legally constituted and registered entity in San Salvador,

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El Salvador, domiciled at Avenida El Boquerón and Calle Ayagualo, Casa M1-A, Ciudad Merliot, La Libertad, El Salvador, N.I.T. 0614-250705-106-6, registration number 0252. CLAC ensures compliance with legal obligations and reporting requirements with regard to the relevant authorities. CLAC also maintains internal and external professional legal advice and oversight in all relevant organizational, financial, policy development, human resources, contract development or dispute resolution processes.


CLAC is committed to complying with international antitrust and competition laws when we engage in discussions with organizations defined as competitors of CLAC or the Fairtrade System (e.g., other certification, licensing and labeling bodies or commercial suppliers working in the same sectors, product categories and markets). CLAC respects the implications of competition laws for any negotiations leading to licensing, commercial agreements or development of commercial partnerships.

7.4 Decision-making roles and responsibilities.

CLAC respects the autonomy of member producer and worker organizations to freely make decisions related to their own organization. In the case of CLAC National Platforms, Product Networks and Workers' Networks, they shall adjust their strategic lines and policies in such a way that they do not conflict with the general direction of CLAC, the Fairtrade System, or with the resolutions and decisions taken by CLAC's Board of Directors and General Assembly.

7.5 CLAC Members.

CLAC membership is open to all organizations of Fair-Trade certified producers and workers in Latin America and the Caribbean, through the CLAC National Platforms in each of the countries of the region. The process and criteria for membership applications, as well as the rights and obligations of members, are established in the CLAC Constitution. Members may be subject to sanctions by the Board of Directors or the General Assembly for any serious breach of membership rights and obligations.

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Principle 8 We practice what we preach in relation to fair and sustainable trade

8.1 Procurement policy.

CLAC will establish clear, transparent, and open processes for the procurement of supplies, equipment, and services (or the issuance of tenders where appropriate), and we will ensure that contracts are managed with good administrative practices and sound management judgment. CLAC is committed to dealing fairly and transparently with its suppliers, including paying fair prices for services.

This Code shall apply to the procurement of goods and services (including contract and grant management) to define the performance, behavior and actions of CLAC's governance bodies, employees or related parties, and to ensure that vested interests or conflicts of interest are avoided. CLAC's procurement policies will ensure open and transparent processes for all contracting or bidding for goods or services above an agreed value, as established by our governance structures.


8.2 Ethical sourcing and Fairtrade.

CLAC seeks to apply best practice in the procurement of ethical, Fairtrade and sustainably certified goods and services for its offices, events or other activities, where available in its local market.

Where Fairtrade certified products are not available, or in the case of products and services that are not currently covered by Fairtrade standards, CLAC will apply ethical and sustainability standards, or other relevant recognized certifications where possible. CLAC will seek to source goods and services from companies that can demonstrate their commitment and actions to drive positive social, environmental and economic sustainability, in addition to other value for money considerations, as part of any sourcing or evaluation of supplier options.

8.3 Decent minimum wage.

CLAC will defend and promote the payment of living wages both in its labor — management relations and in relation to service providers and hiring policies. At a minimum, CLAC will ensure that it sources and collaborates with organizations capable of demonstrating full compliance with relevant national legislation governing minimum wage levels. Recognizing that, in many countries, national minimum wage levels remain below

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poverty thresholds, CLAC will seek to pay above minimum or industry standard rates where necessary and possible and will apply available living wage calculations where they exist.

CLAC will support coalitions and platforms established in our region to improve wage levels in order to close any gaps between existing levels and living wage benchmarks, to the best of our ability and capacity.

8.4 Environmental Management and Impact.

In recognition of the global climate and environmental emergency, CLAC is committed to environmental sustainability, climate change prevention, and improving environmental performance in our work towards Fairtrade's goals of improving the livelihoods of small-scale producers and workers through better trade.


Given the need for urgent action to address environmental and climate impacts, CLAC is committed to environmental sustainability and improving environmental performance in our own internal operations, seeking to minimize negative environmental impacts wherever possible in relation to our size, nature of work and influence. This includes travel, office and property management, procurement of goods and services, events, meetings or use of vehicles and equipment. CLAC will encourage all of its employees or other contracting parties to be responsible in their own behavior and use of natural resources to the best of their ability.

IV ASSOCIATION.

Principle 9 We collaborate and coordinate our efforts as a global organization with the Fairtrade system.

9.1 Strategic planning processes.

CLAC is committed to a participatory and democratic approach to strategic planning, and to ensuring the effective collaboration and coordination of producer and worker organizations in the establishment, monitoring and reporting, as well as in the review and evaluation of strategic plans.

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For its part, CLAC commits to actively participate in the strategic planning processes of the Fairtrade System by representing the interests of small-scale producers and workers as the core of the system's strategy, through a spirit of cooperation and solidarity in order to build consensus on contextual analyses, strategic orientations, priorities and plans. CLAC is committed to representing the voices and realities of small producer and worker organizations in Latin America and the Caribbean in the strategic planning processes of the Fairtrade System to ensure that these voices are clearly heard.

9.2 Roles and responsibilities of CLAC as a member of the Fairtrade system. CLAC commits to comply with the responsibilities set out in its constitution, the constitution of Fairtrade International, this Code and any existing or future Membership Agreement or relevant resolution of the General Assembly or Directive Board of Fairtrade International. In order to maximize efficiency, and focus skills and expertise, CLAC commits to respect the roles of other parts of the Fairtrade System, as well as to contribute its expertise where necessary to avoid duplication of the roles of others.

9.3 Territorial rights and interests.


CLAC is respectful of the policy on Territorial Rights and Interests adopted at the Fairtrade International General Assembly in 2018, and the processes established therein for consultation and information sharing.

9.4 Resourcing the global system.

CLAC is committed to collaborating with other members of the Fairtrade System as well as Fairtrade International in order to secure greater funding from the association for agreed programs and initiatives, and to enhance relationships with governments and major funders serving the global system, especially where collaboration could result in the mobilization of greater resources than would be possible for an individual member.

Principle 10 Forging partnerships and collaborating for greater global impact.

10.1 Producers' and workers' organizations. As an organization whose vision and mission are to ensure better livelihoods for producers and workers through international trade, CLAC works in close collaboration with organizations of small

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producers and workers, and is proud to be an instance of representation, union coordination and participation of organizations of small producers and workers in Latin America and the Caribbean, democratically organized under the principles and values of Fair Trade.

Wherever possible, CLAC will seek to collaborate with the broader movements representing small-scale producers and artisanal miners, the cooperative movement, and workers' rights and trade unions in the pursuit of a common vision for improving livelihoods and terms of trade, wage and income levels, safe working conditions, human rights compliance, and actions to reduce the negative environmental or social impacts of international trade.


At CLAC, we are committed to listening to the voices of small producers and internationally recognized workers' rights platforms and trade unions in the development of our policies and programs. We value and support common platforms and partnerships to drive systemic change at local, national and international levels.

10.2 Fair and sustainable trade movement.

CLAC is part of a larger Global Fair Trade Movement, united by a common vision, purpose and set of shared principles as set out in the International Fair-Trade Charter. We are committed to collaborating across our movement to campaign for trade justice for producers and workers, and to secure more opportunities for disadvantaged producers to secure fairer trading conditions for their products. We work together to advocate Fair Trade principles and practices to governments and intergovernmental organizations and as part of established public procurement processes.

The Fair-Trade Movement is also part of a broader platform for ethical and sustainable trade and for the responsible and reliable certification of supply chains and products made, grown or harvested according to credible and solid social, environmental and economic standards.

CLAC collaborates at local, national and regional levels with a range of producer platforms, civil society and NGO networks, other certification or ethical labeling bodies, ethical trade initiatives and academic

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institutions to create common best practices, share knowledge and learning, advocate for shared policy objectives, drive public awareness and consumer behavior change, or interact with governments to support innovative alternative models of trade and production.

10.3 Stakeholder engagement and participation.

CLAC takes a partnership and alliance approach to development, providing stakeholder input that allows us to remain rooted in the real-world experiences of small-scale producers, businesses, civil society organizations, government policy makers, researchers and the general public.


CLAC seeks to ensure meaningful participation and to listen to the experience and expertise of stakeholders in our governance, policy setting processes, innovation approaches, program development, advocacy and campaign initiatives. CLAC promotes effective and timely communication with stakeholders regarding new information and developments in our strategy and the Fairtrade System.

10.4 Fairtrade supply chain partners.

CLAC's cooperative approach to working with companies in supply chains is based on building mutually respectful, responsible and responsive relationships. Maintaining effective relationships with customers, licensees, traders and other private sector partners is fundamental to maintaining the trust they place in us, and to obtaining good Quality — Price Ratio for companies participating in the Fairtrade System.

CLAC is committed to operating with high standards of customer service for supply chain partners and to participate in a timely manner in any regulations, policies or other developments that may affect their business, ensuring that their voices are heard alongside those of others. CLAC will fulfill its obligation to discuss, and challenge established trade standards with our business partners when necessary, always maintaining a culture of respect.

CLAC will keep options open to engage with corporate partners in the Fairtrade System to develop and leverage knowledge and learning across supply chains, and to inform the continued strengthening of the Fairtrade System. Where there is good alignment of policy and vision, CLAC will be able to work with private sector partners on joint platforms

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to influence industry, government or other stakeholders to the benefit of small-scale producers and workers.

10.5 Alliances with companies.

CLAC shall seek to establish alliances with companies, provided that such decisions do not conflict with its constitution, the constitution of Fairtrade and the decisions of its General Assembly and that of Fairtrade International, while respecting the policies and procedures on territorial rights and interests maintained by the Fairtrade System.

10.6 Global policy, promotion (and advocacy) and campaigns.


CLAC seeks a fair and sustainable global trading system by working with other organizations that share our vision to achieve greater systemic change, and to bring our vision and experience from the practice of an alternative approach to the attention of governments, decision-makers and influential people.

At the core of the policy, promotion and advocacy approach, CLAC is committed to amplifying the voices of small producers and workers in key policy debates, supporting them to confront policies at national, regional and global levels that impede fair trade and sustainable business. CLAC will also support platforms for small producers, workers, civil society and consumers to work together on government policies that create an enabling environment for fairer trade. CLAC also seeks to engage the public in thinking about actions they can take individually, or within families and communities, including purchasing and product choices, and measures they can take to promote greater change and to advocate and support local communities in formulating their own local Fair-Trade campaigns.

10.7 Professional networks and forums.

CLAC and the Fairtrade System are part of a broader movement of professional, certification, agricultural and manufacturing, non-profit, social business and civil society organizations committed to building social justice, global sustainability and fairer trade. As such, we have much to contribute to and learn from our peers locally, nationally and internationally.

CLAC will seek to contribute to relevant professional networks and forums and to draw on training, best practices or codes of conduct from our own sector.

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CLAC will seek synergies with organizations involved in solidarity initiatives or campaigns that can contribute to addressing the opportunities or threats facing the Fairtrade System, small-scale producers, workers and the communities we represent.

WRITTEN <small>CARLOS EMERSON VARGAS MANS (SIGNATURE)</small> Ethical Compliance Unit	REVIEWED Operating Commission	APPROVED CLAC'S Board of Directors
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