



# WFTO-Europe Factsheet on the Fair Trade Retailer Standard

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## I. The Issue: What is the Fair Trade Retailer Standard?

The 10 WFTO principles do not address Fair Trade retailing specifically. For this reason, in 2006 WFTO started to develop a Fair Trade Retailer Standard (FTRS) with which adherent/participating retailers have to comply if they want to use a national Fair Trade Retailer logo (that incorporates the WFTO brand) in their shop. In 2013 the **WFTO Fair Trade Retailer Standard** was approved by the WFTO AGM in Rio de Janeiro.

The WFTO Fair Trade Retailer Standard requires an existing national Fair Trade network or platform to submit an application to WFTO, in which it will be required to prove that:

- 1) There is a national FT retailer standard that meets at least all the minimum requirements established by WFTO (see below) and
  - 2) The national network has a credible monitoring system in place for its shops.
- Any changes to the national monitoring system will have to be approved by WFTO global.

Individual shops cannot apply for the WFTO FT Retailer Standard. Once recognized by WFTO, the national FT platform will be responsible for assigning the use of a national version of a FT retailer logo to the shops that it monitors (its members). While each national FT retailer logo will vary, the inclusion of the WFTO brand in it will increase both the credibility of the whole national FT retailer system and the recognition of the individual shops (and their products) across consumers from different countries less familiar with the national specificities.

## II. Fair Trade Retailer Standard

### 1. What is a shop?

The FT Retailer Standard does not apply to WFTO regular members but rather to certain organisations that can be considered as a Fair Trade 'shop', covered by a credible national monitoring system. According to the Standard, a shop is:

1. An open public trading place with regular hours of operation (it means: a fixed place with fixed open days/hours) owned by a legal entity (World Shops would be an example).
2. On-line shops that fulfil the same criteria as WFTO retailers.  
A « shop in shop »<sup>1</sup> managed and owned by a WFTO member if the products / shelves are clearly identified as FT-products / shelves.
3. Temporary booths or other sales outlets (which members may establish at conferences, fairs, sidewalk sales, etc.).

### 2. General conditions for a shop to use the national Fair Trade Retailer logo

The conditions for shops to use the national FT Retailer logo (including the WFTO brand) are the following:

1. Be a member of a national FT Association recognized by WFTO or, if no national FT Association exists yet, be an associate of another organisation recognized by WFTO until a national platform can be established, which has been entitled to use the mark.
2. Compliance with WFTO FT principles and standards (with special attention to transparency, environment, working condition and trading practice principles) and with the FT Retailer Standard and criteria set by WFTO.

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<sup>1</sup> A Shop in Shop would only be acceptable if this Shop in Shop complies with the 4 fundamental criteria established in the FTRS, especially criteria 3 - education and advocacy.



3. Acceptance of second-party control and compliance with specific Self-Assessment processes/procedures (as established in the WFTO-recognised, national FT Retailer system).

### 3. Criteria for national Fair Trade platforms to allow their members to use the Fair Trade Retailer Organisation Mark

WFTO has agreed on Fair Trade Retailer minimum standards, leaving it to the national Fair Trade platforms to develop stricter retailer standards for their own country, if they so wish. The WFTO criteria are divided into minimum requirements and additional criteria.

#### a) Minimum requirements

The minimum or fundamental requirements are the “minimum standard” which must be fulfilled by all participant retailers worldwide. Hence, each of the national FT retailer standard will have to ensure all these requirements are fully included and properly monitored within their national system.

##### *i. A FT Retailer sells acknowledged FT products*

**These products should be purchased from a registered Fair Trade Organization** (organizational route, guaranteed and registered by WFTO, with organizational certification/label) **or certified as Fair Trade products** (product route, guaranteed by independent certification, such as the FLO certification/label with product label). We can distinguish the following categories:

1. **products produced by a WFTO member ;**
2. **products sourced from a WFTO member** (i.e. WFTO wholesaler: These should be guaranteed or registered WFTO members.);
3. **products which are certified by FLO or other recognised FT labelling institution;**
4. **products that are purchased from a FT wholesale organisation that is externally monitored by an established national FT organisation and proved to comply with the 10 WFTO standards for Fair Trade Organisations.**

##### *ii. The percentage of sales that are Fair Trade must be at least 60 percent. All products sold by a Fair Trade retailer that can be fair must be fair.*

A clear separation and presentation of FT and other products is necessary. **Fair Trade products should be clearly identified and differentiated from others.**

There should be **clear and transparent communication and criteria of non-FT goods**. WFTO proposes the following guidelines for the non-FT products:

1. environmental friendly;
2. local and small-scale producers;
3. social or solidarity economy;
4. books, music, and campaign and education material;
5. additional FT-related products and services (fair tourism, catering, etc.);
6. products that are coherent to principles and compatible with the assortment (ex. coffee filters).



*iii. Education and Advocacy: the retailer informs the public about the aims of Fair Trade.*

The retailer is expected to inform the public about the aims of Fair Trade. FT retailers have to be engaged actively in awareness-raising and advocacy to improve the situation of producers, as well as to participate in campaigns to influence national and international policies which contribute to more social and environmental sustainability. There are three clear things a FT retailer should act on related to education and advocacy:

1. A FT retailer should have material and information on international trade (trade justice) and fair trade available for consumers, displayed in the shop.
2. A FT retailer should support and distribute campaign material related to trade justice.
3. A FT retailer should actively participate in the World Fair Trade Day.

*iv. Capacity building*

The Fair Trade retailer should support trainings required for the staff (paid or volunteers) about products, producers, Fair Trade, and sales techniques.

*v. WFTO Fair Trade Standards, Principles and Code of Practice*

In addition to the FT Retailers Standard, Fair Trade retailers have to comply with all other applicable standards which the WFTO has in place.

*vi. Profits and Investments*

The FT retailer should be very transparent in its financial reporting. Part of the profits should be used to develop and improve awareness for Fair Trade and create more sustainable markets for FT producers.

## **b) Additional criteria**

“Additional Criteria” are optional criteria which WFTO Regions or WFTO recognised national FT network organisations are allowed to include if they consider their retail standards should be stricter than the WFTO minimum requirements (WFTO FT retailer standards or other WFTO Standards and Principles). It can cover issues related to:

1. Trading practices
2. The environment,
3. Working conditions,
4. Profit and investments,
5. And any other issues linked to Fair Trade principles.

## **4. WFTO Retailer Logo Guidelines**

The WFTO FT Retailer Standard allows for the creation of a national retailer logo that incorporates the WFTO brand. This national retailer logo should be used as a ‘seal of approval’ of the shop/retailer and not for commercial or marketing purposes. The proposed Guidelines applicable to FT shops complying with the WFTO FT Retailer Standard are as follows:

These guidelines will be reflected in the contract between WFTO and the national retailer network.



## a) Design guidelines

1. The national Retailer Logo should include a textual or visual dual-branding. This means that both the WFTO logo and either the name or the logo of the national network **MUST** be mentioned.
2. The WFTO Logo should represent 10-20% of the national Retailer Logo. The WFTO Logo should not be the prominent feature in the national retailer logo.
3. The national Retailer Logo should clearly suggest that it applies to a Fair Trade shop or retailer.
4. It is recommended to include a textual reference to either the WFTO and/or the national Fair Trade Retailer Standard.
5. The colours, shape and proportions of the WFTO logo cannot be altered. WFTO will provide the technical specifications for the use of its logo.
6. The final design of the national Retailer Logo needs to be officially approved by WFTO.

## b) Usage guidelines

The national Retailer Logo can be used on:

- a. the shop's window
- b. the shop's sign;
- c. the shop's cashier corner;
- d. the shop's own website.

The national Retailer Logo cannot be used in any way that would suggest it refers to a product or service. It cannot be used for the purposes of marketing or communication.

## III. What has been done so far?

In the spring of 2014 two Fair Trade Retailer Networks have started using their respective National Fair Trade Retailers Logos, carrying the WFTO logo, to brand their shops. They have been approved as complying with the WFTO Fair Trade Retailer Standard and signed the contract with WFTO to be authorised to put the logo of WFTO on their world shops:

- AGICES (Italian Fair Trade General Assembly)
- Weltladen-Dachverband (German Worldshops Association)

In October 2014, Gabriella D'Amico from Associazione Botteghe del Mondo and Chair of the European Retailers and Worldshops Committee circulated a survey on the application of the WFTO Retailers' Standard in Europe. Although just few members answered the survey, she shared the main outputs. The survey assessed a big difference between national platforms and networks and stressed the importance of sharing experiences amongst the different actors to harmonize the practices in the European countries.

## IV. What's next?

WFTO Global will reflect on the lessons learnt from the pilot organizations in the use of the WFTO Retailer logo and the application of the FT Retailer Standard (AGICES and Weltladen-Dachverband).

A new application has been received at WFTO Global for the recognition of the Australian retailer system under the WFTO FT Retailer Standard. The process should be finalized in a few months.