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IMO Response to the ILRF Report on Fair for Life published February 2013 18.2.2013

While IMO appreciates the ILRF's concern for workers rights, it does not accept the report findings and conclusions. IMO strongly believes that the present campaign damages workers rights in the US and discourages companies from public commitment to fair working conditions. With respect to the main complaints raised about the Fair for Life Programme, IMO would like to respond as follows:

1) Fair Trade and Labor Rights

At present Fair for Life fair trade certification is the **ONLY** fair trade certification¹ on the US market that applies fair labor standards to workers in processing and trading organizations along the chain of custody up to final brands. IMO assesses fair working conditions including all core labor rights, fair wages, good social benefits and decent working hours in annual audits based on documentary checks, a substantial number of confidential workers interviews and site visits in addition to verification of fair trading relationships to fair trade suppliers.

2) In the mentioned case IMO has followed up on allegations of workers strictly in line with the Fair for Life procedures provided for such cases. In view of the many sources of information and based on numerous workers interviews and documentary evidence IMO upheld the certification. In instances such as this, the certification decision may always include conditions for improvement although certification is upheld. Our role as certification body is to verify compliance with public standards based on the view of all findings and come to the conclusion if the minimum requirements for certification are met while promoting positive change and improvements wherever possible. It is not the role of a certification body to act as mediator between individual workers and their employer, but of course the views of all workers in a certification operation are a very important basis for our certification decision.

3) Fair for Life is a public and voluntary certification programme. Fair Trade committed companies decide to commit to continuous compliance with the standard and undergo detailed annual audits, giving the auditor unrestricted access to all business data and employees for information. This working relationship has to be based on clear agreements on confidentiality of results and findings as defined by the certification standard and contract. The Fair for Life standard procedure is – in line with ISO 65 the international standard for certification bodies – that a certification body cannot publish a statement about a certified operation's audit findings without consent. Fair for Life is presently reviewing its standards also with regard to its allegations and complaints procedures and will review other best practices in the field of voluntary product certification to further improve the system. We have noted the ILRF's concerns and issues raised as stakeholder feedback and invited them to provide inputs in the standard revision process. Fair for Life promotes transparency and publishes audit

¹ We acknowledge that the Agricultural Justice Project has also recently introduced an optional second Social Justice labelling option products from fair farms handled by fair companies.

ratings and use of premium on the fair for life website, but companies have the right to object to publication at present.

- 4) We welcome – in principle- the idea of a neutral multi stakeholder complaint review panel, but we cannot see how it could involve other fair trade organizations in the US, as Fair for Life is the only fair trade scheme in the US with labor standards for also US workers. As with other changes to the Fair for Life certification scheme, this would need to be changed in Fair for Life standards with defined rules and undergo public stakeholder consultation. In the present revision we will review options to collaborate with other schemes or organizations as neutral review instance for serious complaints.
- 5) All credible voluntary certification standards, including organic standards are certified by certifiers paid by the management of the certified company. Certification bodies themselves are under much scrutiny and must abide to international norms like ISO65 to ensure their impartiality of decisions. IMO is a renowned international certification body for sustainable products with more than 20 years experience.
- 6) Fair for Life standards do require companies to inform their workers on their social and fair trade certification commitments, their right to provide information to the auditor without any negative consequences and companies have a public social responsibility policy known to workers. Obviously, in an unannounced additional audit, the company can not inform workers beforehand.
- 7) Fair for Life standards (Module 2) require that (1) Workers, without distinction, have the right to join or form workers' organisations of their own choosing and to bargain collectively unless restricted by law, as required by ILO Conventions 87 and 98 (2) The employer adopts a neutral attitude towards the activities of workers organisations and their organisational activities. Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace. This is verified in every Fair for Life audit since the begin of certification in 2006. The guidance text added in the 2011 revision (after the case in question), based on numerous stakeholder feedback, is quoted out of context in the ILRF report. The guidance aims to ensure that workers have access to balanced and complete information as the basis for their decision to join a union. *"In case workers wish to unionise the employer must permit open internal discussions on the advantages and possible disadvantages of unionisation. Management or labour consultants shall not hold one-to-one anti-union meetings with individual workers. The company may not hire consultants with the objective of persuading workers not to unionise. However the company may hold information meetings for all workers with the help of external consultants as long as all information provided is truthful and does not intimidate workers. In workplaces with internal discussions on unionisation, it is recommended to invite neutral external experts in to provide balanced information on the potential changes in employment conditions and other aspects in order to allow workers to make well informed decisions. The company must respect national law with regard to freedom of association."*

We strongly believe that ILRFs campaign against Fair for Life and Theo damages workers interests in the US and is based on a biased investigation, representing the views of a few individuals and not all workers involved and damaging the only fair trade scheme in the US that considers fair working conditions in fair trade companies worldwide paramount to fair trade. This type of campaign encourages businesses to not make any public commitment, statement or external review on fair labor practices.

The Fair for Life Team,
Weinfeldten 18.2.2013, updated 20.2.2013