

bioRe® Social and Environmental Standard

FOR COTTON

for

**Contract producers in India and
Tanzania**

Version 2011

Foreword

The development of the *bioRe*® *Social Standard for cotton* was commissioned to FLO-Cert, the most renowned and only internationally accredited social certification body, for its expertise in social standard settings.

The *bioRe*® *Social Standard for cotton* is the quintessence of bioRe' s social performance and commitment towards small contract producers in India and Africa. Unlike any other social system which endeavours reconciliation between economic interests and social enhancement, the project's unique features along with its pioneering spirit promoted the benchmarking of bioRe' s social system into a recognized standard system.

The endeavour was also to anchor the bioRe social system on methodological grounds. By setting it into a recognized standard system, the social system has become socially accountable, hence auditable and verifiable. The objective assessment and verification by an independent body was indispensable for the standard's acceptance and recognition.

Benchmarking

Restrictions in developing organisational structures inherent to contract production were responded by fully benchmarking the *bioRe*® *Social Standard for cotton* against the FLO Contract Production Standard. The lack of institutional mechanisms is regarded as the key constraint to economically strengthen contract producers. By impacting on the system's efficiency and enhancing improved performance of all social stakeholders involved, the *bioRe*® *Social Standard for cotton* is credited for having raised the quality bar of social services provision.

Trade marking

Not least, unfair competition urged the elaboration of the *bio Re*® *Social Standard for cotton*. Product piracy is increasingly jeopardizing the organic cotton market, and threatening product integrity. The reputational decline of organic cotton from India has provided the stimulus to make this standard part of bio Re' s trademark. The *bioRe*® *Social Standard for cotton*® is believed to stand up to deteriorating market conditions, and strong enough to contribute to reverting this process. It further envisions its adoption by projects that withstand the current development and aim to make a difference.

Scope

The *bioRe*® *Social Standard for cotton* applies only for contract producers in India and Tanzania affiliated to the *bioRe*® projects. The standard renounces to any technical aspects of cotton production, as well as associated environmental sustainability criteria, as both are being addressed by organic certification schemes which are successfully adhered to. Environmental excellence enhances the focus to be diverted to the socioeconomic improvement of cotton farmer's and worker's livelihoods, reason why the standard is genuinely social.

Standard operational procedures

Certification cycles

The standard is built on certification cycles which define the time of standard compliance. Each of the cycles has a duration of three years. The different timelines can be identified by a number specified in the column *time* of the reporting tool, either 0, 3 or 6.

- "0" ➔ Fulfilment since the start of the certification process.
- "3" ➔ CC applicable after three years of certification, or 2nd certification cycle
- "6" ➔ CC to be fulfilled only after six years in the certification process, equivalent to the start of the 3rd certification cycle

Major Compliance Criteria

Compliance criteria time lined 0, which are additionally marked with a M are major criteria which have to be complied with at any time. Only criteria directly linked to social services provision are eligible as major compliances. Non-adherence to a major compliance criteria is subject to immediate suspension. Suspension will be upheld until conformity can be demonstrated.

Audit routine

For verification of compliance criteria during the auditing process, the Auditor is supported by an assessment tool called *Reporting tool*. Only CC corresponding to the applicable certification cycle are being evaluated. After presentation of the audit results, the operator is provided with a *Closing Report* signed both by the Auditor and the operator.

Certification procedures

Only compliance criteria pertaining to the applicable certification cycle have to be complied with. Non-compliances must be addressed by the operator before certification can be granted, renewed or continued, depending on the specific moment of the certification process. The type of objective evidence and timeline for submission is suggested by the operator and subject to approval by the certifying body. For this, the certification body provides the *Audit Result List* that regulates the post audit phase until full compliance is ascertained and certification (re)confirmed.

Recognition of conformity

Compliance with the bio Re Social Standard is controlled by FLO-Cert according to the 3-year certification cycles. After the first initial certification, the operator receives a letter of conformity valid for three years which is continuously renewed (if compliant) every 3 years after a renewal audit. A 3-year cycle comprises of 2 surveillance audits and 1 renewal audit.

0.1 Structural requirements

0.1.1 The organisation develops an internal management system for the bioRe[®] social and environmental standard.

1.1 Market Price

1.1.1 The organisation pays individual member farmers the local market price for organic cotton. Where there is no market price, the organisation pays the average of all prices indicated in a village. If the village price is below average of all villages, the price will be increased to the average. The closing market price of the previous day is the relevant price.

1.1.2 Price information and price setting are verifiable through objective means.

1.1.3 The farmer is informed about and understands the market price mechanism.

1.1.4 The payment of cotton is paid in cash at the purchase point or by cheque within three days of the purchase.

1.1.5 Where there is no fixed price for a specific category, and prices vary along the price range and within the categories, the organisation develops a quality system by linking quality criteria and prices. Quality differentiation should be appropriately documented. (Applies only for India)

2.1 Premium

2.1.1 The organisation pays a premium per kg of seed cotton (cultivated and certified according to EU 834/2007) to all farmers. The premium for full organic cotton is based on a minimum of 15% of the average price over the past five years.

2.1.2 Changes to the premium amount and formula alterations are formally approved by the Producer Representative Body or any alternative representational system, and properly documented.

2.1.3 The premium management is transparent to all farmers.

2.1.4 The organisation administers and manages the premium transparently and uses it in line with the requirements outlined in these standards.

3.1 Purchase Guaranty

3.1.1 Procure a long term and stable relationship with the buyer.

3.1.2 The farmer receives a purchase guaranty for cotton, 80% of the total basis or 80% of the basis of estimated volumes.

3.1.3 The organisation provides transport free of charge.

3.2.1 For farmers of satellite projects (independent farmer organisations) there is no purchase guaranty. The quantity of cotton from satellite projects is agreed prior to the season

4.1 Quality Training

- 4.1.1 The organisation has a written policy on quality training.
- 4.1.2 The organisation provides quality training on the principals and methods of organic farming on an annual basis and free of charge.
- 4.1.3 Records on quality training are sufficient to allow for a proper verification.
- 4.2.1 Family members are encouraged to attend training on organic farming.
- 4.2.2 A quality management system has been developed and documented.

5.1 Advisory Service

- 5.1.1 The organisation has a written policy on advisory service.
- 5.1.2 The organisation provides regular advisory service on organic farming and related subjects free of charge.
- 5.1.3 Advisory service is provided by a professional extension team.
- 5.1.4 Records on advisory service are sufficient to allow for a proper verification.
- 5.2.1 A quality management system has been developed and documented.

6.1 Individual Credit Schemes

- 6.1.1 The organisation is actively promoting individual credit schemes and has defined a policy for this purpose.
- 6.1.2 A person within the organisation is given responsibility for ensuring the management of individual credit schemes.
- 6.1.3 Individual credit schemes are accessible to all farmers.
- 6.1.4 There are separate and transparent accounting systems in place for the management of the existing individual credit schemes.
- 6.1.5 The administration of the input credit scheme is transparent to the farmer and participatory when it comes to premium usage.
- 6.1.6 The organisation manages the credit schemes transparently and in accordance with the rules of the organisation.
- 6.1.7 Where applicable, the use of the infrastructural credit schemes is decided by the General Assembly and properly documented.
- 6.2.1 A Financial Audit is conducted on annual basis.

7.1 Community Project Development

- 7.1.1 The organisation is actively promoting Community Project Development and has defined a policy for this purpose.

- 7.1.2 A person within the organisation is given responsibility for ensuring the management of Community Project Development.
- 7.1.3 A work plan and budget are available, preferably as part of a general work plan and budget of the organisation.
- 7.1.4 The application and decision-making process follows internal regulations and is properly documented.
- 7.1.5 The organisation has transparent and efficient management systems in place for Community Project Development.
- 7.2.1 The community within the operational area is informed about the existence of development programs.
- 7.2.2 Community development programs are accessible to all communities and they actively participate in the definition and decision-taking.
- 7.2.3 The sustainability and progress of community projects is monitored and documented.

8.1 Economic Strengthening of the Organisation

- 8.1.1 The organisation works towards economic strengthening of the business. Organisations are encouraged to make longer term business / strategic plans.
- 8.1.2 A person within the organisation is given responsibility for ensuring the management of Economic Strengthening of the Organisation.
- 8.2.1 The organisation will work towards the strengthening of its business related operations. This could for example be through the building up of working capital, implementation of quality control, training/education and risk management systems, etc.
- 8.2.2 The organisation shows efforts to also promote the marketing of other crops in the farmer's rotation pattern in order to decrease economic dependency on one single crop and to give the farmers additional sources of income. Alternative sources of income (e.g. production of biological pest control formulations) shall also be explored.
- 8.2.3 The progress and sustainability of the economic strengthening process is monitored and documented.

9.1 Farmer's Representation

- 9.1.1 The relationship between farmers and the organisation has been formalised.
- 9.1.2 The organisation has started to work with mechanisms of farmer representation.
- 9.2.1 A representational body and mechanisms have been developed which guarantee representation of each farmer.
- 9.2.2 The organisation has developed an Organisational Development Plan and assists in the organisational conversion.
- 9.2.3 The system of information flow has become operational within the institutional set-up.

10.1 Non-discrimination

- 10.1.1 The majority of the members of the organisation are small producers.
- 10.1.2 Of every bioRe - certified product sold by the organisation, more than 90% of the volume must be produced by small producers.
- 10.1.3 If the organisation restricts new membership, the restriction may not contribute to the discrimination of particular social groups.
- 10.2.1 Programs related to identified disadvantaged/minority groups within the organization are in place to improve the position of those groups in the organization, particularly with respect to recruitment, staff and committee membership.
- 10.2.2 Appropriate measures are being taken to ensure participation, representation and membership of women growers.

11.1 Labour Laws

- 11.1.1 Children are not employed (contracted) below the age of 15.
- 11.1.2 Working does not jeopardise schooling or the social, moral or physical development of the young person.
- 11.1.3 Forced labour, including bonded or involuntary prison labour, does not occur.
- 11.1.4 There is no discrimination made on the basis of race, caste, national origin, religion, disability, gender, sexual orientation, union, membership, political affiliation or age in recruitment, remuneration, access to training, promotion, disciplinary measures, termination or retirement.
- 11.1.5 Management recognises in writing and in practice the right of all workers to establish and to join worker's organisation of their own choosing and to collectively negotiate their working conditions.
- 11.1.6 If no active and representative union exists on the company's site, all the workers shall democratically elect a workers' committee, which represents them and negotiates with management to defend their rights and interests.
- 11.1.7 Salaries for workers employed by the organisation are in line with or exceeding sector Collective Bargaining Agreement, regional average and official minimum wages for similar occupations. The employer will specify wages for all functions.
- 11.1.8 Workers are aware of their rights and duties, responsibilities, salaries, and work schedules.
- 11.1.9 Payment must be made regularly and in legal tender and properly documented.
- 11.1.10 Deductions in salaries are only made as agreed by national laws, as fixed by a Collective Bargaining Agreement or if the employee has given his/her written consent.
- 11.1.11 An adequate sick leave regulation is put in place.
- 11.1.12 A working hours and overtime regulation is put in place.

- 11.1.13 The organisation is providing a healthy working environment and is taking adequate steps to prevent accidents or injury to health.
- 11.1.14 The following persons are not allowed to work with the application of pesticides: persons younger than 18 years, pregnant or nursing women, persons with incapacitated mental conditions; persons with chronic, hepatic or renal diseases, and persons with diseases in the respiratory ways.
- 11.1.15 The company ensures that safety equipment is provided to all workers and that they are instructed and monitored in its proper use.
- 11.1.16 Workers (including new and reassigned workers) and their representatives are trained in the basic requirements of occupational health and safety, relevant health protection and first aid. Special measures are in place in the H & S Policy to identify and avoid reoccurring health risks to vulnerable workers operating in high risk areas.
- 11.1.17 The company provides first aid facilities, equipment and trained first aid staff to meet all reasonably foreseeable emergency first aid situations.
- 11.1.18 All workers must have access to potable water and clean sanitary facilities.
- 11.1.19 All indoor workplaces have adequate ventilation for the work to be carried out in the context of local weather conditions.
- 11.1.20 Fire exits, escape routes, fire fighting equipment and fire alarms are provided for every indoor workplace.
- 11.1.21 Electrical equipment, wiring and outlets are placed, grounded and inspected for overloading and leakage by a professional on a regular basis.
- 11.2.1 Among the workers' representatives, a person must be nominated who can be consulted and who can address health and safety issues with the organisation.
- 11.2.2 The organization has implemented a Management System for SA8000 and is regularly reviewing the social policies and labour laws.
- 12.1 CO₂ Compensation projects**
- 12.1.1 CO₂ compensation projects have a direct benefit on the project executors and are socially sustainable.
- 12.1.2 The offsetting programme and compensation projects are well documented.
- 12.1.3 The organisation makes sure that each unit of each compensation project is clear identifiable.
- 12.1.4 The organisation monitors and documents each compensation project according to functionality and carbon emission relevant issues of the square root of beneficiaries.
- 12.1.5 The beneficiaries of compensation projects are informed about the environmental benefit.
- 12.1.6 A person within the organisation is given responsibility for ensuring the monitoring of compensations projects.
- 12.1.7 The organisation has implemented a management system for maintenance of compensation projects

13.1 Organic farming

13.1.1 The organisation is certified according to EU 834/2007.