



bioRe® Sustainable Cotton Standard

for

**Contract producers
in India and Tanzania**

Version 2017



Foreword

The bioRe® Foundation is owner of the trademark bioRe® and is scheme owner of the *bioRe® Sustainable Cotton Standard* which was developed in close collaboration with its core stakeholders, the smallholder cotton farmers and the bioRe® organisations in India and Tanzania as well as Remei AG, which is the founding partner and main customer of bioRe® Sustainable Cotton.

The *bioRe® Sustainable Cotton Standard* is the quintessence of bioRe's sustainability performance and commitment towards small contract producers in India and Tanzania. 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® sustainability system on methodological grounds. By setting it into a recognized standard system, the sustainability 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.

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

Scope

The *bioRe® Sustainable Cotton Standard* currently applies for contract producers in India and Tanzania affiliated to the respective bioRe® organisations. The standard contains social and environmental criteria with regard to cotton production, based on organic cotton being addressed by organic certification schemes which are successfully adhered to. Social development and environmental excellence focus on the socioeconomic improvement of cotton farmers' and workers' livelihoods. The framework is based on a human rights based approach, enhancing effective and right-based participation of beneficiaries and the fulfilment of human rights. The scope includes agriculture and the first processing which is the ginnery, producing cotton lint.

Standard Operational Procedures

The Standard Operational Procedures are described in the separate SOP Manual for the *bioRe® Sustainable Cotton Standard*.

Quality label bioRe® Sustainable Cotton

bioRe® Foundation is the owner of the trademark bioRe® and defines the standards for *bioRe® Sustainable Cotton* and *bioRe® Sustainable Textiles*. It has licensed Remei AG to use the labels bioRe® Sustainable Cotton and bioRe® Sustainable Textiles on their products and to provide it to its clients through contracts. The signed contracts between Remei AG and its clients specify the use and communication about the bioRe® labels. They may only be used if formally agreed in the contract and according to the separate brand design manual.

0.1 Structural requirements

- 0.1.1 The organisation develops an internal management system for the bioRe® sustainable cotton standard.
- 0.1.2 Each satellite is verified separately, either against the full standard or a development plan which complies in minimum with the standard.
- 0.1.3 Each project, both non-satellite and satellite, is certified against EU 834/2007 organic regulation.

1.1 Market Price

- 1.1.0 The organisation has a written policy on quality-based price setting mechanism.
- 1.1.1 The organisation pays individual member farmers the local market price for organic cotton produced in cotton qualities as specified in the farmer's contract. 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 the policy on quality-based price setting 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. Satellites may alternatively adopt payment terms exceeding 3 days.
- 1.2.1 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.

2.1 Premium

- 2.1.1 The organisation pays a premium per kg of seed cotton (cultivated according to EU 834/2007 and produced in cotton qualities as specified in the farmer's contract) 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.
- 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.
- 2.1.5 For farmers of satellite projects (independent farmer organisations), the premium payment from bioRe organisation is made to the farmer organisation and not to individual farmers.

3.1 Purchase Guarantee

- 3.1.1 Procure a long term and stable relationship with the buyer.
- 3.1.2 The farmer receives a 5-year purchase guarantee 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 guarantee. The quantity of cotton from satellite projects is agreed prior to each season.
- 3.3.1 The purchase guarantee is valid for agreed quantities between the buyer and producers of bioRe sustainable cotton in February of each year.

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 Loan Schemes

- 6.1.1 Loan schemes are accessible to farmers and actively promoted by the organisation. It has defined a policy for this purpose.
- 6.1.2 A person within the organisation is given responsibility for ensuring the management of operational purposes of loan schemes.
- 6.1.3 The administration of the input loan scheme is transparent to the farmer and participatory when it comes to premium usage.
- 6.1.4 There are separate and transparent accounting systems in place for the management of the existing individual loan schemes

- 6.2.1 A system of gradual empowerment allows semi-organized producer groups to build the necessary skills to manage the operational loan scheme on their own. (Applies only for bioRe® India)

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 Farmer Participation

- 8.1.1 The relationship between farmers and the organisation has been formalised.
- 8.1.2 The organisation has started to work with mechanisms of farmer representation.
- 8.2.1 A representational body and mechanisms have been developed which guarantee representation of each farmer.
- 8.2.2 The system of information flow has become operational within the institutional set-up.
- 8.2.3 The organisation has developed a Human Development Plan.
- 8.3.1 The organisation is implementing a human rights-based approach.
- 8.3.2 A person in the organisation is given responsibility to promote human rights education and to implement the human rights-based approach in the organisation.
- 8.3.3 There is a joint evaluation of the progress to implement the human rights-based approach.
- 8.3.4 Farmers are informed about the processes of participation.

9.1 Economic Impact

- 9.1.1 Short and medium-term outcomes and long-term impacts of business strategies on Economic Strengthening of the Organisation are clearly defined.
- 9.1.2 A person within the organisation is given responsibility for ensuring regular monitoring and evaluation of business strengthening strategies.
- 9.2.1 The organisation will work towards the strengthening of its business related strategies.
- 9.2.2 The producer organisation is becoming more autonomous on commercial and financial grounds and contributes to the economic improvement of the farmers.

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 and community projects.
- 10.2.2 Appropriate measures are being taken to ensure participation, representation and membership of women growers.
- 10.3.1 Measures are taken to support inclusion.

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