

RAPUNZEL FAIR TRADE PROGRAM



**HAND IN HAND Criteria**

**Version 5-2018**

REPLACES VERSION 4-2011

The criteria in this document are applicable to Rapunzel Naturkost and to suppliers who have successfully signed a contract for cooperation under the HAND IN HAND partner program with Rapunzel Naturkost.

The current cooperation contract which Rapunzel Naturkost concluded with all HAND IN HAND suppliers will remain valid and refers hereafter to this new version of the HAND IN HAND criteria.

This new version 5-2018 of the HAND IN HAND criteria comes into effect from July 16<sup>st</sup> 2018 onwards. As of the 1<sup>st</sup> January 2019, it will be taken as a basis for HAND IN HAND inspections.

Rapunzel Naturkost  
July 2018

# IMPRINT

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# PREAMBLE



From the very beginning of dealing with producers all over the world, not only the quality of the organic products but equally the quality of the cooperation with the producers have been a matter of importance for us.

It is well known that pressure on commodity prices often causes immense suffering to the producers and may be hazardous to the environment.

The primary aim of Rapunzel Naturkost under the HAND IN HAND program is to establish long term trade relationships with its HAND IN HAND suppliers, therefore making them more independent from commodity price fluctuations in the world market and supporting them in their eco-social development.

We at Rapunzel Naturkost believe that organic farming and fair trade is the basis for positive and sustainable development, because it secures healthy food products, an intact environment and adequate added value for the producers.

To us at Rapunzel Naturkost, economy and ecology must therefore progress “hand in hand”.

A handwritten signature in black ink, which appears to read 'Joseph Wilhelm'. The signature is fluid and cursive.

Joseph Wilhelm  
Founder of Rapunzel Naturkost

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# INTRODUCTION

The HAND IN HAND program and the criteria presented here cover the **HAND IN HAND partner program** as well as the **HAND IN HAND Fund** (please see criterion 3.5.1 and annex 1, 2).

## HAND IN HAND PARTNER PROGRAM

The HAND IN HAND partner program is a fair trade program developed by Rapunzel Naturkost together with HAND IN HAND suppliers and independent experts which aims to link the idea of fair trade with that of organic farming.

The HAND IN HAND program was established in 1992 out of the daily practice: with the first Rapunzel suppliers overseas, the core elements of fair trade had been practiced, e.g. long-term business relationships, guaranteed purchase volumes, and fair prices. As there was no program at that time to link organic and fair trade, Rapunzel Naturkost developed its own fair trade program, HAND IN HAND.

It is a program for mutually beneficial **cooperation with**

- Small holder cooperatives, farmer associations and farmer groups
- Farms, plantations
- Processing companies and
- Exporters.

The program mainly focuses on the cooperation with suppliers in Africa, Asia and Latin America. Potential HAND IN HAND partners are characterized by an ethical commitment of the whole company (including any corporate associations). They take responsibility within the supply chain all the way down to the farmer in the agricultural production.

## HAND IN HAND LABEL

The HAND IN HAND label designed for this program is the property of Rapunzel Naturkost, Legau. It stands for a mutually fruitful partnership at eye level between the HAND IN HAND partners and Rapunzel Naturkost. At the same time, it symbolizes the linking of organic and fair trade: ecological, economic and social sustainability go “hand in hand”.



The label and/or words “HAND IN HAND” may only be used on raw materials / products purchased by Rapunzel Naturkost as HAND IN HAND certified from HAND IN HAND suppliers. The HAND IN HAND label can only be used on RAPUNZEL products.

*Exceptions: see chapter 3.9: RAPUNZEL CLIENTS USING THE HAND IN HAND SYMBOL*

## HAND IN HAND CRITERIA

The criteria for the HAND IN HAND program have been developed by Rapunzel Naturkost and they place emphasis on:

- **Direct and long term trade relationships which ensure fair prices**
- **Safe and healthy working conditions**
- **Payment of fair wages**
- **Social security for and humane treatment of the employees / workers**
- **Physical and documented traceability of the product flow from the farmer to the final product**
- **Transparency in business activity**
- **Flow of information within the partner organisation and from and to Rapunzel Naturkost**
- **Support of eco-social projects worldwide with the HAND IN HAND Fund**

The HAND IN HAND criteria have been based on the core labour standards of **ILO**<sup>1</sup>, the definitions and requirements of **SA 8000** of the SAI<sup>2</sup> and the guidelines for social justice of **IFOAM**<sup>3</sup>.

### GENERAL HAND IN HAND CRITERIA (Chapter 1)

These define **requirements** for the participation in the HAND IN HAND partner program which have to be met by both HAND IN HAND partners, that is to say by Rapunzel Naturkost as well as by the HAND IN HAND suppliers. Besides these general requirements, the criteria comprise:

### OBLIGATIONS OF THE HAND IN HAND PARTNERS (Chapters 3 and 4)

- **Requirements for Rapunzel Naturkost** (Chapter 3)
- **Requirements for the HAND IN HAND suppliers** (Chapter 4).

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<sup>1</sup> ILO: International Labour Organization, [www.ilo.org](http://www.ilo.org)

<sup>2</sup> SA 8000: International Standard for Social Accountability of the SAI (Social Accountability International), [www.sa-intl.org](http://www.sa-intl.org)

<sup>3</sup> IFOAM: International Federation of Organic Agriculture Movements, [www.ifoam.bio](http://www.ifoam.bio)

**General criteria** are defined for the HAND IN HAND suppliers (Chapter 4.1) which have to be fulfilled by all suppliers, regardless of their organisational structure. Additionally, **specific criteria** have been developed for different organisational structures:

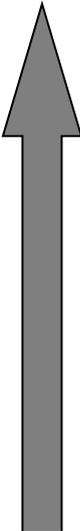
### SPECIFIC CRITERIA ACCORDING TO THE ORGANISATIONAL STRUCTURE OF THE HAND IN HAND SUPPLIERS

- Small holder cooperatives and associations (Chapter 4.2)
- Contract farmer groups (Chapter 4.3)
- Enterprises with employees / workers (Chapter 4.4)

### MINIMUM AND DEVELOPMENT CRITERIA

The HAND IN HAND criteria are classified as **minimum criteria** (“**MIN**”) and **development criteria**. The development criteria are further divided into two categories (“**D–MIN**“ and “**D**“).

- All partners within the HAND IN HAND program must fulfil all minimum criteria (“**MIN**”).
- All criteria for Rapunzel Naturkost are minimum criteria and must be fulfilled.
- **Applicants** must demonstrate **compliance with all minimum criteria** at the first inspection for acceptance as a HAND IN HAND supplier. Existing suppliers must fulfil all minimum criteria for continued recognition as a HAND IN HAND supplier.



Symbol	Explication - criterion	Example	Applies to
<b>MIN</b>	Minimum criterion: unconditional requirement for a HIH partnership	Organic certification, no slash and burn practices, no forced labour	Rapunzel Naturkost and HIH suppliers including its sub suppliers (whole production chain)
<b>D–MIN</b>	Development criterion: has to be fulfilled in the medium term (4 J.), then becomes a MIN criterion	Sustainability management system	HIH suppliers (whole production chain)
<b>D</b>	Development criterion: less grave aspect which shall be fulfilled in the long term (-6 years)	Cooperatives actively encourage women to become members	HIH suppliers (whole production chain)

- Development criteria classified as “**D–MIN**” will become minimum criteria in the **medium term** (4 years).

- It is expected that HAND IN HAND suppliers will be fully compliant with development criteria classified as “**D**” in the **long term**, and not later than 6 years from the start of the HAND IN HAND cooperation / set up of the criterion.
- With the biennial HAND IN HAND inspection, the compliance with the criteria is checked as regards the HAND IN HAND partners as well as regards Rapunzel Naturkost. In the inspection checklists developed for that purpose, the single MIN-, D–MIN and D criteria are classified into single aspects / control points. These control points are classified once again into MIN-, D–MIN and D aspects. Detailed information can be found in the inspection checklists.

The HAND IN HAND criteria shall **apply to all entities in the supply chain** that produce, transform, add value to and/or handle the product. This shall include sub-suppliers, sub-contractors, sub-operators and service providers that the HAND IN HAND supplier may use in producing the HAND IN HAND product for Rapunzel Naturkost.

The HAND IN HAND supplier is required to **keep** Rapunzel Naturkost **informed of the sub-suppliers, sub-contractors, sub-operators and service providers** it may use.

The HAND IN HAND supplier shall ensure that all

- sub-suppliers comply with the HAND IN HAND criteria (minimum and development criteria)
- sub-contractors, sub-operators it uses comply with at least the **minimum requirements** of the HAND IN HAND criteria

*(See criteria in section 4.5)*

Should Rapunzel Naturkost or the independent inspectors appointed by Rapunzel Naturkost deem it necessary, the HAND IN HAND suppliers are required to facilitate an inspection of their sub-suppliers, sub-contractors, sub-operators and service providers.

# 1. GENERAL REQUIREMENTS

## FOR THE PARTICIPATION IN THE HAND IN HAND PARTNER PROGRAM AND RESULTING OBLIGATIONS

### 1.1 **Rapunzel Naturkost** as well as the **HAND IN HAND** suppliers commit themselves to:

- Respect **human rights** (as defined in the Universal Declaration of Human Rights of the UN<sup>4</sup>)
- Respect **legitimate land use rights**
- Respect the **rights of indigenous peoples**
- Protect the **natural habitats** of endangered fauna & flora
- Comply with **environmental law**
- Comply with all legal requirements regarding **wages** and **freedom of association** as well as **social security** obligations
- Respect internationally recognised standards and conventions on **labour rights** such as ILO conventions<sup>5</sup>

### 1.2 Eligible to become HAND IN HAND suppliers are:

- **Small holder** cooperatives, farmer associations
- Legally registered farmer groups
- **Large farms, plantations**
- **Processing units** and
- **Export organisations.**

Those show extraordinary social and ecological commitment. With its HAND IN HAND program, Rapunzel Naturkost focuses on certified fair trade with suppliers especially in Africa, Asia and Latin America. The suppliers should be existing suppliers of Rapunzel Naturkost before entering a HAND IN HAND partnership.

### 1.3 To be eligible for admission as a HAND IN HAND supplier, Rapunzel Naturkost must be convinced that the products have a steady **market demand**. Thus, stable and long term trade relationships can be maintained.

### 1.4 Prior to concluding a HAND IN HAND contract, the potential HAND IN HAND suppliers should demonstrate that they have fulfilled all **minimum criteria** of the HAND IN HAND partner program. This will be verified through a preliminary inspection. In addition, approval of the HAND IN HAND committee at Rapunzel Naturkost (Strategic Sourcing, Marketing and Management) is also required.

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<sup>4</sup> Universal Declaration of Human Rights, [www.ohchr.org](http://www.ohchr.org)

<sup>5</sup> International Labour Organization (ILO), [www.ilo.org](http://www.ilo.org)



1.5 In signing the **HAND IN HAND cooperation contract**, the partners pledge their commitment to fulfil all minimum criteria of the HAND IN HAND program. They also agree to fulfil the development criteria “D→MIN” and “D” within 4 years (D→MIN) and 6 years (D) respectively.

1.6 Both partners commit to **communicate** any changes in their nature of activities, structure or management and when facing problems in the course of business. The HAND IN HAND suppliers are also duty bound to inform Rapunzel Naturkost should they foresee any problems in delivering agreed volumes or delays in shipment. Likewise Rapunzel Naturkost is committed to inform its partners of fundamental changes including serious changes / declines in demand for the products supplied by the HAND IN HAND suppliers.

Both trade partners are requested to inform themselves actively about the situation of the respective partner. Rapunzel Naturkost will endeavour to send its staff to visit the HAND IN HAND suppliers at regular intervals. Rapunzel Naturkost warmly invites all its suppliers to the Suppliers’ Days held once every two years in Legau. Additionally, Rapunzel Naturkost organises HAND IN HAND workshops annually for its HAND IN HAND suppliers. They are warmly welcome to visit Rapunzel Naturkost any other time at its corporate headquarters in Legau.

## 2. VALIDITY AND TERMINATION OF THE HAND IN HAND PARTNERSHIP, ARBITRATION BODY

2.1 The HAND IN HAND partnership and contract are **valid for an indefinite period**. However, either party may terminate the contract any time. The request for termination must be addressed to the respective partner in writing and reasons for termination must be clearly stated. After receipt of the request for termination, both parties shall initiate a dialog to determine the reasons for termination of the HAND IN HAND partnership. This must be done within 8 weeks of receipt of the request for termination. If both parties agree to terminate the HAND IN HAND contract after the dialogue, the date of termination shall be determined by both parties by mutual consent. This shall not exceed six months from the date of final agreement to terminate the contract. This period is to allow the partner supplier to find a new buyer and Rapunzel Naturkost to locate a new supplier. The termination of the HAND IN HAND partnership is realized by both parties signing a termination agreement.

2.2 **Complaints** by HAND IN HAND suppliers regarding the HAND IN HAND partner program must be in writing and addressed to Ecocert IMOSwiss AG (info@fairforlife.org).  
Complaints regarding the HAND IN HAND Fund must be in writing and addressed to Rapunzel Naturkost ([handinhand@rapunzel.de](mailto:handinhand@rapunzel.de)).  
All complainants must give their real names, postal address and other contact data. Complaints shall be treated confidentially. Complainants shall receive a written reply within four weeks of submitting the complaint.

Positive feedback or criticism is also welcome and may be sent to the above mentioned email addresses or addressed directly to the contact persons for the HAND IN HAND program at Rapunzel Naturkost.

### 3. REQUIREMENTS FOR RAPUNZEL NATURKOST

All criteria listed below are **guarantees** given by Rapunzel Naturkost to its HAND IN HAND suppliers. They correspond to **minimum criteria** and must be fulfilled by Rapunzel Naturkost.

#### 3.1 TRADE RELATIONS AND PRICES

3.1.1 A process to establish **long term trade relations** with the HAND IN HAND suppliers has been initiated. This is achieved by Rapunzel Naturkost and the HAND IN HAND suppliers signing a HAND IN HAND contract stating their willingness to establish a long term trade relationship.

3.1.2 Rapunzel Naturkost and the HAND IN HAND supplier shall mutually agree on the **price** for the HAND IN HAND ingredient / product. This could either be at the beginning of the harvest season, or as agreed upon by both parties. The prices shall consist of a mutually agreed upon base price including an organic premium and a HAND IN HAND premium fixed for each product.

When determining the **base price** between Rapunzel Naturkost and the HAND IN HAND supplier, the cost of production of the supplier shall be taken into consideration. In determining the cost of production,

- the living costs of the producer farmers
- the living costs of the permanent workers / employees
- the legal minimum wages of the permanent, casual, seasonal or temporary workers

shall be taken into account.

The base price shall include an organic premium.

The base price for the new harvest is negotiated each year between Rapunzel Naturkost and the HAND IN HAND supplier. As a reference for minimum prices which are never underrun, Rapunzel Naturkost adheres to the prevailing minimum prices of FLO Fairtrade or the Fair for Life floor prices defined by the supplier. If for single products no FLO Fairtrade minimum prices nor Fair for Life floor prices are established, the following is applied: the HAND IN HAND supplier defines its individual minimum price similar to the Fair for Life Floor price system. This minimum price is based on the individual cost calculation of the supplier and is agreed upon between the HAND IN HAND supplier and Rapunzel Naturkost for the respective harvest / crop. The inspector must be granted access to this cost calculation during the biennial HAND IN HAND inspection.

The prices so fixed and paid by Rapunzel Naturkost shall be **higher than the average conventional market prices** for products of similar quality and origin. Only in specific single cases can exceptions be made: If the local market price rises disproportionately due to very high demand or speculation and is far above actual production costs of the respective HAND IN HAND supplier, Rapunzel Naturkost and the HAND IN HAND supplier can agree on an export price that is below a current conventional local market price peak.

*(For criteria applicable to HAND IN HAND suppliers please see 4.1.4.3 and 4.1.4.4)*

- 3.1.3 The trade partners shall mutually define a HAND IN HAND premium.
- The premium is defined as a fixed value per unit. When determining this value, the following parameters shall be taken into consideration:
    - Costs for producing the raw material
    - Grade of value added to the product
    - Total amount of the additional HAND IN HAND premium that would be at the disposal of the HAND IN HAND supplier per year
  - The HAND IN HAND premium must be indicated separately to the base price in all purchase contracts, purchase orders and invoices using the wording “HAND IN HAND premium”.
  - It shall be paid directly to the HAND IN HAND supplier with each invoice.

Rapunzel Naturkost evaluates in regular intervals (approx. every 5 years) together with the HAND IN HAND supplier if it is necessary to adapt the HAND IN HAND premium value.

*(Please see also criteria 4.1.4.5 to 4.1.4.7)*

- 3.1.4 The **purchase contracts** with HAND IN HAND suppliers shall clearly state quantities ordered, prices, delivery conditions, terms of payment, and the HAND IN HAND premium.
- 3.1.5 **Payments** shall be made on time as agreed and properly documented.



HAND IN HAND partner Serendipalm in Ghana: An exemplary women's project for the production of fair and organic palm oil

## 3.2 GENERAL SUPPORT OF THE HAND IN HAND SUPPLIERS

3.2.1 HAND IN HAND partners, if they are small holder cooperatives / associations, can ask Rapunzel Naturkost for **pre-finance**. Rapunzel Naturkost shall grant the pre-finance directly or support the HAND IN HAND partner in obtaining an external pre-finance.

The pre-finance can be granted for the buying-up of the crop. The reasons for the pre-finance application have to be indicated to Rapunzel Naturkost in writing.

In the case of a direct pre-finance by Rapunzel Naturkost, the amount of the pre-finance is agreed upon individually according to the needs of the HAND IN HAND supplier and the financial possibilities of Rapunzel Naturkost. The amount of the pre-finance can be up to 50% of the annual contract value with Rapunzel Naturkost.

As a precondition for a direct pre-finance by Rapunzel Naturkost, it must be clear and agreed upon by Rapunzel Naturkost and the HAND IN HAND supplier as to how the export price for the current contract will be calculated. This applies especially to highly volatile markets, if the exact purchase price for the raw material is not clear at the time pre-finance is granted.

In case of regular repayment / settlement with the next deliveries of product out of the current contract, no interest is charged. If, due to force majeure, a repayment is not possible within the agreed timeframe, a deferment of payment may be agreed upon.

An exception to this rule may be made if there is a proven and foreseeable high risk of:

- potential non delivery of the contracted volumes by the supplier ,
- non repayment of the pre-finance by the supplier , if the raw material / product is not available, or
- major quality problems at the time the pre-finance is assessed and therefore refusal of the product by Rapunzel Naturkost

3.2.2 At the request of the HAND IN HAND suppliers, Rapunzel Naturkost shall provide support to the HAND IN HAND suppliers by way of **advice** in cultivation, processing, quality management and matters of trade. These services shall be provided by in house food technologists, agronomists and trade experts and shall be free of charge.

3.2.3 Rapunzel Naturkost supports the **processing** of raw material **in the country or region of origin**. The quality has to meet the standard required by the European market.

3.2.4 The **costs** of a regular HAND IN HAND inspection and certification of the partners shall be borne by Rapunzel Naturkost.

## 3.3 LABELLING

3.3.1 The purchase contract, purchase order, invoice, transportation documents and product labels (raw material and finished product) shall bear the **words „HAND IN HAND“**.

3.3.2 All Rapunzel products made of ingredients purchased from HAND IN HAND suppliers under HAND IN HAND conditions shall bear the **HAND IN HAND label**.

**Mono ingredient product:** To be labeled HAND IN HAND, 100% of the ingredient must be obtained from one or more HAND IN HAND suppliers.

**Multi ingredient product:** In order to label a multi ingredient product as HAND IN HAND

- more than 50 weight percent of the ingredients must be certified HAND IN HAND according to the recipe
- more than 50 weight percent of the ingredients must be sourced from HAND IN HAND suppliers under HAND IN HAND conditions within a calendar year.

The individual HAND IN HAND ingredients in the multi ingredient product are identified in the ingredient list as such.

Rapunzel Naturkost endeavours to increase, as much as possible, the percentage of ingredients from HAND IN HAND suppliers in a HAND IN HAND multi ingredient product.

When planning the demand of HAND IN HAND raw materials for current or new HAND IN HAND products, it must be guaranteed that the demand of HAND IN HAND raw materials according to the recipe correlates with the availability of the HAND IN HAND raw materials from the HAND IN HAND partners.

The HAND IN HAND label is used on the **front label of the product** if the product contains more than 50% of HAND IN HAND certified ingredients. In multi ingredient products, the individual HAND IN HAND ingredients shall be identified as such in the ingredient list.

The HAND IN HAND label can be used on the **back label of the product** if the product contains more than 20% , but not more than 50% HAND IN HAND certified ingredients. Ingredients identified as HAND IN HAND have to be sourced 100% from HAND IN HAND suppliers under HAND IN HAND conditions. There shall be a clear identification of the HAND IN HAND certified ingredients on the label / the ingredient list.

All ingredients available as HAND IN HAND certified must be used in the product as such. This applies to all HAND IN HAND mono and multi ingredient products.

3.3.3 In the case that HAND IN HAND ingredients / products are **not readily available** (due to shipment delays, crop failures or quality issues), the following procedure should be adhered to:

- The raw materials for the HAND IN HAND product shall be purchased with priority from a supplier certified under FLO Fairtrade or IMO Fair for Life standards as **FLO Fairtrade / Fair for Life certified** product. These are acknowledged by Rapunzel Naturkost as equivalent fair trade certification schemes.

Rapunzel Naturkost shall enter into a written purchase contract / purchase order with such suppliers. The purchase contract, purchase order, invoice, transport documents and raw material labels shall refer to the corresponding fair trade certification (please see the respective guidelines of FLO Fairtrade and Fair for Life on [www.fairtrade.net](http://www.fairtrade.net) and [www.fairforlife.net](http://www.fairforlife.net)).

- In the case that FLO Fairtrade or Fair for Life certified raw materials are not available, Rapunzel Naturkost may use organic raw materials without HAND IN HAND certification. Then a so-called “**premium compensation scheme**” applies:

If the HAND IN HAND supplier cannot supply the HAND IN HAND product (in time) **due to force majeure** (crop failure, natural catastrophe or similar causes) and no other fair trade goods are available in the short term, an organic product “only” may be purchased from another supplier. The HAND IN HAND premium is nevertheless paid to the HAND IN HAND supplier as compensation. For this purpose the HAND IN HAND supplier issues an invoice.

If the HAND IN HAND supplier cannot supply the HAND IN HAND product (in time) **due to his own shortcoming** and no other fair trade goods are available in the short term, an organic product “only” may be purchased from another supplier, and the HAND IN HAND premium is paid into the HAND IN HAND Fund.

Thus, although HAND IN HAND raw materials are not available, a fair trade premium is still paid for these purchases.

- Despite this regulation due to non-availability of HAND IN HAND/Fair trade goods, more than 50% of HAND IN HAND certified ingredients (mono ingredient product) or HAND IN HAND / FLO Fairtrade / Fair for Life certified ingredients (multi ingredient product) must be used in one calendar year in order for it to be identified as a HAND IN HAND product.

3.3.4 Rapunzel Naturkost guarantees physical traceability of the HAND IN HAND products. Exceptions may be made if due to specific requirements in the production process physical traceability is not possible or unreasonably difficult to realize. These special cases shall be clearly identified by Rapunzel Naturkost. In these cases, the mass balance system is applied.



Solar energy from the Rapunzel roofs

## 3.4 SUSTAINABILITY

Sustainability means that the basic needs of this generation as well as those of the next generations are covered. It includes all involved parties of the supply chain: farmers, workers and employees, local residents and communities, entrepreneurs, clients and consumers. This includes primarily the responsible use of natural resources.

### 3.4.1 Rapunzel Naturkost has included basic aspects of sustainability in its company **management system**.

It covers the three areas of sustainability: ecology, economy and social aspects. It contains concepts for the sustainable existence of the company which go beyond the requirements of organic production and fair trade. Rapunzel Naturkost has a sustainability management plan which contains a needs and risks assessment in the areas of ecology, economy and social aspects.



Rapunzel Naturkost has a **broadly based management structure** which allows staff, organised in small teams, to be involved in the decision making process. The staff members have a high level of individual **responsibility**, including in relation to aspects of sustainability.

Rapunzel Naturkost prepares a sustainability report at regular intervals which is published on the Rapunzel website.

The following applies to Rapunzel Naturkost:

### Economic aspects

Rapunzel Naturkost strives to provide **added value** for all involved in the production chain, from “field to fork”. For the company itself, moderate organic growth is planned.

A **diversified product range** offsets any demand and price fluctuations in single products.

Rapunzel Naturkost`s accounts are audited by an **external firm of auditors**. Annual reports and financial results are published.

### Ecological aspects

Rapunzel Naturkost purchases and processes only products which have been produced according to **organic production methods**.

**Transport** routes and means of transport that are as short and as **environmentally friendly** as possible are chosen.

Products are **processed as little and as gently** as possible.

A **group working on environmental issues** is constantly dealing with improvements in environmental performance, e.g. with relation to reducing energy consumption, solid waste management, waste water management and optimum use of transport facilities.

### Social aspects

The employees and workers are informed about the company`s performance and development during three to four yearly **staff meetings**.

There is a workers` committee in place, elected by the Rapunzel employees and workers, that represents their concerns towards the management.

Rapunzel Naturkost distributes equally a part of its annual audited profits among its employees / workers. Each employee / worker who has completed a full year of service shall be entitled to the **profit share**.

Rapunzel Naturkost offers its employees **flexibility in their working hours**, thus especially enabling mothers to organise their work flexibly and to nurse and attend to the needs of their infants.

The **staff canteen** serves only organic food and beverages at a subsidized price.

*(For criterion applicable to HAND IN HAND suppliers please see 4.1.3.2)*



## 3.5 HAND IN HAND FUND

- 3.5.1 Rapunzel Naturkost contributes 1% of the value of raw materials purchased under the HAND IN HAND label within one calendar year to the HAND IN HAND Fund. The HAND IN HAND Fund is administered jointly by the Deutsche Umwelthilfe e.V. (DUH) and Rapunzel Naturkost. The Fund shall support social and environmental projects worldwide.

*(Please see annex 2)*

## 3.6 INFORMATION AND TRANSPARENCY

- 3.6.1 Rapunzel Naturkost informs its HAND IN HAND suppliers, employees / workers and clients on a regular basis about the HAND IN HAND activities.

A login area on the Rapunzel website is used to inform HAND IN HAND suppliers regularly. Additionally, HAND IN HAND suppliers are warmly welcome to participate in HAND IN HAND workshops organized by Rapunzel Naturkost annually at its corporate headquarters in Legau.

Rapunzel staff are trained regularly on the procedures regarding HAND IN HAND products. When visiting Rapunzel Naturkost headquarters in Legau, HAND IN HAND suppliers inform interested Rapunzel staff about their activities. Rapunzel staff members who visit HAND IN HAND suppliers share their experiences with their colleagues.

Rapunzel Naturkost informs its clients through the Rapunzel website, various magazines and during events at its headquarters in Legau.

## 3.7 CONTROL AND CERTIFICATION OF THE HAND IN HAND SUPPLIERS

3.7.1 All HAND IN HAND suppliers, and if relevant their sub-suppliers, sub-contractors / operators and service providers, shall be **audited once in two years** against the HAND IN HAND criteria. Rapunzel Naturkost shall coordinate the inspections which will be done by independent inspectors appointed by Rapunzel Naturkost. In particular cases, inspectors shall be appointed by external control bodies experienced in the field of Fair Trade. Rapunzel Naturkost shall bear all costs of a regular HAND IN HAND inspection and certification.

*(Exception: Please see criterion 4.1.5.2)*

3.7.2 **Recognition of the Fair for Life inspection results:** if the HAND IN HAND supplier is simultaneously accredited with a Fair for Life certification, Rapunzel Naturkost will recognize the results of the Fair for Life inspection. Rapunzel Naturkost instructs the inspector nevertheless during the Fair for Life inspection of the supplier to check single, additional HAND IN HAND aspects that go beyond the scope of Fair for Life certification. The HAND IN HAND certification decision is then based on the supplier's Fair for Life certification and on the evaluation of the additional aspects for HAND IN HAND done by Rapunzel Naturkost / the external certification body for the HAND IN HAND certification.

Rapunzel Naturkost, in coordination with the external certification body, reserves the right to make a re-evaluation of the IMO Fair for Life inspection report for HAND IN HAND certification. This may in single cases lead to a prolongation of the deadline to implement corrective actions, may lead to other / further corrective actions being demanded and/or may mean that a different certification decision for HAND IN HAND as taken by EcocertIMOsuisse AG be made to that of bio.inspecta.

3.7.3 The HAND IN HAND certification of the suppliers is carried out by an **external certification body**. The inspection reports are sent to the responsible persons for the HAND IN HAND partner program at Rapunzel Naturkost by the inspector within 6 weeks after the inspection.

The responsible person carries out a first evaluation of the inspection report and clarifies any issues with the inspector. After this first evaluation, the responsible person forwards the inspection report and evaluation to the external certification body. The external certification body makes the decision regarding certification and informs the responsible persons for the HAND IN HAND partner program at Rapunzel Naturkost about the decision in writing. Rapunzel Naturkost forwards the certification decision including all relevant evaluation documents to the HAND IN HAND supplier. This shall be done within 6 weeks after receipt of the inspection reports from the inspector.

3.7.4 Suppliers who were found to be **compliant with all minimum criteria** shall be certified by the external certification body and will receive a **HAND IN HAND certificate** issued by the external certification body.

3.7.5 HAND IN HAND suppliers **not complying with minimum requirements** shall receive suggestions of corrective measures during the inspection (final meeting). Rapunzel Naturkost and the external certification body will accept these suggestions or suggest other / additional measures for reaching compliance.

All corrective measures must be implemented within 6 months of inspection. Rapunzel Naturkost and the external certification body require the HAND IN HAND suppliers to submit objective evidence of compliance.

In justified, exceptional cases and for criteria for which compliance cannot be achieved immediately, Rapunzel Naturkost and the external certification body can grant the supplier the possibility to present a concise written plan with timeframes (e.g. necessary amendments to the constitution of a producer cooperative in order to ensure more transparency towards the cooperative's members). Written approval from Rapunzel Naturkost and the external certification body is required. The supplier shall guarantee monitoring of the implementation of the respective criterion within the timeframe agreed upon.

Should the supplier have **more than 5 non conformities of the minimum criteria** (if there are several actors in the HAND IN HAND supply chain: 5 non conformities per organisation / company), the external certification body may require a follow up inspection to be carried out. In this case, the cost of the follow up inspection shall be borne by the HAND IN HAND supplier.

The HAND IN HAND supplier shall also have the right to **appeal** against any decision the inspector / the responsible persons for the HAND IN HAND partner program at Rapunzel Naturkost / the external certification body may arrive at. The appeal has to be sent in writing to the external certification body and the responsible persons for the HAND IN HAND partner program at Rapunzel Naturkost (or to the email address HandInHand@rapunzel.de). This must be done within 4 weeks after receipt of the certification decision.

The HAND IN HAND supplier shall receive the HAND IN HAND certificate once all nonconformities have been satisfactorily corrected, or a written implementation plan for certain aspects has been submitted and approved by Rapunzel Naturkost and the external certification body.

3.7.6 If the HAND IN HAND supplier **fails to submit satisfactory objective evidence** within 6 months **for fulfilment of the notified nonconformities**, Rapunzel Naturkost reserves the right to suspend HAND IN HAND purchase from the HAND IN HAND supplier.

In justified, exceptional cases Rapunzel Naturkost and the external certification body shall grant the supplier a further 6 months to correct identified nonconformities (e.g. if amendment to the constitution of a producer cooperative is expected to be implemented within a further 6 months, see 3.7.5).

If the HAND IN HAND supplier fails to correct the nonconformities regarding minimum criteria even at the end of the extended timeline, the HAND IN HAND supplier will be **suspended** from HAND IN HAND certification.

Rapunzel Naturkost will no longer purchase the raw material as HAND IN HAND certified from the supplier. This means that no HAND IN HAND premium is paid to the supplier during the suspension. The HAND IN HAND premium usually paid to the said supplier is contributed to the HAND IN HAND Fund instead. No new purchase contracts concerning HAND IN HAND certified products may be made with the respective supplier, as long as the respective supplier does not provide respective evidence that lead to lifting the suspension. Rapunzel Naturkost also reserves the right to discontinue all trade relationships, including the HAND IN HAND partnership with the said HAND IN HAND supplier in justified, severe cases.

As soon as suspension is lifted, the HAND IN HAND premium is paid again regularly to the HAND IN HAND supplier for the current orders.

*(Please see also criterion 2.1 Validity and termination of the HAND IN HAND partnership)*

## 3.8 CONTROL AND CERTIFICATION OF RAPUNZEL NATURKOST

3.8.1 The HAND IN HAND program, including Rapunzel's own obligations, shall be subject to an **inspection** by an independent third party **once in two years**. The third party has to be an independent and internationally recognised control and certification body.

The **audit comprises**:

- Verification of Rapunzel's obligations under the HAND IN HAND partner program including the **process of inspection organisation**, handling of the external certification of the HAND IN HAND suppliers and decision making
- Review of **documents** relating to the HAND IN HAND partner program including HAND IN HAND contracts, criteria, checklists, inspection reports, information flow, documentation of the external certification and any other information the external control and certification agency may require
- **Review** of documents related to **trade relations** between Rapunzel Naturkost and the HAND IN HAND suppliers. This shall include purchase contracts, product specifications, purchase orders, issue of purchase orders, handling of incoming invoices and payments
- Handling of **quality issues** in procedures adopted by Rapunzel Naturkost and by the HAND IN HAND suppliers
- **Labelling** of the HAND IN HAND products according to the HAND IN HAND product list, product flow traceability
- **HAND IN HAND Fund**
- **Communication** about the HAND IN HAND program by Rapunzel Naturkost (labels, website, informational brochures, promotion material)
- **Development** of the HAND IN HAND program

3.8.2 If Rapunzel Naturkost has fulfilled its obligations under the HAND IN HAND program, the independent control and certification body shall issue the HAND IN HAND certificate to Rapunzel Naturkost after completion of the audit.

Should there be **nonconformities**, the certification body defines the corrective measures and the time frame for their implementation. In case there are severe breaches of its obligations by Rapunzel Naturkost, the certification body may hold back the certificate until all obligations have been satisfactorily fulfilled.

## 3.9 EXTERNAL USERS OF THE HAND IN HAND SYMBOL

The HAND IN HAND partner program developed from fair trade relations between Rapunzel Naturkost and its suppliers.

Traditionally, the use of the HAND IN HAND-Symbol has been restricted to Rapunzel brand products. Consequently, the HAND IN HAND partner program is a private standard, thus using it requires a prior agreement with Rapunzel Naturkost.

As part of their close trade relations with Rapunzel Naturkost, clients of Rapunzel Naturkost may use the HAND IN HAND symbol for their own brand products in single, clearly defined cases. Clear rules, transparency and regular controls are required also in this case.

3.9.1 Definition of external users: External users of the HAND IN HAND symbol are clients of Rapunzel Naturkost who purchase HAND IN HAND raw materials / products from RAPUNZEL Naturkost or directly from HAND IN HAND suppliers in order

- **to sell** them as HAND IN HAND raw material / product **under their own brand** to their clients
- **to produce** with these HAND IN HAND raw materials / products own products which they sell **under their own brand** and with the HAND IN HAND symbol on the finished product

3.9.2 External users of the HAND IN HAND symbol have to have a **contract** regarding the use of the HAND IN HAND symbol in place with Rapunzel Naturkost before the first use of the label on their products. The contract shall contain information regarding the use of the HAND IN HAND symbol, marketing, regular reporting, control and payment of a royalty of 1% on the external user's sales value made with the HAND IN HAND products.

*Furthermore, the same stipulations regarding the labelling of HAND IN HAND products are applicable to external users as laid out in chapter 3.3.*

## 3.10 CLIENTS PURCHASING HAND IN HAND RAW MATERIALS

3.10.1 Clients of Rapunzel Naturkost purchasing HAND IN HAND raw materials **to a bigger extent** (minimum net turnover will be further defined in internal process instructions) and selling them to their clients without repacking or relabelling them are also treated as external users of the HAND IN HAND symbol. These pay a royalty of 1% on the external user's sales value made with the HAND IN HAND products.

3.10.2 Clients of Rapunzel Naturkost purchasing HAND IN HAND raw materials **to a smaller extent** (maximum net turnover will be further defined in internal process instructions) and selling them to their clients without repacking or relabelling them may state the addition "HAND IN HAND" or the HAND IN HAND symbol in their price list and invoices to clients. This only holds true for direct clients of Rapunzel Naturkost and after written information and approval by Rapunzel Naturkost.



HAND IN HAND workshop at Rapunzel: Regular meeting point and opportunity for interesting exchange for the HAND IN HAND partners from all over the world

## 3.11 REVISION OF THE HAND IN HAND CRITERIA

3.11.1 The HAND IN HAND program and the HAND IN HAND criteria shall be **revised** at regular intervals. Suggestions and inputs for revision shall be sought from HAND IN HAND suppliers, HAND IN HAND inspectors, independent experts and staff of Rapunzel Naturkost. Proposed changes are discussed personally with the suppliers during meetings and during the annual HAND IN HAND workshops.

3.11.2 Proposed **changes** of the HAND IN HAND criteria (e.g. as well as the adoption of new criteria) will be **communicated** in writing **in advance** to:

- all HAND IN HAND suppliers, enabling them to comment
- all external users of the HAND IN HAND symbol for information purposes and comment
- the external certification body certifying the HAND IN HAND suppliers for information purposes and enabling them to comment
- the nominated external certification body auditing and certifying Rapunzel Naturkost for information purposes and comment
- the DUH (Deutsche Umwelthilfe e.V.) for information purposes
- independent experts

Within one month of sending the new draft version of the HAND IN HAND criteria, all stakeholders can make suggestions for amendments. These are considered by Rapunzel Naturkost (HAND IN HAND committee), discussed with all stakeholders and, where appropriate, incorporated.

3.11.3 The new version of the HAND IN HAND criteria is adopted by the internal decision making committee of Rapunzel Naturkost (HAND IN HAND Gremium). The HAND IN HAND suppliers have the **right of veto** if a certain criterion applies directly to them (criteria in chapter 1, 2 and 4). If there is a veto of one or several suppliers against a foreseen change of a criterion, the following applies:  
For amendment of the criterion, a two-thirds majority has to vote for the planned amendment. Rapunzel Naturkost as a company and each HAND IN HAND supplier as one entity have one vote each. The HAND IN HAND suppliers' votes for and against the amendment of the criterion are taken into consideration only if submitted before the defined voting deadline. In case of criteria which only apply to cooperatives / associations, only these cooperatives / associations (one vote per cooperative / association) and Rapunzel Naturkost (one vote) have the right to vote. In case of criteria which apply to companies with employees, each company as an entity (one vote per company) and Rapunzel Naturkost as an entity (one vote) have the right to vote. Minimum criteria of International labour standards (such as ILO conventions) or other recognized Fair trade programs such as FLO Fairtrade or Fair for Life must be respected nevertheless and must not fall short regarding the respective criteria.

## 4. REQUIREMENTS FOR THE HAND IN HAND SUPPLIERS

### 4.1 GENERAL CRITERIA FOR ALL HAND IN HAND SUPPLIERS

#### 4.1.1 Basic requirements

##### *Minimum criteria (MIN)*

- 4.1.1.1 HAND IN HAND suppliers must at the minimum be **certified organic** according to EU regulation N° 834/2007 and 889/2008 and its amendments.
- 4.1.1.2 The HAND IN HAND supplier is obliged to be aware and keep itself updated on national laws and regulations related to **working conditions, social and environment standards**. In addition, the HAND IN HAND suppliers must also familiarize themselves with ILO conventions and the UN charter related to human rights. It is mandatory that all HAND IN HAND suppliers fulfil all legal obligations. Organisations with processing units in **free trade zones** are also required to follow national laws and international conventions irrespective of whether they apply to the zone or not.
- 4.1.1.3 HAND IN HAND partners (companies and organisations) are **politically independent**. If officials of the organization belong to a political party, they don't force members / farmers and workers into a specific political position.
- 4.1.1.4 The HAND IN HAND supplier shall ensure it **does not engage in bribery, corrupt practices or illegal activity**.
- 4.1.1.5 The partner organisation has to appoint one **person responsible** for HAND IN HAND matters and his/her substitute. These persons are trained in HAND IN HAND matters. The HAND IN HAND supplier shall notify Rapunzel Naturkost of the name of the person responsible for HAND IN HAND matters in the partner organisation and his or her substitute. Personnel changes have to be communicated to Rapunzel Naturkost.
- 4.1.1.6 In order to **develop the HAND IN HAND program**, Rapunzel Naturkost expects all its HAND IN HAND suppliers to engage themselves actively in the process.

Rapunzel Naturkost requests a feedback on a regular basis from the HAND IN HAND suppliers regarding the HAND IN HAND program (questionnaires / self-assessment, HAND IN HAND workshops). Furthermore, the HAND IN HAND suppliers shall have the right during the HAND IN HAND inspection to hand in their observations and suggestions on the spot.

*(For criteria applicable to Rapunzel Naturkost please see 3.11)*



Organic and HAND IN HAND: Sesame farmers and farm workers of LOTUS / SEKEM in Egypt

## 4.1.2 Transparency and traceability

### *Minimum criteria (MIN)*

- 4.1.2.1 The HAND IN HAND supplier shall ensure transparency in all its dealings. This includes **organising management and administration** in a **transparent** way and **keeping employees / workers** and/or **members informed** about the activities including HAND IN HAND activities. In addition internal trainings on the **core aspects of Fair Trade / HAND IN HAND** shall be provided to all employees / members at least once a year. These trainings shall be documented.
- 4.1.2.2 Physical **traceability** of the HAND IN HAND raw materials / products has to be guaranteed.
- The HAND IN HAND supplier shall have a system in place to **record and monitor all HAND IN HAND producers** and to guarantee the **traceability** of the products / the product flow. The HAND IN HAND supplier carries out traceability checks of the product back to the single farmers. This is done at least once per year and it is documented.  
Raw materials / products sold to Rapunzel Naturkost as HAND IN HAND must be produced by farmers registered in this system and covered by the biennial external HAND IN HAND inspection.
  - All raw materials and export products sold /exported as HAND IN HAND to Rapunzel Naturkost shall be **labelled accordingly**: all labels (products and raw materials), purchase contracts / orders and transportation documents, such as invoices and B/L must bear the words “HAND IN HAND” or the HAND IN HAND label.
  - For this purpose, Rapunzel Naturkost makes the HAND IN HAND label available to the suppliers.
  - Export products: Only raw materials / products sold to Rapunzel Naturkost may be labelled HAND IN HAND. Sales to other buyers may not bear this reference on the raw material / product labels or documents.

If possible, all documents and tags related to sale and transport of HAND IN HAND raw materials / products must bear the words “HAND IN HAND” or the HAND IN HAND label already from the registration of raw materials at the producer level. If the decision to use the raw material for Rapunzel / HAND IN HAND is taken only after the raw material has been registered or processed, the words “HAND IN HAND” may be attached only before processing / export of the raw material. Rapunzel Naturkost and the HAND IN HAND supplier will agree upon the exact proceeding.

### 4.1.3 Sustainability

#### *Minimum criteria (MIN)*

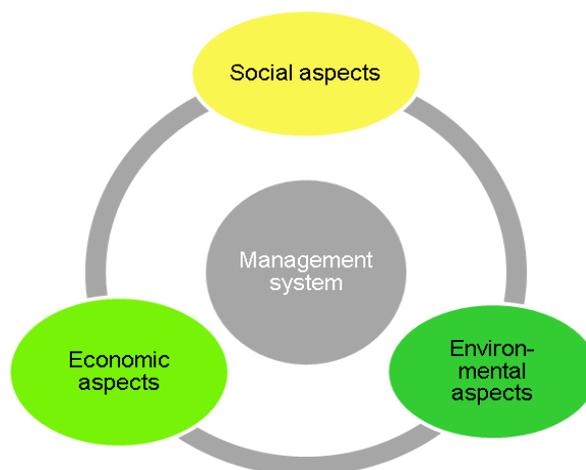
- 4.1.3.1 The HAND IN HAND supplier guarantees that its producers **do not engage in slash and burn** agriculture and **clearing of primary forests** for producing HAND IN HAND raw materials.

#### *Development criteria (D–MIN)*

4.1.3.2 **Sustainability Management System:**

Rapunzel Naturkost expects all its HAND IN HAND suppliers to apply **sustainable practices** in their business activities, agricultural practices and social development of their employees / members / farmers.

Therefore, the HAND IN HAND suppliers are required to put in place a **simple and adequately structured sustainability management system** with emphasis on the three pillars: environmental, economic and social aspects.



**Sustainability Management Plan:** The HAND IN HAND supplier shall define his specific **risks** and challenges with regard to the **ecological, economic and social dimension** of the organisation. Based on this risk assessment, the HAND IN HAND supplier sets up an **action plan** which contains goals, actions, indicators, timeframes and budgets for its implementation. The **sustainability management system** targets to evaluate at pre-defined time intervals the progress towards the set goals and to adjust the action plan if necessary.

The Economic sustainability is a necessary precondition for the company and its employees for developing and strengthening the ecological and social aspects. Therefore, in the sustainability management plan and during its biennial evaluation, special attention should be paid with respect to the effect and the mutual impact on ecological and social aspects.

The **need and risk assessment** regarding the challenges in the ecological, economic and social aspects of the organisation shall include:

### Social aspects

- **Identification of the social risks** for members / farmers, workers and marginalized parties in the value added chain and in the sphere of influence of the HAND IN HAND supplier, with special regard to income, access to education and health services
- The partner organisation shall put in place a **CSR** (corporate social responsibility) **policy** which defines the principles and goals of the organization concerning its social commitment

### Economic aspects

#### **Applicable to farmer cooperatives / associations:**

- The board meets regularly
- Annual reports and accounts are presented annually to staff / members
- There is an independent control body (internal committee or external certified accountant) who controls the decisions taken by the management as well as liquidity and stability of the organisation at least once per year

#### **Applicable to privately owned companies:**

- The company organisation is audited annually by an external independent certified accountant

### Environmental aspects

With increasing environmental degradation worldwide, an **eco-friendly production and transformation process** should be established as far as possible:

- **Cultivation:**
  - Control of erosion
  - Optimum use of water etc.

➤ **Processing:**

- Waste management and recycling
- Control of Emissions
- Water management and waste water treatment
- Energy efficiency etc.

The sustainability management plan is set up by the management and is approved in a general assembly (in case of cooperatives / associations).

An independent **committee** of persons who shall review the implementation and progress of the sustainability management plan shall be appointed by the management (in case of privately owned companies) / elected by the general assembly (in case of cooperatives and associations) = supervisory board. The committee shall submit a report to the members / staff biennially.

Within the framework of the sustainability management system, the HAND IN HAND supplier **evaluates** the state of implementation of the sustainability management plan **every two years** and draws up a respective **report**. The HAND IN HAND inspector is granted access to the documentation of the sustainability management plan and its annual reports at the biennial HAND IN HAND inspection.

If the HAND IN HAND supplier needs guidance on how to set up a sustainability management plan, he can communicate this to Rapunzel Naturkost. Consultancy by an external expert can be supported by the HAND IN HAND Fund.

*(For criterion applicable to Rapunzel Naturkost please see 3.4.1)*



HAND IN HAND and organic: Coffee cultivation by the members of the small holder cooperative KCU in Tanzania

## 4.1.4 Trade relations and prices

### *Minimum criteria (MIN)*

- 4.1.4.1 **Long term trade relations** with Rapunzel Naturkost are established.
- 4.1.4.2 All suppliers have a clear and transparent **system for fixing prices**. The system is discussed with the farmers (members and/or sub suppliers). Verbal or written **purchase contracts** are provided to the farmers on the basis of this system.  
The **conditions of payment** for the products are clear and complied with as agreed upon with the farmers (members and/or sub suppliers). Payments to farmers / producers must be in legal tender and properly documented. In case of female farmers payment must be paid directly to them.
- 4.1.4.3 When determining the **base price** between Rapunzel Naturkost and the HAND IN HAND supplier, the cost of production of the supplier shall be taken into consideration. When determining the cost of production,
- the living costs of the producer farmers
  - the living costs of the permanent workers / employees
  - the legal minimum wages of the permanent, casual, seasonal or temporary workers shall be taken into account.
- The base price shall include an organic premium.
- The base price for the new harvest is negotiated every year between Rapunzel Naturkost and the HAND IN HAND supplier. As a reference for minimum prices which are never underrun, Rapunzel Naturkost adheres to the prevailing minimum prices of FLO Fairtrade or the Fair for Life floor prices defined by the supplier. If for certain products no Fairtrade minimum prices nor Fair for Life floor prices are established, the following is applied: the HAND IN HAND supplier defines its individual minimum price similar to the Fair for Life Floor price system. This minimum price is based on the individual cost calculation of the supplier and is agreed upon between the HAND IN HAND supplier and Rapunzel Naturkost for the respective harvest / crop. The inspector must be granted access to this cost calculation during the biennial HAND IN HAND inspection.
- 4.1.4.4 The **prices** paid by the HAND IN HAND supplier to full-time farmers on a regular basis are sufficient to cover the cost of production and the living costs. This refers to a farmer whose cultivation area is a regional average size.
- (For criterion applicable to Rapunzel Naturkost please see 3.1.2)*
- 4.1.4.5 The **HAND IN HAND premium** must be indicated separately in all invoices.

- 4.1.4.6 The HAND IN HAND supplier administers the HAND IN HAND premium on a **separate account** for the premium. This can be a separate bank account or an internal bookkeeping account. Thus, a clear allocation and traceability of premium income and expenditure / utilisation for projects by the HAND IN HAND supplier is possible.
- 4.1.4.7 The **utilisation of the HAND IN HAND premium** is decided each year by the HAND IN HAND supplier in accordance with the workers` and farmers` community.

The **decision making process** is agreed upon with farmers and employees/workers and is defined in writing. The document is signed by the management and both farmers` and workers` representatives.

For decision making, the HAND IN HAND supplier creates a **committee** representing elected representatives of the farmers and employees/workers and the management. The committee meets at least once per year and discusses and decides on suggestions for the use of the HAND IN HAND premium. The decision can also be taken jointly in a **general assembly** in which members / farmers and employees/workers are equally represented.

The HAND IN HAND premium shall be used preferably for eco-social **community projects** that **directly benefit the farmers` and workers` community**. These can be projects in the following areas:

- Conservation and improvement of soil fertility, composting plants
- Environmental protection, diversification (e.g. in cooperation with local NGOs)
- Advanced consultancy and training for the members / producers regarding organic cultivation methods and diversification
- Education (support of schools, kindergartens, scholarships, further education etc.)
- Health (support of hospitals, funds for health care, trainings on health issues etc.)
- Infrastructure (construction of wells, community centres etc.)
- Social security, if not regulated by national law
- Women`s projects
- In case of small holder groups: Collective investments (purchase and storage centres, transport facilities, processing infrastructure, projects for quality improvement, medical centres etc.)

With the HAND IN HAND premium, no regular costs and investments must be financed. These have to be included in the regular budget of the HAND IN HAND supplier. The HAND IN HAND premium is intended for funding eco-social projects which go beyond the regular business activity and which have an improvement effect on the livelihoods of the farmers` and workers` community / the local communities.

The decisions on the HAND IN HAND premium use have to be documented.

HAND IN HAND suppliers shall inform the responsible persons for the HAND IN HAND partner program at Rapunzel Naturkost about the **intended utilisation of the premium money**. This shall be done at the time of signing the annual purchase contract / the first order for the new harvest. At the end of the commercial year the HAND IN HAND supplier is required to provide **objective evidence** of the utilisation of the premium money. The HAND IN HAND supplier fills in the form provided by Rapunzel Naturkost for the plan and report.

The decision process and the utilisation of the premium money will be subject to verification during the HAND IN HAND inspection.

- 4.1.4.8 The HAND IN HAND supplier shall fill in the “**price sheet**” which contains information on prices and wages / salaries paid in the last and current fiscal year. This shall be done at the time of signing the annual purchase contract with Rapunzel Naturkost. All HAND IN HAND suppliers shall fill in this price sheet annually.

#### *Development criteria (D–MIN)*

- 4.1.4.9 Each HAND IN HAND supplier has a **cost calculation to define his own minimum price** for export (Minimum criterion). Part of this calculation is the **calculation of production costs of the farmers** per hectare. Farmers know the calculation of their production and living costs. The price they obtain for the raw product covers their production and living costs. Furthermore, it can provide an additional income for their own social and financial security (savings for investments, pensions etc.).
- 4.1.4.10 Farmers and employees/workers **know the contents of the HAND IN HAND partner program** and the agreements regarding the **prices** and the **HAND IN HAND premium**.



Quality control by women working in the processing of organic mangos for Burkiniture in Burkina Faso

## 4.1.5 HAND IN HAND inspection

### *Minimum criteria (MIN)*

- 4.1.5.1 HAND IN HAND suppliers will be inspected **once every two years** by inspectors nominated by Rapunzel Naturkost. The inspection is extended to cover, if applicable, sub-suppliers, sub-contractors and sub-operators and service providers of the HAND IN HAND supplier. The HAND IN HAND supplier is required to facilitate the inspections and **provide all information** necessary for its successful completion including:
- Preparing and making all documentation relating to production, processing and sales of HAND IN HAND raw materials / products available
  - Ensuring free and unhindered access to all sites where HAND IN HAND activity takes place
  - Permitting and facilitating confidential inter views
  - Ensuring that the relevant persons are available during the inspection (management, responsible person for HAND IN HAND, employees and workers, producers)
- 4.1.5.2 Rapunzel Naturkost shall bear the **cost** of initial and follow-up inspection and certification.

*(Please see as well criterion 3.7.1 for Rapunzel Naturkost)*

Exception:

The **HAND IN HAND supplier will bear the cost of a follow up inspection if:**

- The regular HAND IN HAND inspection could not be completed due to negligence of the HAND IN HAND supplier and a follow up inspection is required
- The HAND IN HAND supplier has failed to fulfil more than 5 minimum requirements and a follow up inspection is required.

The **HAND IN HAND supplier shall be required to bear part of the HAND IN HAND inspection cost** if he:

- Does not supply the agreed volumes despite a good harvest
- Has failed to meet its obligations on the quality requirements and therefore is not able to supply the agreed volumes

- 4.1.5.3 **Certification** of the HAND IN HAND suppliers:

*(Please see criteria in chapter 3.7)*



Quinoa processors, Bolivia HAND IN HAND inspection

## 4.2 SPECIFIC CRITERIA FOR FARMER COOPERATIVES AND ASSOCIATIONS

### *Minimum criteria (MIN)*

- 4.2.1 The cooperative / association is **open to new members**, according to its constitution.
- 4.2.2 The **board** of the cooperative / association is **democratically elected** at the general assembly. All members have the right to vote and to be elected. The board of the cooperative / association formulates the cooperative`s / association`s policy and is responsible for its management.
- 4.2.3 The cooperative / association have a **supervisory board** which is elected by the general assembly. The supervisory board controls the management and the cooperative`s / association`s policy.
- 4.2.4 The cooperative / association implements the stipulations set out in its constitution.
- 4.2.5 All members have **access to the constitution** of the cooperative / association. It is clearly and understandably formulated for all members.
- 4.2.6 For cooperatives / associations as sub suppliers to HAND IN HAND suppliers, the following is applicable: the cooperative / association shall appoint a **contact person** responsible for HAND IN HAND matters who will act as a link between the cooperative / association, the HAND IN HAND supplier and Rapunzel Naturkost. The contact person is trained in HAND IN HAND matters. Personnel changes are communicated to Rapunzel Naturkost.
- 4.2.7 The members of the cooperative / association (as sub supplier of the HAND IN HAND supplier) benefit from the **HAND IN HAND premium** according to the agreement between the HAND IN HAND supplier, the cooperative / association and the workers` community.

### *Development criteria (D-MIN)*

- 4.2.8 The cooperative / association have established a **system that ensures equitable distribution of profits**.
- 4.2.9 The cooperative / association actively **support its members** in maintaining and securing their farm enterprises in the long term.
- 4.2.10 **All members** including their families have **access to**
- Basic local medical facilities
  - Local education (at least basic education)
  - Safe transport facilities

*Development criteria (D)*

4.2.11 The cooperative / association actively **encourage women** to become members.

Farmer cooperatives / associations and farmers employing (seasonal) workers must comply with the minimum criteria for enterprises with permanent and/or seasonal employees / workers set out in 4.4



El Ceibo, Bolivia: Members of the cocoa cooperative

## 4.3 SPECIFIC CRITERIA FOR CONTRACT FARMER GROUPS

### *Minimum criteria (MIN)*

*See 4.4: SPECIFIC CRITERIA FOR ENTERPRISES WITH PERMANENT AND/OR SEASONAL EMPLOYEES / WORKERS: 4.4.1: Sub suppliers*

Farmer groups and farmers employing (seasonal) workers must comply with the minimum criteria for enterprises with permanent and/or seasonal employees / workers set out in 4.4.

## 4.4 SPECIFIC CRITERIA FOR ENTERPRISES WITH PERMANENT AND/OR SEASONAL EMPLOYEES / WORKERS

### 4.4.1 Sub-suppliers

#### *Minimum criteria (MIN)*

##### 4.4.1.1 **Approved farmer list:**

The HAND IN HAND supplier must have a **system to record details of all sub suppliers** (cooperatives / associations / farmer groups) producing HAND IN HAND raw materials. Only raw materials originating from registered producers may be sold to Rapunzel Naturkost as HAND IN HAND. The registered producers shall be subject to the biennial HAND IN HAND inspection.

*(Please see as well criterion 4.1.2.2 regarding traceability and the criteria set out in chapter 4.2 for cooperatives / associations)*

4.4.1.2 The producer group (as sub-supplier of the HAND IN HAND supplier) shall appoint a **contact person** responsible for HAND IN HAND matters who will act as a link between the producer group, the HAND IN HAND supplier and Rapunzel Naturkost.

4.4.1.3 The producers (as sub-suppliers of the HAND IN HAND supplier) benefit from the **HAND IN HAND premium** according to the agreement between the HAND IN HAND supplier, the producer group and the workers` community.

#### *Development criteria (D–MIN)*

4.4.1.4 All contracted farmers / sub-suppliers of the HAND IN HAND supplier are **members of an organisation which has legal recognition** (cooperative or association) or of a **clearly defined farmer group**. These organisations / groups shall have their own organisational structure and shall be set up for a long-term existence as an organisation / producer group.

*(Please see as well the criteria set out in chapter 4.2 for cooperatives / associations)*

The criteria detailed below apply to **all workers and employees** (permanent, casual, temporary and seasonal workers, with special regard to migrant workers<sup>6</sup>). National laws may define different regulations for permanent and casual / temporal / seasonal workers. These have to be followed. However, if the HAND IN HAND criteria go beyond these national requirements, the HAND IN HAND criteria have to be applied.

## 4.4.2 Working contracts and general working conditions

### *Minimum criteria (MIN)*

- 4.4.2.1 All employees / workers of the HAND IN HAND supplier **have at least verbal employment contracts**. Terms and conditions of employment including working hours, wages, overtime regulation, leave entitlement, social security contributions and health insurance payments must be stated in written form. The terms and conditions must at least comply with national legal standards. They must be verbally communicated to the employees / workers and also displayed in the local language on notice boards or other prominent places. All employees with no written employment contract in place shall confirm their knowledge concerning the working conditions in writing.
- 4.4.2.2 The company maintains a **register of all its employees / workers** and this is updated regularly. The company ensures that all employees / workers are legally registered.
- 4.4.2.3 All **resident employees / workers** and their families shall have **access to** clean potable water, food and housing with hygienic sanitary facilities. The prices for food and housing shall not be higher than local market prices.
- 4.4.2.4 **All employees / workers** and their families shall have **access to**
- Basic local medical facilities
  - Local education (at least basic education)
  - Safe transport facilities

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<sup>6</sup> See ILO Conventions N° 97 and N° 143 regarding Migrant Workers, N° 110: Plantations

### 4.4.3 Freedom of association and collective bargaining<sup>7</sup>

#### *Minimum criteria (MIN)*

- 4.4.3.1 The HAND IN HAND suppliers respect the **personal freedom** of their employees / workers. Employees / workers have the right to **freedom of association** and **collective bargaining**, both guaranteed in writing and in practice without fear of reprisals. This includes the right to form a trade union or join an existing union.

#### *Development criteria (D-MIN)*

- 4.4.3.2 In case the employees / workers do not form or join an existing union, the HAND IN HAND supplier encourages and supports them to **elect a workers` council** with powers to negotiate collectively with the management on matters of wages / salaries and terms and conditions of employment. The ratio of employees and workers in the workers` council shall reflect the actual ratio of employees and workers in the company / organisation. If the company has less than 20 employees / workers, the workers` representation can consist of 1-2 elected representatives of employees / workers.
- 4.4.3.3 The HAND IN HAND suppliers allow **union representatives** access to the facilities of the enterprise.

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<sup>7</sup> See ILO core Convention N° 87: Freedom of Association and Protection of the Right to Organise, N° 98: Freedom of Association and Collective Bargaining  
See ILO Convention N° 135 and ILO Recommendation N° 143: Workers` Representatives  
See SA 8000: Freedom Of Association & Right To Collective Bargaining

## 4.4.4 Wages and salaries<sup>8</sup>

### *Minimum criteria (MIN)*

- 4.4.4.1 All employees / workers performing the same task are paid **equal wages / salaries for work of equal value** irrespective of gender, taking into account a defined list of criteria (years of job tenure, qualification etc.).
- 4.4.4.2 The HAND IN HAND supplier pays **at least national legal minimum wages**, industry norm or regional average whichever is higher. This is applicable for permanently employed persons as well as for casual, seasonal and temporary workers according to the period of employment. If no national minimum wage is defined, the HAND IN HAND supplier defines a minimum wage to be paid by taking into account the average regional living costs.
- 4.4.4.3 Only **deductions** permitted by law or authorised by the employee / worker may be made **from wages**.
- 4.4.4.4 The **payment conditions** must be clear and complied with as agreed upon with the employees / workers. Payments are made on time and they are properly documented.
- 4.4.4.5 The workers` community benefits from the **HAND IN HAND premium** according to the agreement between the HAND IN HAND supplier, the sub-supplier and the workers` community.

### *Development criteria (D–MIN)*

- 4.4.4.6 If the paid **salary / wage** is equal or higher than the legal minimum wage, but lower than the living wage<sup>9</sup>: the HAND IN HAND supplier shall make efforts to raise the paid wage / salary up to a level that ensures that the living costs of permanently employed persons are met. Furthermore, the supplier shall make it possible to earn an additional income for their social and financial security. This is applicable for permanently employed persons as well as for casual, seasonal and temporary workers according to the period of employment.

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<sup>8</sup> See ILO Core Convention N° 100: Equal Remuneration

See ILO Convention N° 131: Minimum Wage Fixing, N° 95: Protection of Wages

<sup>9</sup> Definition of living wage: depending on the cost structure of the respective country it shall be attempted to define the level of the living wage in cooperation with the HAND IN HAND inspector

#### 4.4.5 Working hours<sup>10</sup>

*Definition of overtime:*

Overtime is understood to be working hours that exceed 8 hours per day per worker and 48 hours per week per worker (ILO convention 1).

*Minimum criteria (MIN)*

- 4.4.5.1 Working hours shall not exceed applicable laws or industrial standards. The HAND IN HAND supplier is obliged to follow the more restrictive, either industry norm or legal requirement. In any case, **regular working hours** shall not exceed 48 hours a week or 8 hours a day.
- 4.4.5.2 All employees / workers receive **one full day of rest after** 6 consecutive days of work. During peak harvest season exceptional circumstances are notified in advance to the employees / workers. In any case, no employee / worker shall be required to work more than 18 consecutive days without a rest day.
- 4.4.5.3 **Overtime** is voluntary and not required on a regular basis. It does not exceed 12 hours per week and person. During peak harvest season exceptional circumstances are notified in advance to the employees / workers. Overtime is paid in cash at a premium rate or leave is granted instead of pay.
- 4.4.5.4 All permanent employees / workers shall be entitled to be **paid annual leave**<sup>11</sup> and national statutory holidays.

The employer is responsible to ensure that employees / workers receive sufficient rest.

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<sup>10</sup> See ILO Convention N° 1: Hours of Work (Industry)  
See ILO Recommendation N° 116: Reduction of Hours of Work  
See SA 8000: Working hours

<sup>11</sup> See ILO Convention N° 132: Holidays with Pay

#### 4.4.6 Child and youth labour<sup>12</sup>

*Definition of a child (<15 years):*

Any person less than 15 years of age unless local law stipulates a higher age (SA 8000).

*Definition of a young worker (15-18 years):*

Any worker over the age of a child and under the age of 18 (SA 8000).

*Definition of child labour:*

Any work carried out by a child (see definition above).

The HAND IN HAND concept recognises the complex nature of child labour and the difficulties in defining child labour from the point of view of an industrialized country.

Work done by children within their family on a limited scale in order to support the family is socially acknowledged and is distinguished from organised child labour outside the family.

In any case, this kind of work within the family should not interfere with the child's education or be harmful to the child's health regarding its physical, mental, spiritual, moral, or social development.

Organized child labour is neither permitted nor supported, especially "the worst forms of child labour" (Article 3, ILO Convention N° 182) ”:

- a) All types of slavery, including the sale and trafficking of children; forced labour to pay off a debt; any other type of forced labour, including using children in war and armed conflict;
- b) All activities which sexually exploit children, such as prostitution, pornography or pornographic performances;
- c) Any involvement of children in illegal activities, especially the production or trafficking of drugs;
- d) Any work which could damage the health, safety or well-being of children (so called "hazardous work").

#### *Minimum criteria (MIN)*

4.4.6.1 HAND IN HAND suppliers **neither permit nor support organised child labour** outside their families as defined above.

4.4.6.2 **Working standards for young people** (15-18 years) employed as regular employees / workers or as apprentices shall be appropriate to their stage of development and

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<sup>12</sup> See ILO Core Convention N° 138 and ILO Recommendation N° 146: Minimum Age  
See ILO Convention N° 182: Worst Forms of Child Labour  
See SA 8000: Child labour  
See UN Convention on the Rights of the Child, [www.unicef.org/crc/](http://www.unicef.org/crc/)

physical ability. Young people are not required to perform tasks that jeopardise their health and/or safety.

- 4.4.6.3 The HAND IN HAND supplier shall ensure that work performed by young people (15-18 years) does not jeopardise their social, moral, physical and/or spiritual development.
- 4.4.6.4 Young people (15-18 years) attending school are not required to work during school hours. Tasks carried out by young people shall not be physically demanding or exhausting in a way that affects their education or school attendance.
- 4.4.6.5 Young persons (15-18 years) shall not be required to work between 7 pm and 6 am the following day.

*Development criteria (D-MIN)*

- 4.4.6.6 The HAND IN HAND supplier shall encourage young people (15-18 years) employed by the organisation and children (<15 years) of employees / workers to **attend school**, also beyond basic education.
- 4.4.6.7 Young workers (15-18 years) shall **not** be required to **work overtime** even under exceptional circumstances.



Children must have the possibility to go to school: Rainforest school Patuca, Honduras

#### 4.4.7 Forced and compulsory labour<sup>13</sup>

*Definition of forced and compulsory labour:*

All work or service that is carried out by a person under the menace of any penalty or for which a person has not offered himself / herself voluntarily.

In these cases no verbal or written employment contracts exist. Furthermore, the employees / workers are not protected by national labour laws.

#### *Minimum criteria (MIN)*

- 4.4.7.1 HAND IN HAND suppliers **neither permit nor tolerate forced labour** as stated in the definition above.

#### 4.4.8 Discrimination<sup>14</sup>

#### *Minimum criteria (MIN)*

- 4.4.8.1 HAND IN HAND suppliers protect the personal rights of their employees / workers. There is **no evidence of discrimination** on the basis of colour, religion, disability, sex, sexual orientation, marital status, illness, age, union membership or representation, type of employment, political opinion and/or affiliation, ethnicity, national extraction or social origin. They equally take care that there is no discrimination through other employees / workers.  
There is no discrimination in recruitment, promotion, access to training, remuneration, type of work, termination of employment, retirement or other activities.  
Employees / workers are not discriminated, disciplined or terminated from service for calling attention to grievances.
- 4.4.8.2 Disciplinary procedures do not violate human rights.
- 4.4.8.3 The HAND IN HAND supplier does not engage in, support or tolerate the use of corporal punishment, verbal abuse or psychical or physical coercion.
- 4.4.8.4 The HAND IN HAND supplier does not engage in, support or tolerate behaviour (physical or verbal) that is sexually intimidating, abusive or exploitative.

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<sup>13</sup> See ILO Conventions N° 29: Forced Labour, N° 105: Abolition of Forced Labour  
See SA 8000: Forced or Compulsory Labour

<sup>14</sup> See ILO Convention N° 111: Discrimination (Employment and Occupation)  
See SA 8000: Discrimination, Disciplinary Practices

#### 4.4.9 Social security<sup>15</sup>

##### *Minimum criteria (MIN)*

- 4.4.9.1 **Social security** meets at least the standards prescribed by national legislation or industry norms, whichever is higher.

##### *Development criteria (D–MIN)*

- 4.4.9.2 HAND IN HAND suppliers consider social security for all employees / workers an important goal. If not prescribed by national law, at least health insurance / medical care, paid sick leave, maternity leaves / benefits, and pension schemes are granted. If not prescribed by law, the HAND IN HAND supplier shall submit a **plan to provide social security** to the responsible persons for the HAND IN HAND partner program at Rapunzel Naturkost. Implementation of this plan will be checked during HAND IN HAND inspections.

#### 4.4.10 Health and safety of the employees / workers<sup>16</sup>

##### *Minimum criteria (MIN)*

- 4.4.10.1 HAND IN HAND suppliers provide a **safe working environment** for their staff. Working conditions should present no threat to health, particularly regarding exposure to noise, dust, light, and other specific exposures.
- 4.4.10.2 Pregnant **women** and nursing **mothers** shall not be required to perform tasks hazardous to their health and psychical or physical condition.
- 4.4.10.3 **Workers performing hazardous tasks** are provided appropriate protective clothing and equipment of good quality. They shall be trained on the necessity and proper use of the protective clothing and equipment. The protective clothing and equipment shall be provided free of charge and replaced regularly.
- 4.4.10.4 Machinery and workstations are equipped with necessary **safety devices** and are maintained regularly. Each machine has its own safety instructions.

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<sup>15</sup> See ILO Convention N° 102: Social Security (Minimum Standards)

<sup>16</sup> See ILO Convention N° 155 and ILO Recommendation N° 164: Occupational Safety and Health  
See ILO Conventions N° 120: Hygiene (Commerce and Offices), N° 148: Working Environment (Air Pollution, Noise and Vibration), N° 174: Prevention of Major Industrial Accidents, N° 183: Maternity Protection, N° 184: Safety and Health in Agriculture  
See SA 8000: Health and Safety

- 4.4.10.5 The HAND IN HAND supplier provides **emergency and first aid facilities and equipment**. Fire extinguishers are installed. A trained person is appointed by the company to be responsible for first aid. Emergency exits and escape routes are in place and marked accordingly.
- 4.4.10.6 The HAND IN HAND supplier shall provide sufficient and separate **sanitary facilities** for men and women at the workplace. The facilities provided shall be adequately equipped, clean and well maintained at all times.
- 4.4.10.7 All workers have access to sufficient and clean **potable water**.
- 4.4.10.8 All workers have, if necessary, access to facilities for storage of foodstuffs and personal belongings.

#### *Development criteria (D-MIN)*

- 4.4.10.9 A **health and safety committee** / a responsible person for health and safety is in place, trained, and is responsible for the health and safety at the work place. The health and safety committee / person is responsible for carrying out a risk assessment and taking steps to minimize risks (e.g. safety of electrical devices, storage and handling of chemicals, general safety at the working place etc.).
- 4.4.10.10 Accidents at work are documented and followed-up. The documentation covers the date, persons involved, kind of accident and, if applicable, measures to avoid such an accident in the future.
- 4.4.10.11 All workers receive an annual training on **personal and work hygiene**.
- 4.4.10.12 **Rest rooms** are in place, protected against outside weather conditions.
- 4.4.10.13 Separate **changing rooms** for men and women are available.

## 4.5 SUB-CONTRACTED COMPANIES, SUB-SUPPLIERS

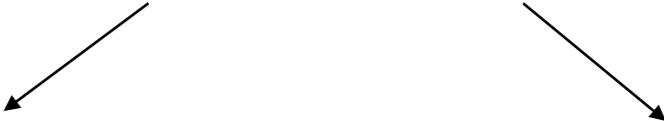
### *Minimum criteria (MIN)*

- 4.5.1 The **minimum criteria** of the HAND IN HAND partner program shall apply to **all sub-contractors (=processors)** that transform, add value to and/or handle the HAND IN HAND product. The minimum criteria in chapter 4.4 (criteria for enterprises with employees / workers) are applicable.
- 4.5.2 The HAND IN HAND supplier shall **inform** the responsible persons for the HAND IN HAND partner program at Rapunzel Naturkost in writing of the names of **all companies / entities** involved either in partly or fully processing a HAND IN HAND product. This is done upon conclusion of the purchase contract with Rapunzel Naturkost or when changes occur.
- 4.5.3 The HAND IN HAND supplier shall have a **contract** in place with all sub-suppliers and with the subcontracted entities involved in producing and/or processing a HAND IN HAND product. The contract ensures that
- all sub-suppliers fulfil the HAND IN HAND criteria (minimum and development criteria)
  - all subcontracted entities fulfil at least the minimum criteria laid out in the HAND IN HAND partner program.
- The contract shall include a clause which permits visits by Rapunzel staff and grants inspectors' authority to carry out HAND IN HAND inspections.

# ANNEX 1: THE HAND IN HAND PROGRAM



The HAND IN HAND (HIH) program from Rapunzel Naturkost



**HIH Partner Program**

Fair trade cooperation between Rapunzel Naturkost and its HIH suppliers

**HIH Fund**

Rapunzel Naturkost contributes 1% of the purchase value of HIH ingredients into this fund. The HIH Fund supports eco-social projects worldwide.



# ANNEX 2: THE HAND IN HAND FUND



A common initiative of Rapunzel Naturkost and the  
Deutsche Umwelthilfe e.V. (DUH)

The HAND IN HAND Fund supports ecological and social projects which are in line with **agenda 21**. The focal points are:

- **Organic farming**
- **Support and development of education**
- **Creating sources of income by means of small projects**
- **Support of women**
- **Access to clean water**
- **Access to renewable energies**
- **Preserving habitats and species onshore and offshore**
- **Immediate support of HAND IN HAND partners in case of natural disasters**

The Deutsche Umwelthilfe e.V. is an environmental non-profit organisation and has been associated with the HAND IN HAND Fund since 1998. Annually Rapunzel Naturkost contributes 1% of the value of products purchased as HAND IN HAND towards this fund.

The HAND IN HAND Fund is jointly administered by the Deutsche Umwelthilfe e.V. and Rapunzel Naturkost.

## **Applications to the HAND IN HAND Fund**

The HAND IN HAND funds are donated twice a year for projects considered worthy by the HAND IN HAND Fund committee consisting of Rapunzel Naturkost and DUH staff. **Notices for application** for funds are published in the communication channels of Rapunzel Naturkost and the DUH. Applications may be submitted either to Rapunzel Naturkost or DUH.

**Independent and non-governmental organisations** may apply for projects. They should be active in so-called developing and threshold countries, realizing projects and serving the public

good in the above mentioned areas HAND IN HAND suppliers may also submit applications for projects they wish to initiate.

Funds are **disbursed twice a year**. Applications received on or before 15<sup>th</sup> of March of a year will be considered in spring, and decisions on applications received on or before 15<sup>th</sup> of September will be made in autumn. In exceptional cases the committee may decide on applications any time of the year.



Hekima Girls' Secondary School in Tanzania has been supported several times through the HAND IN HAND fund due to their remarkable commitment

# ANNEX 3: INFORMATION MATERIAL AND LINKS REGARDING HAND IN HAND

## **HAND IN HAND homepage on the Rapunzel website**

[www.rapunzel.de](http://www.rapunzel.de) (also in English and Spanish version)

- Information on the HAND IN HAND program
- Information on the HAND IN HAND suppliers
- List of the projects funded the previous year through the HAND IN HAND Fund

## **Log-in area for the HAND IN HAND suppliers**

[www.rapunzel.de/hih](http://www.rapunzel.de/hih) (in German, English, Spanish and French version) with the possibility to download information material and draft forms related to HAND IN HAND. The password will be communicated to the HAND IN HAND suppliers.

# ANNEX 4: GLOSSARY

Association:	A formal group of persons (e.g. farmers) who follow a specific common purpose. The definition of an association can vary in different countries. (Cooperatives e.g. are a special kind of association, see below).
Audit:	HAND IN HAND inspection
Certification:	Certification decision according to defined criteria and notice of certification
Cooperative:	= autonomous association of persons with the aim of supporting their members (which is more important than the realization of profits), self-help, responsibility and self-government. A cooperative generally has 3 organs: board of directors, supervisory board and general assembly.
HAND IN HAND partners:	Generally Rapunzel Naturkost and HAND IN HAND supplier
HAND IN HAND program:	HAND IN HAND partner program and HAND IN HAND Fund
HAND IN HAND project:	HAND IN HAND supplier and upstream and downstream production and delivery chain (sub-suppliers, sub-contractors and sub-operators, service providers)
HAND IN HAND supplier:	Supplier who has concluded a HAND IN HAND contract with Rapunzel Naturkost and delivers raw materials / products to Rapunzel Naturkost within the HAND IN HAND partner program
Producer:	= farmer

# ANNEX 5: ABBREVIATIONS

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MIN:	Minimum criteria which must be fulfilled to be recognised as HAND IN HAND partner
D–MIN:	Development criteria which shall become minimum criteria in the medium term (after 4 years)
D:	Development criteria which shall become minimum criteria in the long term (within 6 years)

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FLO:	Fairtrade Labelling Organisations International e. V., Association of international fair trade organisations
HIH:	HAND IN HAND
ILO:	International Labour Organisation; Organ of the UN for drawing up and overseeing international labour standards
IMO:	Institut für Marktökologie (institute for market ecology), international control and certification body
NGO:	Non-governmental organisation
SA 8000:	International standard aiming to improve the working conditions of employees / workers. Founded by the international NGO Social Accountability International (SAI).
UN:	United Nations



HAND IN HAND and organic: Cocoa farmers in the Dominican Republic