

Criteria for the distribution of Demeter – certified products and the use of the Demeter trademark and associated trademarks in France

A. Preamble

1. Field of application

Each national Demeter Association, which is a member of the "Biodynamic Federation - Demeter International" is free to set its own guidelines for the distribution and marketing of Demeter - certified products in its territory. Each Demeter member must comply with the criteria of the country in which it markets Demeter - certified products.

This chapter specifies the distribution principles laid down by Demeter France for the marketing of certified products and the use of the Demeter trademark and associated trademarks in France. These distribution principles apply to all Demeter members and to all intermediaries and distributors - whether they have a contract with Demeter - in France and other countries, who market their Demeter products in France.

The French and English versions of the distribution principles are available online at: www.demeter.fr/distribution-principles in the "Professionals" section.

2. Communication duty

By becoming a member of Demeter France, any production, processing, or marketing organisation commits itself to respecting the current marketing principles and to informing its intermediary trading partners and distributors - whether they have a contract with Demeter - of the existence of these principles. It is subsequently up to the distributors to market the Demeter products in accordance with these principles.

In their dealings with distributors, Demeter members will be asked to specify the conditions and level of use of the Demeter trademark in their general terms and conditions of sale. The conditions and levels of use of the Demeter trademark are set out in paragraph E of the distribution principles. Furthermore, if a member believes that a distributor is not complying with these principles, they must inform Demeter France, at: communication@demeter.fr

3. Respectful business conduct

3.1. General information

Regarding all decisions taken concerning products, quantities, supply and distribution channels, deadlines, prices, and conditions*, it is important to remember that each Demeter member is free to determine their own sales conditions, provided that their practices comply with the applicable regulations and do not contravene the distribution principles laid down by Demeter France. Each Demeter member acts independently in the interest of the sustainability of their business and the Demeter community.

When signing specific contracts, Demeter Members undertake to act transparently, fairly, and as equals; this includes, in particular, that upon request of the business partner, the Member discloses and explains their needs and listens to those of the business partner and takes them into account (obligation of mutual consideration). As a matter of principle, the buyer must ensure that the supplier's work is respected and must purchase their products at a sufficient enough price to allow them to live in good conditions and ensure the sustainability of their activity.

In general, Demeter France monitors the implementation of more virtuous commercial practices, and in particular, the principles that can be developed among others via the EGALIM I and II laws. In this context, Demeter France may be led to develop various initiatives on an experimental basis, in France and/or internationally, aimed at protecting the income of farmers.

3.2. Role of Demeter farmers

By committing to the Demeter certification, the farmers actively contribute to the regeneration of ecosystems, and meet numerous requirements in terms of the used inputs, specific biodynamic practices, care of the soil and plants, development of biodiversity, and social responsibility. By gaining Demeter certification, they choose to submit their practices and activities to regular checks by an external body, and then communicate their commitments to the consumer in a completely transparent manner. The farmers should therefore be paid a price that covers their production costs and ensures a decent income for the sustainability of their farm. The Demeter farmers know how to operate their farm because they are aware of the specific conditions of their environment and their direct surroundings (soil types, annual rainfall, average yields in the area, climatic events, etc.). They are therefore the only ones able to set the correct price for their different productions.

3.3. <u>Behaviour of processors/wholesalers/distributors who are members of or under contract with Demeter France</u>

Processors/wholesalers/distributors who are members of or under contract with Demeter France must respect the general principles specified in 3.1. They must also meet the requirements listed below.

- **Compliance with commitments outlined in written contracts:** a written contract is the formal validation of an agreement between the supplier and the processor/wholesaler/distributor on prices, types of products, qualities, specific conditions of sale and the duration of the commitment between the two parties. It represents a strong commitment for both the supplier and the processor/wholesaler/distributor. In the spirit of good faith and fairness, the conditions outlined in the contracts must be respected by both parties, except in the case of duly justified force majeure (health or climatic hazards or

cessation of activity). When a raw material/product is grown/manufactured on demand for a Demeter certified processor/wholesaler/distributor or has a contract with Demeter France, the latter must fulfil commitments by buying the sum of the quantities specified in the contract, at the agreed conditions.

- Sanitary or climatic contingency and other exceptional events: in the event of exceptional health or climatic hazards beyond the control of the parties, no penalty may be imposed on a supplier who does not honour the agreed volumes. In other circumstances, the distributor will have to prove the supplier's failure and the penalties will have to be proportionate to the incurred damage.

4. Non-compliance with the distribution principles of Demeter France

These distribution principles have been developed in accordance with European and French laws. Non-compliance with current principles may be subject to sanctions, as outlined by Demeter France according to the degree of seriousness. This sanction can go as far as the withdrawal of Demeter membership and/or legal proceedings against the processor/wholesaler/distributor who is a member or under contract with Demeter France. If a member considers that another certified member (French or foreign) or a processor/wholesaler/distributor under contract with Demeter France does not respect the present distribution principles, they must inform Demeter France, via the email address: communication@demeter.fr.

B. Distribution principles - direct sales (physical or online outlets)

Members who are producers, processors or wholesalers certified by Demeter or under contract with Demeter France are free to market their Demeter raw materials/products via any form of direct sales to consumers; their rights and duties are specified in the Demeter France specifications, GTC, and internal regulations. They may also organise events to promote their products in any direct sales system, as long as the relevant distribution principles are adhered to.

Demeter – certified products are quality products and should be identified as such. Communication about the Demeter trademark must be qualitative and must not in any way denigrate or prejudice Demeter, either in the terms and expressions used or in the associated visuals. It should not be exclusively pricedriven.

C. <u>Distribution principles - intermediary traders (physical or online sales outlets)</u>

Members who are producers, processors or wholesalers certified by Demeter or under contract with Demeter France are entitled to market their Demeter raw materials/products to any trade intermediary (processors or wholesalers), operating online (B2B sales sites) or via physical sales sites, provided that these trade intermediaries comply with the conditions listed below. In all cases, the communication of the Demeter trademark, when permitted, must be of a qualitative nature and must not denigrate or prejudice Demeter in any way, either in the terms and expressions used or in the associated visuals. It should not be exclusively price-driven. Demeter products are quality products and must be identified as such.

Types of trade intermediaries

a. Processors of Demeter products (who process the raw materials and/or package them and/or change the labelling to their brand) must be certified by Demeter France in the interest of traceability. They can use the Demeter trademark on the product and in their communications.

Level of trademark use: 3

b. Wholesalers who buy and sell Demeter products in open packaging (e.g., fruit and vegetable crates) must be certified by Demeter France if the goods are identified as being of Demeter quality (on the crates or the fruit/vegetables) in the interest of traceability. They can therefore use the Demeter trademark in their communications.

Level of trademark use: 3

c. From 2023 onwards, wholesalers who buy and sell Demeter products in closed packages only do not need to be certified by Demeter France because they do not change the product. If they are not certified, they cannot use the Demeter trademark in their communications.

Level of trademark use: 0

They can nevertheless apply for a trademark use contract with Demeter France in order to benefit from services and a partial use of the Demeter trademark.

Level of trademark use: 2

DISTRIBUTION PRINCIPLES FOR TRADE INTERMEDIARIES

	Criteria	NO DEMETER FRANCE CONTRACT	IN CONTRACT WITH OR CERTIFIED BY DEMETER France						
		NO USE OF TRADEMARKS							
Wholesale categories			TRADEMARK USE						
	Percentage of organic products in the distributed range	0-100%	0 -100%	0-100%					
<u> </u>	Demeter identification	-	Wholesaler of closed packages (under contract)	Open pack wholesaler (certified)					
Wh	Level of trademark use (see section E)	0	2	3					
	WHOLESALER'S RIGHTS								
10	Sale of Demeter products In closed packaging	YES	YES	YES					
Wholesaler's rights	Sale of Demeter products in "open packaging" (including crates)	YES	YES	YES					
ler's	Identification of Demeter products in "open" packaging	NO	NO	YES					
olesa	Access to Demeter training	NO	FREE ACCESS TO GENERAL E- LEARNING (IN-SITU TRAINING OPPORTUNITY for a fee)	FREE ACCESS TO GENERAL E- LEARNING (IN-SITU TRAINING OPPORTUNITY for a fee)					
₹	Access to the list of Demeter France members	NO NO	YES	YES					
	Access to the PRO Demeter newsletter	NO	YES	YES					
	On-site referencing <u>www.demeter.fr</u>	NO	YES	YES					
	DEMETER France'S REQUIREMENTS TO THE GROWER								
Ś	Contract/ Demeter France Certification	NO	CONTRACT	CERTIFICATION					
ter	Control and certification	NO NO	NO NO	YES					
emeter ce iremen	Trained Demeter representative	NO NO	MANDATORY	MANDATORY					
De Franc equi	Products from France	Preferred	Preferred	Preferred					
Dem France require	Annual cost of Demeter services	NO	Please contact us	Please contact us					

D. <u>Distribution principles - B2C distributors (direct to consumer, physical or online)</u>

Members who are producers, processors, and wholesalers certified or under contract with Demeter France may market their products to any distributor acting in B2C (specialised trade, retail trade, discount, online trade, etc.). They may also organise promotional events for their products in any physical B2C outlet, provided that these distribution principles are adhered to.

While Demeter products can be marketed everywhere, communication on the Demeter brand and the use of the Demeter logo are very restricted and are only permitted if the distributor/group has a contract with Demeter France (see B2C table on next page).

This involves:

- Compliance with Demeter products distribution principles and using the Demeter trademark for B2C structures, as defined in the table below. These principles set out the requirements for the marketing of Demeter products in bulk, the direct import of Demeter products in open packaging from outside the European Union, and the possibility of using the trademark (levels 0, 1, 2, or 3) depending on the commitment of the distributor.
- Be aware of and respect the points detailed in the preamble (point A.) of the distribution principles of Demeter France, and particularly point 2 on respectful business conduct, with purchase prices that allow suppliers and the various actors in the upstream sector to be properly remunerated in order to live in good conditions and ensure the sustainability of their activity.
- Favour Demeter products of French origin: Demeter products from French agriculture and French processing companies are to be favoured.
- Controlling communication on the Demeter trademark: when authorised, communication on the Demeter trademark must be of a qualitative nature and must not in any way denigrate or prejudice the Demeter trademark, either in the terms and expressions used or in the associated visuals. Demeter products are quality products and should be treated as such.

DISTRIBUTION PRINCIPLES FOR B2C DISTRIBUTORS

	Criteria	NO DEMETER France contract NO USE OF TRADEMARKS			WITH DEMETER France CONTRACT TRADEMARK USE		
ပ္	Percentage of organic products in the total assortment of the chain*.	0-80%	0-80%	80-100%	30-100%	80-100%	
	Membership of a central purchasing body	NO	YES	-	-	-	
8	Minimum number of Demeter product	-	-	-	-	3 categories minimum	
Categories of B2C distributors	categories marketed per year from the following categories: Fresh produce/ Groceries Dry produce/ Bread and pastries/ Beverages/ DPH						
	Number of Demeter products	-	-	-	2% of the range composed of Demeter products (with a minimum of 10 products)	100 products minimum	
	Demeter identification	-	-	-	Demeter Partner Distributor category I	Demeter Partner Distributor category II	
	Level of trademark use (see section E)	1	0	1	2	3	
_	DISTRIBUTOR'S RIGHTS						
ಧ	Sale of packaged Demeter products	YES	YES	YES	YES	YES	
5	Sale of Demeter products in bulk	YES	YES	YES	YES	YES	
Ē	Identification of Demeter products in bulk	NO NO	NO NO	NO	YES (IF ORGANIC CERTIFICATION)	YES (IF ORGANIC CERTIFICATION)	
Rights of the B2C distributor	Access to qualitative private label certification**	* NO	NO	NO	NO	YES (WITH CORRESPONDING CERTIFICATION)	
	Access to Demeter training	NO	NO NO	NO	FREE ACCESS TO GENERAL E- LEARNING TRAINING (ON-SITE TRAINING POSSIBLE FOR A FEE)	FREE ACCESS TO GENERAL E- LEARNING TRAINING (ON-SITE TRAINING POSSIBLE FOR A FEE)	
_	Business communication on Demeter	NO	NO	NO	YES	YES	
Rights o	Participation in communication actions coordinated by Demeter France/ media communication	NO	NO	NO	YES	YES	
	Access to the list of Demeter France members	NO NO	NO	NO	YES	YES	
	Access to the PRO Demeter newsletter	NO NO	NO	NO	YES	YES	
	On-site referencing <u>www.demeter.fr</u>	NO	NO NO	NO NO	YES	YES	
	DEMETER France's REQUIREMENTS TO THE DISTRIBUTOR						
	Partnership agreement with Demeter France	NO NO	NO NO	NO	YES	YES	
Demeter France requirements	Control and certification	NO	NO	NO	ONLY IF DIRECT IMPORT OF OPEN PACKAGED PRODUCTS NON-EU ORIGIN	FOR MDD AND DIRECT IMPORT OF OPEN PACK PRODUCTS NON-EU ORIGIN	
	Trained Demeter representative	NO NO	NO	NO	MANDATORY	MANDATORY	
	Positioning of Demeter products on the organic shelves	RECOMMENDED	RECOMMENDED	RECOMMENDED	RECOMMENDED	RECOMMENDED	
	Developmental actions	-	-	-	-	Regular development of the Demet product range or the setting up of Demeter events	
	Products from France	Preferred	Preferred	Preferred	Preferred	Preferred	
	Annual cost of Demeter services	NO	NO	NO	Please contact us	Please contact us	

^{*} Sign: a sales outlet or group of sales outlets with exactly the same name

** Our definition of qualitative private label: Private labels with 80-100% organic products in the total range of the retailer, 3-year contract with suppliers, different label for products sold under the supplier's brand

E. Levels of use of the Demeter trademark

Level 0 (no contract with Demeter France) - no use

No reproduction or use of the Demeter logo and trademark on any medium (paper, digital, ...) in business communications and/or information for all audiences (professionals, consumers, journalists, etc.).

Level 1 (no contract with Demeter France) - informative use

- > Demeter logo and brand in the product list on the website (presentation of the Demeter brand in the list of quality approaches), mention of the "Demeter" brand on the shelf label
- Distribution of materials created and transmitted by Demeter members on their products is allowed
- > No reproduction or use of the Demeter logo and trademark in business communications on any medium whatsoever

Level 2 (contract with Demeter France) - partial commercial use

- > Demeter logo and trademark in the product list and on the website (presentation of the Demeter trademark in the list of quality approaches), mention of the "Demeter" trademark on the shelf label
- > Possible distribution of materials created and transmitted by Demeter members on their products
- > Use of the logo and commercial communication on the Demeter trademark, in paper or digital format
- > Business communication on the shelf: shelf-stopper, etc.
- Use of leaflet templates and texts provided by Demeter France (for implementation of the distributor's logo)
- Creation of specific media or dedicated communication campaigns highlighting the Demeter brand, subject to prior written approval by Demeter France

Level 3 (contract with Demeter France for private label certification) - full commercial use

- > Demeter logo and trademark in the product list and on the website (presentation of the Demeter trademark in the list of quality approaches), mention of the "Demeter" trademark on the shelf label
- > Possible distribution of materials created and transmitted by Demeter members on their products
- > Use of the logo and commercial communication on the Demeter trademark, in paper or digital format
- Commercial communication on the shelves: shelf-stopper, etc.
- Use of leaflet templates and texts provided by Demeter France (for implementation of the distributor's logo)
- Creation of specific media or dedicated communication campaigns highlighting the Demeter brand, subject to prior written approval by Demeter France
- > Quality private label (see our specific requirements