



# FFL & FL Scheme Committee Consultation Report 2018

The Fair for Life and For Life Standards were developed considering various stakeholders’ feedback during the revision process. In addition to the public consultation open to all stakeholders, consultations of the Scheme Committee were held in order to hold targeted, in-depth discussions on specific topics.

As part of the continuous review and evolution of the FFL & FL Standards, the Scheme Committee is regularly called upon in between the full revisions to discuss about modifications that are proposed by the standard holder in order to improve the applicability, significance and/or practicality of the standards.

Based on the experiences from the first year of implementation of the revised Standards, topics in the FFL & FL Standards and the FFL & FL Certification Processes which require potential clarifications and/or adjustments were identified and modification proposals were presented to the Scheme Committee.

This document summarizes the outcomes of the discussions and the modifications to be implemented in the FFL & FL Standards.

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## 1. Scheme Committee Role & Composition

The Fair for Life and For Life Standards are continuously evolving and adapting to the evolution of society and the economy. Major, full Programme Revisions are organized every 3 or 4 years. In between these major revisions, there is a continuous evolution mechanism involving the consultation of the FFL & FL Scheme Committee to enable minor adjustments.

The FFL & FL Scheme Committee is a group of representatives from different stakeholder groups:



Farmers



Buyers/processors



Retailers



Consumers



Support and guiding organizations

In April 2018, the Scheme Committee members that had been previously involved, were contacted to confirm their wish to continue in the Committee and member seats were opened for new members.

A call for application was sent on 30<sup>th</sup> April, 2018 to all certified operations as well as identified stakeholders. From the received applications, new members were selected based on their contribution to a balanced stakeholder committee.

The new composition of the committee was confirmed on 31<sup>st</sup> July, 2018.

## 2. Scheme Committee Consultation Methodology

The consultation of the Scheme Committee was split into two parts:



**Part 1: Online discussions** to challenge and adjust proposals. Before the online meetings the Scheme Committee members were asked to provide written feedback on the proposed modifications. The online meetings were focused on reaching a consensus on the proposals, i.e. to agree on a modification to which no member strongly objects.

- The first meeting was held on 10<sup>th</sup> October 2018.
- The second meeting was held on 22<sup>nd</sup> October 2018.



**Part 2: Written information** on minor modifications where the development of proposals did not require in-depth discussions. The Scheme Committee members were encouraged to comment on the proposals in a written way between 15<sup>th</sup> October and 31<sup>st</sup> October 2018.

The following table documents the participation of the committee members in both on-line meetings:

	Name	Company/Organization	Country	Presence	
				Meeting 1	Meeting 2
 Farmers	Koreissi Touré	Agroplateforme	Mali	✓	✓
	Miquel Boix Thomas	Earthoil Africa	Kenya	✓	-
	Mathieu Chaumont	Harmless Harvest Thailand	Thailand	✓	✓
	Juan Francisco Gonzalez José	FECCEG	Guatemala	-	-
	Leopoldo Mejía Banegas	Caruchil	Honduras	-	-
 Buyers/ processors	Oona Bijasson	Biopartenaire	France	✓	✓
	Julia Edmaier	Dr. Bronner's	USA	✓	✓
	Jean-Charles L'Hommet	Laboratoire M&L	France	-	✓
	Emma Baeck-Mansour	Pukka	UK	✓	✓
	Mandy Anhalt	Sambazon	Brazil/USA	✓	✓
	Damien François	Bjorg Bonnetterre et Cie (Alter Eco)	France	✓	✓
 Retailers	Nathalie Vaquant	Biocoop (SA Coop)	France	✓	✓
 Consumers	(No application)				
 Support organizations	Julien Gonnet	Nitidae (former Rongead)	France	✓	✓
	Lea Strub	World Fair Trade Organization (WFTO)	Netherlands	✓	✓
	Erika A. Inwald	Domestic Fair Trade Organization	USA	-	-

### 3. Consultation Topic Selection Process

Potential topics to be addressed with the Scheme Committee were collected through different means including the assessment of received derogation requests from certified operations, feedback from certified operations, proposals from the Scheme Committee members and, finally, proposals from the FFL & FL team.

The topics to be discussed with the Scheme Committee members in this consultation were then selected by the FFL & FL Management based on relevance, priority and feasibility:

- **Relevance and priority:** Has the topic come up various times? Does it address a core principle of the FFL or FL Standard? Would modification lead to a significant positive impact?
- **Feasibility:** Are there sufficient knowledge and means to implement modifications at this point of time?

Two Scheme Committee members (stakeholder group: Buyers/processors) proposed a topic for discussion. One of them was selected (see Section 4.a.4). The second proposal addressed the review of the way the Fair Trade Fund is calculated. The FFL & FL team decided to not include this topic in the discussions at this point and maintain the existing rules for calculation and the process for exception requests.

## 4. Standard Modification Proposals and Consultation Results







The modifications proposed to the Scheme Committee are divided into two categories:

- Topics **discussed during online meetings**: to enable input from diverse perspectives and generate discussion to agree on a common proposal.
- Topics presented **in written form only**: to allow an opportunity to comment on them, if needed.

### 4.a. Discussion in Online Meetings

The current section lists the topics that were presented to the Scheme Committee members for discussion during the online meetings. A summary of the discussions and the resulting modification proposals are outlined below.

Each topic is presented as follows:

-  Description of the intent behind the modification proposal
-  Description of the current situation
-  Presentation of the initial proposal made by Fair for Life
-  Summary of the discussion
-  Identification of the Intermediate conclusion
-  Presentation of the final modification

Additionally, for some topics:

-  Need for further development by Fair for Life

The modified parts in the final modification are highlighted in **green**.

#### 4.a.1. Must Be Fair Trade List (FFL)



Intent

Promote the development of Fair Trade by encouraging FFL operations to source ingredients in Fair Trade quality wherever available.

Recognize ingredients which are easily available in Fair Trade quality in sufficient volumes.



Situation

The FFL Standard requires certified traders (Fair Trade Partners and Brand Holders) to have a Fair Trade Strategic Plan in place with the objective to source all key ingredients from fair trade certified origins (POL-19). In addition, there is a list of specific ingredients which must be sourced in fair trade certified quality (CONS-17, Annex I, [Must Be FT List](#))

It is currently not specified whether the requirement to respect the Must Be FT List applies to all labelling categories (“FFL Product”, “Made with FFL ingredients”, and “Ingredient Statement Only”). In addition, it may not always be possible to source certain processed or composite ingredients in Fair Trade quality, even when they contain raw materials included on the Must Be FT list.

*Examples for processed ingredients: coffee extract, banana puree, cocoa butter, caramel, pineapple syrup, coconut oil etc.*

*Examples for composite ingredients: crystallized ginger, toffee etc.*

1. There is a need to specify to what **labelling categories** the List applies.
2. There is a need to clarify, what **degrees of processing** of the ingredient must be sourced in FT quality.



### 1. **Applicability of the Must Be FT List**

**Proposal:** The list must be respected for products certified as “FFL” or “made with FFL ingredients”. If the List cannot be respected (and no derogation is granted by the CB), the product may only contain an ingredient statement on the certified ingredients without using the FFL logo.

### 2. **Scope of the Must Be FT List**

**Option A:** Exclude ingredients derived through complex processes from “key ingredients”

**Option B:** Include ingredients derived through complex processes

**Option C:** List specific processed ingredients in the Must be FT List

The members agreed to limit the **applicability of the list** to those labelling categories which allow the FFL logo use, that is, “product” or “made with FFL ingredients”.

In addition, a discussion came up (stakeholder group: Retailers) regarding the positioning of the FFL logo and the composition requirements and their impacts on clarity for consumers. This discussion was postponed to bilateral discussions, as it has been discussed in detail with the Scheme Committee in 2016 during the Standard revision.

As for the **processing stages of ingredients** to be included in the list, it was agreed by all members but one that Option B (include ingredients coming from complex processing) is not favourable.

There was no clear agreement on either Option A (completely exclude ingredients coming from complex processing) or Option C (specifically define all applicable processing stages for the listed ingredients).

- It was pointed out by several stakeholders (stakeholder groups: Farmers, Buyers/processors) that it is difficult to determine the availability of an ingredient merely based on the complexity of its processing as the two concepts – availability and processing complexity – are not necessarily causal.
- In addition, it was mentioned (stakeholder groups: Farmers) that a buyer’s influence on the certification of the sourced processed ingredient is very different whenever processing does not already happen at Producer Operation level, but at the level of an Intermediate Trader. Required volumes are often too low to require certification in these settings. This is particularly true for ingredients which are sourced in small volumes and/or only make up a small percentage of the final product. It was therefore proposed, on one hand, to exclude all ingredients which require processing outside of the producer operation and, on the other hand, to set a minimum threshold for the applicability of the list itself (e.g. keep it only as a bonus criteria whenever the ingredients accounts for less than 4% of the agricultural ingredients in the final product).
- One stakeholder (stakeholder group: Buyers/processors) added that the availability issue becomes even more complex whenever sourcing requires not only FFL quality, but also Organic certification, for example.
- It was added by a member (stakeholder group: Buyers/processors) that even with the limitation to not-processed ingredients, the FFL labelling requirements are strong: in order to use the FFL logo on the front package, the concerned ingredient must already be sourced in FFL quality if it accounts for a significant percentage.



In order to develop a list including processed ingredients, sufficient knowledge on its actual availability is required. A member (stakeholder group: Farmers) pointed out that, as a first step, it should be assessed what ingredients are available from FFL certified operations. Then, a very clear list should be elaborated.

One stakeholder (stakeholder group: Buyers/processors) proposed that the transition period for sourcing the respective ingredients in FFL quality should be increased to three years, as transition to fair trade sourcing generally takes more time than the currently defined two years.

  
Intermediate  
conclusion

### Applicability of the List:

Limit the “Must be FT” list to the labelling categories “FFL Product” and “Made with FFL ingredients”.

Ingredient statements without logo use remain allowed in those cases where the concerned product includes ingredients from the list in non-FFL quality.

### Scope of the List:

Develop a proposal for Option C: For each ingredient, define the degree of processing that must be sourced in Fair Trade certified quality. Clarify that composite ingredients are currently not included the list.

Continuously update the list according to developments in the Fair Trade market, consider also composite ingredients once they become readily available.

Develop a proposal for potential exceptions, minimum thresholds for applicability and/or longer transition periods for sourcing ingredients on the Must Be FT list.

  
Modification

### Must Be Fair Trade List:

This document presents the list of ingredients that, in **in the case of certifying** a multi-ingredient product, must be certified **in order to use the FFL logo on the product** (“Fair Trade” or “Made with Fair Trade ingredients” category). The listed ingredients are considered to be available in fair trade form in sufficient quantity and quality and therefore must normally be certified. [...]

Particular case of **compound ingredients** (ie. an ingredient made up of more than one sub-ingredient):

If a compound ingredient is purchased and one or more of the sub-ingredients is on the list of ingredients that must be Fair Trade certified, the sub-ingredient is exempt from requiring Fair Trade certification.

*Eg. If a Fair for Life operation is purchasing peppermint candies as a compound ingredient for a Fair for Life certified product, with sub-ingredients of cane sugar, corn syrup and peppermint oil; then the cane sugar is exempt of requiring Fair Trade certification.*

FOOD	COSMETICS / DETERGENTS / HOME PERFUMES	TEXTILES
Bananas ( <i>fresh</i> )	Argan ( <i>kernels, oil</i> )	Cotton ( <i>lint, yarn</i> )
Cocoa ( <i>beans, mass/liquor</i> )	Shea ( <i>nuts, butter</i> )	
Coffee ( <i>beans</i> )	Cocoa ( <i>beans, mass/liquor</i> )	
Cane sugar ( <i>crystals</i> )	Sesame ( <i>seeds, oil</i> )	
Mangoes ( <i>fresh</i> )	Coconut ( <i>coconuts, oil</i> )	
Pineapples ( <i>fresh</i> )		
Tea ( <i>Camellia sinensis</i> ) ( <i>leaves</i> )		

Whenever possible, it is strongly recommended to widen the application of this list by also sourcing in Fair Trade certified quality ingredients which are:

- not specified in this list, but correspond to other processing degrees / other by-products for the same raw-materials;
- specified in this list, but are part of a compound ingredient.

## Annex I:

### Rule 3: Ingredients that must be Fair Trade

Some ingredients are considered to be available as fair trade certified in sufficient quantity and quality and therefore must normally be certified. Fair for Life keeps an up-to-date and evolving list of ingredients that “must be fair trade”. This list is available on the Fair for Life website.

If it is not possible to use one of the listed ingredients, an exception can be granted for a transitory period (see last section).

### Exceptions to rules 2 and 3

Exceptions to rules 2 and 3 are possible, subject to the following conditions:

i. A written application for exception with detailed justification shall be submitted

[...]

iii. Exception to rule 3 accepted only based on a 3-year plan to have the non-certified concerned ingredient converted into a “certified ingredient” (see CONS-17), **with the possibility to re-apply for an exception.**

A development need was identified for the following item:



to be developed

A more detailed ingredient list with easily available processing stages of the listed ingredients, after a thorough assessment of availabilities.

Based on the exception requests received within the coming months, re-assess whether the definition of a minimum threshold for ingredients is useful (e.g. the list must only be accepted if the ingredient represents more than 5% of the concerned product).

#### 4.a.2. Brand holder awareness-raising (FFL)



Intent

Following Principle 9 (“Promote Fair Trade”) of the World Fair Trade Organization (WFTO), FFL supply-chain actors, and in particular Brand Holders, should be involved in awareness-raising and promotion of Fair Trade in order to improve the market opportunities for producer operations and thereby increase the impacts for beneficiaries.



Situation

The FFL Standard encourages, as a best practice, that Brand Holders organize, participate or relay campaigns aimed at raising awareness and educating the target audiences (public, companies, policy makers, etc.) on Fair Trade issues (CONS-21).

The promotion of Fair Trade (CONS-21) is currently a BONUS criteria.

In addition, clarification is needed regarding what type, scope and frequency of actions are acceptable in order to comply with this requirement.



Initial Proposal

For Brand Holders, require the formalization of a **commitment on awareness-raising activities** in the FT Strategic Plan

Make **CONS-21 a MUST Year 4 requirement** for medium and large entity Brand Holders

Include a **guidance** on possible awareness-raising actions



Discussion

Most members agreed to include the commitment to participate in awareness-raising activities in the Brand Holder’s “FT Strategic Plan”, but there was a concern that this could lead to additional paperwork without real advantages (stakeholder group: Buyers/processors).

It was agreed that awareness-raising should become a MUST requirement for all Brand Holders so long as the requirement differentiates between small and larger entities and that it defines clear actions that are required. It was proposed to treat this as a progressive criterion, i.e. as a MUST Year 3 or 4.

A FFL representative clarified that this awareness-raising shall not be limited to the FFL brand but to the Fair Trade movement in general and that participation in Fair Trade organizations or associations can be one of the activities.

A member (stakeholder group: Farmers) also mentioned the importance of strengthening the local market and not only focusing on awareness-raising in export markets. It was suggested that this be addressed through a requirement at the producer level.

Finally, it was pointed out by members (stakeholder groups: Farmers, Buyers/processors) that, while recognizing the importance of Brand Holders in raising awareness, more should be done by FFL to fulfil their part of the responsibility in this regards (provide communication tools, improve the visibility of the logo etc.).



Intermediate conclusion

Include commitment to awareness-raising in the FT Strategic Plan  
 Make awareness-raising a MUST Year 4 criterion  
 Define clear actions that are required and differentiate according to size  
 In the medium-term develop the strategy of the FFL Programme to contribute to greater awareness-raising and to support the certified operations in doing so.



Modification

Operations concerned			FFL: Fair Trade Partners and Brand Holders	
Level	Ref.	Keyword	Criteria	
MUST Year 2	POL-19	FT strategic plan	The Operation has a regularly updated Fair Trade business planning and long-term strategic policy, specifying its long-term development objectives with regards to Fair Trade (e.g. working on new product supply-chains, increasing turnover with Fair Trade products, favouring short supply-chains etc.). It shall include: <ul style="list-style-type: none"> <li>- A clear objective to favour Smallholders and their organizations wherever possible (identification; selection; specific support; pre-financing, etc.);</li> <li>- The way long-term partnerships will be sought and implemented (see TRAD-4);</li> <li>- The objective to source all key ingredients from fair trade certified origin (see CONS-17);</li> </ul> and - Additionally, for Brand Holders: the commitment to implement awareness-raising activities around Fair Trade (see CONS-21).	

Operations concerned			FFL: Brand Holders	
Level	Ref.	Keyword	Criteria	Clarification / Guidance
MUST Year 4	CONS-21	Awareness	The Operation organizes, participates or relays campaigns aimed at raising awareness and educating target audiences (public, companies, policy makers, etc.) on Fair Trade matters and documents these activities.	This can be done through membership in Fair Trade networks or through individual involvement in events or in the promotion of campaigns.  For small entities this can take the form of general information around the Fair Trade concept on their website or through other media.

#### 4.a.3. Value-add at the Producer Level (FFL)



Intent

In order to contribute to the empowerment of producers and their communities, Fair Trade supply-chains should promote value-add at the producer level, e.g. through quality improvement, local processing, etc..



In addition, Fair Trade companies should strive to minimize competition with small-scale producers that are traditionally engaged in processing of the same product.

The Standard currently contributes to this objective through several criteria:

LOC-4 requires the provision of local job opportunities for FFL Producer Operations (MUST Year 2) and LOC-5 encourages the employment of marginalized groups or employment in a region that lacks employment opportunities (Bonus).



Situation

EMP-18 and -19 encourage direct support from the Fair Trade Partner to Producer Operations, including support to maximise on-site processing and to find new market opportunities (Bonus).

The promotion of local and/or traditional processing is currently strongly encouraged, but it would not be a blocking point for certification.

For specific products, certified companies could potentially be in competition with small-scale processors/producers (e.g. shea butter, argan oil etc), where processing is traditionally done by local groups, e.g. women cooperatives.

### Action Plan for producer support

#### Proposal: Upgrade and detail EMP-18 (Direct Support) from BONUS to MUST Year 1

Fair Trade Partners are required to promote value-add at the producer level according to the possibilities and needs through:

- a justification, in case processing is not (fully) done at the producer level, and
- a diagnosis assessing the needs, wishes and possibilities of the Producer Operation regarding the improvement of the product or processes (including adding processing steps, quality improvement, improvement of first processing techniques etc.)

Based on the diagnosis, the Fair Trade Partner provides, implements and continuously reviews an Action Plan & Budget (pluriannual), to implement the identified needs and possibilities.

#### Additionally, for specific products: Increased FT Fund amount for purchase of non-processed ingredient

##### Proposal: Amend TRAD-45 (FT Fund Level)

For specific products (argan and shea), the FT Fund % shall be higher, whenever a Fair Trade Partner purchases raw materials instead of the processed ingredient.



Initial Proposal

#### Item 1: Whose responsibility should the search for opportunities and their implementation be?



Discussion

Item 1

Several members (stakeholder groups: Farmers, Retailers) suggested that the responsibility for the identification of opportunities should be moved towards the Producer Operation itself, in order to respond to their actual needs and promote their agency. The Fair Trade Partner should support this process but not act as the driving agent to avoid forcing any development potentially not wished by the producers. It was mentioned by a member (stakeholder group: Farmers) that Producer Operations who are eager to develop in this direction would organize themselves and take the necessary steps and that there is no need to force this upon them and to justify this by the Fair Trade Partner.



Intermediate conclusion

The producer operation shall include in its Fair Trade Diagnosis its needs and expectations regarding a desired value addition on the level of its Operation and of the individual producers, where applicable.

If the need is identified, the Producer Operation shall identify possible actions in their FT Action Plan and identify the need for resources (FT Fund or other financing) and expertise.

If the Producer Operations requests it, the Fair Trade Partner should support these actions.



Discussion

Item 2 and 3

#### Item 2: Should the requirement be limited to shea butter and argan oil, or should it be a general requirement for all ingredients.

The opinions on this part of the question were diverging:

One member (stakeholder group: Buyers/processors) pointed out that argan oil and shea butter are particular sectors where Fair Trade has been growing based on small-scale processing by the producers. For these products, this traditional element should be maintained, while for other products the situation is different and large-scale processing is already the reality.

The FFL Scheme representative pointed out that the idea behind the general approach was to be more proactive on adding value at the producer level and to encourage this for any product rather than to limit it to those where this is traditionally established.

Two members (stakeholder group: Support organizations), agreed with this idea and added that the diagnosis on the needs and possibilities for value addition should be realized for each product. Fair Trade Partners of any product should be required to support the Producer Operation, otherwise local initiatives will have a very hard time in succeeding. In addition, the importance of making the diagnosis a requirement for all products was highlighted in order to be able to assess supply-chain risks for products other than shea and argan.

Three members (stakeholder group: Buyers/processors) were not in favour of this general approach and pointed out that the requirement may lead to immense additional paperwork for Fair Trade Partners. The additional work may result in a situation which, on one hand, poses an additional burden for Producer Operations wishing to become certified and, on the other hand, makes it easier for a company to source from Traders than from Producer Operations. The more strict approach could involuntarily lead to a promotion of long supply-chains.

It was suggested by one of these members to limit the requirement for a diagnosis on supply-chains known to present an evident risk, i.e. for the moment shea and argan.

In addition, it was pointed out that certain processing steps may not be possible at the Producer Operation without compromising the compliance with legal import requirements (e.g. food safety).

*Item 3: Should there be adapted FT Fund calculation rules for cases where shea nuts/argan kernels are purchased by a Fair Trade Partner instead of shea butter/argan oil?*

Due to time constraints, the proposal for a FT Fund amount rule in cases where raw material is bought instead of processed product (particularly for shea and argan) was not presented to the Scheme Committee members. It was agreed that a proposal would be included in the Consultation report draft to be verified before publication. In this context, only one member (stakeholder group: Buyers/processors) expressed its discontent with the proposal and sees a potential disadvantage for Fair Trade Partners that buy shea nuts from Organized Groups compared to those that buy shea butter from Contract Production Companies.

→  
Intermediate conclusion

The diagnosis shall be required for all Producer Operations but it must be ensured that the additional efforts are reasonable and not bureaucratic. It should be considered how Producer Operations could be guided in developing the diagnosis, and how recognized producers from other FT Schemes are dealt with.

The support provided by the Fair Trade Partner is normally a BONUS criterion, except for shea and argan, where this support is a MUST requirement if the raw material is purchased instead of shea butter/argan oil.

The support from the Fair Trade Partner is also a bonus criteria when the supplier is certified by a recognized scheme.

The proposal for an adapted Fair Trade Fund Calculation for argan kernels and shea nuts is maintained.

Based on the conclusions reached during the consultation, the following modified criteria are proposed:

  
Modification

Operations concerned			FFL: Producer Operations
Level	Ref.	Keyword	Criteria
MUST Year 1	POL-11	Fair Trade Diagnosis	In order to identify meaningful Fair Trade beneficiaries and targets, the Producer operation identifies in writing the expectations and needs of the different

		– all settings	<p>stakeholders with regards to the fair trade projects to come (see guidance). The methodology used to make this diagnosis can take the form of surveys, interviews, meetings, etc. with diverse and representative stakeholders.</p> <p>In addition, the Producer operation includes in the diagnosis an assessment of the needs, wishes and possibilities regarding the improvement of the product and/or associated processes (including addition of processing steps, quality improvement, improvement of processing techniques, support of traditional processing, etc.)</p> <p>Where applicable, this diagnosis shall include in particular smallholders and their organisations.</p>
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Operations concerned			FFL: Producer Operations	
Level	Ref.	Keyword	Criteria	Clarification Guidance
MUST Year 3	POL- 15	Fair Trade Action Plan	<p>The Producer operation provides a fair trade development plan expected to cover at least 3 years, describing the different development projects held (at least those financed through the Fair Trade Fund). The plan shall clearly identify:</p> <ul style="list-style-type: none"> <li>- The general and specific aims pursued</li> <li>- The expected results</li> <li>- The various actions to be carried out</li> <li>- The deadlines</li> <li>- The mobilized resources</li> <li>- The stakeholders involved in implementation / funding (fair trade buyers, external NGO, other partners, etc.)</li> </ul> <p>Additionally, if identified in the FT Diagnosis (POL-11): Relevant actions to promote product and/or process improvement are included in this plan.</p>	<p><i>This fair trade development plan is part of the general continuous improvement approach and shall be regularly updated (see POL-17).</i></p> <p><i>If actions to promote product and/or process improvement are defined and include business investments, these can be funded by the FT Fund under certain restrictions (see Table page 81).</i></p>

Operations concerned			FFL: Fair Trade Partners	
Level	Ref.	Keyword	Criteria	Clarification/Guidance
BONUS or MUST Year 1	EMP- 18	Direct Support	<p>Fair Trade partners that source non- or low-processed ingredients listed in the Guidance: Year 1 All other Fair Trade partners: BONUS</p> <p>The Fair Trade partner provides his Fair Trade Producer operation suppliers with direct technical, commercial or organizational support, on-site, including, if necessary, adequate trainings. The support provided will be focused on technical and organizational capability transfer to improve the environmental sustainability of the project (particularly for supporting transition towards organic farming), improve the quality of the product, maximise on-site processing, etc</p> <p>If the development of processing capacities at the producer level is identified as a need by the Producer Operation, the Fair Trade partner provides direct technical, commercial or organizational support to implement the defined actions.</p>	<p>Some ingredients are known to be traditionally processed by organized small producers. These include at least:</p> <ul style="list-style-type: none"> <li>- Shea nuts (instead of shea butter)</li> <li>- Argan kernels (instead of argan oil)</li> </ul> <p>For Fair Trade Partners that purchase the non-processed or low- processed ingredient, support to develop processing within the Producer Operation is obligatory, if identified as need by the Producer Operation.</p>

Operations concerned			FFL: Producer Operations and Fair Trade Partners	
Level	Ref.	Keyword	Criteria	Clarification / Guidance
MUST Year 1	TRAD- 45	Fair Trade Fund Level	<p>The amount of the Fair Trade fund is equal or superior to:</p> <p>a) 5% of the Producer Operation Sales prices; or to</p> <p>b) 10% of the Producer sales prices (e.g. paid to the individual producers within a Producer Operation.</p> <p>[...]</p> <p>For certain non- or low-processed ingredients (see Guidance), specific rules for the Fund calculation apply:</p> <p>If the Fair Trade Partner purchases the non- or low-processed ingredients, the Fair Trade fund is equal or superior to:</p> <p>c) 10% of the Producer Operation Sales Price.</p> <p>No lower percentage is possible in this case.</p>	<p>In certain specific situations *, lower percentages can be set, upon compliance with procedure d described in Annex VI.</p> <p>* 5 situations have been identified: A. HIGH VALUE B. HIGH VOLUMES C. DIRECT SUPPORT FROM FAIR TRADE PARTNER D. VERY GOOD SOCIAL CONTEXT E. PRICE INCLUDING FUND</p> <p>Ingredients traditionally sold in their processed form will create a lower FT Fund if purchased only in their non- or low-processed form. In order to guarantee an adequate FT Fund amount, rule c) is obligatory at least for the following ingredients:</p> <ul style="list-style-type: none"> <li>✓ Shea nuts</li> <li>✓ Argan kernels</li> </ul> <p>It is, however, strongly recommended to adopt rule c) for purchases of any non- or low-processed ingredients.</p>

Development needs were identified for the following items:



Clear instructions on the way the diagnosis needs to be realized. Promote the diagnosis as a tool for reflection and progress instead of additional paperwork merely to reach certification.

Strategy on how to ensure that Producer Operations have the know-how and capacities to create a useful diagnosis (e.g. awareness of the relevant processing steps and what they require).

#### 4.a.4. “Fair” Indication on Products - Category “Made with FFL ingredients” (FFL)



Enable consumers to make informed choices. Define transparent and meaningful composition and labelling rules to provide consumers with truthful information on the product and avoid misleading claims.

If a product is categorized as a “Made with FFL ingredients” product, certain limitations apply with regards to the indication of “Fair Trade”:



Annex II: **IV. Reference to Fair Trade:** can be associated to the certified ingredient only AND cannot be more prominent than other product description text

It was raised whether it should be possible to allow the use of the word “fair” on the front package also for products of the “Made with FFL ingredients” category.

Currently the labelling rules of the FFL Standard do not allow this indication.

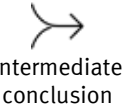


Discussion

Several members (stakeholder groups: Buyers/processors, Support organizations) underlined that labelling rules should remain strict in order to remain transparent for consumers.

One of these members (stakeholder groups: Support organizations) confirmed that “fair” has the same connotation as “fair trade” for most consumers and suggested that the same rules should apply for both mentions on products certified under FFL.

On the other hand, it was mentioned by two members (stakeholder groups: Farmers, Buyers/processors) that FFL certified operations should not be too limited in the way they communicate on their certification, considering that other companies are claiming “fair” and “fair trade” without any repercussions. It was reminded by the FFL Scheme Representative that the Fair Trade reference is still possible on the front of the package if it is clearly linked to the certified ingredient(s).



Intermediate conclusion

The rules will not change. Products that do not fulfil the composition rules for the “FFL product” labelling category may not use the mention “fair” on the front of the package, unless it is clearly linked to the FFL certified ingredient(s).



Modification



none

## 4.b. Written consultation

The following topics were presented to the Scheme Committee members for written consultation.

There is currently no exhaustive list of the companies/organizations who agreed to each of the proposals because the document allowed members to oppose specific proposals and a response was not required for each topic.

The modified parts in the final modification are highlighted in green.

Topic	 Proposal for modification	Comments from Scheme Committee Members	Response from the FFL & FL Scheme Management	 Final modification				
CONS-25 Forbidden Chemicals in Cosmetics (FFL & FL)	Add <u>phenoxyethanol</u> to the list of prohibited preservatives. In the medium-term: prepare a proposal for a stronger and broader approach of the principle of healthy and safe products, e.g. through an additional list of allowed or prohibited substances, including emulsifiers, antioxidants, dyes etc..	Two members (stakeholder groups: Farmers, Buyers/processors) added the recommendation to exchange with experts of the sector and particularly with existing standards like COSMOS when moving on with developing a more detailed list of prohibited substances.	When moving forward with development of an additional list, experts from the cosmetic sector will be consulted.	CONS-25: The use of synthetic preservatives in certified cosmetic products is limited: - They are used only if they are essential; - No parabens, MIT (Methylisothiazolinone), <u>Phenoxyethanol</u> and EDTA (Ethylenediaminetetraacetic acid) are used.				
CONS-22 Healthy and safe products (FL)	Require a continuous improvement approach in place from the first year of certification instead of year 4.	No additional comments	None	CONS-22: MUST Year 1				
Chapter 3.0 Additional certification background for cosmetics (FL products)	Given the specific environmental and health risks of the cosmetic sector, require COSMOS Natural or Organic certification for FL certified products, in consistency with CONS-22, which already cites COSMOS as a reference standard for cosmetics.	One member (stakeholder group: Support organizations) pointed out that the cost of an additional certification can be very high and that perhaps the requirement should be less requiring for smaller operations. At the same time, the member acknowledges the fact that cosmetics is a very hazardous sector and commitment to environment and health protection should be high.	The requirement for certification will be kept for all sizes in order to remain consistent with the similar requirement for textile and aquaculture sector where no distinction of sizes is done. As initially suggested, this requirement applies only to FL product certification.	Chapter 3.0 Certain sectors present specific environmental risks. In such sectors, additional certifications are required: [...] Additionally, for the FL product certification option: <table border="1" data-bbox="1559 1219 2101 1353"> <thead> <tr> <th>SECTOR / INDUSTRY</th> <th>CERTIFICATION REQUESTED</th> </tr> </thead> <tbody> <tr> <td>Cosmetic and beauty products</td> <td>COSMOS Natural or Organic</td> </tr> </tbody> </table>	SECTOR / INDUSTRY	CERTIFICATION REQUESTED	Cosmetic and beauty products	COSMOS Natural or Organic
SECTOR / INDUSTRY	CERTIFICATION REQUESTED							
Cosmetic and beauty products	COSMOS Natural or Organic							
Annex IV Buying from other	In order to guarantee the greatest possible verification of FFL chains, and in particular the Fair Trade	No additional comments	none	Annex IV:				

<p>schemes: Level of Recognition (FFL)</p>	<p>commitments of Fair Trade Partners, clarify that recognition must in all cases happen at the level of the 1<sup>st</sup> FFL operation, including in those cases where traders are certified both according to FFL and other schemes at the same time.</p>			<p>“A Fair for Life certified operation can request the recognition of an ingredient which is certified according to another Fair Trade scheme. Recognition may only be granted if the supplier is certified according to a recognized Fair Trade scheme AND is not, in parallel, also certified with Fair for Life. If the supplier is also certified with Fair for Life, then it is the supplier who must request recognition of the ingredient according to Fair for Life.”</p>
<p>SOC-32 Deductions from wages (FFL &amp; FL)</p>	<p>Align with ILO norms and exclude the possibility for exceptions. Exceptions are currently included in the criterion if</p> <ul style="list-style-type: none"> <li>- This is permitted by the national law</li> <li>- This is done with the prior express consent of the relevant worker</li> <li>- All such deductions are recorded in the staff files.</li> </ul>	<p>One member (stakeholder group: Farmers) agreed with the proposal in general but pointed out that stricter requirements for employment conditions may push companies towards working with pseudo-self-employed persons rather than regular employees.</p>	<p>The initial proposal is maintained and it is recognized that vigilance is required for potential avoidance of regular employment.</p>	<p>SOC-32: Deductions from wages as a disciplinary measure are not practiced. <del>Specific exemptions can be requested (see guidance).</del></p>
<p>Chapter 3 Applicability of Chapter 3 in the case of partial certification (FFL &amp; FL)</p>	<p>Clarify the application scope of Chapter 3.0 in order to correspond to the current verification practices in which the main criteria of the environmental chapter are generally verified at the whole operations level and not only the sites included in certification (in case of authorized partial certification):</p> <p>Note: Those criteria specifically addressing certified products (e.g. ENV-26 and Chapter 3.7) remain limited to the products included in the certification scope.</p>	<p>One member (stakeholder group: Farmers) points out the difficulty to control compliance for all activities and would rather see the chapter 3 limited to certified products, similar to the approach of organic certification.</p>	<p>In order to avoid potential greenwashing at the level of certified operations, this proposal is maintained. In order to receive certification, an operation should be able to demonstrate compliance with basic environmental requirements at the company level, and not only for specific products.</p>	<p>Chapter 3.0 “This section aims at ensuring that the Operations strive to minimise the environmental impact of their activities <del>under the certification.</del>”</p>

<p>ENV-26 Materials forbidden in packaging (FFL &amp; FL)</p>	<p>Amend the application scope to include Brand Holders who are not involved directly in packaging activities. In this way, all final consumer products are controlled for their packaging, whether the product is packed by the Brand Holder or by its supplier.</p>	<p>One member (stakeholder group: Buyers/processors) mentions the situation of recognized products from other Fair Trade schemes and the difficulty to guarantee that they are not using prohibited packing materials. One member (stakeholder group: Buyers/processors) suggested a clearer wording of the modified criterion.</p>	<p>The wording is clarified.  At this point, the possibility will remain that products coming from recognized supply-chains are packed using forbidden materials in intermediate steps. A final consumer product will however always need to be compliant.</p>	<p>ENV-26 (“Additional Clarifications”): The below criteria apply only to Brand Holders and/or operations packing or repacking products (e.g. companies who are not Brand Holders and only do purchase / re-sale operations are not concerned).</p>
<p>POL-10 and TRAD-1 to -3 Ethical sourcing (FL)</p>	<p>Strengthen the systemic approach of For Life certification and clarify that ethical sourcing practices include services and products not directly used for the composition of the sold product by rewording the “Additional clarifications” and removing the reference to “ingredients”.</p>	<p>No additional comments</p>	<p>None</p>	<p>POL-10 and TRAD-1 to TRAD-3 (“Additional clarification”): <del>The below criteria apply to Producer Operations only in the case where they are purchasing ingredients from other entities than those covered by their ICS.</del> In the case of Producer Operations, the suppliers that are part of the ICS are already considered as covered by the supply-chain management and the below criteria apply only to external suppliers.</p>
<p>TRAD-7 Written FT Fund amount (FFL)</p>	<p>Amend TRAD-7 to require that the agreed FT Fund value is written (i.e. either the value paid per entity in total or in percent).</p>	<p>One member (stakeholder group: Buyers/processors) indicated that the calculation method should be agreed between the trade partners and not imposed by the FFL Standard.</p>	<p>The proposal did not question the underlying logic of FFL to prescribe a certain way to calculate the FT Fund. This method will be maintained.  The proposal was focused on clarifying that the agreed method shall be clearly written in the agreements or contracts between the Producer Operation and the Fair Trade Partner. The proposal is maintained.</p>	<p>TRAD-7: A long-term partnership framework agreement is established between the buyer(s) and the Producer Operation (see guidance), defining the Fair Trade relationship and commitment of the different parties involved. This agreement includes at least the following: 1. the contract term (at least 3 years or indeterminate duration with clear objective to develop long-term relationships); 2. the guarantees for stability and security:     a) mechanism to transmit sourcing plans / provisional volumes;     b) general pricing agreements; 3. commercial &amp; technical support, if any; 4. contract termination procedures; 5. dispute resolution procedures, with a mediation mechanism; 6. Fair Trade payment mechanism (including calculation method);</p>



<p>EMP-24 FT Fund management expenses and Table referenced in EMP-32 (FFL)</p>	<p>Clarify the limitations for the use of the FT Fund money for management expenses to prevent an unreasonable use of resources for administration. Allow management expenses only to a reasonable extent and only by small entities or organized smallholder producer groups.</p>	<p>One member (stakeholder group: Buyers/processors) points out that the proposal seems too complicated and too subjective. One member (stakeholder group: Buyers/processors) indicated that the proposal is not clear enough to know if all types of operations may use the fund to a certain extent or whether it is limited to organized smallholder groups and small entities. In addition, the stakeholder suggests to also include medium entities.</p>	<p>Wording was clarified according to member proposal.  The exception will remain limited to organized smallholder groups and to small entities in order to guarantee the greatest possible impact of the FT Fund for the beneficiaries.</p>	<p>7. role and responsibilities of the Conveyor, if applicable (particularly regarding the payment of the fair trade prices and Fund).</p> <p>Table, page 81: The Fair Trade Fund can be used to:</p> <ul style="list-style-type: none"> <li>- finance any agreed projects which are intended for the beneficiaries as a group (collective projects).</li> <li>- in exceptional cases, and only for Organized Producer Groups composed of a majority of Smallholders or for small entities, cover the fund management expenses (including bank fees, attending meetings etc.), as long as these expenses are <ul style="list-style-type: none"> <li>o reasonable and in line with the FT Diagnosis and</li> <li>o not the major expense of the Fund.</li> </ul> </li> </ul> <p>EMP-24: The Producer Operation facilitates and supports basic administrative running costs of the FDB, for communication costs and basic support for meetings (room, drinks, transportation, hourly wage for workers' time, office supplies, etc.). In exceptional cases, this can be done through the FT Fund (see table page 81).</p>
<p>Annex II Indication of FT % (FFL &amp; FL)</p>	<p>Require the identification of FT ingredients and percentage on products that are 100% FFL certified but contain non-certified ingredients that are not considered in the calculation (e.g. salt, minerals, non-fibre parts in textiles, extracts). Limit the possibility to omit the indication of FT ingredients and percentage to products which are fully composed of certified ingredients (excl. water).</p>	<p>No additional comments</p>	<p>None</p>	<p>Annex II Table Explanations / Glossary: II and III are optional if Fair Trade content (calculated on certifiable all ingredients, excluding water) = 100%</p>

Annex IV Buying from other Schemes: Eligibility for Recognition (FFL & FL)

Clarify that operations requesting recognition must always be certified and that no recognition is possible on the level of registered operations.

No additional comments

None

FFL - Annex IV:  
Fair for Life **certified** operations can request the recognition of an ingredient certified under a different fair trade scheme [...].

FL - Annex IV:  
For Life **certified** operations can request the recognition of an ingredient certified under a different social responsibility scheme [...].

## 5. Impacts on certified operations

The following table lines out the potential impact of the above presented modifications on certified operations. Appropriate transition modalities and periods considering these impacts are to be defined by the Certification Body.

Topic	Operations affected by the modification	Impact on affected operations
Must be FT List	FFL operations marketing multi-ingredient products	Implementation of the ingredient list becomes slightly stricter, as few processed ingredients are included.  Rules for transition and exceptions become slightly less strict.
Brand Holder awareness-raising	FFL Brand Holders	Criterion becomes stricter, as it is no longer a Bonus.
Value addition at PO	FFL Producer Operations and Fair Trade Partners	Criterion becomes stricter for all Producer Operations (additional diagnosis). It becomes stricter for those Fair Trade Partners that source non- or lowly processed argan or shea.
Forbidden Chemicals in Cosmetics	FFL & FL Operations marketing cosmetics	Criterion becomes stricter, a new substance is added.
Healthy and safe products	FL Operations	Criterion becomes a certification requirement earlier.
Additional certification background for cosmetics	FL Operations with the <u>Product certification</u> option marketing cosmetics	Criterion becomes stricter as an additional certification is required.
Level of recognition	FFL Operations buying from suppliers certified according to recognized schemes	No significant impact - formalization of already practiced methodology.
Deductions from wages	FFL & FL Operations	Criterion becomes stricter, but no exceptions were approved until now.
Applicability of Chapter 3.0 in partial certification	FFL & FL Operations that have only part of their activities/products included in certification	No significant impact - formalization of already practiced methodology.
Materials forbidden in packaging	FFL & FL Brand Holders that are not themselves involved in packaging activities	Criterion was not verified for Brand Holders that do no packaging until now.
Ethical Sourcing	FL Operations	No significant impact, only formalization of already practiced methodology.
Written FT Fund amount	FFL Producer Operations and Fair Trade Partner	Criterion becomes stricter, as an additional aspect is added. Change is, however, limited to formalization of already existing practice.
FT Fund management expenses	FFL Producer Operations	Criterion becomes stricter.
Indication of FT%	FFL Brand Holders with products that contain salt, non-agricultural ingredients (food) minerals (cosmetics).	Stricter labelling rules, but only for products with certain ingredients.
Eligibility for recognition	FFL Operations buying from suppliers certified according to recognized schemes	No significant impact - formalization of already practiced methodology.

## 6. Additional topics discussed with the Scheme Committee

The following topics not related to Standard modifications were discussed in the online discussions with the Scheme Committee:

### 1. Scheme Committee Functioning



Intent

Have a mechanism in place which allows a continuous consultation of stakeholders on relevant topics, including needs for improvement of the FFL & FL Standard and Certification Process.



Situation

A FFL&FL Scheme committee is in place and met for discussion in October 2018. Rules of the Committee are defined in “Scheme Committee Internal Rules” and, particularly for the FFL & FL Scheme Committee, in the “Committee Card”. A few aspects regarding membership and functioning are currently not detailed, such as frequency, format, rules for membership duration, etc.



Proposal

1. Define the **format** and frequency of the SC consultations
2. Detail the **rules for membership**

The members agreed to a frequency of two consultation meetings per year with a certain flexibility to have ad-hoc meetings in between for urgent matters.

Several stakeholders (stakeholder groups: Buyers/processors and Support organizations) suggested to include bilateral exchanges between the Scheme and the members before the call and to share the received feedback with all members in order to facilitate the discussion.



Discussion

One stakeholder (stakeholder group: Buyers/processors) requested to keep an ‘open slot’ in the meetings to discuss additional topics, in addition to asking for topics at the beginning of the preparation phase of the consultation.

For membership duration, it was agreed to implement a mechanism to allow for balance between experience and new ideas. The requirement to request re-application after 3 years seemed to answer this idea and allows for adjustment of composition in reasonable timeframes.



Intermediate conclusion

Hold 2 regular meetings per year

Improve preparation procedure (include bilateral exchanges and summaries of feedback before the meetings)

Request re-application for membership after 3 years



Modification

Amend Committee Card:

#### DURATION OF MEMBERSHIP

Once membership is confirmed it remains valid for three years, unless it is terminated voluntarily by the member or as a consequence of non-satisfactory fulfilment of the function as a member.

After three years, members can re-apply for the membership and will be considered as any other candidate applying for membership.

Detail methodology of consultation in Internal Scheme Procedures

## 2. Theory of Change



Proposal

A draft of the FFL Theory of Change (TOC) was presented to the Scheme Committee to receive feedback and suggestions for improvements. The TOC is the first step of implementing an Impact Measurement System to monitor the impacts of the Fair for Life Programme.

It was suggested by two members (stakeholder groups: Support organizations, Buyers/processors) to identify more clearly the agents of change in the document.



Discussion

One stakeholder (stakeholder group: Buyers/processors) questioned the relevance of this project and whether resources should be spent on the development of the Impact Measurement System right now.

Two members (stakeholder groups: Farmers, Buyers/processors) pointed out that the results of the Impact Measurement will be a useful tool to communicate and create awareness on FFL.



Intermediate conclusion

Include agents of change in the Theory of Change.

## 7. Conclusion

Several modification proposals were identified and presented to the Scheme Committee. While some of them were discussed in depth during online meetings in order to identify different relevant aspects, possible impacts and different perspectives, others required less detailed assessment.

The Scheme Committee members provided their valuable input and the initially proposed modifications were adjusted considering the received feedback. Where the comments made by the members were not translated into the modification, this was justified in this document.

Following the publication of this report on the FFL Website,

- ✓ the Scheme Owner will make the revised **Standard Documents with the implemented modifications** available on the FFL Website and
- ✓ the Certification Body will **define the transition modalities** for each modification and communicate them to all certified operations.