



FFL & FL Scheme Committee Consultation Report 2019

Published on 28th April 2020

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 feedbacks from stakeholders, internal monitoring, results of third-party benchmarks etc., topics in the FFL & FL Standards and the FFL & FL Certification Processes which require potential clarifications and/or adjustments were identified.

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

CONTENTS

1. Scheme Committee Role & Composition	2
2. Scheme Committee Consultation Methodology	2
3. Consultation Topic Selection Process	3
4. Standard Modification Proposals and Consultation Results	3
4.a. Discussion in Online Meetings.....	4
4.b. Written consultation	15
5. Impacts on certified operations	17
6. Conclusion	23

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:



In May 2019, 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 29th June, 2019 to certified operations and other stakeholders corresponding to an underrepresented stakeholder group. 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 23rd September, 2019.

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 21st October 2019.
- The second meeting was held on 23rd October 2019.



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 4th October and 30th October 2019.



Part 3: Additional written consultation on the rules for communication of the FFL and FL certification for controlled and non-controlled operations was carried. The Scheme Committee members were encouraged to comment on the proposal in a written way between 3rd and 19th February 2020.

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	✓	-
	Marti R. Wainaina	Nanyuki Oils	Kenya	-	✓
	Tusitina Nu'uvali	SerendiCoco	Samoa	-	-
	Mathieu Chaumont	Harmless Harvest Thailand	Thailand	✓	-
	Leopoldo Mejía Banegas	Caruchil	Honduras	-	-
	Ramesh Patel	Cultivator	India	-	-
 Buyers/ processors	Oona Bijasson	Biopartenaire	France	-	✓
	Julia Edmaier	Dr. Bronner's	USA	✓	✓
	Justine Humbert	Laboratoire M&L	France	✓	✓
	Rebecca Fields	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	✓	✓

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 or will a consultation of the Scheme Committee contribute to the development of such modification proposal?

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 are highlighted in **green**. The additional modifications included following the Scheme Committee's feedback are highlighted in **red**.

Topic 1: Guidance document on Value-add (FFL)



Intent

In the context of the Scheme Committee consultation 2018, a requirement was added for all Producer Operations to carry out a diagnosis to assess their needs and potentials for value add at their level (POL-11). During the consultation, the need for further instructions for Producer Operations was identified.

Address the need by providing additional guidance to the operations on the content and methodology of this diagnosis.



Initial
Proposal

A draft of the Guidance document was presented to the Scheme Committee to discuss whether it addresses all relevant points and fulfils its objective to provide clear guidance to Producer Operations.




Discussion

Several members (stakeholder groups: supporting organizations, buyers/manufacturers) found the document clear and helpful but wish for a document that is ready to use rather than a comprehensive guidance document. Fair Trade Partners should support their Producer Operations in doing the analysis but the Scheme should also provide tools that are easy to understand.

It was reminded that this analysis is highly individual depending on the product and the supply-chain setting and that value-add can come in many forms, of which one may be adding of processing steps, but which could also take the form of improvement of growing practices to be more ecologically friendly, amongst others. It was reminded by the Scheme that the diagnosis is the first step in building a panorama on needs and challenges in order to develop further, more specific requirements where needed, based off the realities on the ground.

In this context, a member (stakeholder group: buyers/manufacturers) stressed the importance of pointing out environmental improvements as a way to reduce externalized costs.

One member (stakeholder group: buyers/manufacturers) added that also potential negative impacts should be considered in the diagnosis.


Intermediate
conclusion

Transfer the document into a template with explanatory notes as a voluntary tool for operations to use.

Add a section on the assessment of potential negative impacts.

A development need was identified for the following item:


to be
developed

Template for Value-Add diagnosis (based on the drafted guidance document)

Topic 2: Minimum and Living Wages for piece rate workers (FFL & FL)


Intent

The criteria for minimum wages and living wages aim for guaranteeing a decent wage for each worker whether he/she be permanently or temporarily contracted, and whether they are paid per time or per production.


Situation

The guidance of SOC-66 (Legal minimum wages) indicates that “In case of payment-per-production, the income of an average production day, without overtime, shall be calculated.”

The guidance of SOC-69 (Living wages) makes no reference to payment-per-production.

1. Clarify guidance for legal minimum wages:

Level	Ref.	Key words	Criteria	Clarification / Guidance
MUST Year 1	SOC-66	Legal minimum wages	The wages paid to ALL workers for normal working hours are equal to or higher than the official minimum wages or regulations of any applicable Collective Bargaining Agreements, whichever is higher. This principle is also respected and applied for work paid by task.	<i>This criterion is applicable for permanent and for temporary workers. In case of payment-per-production, the income of an average production day, without overtime, shall be calculated. the rate paid per production entity must ensure the worker to obtain at least the applicable legal minimum wage for standard working hours. To ensure this, the operation must realize a study on a reasonable production rate per hour or day, in order to calculate the adequate pay rate per production entity.</i>


Initial
Proposal

2. Specify that the same approach is applicable for paying the living wages:

MUST Year 3 or BONUS	SOC-69	Living wages	<p><i>Small Entity: BONUS Medium Entity, Large Entity: Year 3</i></p> <p>The employer can demonstrate that the wages (including existing social benefits, in-kind benefits and bonuses) paid to ALL workers for normal working hours are equal to or above living wages (see guidance).</p> <p>Otherwise, the employer shall provide a plan to progressively reach the living wage and apply this plan. A timeframe will be set depending on the available resources and means at the employer level.</p> <p>If no benchmark is available and it would be too complex to calculate the living wage, the employer shall prove that particularly good, participatory and inclusive wages agreements have been made, and this is confirmed by the workers.</p> <p>Best practice for the employer is to calculate wages in both local currency and hard currency (USD, EU, etc.).</p>	<p><i>A living wage is an income enabling a person to cover the basic needs of half an average sized family. Basic needs include essential expenses such as Food; Clean drinking water; Clothes; Shelter; Transport; Education; Energy / fuel; Legally mandated social benefits, and discretionary income / savings. Basic needs are calculated on the basis of local prices.</i></p> <p><i>Living wages can be calculated by:</i></p> <ul style="list-style-type: none"> - <i>recognized parties of the civil society (existing benchmark)</i> - <i>the employer itself, through surveys and workers' interviews.</i> <p><i>For payment-per-production, the same methodology as indicated for SOC-66 applies.</i></p>
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It was pointed out by some members (stakeholder groups: farmers, buyers/processors) that productivity can vary a lot amongst workers, especially for those workers that are still in the training phase.



Discussion

Some doubts were raised whether the payment of a minimum wage equivalent for these specific activities is feasible with the market pressures. In this context, the potential threat of replacing piece-rate jobs with machines, when criteria on remuneration become too requiring to remain competitive, was pointed out.

One member (stakeholder group: buyers/processors) stressed that a minimum wage equivalent should always be guaranteed, even to the slowest worker, but that it can be difficult for the living wage equivalent, especially if bonuses cannot be respected. Another member (stakeholder group: buyers/processors) stressed that there can be no 'low-cost fair trade' and that no workers should be excluded from the right to a living wage.



Intermediate conclusion

All members agreed that at least a minimum wage equivalent should be guaranteed also to piece-rate workers, independent from their productivity.

In addition, it was mostly agreed that a living wage equivalent should always be met, even for piece-rate workers.

Living wage equivalent should, however, be treated somewhat differently from the minimum wage equivalent in order to also account for productivity differences of workers still in training. Living wage equivalent should still be required for all workers, but bonuses, even the ones that are not guaranteed, should be considered in the calculation of the wage equivalent and longer transition periods could be acceptable.



Modification

Level	Ref.	Key words	Criteria	Clarification / Guidance
MUST Year 1	SOC-66	Legal minimum wages	The wages paid to ALL workers for normal working hours are equal to or higher than the official minimum wages or regulations of any applicable Collective Bargaining Agreements, whichever is higher. This principle is also respected and applied for work paid by task.	<i>This criterion is applicable for permanent and for temporary workers. In case of payment-per-production, the income of an average production day, without overtime, shall be calculated. the rate paid per production entity must ensure the worker to obtain at least the applicable legal minimum wage for standard working hours. To ensure this, the operation must realize a study on a reasonable production rate per hour or day, in order to calculate the adequate pay rate per production entity.</i>

MUST Year 3 or BONUS	SOC-69	Living wages	<p><i>Small Entity: BONUS Medium Entity, Large Entity: Year 3</i></p> <p>The employer can demonstrate that the wages (including existing social benefits, in-kind benefits and contractual bonuses) paid to ALL workers for normal working hours are equal to or above living wages (see guidance).</p> <p>Otherwise, the employer shall provide a plan to progressively reach the living wage and apply this plan. A timeframe will be set depending on the available resources and means at the employer level.</p> <p>If no benchmark is available and it would be too complex to calculate the living wage, the employer shall prove that particularly good, participatory and inclusive wages agreements have been made, and this is confirmed by the workers.</p> <p>Best practice for the employer is to calculate wages in both local currency and hard currency (USD, EU, etc.).</p>	<p><i>A living wage is an income enabling a person to cover the basic needs of half an average sized family. Basic needs include essential expenses such as Food; Clean drinking water; Clothes; Shelter; Transport; Education; Energy / fuel; Legally mandated social benefits, and discretionary income / savings. Basic needs are calculated on the basis of local prices.</i></p> <p><i>Living wages can be calculated by:</i></p> <ul style="list-style-type: none"> - recognized parties of the civil society (existing benchmark) - the employer itself, through surveys and workers' interviews. <p><i>For payment-per-production, the same methodology as indicated for SOC-66 applies. In this particular setting, bonuses and benefits that are not guaranteed may be considered in determining whether the living wage equivalent is paid.</i></p>
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Topic 3: Performance Rating (FFL & FL)



Intent

In addition to the verification of meeting the certification requirements, provide information to certified operations on their continuous improvement through a performance rating.

Provide certified operations with a tool to identify their strengths and weaknesses, areas for improvement and provides measure indicators for their development over time.

Instead of rating the different criteria merely as compliant or not compliant, FFL follows a rating approach from 0 to maximum 4 points, 2 being the rating for compliance.

It has shown to be a challenge to provide an accurate performance rating from the very first year, as it requires the auditor to check every criteria in depth during the first audit within a limited audit time.

The current audit cycle aims for the following:



Situation

Year	Type of audit	Audit Scope
1	Initial audit	Panorama of the overall compliance , rating of all criteria and identification of non-conformities, additionally focus on in-depth assessment of KO and MUST Year 1 and 2 criteria
2	Surveillance audit	Focus on in-depth assessment of MUST Year 2 and 3 criteria and follow-up on last year's non-conformities
3	Surveillance audit	Focus on in-depth assessment of MUST Year 3 and 4 criteria and follow-up on last year's non-conformities
4	Renewal audit	Focus on in-depth assessment of Year 4 criteria and follow-up on last year's non-conformities

Only after 4 years, each criterion will have been verified in depth. This leads to a risk of an inaccurate performance rating.



Initial Proposal

The proposed audit cycle would aim for the following:

Year	Type of audit	Audit Scope
1	Initial audit	Rating and focus in depth of criteria KO, MUST Year 0, 1 and 2 and identification of non-conformities
2	Surveillance audit	Focus on in-depth assessment of MUST Year 2 and 3 criteria and follow-up on last year's non-conformities
3	Surveillance audit	Focus on in-depth assessment of MUST Year 3 and 4 criteria and follow-up on last year's non-conformities
4	Renewal audit	Focus on in-depth assessment of Year 4 criteria and follow-up on last year's non-conformities Finally getting the panorama of the overall compliance

The operation finally gets its performance rating after having gone through a kind of “transition period” of 3 years, similar to the organic transition period, except that it can benefit from the Fair for Life logo as soon as it enters the program.



Discussion

One member (stakeholder group: retailers) mentioned that the performance rating itself creates confusion amongst buyers that do not know well the Fair for Life programme.

Several members agreed that percentage can be a very useful indicator to monitor progress particularly during the first years and confirmed that it is mostly used for internal purposes. It can be a motivation to increase performance. The percentage is less relevant for external communication.



All members agreed that the percentage should be calculated from the first year onwards. There was no strong objection that a difference could be made for external communication of that percentage, which could be possible once a full certification cycle was completed and a renewal audit was carried out (in Year 4).

As there was no strong favour for changing the current methodology, no modification will be implemented at this stage.



No modification.

Topic 4: Valorization of family labour (FFL)



The criteria for minimum wages and living wages aim for guaranteeing a decent wage for each worker. Likewise, the activities realized by producers and/or collectors shall not be valorised less than at the applicable minimum wage.



The guidance of TRAD-34 (Production cost) specifies that family labour is to be considered in the calculation. However, there is no clear guidance on what this implies.



Clarify that labour of producer and his/her family must be considered at least with the equivalent of the legal minimum wage. It means that the work of the producer and his/her family should not be less valorised than if all work was given to contracted workers:

Level	Ref.	Key words	Criteria	Clarification / Guidance
MUST Year 2	TRAD-34	Production costs	<p><i>Year 1 and 2: First estimates are expected</i> <i>Year 3: Detailed estimates are expected</i></p> <p>The Producer operation implements and regularly updates a study of the production costs, as basis for price negotiations (Fair Trade Floor price). External studies performed by recognized governmental or non-governmental agencies and adequately addressing the local context can be accepted.</p> <p>In all cases, the production costs shall include:</p> <ul style="list-style-type: none"> - costs of the raw materials (e.g. for contracted / organized production, costs at individual producer level, see guidance 1) - collection and transport costs - costs for extension and ICS - processing costs - organizational costs - minimum safety profit margins (recommended: 10%) - and other specific costs for Fair for Life compliance (see guidance 2). <p>If there are any intermediaries buying the raw materials from sub-groups, or in the</p>	<p><i>1) Costs at producer level: Materials / tools used for production, inputs and labour (including own and all family labour and guaranteeing at least the equivalent of a legal minimum wage), typical costs for land (if applicable), in an ideally efficient production unit of a typical size.</i></p> <p><i>2) Fair for Life compliance costs: certification costs, raising wages to living wage beyond minimum wage, etc. -but not the costs for complying with statutory legal requirements.</i></p>

			<p>exceptional case where the Producer operation buys from other producer groups, cost calculations shall be transparent and shall include the margins of the intermediaries / producer groups.</p> <p>When setting prices for collectors, the study can be based on a rough estimation of the necessary minimum income for collectors.</p>	
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Discussion

Several members mentioned that not the actual time spent by the producer should be so relevant, but the functions/activities. It unlinks the cost from the productivity which can be very different for a farmer than for a hired worker. In addition, time tracking can be difficult on the producer level, because activities could be spread during the day according to needs. For some products, average time needed for specific activities is already available in studies.



Intermediate conclusion

The calculation of own and family labour should not be linked to worked hours, but to standard working times for the activities carried out by the producer, in order to account for the individual and flexible organisation of work by the producers which cannot be compared with classical employment situations.



Modification

Level	Ref.	Key words	Criteria	Clarification / Guidance
MUST Year 2	TRAD-34	Production costs	<p><i>Year 1 and 2: First estimates are expected</i> <i>Year 3: Detailed estimates are expected</i></p> <p>The Producer operation implements and regularly updates a study of the production costs, as basis for price negotiations (Fair Trade Floor price). External studies performed by recognized governmental or non-governmental agencies and adequately addressing the local context can be accepted.</p> <p>In all cases, the production costs shall include:</p> <ul style="list-style-type: none"> - costs of the raw materials (e.g. for contracted / organized production, costs at individual producer level, see guidance 1) - collection and transport costs - costs for extension and ICS - processing costs - organizational costs - minimum safety profit margins (recommended: 10%) - and other specific costs for Fair for Life compliance (see guidance 2). <p>If there are any intermediaries buying the raw materials from sub-groups, or in the exceptional case where the Producer operation buys from other producer groups, cost calculations shall be transparent and shall include the margins of the intermediaries / producer groups.</p> <p>When setting prices for collectors, the study can be based on a rough estimation</p>	<p><i>1) Costs at producer level: Materials / tools used for production, inputs and labour (including own and all family labour and guaranteeing at least the equivalent of a legal minimum wage for the standard time needed for the respective activities), typical costs for land (if applicable), in an ideally efficient production unit of a typical size.</i></p> <p><i>2) Fair for Life compliance costs: certification costs, raising wages to living wage beyond minimum wage, etc. -but not the costs for complying with statutory legal requirements.</i></p>

			of the necessary minimum income for collectors.	
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Topic 5: Living Income (FFL)



Intent

Ensure one of the Fair Trade movement's most fundamental objective – the change of conventional trade relationships towards relationships that allow smallholders to make a decent living.

FFL ensures the payment for prices that cover at least the production cost of producers, including a safety margin. In combination with the requirement for Fair Trade Partners to increase FFL sourcing (POL-19), promote diversification (EMP-17), provide pre-financing to allow necessary investments (TRAD-20) and provide access to market information (EMP-21); and with the encouragement of Producer Operations to seek product diversification (EMP-15) and value addition (POL-11), FFL aims to support producers in reaching a decent income.



Situation

However, a decent income depends on several factors and concerns different stakeholders. The situation is more complex than in an employment situation, as sources of income may be diverse and the actual ability to reach a decent living depends on various factors (productivity, price volatility, cost of production, other sources of income, access to public infrastructure, practice of subsistence farming etc.) The responsibility for ensuring a living income is not as clearly defined as it is the case in the setting of an employer-employee relationship. Additionally, the information on additional sources of income is generally not shared by the producers which makes it difficult to assess the actual income of the producer households.

In this context, the guarantee of fair prices for a FFL product may in some settings not be enough to ensure a living income for farmers. In these cases, the complementary requirements mentioned weigh heavier but relate mostly to mid- to long-term improvements. Particularly in the case of limited volumes purchased, a producer selling the certified product may not yet be able to earn a living income.



Initial Proposal

1. **Definition of Living Income:** base the definition of the FFL definition for living wages (SOC-69).

A living income is an income enabling a person to cover the basic needs of ~~half~~ an average sized family. Basic needs include essential expenses such as Food; Clean drinking water; Clothes; Adequate shelter; Transport; Education; Energy / fuel; ~~Legally mandated social benefits~~, Health care, and discretionary income / savings.*

~~Half~~: consider the whole family as in the smallholder context family is normally involved in the farming and does not necessarily have an income from employment

~~Legally mandated social benefits~~: specific to employment settings

** health care is currently not yet listed as an item for Living Wages, to be adjusted (see document Information on additional proposals for modification)*

2. **Develop a proposal for a Living Income requirement including the following elements:**
 - Producer Operations should be aware of a Living Income in the local context
 - Producer Operations should be aware of their contribution to a Living Income through their FFL purchase share that is, in average, covered by FFL purchases

3. **Based on identified challenges, prepare mid-term proposal for reviewed criteria linked to living income – both for Producer Operations and for Fair Trade Partners**

One member (stakeholder group: buyers/processors) suggested to include healthy environment as an item in the definition of living income: Live in an area without pollution or floods, living income must allow farmers to live in a healthy environment, both within the house and in the environment.

A member pointed out that limited volumes can also occur if product is requested to comply with several standards besides FFL (e.g. Organic, specific quality specifications), not only because of limited demand by the buyer or partial dedication by the producer.

In regards to how the role of a buyer could be defined in terms of proportional contribution to producers living income, one member (stakeholder group: buyers/processors) mentioned that it should be linked to the concept of a full-time employment position, based on existing methodology to calculate a farmer's full time position.

Two members (stakeholder groups: retailers; buyers/processors) stated that the living income must relate to the yield in the production field defined as the target, following the adequate production methods. Also, different types of production system, agroforestry may not result in the same yield as monoculture, therefore also effort needs to be valued and a good system. Yield is only one indicator to identify the adequate efforts of a farmer, besides ecological services, for example.



Discussion

One member (stakeholder group: buyers/processors) pointed out that producers normally know well what are their incomes and whether these correspond to their efforts. However, another member (stakeholder group: supporting organizations) added that it can be very helpful to put this knowledge in figures in order to have a base for discussion and negotiation.

One member (stakeholder group: buyers/processors) reminded that it should not be forgotten, that farmers normally have several sources of income, and farming is only one of those. In addition, many have subsistence farming which contributes to the living in a non-monetarized way. It is therefore difficult to link the living income only to the main crop of a farmer.

One member (stakeholder group: buyers/processors) reminded that since this calculation seems to be a very complex process, it must be made very clear to the involved actors what is expected from them.



Intermediate conclusion

There was no objection on adopting the proposed living income definition.

Overall, it was not considered obligatory for a producer to calculate a living income, but seen as a useful exercise to improve the understanding

It was not deemed feasible or practical to try to calculate the share of a FFL Buyer in the producers' income, given the complexity of the composition of producers' incomes: potentially several sources of income on- and off-farm, contribution to the living of subsistence farming, etc. However, the concept of a full-time employment position was considered useful.

The calculation of a fair price that contributes appropriately to a living income should be linked to production indicators. These should include yield but also other indicators such as provision of ecological services.

Before implementing a standard modification in this regard, a clear methodology must be defined.



Modification

No modification yet at this point. The feedback of the Scheme Committee members will be considered during the development of a proposal for modification. A focus will be made on allowing that the Living Income concept serves as a tool to empower producers to reflect on their income structure and have a sound base for price negotiations, a process which should be supported by the Producer Operation and the Fair Trade Partner as much as possible through providing information and technical support.

Topic 6: Worker representative invitation to Exit Meeting (FFL & FL)



Intent

Ensure that the workers' concerns and comments are considered during the audit and that they are informed about the outcomes of the audit



Situation

According to the FFL & FL Certification process, workers' representatives and union representatives must be included in the workers interviews during the audit.

It is required to inform workers / producers of the outcome of the certification process (e.g. information on final audits findings displayed; information meetings). It is currently encouraged, but optional to invite the workers' representative in the exit meeting.



Initial Proposal

Assess pros and contras for requiring certified operations to invite the workers' representatives to the exit meetings.

Most of the members were rather neutral and did not have strong inclination for making it obligatory to invite workers representations, but also not against it. In general, the majority agreed that a higher degree of transparency is something to strive for.

It was suggested by a member that only the invitation of workers representations should be mandatory but not their presence.

Several members (stakeholder group: buyers/processors) pointed out that some issues may arise with the level of information shared with workers. Exit meetings include detailed discussions for which not all may be relevant to workers, or even confidential. It may also lead to a situation where more time is needed because persons that were not involved during the whole audit are presented with the outcomes in the closing meeting and may need contextualizing. It was pointed out that the most essential would be to have the relevant managers participating in the exit meeting in order to commit on relevant corrective actions.

It was assessed whether it would make more sense to strengthen the already required communication mechanisms through which stakeholders are informed on the audit outcomes and focus on ensuring non-selective communication of these outcomes.

One member (stakeholder group: buyers/processors) suggested to inquire directly with auditors what they think about the suggestion to require invitation of workers representatives in the exit meeting.



Discussion



Intermediate conclusion

While there was no strong objection from the members against requiring the invitation of workers' representatives to the exit meeting, there were some concerns whether this modification would effectively improve the knowledge and involvement of these representatives regarding the certification process. Overall, it was seen more useful to strengthen the assessment of the communication mechanisms with stakeholders (including the workers' representatives) and to specify the minimum scope of these communications.



Modification

Clarification of the corresponding Guidance:

Level	Ref	Key words	Criteria	Guidance
MUST Year 2	MAN-5	b)	Adequately inform workers / producers on audit findings and the outcome of the certification process (e.g. information on final audits	The communication channel used must be adequate and accessible to the workers and producers, e.g. written information displayed; information meetings).



			findings displayed; information meetings).	<i>As part of this process, workers / producers' representatives can be invited to the exit meeting.</i>
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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	Doubts and recommendations from Scheme Committee Members	Response from the FFL & FL Scheme Owner Management	 Final modification				
POL-2 CSR Policy (FL)	Include in the CSR policy the commitments towards the company's suppliers.	None	N/A	There is written CSR Policy, signed by top management, covering the following key commitments: <ul style="list-style-type: none"> - Long-term commitment to comply with national labour laws and with For Life certification requirements and to continuous improvement within these requirements; - A summary of the rights and responsibilities of the management and workers with regards to basic workers' rights, conditions of employment, living conditions (if applicable), basic services, occupational health and safety, and training opportunities, and community relations; - Commitments related to community relations, including the rights of indigenous people, where applicable; - Commitments related to environmental responsibility; - Commitments related to the liability towards final consumers; - Commitments related to a fair relationship with suppliers, including those related to contract terms; - Producer Operations: If applicable, additional commitments with regards to contracts with producers, pricing, rights of indigenous people, etc. 				
TRAD-28 to TRAD-33 Relation to Producers (FL)	In order to guarantee a minimum protection of producers even if they are not included in the FL certification, apply the requirements for pricing and payment rules to all companies/organizations buying from producers, whether they wish to include the individual suppliers in the certification in order to label the product, or whether they	None	N/A	<table border="1" data-bbox="1249 1075 1900 1344"> <tr> <td data-bbox="1249 1075 1453 1149">Operations concerned</td> <td data-bbox="1453 1075 1900 1149">FFL: Producer Operations – Contracted / Organized Production; FL: All Operations</td> </tr> <tr> <td data-bbox="1249 1149 1453 1344">Additional clarifications</td> <td data-bbox="1453 1149 1900 1344"> For FFL, the below criteria only apply to Producer Operations within which direct purchases to from Producers are made. For FL, they apply to all operations that purchase from producers, even if those are not included in the certification. </td> </tr> </table>	Operations concerned	FFL: Producer Operations – Contracted / Organized Production; FL: All Operations	Additional clarifications	For FFL, the below criteria only apply to Producer Operations within which direct purchases to from Producers are made. For FL, they apply to all operations that purchase from producers, even if those are not included in the certification.
Operations concerned	FFL: Producer Operations – Contracted / Organized Production; FL: All Operations							
Additional clarifications	For FFL, the below criteria only apply to Producer Operations within which direct purchases to from Producers are made. For FL, they apply to all operations that purchase from producers, even if those are not included in the certification.							

	only wish a company certification.		
ELIG-2 and ELIG-3 Definition of Landgrabbing (FFL & FL)	Include a definition for land grabbing in the glossary.	None	N/A
LOC-1 Legal rights (FFL & FL)	Require implementation and documentation of Free Prior Informed Consent before extending activities on area owned or used by indigenous peoples and/or local communities. Include a definition for Free Prior Informed Consent.	(stakeholder group: Buyers/processors) Recommendation to refer to the RSPO standard. Observation that, for the consent, it is difficult to proof that it was given freely. Sometimes there are underlying pressures and people do sign contracts, but still feel forced. Recommendation to always include a neutral third party organization or similar in such a process or do stakeholder hearing processes like FSC.	Include the item of compensation measures. Include that for the FPIC process, in addition to the direct stakeholders, a third party organization shall be included in the consultation process. Additionally, clarify that FPIC must be implemented for all undertakings from the date the reviewed criterion comes into effect, while the responsible handling of disputes is applicable to all operations, even if operations on the affected land started already in the past.
SOC-69 Living Wages (FFL & FL)	Include Health Care as item to be considered in the Living wage calculation.	(stakeholder group: Buyers/processors) Recommendation to also include the item healthy environment.	For shelter, include reference to SOC-52, where adequate housing is described.

Land grabbing - the control (whether through ownership, lease, concession, contracts, quotas, or general power) of larger than locally-typical amounts of land by any person or entity (public or private, foreign or domestic) via any means ('legal' or 'illegal') for purposes of speculation, extraction, resource control or commodification at the expense of peasant farmers, agroecology, land stewardship, food sovereignty and human rights.

Level	Ref.	Key words	Criteria
MUST Year 1	LOC-1	Legal rights	<p>The Operation holds valid, legal and undisputed land use and tenure rights (including resource use rights such as water use, see guidance).</p> <p>From 1st June 2020 onwards, before undertaking operations on land legally or customarily owned and/or used by indigenous peoples and/or local communities, a binding agreement, including compensation modalities, shall be concluded with the parties through a transparent, accessible and documented Free Prior Informed Consent (FPIC) process. At least one relevant third party organization (non-governmental and non-profit) shall be included in the process.</p> <p>In any case, if there are any disputes, they are documented and handled responsibly. If compensation measures are necessary, they are mutually agreed with the affected parties and implemented in a timely manner.</p>

Free Prior Informed Consent - The right to participate in decision making and to give, modify, withhold or withdraw consent to an activity affecting the holder of this right. Consent must be freely given, obtained prior to implementation of such activities and be founded upon an understanding of the full range of issues implicated by the activity or decision in question.

"A living wage is an income enabling a person to cover the basic needs of half an average sized family. Basic needs include essential expenses such as Food; Clean drinking water; Clothes; adequate shelter (as described in SOC-52); Transport; Education; Healthcare; Energy / fuel; Legally mandated social benefits, and discretionary income / savings."

4.c. Additional written consultation on Communication Rules (Annex III and CONS-5)



Intent

Ensure that communication on the certification status of ingredients and products is true. Clarify the rules for communicating this status for actors that are not committed with a CB for FFL/FL certification or registration.



Situation

Companies may wish to communicate on FFL or FL, even if they themselves are not committed to the Standard. Currently there is a lack of clear rules that ensures that controlled operations remain with privileges for communicating on the certification and that there is no misleading of consumers for these settings.

Additionally, for FFL, there is currently no clear rule which reflects the situation where companies buy directly from FFL Producer Operations, but do not commit to be certified as Fair Trade Partners. As in these settings the core Fair Trade principles are not guaranteed in the transaction between Producer Operation and Buying Company, this company should not be able to claim that it is purchasing a FFL certified ingredient.

1. Clarify the term FFL certified quality:

Fair for Life certified quality – The certification status of a specific batch/lot of an ingredient or product.

A specific batch/lot of an ingredient/product obtains its FFL certified quality through the implementation of the core fair trade principles as defined by the Scheme in the economic transaction for this batch/lot between a certified Producer Operation and a certified Fair Trade Partner. Ingredients/products that are sold by a Producer Operation to a non-FFL certified operation do not possess the FFL certified quality. From the Fair Trade Partner downstream the FFL certified quality is maintained only as long as all actors in the supply-chain are FFL certified or registered.

Exception: Producer Operations, which are at the same time Brand Holders, may claim the FFL certified quality of the final consumer products sold under their own brand even without the involvement of a certified Fair Trade Partner.

2. Clarify the rules to be followed on invoices and other transaction documents:



Proposal

MUST Year 1	CONS- 5	Invoices	The certification status of the product/service is clearly mentioned on transaction documents (such as wholesale labels issued by the Operation), according to the rules set in Annex III.	<p><i>For Producer Operations, this is required for sales between the Producer operation and its FFL certified or registered buyers, but not for sales within a Producer operation.</i></p> <p><i>Producer Operations and Conveyors must not make reference to the FFL certified quality of the ingredients/products on transaction documents to buyers which are neither FFL certified nor registered (see Annex III).</i></p>
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3. Amend Annex III: Communication rules

Fair for Life	For Life
<i>These rules apply to any stakeholder who wishes to make reference to the certification and/or the Scheme and to any materials issued for external communication purposes such as</i>	

sustainability reports, catalogues, samples, product description, advertisements, websites, labels, etc. If such materials display the seal or any type of references to the certification and/or the Scheme, they must be submitted to the CB for approval prior to release.

All operations

Certain statements are not permitted:

- The seal and any reference to the certification may only be associated with certified products.
- ~~For the products to be marketed in France, the words “certification”, “accreditation”, “agrément” and their derivatives are not to be used in relation to the seal, or in any other reference to the certification.~~
- For texts containing a reference to the status or type of a Producer operation, there must not be any ambiguous content (e.g. contract companies or industrial plantations / commercial farms may not be referred to as "cooperatives" or "organized producer group" or other similar expressions).

Producer Operations

For Producer operation, additional rules apply for the claims of the FFL certified quality of ingredients/products made in transaction documents such as wholesale labels, technical datasheets, instructions, invoices, delivery receipts, etc. (see CONS-5):

- Attribution of the FFL certified quality to the sold product in transaction documents is only allowed for sales to FFL certified Fair Trade Partners or FFL certified or registered Conveyors; and
- For sales to entities that are not FFL certified or registered, only claims regarding the valid FFL certification and/or registration of the Producer Operation and/or the FFL Conveyor are allowed. The claims must not be linked to the sold products/batches and must not create the impression that the sold ingredients/products are FFL certified.

Special cases and restrictions

Additional rules apply to entities that:

- 1) have not contracted with the CB, but are included in the certificate of a certificate holder (such as Producers within a Producer Operation);
- 2) are registered (such as registered subcontractors, intermediate traders, etc.); or
- 3) have not contracted with the CB, but wish to make general mention of the scheme or claims on their sourcing in corporate communication (e.g. sustainability reports, website etc.), publications etc.

<p>1) Entities included in the certificate of another Operation</p> <p>Entities included in the certificate of other Operations (e.g. Producers within a Producer Operation) are not allowed to communicate information externally about the certification, except as authorised by the related certificate holder.</p> <p>Still, they can use the seal or refer to the certification for ensuring product traceability. This may be displayed on transaction documents such as wholesale labels, technical datasheets, instructions, invoices, delivery receipts, etc. issued exclusively within the certified supply-chain.</p>	
<p>2) Registered entities</p> <p>Registered entities may use the seal or refer to the registration / the scheme on transaction documents such as wholesale labels, technical datasheets, instructions, invoices, delivery receipts, etc. for the purpose of ensuring product traceability.</p> <p><i>Exception:</i></p> <p><i>Conveyors may only indicate the FFL certified quality on transaction documents to FFL certified Fair Trade Partners.</i></p> <p><i>Subcontractors may only indicate the FFL certified quality on transaction documents to FFL certified or registered operations.</i></p> <p><u>For corporate communication</u>, the same rules as for third parties apply (see Section 3 below). In addition, registered operations that are directly contracted with the CB may use the following mention to inform on their registration:</p> <p style="padding-left: 40px;"><i>Registered according to the Fair for Life Standard and authorized to handle products within Fair for Life certified supply-chains</i></p> <p style="padding-left: 40px;">or</p> <p style="padding-left: 40px;"><i>Registered for Fair for Life certified supply-chains</i></p> <p>If the FFL seal is used, it must be placed close to this mention.</p>	<p>2) Registered entities</p> <p>Registered entities may use the seal or refer to the registration / the scheme on transaction documents such as wholesale labels, technical datasheets, instructions, invoices, delivery receipts, etc. for the purpose of ensuring product traceability.</p> <p><i>Exception:</i></p> <p><i>Subcontractors may only indicate the FL certified quality on transaction documents to FL certified or registered operations.</i></p> <p><u>For corporate communication</u>, the same rules as for third parties apply (see Section 3 below). In addition, registered operations that are directly contracted with the CB may use the following mention to inform on their registration:</p> <p style="padding-left: 40px;"><i>Registered according to the For Life Standard and authorized to handle products within For Life certified supply-chains</i></p> <p style="padding-left: 40px;">or</p> <p style="padding-left: 40px;"><i>Registered for For Life certified supply-chains</i></p> <p>If the FL seal is used, it must be placed close to this mention.</p>
<p>3) Non-committed entities</p> <p>Entities that are not committed with a CB for registration or certification may make reference to the scheme only after contractually committing with Ecocert as scheme owner to respect the rules of logo use defined by the Scheme.</p> <p><i>Example: non-certified buyers, supporting organizations, partners etc.</i></p> <p>As a general rule, operations that purchase directly or indirectly from FFL certified and/or registered operations but are themselves neither FFL certified nor registered, may only</p>	<p>3) Non-committed entities</p> <p>Entities that are not committed with a CB for registration or certification may make reference to the scheme only after contractually committing with Ecocert as scheme owner to respect the rules of logo use defined by the Scheme.</p> <p><i>Example: non-certified buyers, supporting organizations, partners etc.</i></p> <p>As a general rule, operations that purchase directly or indirectly from FL certified and/or registered operations but are themselves neither FL certified nor registered, may only</p>

<p>communicate on the certification status of their direct and indirect <u>suppliers</u>. Claims may be done in their corporate communication only.</p> <p>Only if the ingredients/products are purchased in FFL certified quality (i.e. the direct supplier is certified or registered AND there is a certified Fair Trade Partner upstream), they may also claim that the <u>purchased ingredients/products</u> are FFL certified.</p> <p>Use of the FFL seal is permitted within the rules of logo established by the Scheme.</p> <p>The communication must not create the impression that the ingredients/products SOLD by the third party are FFL certified.</p>	<p>communicate on the certification status of their direct and indirect <u>suppliers</u>. Claims may be done in their corporate communication only.</p> <p>Only if the ingredients/products are purchased in FL certified quality (i.e. the direct supplier is certified or registered), they may also claim that the <u>purchased ingredients/products</u> are FFL certified.</p> <p>Use of the FL seal is permitted within the rules of logo established by the Scheme.</p> <p>The communication must not create the impression that the ingredients/products SOLD by the third party are FL certified.</p>
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Feedback was received from the stakeholder groups buyers/processors and retailers.

One member pointed out that the rules seem to create more complexity and potentially restrict the marketing channels for certified operations – for example to operations that are certified under a different fair trade scheme.

Definition:

It was suggested to clarify the definition of “Fair for Life certified quality” and include that this quality is not only obtained once the Fair Trade Partner is FFL certified, but that this buyer must have the respective ingredient/product approve on its FFL certificate.

CONS-5:

A member pointed out the difficulty in implementing the different invoices, labels etc. for sales to FFL and to non-FFL buyer. It was suggested to waive the requirement to indicate FFL quality on invoices, labels etc. and instead require a separate special form to be passed to the customer listing lot code and FT status.

Rules for non-committed entities:

The rules do not seem clear yet to a member. Concrete examples would help. There was a doubt especially on how the FFL logo could effectively be used without creating the impression that products sold are certified, and some concern that companies would no longer be encouraged to become certified by giving them the possibility to communicate on FFL/FL.



Response from the FFL & FL Scheme Owner Management

The main intent of this change is to protect producer operation from non-certified buyers that request FFL quality but are not willing to fulfil their Fair Trade Partner responsibilities. It is a try to strengthen the communication of the actually committed companies, by limiting the possibilities for non-certified companies to communicate on FFL Fair Trade certification status.

Definition:

As FFL certified operations are controlled on an annual basis and purchase of ingredients identified as FFL certified without being approved as Fair Trade Partner for them will be flagged during the audit, the initially proposed definition is maintained in order to reduce the complexity for Producer Operations.

CONS-5:

Considering the potential difficulties for operations to implement different labels according to the certification status of their buyers, the requirement of identifying the FFL quality on the labels is adjusted with the possibility to identify it on accompanying documents instead). However, on the invoices, the quality must be indicated correctly to FFL buyers.

Rules for non-committed entities:

The initial proposal is maintained as all communication will be assessed individually to assess the risk for misleading. The objective of the introduced rules is to set limits to the communications of non-committed entities and strengthen the privileges of the certified operations. Only the latter one can make reference to FFL/FL on products and can link the mention to the own company and products.

Same as initial proposal, except for the following additional modification for CONS-5 in order to allow FFL on accompanying documents instead of labels:

 **Modification**

MUST Year 1	CONS-5	Invoices	The certification status of the product/service is clearly mentioned on invoices, labels (or accompanying documents) and delivery notes issued by the Operation, according to the rules set in Annex III.	<p><i>For Producer Operations, this is required for sales between the Producer operation and its FFL certified or registered buyers, but not for sales within a Producer operation.</i></p> <p><i>Producer Operations and Conveyors must not make reference to the FFL certified quality of the ingredients/products on transaction documents to buyers which are neither FFL certified nor registered (see Annex III).</i></p>
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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
Minimum and Living Wage to piece rate workers	All FFL or FL operations working with piece rate workers	Study on a reasonable production rate to enable minimum and living wage must be carried out and necessary measures taken. (Was expected from operation before but not explicitly written in the Standard.)
Valorization of family labour	All FFL operations making use of family labour (mainly smallholder producers or small-scale processors or wild collectors).	Family labour must be considered in the production cost calculation with at least the equivalent of a legal minimum wage for the standard time needed for the respective activities. (Was expected from operation before but not explicitly written in the Standard.)
Information of stakeholders on audit outcomes	All operations	Minimum requirements regarding content and modality of the communication to stakeholders must be respected. (Was expected from operation before but not explicitly written in the Standard.)
CSR Policy	All FL operations	CSR Policy must be updated and now include commitments towards suppliers
Relationship to Producers	All FL operations buying from producers	Pricing and payment rules must be respected for all purchases from producers, even those not included in the FL certification scope.
Legal rights	All operations extending their activities	Free Prior Informed Consent process must be carried out and documented before taking up activities on land owned or used by indigenous peoples and/or local communities.
Living Wages	All operations	Healthcare must be included in the living wage calculation. (Was expected from operation before but not explicitly written in the Standard.)
Communication Rules	All FFL Producer Operations selling to non-FFL Buyers	Invoices, shipping documents, labels (or accompanying documents) must be corrected to not show the FFL quality of the product for sales to non-FFL buyers.
	FFL and FL Registered operations	Allowed to use the FFL / FL reference and logo under certain conditions. (Less restrictive than previously).
	Non FFL/FL operations buying from FFL/FL Supply-chains	Rules for communication on sourcing must be respected. (Was expected from operation before but not explicitly written in the Standard.)

6. 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.