



FFL & FL Scheme Committee Consultation Report 2021

May 2022

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 systematic revisions to discuss about modifications that are proposed by the standard holder in order to improve the applicability, relevance 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 Protocols 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.

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1. Scheme Committee Role, Composition and Methodology

The Fair for Life (FFL) and For Life (FL) Standards are continuously evolving and adapting to the evolution of society and the economy. Major, systematic Programme revisions are organized every 3 to 5 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 2021, the Scheme Committee members that had been previously involved were contacted to confirm their wish to continue in the Committee and some member seats were opened for new members.

A call for application was sent on 7th July, 2021 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 1st September, 2021.



Online discussions to challenge and adjust proposals were organized. 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 split in two groups in order to cover all time zones. These meetings were held on 21st October and 26th October 2021.
- The second meeting was held on 3rd November 2021.

Complementary to the discussions with the Scheme Committee, a round of **focus groups** was carried out in March 2022 with experts from the Cosmetic sector in order to discuss a proposal for modifications linked specifically to cosmetic products. The methodology and conclusions of these discussions are included in Annex I.

The following table shows the committee members:

	Name	Company/Organization	Country
 Farmers	Martin R. Wainaina	Athi River Oils	Kenya
	Pilar Martinez	Cosecha Partners	Nicaragua
	Ramesh Patel	Cultivator	India
	Mathieu Chaumont	Harmless Harvest Thailand	Thailand
	Leandro Bin	Native	Brazil
	Tusitina Nu'uvali	SerendiCoco	Samoa
 Buyers/ processors	Oona Bijasson	Biopartenaire	France
	Damien François	Bjorg Bonnetterre et Cie (Alter Eco) Dr.	France
	Julia Edmaier	Dr. Bronner's	USA
	Justine Humbert	Laboratoire M&L	France
	Rebecca Fields	Pukka	UK
	Mandy Anhalt	Sambazon	Brazil/USA
 Retailers	Nathalie Vaquant	Biocoop (SA Coop)	France
 Consumers	(No application)		
 Support organizations	Julien Gonnet	Nitidae (former Rongead)	France
	Tamara Cobussen	World Fair Trade Organization (WFTO)	Netherlands

2. 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 and other stakeholders and 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?

3. Summary of changes

The tables below show a summary of the discussed topics and resulting modifications. Details for each proposal can be found in Chapter 5 and, for the modifications linked to cosmetic products, in Annex II. While some of the modifications will be implemented in the upcoming updated standard version (Publication planned for May 2022), some will be integrated only in the Standard updates following the next intermediate or full revision, whichever comes first (see also Section 6 of this document).

Implementation in upcoming Standard Version (May 2022):

Topic	Reference in FFL/FL Standard	Current rule	New rule
Textile/Leather	Introduction	Pre-requisite for FFL/FL certification is a valid GOTS or ERTS certification.	New pre-requisite for FFL/FL product certification is: OEKO-TEX 100 Standard or OEKO-TEX Leather Standard (at least class ii) – unless covered by an existing certification (GOTS, ERTS Level 2, IVN Naturtextil Best, IVN Naturleder) Additionally, all certified operations must ensure that suppliers of chemicals used for FFL/FL certified products meet ZDHC MRSL Level 1 (Third-Party Verification of inputs in regards to banned chemicals in textile/leather processing) – unless covered by an existing certification (GOTS, ERTS Level 2, IVN Naturtextil Best, IVN Naturleder, GRS).
	Chapter 2.0	If GOTS is available, the Chapter 2 (Social Responsibility) can be considered as compliant during the FFL/FL audit and is not re-audited.	Considered further textile standards as proof of compliance for chapter 2 (Social Responsibility) or 3 (Environmental Responsibility). Improved presentation of the accepted proofs through a new Annex (FFL: Annex VII; FL: Annex VI).
	Certification Protocol	For non-key operations (intermediate traders or subcontractors) the same rules as for other sectors apply: They must minimally be registered, in exceptional cases certified.	Pure traders: no change Processors: require FFL/FL certification – unless a standard covering social and environmental compliance and product safety is in place (GOTS, ERTS Level 2, IVN Naturtextil Best, IVN Naturleder; or GRS in combination with OEKO-TEX)
Cosmetics	Terms and Definitions	N/A – new definitions	Included the definitions for different types of agricultural and synthetic ingredients
	Annex I	<u>Calculation of 2 percentages</u> in order to determine the labelling category 1. % of FFL/FL ingredients out of all ingredients, excluding salt, water, minerals AND	Introduced concept of complex chemically processed agricultural ingredients (complex CPAI). Calculate FFL/FL percentage out of agricultural ingredients excluding complex CPAI, i.e. exclude all of the following from the calculation of the first percentage: - Water, salt and minerals

	2. % of FFL/FL ingredients out of total weight	- Complex CPAI - Synthetic ingredients
Annex I	Definition of <u>thresholds</u> in order to reach the labelling categories ‘FFL/FL product’: - 70% out of all ingredients excluding salt, water, minerals - 10% out of total weight ‘Made with FFL ingredients’: - 10% out of all ingredients excluding salt, water, minerals - 5% out of total weight	Increased thresholds for first percentage (agricultural ingredients excluding complex CPAI) to 80% for ‘FFL/FL product’ and 20% for ‘Made with FFL ingredients’
Annex I	Calculation of FFL/FL percentage for <u>aqueous extracts</u> : Same as for other products: consider total input weight	Calculation of FFL/FL percentage for aqueous extracts: consider output weight
CONS-25	Blacklist of prohibited synthetic preservatives	Further restricted use of synthetic ingredients: Whitelist of allowed synthetic ingredients
Annex II	Approval mention on final products: “XX % of the total ingredients (or of the agricultural ingredients, or of the total fibres) are Fair Trade/Social Responsibility certified”	For cosmetics, the following mention must be used: “XX % of the total ingredients are Fair Trade/Social Responsibility certified” It can be accompanied by a second percentage.
CONS-5	Labels or accompanying documents must indicate FFL/FL certification status of the product.	Clarification/formalization of already required practice: for multi-ingredient products sold B2B, labels or accompanying documents must indicate the FFL/FL percentages (FFL/FL content out of total weight, and specific FFL/FL content based on a calculation other than total weight, according to the sector, as defined in Annex I)

Implementation as part of next revision:

Topic	Reference in FFL/FL Standard	Current rule	Proposed rule
Guarantees in Contract Production Settings	TRAD-14 (FFL only)	Partnership Framework Agreements with individual producers within producer group settings are a Bonus requirement.	<p>In contract production settings, Partnership Framework Agreements must be set up by the contracting company with individual producers or their representative bodies (MUST Year 2).</p> <p>It is recognized that a contracting company may not be in the position to commit to long-term guarantees if it cannot yet rely on guarantees by its buyer. Therefore, this requirement must be met only once a PFA is signed between the contracting company and a Fair Trade Partner for the concerned ingredient (not later than 1 year after the respective PFA is signed).</p> <p>The PFA with the producers shall include the same commitments as is required on the level of PFAs between Fair Trade Partners and Producer Operations, including Floor Price and Floor Volumes.</p>
Temporary disruptions	Annex V	A separate request is sent by the operation for each specific case of disruption. The timeline of the granted derogation is up to 1 year.	Proposal to implement a more systematic, long-term derogation for committed fair trade partners. No modification to standard at this point, a pilot will be performed first to test and fine-tune the proposal
Retailers	Certification Protocol	Retailers are out of the FFL verification scope, unless they wish to certify a product under their own brand, in which case the Retailer Policy applies.	Proposal to introduce a voluntary verification for committed retailers who support FFL brands. No modification to standard at this point, a survey on the relevancy and urgency of this topic will be performed first.
Working animals	Chapter 3 Environmental Responsibility	N/A – new requirement	Require compliance with 5 freedoms for any animal on-site that is involved directly or indirectly with the FFL/FL certified product

4. Summary of implementation timeline and impacts on certified operations

The following table lines out the implementation timelines and the potential impact of the above presented modifications on certified operations. Appropriate transition modalities and periods considering these impacts will be defined.

Topic	Timeline for modification of standard documents	Date of new rules entering into effect	Operations affected by the modification	Impact on affected operations
Baseline certification for Textiles and Leather	Standard Version May 2022	1 st June 2022	Any operation certifying textile or leather products	Requirement on baseline certifications becomes less restrictive
Recognition of Textile certifications for Chapter 2 and 3	Standard Version May 2022	1 st June 2022	Any certified operation certifying textile products that has one of the listed recognized certifications in place	Duplication of audit is reduced
Stricter control for non-key operations in textile supply-chains	Standard Version May 2022	1 st June 2022	Intermediate traders and Subcontractors handling FFL/FL textile or leather products	Baseline certifications to confirm product safety, social and environmental compliance must be available in order to register for FFL/FL
Obligatory Partnership Framework Agreement with contracted producers	Following next revision (systematic or intermediate, whichever comes first)	To be defined	Contract Production companies	PFAs must be implemented with all producers or their representative bodies
Extraordinary disruptions	To be defined following pilot	To be defined	None – modification postponed	None
Engagement of retailers	To be defined following survey results	To be defined	None – modification postponed	None
Animal Welfare for working animals	Following next revision (systematic or intermediate, whichever comes first)	To be defined	Any certified operation working with animals on certified sites, directly or not linked to the certified product	Living conditions of non-certified animals on site are verified
Cosmetic composition and labelling rules	Standard Version May 2022	1 st June 2022	Any certified operation certifying cosmetic products	Thresholds to reach the two labelling categories are increased; Access for complex formulations is improved, 2 nd FFL/FL Percentage for aqueous products is, generally, increased Synthetic ingredients are restricted

5. Detailed Modification Proposals and Consultation Results

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



Presentation of the initial proposal made to the Scheme Committee by Fair for Life

(Note: The initial proposal is included in this document for the purpose of transparency, and may have been subject to substantial changes as result of the discussions. Please refer to the final modification to see the actual changes to be implemented in the Standard.)



Summary of the discussion



Identification of the Intermediate conclusion



Presentation of the final modification (The modified parts in the Standard wording are highlighted in **green**.)

Additionally, for some topics:



Need for further development by Fair for Life team

Topic 1: Required baseline certifications for Textile



Intent

Firstly, be a relevant standard for the textile sector that provides a framework enabling the economic empowerment of producers (or recyclers) of fibres while ensuring the compliance with social and environmental requirements along the supply-chain. In doing so, consider sector specific risks and opportunities.

Secondly, facilitate the certification of textile actors by partially recognizing their existing certifications that already cover social and/or environmental requirements.



Initial
Proposal

Note: Part i. of this proposal has been modified significantly in the course of consultation process. Please refer to the part 'final modification'.

- i. Extend the list of accepted baseline certifications by including the following schemes:**
 - Naturtextil IVN Best
 - Organic Claim Standard (OCS)
 - Global Recycled Standard (GRS) , Recycled Claim Standard (RCS)
 - Responsible Down Standard (RDS), Responsible Alpaca Standard (RAS), Responsible Mohair Standard (RMS), Responsible Wool Standard (RWS)
 - Forest Steward Councilship (FSC) (cellulose based fibres)

- ii. Qualify the accepted baseline certifications in terms of covering social and environmental requirements defined in the FFL/FL Standard**
 - Identify which topics are covered by the baseline certification
 - o Both social and environmental requirements
 - o Only social requirements
 - o Only environmental requirements

 - Identify at which stage of the supply-chain this is ensured by the certification
 - o At producer level only
 - o Along the supply-chain

Based on this qualification, define whether Chapter 2 (Social Responsibility) and/or Chapter 3 (Environmental Responsibility) of the FFL/FL Standard can be considered as compliant and do not need to be verified during the FFL Audit – therefore extending the list of certifications that are currently already accepted for other sectors.

- iii. Ensure a strong control of social and environmental compliance at the level of each actor in the supply-chains**

Given the specific risk in the manufacturing stages of the textile value chain (Intermediate Traders, Subcontractors) considering especially social and environmental topics, it is proposed to require a stronger verification of social and environmental compliance than is requested today in the context of the FFL/FL registration for other sectors.

We propose to strengthen the control requirements and replace the documentary registration, currently defined for intermediate traders and subcontractors, by an annual on-site audit whenever there is no recognized baseline certification on social and environmental aspects available.

Case 1: Operation is GOTS, ERTS, IVN Best or GRS certified

- The certification is proof enough of compliance. No additional verification of social and environmental topics is required. A documentary registration is enough.

Case 2: operation is certified according to another recognized Textile baseline certification

- External verification on social and environmental compliance is needed
 - o For Life certification OR
 - o Recognized certification covering Social and/or Environmental compliance (as currently defined in the FFL/FL Standard for Chapter 2 and 3)



Almost all members expressed their agreement with the proposal, a few members abstained due to little involvement and expertise in the textile sector. The necessity to closely assess that recognized standards cover the relevant risks was highlighted. Additionally, it was requested to clarify the applicability of the proposal to leather.

It was pointed out that water use is particularly relevant in the textile processing, and should be looked at more in detail (stakeholder group: retailers).

Two members (stakeholder groups: buyers/processors, supporting organizations) highlighted the importance of promoting the valorization of co-products. It was agreed that this is a topic not specific to textile, but to all sectors and therefore not specifically relevant for the discussed proposal. The comment was still recognized as important and should be considered in a separate future proposal.

Finally, the encouragement of recycling and the design of more sustainable product life cycles was recommended (stakeholder group: farmers).



A consensus was reached on the proposal. Specific points to consider and address were identified:

- Clarify applicability to leather, given that it cannot be considered a textile product but is a separate category.
- Assess whether baseline certifications meet all relevant risks
- Ensure the awareness of auditors on the pertinent risks in textile processing
- Encourage eco-design and recycling and identify means in the Standard to promote valorization of co-products (does not only concern textile sector)

Following the discussions with the scheme committee and further exchange with sector experts the proposal was further modified:

Instead of extending the list of required baseline certifications as an attempt to facilitate access to FFL certification without jeopardizing its integrity, the following **modified approach** is proposed:

- make baseline certifications optional, except for a certification confirming the safety of products to consumers (maximum residue levels in certified products -> OEKO-TEX certification)
- include new requirement with black list of prohibited chemicals in textile/leather processing (-> ZHDC Manufacturing Restricted Substances List)
- Maintain the proposal to recognize existing certifications and avoiding duplication of audits

Objective: open access to FFL while ensuring **safety for consumer** through respect of maximum thresholds of chemical residues and **safety of environment** through ban of toxic chemicals.



i. Adjust wording of possible certification scope

FFL/FL Standard, Chapter ‘Introduction’ – ‘Scope and Supervision Systems’:

The following product groups, originating from the abovementioned materials, can be certified under the scheme:

1. Food products
2. Cosmetic and beauty products
3. Textiles **and leather products**
4. Artisanal products
5. Home goods such as detergents, home perfumes

ii. Define list of baseline certifications, including leather

FFL Standard, Chapter ‘Introduction’ – ‘Scope and Supervision Systems’:

Note that restrictions apply to certain specific sectors / industries:

- *Aquaculture*
- *Fisheries*
- *Industrial textile **and leather products***
- *Home goods or sectors related to product groups that are not listed above*

In these sectors, additional certifications are requested:

Aquaculture production	Organic Certificate or Global GAP Aquaculture Certificate or ASC Certificate
Fisheries	MSC Certificate
Industrial textile and leather processing (as opposed to artisanal textiles and leather products)	<p>OEKO-TEX 100 or OEKO-TEX LEATHER STANDARD (class II as a minimum)</p> <p>This is not required in case a sector relevant Certificate that confirms the safety of the product to consumers is available:</p> <p>GOTS ERTS Naturtextil IVN Best Naturleder IVN</p>
Home goods, or activities related to product groups that are not listed in the Standard (see section “Concerned sectors and products”)	Specific certifications and pre-requisites set by the CB

iii. Redact requirements specific to industrial textile and leather operations

FFL/FL Standard Chapter ‘3.0 Environmental Responsibility’:

› › Used chemicals in textile and/or leather processing

Operations concerned			All operations (FL: Product certification)		
Level	Ref.	Key words	Criteria	Clarification / Guidance	Maximum score
KO	ENV-78	Chemicals used in processing of textile or leather products	<p>The company/organization does not use any substances listed on the ZDHC Manufacturing Restricted Substance List (MRSL) in the treatment of certified products.</p> <p>For single substances, this can be demonstrated through the Material Safety Data Sheet.</p> <p>For chemical preparations, this can be demonstrated through ZDHC certification of the <u>suppliers for the concerned chemicals</u> (at least level 1) or the approval for a recognized scheme as per the list of accepted MRSL certifiers.</p>	<p><i>The up-to-date list is available on the website of the ZDHC Foundation (www.roadmaptozero.com).</i></p> <p><i>The up-to-date list of accepted MRSL certifiers can be found here: https://downloads.roadmaptozero.com/input/MRSL-certifiers</i></p> <p><i>This requirement is considered compliant if the concerned <u>product</u> is already certified against one of the following: GOTS, IVN Best Naturtextil, IVN Naturleder, GRS, ERTS Level 2</i></p>	2

iv. Identify equivalencies

Summarize already existing information on recognized proof of compliance (*see current Chapter 2.0 and Chapter 3.0*) in one place and add equivalencies for relevant Textile standards: *new Annex VII (FFL) and Annex VI (FL).*

v. **Strengthen supply-chain control requirements for intermediate traders and subcontractors**

FFL/FL Certification Protocol, Section 1.1:

As a rule, key operations must be certified; non-key operations must, at least, be registered; and exempted operations are exempted of control. The CB defines the applicable control modality in line with the objectives defined above.

Where considered relevant based on the potential influence of a supply-chain actor on the effective implementation of fair trade principles within the supply-chain, the CB may require a certification of a priori non-key operations.

For specific sectors, additional requirements apply:

Textile and Leather Sector:

As a general rule, non-key operations must be certified Fair for Life/For Life. The respective obligatory baseline certifications apply (OEKO-TEX 100 or OEKO-TEX Leather Standard).

The requirement for FFL/FL certification can be waived if:

- The operation is not involved in any processing activities;

OR

- one of the following Certificates is available for the concerned FFL/FL products:
 - GOTS

- ERTS
- Naturtextil IVN Best
- Naturleder IVN
- GRS in combination with OEKO-TEX 100 / OEKO-TEX Leather (at least class ii)

In these cases, a regular registration process is deemed sufficient.

Topic 2: Commitment to long-term partnership in contract production settings



Intent

Support producers in improving the economic sustainability of their activities by creating conditions that allow them to plan ahead and make long-term investments.



Initial
Proposal

i. **Change TRAD-14 (Partnership Framework Agreement with producers) from a Bonus to a MUST Year 3 requirement**

ii. **Specify applicability**

Indicate that the requirement is relevant for Contract Production settings, and does not apply to Organized Producer Groups.

iii. **Define parties to be involved in the formalization of the partnership framework agreement**

Require that these agreements shall be established with the **representative bodies of the producers** (cooperative, farmers association, etc.). Where no formal representative bodies exist yet, these agreements must be established with representative sub-group leaders where their role is recognized by the producers, or with the individual producers.

iv. **Define best practices**

Define as a best practice that these agreements include the **long-term commitment on floor prices** towards the producers, in complementation to TRAD-36 which requires the guarantee of such floor prices, but without a minimum timeframe.



Discussion

Overall, the need to strengthen guarantees for individual producers was agreed with by the members.

Several stakeholders (stakeholder group: farmers, buyers/processors) pointed out the challenge for the companies contracting the farmers, considering their dependency on their FT partner's commitments for cascading down the respective stabilities, and on the success in finding a buyer that commits as a FFL Fair Trade Partner in the first place.

Instead of guaranteeing actual volumes to producers, several stakeholders (stakeholder group: supporting organizations, buyers & processors) recommended to require a floor volume.

The dependency of purchase on product quality was pointed out (stakeholder group: buyers/processor), but it was confirmed that this could be part of the contract clauses as prerequisite for the adherence to the agreed minimum volumes.

It was suggested to apply the same timeline for implementation of this requirement as is defined for the existing requirement for Fair Trade Partners, i.e. signature of Partnership Framework Agreement within one year after begin of commercial FFL relationship (stakeholder group: supporting organizations).

Additionally, it was recommended to encourage the transparency on total volumes and value distribution in order to provide development perspectives to the producers (stakeholder group: buyers/processor, supporting organizations).

While two stakeholders (stakeholder groups: buyers/processors, retailers) recommended to make the formation of an association obligatory, two stakeholders (stakeholder group: buyers/processors, supporting organizations,) stressed the importance to keep formation of associations voluntary.



Intermediate
conclusion

Consensus on the initial proposal, with inclusion of some additional elements:

- It was concluded that the requirement shall only apply to contract production companies once they have actually started a partnership with a FFL Fair Trade partner. A Partnership Framework Agreement with producers shall be signed by the Contracting Company within

1 year after signature of a Partnership Framework Agreement for the concerned product with a FFL Fair Trade Partner.

- The agreement shall include floor volumes and floor prices. It does not have to specify the actual planned volumes and prices (beyond the defined minimum) for the next 3 years.
- The formation of an association of producers remains voluntary, but strongly encouraged.
- It was recommended to clarify the notion of non-commercial cooperatives, which could be considered a representative body of the producers, while the formal purchase organization is a contract production setting.

(Implementation planned as part of next systematic or intermediate revision, whichever comes first)



**Final
Modification**

Operations concerned			FFL: Producer operations – Contracted Production	
Level	Ref.	Key words	Criteria	Clarification / Guidance
MUST Year 2	TRAD-14	Partnership framework agreements with producers	<p><i>No longer than 1 year after a Partnership Framework Agreement was signed with a Fair Trade Partner for the concerned ingredient: Agreement with producers must be signed</i></p> <p>Such contracts / agreements are accompanied by / correspond to long-term partnership agreements (i.e. they are not only sales contracts): contract term equal or superior to 3 years, or indeterminate duration with clear objective to define long-term relationships.</p> <p>This agreement includes at least the items 1 to 5 listed in TRAD-7:</p> <ol style="list-style-type: none"> 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: <ol style="list-style-type: none"> a) mechanism to transmit sourcing plans / provisional volumes, including minimum volumes; a) general pricing agreements, including the agreed Floor price; 3. commercial & technical support, if any; 4. contract termination procedures; 5. dispute resolution procedures, with a mediation mechanism; <p>If FFL purchases are only planned for a specific product quality, the quality indicators are specified in the agreement.</p>	<p><i>These agreements shall be established with the representative bodies of the producers (farmers associations, non-commercial cooperatives etc.). Where no formal representative bodies exist yet, the agreements must be established with representative sub-group leaders where their role is recognized by the producers, or directly with all concerned individual producers.</i></p> <p><i>If relevant, the Producer operation signs similar contracts with any intermediaries, Organized Producer Groups or Contract Production company under its supervision, so that they can in return agree on the terms of trade with the producers.</i></p> <p><i>1: See TRAD-5</i></p> <p><i>2a: See TRAD-15</i></p> <p><i>2b: See section 5.6</i></p> <p><i>3: See EMP-13 to 14</i></p>

In order to harmonize the requirements for Fair Trade Partners and Contract Production companies, update the requirement TRAD-7 for Fair Trade Partners accordingly by clarifying the already existing practice in the wording of the requirement:

Operations concerned			FFL: Fair Trade Partners, Intermediate Traders and Brand Holders	
Level	Ref.	Key words	Criteria	Clarification / Guidance

	MUST Year 1	TRAD-7	<p>Partnership framework Agreement with Producer operations</p> <p><i>Before the first purchase: Agreement must be drafted</i></p> <p><i>No longer than 1 year after the first purchase: Agreement must be signed</i></p> <p>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:</p> <ol style="list-style-type: none"> 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: <ol style="list-style-type: none"> b) mechanism to transmit sourcing plans / provisional volumes, including minimum volumes; c) general pricing agreements, including the agreed Floor price; 3. commercial & technical support, if any; 4. contract termination procedures; 5. dispute resolution procedures, with a mediation mechanism; 6. Fair Trade Fund payment mechanism (including calculation method); 7. role and responsibilities of the Conveyor, if applicable (particularly regarding the payment of the fair trade prices and Fund). <p>If FFL purchases are only planned for a specific product quality, the quality indicators are specified in the agreement.</p>	<p><i>This agreement is normally established between the Producer Operation and the Fair Trade Partner. In certain long supply-chains, and provided that they cover all the corresponding fair trade transactions, such agreements can be made through tripartite contracts involving other actors than the Fair Trade Partner (e.g. Conveyor, Brand Holder), or through direct contracts between the Brand Holder and the Producer operation.</i></p> <p>1: See TRAD-4</p> <p>2a: See TRAD-9</p> <p>2b: See section 5.6</p> <p>3: See EMP-18 to 21</p> <p>6: See TRAD-45 & 48</p>
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A development need was identified for the following item:



Consider input for an overall reflection on which obligations that are today allocated on the FT Partner should be cascaded down to the Contract Production company, beyond the points covered in the discussed proposal.

Topic 3: Mechanism to address repeated temporary disruptions in supply-chains for Fair Trade partners



Intent

Support committed fair trade partners in their endeavour to secure FFL supplies by defining a smarter mechanism that allows the substitution/complementation of certified products under certain conditions.

At the same time ensure that all ingredients claimed as FFL have been purchased respecting the core FT principles and maintain the principle of physical traceability of FFL ingredients and products.



Initial
Proposal

i. Define an alternative process to request temporary exceptions to Annex V

Target group: committed and experienced FFL Fair Trade Partners:

Current process	Proposed (additional) alternative process
A separate request is sent by the operation for each specific case of disruption. The timeline of the granted derogation is up to 1 year.	A comprehensive description of the situation and the measures already taken and to be taken to address the disruption is presented by the fair trade partner. Approval of a list of suppliers from which substitute/complementary ingredients can be sourced during a defined timeframe (up to 3 years), up to a defined percentage of total annual volumes, without a previous approval for each single purchase, as long as certain conditions are met.

ii. For each case, define specific conditions:

Sub-case	Pre-requisite	Conditions	Follow-up
1 Dynamic growth	Requested by certified FFL Fair Trade Partner Proven commitment to FFL through existing supply-chains (e.g. define a minimum number and duration of existing FFL supply-chains) and a high performance level (define minimum percentage)	Limit for substitute purchases respected (5% of total volumes of the concerned ingredient marketed as FFL of the year) Substitute ingredient is certified FT, Organic or according to a sustainability standard, where possible FFL price and FT Fund is paid for the substitute ingredient	<ul style="list-style-type: none"> Concerns ingredients of already certified products Action plan with timeline for certification of new supply-chains, including milestones <ul style="list-style-type: none"> Proven efforts to identify and reduce risk of quality problems at supplier level Technical and/or financial support provided to the supplier for improving quality
2 Quality issues			Regular check of reaching of milestones for the building of supply-chains Paid prices and fund Purchases only from approved suppliers Yearly limit of 5% respected Each annual audit: Check on the continued measures taken to support supplier in preventing quality issues

As already the case for the extraordinary temporary disruptions the substitute lots are considered FFL certified once they have been purchased – and no change to the final consumer labels is required.



Discussion

The proposal to simplify the possibilities for exceptions and to allow for longer timeframes was positively received by the committee. The proposal to start with a pilot to test a more open derogation approach was agreed to by the members.

Some points for further consideration were, however, raised:

Scope of the exception

Recommendation to differentiate both mentioned cases (dynamic growth and quality requirements). On-boarding new suppliers is more a transition towards FFL and should be treated differently than a derogation for quality reasons. It was recommended by several stakeholders to analyse the conversion modality of organic certification and see how it could be incorporated into the FFL standard). During the conversion period, companies should have some benefits in order to make this transition viable (stakeholder group: farmers, buyers/processors).

The objective must however remain: substitute/transition supplier should not be a substitute/in transition forever. At the same time, the autonomy in decision making (potentially against FFL certification) by the supplier must be considered and recognized.

Eligibility for exception

One stakeholder agrees with the proposal to base eligibility on the performance the requesting Fair Trade Partner received in Chapter 1 (FT policy) and Chapter 5 (FT practices) (stakeholder group: buyers/processor). Another stakeholder expressed concerns that this may exclude young companies joining FFL, who could not yet prove their commitment but need access to the derogation as well (stakeholder group: buyers/processor).

Concern on eligibility shows to be less pertinent to the committee than to the scheme owner. The identification of objective indicators to define the trust in these companies was perceived as difficult by the majority of members and it was recommended to focus on commitment rather than experience.

Limit of eligible volumes

Several stakeholders expressed doubts whether proposed 5% of annual volume is a meaningful limit. For many operations this could be too low (stakeholder group: buyers/processors). A higher percentage (more around 50%) would better allow to support long-term suppliers and keep the product in the shelves during the time of shortage.

It was pointed out that the question is not what would be the percentage, but rather what kind of effort the company takes to demonstrate it is doing everything it can, but will not stop selling the products, as this would harm the business, which will eventually harm the producers (stakeholder group: farmers). The verifications would then be the assessment of an action plan and its implementation progress.

Compensation mechanism

General observation on compensation mechanism when substitute suppliers is not FT – how to ensure that Fund still goes to producers? (stakeholder group: buyers/processor)

Request that FT Partner should have the right to assess the situation before deciding whether the Fund still goes to the original partner or elsewhere, depending on the perspectives of the original supplier continuing in the FFL system (stakeholder group: farmers).


Intermediate
conclusion

Generally, there is consensus on the proposal to open the existing derogation, but some concerns and recommendations were expressed regarding the implementation.

For the **eligibility**:

- Focus on commitment/proposed action plan rather than seniority of FFL certification.

For the **conditions**:

- Assessment of means taken by the FT Partner to address the situation rather than defining a maximum percentage of total volumes
- A mechanism is needed to ensure that substitute suppliers do not remain in this status endlessly, but that adequate efforts are taken to transform them into regular FFL suppliers if economical context allows this.

For the **compensation** mechanism:

- Strong recommendation to increase influence of FT Partner in deciding where the compensation fund and price differential goes in these circumstances.



**Final
Modification**

No modification at this point.

In order to test and fine-tune a possible framework for the proposed exception, a pilot will be carried out. It shall align with the following principles:

Scope of exception:

Apply the pilot to three scenarios:

- Type A: Company expects an **absolute growth of FFL volumes** for an already certified product and is active in building new FFL supply-chains for the concerned ingredient
- Type B: Company needs to address FFL shortages that are **not linked to an increase of absolute volumes**, the building of additional supply-chains is not necessarily the most adequate solution. (Example: quality issues with FFL certified batches, suspensions of suppliers, logistical problems etc.)
 - B.1 Commodities which are **readily available in FFL** or a recognized Fair Trade scheme (e.g. coffee, cocoa etc.), but the buyer is not in the position to implement long-term guarantees to the additional/substitute suppliers.
 - B.2 Commodities which are **not yet readily available in FFL** or a recognized fair trade scheme (products outside of the mainstream fair trade crops, products with specific quality requirements to be met) and the buyer is not in the position to build new supply-chains and implement long-term partnerships with the new suppliers.

Proposed framework (to be challenged during the pilot)

Eligibility for the derogation	FFL Certified Fair Trade Partner with at least 1 approved FFL supply-chain <u>for the concerned ingredient</u> AND The <u>product</u> using the concerned ingredient is already FFL certified.
Limit for the eligible volumes	Not define a set limit at this stage. Instead, develop indicator that allows to measure the relevance efforts to transform substitute supplier to FFL supplier, wherever possible. <i>Potentially define a different approach for each type.</i>
Impact on FFL claim	No change to claims on product labels. <i>Potentially, define threshold for volumes above which claim has to be adjusted.</i>
Conditions	<p><u>Type A:</u></p> <ul style="list-style-type: none"> • Action plan for building of new supply-chains with milestones • Apply prices in line with FFL requirements (FFL floor price, FFL sales price) • Implement compensation mechanism for FT fund <p><u>Type B.1:</u></p> <ul style="list-style-type: none"> • Substitute/additional batches are purchased from FFL or recognized FT suppliers <p><u>Type B.2:</u></p> <ul style="list-style-type: none"> • Substitute/additional batches are purchased from FFL or recognized FT suppliers, <u>wherever possible</u>. Otherwise, a compensation mechanism for price and fund are implemented.

Logistics of the pilot:

Eligibility for participation in the pilot

Select 2-3 companies that have demonstrated long-term commitment to FFL and that represent different types (A, B.1, B.2).

Timeframe

The duration of the pilot is to be defined based on the concrete situation of the selected participants. A first analysis shall be made one year after the beginning of the pilot. The pilot learnings will be considered for the review of the proposed framework. The reviewed proposal will be presented to the Scheme Committee.

A development need was identified for the following item:



Develop a framework for Fair Trade Partners that wish to develop supply-chains for new ingredients and wish to have some (limited) possibilities on the FFL claim during the period of building these chains (reflect on a potential creation of a 'Fair for Life in transition/in conversion' status)

Clarify the compensation mechanism (for the new but also for the existing exception framework) and consider giving more autonomy to Fair Trade Partner in deciding where the compensation should go to (e.g. regular FFL supplier, substitute supplier, organization supporting supplier in becoming FFL certified etc.)

Topic 4: Engaging Retailers in the FFL supply-chain



Intent

Create a new way to include the retailer in the fair trade approach. Make retailer a part of the supply-chain as a proper actor, by defining specific control and communication modalities for this typology of actor in order to:

- increase the volumes of FT products;
- secure and strengthen existing FFL chains; and
- increase the communication possibilities on fair trade towards consumers.



Initial
Proposal

i. Define claim that can be used by the verified retailer

Define a simple and specific claim that is able to highlight the efforts made by the retailer, but is different from the claim that can be used by certified companies.

Proposal for the logo use:

The regular FFL logo can be used on communication material (website, catalogues etc.) but must be used close to the defined mention, and cannot be more prominent in size and/or placement than the mention.

ii. Define requirements to be met by the retailer

The retailers would not be assessed according to the current FFL Standard, but on a new set of requirements, focused on the most relevant fair trade points that define the relationship between the retailer and its FFL suppliers, such as: pluri-annual agreements, Floor Prices, Volume forecast, rules for promotional campaigns.

Scope of verification is limited to the concerned FFL products and to the specific requirements defined for retailers.

Valorize further efforts of the retailer by defining bonus requirements that allow the retailer to communicate on these efforts, such as additional support investment in supply-chain or local development.

iii. Define verification method

Annual control to assess the compliance with the requirements



Discussion

Two stakeholders (stakeholder groups: farmers, buyers/processor) confirmed the importance of involving stronger the retailers in the supply-chain, but highlighted the difficulty to get their interest.

Several members expressed strong concerns regarding the risk of fairwashing if requirements are not strict enough (stakeholder groups: farmers, buyers/processor). Even with a limited communication claim focused on the supply-chain involvement rather than social and environmental compliance by the retailer, the use of the claim and/or logo could be misleading towards consumers.

The importance of the availability of a toolkit to brands that can be used to negotiate with retailers and convince them of the value of FFL was seen as more important than the proposed retailer option by several stakeholders, considering also the complexity of retailer involvement and the different types of settings, e.g. involvement of distributors (stakeholder groups: farmers, buyers/processor).

While the relevance and urgency of the proposal was questioned, the committee showed openness to perform a pilot with committed identified actors in order to get a better understanding of a possible implementation.



Intermediate
conclusion

Therefore, it is suggested to first carry out survey among certified operations to better assess the relevance and priority of this topic, before confirming a possible pilot project.



**Final
Modification**

No modification at this point. Re-assess relevance and urgency of this modification based on FFL client portfolio.

A development need was identified for the following item:



to be
developed

(Repeated) strong recommendation for the development of a tool kit for brands to use in their communication with retailers.

Topic 5: Animal Welfare for working animals



Intent

Ensure integrity of the FFL and FL claim by guaranteeing humane living conditions for all animals involved in the production and/or handling of the certified product(s).



Initial Proposal

i. Reorganize the chapter currently called 3.7 Additional requirements for conventional operations

Different presentation of existing requirements: Re-organization in order to allow the addition of a requirement on animal welfare that is applicable to all operations, whether they are certified organic or not.

As a result, there will be a separate chapter for each type of activity (farming practices, collection practices, animal welfare). For each chapter, it is identified which requirements apply to all operations and which are already met by the Organic certification (or another certification on sustainable practices, as defined in Chapter 3.0 of the FFL Standard).

ii. Include a new MUST Year 1 requirement on welfare of working animals

Add the requirement for all operations in the now separate sub-chapter on Animal Welfare.

iii. Analyse equivalencies

Based on the proposed re-organization, **prepare an analysis** for 2022, identifying requirements that should be checked even when the organization is organic certified, such as the measures taken to maintain and improve soil quality.



Discussion

All members agreed on the proposal.

However, one stakeholder (stakeholder group: buyers/processors) recommended to ensure an adequate weighting of this topic. The focus should continue on human welfare, while animal welfare should be an additional point.

Another concern was the increased cost for smallholders if animal welfare requirements have to be met for field animals, for example (stakeholder group: farmers).



Intermediate conclusion

Consensus on the proposal

It needs to be clarified in TRAD-34 (Production Cost) that production cost should also include the cost that is linked to ensure humane conditions for animals wherever these are involved in the certified product.

(Implementation planned as part of next regular or intermediate revision, whichever comes first)



Final Modification

Level	Ref.	Key words	Criteria	Clarification / Guidance	Max. Points
MUST Year 1	ENV-XX	Welfare of animals on site	<p>There is no indication of any severe violation of one or more of the five freedoms for any animals in the operation that are involved in the production and/or handling of the certified product(s):</p> <ol style="list-style-type: none"> 1. Freedom from hunger or thirst by ready access to fresh water and a diet to maintain full health and vigour 2. Freedom from discomfort by providing an appropriate environment including shelter and a comfortable resting area 3. Freedom from pain, injury or disease by prevention or rapid diagnosis and treatment 	<p><i>This also includes animals that are not raised for the purpose of commercialization but instead carry out or are involved in any of the activities managed by the certified operation on the sites included in the certification and linked to the certified product, including transport, watching the premises, harvest, preparation of soil etc.</i></p>	4

			<p>4. Freedom to express (most) normal behaviour by providing sufficient space, proper facilities and company of the animal's own kind</p> <p>5. Freedom from fear and distress by ensuring conditions and treatment which avoid mental suffering</p>		
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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 of the necessary minimum income for collectors.</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>If animals are involved in the production or handling of the certified product (see ENV-XX), the cost incurred in order to ensure humane living conditions are to be included in the calculation.</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>



Proposal for new re-organization of the chapter 3.7 as part of the next systematic revision of the FFL Standard.

Update equivalency analysis to identify criteria that may not be fully covered by organic certification and should be assessed for all operations, in order to present potential modifications during an upcoming scheme committee.

6. Written consultation on Cosmetic composition and labelling rules

In addition to the discussion meetings, a set of proposed modifications for one topic were presented to the Scheme Committee through a written consultation: **Composition and labelling rules for cosmetic products**.

As part of the preparation of these proposals, focus group with companies from the cosmetic sector were performed. Details on the proposed topics and the focus group methodology can be found in **Annex II** of this document.

Feedback was received from three committee members (stakeholder group: buyers/processors):

- A clearer wording was recommended for CONS-5, specifying that both FFL/FL percentages must be indicated: the FFL/FL percentage out of total weight, and the FFL/FL percentage out of ‘countable’ ingredients (i.e. agricultural ingredients for food products, fibres for textiles etc.).

Response: The proposal was integrated in the final modification.

- The importance of defining an adequate timeframe to adapt product compositions and labels to the new rules was highlighted and a transition timeframe of four years was recommended.

Response: The proposal will be considered in the definition of the transition modalities and timelines.

- It was recommended to provide a calculation template which reflects the modifications made and facilitates the application of the correct calculation by the certified companies.

Response: the development of a calculation template is planned.

- One stakeholder perceived the proposal to exclude complex CPAI and synthetic ingredients from the calculation of the 1st FFL percentage as potentially unjust, as compositions with a higher share of these types of ingredients would benefit more from the change than those using mainly simply processed ingredients. In the combination of the increase of the threshold to 80%, this could lead to a situation where some ‘simple’ compositions could be downgraded from a “FFL Product” to a “Made with FFL ingredients”, whereas more complex compositions will generally be able to increase their FFL percentage. The stakeholder requested to stronger incentivize certified companies to develop a fair trade sourcing for the major part of the products, rather than excluding the complex ingredients from the calculation, and recommended instead to consider a mass-balance approach for this type of ingredients (e.g. surfactants) which would facilitate their sourcing in fair trade quality.

Response: The proposed modification is considered the best compromise in order to increase the fair trade market opportunities for producers supplying to the cosmetic sector. Because different categories of cosmetics products show very different compositions (e.g. soap versus facial cream), it is considered necessary to adapt the calculation methods to these specificities so as not to exclude a significant part of cosmetic products from the fair trade market. In order to still maintain the integrity of the standard, the proposed modification to exclude complex CPAI and synthetic ingredients from the calculation of the 1st percentage is accompanied by several other modifications:

- The standard now further limits the use of synthetic ingredients (CONS-25) in order to ensure the safety of the product.
- The standard now makes it obligatory to indicate the FFL percentage out of total weight (=2nd percentage) on final cosmetic products in order to ensure the transparency towards the consumer, and as an incentive for companies to increase their percentage by sourcing more ingredients in fair trade quality.

- A category of simple CPAI was created in order to specifically exclude ingredients from the exemption for which the development of a fair trade sourcing is considered feasible (e.g. alcohol, glycerine) in order to push fair trade sourcing where this is possible. With the aim of continuously increasing the sourcing of fair trade ingredients, this list is to be periodically updated through the inclusion of ingredients that have emerged on the fair trade market.

As a third lever for incentivizing the increase of fair trade sourcing, the proposal made by the stakeholder of considering a mass-balance approach for surfactants and similar ingredients will be studied. One of the key elements of Fair for Life is full physical traceability of certified ingredients. However, the risk and benefits of applying a mass-balance approach in a specific, limited context shall be considered when it would significantly contribute to a higher fair trade sourcing and, as a consequence, an improved access of producers to the fair trade market.

A development need was identified for the following item:



Periodic review of list of simple CPAIs with the objective to include CPAIs that become available as certified ingredients
Besides display of FFL % out of total weight on the label, and the growing list of simple CPAIs, define an additional incentive for sourcing complex CPAIs in certified quality.

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.

ANNEX 1 – Preview on new Standard Annex VII (FFL) / VI (FL)

This table consolidates the information on partial recognitions of social and environmental certifications in the context of the FFL/FL certification that were previously detailed in Chapter 2.0 and Chapter 3.0.

Additionally, the following Standards have been added to the recognized certification systems: GRS, RAS, RDS, RMS, RWS, FSC, IVN (Naturtextil and Naturleder). It is intended to periodically review the list and extend it by adding additional relevant certifications and/or extending the recognitions to other chapters in the FFL Standard, based on the results of performed assessments of equivalency.

Type of proof	Sector	FFL/FL Typology for which recognition is possible					(Sub-)chapters considered compliant (all applicable criteria)						
		Producer Operation	Fair Trade Partners (FFL)	Brand Holder	Intermediate Trader	Subcontractor	Chapter 2	Sub-chapter 3.7 - Chemicals	Sub-chapter 3.7 - Farming	Sub-chapter 3.7 - Wild collection	Sub-chapter 3.7 - Animal Welfare	ENV-78	Others
SA 8000 certificate	All						YES	NO	NO	NO	NO	NO	
ETI-SMETA Audit report (4-pillar) <i>not older than 18 months, carried out by an accredited Audit Body; non-conformities were followed up by Audit Body</i>	All						YES	NO	NO	NO	NO	NO	
ETI-SMETA Audit report (2-pillar) <i>Same condition as above</i>	All						YES	NO	NO	NO	NO	NO	
BSCI 'Full Audit' report <i>not older than 18 months; if overall rating 'C' or lower: follow-up audit on correction of non-conformities was performed</i>	All						YES	NO	NO	NO	NO	NO	
Organic certification <i>(national or international organic farming regulations checked by authorized / licensed CB)</i>	All						NO	YES, maximum rating	YES, maximum rating	YES, maximum rating	YES, maximum rating	NO	

Detailed social standard report section as part of an IFOAM accredited organic certification scheme with social principles	All						YES	NO	NO	NO	NO	NO	
COSMOS Organic, COSMOS Natural certificate	Cosmetics						NO	YES	NO	NO	NO	NO	3.6 Packaging, 3.7 – Animal Testing
Global Recycling Standard (GRS) certificate	Textile						YES	NO	NO	NO	NO	YES	
Responsible Alpaca Standard (RAS) certificate	Textile						YES (farmer level)	NO	NO	NO	YES	NO	
Responsible Mohair Standard (RMS) certificate	Textile						YES (farmer level)	NO	NO	NO	YES	NO	
Responsible Wool Standard (RWS) certificate	Textile						YES (farmer level)	NO	NO	NO	YES	NO	
Responsible Down Standard (RDS) certificate	Textile						NO	NO	NO	NO	YES	NO	
Forest Stewardship Council (FSC) certificate	Textile						YES	YES	YES	NO	NO	NO	
“GAP” certificates (Global Gap Crops; Global GAP Livestock; Global GAP Aquaculture Certificate or ASC Certificate)	Food						NO	YES	YES	NO	YES	NO	
Rainforest Alliance	Food						NO	YES	YES	YES	NO	NO	
GOTS certificate	Textile						YES	NO	NO	NO	NO	YES	
ERTS certificate (Level 2)	Textile						YES	NO	NO	NO	NO	YES	
Naturtextil IVN Best certificate	Textile						YES	NO	NO	NO	NO	YES	
Naturleder IVN certificate	Leather						YES	NO	NO	NO	NO	YES	

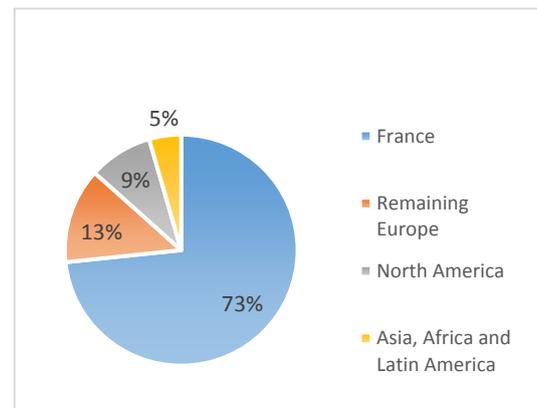
ANNEX 2 – Focus group report

1. Focus Group Composition

Out of the total number of certified operations linked to cosmetic products and/or their ingredients, a shortlist of potential participants was prepared. This list included 39 companies involved in the production of complex raw materials or final products. All of these companies were invited to participate in the focus groups. Additionally, selected FFL applicants were invited. Out of these, 13 certified companies and 1 applicant accepted our invitation and participated to the discussions:

	France	Remaining Europe	North America	Asia, Africa, Latin America	Total
Brand holders	4	1	1	0	6
Raw material manufacturer	3	1	0	0	4
Both raw material manufacturer and brand holder	3	0	0	1	4
Total	10	2	1	1	14

The elevated number of French companies corresponds to the geographical distribution of currently certified companies in the cosmetic sector. Please note that the *Graph 1* includes companies that certify more complex cosmetic formulations (multi-ingredient raw materials or final products) with FFL. It does not include the certified companies that provide single-ingredient raw materials to the cosmetic sector (such as dried plants, shea butter etc.) or simple final products (such as pure shea butter, argan oil, etc.) as they are not concerned by the proposed modifications.



Graph 1 : Geographical distribution of certified operations in Cosmetic Sector (multi-ingredient products), 2021

2. Focus Group Methodology



Online discussions to challenge and adjust proposals were organized. For this purpose, the participants were grouped in four groups:

- International Brand Holders
- French Brand Holders
- French Raw Material producers
- FFL applicants

In each of the groups, all proposals were presented. Questions and doubts were clarified and recommendations for modification or alternative proposals could be presented by the participants. Following each proposal, a vote was held in order to get an overview on the global opinion. It was clarified in the beginning of each focus group that these votes would not be

decisive votes, but rather a support to enable the scheme committee to make an informed decision based on the expert feedbacks.

3. Detailed Proposals and Discussion Outcomes

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 to the Focus Group participants
-  Summary of the discussion
-  Overview on the voting results
-  Presentation of the final proposal (The modified parts in the Standard wording are highlighted in green.)

Topic 1: Composition rules for final products



Intent

Ensure meaningful FFL composition rules that:

- Allow the certification of products that **create fair trade benefits** for FFL producer operations; allow a progressive approach to **increase this impact** by starting with sourcing key ingredients and increase the certified content over time (→ different labelling categories to reflect the maturity of the product in terms of FFL ingredients)
- Encourage the use of all ingredients that are available in fair trade quality
- Avoid the use of synthetic substances whenever there are feasible natural alternatives
- Avoid misleading claims, do not create opportunities for fair washing

The current calculation rules are adequate for products with less complex composition and/or processes (i.e. single or multi-ingredients mixture of physically transformed agro-ingredients, such as body butters, oils, waxes etc.).

They are currently not adapted to more complex products and present a challenge for companies that wish to develop a fair-trade sourcing for these products.

Example: shower gel, facial cream, shampoo etc.

While the ingredients that are certifiable are all used in FFL quality, the company may still not be allowed to use the FFL logo.

This is **blocking the fair trade sourcing development** in the cosmetic sector and thereby **limiting the opportunities for producers** of the concerned raw materials.

Other fair-trade schemes do either not address the specificities of cosmetic compositions at all, but are accessible through the generally lower thresholds or have defined specific thresholds for cosmetic compositions which are significantly lower than those for food compositions.

In order to allow the increase of fair trade impact for producer operations of relevant ingredients, while maintaining high thresholds for certified products, we propose to re-think the calculation rules.



i. Clarify Terminology

Agricultural Ingredients - (also called agro-ingredients) any plant, animal or microbial product derived from agriculture, aquaculture or wild collection/harvest.

Physically processed agricultural ingredients - processed or extracted ingredients using physical processes such as blending, distillation, grinding, roasting, squeezing etc.

Examples: Oils, butters, waxes, extracts, hydrolates, honey, plant powder...

Chemically processed agricultural ingredients – processed or extracted ingredients using chemical processes.

Simple Chemically Processed Agricultural Ingredients - processed or extracted ingredients using chemical processes such as Hydrolysis, Hydrogenation and Saponification and – for alcohol only - biotechnology processes.

Examples: alcohol, glycerine, saponified oil, hydrogenated oil, etc.

Complex Chemically Processed Agricultural Ingredients - processed or extracted ingredients using chemical processes that are not listed under Simple Chemically Processed Agricultural Ingredients.

Examples: Surfactant, ingredients from biotechnology processes, perfumes, etc.

Synthetic ingredients/components – ingredients that are of petrochemical origin

Examples: Preservatives and denaturing agents, some perfumes, some texturizing agents (some because they can be from natural or synthetic origin), etc.

ii. Adjust calculation rules for the definition of labelling categories

Adjust the composition rules for finished products with the objective to follow the same logic as it is defined for food products: the majority of the certifiable ingredients is FFL certified. Acknowledge that complex ingredients are common for certain types of cosmetic products. They may in theory be certifiable, but rarely are indeed certified. If they are certified the complexity of the process makes it difficult to identify the final FFL %.

Adjust the calculation of the FFL percentages

Reminder: the percentages serve as indicator for the correct labelling category and decide whether and where the FFL logo can be used

1st percentage:

It is proposed to change the rule from ‘% of all ingredients excluding water, salt and minerals’ to ‘% of all **certifiable agricultural ingredients**’, and define the ‘certifiable ingredients’ more in detail:

Certifiable	Non-Certifiable
All Physically Processed Agricultural Ingredients (PPAI) <u>Simple</u> Chemically Processed Agricultural Ingredients (CPAI) <i>Ex.: alcohol, glycerine, saponified oil, hydrogenated oil (see Terms & Definitions)</i>	All other ingredients: <ul style="list-style-type: none">• WATER• SALT & MINERALS• ALL COMPLEX CHEMICALLY PROCESSED AGRO INGREDIENTS• SYNTHETIC COMPONENTS <p><i>Note: These ingredients are generally excluded from calculation. If they are however certified, they are counted.</i></p>

2nd percentage:

Percentage of certified ingredient(s) out of total weight.

No change.

Adjust the thresholds for each labelling category

It is proposed to increase the percentage (out of certifiable ingredients) to **80% (FFLproduct)** and **20% (made with FFL ingredients)** to align with rules for food sector



Discussion

Terminology:

The definition of simple CPAI was perceived as not clear enough. It should be a well-defined, comprehensive but evolving positive list as the industry evolves, and could be aligned with the one of Cosmos.

Caution should be made to not exclude ingredients from the simple CPAI that could indeed be FFL.

It was recommended to consider biotechnologies as complex CPAI and excluded from calculation.

Exclusion of complex CPAI from calculation:

General observation that FFL should encourage the use of natural ingredients as much as possible as compared to complex chemical processes and synthetic ingredients.

It was pointed out that the new proposal seems to be less rigorous and too open, reducing the incentive for brands to increase their FFL sourcing. At the same time, ‘certifiable’ ingredients are not always available in FFL on the market today. It was clarified that it is not obligatory to certify all PPAI and all simple CPAI as FFL, but that it still makes sense to view the complex CPAI differently, due to the complexity of identifying the actual share of the original FFL ingredient in the final CPAI.

It was clarified that FFL remains open to all cosmetics whether they are COSMOS, other cosmetic certifications or conventional, as long as the minimum requirements regarding product safety defined by FFL are met (e.g. limited use of synthetic ingredients).

Thresholds:

It was pointed out that for clients using mainly ingredients undergoing simple processes (PPAI and simple CPAI), the proposed change can have a negative impact on their products, because they do not benefit from the exclusion of CPAI from the calculation.

Some members expressed the fear that this could slow down the development of supply-chains, as it discourages the brand holders, while other members agreed with the proposal because it increases consistency within FFL and simplifies.

A specific topic discussed for US market as food and cosmetic standard are different, and a cosmetic product qualified for also as food would benefit from a higher consumer perception. The proposed alignment of food and cosmetic rules in the standard can potentially confuse the US customer.

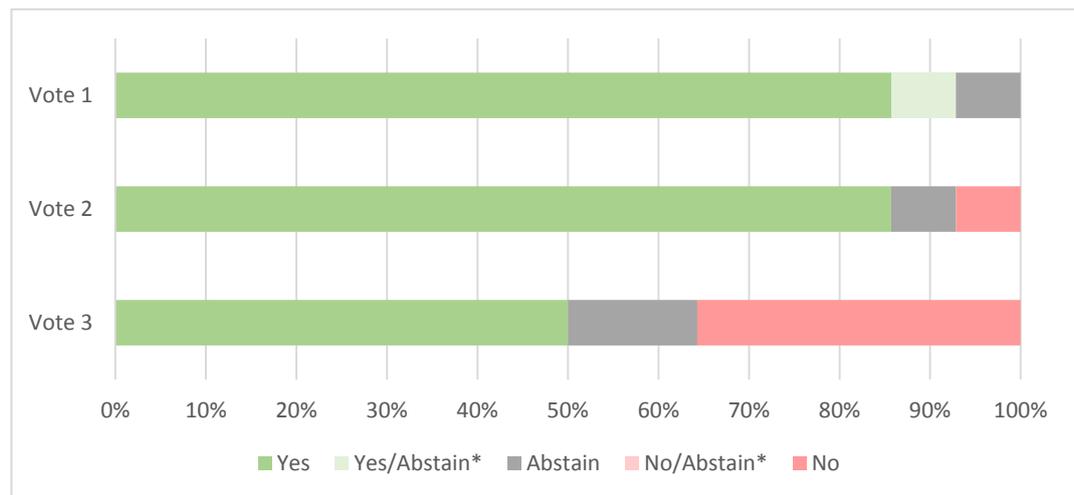


Votes

Vote 1: Do you agree with the definition of simple and complex CPAI?

Vote 2: Do you agree with the introduction of concept of 'certifiable' ingredients, exclude complex CPAI from calculation of FFL %

Vote 3: Do you agree with the increased thresholds of first percentage (% out of agricultural ingredients, excluding complex CPAI)?



**participant was undecided between Abstain and Yes or between Abstain and No*



Final Proposal

Maintain proposed definitions, but clarify definition for simple and complex CPAI:

Simple Chemically Processed Agricultural Ingredients - processed or extracted ingredients using chemical processes listed below:

- Biotechnology processes (only for alcohol and vinegar)
- Calcination
- Carbonization
- Hydrolysis
- Saponification
- Hydrogenation
- Neutralization

Examples: alcohol, glycerine, saponified oil, hydrogenated oil, etc.

Complex Chemically Processed Agricultural Ingredients - processed or extracted ingredients using chemical processes not listed in the list of Simple Chemically Processed Agricultural Ingredients.

Examples: surfactants, ingredients from biotechnological processes, perfumes, natural origin ingredients with petrochemical moieties, etc.

Maintain proposal for calculation of FFL percentage and thresholds, and define transition periods for negatively impacted products.

	Category “Fair Trade Products”	Category “Made with Fair Trade ingredients”
COSMETICS / DETERGENTS / HOME PERFUMES	<p>(2) At least 80% of ALL AGRICULTURAL INGREDIENTS EXCLUDING COMPLEX CPAI must be certified</p> <p>AND</p> <p>(3) At least 10% of the TOTAL PRODUCT must be certified</p>	<p>(2) At least 20% of ALL AGRICULTURAL INGREDIENTS EXCLUDING COMPLEX CPAI must be certified</p> <p>AND</p> <p>(3) At least 5% of the TOTAL PRODUCT must be certified</p>

(2) *Complex CPAI (Chemically Processed Agricultural Ingredients, see ‘Terms and Definitions’) can be certified, though very rarely. This is why, as a general rule, they are excluded from the calculation method. It is only when such ingredients are certified that they will be included in the calculation.*

(3) *On an exceptional basis, lower percentages can be accepted for this 2nd threshold (on the total product) for rinse-off products, non-emulsified aqueous products, and products with at least 80% minerals or ingredients of mineral origin, after approval by CB.*

Apply the same modification for the FL composition rules.

Topic 2: Composition rules for raw materials (aqueous extracts)



Intent

Given the specific context of this type of raw material, using certified ingredients which are not physically present in the final product, and suffering from significant weight loss during the process, the general calculation rules must be adapted in order to be relevant.

It is necessary to define and formalize the rules to be applied and ensure their harmonized application.



Initial
Proposal

Calculate FFL content based on:

1. The amount of fresh or dry input plant/**final amount** of extract.
- And

- The amount of fresh or dry input plant/total quantity of **introduced** agricultural ingredients, excluding complex CPAI.

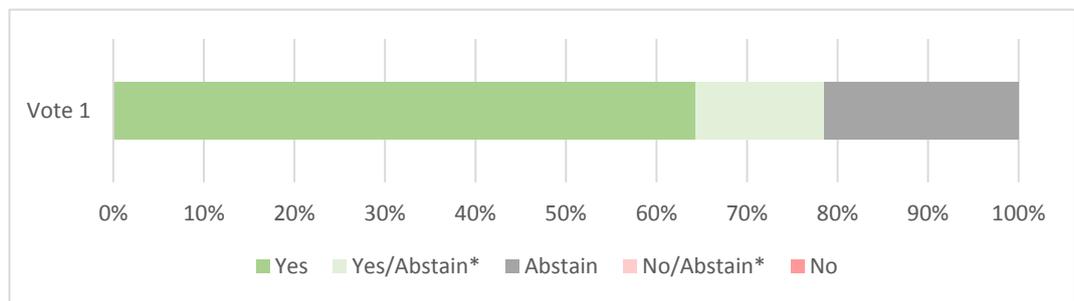


It was pointed out that some raw materials are difficult to source fresh and the calculation rule based on input weight would benefit some sectors to the detriment of others, resulting in a risk of having only hydrolats with a low FFL percentage. It was therefore recommended to address the use of fresh or dry plants in the calculation by using the same ratio as COSMOS. This avoids competition between fresh and dry ingredient sellers.

It was clarified that CO2 extracts are considered 100% FFL with the new calculation rule.



Vote 4: Do you agree with calculating FFL % out of final product weight for aqueous extracts?



*participant was undecided between Abstain and Yes or between Abstain and No



Maintain general proposal but add rule on ratio for dried ingredients.

	Category "Fair Trade Products"	Category "Made with Fair Trade ingredients"
COSMETICS / DETERGENTS / HOME PERFUMES	<p>(2) At least 80% of ALL AGRICULTURAL INGREDIENTS EXCLUDING COMPLEX CPAI must be certified</p> <p>AND</p> <p>(3) At least 10% of the TOTAL PRODUCT must be certified</p>	<p>(2) At least 20% of ALL AGRICULTURAL INGREDIENTS EXCLUDING COMPLEX CPAI must be certified</p> <p>AND</p> <p>(3) At least 5% of the TOTAL PRODUCT must be certified</p>

- (3) *On an exceptional basis, lower percentages can be accepted for this 2nd threshold (on the total product) for rinse-off products, non-emulsified aqueous products, and products with at least 80% minerals or ingredients of mineral origin, after approval by CB.*

For aqueous extract, given the weight loss during the process, the final output weight is considered for this second percentage instead of the total input weight.

If dried plant material is used, the fresh equivalent is calculated using the following ratios:

<i>Wood, bark, seed, nuts and roots</i>	<i>1:2,5</i>
<i>Leaves, flowers and aerial parts</i>	<i>1:4,5</i>
<i>Fruits (e.g. apricot, grape)</i>	<i>1:5</i>

Apply the same modification for the FL composition rules.

Topic 3: Synthetic ingredients



Intent

Limit use of synthetic ingredients in order to:

- Ensure the safety of FFL certified products for consumers; and
- Ensure that ingredients that are available from natural origin (e.g. alcohol, glycerin) are not used in synthetic quality.



Initial
Proposal

1. Extend the limit of use to synthetic ingredients in general, not only preservatives
2. Introduce a whitelist of allowed synthetic substances instead of a blacklist of forbidden substances



Discussion

The question was asked if the synthetic ingredient restrictions are only for cosmetic products or cleaning product as well. It was explained that for now this is a requirement specific to cosmetic products.

Clarification is needed on what FFL understands by a synthetic ingredient. Is it only considered synthetic if it is of 100% petrochemical origin based, but not if only 99%? It was proposed to add: ‘synthetic components of petrochemical origin are forbidden. AND: 100% synthetic components are forbidden.’

Alternatively, an exception should be possible if the ingredient is not 100% synthetic.

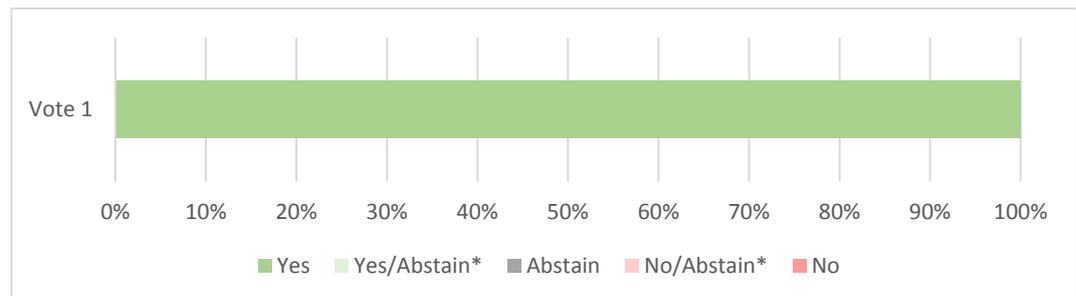
Antioxidants and perfume frequently added in cosmetics that can be partly synthetic (especially in conventional products, not certified), would they be prohibited? If they are allowed, a threshold of % allowed of synthetic should be defined. The maximum threshold may be up to 2.5%.

It was pointed out that this rule will be fine for COSMOS certified companies, but more difficult for those that are not. There is a risk in closing doors towards conventional actors who still want to commit to fair trade.



Votes

Vote 5: Do you agree with the introduction of a whitelist for synthetic ingredients?



**participant was undecided between Abstain and Yes or between Abstain and No*



Final Proposal

Maintain proposal but clarify definition of synthetic ingredient.

Synthetic ingredients/components - ingredients that are 100% of petrochemical origin

Examples: Preservatives and denaturing agents, some perfumes, some texturizing agents (some because they can be from natural or synthetic origin), etc.

MUST Year 4	CONS-25	Preservatives Synthetic ingredients-in Cosmetics	<p>The use of synthetic preservatives in certified cosmetic products is limited:</p> <ul style="list-style-type: none"> - They are used only if they are essential; - No parabens, MIT (Methylisothiazolinone), Phenoxyethanol and EDTA (Ethylenediaminetetraacetic acid) are used. <p>100% synthetic components are forbidden, except for the following 5 preservatives :</p> <ul style="list-style-type: none"> - Benzoic Acid and its salts - Benzyl Alcohol - Salicylic Acid and its salts - Sorbic Acid and its salts - Dehydroacetic Acid and its salts <p>These ingredients as well as partially synthetic ingredients are used only if they are essential.</p>
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Apply the same modification for the FL composition rules.

Topic 4: Labelling rules



Intent

Ensure clear and understandable information for consumers (B-to-C) and transparency for FFL/FL buyers (B-to-B).



Initial
Proposal

FINAL CONSUMER PRODUCTS (B-TO-C):

The product label must contain the percentage out of total weight to ensure transparency towards the consumer.

Optional: additionally, allow the of display the other percentage in order to highlight the FFL/FL share in case of a product with high share of non-‘certifiable’ ingredients

Example:

Minimum requirement:

25 % of the total ingredients are Fair Trade / Social Responsibility certified.

Optional:

25 % of the total ingredients are Fair Trade / Social Responsibility certified.

70% out of the agricultural ingredients excluding water, salt and minerals are Fair Trade / Social Responsibility certified

RAW MATERIALS (B-TO-B):

Bulk label and data sheet must include both percentages.



B-to-B:

Strong recommendation (even expectation) that labels and Technical Data Sheets shall be verified by the CB before use (which is currently not the practice). One company pointed out the potential lack of room on labels and also the different preferences from buyers, so the company should be given the choice to put the information either on the label or the TDS.

B-to-C:

Majority agreed that a second percentage would be confusing for consumers, especially if there are already several percentages displayed on the label for COSMOS. Additionally, consumers are not familiar with the concept of 'certifiable' or 'countable'.

However, some clients want to keep the possibility to claim the optional percentage on the label to show the effort they have done (certifiable vs non certifiable) in order to valorise the fact they have put the maximum amount of FFL ingredients they can possibly do.

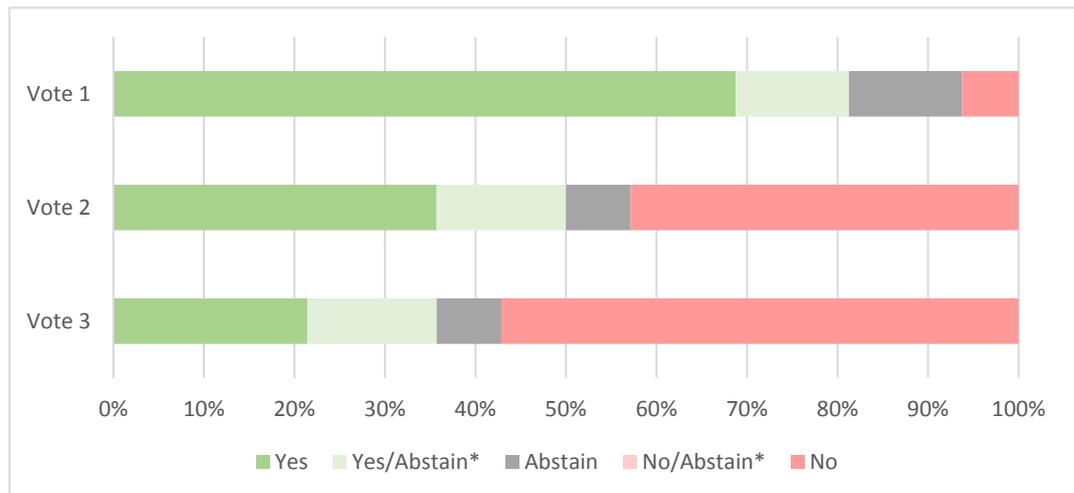


B-to-C Labelling

Vote 6: Do you agree that the total percentage shall be mandatory on final labels?

Vote 7: Do you agree that the second percentage (agricultural ingredients excluding 'non-certifiable' ingredients) should be possible additionally on final labels?

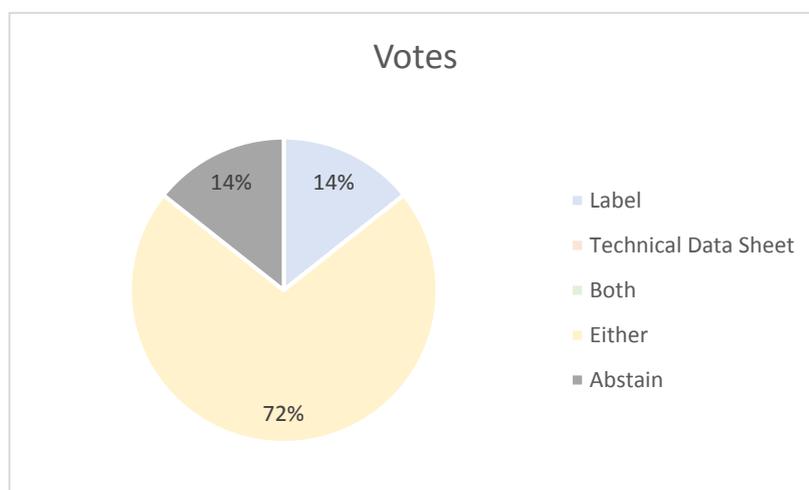
Vote 8: Do you agree that the second percentage (excl. water, salt, minerals) should remain possible additionally on final labels?



**participant was undecided between Abstain and Yes or between Abstain and No*

B-to-B Labelling

Vote 9: B-to-B: On which documents should the indication of both % be obligatory?



Final Proposal

B-to-C:

Require total percentage on final labels

As there is not a clear rejection, it is proposed to keep a second percentage possible, optionally upon request, as long as the wording is clear.

FFL Standard, Annex II:

III. Certified content:

“XX % of the total ingredients are Fair Trade certified”

Alternatively, the mention can be replaced by the following mentions:

For food: “XX % of the agricultural ingredients are Fair Trade certified”

For textiles: “XX % of the total fibres are Fair Trade certified”

For cosmetics/detergents/home perfumes the approval mention can be accompanied by a second mention (e.g. “XX% of the agricultural ingredients are Fair Trade certified”, or “XX% of the total ingredients excluding salt, water and minerals are Fair Trade certified”).

Other similar wordings can be accepted provided that they clearly reflect the calculation of the certified content.

B-to-B:

Require both percentages to be displayed (total percentage and percentage out of agricultural ingredients excluding complex CPAI), either on the TDS or on label:

Operations concerned			All operations	
Level	Ref.	Key words	Criteria	Clarification / Guidance

MUST Year 1	CONS-5	Invoices	<p>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> <p>For multi-ingredients products, this includes the identification of certified ingredients and percentages of certified content (on labels or accompanying documents):</p> <ul style="list-style-type: none"> - FFL content out of total weight And - specific FFL content based on a calculation other than total weight, according to the sector, see Annex I 	<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 the 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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Align the corresponding requirement for buyers:

Operations concerned			All operations	
Additional clarifications			The below criteria apply only to FFL Operations receiving certified products from other separately certified entities (i.e. apply to Producer operations only if they are sourcing from other certified operations).	
Level	Ref.	Key words	Criteria	Clarification / Guidance
		Suppliers' conformity	The compliance of suppliers and of the ingredients supplied is proved by sufficient guarantees:	
MUST Year 1	CONS-8	b)	<ul style="list-style-type: none"> - Reference of certified status on invoice, labels (or accompanying documents) and delivery notes - For multi-ingredients products, identification of certified ingredients and percentages of certified content (on labels or accompanying documents): - FFL content out of total weight And - specific FFL content based on a calculation other than total weight, according to the sector, see Annex I 	<p><i>This can be dealt with by a mention linked to the standard approval, with a clear link with the certified products. Final consumer labels: see CONS-14.</i></p>

Apply the same modification for the FL composition rules.