
Fairtrade International Exceptions Policy

Version 2.0

Contact for comments and information: assurance@fairtrade.net



FAIRTRADE
INTERNATIONAL

Table of contents

Purpose of this document	3
Definitions and references	3
Fairtrade approach towards Exceptions	5
1 Types of Exceptions	6
1.1 Category A:.....	6
1.2 Category B:	9
2 Process requirements for Exceptions	10
2.1 All Exceptions	10
2.2 Category A Exceptions.....	11
2.3 Category B Exceptions	11
3 Interpretations	12
4 Packaging artwork Exceptions	13
4.1 Exceptions granted in Fairtrade CONNECT.....	13
4.2 Exceptions for promotional materials	13
4.3 Exceptions granted by the Brand Integrity Committee or Fairtrade International	14
5 Annex 1: Application for Category A Type II Exception	15
6 Annex 2: Referral for Category B Exception request	16
7 Annex 3: Request for a temporary artwork Exception	18

Purpose of this document

This document defines Fairtrade International's policy regarding Exceptions **against the Fairtrade Standards and standards-related policies and guidelines**.

This Exceptions Policy defines and regulates Fairtrade International's approach and processes regarding Exceptions in line with [ISEAL's Assurance Code of Good Practice](#).

Fairtrade International defines this policy with the intention to:

- Foster harmonization and rigour around Exception decisions in Fairtrade.
- Provide clarity regarding roles and responsibilities around Exceptions.
- Be transparent to the wider community around the need for and existence of Exceptions.
- Comply with ISEAL's Codes of Good Practice.

Definitions and references

Assurance Provider refers to any organisation, that is allowed by Fairtrade International to perform assurance against Fairtrade Standards. Their activities are regulated by [Fairtrade's Requirements for Assurance Providers](#), in compliance with ISEAL's Assurance Code of Good Practice.

Exceptions are decisions to temporarily exempt an operator from compliance with a particular requirement in the standards. These decisions contribute to the necessary flexibility of the standards to adapt to the dynamic reality of operators.

Fairtrade CONNECT refers to a web application which is used to manage Fairtrade licensing activities (e.g. license contracts, product registration and approval, commercial activity, reporting, exceptions, etc.). It is available to all Licensees and Licensing Bodies and is managed by the CONNECT Team (ICC), which is mandated by the Fairtrade Connect Grouping.

Fairtrade International Exceptions Committee refers to a subcommittee of the Standards Committee. It has a multi-stakeholder representative membership and has the responsibility to take decision on Exceptions as defined in its [Terms of Reference](#).

Fairtrade International Oversight Committee refers to a multi-stakeholder subcommittee of Fairtrade International's Standards Committee. It defines the rules that govern the Fairtrade Assurance and Licensing Scheme and evaluates its effectiveness and adequacy, as defined it is [Terms of Reference](#).

Interpretations are understood as official clarifications of what a standard requirement or requirements mean in a particular context, when these have not been sufficiently clear or comprehensive for all possible scenarios. See Section 3 of this Exceptions Policy.

Licensing Body refers to any organisation, that is allowed by Fairtrade International to perform specific licensing activities related to the FAIRTRADE Marks. Their activities are regulated by [Fairtrade's Requirements for Licensing Bodies](#).

Oversight refers to the bodies, functions and processes put in place by Fairtrade International to ensure the effectiveness of both assurance and licensing processes, as reflected in [Fairtrade's Oversight Procedure](#).

Fairtrade approach towards Exceptions

- Exceptions can be good and necessary to meet Fairtrade's mission.
- Exceptions shall not be abused, should not be the norm, should only be used as a last resort and should be eventually reduced as much as possible.
- The need for Exceptions in the scheme shall be transparent and made subject to public scrutiny.
- Not all Exceptions are equal in nature and therefore should not follow the same process. These differences shall be defined.
- The scheme owner shall assume its responsibility in this process, but avoid interfering with the impartiality of certification and licensing decisions.
- Consistency within and amongst Assurance Providers and Licensing Bodies shall be ensured.

All decisions on Exceptions shall:

1. Bring Fairtrade's mission forward.
2. Be used only as a last resort.
3. Ensure overall and long-term benefit for producers and/or workers.
4. Assess and minimize risk to the credibility of Fairtrade.
5. Avoid significantly altering the level playing field amongst operators.
6. Not create a precedent that should be repeated in similar circumstances.
7. Have an expiration date and therefore an obligatory review before extension.
8. Be in line with any amendments in the standard requirement for which an Exception is granted.
9. Include criteria that shall be met by the operator and monitored by the relevant Assurance Provider or Licensing Body.
10. Be properly documented including the conditions for the Exception.

Exception decisions in general shall:

1. Be communicated publicly in aggregate respecting the confidentiality of the specific operators involved.

Be followed by analysis regarding the necessity for a standard change, as part of the regular review process of stand

1 Types of Exceptions

1.1 Category A:

Category A Exceptions are situations that Fairtrade accepts as deviations from base rules, provided that certain criteria are met. These cases, and the criteria to accept such Exceptions, are defined in the relevant standard, relevant policies or guidelines or in the Fairtrade International Exceptions Policy (this document).

1.1.1 Product composition Exceptions (Trader Standard 2.2)

Type I

Type I Exceptions are granted by the Licensing Body for traders processing food composite products or by the Assurance Provider for traders processing food composite ingredients. The following reasons are applicable:

- **Supply shortage:** Sourcing of Fairtrade ingredients is provisionally not possible for reasons beyond the trader's control, e.g. drought, natural disaster, strikes, war or similar reasons.
- **Inadequate quality:** The ingredient form required is available, however the particular quality required by the buyer is not available and the qualities that are available would cause insurmountable technical problems.
- **NEW: Sourcing constraints:** The ingredient form required is available, however the minimum order quantity is more than the trader needs or there is an import/export ban on the product form.
- **New standard:** When a new product standard is published an Exception of two years is automatically granted to all current Fairtrade traders to allow time for sourcing the new ingredient. If the sourcing problems persist after two years, traders may apply for one of the other product composition Exceptions.
- **Unavailable ingredient:** The ingredient form is not available as Fairtrade from any seller in the trader's region and the trader does not have the capacity to buy from origin.

Type II

Type II Exceptions are granted by the Exceptions Committee. The following reasons are applicable:

- **Transitioning ingredient:** The ingredient is available and being sold/processed as Fairtrade by a trader, but sufficient volumes do not exist to supply 100 percent of the required quantity. The company must have an approved written plan for the ingredient to become 100 percent Fairtrade. At least 20% of each transitioning ingredient in a food composite product must be sourced as Fairtrade when the licence contract is signed. Within one year, this composition must increase to a minimum of 50%. The transitioning ingredients must become 100% Fairtrade in accordance with the agreed plan and as soon as enough supply is available.
- **Provenance:** Ingredients holding a provenance certification, e.g. *Appellation d'origine contrôlée*, *Denominación de origen*, *Districtus Austria Controllatus*, *Denominação de Origem Controlada*, etc. The ingredient for which provenance

is claimed must be indicated as an Exception on the back of the pack of the final product.

The following Category A Exceptions are granted by the respective Assurance Provider:

1.1.2 Retro-certification¹

Retro-certification is converting a product bought under ordinary conditions (non-certified) from a Fairtrade certified producer or conveyor into a Fairtrade certified product. An Exception for retro-certification is granted by the Assurance Provider according to the following criteria:

- The operator can demonstrate that they were not able to source a product as Fairtrade.
- The Exception is a temporary measure (e.g. related to the launch of a new product or a product from a newly certified producer bought before certification of the producer). Price differential (if applicable) and Fairtrade Premium are paid to the corresponding supplier.²

1.1.3 Product compensation³

Product compensation is converting a product bought under ordinary conditions (non-certified) from a non-certified producer or conveyor, into a Fairtrade certified product by purchasing the equivalent quantity and quality from a Fairtrade certified producer at a later date, which is then used as a non-certified product. An Exception for product compensation is granted by the Assurance Provider according to the following criteria:

- The operator can demonstrate that:
 - They were not able to source a product as Fairtrade due to reasons beyond their control (force majeure such as extreme weather conditions); OR
 - Planning was not possible, also for reasons beyond the operator's control, AND retro-certification is not possible.
- Purchase of the compensating Fairtrade certified product is of the same kind and quality ('like for like') and is done within a timeframe that is relevant for the type of product, which cannot be longer than one year after the product compensation.

1.1.4 Other Category A Exceptions

The following Exceptions can only be granted by the Assurance Provider following certain criteria in the relevant standard:

- Physical traceability for composite products, as defined in the Trader Standard (2.1.7)
- Worktime Exceptions as defined in the:
 - Hired Labour Standard (3.5.10 and 3.5.11)
 - Textile Standard (3.5.12); and
 - Gold Standard (3.3.29 and 3.3.36)
- Premium distribution as defined in the Hired Labour Standard (2.1.20)

¹ (Systemic) Retro-certification directly regulated in a product standard is not considered an Exception. Please look at the relevant product standard for retro-certification rules for tea of the *camellia sinensis* plant, sugar and fresh fruit.

² Price differential is the difference between the Fairtrade Minimum Price and the price at which the product was initially bought from the producer.

³ Product compensation directly regulated in a product standard is not considered an Exception.

- Mining in protected areas as defined in the Gold Standard (3.2.21)
- Maximum land size for wine grape and cane sugar producers
 - Fresh Fruit Standard (1.1.2); and
 - Cane Sugar Standard (1.1.1)

1.2 Category B:

Category B Exceptions can be granted when there are exceptional and particular circumstances in a given case that make full application of a Fairtrade standard requirement or requirements contrary to the intention of the standard or the mission of Fairtrade. Category B Exceptions are granted in particular circumstances that are not covered by any of the Exceptions described in Category A.

1.2.1 Special circumstances

The following special circumstances can be considered as a basis for a Category B Exception. These Exceptions are granted by the Assurance Provider or Licensing Body that can verify the Exception, based on the following circumstances:

- Force majeure situations (natural or manmade disasters).
- Other unforeseen events outside of the control of the organization (such as changes in legislation, pest outbreaks, abrupt price changes).
- Specific organizational, environmental, social or technical conditions of a particular case that make it exceptionally and justifiable different from other cases.
- An opportunity to bring substantial benefits to producers and workers via Fairtrade sales is made impossible by the application of standard requirements.

1.2.2 Use of prohibited products in the Hazardous Materials List (HML) in all standards

Fairtrade International maintains the HML of agrochemicals (including pesticides) that are identified as highly hazardous in some form or other to human and animal health as well as to the environment. The HML list includes the 'prohibited' materials list (the Red List) with materials that must NOT be used on Fairtrade products.

In highly exceptional circumstances, after all other forms of control have failed and there is no alternative, operators can apply for an Exception to use chemicals or pesticides listed on the Red List.

Exceptions for the use of a Red List prohibited material can only be granted by the Oversight Committee in highly exceptional circumstances under the following criteria:

- The application for Exception is submitted to the Oversight Committee by the respective Assurance Provider or Licensing Body (on behalf of the operator).
- The period for which the Exception is granted is as short as possible, with no possibility for extension.
- Exceptions will be considered only in specific cases where usage of any alternative material is not possible.
- The decision has to be based on expert advice.
- There is a transparent and public communication about the Exception by the operator or the Assurance Provider/ Licensing Body.

- The operator can demonstrate that usage of Red List material can be mitigated adequately to ensure little or no harm to people and environment.
- There is a monitoring plan for phasing out Red List material, developed by the Assurance Provider or the Licensing Body together with the applicant operator.

1.2.3 Collective Exceptions

Collective Exceptions can be granted in cases when there are circumstances or a situation that affects all the operators in a region/country/product category and makes the full application of a Fairtrade standard requirement or requirements temporarily impossible. Collective Exceptions are granted by the Exceptions Committee according to the following criteria:

- The application for a collective Exception is submitted to the Exception Committee by an Assurance Provider or Licensing Body.
 - In case the Exceptions Committee find the case too complex or beyond their competence, it may be referred to the Oversight Committee.
- The Exception request was consulted with the relevant Producer Network prior to submission to the Exceptions Committee.
- The application clearly demonstrates that compliance with Fairtrade requirements is temporarily not possible and is beyond the control of Fairtrade certified operators (force majeure such as extreme weather conditions, pest outbreak, etc.).
- The Exception is only temporarily required, and cannot be granted for longer than one year. Extensions are only possible when absolutely necessary.
- There is a transparent and public communication about the Exception by the operator or the Assurance Provider/Licensing Body.

2 Process requirements for Exceptions

2.1 All Exceptions

All decisions on Exceptions mentioned in the Fairtrade Standards shall meet the specific criteria for these Exceptions defined in the respective standard, as well as additional criteria in the Assurance Provider's or Licensing Body's exceptions procedure, if any.

2.1.1 Exceptions can only be requested in writing directly by the operator who needs to comply with the standard for which the Exception is sought.

2.1.2 The request shall specify:

- the standard or policy requirement(s) for which the Exception is requested.
- the justification for the Exception.
- actions that will be taken to remove the need for the Exception.

2.1.3 Exception decisions are made with a clear rationale and in a timely manner.

2.1.4 Granted Exceptions shall be communicated to the operator in writing, specifying:

- the standard or policy requirement(s) for which the Exception is granted.
- a justification for the Exception.
- the validity of the Exception (from/to date, product scope etc.).

- the conditions for the Exception, i.e. specific additional requirements that shall be met, such as the implementation of a phase out plan or specific reporting.
- 2.1.5 A denied Exception is also communicated to the operator in writing, with an explanation of the reasons for denial.
- 2.1.6 An Exception decision cannot be appealed. However, complaints can be lodged with the respective Assurance Provider or Licensing Body, or with Fairtrade International.
- 2.1.7 Assurance Providers and Licensing Bodies report to the Oversight Committee on an annual basis on Exceptions granted (as defined in the Oversight Procedure). The Oversight Committee oversees the correctness of the Exception granting process and Exception decisions.
- 2.1.8 The Oversight Committee can take actions if:
 - the process of granting Exceptions is not followed
 - an Exception decision does not meet the criteria set out in,
 - Fairtrade Standards,
 - Fairtrade policies,
 - the Exceptions Committee Guidelines, or
 - the Exceptions Policy.
 - an Exception decision is not consistent to the Fairtrade approach to Exceptions as set out in this document.
- 2.1.9 Fairtrade International will publish at least annually an anonymized summary of Category A and B Exceptions granted for public information.
- 2.1.10 The Fairtrade International Assurance Manager shall annually provide an overview of all Exceptions granted by Fairtrade Assurance Providers and Licensing Bodies so that Exceptions are applied consistently across the Fairtrade system.

2.2 Category A Exceptions

- 2.2.1 Fairtrade International delegates the responsibility to grant Category A Type I Product composition Exception decisions to the respective Assurance Provider or Licensing Body and Category A Type II Product Composition Exception decisions to the Exceptions Committee (see Annex 1 for application form). All Category A Exceptions on Retro-certification, Product compensation and 'Other' Exceptions (see section 1.1.2 - 1.1.4) can only be granted by the Assurance Provider.

2.3 Category B Exceptions

- 2.3.1 Fairtrade International delegates the responsibility to grant Category B Exceptions for Special circumstances (see 1.2.1) to the respective Assurance Provider or Licensing Body, but retains the capacity to grant Category B Exceptions for Special circumstances (see 1.2.1) itself if the Assurance Provider or Licensing Body refers the decision to Fairtrade International's Exceptions Committee (see 2.3.2).
- 2.3.2 If the Assurance Provider or Licensing Body, following its internal decision-making process, identifies the case as significantly complex or sensitive, they

can refer it to the Exceptions Committee for decision (see Annex 2 for referral form). If the case is referred to the Exceptions Committee, the following applies:

- 2.3.2.1 The Exceptions Committee assesses the case, decides if an Exception is justified, and, if applicable, defines the expiration date for the Exception granted as well as the actions the operator must take to eliminate the need for the Exception.
- 2.3.2.2 The Exceptions Committee instructs the relevant Assurance Provider or Licensing Body to communicate the Exception decision to the relevant operator and to oversee its implementation.
- 2.3.2.3 The Exceptions Committee, without delay after decision-making, shall report the decision to the Assurance Manager in writing.
- 2.3.3 Category B Exceptions for the use of prohibited products included in the Hazardous Materials List (HML) are granted by the Oversight Committee for all standards (see 1.2.2).
- 2.3.4 Category B Collective Exceptions are granted by the Exceptions Committee (see 1.2.3). If the Exceptions Committee, following its internal decision-making process, identifies the case as significantly complex or sensitive, they can refer it to the Oversight Committee.
- 2.3.5 The Assurance Provider or Licensing Body makes the information on the Category B Exceptions publicly available in a manner that does not identify the operator.

3 Interpretations

As part of its regular services of standards development and maintenance, Fairtrade International is responsible for providing standards interpretation services for internal and external stakeholders.

Interpretation is understood as an official clarification of what a standard requirement or requirements mean in a particular context, when these have not been sufficiently clear or comprehensive for all possible scenarios.

Interpretations shall apply the intent and wording of standard requirements to a particular situation and, following a logical thinking process, come to a rationale of how they shall be understood in a particular context.

Interpretations shall not be seen as the development of new requirements, but as an elaboration of existing ones. Interpretations are permanent, not temporary and therefore are NOT Exceptions.

Interpretations of standard requirements are applicable in two different cases:

- A requirement does not apply to a particular case:
 - in these cases, requirements are treated as non-applicable.
- A requirement cannot be applied due to a particular situation in a region/country or organization:
 - All interpretations are clarified with the team of analysts/certifiers working in the same region/country or organization, so that they are clearly and consistently applied in the future.

- Interpretations may include additional requirements for operators in order to align as much as possible to the intent and purpose of the standard.

Requests for interpretations are submitted to Fairtrade International's Standards, Pricing & Assurance Unit in writing, which issues an interpretation note if the request is perceived to be reasonable. Interpretation notes are general in nature and never specific to one operator. The Fairtrade International Assurance Manager is responsible to monitor the implementation of the interpretations and maintains a list of current valid interpretations.

4 Packaging artwork Exceptions

4.1 Exceptions granted in Fairtrade CONNECT

4.1.1 Fairtrade International delegates the responsibility to grant Exceptions for the use of the FAIRTRADE Mark, the FSI Mark and their corresponding claims on packaging to the respective Licensing Body. The Licensing Body follows the procedure set out in Fairtrade CONNECT. If the Licensing Body declines the artwork, the licensee can apply for an Exception. The following information must be included in Fairtrade CONNECT:

- Exception type
- Motive for Exception
- Mitigation actions
- Supporting documents
- End date (validity)

4.1.2 Each Licensing Body has discretion whether to extend the validity of an Exception or not. Depending on the industry or market, the total period of an Exception should not extend beyond the usual packaging turnover common in the respective industry or market.

4.1.3 Records must be kept of all packaging artwork Exceptions that are granted by the Licensing Body.

4.2 Exceptions for promotional materials

4.2.1 Exceptions for the use of the FAIRTRADE Mark and the FSI Mark on promotional materials can be granted by the respective Licensing Body following a procedure that suits the Licensing Body.

4.2.2 Records must be kept of all promotional artwork Exceptions that are granted by the Licensing Body.

4.3 Exceptions granted by the Brand Integrity Committee or Fairtrade International

- 4.3.1 In the following cases, the Licensing Body must obtain approval from the Fairtrade Brand Integrity Committee or Fairtrade International prior to granting an exceptional use of the FAIRTRADE or FSI Mark on packaging (see Annex 3 for request form):
- For situations that are not included in the FAIRTRADE Mark or FSI Mark Guidelines in any way.
 - When a core principle is changed.
 - For the transition period, when a new way of applying the FAIRTRADE Mark or the FSI Mark arises, due to new procedures or innovative types of packaging, until the respective guidelines are updated.
 - When the conditions stated in the FAIRTRADE Mark or FSI Mark Guidelines about how they are applied need to be changed for a particular market.
- 4.3.2 Exception records must be kept of all packaging artwork Exceptions that are granted by the Licensing Body and shall be reported to the Oversight Committee on an annual basis.

5 Annex 1: Application for Category A Type II Exception

This document is to be filled for an application for Category A Type II Exception by the applicant.

Category A, Type II Exceptions are granted by the Exceptions Committee for transitioning ingredients and provenance as described in Section 1.1.1 of the Exceptions Policy.

Please send the filled form to the Exceptions Committee (EC) at exceptions@fairtrade.net.

Please enter the following information as an official application for an Exception to the Fairtrade Standards:

LB/AP presenting the case:	
FLO ID of operator:	
Date:	
Product:	

The operator is applying for Category A Type II Exception due to:

- Transitioning ingredient Exception for Product Composition Exception
- Provenance Exception for Product Composition

Ingredient applied for:	
Suggested validity date:	
Suggested measures to avoid future Exceptions:	

For this Exception to be granted all criteria below have to be fulfilled:

- Brings Fairtrade's mission forward.
- Has been used only as a last resort.
- Ensures overall and long-term benefit for producers and/or workers.
- Assesses and minimize risk to the credibility of Fairtrade.
- Avoids altering significantly a level playing field amongst operators.

Please explain how the criteria are fulfilled:

--

6 Annex 2: Referral for Category B Exception request

This document is to be used when making referrals for Category B Exceptions to the Exceptions Committee or to the Oversight Committee and is to be filled by the Licensing Body (LB), Assurance Provider (AP) or Exceptions Committee (EC).

Category B Exceptions can be granted when there are exceptional and particular circumstances in a given case that make full application of a Fairtrade standard requirement or requirements contrary to the intention of the standard or the mission of Fairtrade.

Please send the filled referral form to the Exceptions Committee (EC) at exceptions@fairtrade.net or to the Oversight Committee (OC) at assurance@fairtrade.net.

Please enter the following information as an official application for an Exception to the Fairtrade Standards:

LP/AP or EC:	
Date of application:	
Exception applied for:	
Senior manager endorsing Exception:	

Briefly explain why you as a LB, AP or EC cannot grant this Exception:

--

The applicant requests a Category B Exception due to:

- Force majeure situations (natural or manmade disasters).
- Other unforeseen events outside of the control of the organization (such as changes in legislation, pest outbreaks, abrupt price changes).
- Specific organizational, environmental, social or technical conditions of a particular case that make it exceptionally and justifiable different from other cases.
- An opportunity to bring substantial benefits to producers and workers via Fairtrade sales is made impossible by the application of a standard or standards requirements.
- Use of prohibited products in the Hazardous Materials List (HML) in all standards.
- A situation that affects all the operators in a region/country/product category and the full application of a Fairtrade Standard requirement/s is temporarily not possible (Collective Exception).

For this Exception to be granted all criteria below have to be fulfilled:

- Brings Fairtrade’s mission forward.
- Has been used only as a last resort.
- Ensures overall and long-term benefit for producers and/or workers.
- Assesses and minimize risk to the credibility of Fairtrade.
- Avoids altering significantly a level playing field amongst operators.
- Does not create a precedent that should not to be repeated in similar circumstances.

Please explain how the criteria are fulfilled:

--

Application:

Suggested validity date:	
Argument for granting Exception:	
Suggested measures to avoid future Exceptions:	

7 Annex 3: Request for a temporary artwork Exception

This document is to be filled for an application for a temporary artwork Exception.

Temporary artwork Exceptions are granted by the Brand Integrity Committee (BIC) or Fairtrade International Brand Team as described in the Exceptions Policy (this document).

Please send the filled form to the Exceptions Committee (EC) at exceptions@fairtrade.net.

Please enter the following information as an official application for an Exception to the Fairtrade Standards:

Name of the Licensing Body presenting the case:	
Name of the Licensee:	
Date:	
Senior manager from LB endorsing Exception:	

Request for Exception:

Reasons/rationale for the request:

Core principle is changed:

- Mark is not front of pack
- Mark colours are altered
- Fairtrade Claim is absent
- Fairtrade Claim is altered
- Other
- Application of Mark on-pack not included in guidelines
- New labelling or packaging procedure
- Innovative packaging
- Market needs or conditions

Please explain the case:

Additional information: Start date: End date: Batch size/stock affected by the Exception: Other:

Please attach graphics of the applicable artwork, when submitting the request.