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Oversight Committee Minutes

Meeting 42: 30 June and 1 July 2025

Teleconference meeting

Present:

Oversight Committee (OC) members: Ben Huyghe (chair), Richard Kwarteng (vice chair), Marike de Pena (apologized for 30th June), Jules Colombo, Simon Wright, Theresa Glammert-Kuhr (substitute), Arun Ambattipudi, Selene Scotton (apologized for the meeting).

Fairtrade International (FI): Eleonora Gutwein, Sylvia Yousofi, Margret Loeffen

Presenters: Patricia Magana-Spiegel, Jutta Goss, Ganapathy Raju

Observers:

Disclaimer:

The Fairtrade International (FI) Oversight Committee (OC) aims to reach consensus, but decisions may not always reflect the opinions of all members.

Item 1 – Opening

The chair opened the meeting and stated that the quorum was met. Consent for recording the meeting was obtained.

Agenda: The agenda was agreed upon unanimously. No additional (AOB) items were brought up.

Conflict of interest: One member declared a conflict of interest for topic 4. No further conflict of interest was declared.

Proxi votes: 30th June: In case of absence, proxi votes can be distributed to other committee members. The proxi vote from Marike de Pena was given to Arun Ambattipudi. The proxi vote from Selene Scotton was handed to Jules Colombo.

Ground Rules:

The chair reminded the OC about the ground rules for the meeting:

- All confidential information shared within the committee is kept confidential and should not be circulated or disclosed outside the committee. This does not apply to public minutes.
- All decisions will be based on consensus whenever possible.

Review of actions items:

There were no outstanding action items for this meeting from previous meetings.



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Item 2 – News and updates:

News:

- Lisa Prassack has been appointed as the new CEO of Fairtrade International.
- Further governance changes are coming up following the General Assembly (GA) decision in June about the role of the Board.

Updates:

- The project manager of the intermediate distributor pilot identified the need for a generic review of the scope of certification. Fairtrade Canada considers it in the best interest of the system to conduct the wider review and not to pursue the pilot, because they consider the pilot in Canada too limited to provide any statistically significant results that could then be applied across the system. Also, there is an expectation that the ongoing Standards Architecture project and wider interest might offer an opportunity for a more thorough review. The intermediate distributor pilot is therefore closed.
- The Fairtrade Foundation team proposed the closure of the Gold for electronics pilot, because a commercial partner was not yet identified. Although Max Havelaar Switzerland currently lacks capacity to actively manage this pilot, they have flagged interest to act as a project manager and continue the research phase in case an interested commercial partner would be identified. The Gold for electronics pilot is closed, with the possibility of reopening the research phase in case of such interest.
- The OC received an update on the status of the Requirements for Licensing Body (RLBs) audits. It was reported that close collaboration is ongoing with the auditor. Additionally, monthly check-in calls are held with licensing representatives from across the system to ensure continued preparedness.

Item 3 – FTA Land size exception

An exception request from Fairtrade Africa (FTA) was referred to the OC by the Exceptions Committee. The request concerns an exception to the Small-scale Producer Organisation (SPO) Standard requirement for maximum land size restrictions, specifically for Rooibos tea producers in South Africa. Following comprehensive analysis and addressing stakeholder concerns, the OC was asked to decide on the exception with conditions recommended by the Oversight and Compliance Advisor.

This exception was tabled for last year, but there were concerns raised by stakeholders. FTA addressed the concerns and resubmitted the request. Collective exceptions can be granted in case it affects all operators in a certain geographical area, or product category. This exception request falls in the scope of the collective exceptions, hence the OC is asked to decide on the request.

The rationale for the exception is that Rooibos is a dryland crop with exceptionally low productivity, harvested once annually. Even under optimal conditions, farmers require extensive areas to produce sufficient rooibos to earn a reasonable living income. This challenge is compounded by South Africa's historical context, where disadvantaged groups had limited or no access to land or rooibos markets during apartheid, creating structural barriers to wealth building and resource security.

The recommendation to the OC was to grant the exception with conditions that apply also for other existing land size exceptions for products such as wine grapes and cane sugar.

The following conditions would apply:



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- No more than 15% of members may have land size above 30 hectares
- Maximum land size for Fairtrade product cultivation cannot exceed 100 hectares
- Exception must be submitted and approved before the inclusion of larger members
- Organization must be an SPO based in South Africa
- Organization must present comprehensive proof of necessity, including:
 - Evidence that average small-scale producer farms in the region exceed 30 hectares
 - Documentation of lower productivity requiring larger farm sizes
 - Demonstration of equitable premium distribution mechanisms
 - Commitment to transparent governance structures

Discussion:

The following points were discussed:

An OC member raised a conceptual question on whether it is a collective exception that is already granted or whether it is subject to special conditions that need to be verified first, before the exception is given. It was clarified that the exception will be approved, if the conditions are met.

An OC member asked whether the requirement on the percentage of tea volume to come from small producers continues to apply. It is confirmed that this continues to apply.

SU (Standards Unit) clarified that the land size criterion will have to undergo a review soon, as there are already challenges identified in other crops, however, timeline is not yet set for this work.

One CO member asked how it can be measured that 15% of the members do not exceed 30 hectares. It was clarified that this would be via the members list, audited by FLOCERT. There is a set process for that.

Decision

The OC unanimously approved the exception for 2 years with the conditions as listed.

Next steps

Timeframe	
July 2025	Inform FTA and FLOCERT
July 2025	Communicate exception conditions to relevant SPOs

Item 7 – Pilot Standards Operating Procedure

The Pilots Standard Operating Procedure (PSOP) was first designed with support of consultants, under the guidance of the Assurance Manager and approved by the OC in spring 2022. The Pilot Facilitator (PF) started implementing the PSOP from January 2023. An internal survey on the PSOP was conducted mid-2024 to complement learnings gathered during implementation. The proposed changes were in principle endorsed by the OC in December 2024, but the OC also requested the PF to obtain and include Producer Network (PN) inputs. Additional PN engagement subsequently took place since end of 2024 to add the PN perspective into the PSOP review. Based on all obtained insights, the PSOP wording was revised and is presented to the OC for approval. Main changes include greater alignment with the innovation funnel approach, more agility where possible, especially for low-risk pilots, a clearer role for the PNs and more



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clarity on the processes related to pilot appraisal and pilot exits. Once the new version of the PSOP is approved by the OC, it will be published and internally communicated by the PF in Q3 2025.

- Main changes to the SOP include
 - o Alignment with innovation process and tools, including business case / market projections template
 - o Peer review on the basis of concise proposal
 - o OC decision for minor pilots (as defined in PSOP annex 3) only after research phase, but for other pilots at application and after research phase.
 - o A clearer PN role in pilots
 - o Specification of the pilot Terms and Conditions, including the requirement to have an exit plan
 - o Wider reporting on pilots, including sharing updates with the SC
 - o Added clarity on pilot exit and transition options and non-options
- The PF shared her screen and showed the new procedure, including
 - o That OC is decision-making authority on pilots and when OC decisions are required
 - o PNs always need to be consulted and can deliver a second project manager who's role is to be captured in the pilot terms of reference
 - o Service agreement with FLOCERT needed
 - o Changes and clarifications on the different pilot phases

Discussion:

The following points were discussed:

A member expressed concern regarding the potential loss of momentum or discontinuation of pilot projects when the responsible colleague departs. The member requested the PF to propose measures for improving continuity, as well as to facilitate regular updates and follow-up of such pilots. The PF acknowledged that it may not be possible to fully eliminate this challenge but noted that steps are always taken to appoint a replacement project manager to maintain continuity. The chair inquired about the frequency of document reviews. It was clarified that the documents will be reviewed regularly every five years, with an initial review after the first year.

Decision

The OC voted unanimously and approved the new PSOP.

Next steps

Timeframe	
Q3 2025	Announcement of new Pilots SOP with presentation deck and internal webinar, uploading on website to come
2030	Next review of the Pilots SOP

Item 6 – Assurance Provider KPI Report



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The Assurance Provider presented their annual KPI report. The KPI report included information around number of audits conducted, number of decertification/suspensions, number of clients and certification personnel including auditors. The OC was also informed about the risk categorisation of clients.

The OC members had observations around how the numbers were presented and requested for the next report to include more analysis with context provided around overall picture.

Item 5 – Fairtrade Claims Framework

The Fairtrade claims framework development has started more than a year ago and is part of a Fairtrade claims management system. There are new regulations in the European Union (EU) and in other regions in this area as a response to a global proliferation of unfounded claims (outside of Fairtrade). The presentation was focusing on the EU regulations, as those are the most relevant to Fairtrade at the moment.

A claim is anything that may be legally challenged not to be factually correct. Fairtrade focuses on (combinations of) social, economic and environmental claims. Claims can be on-pack and off-pack. Not only the Fairtrade systems make claims, but also external parties do. Assured claims are the main claims for Fairtrade and they are reflected in the Fairtrade Mark Guidelines. They are related to the Standards and to the certification system, thus it is well regulated by Fairtrade International. However, there can be claims beyond compliance, e.g. on impact, living income/living wages, etc. These types of claims are usually not on-pack of the certified product.

When it comes to claims, especially claims that are not strictly related to the certified product, it is important to distinguish between claims on commitment, activity, outcome and impact. The substantiation of the claims depends on the type of the claim that is being made. The claims framework hence will contain normative documents covering the entire system and differentiations between controlled claims (i.e. assurance claims, performance claims and marketing claims) and other claims (i.e. verified claims and collaboration claims).

In 2025, Fairtrade International's Oversight and Brand teams are developing a Fairtrade global claims management system. The Fairtrade Claims Framework and Playbook are planned for Q3 2025 and will be communicated in internal webinars. The external guidelines are scheduled to come in Q4 2025.

Discussion:

There were concerns raised related to the changing legislative landscape. It was mentioned that the Deforestation Regulation may be delayed and that some other directives are being reviewed again, which raises the question of to what extent we can rely on these legislation. It was noted that regardless of the changes in the legislation, there is added value in complying with the rules, even if some of them will be more as next practise, it makes our system more robust and credible. In addition, advocacy remains important to assure a unified approach in the different EU countries, which is important from Fairtrade's perspective. The current directive is considered good as companies can make claims based on certification systems. Claims which Fairtrade allows others to make have to be in line with the legislation.

There was another question on the link to RLBs and Requirements for Assurance Providers (RAPs) how those might change based on the claims management work. It was mentioned that good processes need to be in place to proactively check and reactively address issues when they come up, whether for on-pack or off-pack claims, hence some of the processes will need to be strengthened. FI will delegate some approvals to Members, while monitoring compliance to the required process.



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The claims playbook will have best practise examples for all claim types outside of the on-pack claims, to make the approvals more efficient.

Item 4 – 2nd instance complaint

A 2nd instance complaint against an Assurance Provider was presented to the OC for their decision on recommendations. The case was about a sanction that the customer considered not justified, hence appealed, first with the Assurance Provider in question, and after rejection, submitted to FI Oversight on second instance.

Discussion:

The OC looked at all the evidence provided by the complainant, and the analysis of the Oversight and Compliance Advisor, and found that even though, the Assurance Provider has clarified some of the details during the session, a written response to the complaint was not requested, hence not provided.

As the justification of the certifier was missing, it was suggested to give the certifier additional time to present their position.

The Compliance and Oversight Advisor recommended doing further research on the sanction type in question and collect the written response from the Assurance Provider and bring the item back to the OC

The OC accepted the proposal and agreed on a date (July 29, 2025) for the follow up discussion of this item.

Decision

No decision was made at this meeting.

Next steps

Timeframe	
July 2025	Oversight and Compliance Advisor to collect all the information needed from all sides
July 2025	Complainant will be informed about the outcome of this meeting
July 29th 2025	The OC will discuss this matter



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Item 8 – Textile Standard Recognition

As part of the Fairtrade Textile Standard review, the project team proposed recognizing other textile certification schemes for specific criteria that are currently under review. This approach aims to make implementation of the Textiles Standard more efficient and cost-effective for interested clients.

A proposal is presented to the OC to endorse the oversight and assurance methodologies of two textile certification schemes. The endorsement follows the FI [Recognition Standard Operating Procedure](#) (SOP).

The focus is on the wet processing, where many chemicals are used and other schemes especially in Textile manufacturing have robust requirements in place. The Global Organic and Textile Standards (GOTS) and EOKOTEX-SteP schemes are proposed to be recognized as equivalent for the wet processing requirements. Once an OC decision is made on the schemes' assurance and oversight equivalency, the Standards Committee (SC) will subsequently decide on the recognition of the equivalency of the Standard requirements.

Discussion:

A question was raised as to whether there would be an issue with the certification cycle when auditing, and whether there would be an overlap. It was clarified that the Assurance Provider will confirm compliance based on the valid certificate from the schemes in questions. The expiration date of the certification will not be considered, except that the certificate has to be valid at the moment of the audit and that the specific required requirements were complied with at the last audit.

There is a question on whether the Assurance Provider will have access to the audit results for the wet processing. It is clarified that an agreement with the schemes would be required to agree on sharing information.

Decision

The recognition of the oversight and assurance of the GOTS and EOCOTEX-SteP Standard for the wet processing was unanimously approved.

Next steps

Timeframe	
July 3th 2025	Subsequent discussion at the SC on the equivalence of criteria is scheduled to follow

Item 9 – Assurance Provider Complaints and Allegations report

The Assurance Provider presented their annual Complaints and Allegations report to the OC. The report can be found [here](#).



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Item 10 – Chair and Vice-Chair Election

The OC unanimously appointed Ben Huyghe to remain the chair for another year and Richard Kwarteng was unanimously elected to remain the vice chair for another year.
The chair as well as the vice chair both accepted the appointment.

Item 11 – AOB, next meeting data and closing

There were no AOBs discussed during the meeting.

The next meeting is scheduled for September 22, 2025 in Bonn.

The meeting was formally closed at 14h45.