



Oversight Committee Minutes Meeting 44: 22 September 2025 Physical meeting

Present:

Oversight Committee (OC) members: Ben Huyghe (chair), Richard Kwarteng (vice chair), Marike de Pena, Jules Colombo, Simon Wright (joining virtually), Theresa Glammert-Kuhr (substitute), Arun Ambattipudi, Selene Scotton (apologized for the meeting in the morning until item 7 was presented, proxy to Jules).

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

Presenters: Oksana Forkutsa, John Young, Carley-Jane Stanton, Johanna Schmidt, Samantha Dormer, Mona Wolf

Observers: Ricardo Guimaraes, John Young

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: No conflict of interest was declared.

Proxy votes: In case of absence, proxy votes can be distributed to other committee members. The proxy 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:

- An update was provided on developments since the last meeting concerning the 2nd instance complaint on the certification body's actions. The response letter was prepared and sent to the complainant. The issue of financial sanctions, specifically in relation to certification, still needs to be clarified; it will be included in the monitoring log for review during the RAPs process, which will



FAIRTRADE
INTERNATIONAL

begin in the first quarter of 2026. In addition, the Standard Unit was made aware of the ongoing challenges associated with auditing, particularly regarding compliance with purchasing and selling requirements prior to certification. The certification body is required to inform the OC about the actions taken in response to the Committee's recommendations. An update on this matter is scheduled for December 2025.

- Regarding the land size exception, the OC is informed that there is an ongoing progress where FTA and the producers are getting informed about the possibilities of exceptions and that the outcome will be published online.

Item 2 – News and updates:

News: No news was shared.

Updates:

- The RLB audits are still ongoing and is expected to be completed by Q2 2026. One webinar has been conducted to share audit learnings and planned activities. Additionally, four forums focusing on sharing best practices have taken place. A presentation was also given at the Licensing Operations and Assurance (LOA) meeting. The feedback and insights gained from these activities will inform the next RLB review, which will begin in Q4 2025.
- Regarding the 2nd instance complaint: A letter signed by the OC Chair was received and acknowledged by the complainant and indicated that they will follow up the next steps with the certification body.

Item 3 – Exceptions report

The Exception report was presented to the OC.

Exceptions are temporarily and for a particular Standard requirement to adapt to the dynamic reality of industry or operators. Exceptions are referred to in the Trader Standard. It is important to be transparent on exceptions to consumers and within the supply chain.

Exceptions are decided by the Licensing Bodies, Assurance Providers and the Exception Committee (in particular category B exceptions and some sourcing exceptions), but reported also to OC annually for oversight.

Category A exceptions are very specific, including food product composition exceptions for licensees and sometimes for manufacturers. Type 1 (e.g. supply shortage, inadequate quality, sourcing constraint, new Standard, unavailable ingredient) can be granted by Licensing Body (LB) or the Assurance Provider (AP) and type 2 only by Exceptions Committee (e.g. transitioning ingredient / provenance). Only granted by the AP are category A exceptions on retro-certification, product compensation and other exceptions as defined in the Standard. Category B exceptions for special circumstances are granted by LB or AP with referral to the EC. Hazardous Material List exceptions are granted by the OC. Collective exceptions are granted by the EC, with referral to the OC.



FAIRTRADE
INTERNATIONAL

The overview of exceptions granted by LBs in 2024 was shared, showing a reduction in the number of exceptions over time. Most exceptions were for herbs and spices, often related to minimum order quantities. An exception clean-up project took place in 2024, reducing the exceptions a lot. The number of artwork exceptions are still high. The new claims guidance is expected to further reduce the artwork exceptions

The EC decisions taken were also presented to the OC. EC receives requests for guidance from LBs sometimes, based on which LB trainings are advised. The EC reviewed the unavailable list and new product and finished product requests and dealt with Connect updates.

The exceptions granted by the OC were also summarized for information.

Discussion:

The body who decides on exceptions should be the body being able to verify the exception implementation, which may seem as it speaks against the OC. However, since the risk profile has to be considered and that, due to the member setup including producer representation and AP seat, the OC is better placed to take certain decisions in some cases.

An OC member wanted to understand the difference between sourcing constraints and special circumstances. Sourcing constraints has to do with how trade works, e.g. minimum order quantity or very high tariffs. Special circumstances can be anything, including for example a very bad harvest.

An OC member stressed the importance of having a detailed overview of the volumes and producer impact involved when deciding on exceptions. Another OC member asked whether there is a list of unavailable ingredients, which are essential Fairtrade market opportunities. The team-member involved in this mentioned having created a list with all available sellers for different products on the unavailable list, indicating the exception volume, which was shared with the PNs, GPMs and LBs, although this did not directly result in more sales. It should be possible in the future with power BI to create a dashboard. The list earlier shared will also be reshared for information.

LB perspective was also shared, confirming that training, e.g. via learning webinars, is considered important.

Finally, an OC member asked whether producer exceptions are possible, for example when excluding Producer members is legally not possible. It is explained that exceptions are by default temporary, however, there is already a related interpretation in the Standard for the case when a producer organization SPO cannot exclude a member per local law.

Item 4 – HML exceptions

Following the monitoring review of Hazardous Material List (HML) document, some hazardous materials have been moved from the Orange List of the HML (restricted usage under special conditions possible) to the Red List of the HML (usage prohibited) as of 30 June 2022 and therefore cannot be used for Fairtrade certified crops anymore.

In March 2022, an interim process was approved by the OC to grant exceptions to allow use of limited number of materials that were added to Red list. That exception end July 2026. FTA and NAPP provided reports on these cases, which concerns especially tea in Asia and flowers in East-Africa. While a decline is observed, some use is still required for flowers, in particular for exports to Australia (as required by Australian law).

Assurance recommends stopping granting exceptions on this following the existing process and rather manage this via the product Standard where needed, as that also has advantages in terms of



FAIRTRADE
INTERNATIONAL

transparency and risk mitigation. The flower, tea, and wine grapes products would be concerned. The exception would only be possible for chemicals which are approved in the EU until 2033/2038. In addition, collective exceptions in case of for example government regulation on pests management should be allowed under the Exceptions Policy. Other voluntary certification schemes are adopting a similar approach.

Discussion:

An OC member voices that a new chemical should be added to the list, which is increasingly important for fruit producers. Another OC member mentioned the need of other products for cotton production. SU did however not receive such exception requests yet. It was flagged that once the product is sold to producers, there is a risk of application to other crops. Another member mentioned that amongst the listed products, banana is not included, but that some banana producers (in particular in Africa) also have similar needs. The OC needs clarity on this, but also sees a risk if another product is added when only needed in specific cases.

Limiting the allowance to use as much as possible is considered best until the full review of the HML list is completed.

The SU/Assurance proposal was:

- Stop granting exceptions and regulate the matter at Standard level with an interpretation note for clarity and transparency.
- For now only flowers, tea and wine grapes are proposed for Glyphosate and Abamectin and limited to those currently using it and to certain countries absolutely needing it. The scope shall be limited as much as possible. Analysis to be conducted based on available data.

The possibility would remain open to other restricted cases if needed based on provided evidence. Minor adaptations shall remain possible, because climatic changes etc. can provoke a future need.

OC requested more information on volumes for bananas, flowers and plants and wine grapes and tea impacted. This includes data on the number of flower sales to Australian market, but it will be important to not only consider the Fairtrade volumes, as the entire sold volumes would be impacted by prohibiting a material use in production.

Decision

A decision was taken on the closure of the temporary opportunity to apply for exceptions under the current process to use the limited red HML list from 1 January 2026, with the condition that a temporary solution is presented and approved by the OC in December 2025. Exceptions approved until 31 December 2025 will remain valid until 30 June 2026 in line with the previous decision of the OC.

The updated decision was approved unanimously.

SU and Assurance will develop a proposal and come back with that to the next OC for decision-making.

Next steps

Timeframe	
December 2025	SU and Assurance to develop the temporary solution and present for approval to the OC



FAIRTRADE
INTERNATIONAL

Item 5 – Partial Review – Exceptions Policy v2.1

Presentation and discussion:

The ISEAL Assurance Code requires the scheme owner to conduct regular reviews of its assurance scheme to ensure it remains adequate, effective and able to maintain integrity.

The Exceptions Policy defines FI's policy regarding exceptions to the Fairtrade Standards and Standards-related policies and guidelines. The OC was asked to decide on proposed changes to the Exception Policy v2.1 identified and consulted through the partial review of the policy.

The review took place between June and September 2025. If approved, publication is planned for December 2025, with a transition period of 6 months.

The following proposals were discussed:

1.1 Revise the Compensation Exception criteria to allow more flexibility in "like for like" compensating volumes and the timeline for compensating purchases.

For Product Compensation requests, where there are systemic disruptions to the supply chain beyond the control of the operator, such as pandemics or widespread climate change impacts, then flexibility could be given in applying the "like for like" rule and the timeframe for the compensation.

The following new conditions would apply:

- While the compensating volume does not need to be of the exact same quality it must be of a comparable quality or a higher general quality.
- While the compensating volume does not need to be of the exact same type it must be of a comparable type.

There was considerable support for this proposal in the consultation.

Decision 1. The proposed change that in cases of systemic disruptions to supply chains the "like for like" and compensation timeframe rules are made more flexible for product compensation exceptions was unanimously approved.

2.1 Allow 100% Fairtrade Traders to pay a Fairtrade Price & Premium top up to the Producer instead of purchasing a compensating volume.

Traders, who only deal in Fairtrade products are not able to utilise the Product Compensation Exceptions because they do not have any non-FT products in which they can place the compensating volume. There was considerable support for this proposal in the consultation.

A concern was raised around the top-up option, how to divide the top-up among the regular suppliers. The 100% Fairtrade would propose someone they normally source from in the request. Verification whether the suppliers received the top-up would be done by the assurance provider. The OC requested to define 100 Fairtrade Traders. The OC advised to limit the top-up payment to Fairtrade Premium considering the complications associated with the Minimum price differential. It is noted that this compensation would only apply in very exceptional circumstances, in the absence of other options. It was also noted that the exception would not apply to flowers, fresh fruits and vegetables.

The decision was reworded to:

Decision 2: To allow 100% Fairtrade Traders (except Fresh Fruit, Fresh vegetables and flowers) to access compensation exceptions by paying a Fairtrade Premium Top Up to their normal Fairtrade Producer source (in case of 'systemic disruptions' was approved unanimously).



FAIRTRADE
INTERNATIONAL

It was also noted that guidance on the systemic disruption has to be provided. It was also clarified that the producer who receives the premium is the one the trader would have normally bought it from.

3.1 Allow exceptions to give flexibility in timing of purchase of compensating volume, balancing on a single site, and flexibility in what is considered “like for like”

Exceptions may be granted by the Assurance Provider in cases where an operator is trading under Mass Balance (Trader Standard 2.1.8 to 2.1.12) and there are systemic disruptions to the supply chain beyond the control of the operator, such as pandemics or widespread climate change impacts. The following constraints shall apply:

- The operator was unable to purchase the mass balancing volume prior to sale for reasons beyond their control and was caused by the systemic supply chain disruption (Trader Standard requirement 2.1.9)
- The operator was unable to mass balance at a single site for reasons beyond their control and was caused by the systemic supply chain disruption (Trader Standard requirement 2.1.10)
- The operator was unable to mass balance the exact same quality and type as the inputs used to process the Fairtrade output (like for like) for reasons beyond their control and was caused by the systemic supply chain disruption (Trader Standard requirement 2.1.11)
 - However, in this case while the mass balancing volume does not need to be of the exact same quality but must be of a comparable quality or a higher general quality.
 - If the product claims to be from a certain region, then the mass balancing volume must be from that region.
 - If the product is organic, then the mass balancing volume must be organic.
 - If the product is conventional then the mass balancing volume may be organic provided it is of a comparable or a higher general quality.
 - While the mass balancing volume does not need to be of the exact same type but must be of a comparable type.

There was considerable support for this proposal in the consultation.

Decision 3: To allow exceptions to enable more flexibility in the ‘like for like’ and timelines in the Mass Balance requirements in cases of systemic disruption to supply chains was approved with one abstention (7 yes + 1 abstention).

4.1 Conversion of New Applicants in their first year can apply to convert ordinary product sourced from Fairtrade Certified Producers to Fairtrade.

New applicants in their first year of certification may apply to their Assurance Provider for conversion of stock purchased under fair trade schemes if product was sourced from a certified producer.

The exception may be granted if following criteria are met.

- The operator provides written documentation to substantiate the relevant purchase conditions.
- Fairtrade Premium top-up is paid to the producer that the product was sourced from in the first instance.



FAIRTRADE
INTERNATIONAL

There was considerable support for this proposal in the consultation, with one respondent that disagreed.

There was a discussion around the wording and how the premium top-ups would work. If the producer got decertified in the meantime, payment is not possible to be checked. The proposal was adjusted to reflect the wording change, that only stocks sourced from Fairtrade producers could be converted. If the producer has been decertified, the Premium would not be paid, however the stock could still be converted. The Premium differential would have to be paid if the producer is still certified. The price differential is not included to avoid too much complexity.

Decision 4: The possibility of the one-time exception for new applicant traders to convert existing non-Fairtrade stock sourced from Fairtrade certified producers to Fairtrade was approved unanimously.

The stock can be converted if at the time of purchase the producer is certified and a Premium differential has to be paid if producer is certified at the time of the stock conversion.

The exception is only available for new traders entering to the scheme and it is not an option for re-applicant traders (this addition has to be made in the exceptions policy).

5.1 The Exceptions Committee can grant an exception where an ingredient of an FSI product has a small and incidental amount of the FSI ingredient and certain criteria are met.

The ingredient with the exception is:

- A composite ingredient with an insignificant amount of the FSI ingredient.
- The composite ingredient is not primarily associated with the FSI ingredient indicated on the product.
- The composite ingredient is not available as Fairtrade,
- The FSI Ingredient content of the composite ingredient is less than 1% of the finished product.
- There is an opportunity to bring substantial benefits to producers and workers via Fairtrade sales.
- Product Fairtrade claims - on pack or off pack - are clear and accurate reflection of FSI ingredient content.

There was considerable support for this proposal in the consultation, with one respondent that disagreed.

There was a discussion on the percentage (1%), which was confirmed to be an estimate. The OC requested to make it clear that the exception is only available if the additional FSI product is part of a composite ingredient. The decision hence has been changed compared to the proposal.

Decision 5: The exceptions to the 100% content rule in FSI products as outlined in the proposal to be granted by the Exceptions Committee was approved unanimously with the added condition that exception is available if the product is part of an additional composite ingredient, and the overall content is limited to 1%.

The exception to the 20% rule and the exception in case of short systemic disruptions affecting the 20% rule (point 5.1 and 5.2) were not put forward for decision for lack of support in the consultation. These situations will remain to be handled as before. No voting on these items by the OC was needed.



FAIRTRADE
INTERNATIONAL

6.1 Added Water & Dairy Exclusion Rule

There have been increasing cases of licensed non-dairy products, e.g. ice cream, that would not meet the minimum 20% Fairtrade rule as the non-dairy product was not allowed to be deducted. In general, a dairy version ice cream would meet the required 20% because it is possible to exclude dairy & water from the overall Fairtrade content calculation in a Fairtrade product, in case the product contains equal or more than 50% dairy and water. However, this rule would not be possible to apply to the non-dairy version of the same product.

To allow the exclusion of water and dairy also for non-dairy products three options were presented as a solution:

- Option 1 - Allow exclusion of any water & dairy regardless of its percentage in the product
- Option 2 - Exclude water & dairy if > 25%
- Option 3 - Allow non-dairy versions of products to exclude any added water

There was overall preference for Option 1 which was felt to be the clearest and simplest.

The issue of added water and dairy was discussed for vegetable milk-alternatives. The option allowing the exclusion of all water and dairy is proposed.

Decision 6: To recommend to the FI Standards Unit to implement option 1 to the Trader Standard was approved with one abstention (7 yes + 1 abstention). This is to allow all products to calculate the Fairtrade percentage excluding added water and fluid dairy, regardless of the amount of added water and dairy. This is not obligatory but optional at the Licensee's discretion. All Composite Products must still meet the 20% Fairtrade content rule regardless of whether added water and dairy (if any) is excluded or not.

7.1 Allow exceptions for locally available products if the Licensee is not in an "in scope" producing country i.e. not possible for Licensee in Chile, Argentina, South Africa.

Category B Exceptions may be granted by the Exceptions Committee for temperate climate ingredients provided the following conditions are met:

- The Licensee is out of scope for a producer country.
- The exception cannot be granted if the temperate climate product is mentioned in the product name.

There are already quite some category B exceptions for temperate-climate products. Locally available products can be used if the licensee is not in a production region in scope of Fairtrade production. These exceptions are now under sourcing constraints and category B exceptions. The proposal is to structure these cases and have such exceptions granted by the exception committee. The exception cannot however be granted if the product is mentioned in the product name, for example: strawberry jam (this product would only be possible with FSI (sugar) logo).

There was considerable support for this proposal in the consultation.

Decision 7: To allow exceptions for temperate climate food ingredients to be granted by the Exceptions Committee was approved unanimously, with the conditions as below:

- The Licensee is based in a country/region where the temperate product can be sourced locally.
- The Licensee is out of scope for a producer country.
- The exception cannot be granted if the temperate climate product is mentioned in the product name.



FAIRTRADE
INTERNATIONAL

8.1 The proposal on *all Coffee & Tea blends that are 100% coffee or tea to be considered composite food products* was not put forward for decision over concerns raised during the consultation.

9.1 The proposal that *All Category B Exceptions are granted by the Exceptions Committee was not put forward. Concerns were raised during the consultation around the time and the effort it takes for the EC to grant these exceptions. Nevertheless, to strengthen oversight it was proposed by the EC to ask the OC to agree that LBs and APs shall inform the EC within 5 days when granting special circumstances exceptions.*

There was a question whether it would not go to the OC, as that committee is keeping oversight. The rationale was that the EC can handle these exceptions more efficiently in case of questions or issues. It is pointed out that the requirement asks the LB and AP for informing only, which does not suggest a feedback loop. However, this proposed approach is considered as the first step and after 1 year, the approach can be revised.

Decision 8: Category B Exceptions – “Special Circumstances” can be granted by the LB and AP, and the EC must be informed within 5 days of when the exception was granted was unanimously approved or for one year.

Next steps

Timeframe	Task
October 2025	Final approval of the Exceptions Policy by the OC by email
December 2025	Publication
Q1-Q2 2026	Roll-out with webinars

Item 6 – Assurance and Licensing Risk Management Plan

This item was postponed to the end of the meeting.

Item 7 – Central HREDD Assurance Pilot

The presenters explain to the OC that the currently foreseen assurance model for Human Rights and Environmental Due Diligence (HREDD) requirements, which will come into force from January 2026, is not well-aligned with how vertically integrated trading groups implement HREDD. Since these vertically integrated traders handle the majority of volumes in cocoa, finding a solution seems critical. A pilot is proposed to test a new assurance model on Fairtrade’s HREDD requirements, that works for vertically integrated traders implementing HREDD centrally. While all requirements would have to be complied with, certain requirements would be audited at the central office and other HREDD requirements would continue to be audited at each entity. The OC is requested to decide on the start of the research, consultation and planning phase of this pilot. During the research, consultation and planning phase the details of the assurance method would be worked out and these would come back to the OC for approval in the form of pilot terms and conditions in Q4 2025, that is before the pilot is planned to be implemented in 2026.

Discussion:

The following points were discussed:

Some members expressed concerns about the short period of the pilot and that in such a tight deadline might lead into too many terms that cannot be decided on. Regarding this it is told that the team behind



FAIRTRADE
INTERNATIONAL

this pilot is very committed, and the value of the potential outcome might be very helpful for FI. It is also clarified that the short period is due to the feedback from Legal giving a strict deadline of September 2026 due to “The Empowering Consumers Directive” and as there is preparation time it is only 6 months for the pilot implementation.

In response to a question about the audit schedule, it was clarified that audits will be conducted next year during Q1.

Another member had a question and explained that this pilot is based on the assumption that we have different companies that manage centralized and decentralized responsibilities in the same way, but there might be difference scenario’s in reality. which may make it difficult to decide what is always to be audited centrally and what is to be audit decentralized. It was clarified that the pilot projects aims to test the approach in different geographies and products to gain more insights. Two companies are planned to take part, which deal in different products. In addition during the appraisal phase (scheduled for quarter 2 in 2026) Fairtrade Global Product Managers will be consulted.

A question was raised how the certification and sanctions will work with groups. It was clarified that no entity can be penalized for non-compliance of another entity. In case of non-compliance of the central entity, the approach for the other entities would be to revert back to auditing the requirement at each entity. Regarding the audit process, a question was raised about a possible duplication of audits, which was clarified, that the pilot aims to bring more efficiency, hence duplication of audits is not foreseen.

A member asked if there would be mandatory requirements to check on all levels, and if there would be centralized as well as decentralized commitments. The idea is to conduct the pilot to learn what companies are doing within the whole range of criteria and decide which ones could be centrally audited and what can be decentralized. The aim is to improve the Standard over time.

Lastly it was pointed out that the project is very tight on timelines. It may be challenging for the certification body to adjust, as at the moment there are some challenges such as limited staff availability, which means that they might need more time for the audits.

Decision: The OC voted unanimously and approves the Central HREDD Assurance Pilot.

Next steps

Timeframe	
September – October 2025	Research and development of pilot documentation and pilot terms and conditions (including applicable assurance method (which Standards requirements would be audited at which level), as well as pilot duration) in collaboration with FLOCERT, the PM and the PF.
December 1 or 2, 2025	OC decision-making on the pilot terms and conditions.
Q4 2025	Preparing pilot implementation (getting pilot terms and conditions signed).
January 2026 – April 2026	Pilot implementation.
March 2026	Verbal reporting to the OC.
April – June 2026	Pilot appraisal and OC decision based on that.
From July 2026	Pilot exit/ scaling, including SC decision on inclusion of the model (if successful) in the Trader Standard and development of Compliance Criteria after that.



FAIRTRADE
INTERNATIONAL

Item 8 – Coconut for Processing Pilot

The coconut for processing New Economics Mechanisms (NEM) pilot started in 2021 and was now appraised. The monitoring indicator on volumes was not met and there were some related data issues and an allegation. The pilot also required considerable resources from the Producer Network (PN) and the Pricing Unit (PU), which will not be available in the future. Even if the pilot participants from the supply chain appreciated the pilot, the Project Manager (PM) from the PU proposes to close the pilot per end of 2025. For 1.1.2026 the higher global Price for coconut for processing would then apply. The Pilot Facilitator (PF) supports the closing of the pilot, since there is no capacity to continue it. There is a global Fairtrade Minimum Price (FMP) and Premium available (even if higher than the current pilot FMP and FP) and applying that global FMP would also lead to more transparency for consumers and producers and reduce price risks for Fairtrade coconut for processing. The OC is requested to decide on the pilot closure.

Discussion:

The following points were discussed:

One member asked how it was possible for there to be missing data on sales volumes. The PU clarified that there is no missing data as such; rather, the trader reported a different quantity of coconuts compared to what the producer reported. The PF explained that the producer offered all their coconuts as Fairtrade, but the trader did not buy the entire quantity as Fairtrade. The Oversight and Compliance Advisor asked how this situation could occur, since they were certified. The certification body representative clarified that such discrepancies can occasionally happen and need to be investigated further as is happening (the allegation is being investigated).

The PU notes that this issue also means the pilot resulted in a risk, which meant the indicator on no additional risks was also not met. Producers were asked if they feel like they profited by this pilot which was affirmed as the contracts are longer and they felt more security.

A member questioned how some producers could view the pricing positively given the concerns raised on volumes and Premium payments. It was clarified that there were different views on amounts due and alleged debts between the trader and the producers. It was pointed out that the FI standards clearly state that producers have full control over the entire Fairtrade premium.

Another member asks about why sticking to original timelines and it is told that the reason is that we need to think of the agreement of the pilot made with all stakeholders.

After all this an exit plan was presented and the OC is asked to vote.

A member adds before the voting that paying outstanding FP remains an obligation. It was repeated that the outstanding allegation will be followed up on.

Decision: The OC decided unanimously on the closing of the coconut for processing pilot per 31.12.2025.

Next steps

Timeframe	
Q3 - Q4 2025	Internal announcement (by PF) and to pilot participants of OC decision.
Q3 - Q4 2025	Pilot is removed from website and impact map.
01.01.2026	Existing FMPs come into force for former pilot stakeholders.



FAIRTRADE
INTERNATIONAL

Item 9 – Targeted Premium Spend Pilot

The OC is informed about the status and monitoring results of the ongoing pilots.

The Pilot emerged from discussions with a commercial partner in late 2023/early 2024 to retain banana sourcing, the targeted premium spending was proposed to be tested into specific categories to align with the customer's priorities.

During the pilot, producers allocate their premium expenditure according to specific categories:

For Small Producer Organisations the categories were: 50% climate resilience/sustainable production, 25% community/environmental funds, 25% human rights/environmental risks.

For Hired Labor: 50% wages/livelihood benefits, 25% human rights/environmental risks, 15% sustainable production (matched by management), 10% joint funds.

Results (Year 1) showed that 95% of producer organizations met the requirements. There was very high adherence across all regions. 22 producer organizations uploaded forward-looking plans. The Producer Feedback in general was positive, with request for more flexibility, especially in human rights categories. It was also identified that the inclusion of organizational strengthening and administrative costs is needed.

The positive developments resulted in more product conversions in tea and cocoa and paved the way for discussing more flexibility concerning the FP investments.

Next Steps:

- Discuss simplification of Fair Insight reporting requirements (producers not always labelling projects correctly)
- Explore increased flexibility in categories, particularly human rights
- Integration with new Resilience Building Initiative

Item 10 – Pilot Regular Updates

The OC was informed about the status and monitoring results of the ongoing pilots. More detail about the pilots in implementation phase can be found on the website, here: www.fairtrade.net/about/pilots

The PF also informed the OC about the pilots that are in research phase. During the session an improvement opportunity was identified related to the potato pilot, and the OC decided to put forward a recommendation to the Standards Committee for a potential change to the Fruit and Vegetable standard. The recommendation was to consider longer timelines for retro-certification of semi-perishable products like potatoes.



FAIRTRADE
INTERNATIONAL

Item 6 – Assurance and Licensing Risk Management Plan

Oversight and Compliance Advisor presented the risk assessment plan, specifically the new risk identified under the principle “Credibility”.

It is presented that it is a risk to the certification system's credibility if Assurance Providers develop the certification scheme without stakeholder consultation and approval from the Oversight Body. The mitigation strategy and next steps include re-assessing the current scheme approval processes. There is a need to develop a new strategy to ensure stricter oversight of the Assurance Providers. The reason for this is that there may be situations where Assurance Providers face external pressures—such as financial concerns, reputation management, or other influences—which could affect decisions related to audit scope, audit frequency and intensity. To prevent potential conflicts of interest, it is important that the Scheme Owner takes a more active role in developing the certification scheme and exercises stronger control over the main principles of certification. This increased involvement will help ensure that certification decisions remain fair, objective, and consistent.

Decision: The OC voted unanimously and approved the Assurance and Licensing Risk Management plan.

Next steps

Timeframe	
October 2025	Update the ALRMP after the review and approval of the OC.
	Update the ALRMP regularly when new risks arise, but at least in Q3 2026.

Item 11 – AOB, next meeting data and closing

There were no AOBs discussed during the meeting.

The next meeting is scheduled for either Dec. 1st or 2nd 2025 virtually. The exact time and date will be decided on at a later stage.

The meeting was formally closed at 17:35h.