

Oversight Committee Minutes

Meeting 45: 2 December 2025 Virtual meeting

Present:

Oversight Committee (OC) members: Ben Huyghe (chair), Nicholas Kadiri, Jules Colombo, Simon Wright, Arun Ambattipudi, Selene Scotton.

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

Presenters: Sonja Altrock-N'Cho, Samantha Dormer, Maria Trinidad, Thomas Meyer

Observers: Alina Amador, Johanna Schmidt, Thomas Gerhardus, Anneke Theunissen

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. All OC members introduced themselves due to Nicholas Kadiri's first attendance.

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

Conflict of interest: No conflict of interest was declared.

Proxi votes: In case of absence, proxi votes can be distributed to other committee members. Theresa Glammert-Kuhr gave her proxi vote to Jules Colombo in advance.

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.

Item 2 – News and updates:

The Trader representative OC member announced that she will step down from the committee starting May 2026 due to personal reasons.

The OC was also informed about the departure of the previous CEO, and the appointment of Marike de Peña as the new interim CEO of FI. Marike de Peña has subsequently stepped down from the SC and OC. A representative from the producer network Latin America and the Caribbean (CLAC) has been enabled to sit on the OC meeting as a contributing observer with a voice, but no vote, until there is a new representative appointed. The process on appointing a new OC member representing CLAC is ongoing.

Updates:

- Young plants pilot update
 - FLOCERT has confirmed that all Premiums had been paid to the producers for 2023 and 2024.
- Textiles pilot update
 - The OC approved in October 2025 the replacement of a pilot participant in the Textiles pilot.
 - The Pilot Facilitator confirmed that the replacement was successful and that the new supply chain is already active.
- Requirement for Licensing Bodies (RLB) audit update
 - The RLB audits are ongoing with one internal auditor doing most of the audits, and the Oversight and Compliance Advisor conducting the rest. With this year's progress, two organisations left, that will be audited in 2026.
 - The audits show that most of the countries were better prepared this year, processes were implemented and the suggestions that were made based on learnings from last year's audit were acted upon.
- Hazardous Materials List (HML) exceptions
 - The HML exceptions report is not finalized and therefore will not be an item of this meeting.

Item 3 – Impact of Empowering Consumer (EmpCo) Directive on Fairtrade

The impact of EmpCo Directive on Fairtrade was presented to the OC for information. It was explained how Fairtrade prepares for compliance with the EmpCo Directive by the time it comes into force, that is by September 2026.

Item 4 – HREDD assurance Pilot

Fairtrade's currently foreseen assurance model for Human Rights and Environmental Due Diligence (HREDD) requirements for traders, 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, finding a solution is 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 will 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 Oversight Committee (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:

Two members of the committee raised potential conflicts given their work in a specific product category. After discussion, it was clarified that, the decision concerns the general concept, not specific commodities. It applies to the generic trader standard, not product-specific standards. The pilot happens to focus on cocoa due to prevalence of this trader type. If successful, the approach would be available for all products

As a conclusion, no conflict of interest was identified.

FLOCERT has submitted three observations prior to meeting, which were considered and answered. These were around the timeline expectations. Even if pilot is successful, implementation won't happen immediately. Changes to Trader Standard compliance criteria needed. FLOCERT may need transition time before auditing according to new process. The question of accreditation was also raised. Important to clarify whether and how the approach affects accreditation. Must be accreditable within existing scope. May require additional expertise, which was acknowledged and concluded that more detailed discussions will be needed once the approach is defined in standards. There is also the challenge to define requirements in a way that is both generic enough (not limited to pilot supply chains) and concrete enough. More work is needed around appropriate definitions.

It was also clarified that the approach is intended to be rolled out across multiple products, the pilot aims to test the model appropriate for the generic trader standard. In case of fully vertically integrated companies, it would also be certified under respective product standards. This pilot only addresses HREDD-related requirements in the Trader Standard and in the cocoa standard (due to the product focus of the traders participating in the pilot). Nothing else changes.

There was an enquiry about the reporting on this pilot. The regular Q1 verbal update with slides will be shared in advance. Quantitative monitoring data is scheduled for September 2026. Given time pressure it is possible to update more extensively with additional slides shared beforehand the OC meetings.

Decision

Decision 1: The OC approved unanimously the HREDD Pilot Terms and Conditions.

Decision 2: The OC approved unanimously the delegation of minor changes to the standard requirements table during the pilot to the FI Assurance Team.

Next steps

Timeframe	Tasks
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 June OC recommendation based on that
July - September 2026	Pilot exit / scaling, including SC/SUD decision on inclusion of the model (if successful) in the Trader Standard and reflection of the solution in the Compliance Criteria after that.
Mid-September 2026	Pilot closure at the latest (earlier if inclusion in the Standards is completed earlier)

Item 7 – Vice Chair election

The OC unanimously elected Jules Colombo as the vice chair until July 2026. The vice chair accepted the voting.

Item 5 – Potato Pilot appraisal

The potato retro-certification pilot was approved in September 2023 and was scheduled to run for 2 years until an appraisal decision in Q4, 2025. The pilot objectives were mostly met. The appraisal revealed that pilot participants would like to continue trading and find the existing pilot conditions feasible, although the traders would prefer annual reporting and annual Fairtrade Premium (FP) payments. The new Fresh Fruit and Vegetable Standard foresees retro-certification with reporting every 5 days, however the Pilot Facilitator (PF) has proposed quarterly timelines for potato retro-certification to the Standards Unit (SU) in response to the related Oversight Committee (OC) recommendation at the OC meeting in September 2025.

The Project Manager (PM) proposes to continue the pilot conditions until the new Fresh Fruit and Vegetables Standard is applicable or until 1.8.2026 (whichever comes first). Until then, only existing pilot participants can continue to apply the pilot conditions and no new pilot participants can join the pilot. The PF mentions that extending this pilot beyond September 2026 would result in legal concerns related to the EmpCo directive.

Discussion:

It is asked whether the business operates internationally, to which it is clarified that the consumer sales are exclusively within Switzerland. It is also mentioned that potatoes are a particularly strong product in Switzerland, ranking among the country's top three.

Regarding the timeline and EmpCo, one member notes that this should not significantly influence the decision. However, the PF responds that, in this case, the proposed deadline is acceptable, as an August 2026 closure is feasible, while avoiding the Legal concerns related to EmpCo..

Decision: The OC voted unanimously and approved the pilot extension for existing pilot participants until 1.8.2026 latest.

Next steps

Timeframe	
Q1 2026	Update / Remove pilot information on the website and impact map.
Q1 2026	Verbal pilot update to OC.
Q3 2026	Quantitative, final pilot update to the OC.

Item 6 – Agave premium pilot

For agave, as for most of the herbs and spices, the Fairtrade Premium (FP) is set at 15% of the commercial price. This makes the FP volatile and unpredictable for producers, as the premium amount changes with the value of the product sold. Reality shows that in case of sales of processed products there are compliance challenges, as well as suppressed demand. Producers request setting a fixed level FP to apply in combination with the commercial price. The pilot aims to test whether producers can propose FP values for blue agave and salmiana agave pineapples, taking into account productivity of the different varieties, and taking into account market potential by consulting traders. This pricing model would be tested in a short pilot, to be appraised in May 2026 and included in the 'Pricing table' thereafter if successful. The OC is asked to decide on the start of the implementation of this pilot.

Discussion:

The following points were discussed:

The chair expresses support for the idea of a fixed premium, noting that variable premiums complicate planning for all stakeholders. He asks which final products are currently involved, which were answered to be agave syrup, tequila, and similar products.

Regarding the premium percentage, a member inquires whether it applies only to this product or also to others. It is clarified that the percentage premium is currently applied for most products in the herbs and spices category.

A further question addresses the geographic scope, specifically whether the area is limited to Mexico or if a worldwide price is possible. The response is that Fairtrade production is limited to Mexico and the pilot will be too. The decision on the final price for inclusion in the Pricing table will be taken in July 2026.

Decision: The OC voted unanimously and approved the implementation of the agave fixed Premium pilot.

Next steps

Timeframe	
December 2025 – January 2026	Finalizing pilot documentation, FP proposal (by producers and CLAC) and pilot announcement.
January 2026	FP validation by Pricing, announcement by the PF and pilot conditions acceptance by pilot participants.
February 2026 (or as soon as fixed level FP is agreed) – May 2026	Pilot implementation with monitoring.
March 2026	Qualitative progress update to the OC.
May – June 2026	Pilot appraisal.
July 2026	Pilot appraisal results presented to the OC.
July – August 2026	If endorsed and approved by the Head of Pricing: integration of the fixed level FP into the Pricing table; else reverting back to 15% FP or possibly preparing the grounds for further testing <u>with</u> inclusion in the Pricing table.
September 2026	Monitoring data update to the OC and pilot closure (unless otherwise decided).



Item 8 – AOB, next meeting data and closing

There were no AOBs discussed during the meeting.

The next meeting is scheduled for March 23-24 2026 and will be online.

The meeting was formally closed.