FAIRWILD DEROGATION POLICY

FOR FAIRWILD LABELLING RULES

FairWild Foundation

Version 1.1/2021

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1. PURPOSE

Rules on use of the FAIRWILD® word and design mark in relation to product labelling and marketing are established in the FairWild Labelling Rules (version 4/2021).

This document provides further guidance on the policy and procedures for requesting derogations from the FairWild labelling rules under different circumstances.

2. SCOPE AND DEFINITION

This document applies to all operators with permission to use the FAIRWILD® mark and refer to FairWild quality on product labels:

- FairWild Certified Collection Operations
- Registered Processors and Traders
- Registered Licensees
- Registered Microenterprises.

Derogation	Non-application of a rule or reduction in its stringency, usually for a specific period and in specific cases.
Exceptional permission	Temporary authorization from the FairWild Foundation for a partial non-application of the FairWild Labelling Rules in a specific case and under certain conditions.

3. APPLICATION PROCEDURE

The affected party or parties should contact FairWild Foundation Secretariat at the earliest opportunity by providing information on background to the issue, anticipated impact, products affected and efforts underway to reduce future risk.

Specific information additionally required for each type of derogation is defined in the derogation request template (Annex 1).

Where the request is approved, the FairWild Foundation Secretariat must be kept informed of further developments, and a summary included with the annual turnover declaration (FairWild Trading Rules Annex 4).

4. GENERAL FRAMEWORK CONDITIONS

Use of the FAIRWILD® word and design mark in product labelling must be in relation to use of FairWild-certified ingredients in the finished products. The Labelling Rules require designation of FairWild ingredients on the information panel of the package (by means of an asterisk or equivalent approach), with a quantified claim statement (% FairWild content).

The FairWild Labelling Rules also specify that in principle, a FairWild-certified ingredient should not be blended with the same ingredient of another quality (i.e. non-FairWild), unless the FairWild ingredient is not available in sufficient quantities or not available in a specified other quality characteristic (e.g. food-quality vs. pharmaceutical quality) or other specified provenance.

Decisions on derogation requests are made on a case-by-case basis.

Procedures in cases where the derogation is expected to be more than one year in duration will be agreed on a case-by-case basis, and must involve clear communication of the situation to consumers.

5. TEMPORARY UNAVAILABILITY OF FAIRWILD CERTIFIED INGREDIENTS

Buyers of FairWild-certified ingredients (FairWild Processors, Traders and Licensees) are expected to take all reasonable precautions to minimize the risk of supply disruption, and subsequently the validity of product labelling claims.

Such precautions include:

- Establishing long-term, mutually beneficial trading relations. Conducting due diligence to ensure the trading partner (FairWild-certified operator) is aware of the FairWild Standard requirements and has sufficient technical and financial support for the continuous improvement required in the first five years of certification.
- Delaying conversion of product labelling until certified supply chains are stable.
- Identifying multiple sources of FairWild-certified ingredients, ideally from distinct geo-political zones.

However, it is recognized that the security of FairWild certified supplies can be vulnerable, and trade chains may be disrupted for reasons beyond the buyer’s control (e.g. natural disaster, socio-economic and/or political unrest affecting one or more certified operators).

Decisions on derogation requests are made on a case-by-case basis. The affected party or parties should contact FairWild Foundation Secretariat at the earliest opportunity with the following specific information:

- Background to the issue, anticipated impact and products affected;
- Confirmation that FairWild-certified ingredients are not available from another source;
- Proposed compensation arrangements for use of non-certified ingredients;
- Plan and timeframe for restoring certified supply;
- Efforts underway to reduce future risk.

In case a request for derogation will be approved, such a decision will be based on the following requirements:

(1) Organic and/or fair trade ingredients (rather than conventional) should be used in place of FairWild ingredients.
(2) A financial compensation for the use of non-FairWild ingredients based on estimated loss of Premium fund contribution must be calculated and shall be put into a special fund which FairWild Foundation will use to support operators to implement FairWild.
(3) License fee calculations will include products to which the exemption request applies.
(4) Derogations expected to be less than one calendar year in duration do not generally require changes to product packaging.

6. BLENDING FAIRWILD CERTIFIED INGREDIENTS WITH NON-FAIRWILD

As stated in the FairWild Labelling Rules: In principle, a FairWild certified ingredient should not be blended with the same ingredient of another quality (i.e. non-FairWild), unless the FairWild certified ingredient is not available in sufficient quantities or not available in a specified other quality characteristic (e.g. food-quality vs. pharmaceutical quality) or other specified provenance. Such cases will need an exceptional permit.

This relates to ingredients that cannot be fully sourced as FairWild, due to issues of supply. In such cases, derogation may be granted by FairWild Foundation as part of an effort to scale-up supply of the ingredient concerned based on the following requirements:

(1) Derogations for transitioning ingredients will not be granted for more than a five year period.
(2) Derogations are based on an agreed plan with milestones and a specified timeframe.
(3) The proportion of FairWild ingredient in the blend should be gradually increased to fully FairWild.
(4) Quantified statements on the ingredients list should accurately reflect the FairWild content in the blend, or agreed minimum content in the case of fluctuating supplies.
(5) License fee calculations will include products to which the exemption request applies.

In cases where it is not feasible to transition to fully FairWild certified supply of an ingredient, an exceptional permit may be granted to blend a FairWild certified ingredient with the same ingredient of cultivated origin. The FairWild quality version of

the ingredient must comprise at least 50% of the total dry weight of the ingredient in the finished product AND the cultivated origin version must be certified according to one of the accepted schemes detailed in section 3.2 of the FairWild Labelling Rules. Products where such mixing occur will be considered as a “Product made with FairWild ingredients”, regardless of the total percentage of FairWild ingredients in the final product. Such exceptional permits must be reconfirmed annually.

7. OTHER ASPECTS OF FAIRWILD LABELLING RULES

Decisions on derogation requests others then mentioned in chapter 5 and 6 will be made on a case-by-case basis.

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Annex 1: FairWild Labelling Rules Derogation Request Form (Temporary Exemption)

This template is also available as a word document at www.fairwild.org. Completed forms should be sent to secretariat@fairwild.org.

Name of FairWild Registered Company	
Background to the issue, anticipated impact and products affected (ingredients and/or finished retail products, as applicable).	
Name of customers supplied and FairWild-labelled retail products affected	*This field to be filled out by Traders/Processors supplying FairWild Licensees (brands).*
Confirmation that FairWild-certified ingredients are not available from another source.	*Where multiple sources exist, check with at least three suppliers. FairWild Foundation may be able to advise in case other certified sources are shortly to become available.*
Proposed compensation arrangements for use of non-certified ingredients.	
Plan and timeframe for restoring certified supply.	
Efforts underway to reduce future risk.	
Name and position of person making request.	
Date of request.	