FLOCERT
assuring fairness

Fairtrade Assurance - Rules and Guidelines (Public Version)

Certifier for

FAIRTRADE INTERNATIONAL

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1. Fairtrade assurance at a glance

FLOCERT is the assurance provider for Fairtrade and defines the assurance approach that supports the integrity of Fairtrade. FLOCERT's assurance approach (Fairtrade Certification Program 1.3) is based on the Fairtrade Standards and the ISO 17065 guidelines.

FLOCERT's role is to provide assurance that all companies involved in Fairtrade supply chains are meeting Fairtrade Standards whenever they are in scope (see ➔ Scope of Fairtrade Certification).

This is mainly done through Fairtrade Certification.* Any organisation participating in Fairtrade Certification will be regularly audited.

The audit results determine whether a Fairtrade Certificate can be issued or retain its validity. Different types of audits and audit frequency allow adaptation to specific circumstances.

FLOCERT is working with the Intact Platform – an online tool to facilitate auditing and follow-up of any potential Non-Conformity. FLOCERT customers will be required to use this platform. It is furthermore required to use the transaction reporting platform Fairtrace.

*Other types of verification exist, e.g. the verification scheme for ➔ Fairtrade Sourced Ingredients (FSI) Cotton

2. How to use this manual

This manual describes FLOCERT's certification system.

It applies to all parties involved in FLOCERT certification, including existing Fairtrade-certified customers and those seeking Fairtrade Certification, FLOCERT staff and auditors.

The manual consists of 5 main parts:

- The first 3 parts provide step-by-step guidance through the processes of:
  - ➔ Fairtrade Application,
  - ➔ Assurance tools and processes,
  - ➔ Audit Evaluation and Certification.
- ➔ Fairtrade assurance principles explains underlying rules and principles, such as the Code of Conduct, scope of certification, Certification Cycle, and languages used by FLOCERT.
- ➔ Assessing compliance explains how FLOCERT assesses compliance by using the concepts of Compliance Criteria and Corrective Measures, and covers how compliance with certain key Standard topics is assessed.

Relevant information can be found in this manual by either:

- navigating to the section of interest using the table of contents or – in the PDF version – the shorter index, or
- using the search function for a term (shortcut: Ctrl+F).
- In case of questions, contact the Customer Service Desk via email at flocert@flocert.net (or via telephone +49 228 24930 from 9am until 5pm CET).

The following link types can be followed by clicking on them. Please note: if you click on a hyperlink in the PDF document, it will not be possible to navigate back.

- Internal section references: References to another section use a little arrow symbol,

  e.g: ➔ Fairtrade assurance principles – clicking on the link will lead to that internal section in this manual.
- Glossary references: Terms that are defined in the Glossary appear as follows: FLOCERT – clicking on them will lead to that Glossary entry.
- External references: References to an external website/email address, e.g. Fairtrade International – clicking on them will lead to an external website/open the email.

3. Fairtrade Application

This section outlines the application process for initial and re-applications for Fairtrade Certification.

Certified customers that want to apply for an Exceptions or Organisational structural changes find relevant information in the sections ➔ Exceptions and ➔ Organisational structural change.

If FLOCERT considers an applicant is the same organisation as a previously decertified one, the certification / compliance history will apply, unless the applicant can prove differently. For more information, see ➔ Re-application after Decertification or denial of certification.

3.1. Application scope and requirements

Applications can only be made within the Fairtrade scope (https://www.fairtrade.net/en/why-fairtrade/how-we-do-it/standards/who-we-have-standards-for.html) as defined by Fairtrade International for certain products, countries and set-ups.

The Fairtrade International scope comprises:

1. the product for which certification is requested
2. the country where the product is cultivated/traded
3. the set-up of the organisation/company requesting Fairtrade Certification

Note: Specifically for the Fairtrade Climate Standard: In order to be certified according to the Fairtrade Climate Standard, the Producer organisation, Project Facilitator and Climate Standard

Trader must have a project registered under the Gold Standard (certification of carbon emissions reductions and sustainable development benefits).

FLOCERT can only certify products that are covered by the Fairtrade Product Standards and the Fairtrade Minimum Price and Premium Table (https://www.fairtrade.net/standard/minimum-price-info). An overview of the products can be found in Fairtrade International Product Classification table (https://www.fairtrade.net/en/why-fairtrade/how-we-do-it/standards/who-we-have-standards-for.html).The Product Category always refers to the respective Fairtrade Product Standard classification (e.g. Product Category: fresh fruit) whilst the Product Type is always directly derived from a Fairtrade Product Standard and describes the different products summarised within each Product Category (e.g. banana, pineapples).

It is described in ➔ Scope of Fairtrade Certification which organisations in the Fairtrade supply chain fall into certification scope and therefore must apply for Fairtrade Certification before trading Fairtrade products.

In order to obtain Fairtrade Certification, compliance with the applicable Fairtrade Standards and FLOCERT Compliance Criteria must be proven.

All Fairtrade Standards, including the product-specific requirements, are available on the Fairtrade International website (https://www.fairtrade.net/en/why-fairtrade/how-we-do-it/standards.html)

The FLOCERT Compliance Criteria are available on the FLOCERT website (https://www.flocert.net/fairtrade-compliance-criteria/).

Travel Risk Areas

Some regions/countries are considered travel risk areas due to war, civil unrest, natural disaster or disease; FLOCERT might not be able to send an auditor to such places. As regulated by the Fairtrade International Requirements for Assurance Providers (https://www.fairtrade.net/content/dam/fairtrade/fairtrade-international/assurance/ASSU_ReqAssuranceProviders_EN.pdf), Initial Audits may only be conducted as On-Site audits. Consequently, if conducting the On-site Audits is not possible, FLOCERT will have to reject the application.

For more information on the topic, please see section ➔ Auditing in Travel Risk Areas.

Banana registry closure

Since 01.04.2024 and for an initial period of 24 months (until end of March 2026), Fairtrade International has closed access for new Banana (Fresh) producers. Hence, all applications received from Producer Organisations of (fresh) banana, regardless of their geographical location, will be considered out of scope. Possibility for exceptions only exists in case the Producer Organisation is needed as part of a newly certified supply chain, or to meet new sourcing commitments of already-certified organisations in the consumer countries. Every application will be assessed individually, along these principles.

3.2. Initial application contact

Application forms can be requested directly via the FLOCERT website (https://www.flocert.net/get-certified/) or via email to the FLOCERT Applications regional teams as follows:

Africa and Middle East: africa@flocert.net

Asia, Pacific Islands, Australia and New Zealand: asia@flocert.net

Europe: europe@flocert.net

South, Central America and Caribbean: la@flocert.net

North America: america@flocert.net

- For extensions of certification scope (see ➔ Extension of certification scope) e.g. adding additional products, additional member organisations/estates/plantations/entities and/or additional commercial functions, the responsible FLOCERT contact person is in charge and needs to be contacted. Before doing Fairtrade business under an extended scope, approval must be obtained from FLOCERT.
- For applications for a product or set-up that is currently not covered by the Fairtrade Standards, requests can be submitted to Fairtrade International (https://www.fairtrade.net/standard/how-we-set-standards) using the "Quick Entrance Request" form.

3.3. Application package and ID

Upon receipt of an application request, FLOCERT's Applications team assigns a unique Application ID and sends out an application package including:

- an application questionnaire,
- templates relevant to the product and set-up applied for,
- information on Fairtrade Certification and requirements,
- information on the cost of certification,
- a certification contract which governs contractual rights and responsibilities.

Applicants need to provide their Application ID(s) when submitting their documents and paying their application fee.

3.4. Application fees

All applicants are required to pay an application fee for the processing of their application. This fee is not refundable and independent of the commercial function, number of products or organisational set-up of the applicant.

Additional costs may arise for Cotton Traders, relating to the evaluation of Social Indicators (see ➔ Social Indicators).

An estimate regarding applicable fees for application and certification can be obtained using the cost calculator on the FLOCERT website: https://www.flocert.net/fairtrade-fee-calculator/

3.5. Application completed

FLOCERT will process the customer's application upon receipt of:

- the completed and signed application questionnaire,
- confirmation of payment of the application fee,
- the signed certification contract and other supporting documents as requested.

Upon successful completion of the application process:

- the customer will be assigned a permanent FLO ID which replaces the previously assigned Application ID;
- they will also be given access to the Intact Platform (the Fairtrade Certification webportal);
- FLOCERT will issue an invoice for the certification fee.

Following payment of the certification fee, subsequent years will see that annual certification fee always charged in the same month of the year.

The FLOCERT website provides an estimate of applicable fees (https://www.flocert.net/fairtrade-fee-calculator/) and video introductions to the Fairtrade Certification process (https://www.flocert.net/how-to-join-fairtrade/).

3.6. Application discontinued

If the customer has paid the application fee but has not submitted all required documents, FLOCERT will keep the application request active for a maximum period of 12 months. After this period, the application will be considered discontinued.

Should the customer wish to re-apply for Fairtrade Certification following this 12-month period, they will be requested to go through the entire application process again, including payment of the application fee.

3.7. Re-application after Decertification or denial of certification

After Decertification or denial of certification, the customer may re-apply to become Fairtrade-certified under the following conditions:

- The customer agrees to undergo an audit before re-entering the Fairtrade Certification system, if deemed necessary by FLOCERT. An audit will always be required in the case of severe previous Non-Conformities.
- The customer has corrected all unresolved prior Non-Conformities
- The customer has paid any outstanding fees prior to Decertification/denial of certification.

This applies to all cases of denial of certification and Decertification (whether due to non-compliance/non-payment of certification fees/voluntary Decertification). On top of this some more conditions apply for customers decertified with moratorium for re-entry (see ➔ Re-application after Decertification with moratorium for re-entry) and for customers who were denied certification after the Initial Audit (see ➔ Re-application after denial of certification).

Note: In line with Fairtrade International's decision to temporarily close the registry for Producer Organisations for the product category Banana (fresh), Producer Organisations reapplying for the product category Banana (fresh) can only be accepted if they are doing so within 12 months of decertification for non-payment of certification fee. The application will be considered out of scope if the reason for decertification is any other. This is applicable with effect from 01.04.2024 for a period of 24 months.

For re-applications within 12 months of the date of Decertification or denial of certification

- An administration fee of 308 euros will be invoiced (instead of the application fee).
- No new submission of application documents is needed (except the certification contract, which has to be signed again and)
- Any outstanding certification fees from the period prior to Decertification has to be paid.
- FLOCERT will assess when the invoice for the next certification fee is due.
- Producer Organisations reapplying for Banana (fresh) can only be considered if they were decertified for non-payment of certification fees.

For re-applications after 12 months from the Decertification or denial of certification date:

- The customer will be required to complete the application process and pay the application fee.
- The customer will be required to pay the certification fee.
- Producer Organisations reapplying for Banana (fresh) are considered out of scope

3.7.1. Re-application after denial of certification

For a customer that has been denied certification after the Initial Audit, the following conditions may apply in addition to the conditions laid out above (see ➔ Re-application after Decertification or denial of certification):

- The customer must always undergo a new Initial Audit.
- Traders will not be eligible for Permission to Trade. An audit will be conducted to verify that all pending Non-Conformities that led to the previous denial of certification have been corrected.

3.7.2. Re-application after Decertification with moratorium for re-entry

For a customer that has been decertified with a moratorium for re-entry, the following conditions may apply in addition to the conditions laid out above (see ➔ Re-application after Decertification or denial of certification):

- The period of the moratorium imposed, together with the Decertification decision, has passed before the customer submits a new application request.
- The customer has implemented the necessary measures to make the changes in their operations or management, allowing them to comply with the criteria and Fairtrade Standards relating to the Decertification. During the application process, the customer sends evidence of the measures implemented.
- The customer does not sell as Fairtrade those products that they have in stock at the time of re-entry.

4. Assurance tools and processes

FLOCERT uses a variety of assurance tools to provide assurance against the Fairtrade Standards.

The most important of these is the ➔ Fairtrade Audit, but other tools – such as ➔ Fairtrace Alerts and ➔ Induction Training for Traders and Producers – also help make assurance more robust and improve the compliance levels of certified customers.

4.1. Fairtrade Audit

FLOCERT conducts audits against the Fairtrade Standards, with the objective of assessing Producer and Trader compliance.

There are 3 purposes for conducting an Audit:

- Certification Audits that lead to the issuance of an initial certificate or re-certification of an already certified customer.
- Confirmation Audits that take place during the Certification Cycle to confirm compliance.
- Other audit types that do not take place regularly or depend on the individual set-up of the customer.

Audits are typically conducted on-site and are announced, but under certain circumstances they may be conducted as Remote / Hybrid Audits (see section ➔ Remote / Hybrid Audit versus On-site Audit) or as Unannounced Audits (see section ➔ Announced versus Unannounced Audits). In such cases, the audit process differs from the procedure for announced On-site Audits.

There are 5 main audit methodologies/processes:

- ➔ Audit process for On-site Audits
- ➔ Audit process for Remote Audits
- ➔ Audit process for Digital Audits
- ➔ Audit process for Unannounced Audits
- ➔ Audit process for Hybrid Audits

The audit type specifies the Compliance Criteria to be checked during an audit. Some audit types are available for Traders only.

The following table outlines which audit methodologies are available for Trader/Producer Audits:

Audit purpose	**Audit Type / Methodology**	**Trader**	**Producer**
Certification Audit types	Initial Audit - On-site	x	x
	Initial Audit - Hybrid	x	x
	Renewal Audit - On-site	x	x
	Renewal Audit - Remote	x	n/a
	Renewal Audit - Hybrid	x	x
Confirmation Audit types	Focused Audit - On-site	x	x
	Focused Audit - Remote	x	n/a
	Focused Audit - Hybrid	x	x
	Unannounced Audit - On-site or Remote	x	x
	Digital Audit	x	n/a
Other audit types	Additional Entity Audit	x	x
	Scope Extension Audit	x	x
	Follow-Up Audit	x	x

4.1.1. Remote / Hybrid Audit versus On-site Audit

A Remote Audit is not an audit type but rather an audit methodology.

It is the method of conducting an audit remotely, using documentary evidence and electronic methods (such as video conferencing, email and telephone) to obtain audit evidence. The overall aim is to evaluate this evidence objectively to determine the extent to which the Standard requirements have been fulfilled.

A Remote Audit typically involves sharing and reviewing documents, combined with virtual interaction with the audit site(s) via remote interviews and/or remote site tours.

For all Producer set-ups, Fairtrade Certification is reliant upon On-site Audits as an indispensable tool. Remote Audits are therefore considered an exceptional assurance tool to ensure business

continuity in situations where circumstances temporarily prohibit the on-site presence of auditors, such as regional conflicts, natural disasters, or outbreaks of disease (e.g. COVID-19).

For Traders, the Remote Audit methodology can be applied as part of their regular audit programme. Renewal or Focused Audits can be conducted remotely if the customer's profile and the required audit scope are deemed suitable for a Remote Audit – meaning the customer: a) applies Mass Balance, or b) does not store or process the Fairtrade Product, or Physical Traceability is out of the audit scope.

The Remote Audit scope does not include either Physical Traceability or the Trader Production chapter; beyond this, its scope depends on the scope of the applicable audit type.

A Hybrid Audit is the method that combines the elements of On-site and Remote audits, making use of the best of both approaches. Some information is reviewed remotely in advance, allowing for a more efficient and focused onsite visit.

The process for On-site Audits is the standard audit process. See sections ➔ Audit process for Remote Audits and ➔ Audit process for Hybrid Audits for where they differ.

4.1.2. Auditing in Travel Risk Areas

FLOCERT's Code of Conduct and Travel Policy define conducting onsite audits in travel risk areas. FLOCERT assesses the risk for the person expected to travel. The starting point for this assessment are the official warnings (for insurance reasons) of the UK Foreign Office but also other sources of information such as https://www.internationalsos.de/insights/risk-outlook-und-risk-map. If the assessment identifies a severe risk to the person expected to travel, FLOCERT will not authorize travel. The approach of individual risk assessment allows FLOCERT to be physically present in many areas around the world despite official warnings.

If a customer is located in a risk area as per the assessment, with effect of January 2024 on-site audits may be replaced by remote audits for a limited period of maximum three consecutive years. After this period, FLOCERT may only verify compliance with the Fairtrade Standards through on-site audits, as regulated according to the Fairtrade International Requirements for Assurance Providers (https://www.fairtrade.net/content/dam/fairtrade/fairtrade-international/assurance/ASSU_ReqAssuranceProviders_EN.pdf).

If a physical trip to the customer's site is still not possible after this period because the risk continues, FLOCERT will need to cancel the certification contract (see section 9 in Terms and Conditions of the Certification Contract) and as a result withdraw certification. FLOCERT will inform the customer thereof in a timely manner.

4.1.3. Announced versus Unannounced Audits

Similar to Remote Audits, an Unannounced Audit is not an audit type but an audit methodology.

Unannounced Audits are always Confirmation Audits, not Certification Audits, and take place in between 2 Renewal Audits, or between an Initial and a Renewal Audit, in order to assess continuous compliance and focus on specific sections of the Fairtrade Standard identified as critical for the individual customer.

Unannounced Audits are conducted without prior notification to the customer, thereby enabling an assessment of what is happening at a customer's site during a "typical" day.

In general, the customer receiving an Unannounced Audit will not be informed at all before the auditor reaches the site. In exceptional cases, the customer may receive short-notice notification prior to the Unannounced Audit to ensure the customer is available on the audit date.

If a customer refuses access for whatever reason, then this is grounds for an immediate Suspension of the certificate.

The scope is the same as for a Focused Audit:

- Verification of subsections/certain Compliance Criteria relevant for the customer.
- Despite the focus on certain sections, Non-Conformities may also be identified in sections that are not the focus of the audit.

4.1.4. Audit types and scope

FLOCERT works with a combination of different audit types to assess compliance in the course of a ➔ Certification Cycle.

There are:

- Certification Audits
  - ➔ Initial Audit
  - ➔ Renewal Audit
- Confirmation Audits
  - ➔ Focused Audit
  - ➔ Digital Audit
- Other audit types
  - ➔ Follow-Up Audit
  - ➔ Additional Entity Audit
  - ➔ Scope Extension Audit

Each audit has a defined audit period which usually covers the time since the last audit. If non-conforming behaviour is identified that took place outside the audit period, this may still be raised as a Non-Conformity. Specific details on the scope of an audit are defined in the Terms of Reference for the auditor.

For details about the audit process, please refer to:

- ➔ Audit process for On-site Audits
- ➔ Audit process for Remote Audits
- ➔ Audit process for Digital Audits
- ➔ Audit process for Unannounced Audits
- ➔ Audit process for Hybrid Audits

Any audit type can potentially be an Observed Audit, meaning that the auditor is accompanied by another person, e.g. Fairtrade International or another third party. Observed Audits must be communicated to the customer and the customer has the chance to approve such accompaniment (see ➔ Audit observations).

4.1.4.1. Initial Audit

The Initial Audit is the very first audit. It is planned based on the information received during the application phase.

Scope:

- Verification of information provided by the applicant during the application phase.
- Evaluation of Compliance Criteria applicable in Year 0.

Additional scope – Traders:

- Verification of transactions made during the Permission to Trade phase.
- Verification that no trade took place before the date of Permission to Trade.

4.1.4.2. Renewal Audit

A Renewal Audit marks the beginning of a next certification cycle and forms the basis for the decision to issue a new Fairtrade certificate.

Scope:

- Evaluation of compliance with all applicable Compliance Criteria including those becoming applicable in the year of the Renewal Audit.
- Producer audits: Evaluation of Development Requirements

4.1.4.3. Focused Audit

A Focused Audit may take place in between 2 Renewal Audits, or between an Initial and a Renewal Audit, in order to assess continuous compliance and focus on specific sections of the Fairtrade Standard identified as critical for the individual customer.

Scope:

- Verification of continued compliance of all the subsections where Non-Conformities were detected at the last audit(s).
- Verification of additional subsections/certain Compliance Criteria relevant for the customer.
- Despite the focus on certain sections, Non-Conformities may also be identified in sections that are not in the focus of the audit.

4.1.4.4. Digital Audit

A Digital Audit is applicable to Fairtrade-certified Traders and differs from the regular audit workflow in that no live interaction with the customer takes place.

It is instead based purely on the data reported by the customer in Fairtrace, which is cross-checked against information available in the Intact Platform. Digital Audits can be either systematically planned as per the Certification Cycle, or triggered by issues identified in the reports provided to FLOCERT.

Like Focused Audits, they are Confirmation Audits and take place in between 2 Renewal Audits, or between an Initial and a Renewal Audit, in order to assess continuous compliance and focus on specific sections of the Fairtrade Standard identified as critical for the individual customer.

Scope:

- Evaluation of compliance with specific parts of the Trader Compliance Criteria, as well as FLOCERT requirements specifically developed for Digital Audits in order to assess the risk of further Non-Conformities.
- The audit period includes the time period since the last On-site, Remote, or Digital Audit.

4.1.4.5. Follow-Up Audit

A Follow-Up Audit is the result of an Evaluation or Certification Decision. The goal of a Follow-Up Audit is to assess the implementation of Corrective Measures to the Non-Conformities identified during the last regular audit. This audit type is usually used when compliance cannot be verified through documents, or in the case of a very high number of Non-Conformities during the last audit.

Scope:

- Evaluation of Corrective Measures implementation of previous Non-Conformities, based on defined Objective Evidence and observation.

4.1.4.6. Additional Entity Audit

An Additional Entity Audit is carried out at the premises of an Additional Entity.

Scope:

- Verification of continued compliance with applicable Compliance Criteria (as specified by the checklist for Additional Entities).

4.1.4.7. Scope Extension Audits

A Scope Extension Audit takes place in certain situations before the scope of the Fairtrade Certification can be extended (see ➔ Extension of certification scope). This may either be a Focused Audit or an Initial Audit, depending on the type of scope extension.

(Please note: there is no "*Scope Extension Audit*" type in the Intact Platform and no specific checklist type for Scope Extension Audits: the Certification Analyst determines the relevant checkpoints in the Terms of Reference for the auditor.)

Scope:

- Evaluation of Compliance Criteria applicable to relevant scope extension.

4.1.5. Audit Time

FLOCERT's audit system is based on the principle that an auditor has sufficient time to conduct a Fairtrade Audit which meets FLOCERT's high-quality goals.

The time the auditor needs to conduct a complete audit depends on a number of factors, based on which the Analyst assigns the audit time in the auditor's Terms of Reference:

- the structure and size of the customer to be audited,
- the number of Fairtrade products traded,
- the number of Additional Entities,
- the number of commercial functions of the customer (e.g. Producer + Processor + Exporter), and
- the type of audit.

An audit is considered complete when all relevant Compliance Criteria have been evaluated by the auditor, and both the Opening Meeting and Closing Meeting have been conducted.

4.1.6. Scheduling and preparation of the audit

Prior to each audit, the responsible Certification Analyst provides the assigned auditor with the Terms of Reference (ToR) which define the scope of the audit.

Auditors receive audit assignments for a given quarter (i.e. January to March, April to June, etc.) and are required to conduct audits in the assigned quarter.

The assigned auditor contacts the customer at least 4 weeks prior to the end of the relevant quarter to determine a convenient audit date.

At this point, the customer also receives information about any prospective observer accompanying the auditor, if applicable (see ➔ Audit observations).

If the date proposed by the auditor is not convenient for the customer, the auditor is required to propose 2 more options. If none of the 3 dates proposed by the auditor are accepted by the customer, FLOCERT can either impose a date or, upon the customer's written request, decide to move the audit to another quarter. The request to change to another quarter must be justified by providing reasonable concerns to FLOCERT.

Once an audit date has been agreed upon, the auditor will send an Audit Preparation Letter, at the latest 2 weeks prior to the agreed audit date.

The Audit Preparation Letter contains detailed information on the scope of the audit. The customer may be guided by the online Compliance Criteria Checklist relevant to the forthcoming audit, available via their Intact Platform portal.

For Unannounced Audits, the auditor does not send the Audit Preparation Letter prior to the audit and the audit date is decided by FLOCERT. The responsible Certification Analyst provides the assigned auditor with a letter to be handed to the customer by the auditor upon arrival on site. On certain occasions – depending on the scope of the Unannounced Audit – the customer may receive audit notification via email at short notice to ensure the contact person is available on the audit date. In this case, the customer shall immediately confirm their availability for the audit date to the auditor.

It is recommended to ensure a substitute in case the main contact person is not available for any reason.

For Digital Audits, no date is agreed with the customer – since no live customer interaction is required – though the customer is informed in advance about the forthcoming Digital Audit.

4.1.7. Audit process for On-site Audits

The following audit types are conducted using the On-site Audit process:

- Initial Audit
- Renewal Audit
- Focused Audit
- Additional Entity Audit
- Scope Extension Audit
- Follow-Up Audit

4.1.7.1. Execution of the audit

The customer is required to accept Announced and Unannounced Audits at their premises, as well as at their Subcontractor's premises. The customer is also required to make all efforts, including providing information, needed to demonstrate their compliance with the Fairtrade Standards. During the audit, the auditor evaluates the customer´s performance with regards to the applicable Fairtrade Standard using FLOCERT´s Compliance Criteria.

In general, an audit comprises:

- an Opening Meeting (see ➔ Opening Meeting),
- on-site verification of compliance (see ➔ On-site verification of compliance (interviews, documentation review, field visits), and
- a Closing Meeting (see ➔ Closing Meeting).

Filming or recording of audits is not allowed without prior approval by FLOCERT and the auditor(s).

4.1.7.1.1. Opening Meeting

In the Opening Meeting, the auditor will set the scene for the audit and address the following points:

- The auditor introduces her/himself, explains the audit plan, and verifies contact details, including information on Additional Entities.
- The auditor requests a brief description of the situation at the customer's premises, and gains an overview of the technical systems in place. The aim is to understand any specific circumstances that might influence the audit situation.
- The auditor also confirms the customer's access to the Intact Platform customer webportal; if access is not possible, s/he will note the reason why not.

4.1.7.1.2. On-site verification of compliance

During this part of the audit, the auditor generally follows the steps below, depending whether it is a Producer or Trader audit:

- Conduct individual and group interviews with a representative sample of members and/or Workers during farm visits without any interference from other members/Workers, and in the absence of board and management.
- In Trader audits, conduct interviews mainly with FLOCERT's primary contact but also with representatives of of relevant units (e.g. purchase, processing/manufacturing, sales, quality management, warehouse), depending on the scope of the audit.
- Conduct field visits and physical audit of production/processing, storage or other relevant facilities.
- Sample a representative number of affiliated member organisations/affiliated estates (only applicable to multiple structures).

- Review documentation and information available in the customer's technical systems, e.g. personnel accounting, Enterprise Resource Planning systems, or any other system.
- Cross-check a certain number of transactions/contracts/invoices.

4.1.7.1.2.1. Interviews in audits

Conducting interviews is an integral part of the audit routine for Producer and Trader audits, and an important tool for verifying compliance with the Fairtrade Standards. It provides insight into the certified customers' daily routines and first-hand information from members and/or Workers. A representative sample of interviews is conducted at different levels of the organisation/company.

Interviews in general serve 2 purposes:

- fact-finding,
- cross-checking (confirmation of written-verbal and verbal-verbal findings).

The following 3 different types of interviews are conducted. All types of interviews are conducted with consideration for diversity and gender:

- Focused group discussions

A particular group of members or Workers is interviewed regarding specific topics relevant to the group. The advantage of a focused group discussion is that it may help the interviewees to form their own opinion and speak up when listening to the opinions of others in a small and safe group setting.

The auditor organises the focused group discussions in different compositions - mixed gender, male, and female - to ensure that female Workers are also interviewed separately. A recommended group size is up to a maximum of 25 interviewees.

- Semi-structured interviews

A semi-structured interview is an interview which is open: allowing new ideas arising from the interviewee to be brought up, with no rigorous set of questions forbidding diversions. The auditor follows the checklist framework and adjusts its sequence and the detailed selection of questions, as well as the length of the interview, to the situation on-site (or eventually off-site). Despite the fact that there is no rigorous set of questions, the auditor will not to rely on the word of one person only, but rather cross-check information with several parties.

The auditor will take into consideration the importance of specific questions requiring confidentiality, and accordingly provide a suitable interview environment. For example, questions concerning compliance on salaries and overtime will be asked in such a way that management cannot identify the source of the information, except for the interviewee demands.

- Circumstantial interviews

The auditor will also use circumstantial encounters for short chats with groups or individuals, e.g. to gain additional information during a physical inspection of a facility. This is also regarded as an interview, and can be very useful as a spot check and to reconfirm specific issues previously raised.

The following table gives an overview per set-up of the main interview partners during a Producer and a Trader audit. The individual selection of interview partners depends on the scope of the audit.

Category	Main interview partners
1st grade Producer organisation	• Individual members of the organisation (including board and committees) • Administrative staff (incl. responsible for sales) • Workers hired by the organisation • Workers hired by individual members (if applicable) • Responsible person(s) for internal control or management system • Responsible person(s) for environmental requirements • Workers' representatives (if applicable)
2nd or 3rd grade Producer organisation	• Delegates of the affiliated member organisation (including board and committees) • Individual members of the affiliated member organisation • Administrative staff (incl. responsible for sales) • Workers hired at all levels of the organisation (3rd, 2nd & 1st grade and workers hired by individual members) • Responsible person(s) for internal control or management system • Responsible person(s) for environmental requirements • Workers' representatives (if applicable)
Contract Production Project	• Management of Promoting Body • Individual members of Contract Production project • Administrative staff (incl. responsible for sales) • Workers of Contract Production project • Responsible person(s) for internal control or management system • Responsible person(s) for environmental requirements
Single Plantation (Hired Labour)	• Management (incl. person responsible for sales) • Workers from different work areas (including any applicable Processing Installation/packing house or other type of Additional Entity) • Fairtrade Premium Committee • Union/Elected Workers' representatives • Local trade unions (if applicable) • Health and Safety Officer / Committee and medical officer • Responsible person(s) for environmental requirements

	• Human Resources department/responsible staff
Multi Estate (Hired Labour)	In addition to the above: • Management of Central Structure (incl. person responsible for sales) • Workers at Central Structure • Management of affiliated estates • Workers on affiliated estates (including any applicable Processing Installation/packing house or other type of Additional Entity) • Fairtrade Premium Committee • Union/Elected Workers' representatives • Local trade unions (if applicable) • Health and Safety Officer / Committee and medical officer • Responsible person(s) for environmental requirements • Human Resources department/responsible staff
Artisanal Small-scale Mining Organisation (ASMO)	• Individual miners of the ASMO (including board and committees) • Production partners of the ASMO • Administrative staff (incl. responsible for sales) • Workers hired by the ASMO or its Processing Installations • Workers hired by members and production partners (if applicable) • Responsible person(s) for internal control or management system • Workers' representatives (if applicable) • Industrial processing (mineral stores, mills, amalgamation, cyanidation, absorption/ desorption) (if applicable) • Domestic Processing Installations (mills, amalgamation and melting) (if applicable)
ASMO with Production Partner Organisation (PPO)	In addition to the above: • Delegates of the PPO (including board and committees) • Individual miners of the PPO • Workers hired by the PPO • Responsible person(s) for internal control or management system • Workers' representatives (if applicable)
Traders: **Processor, Exporter, Importer, Manufacturer**	• Facility management • Responsible person(s)/Management for purchasing • Responsible person(s) for processing/ manufacturing • Responsible person(s)/Management for sales • Accounting Clerk

	• Workers in Processing Installation and storage • Quality Manager • Fairtrade Officer/Fairtrade contact person • Product Managers

External interview partners such as union representatives may be selected on a case by case basis.

4.1.7.1.3. Closing Meeting

The auditor completes a Closing Report with the detected Non-Conformities and presents this report during the Closing Meeting which is held at the end of the audit.

During the Closing Meeting:

- The detected Non-Conformities are presented and explained by the auditor to the customer.
- The customer is invited to propose Corrective Measures for all identified Non-Conformities, as well as for the Development Criteria (Renewal Audits only). The auditor will not advise the customer how to fulfill those Non-Conformities identified, but may explain the requirements and offer practical generic examples of compliance. For more guidance on how Corrective Measures can be proposed in an efficient manner, refer to the ➔ Corrective Measures section. The corrective measures proposed by the customer during the closing meeting may not be changed unless requested by FLOCERT in the course of the evaluation process. FLOCERT can refuse to accept the suggested Corrective Measures if it finds them to be unsuitable for the resolution of the detected Non-Conformities and request clarification from the customer.
- The Closing Report is signed by both the customer and auditor.

If applicable, the auditor will also inform:

- Producer Organisations of their score attained against the Development Criteria (Renewal Audits only),
- Traders of their Voluntary Best Practice Criteria results (Initial/Renewal Audits only).

4.1.8. Audit process for Remote Audits

The remote auditing approach can be applied to all the following audit types: Renewal, Focused, Follow-Up, Unannounced, National Fairtrade Organisation Audits and Additional Entity Audits.

The Remote Audit comprises 4 elements:

1. Preparation and Scoping

First, the auditor conducts a scoping call with the customer to test connectivity and agree on the online meeting tool to be used for the live interaction. Any challenges regarding accessibility, the transfer of documentation and sharing of pictures and (live) videos should be discussed. Any questions about the process can be clarified during this call. The date for the live interaction is also

fixed. (In case of an exceptional Remote Audit for Producers, both customer and auditor agree on who is assigned as facilitator to ensure that the remote interviews and site tours can be conducted smoothly during the live interaction).

2. Document Collection

Advance documentation from the client forms an essential first part of the Remote Audit. After the scoping call, the auditor contacts the customer by email with an Audit Preparation Letter attached. This letter contains a detailed list of documents and materials that the customer is asked to prepare for the Remote Audit and share with the auditor via Nextcloud within a defined period.

The non-submission of required documents can lead to a Certification Sanction, such as Suspension, due to a major non-compliance regarding granting access to all relevant information.

3. Desktop Review

Once the documentation is complete, the auditor reviews all documents provided by the customer. The auditor may reach out to the customer requesting additional or outstanding information, or to clarify any questions.

4. Live Interaction

On the previously agreed date and time for the live interaction, the customer reconnects with the auditor via the online meeting tool. As with regular On-site Audits, there is a formal Opening Meeting where the auditor shares the meeting agenda.

The auditor triangulates findings from the desktop review via remote interviews and remote site tours, if applicable, and checks the remaining points from the audit checklist.

The auditor explains the audit findings in a Closing Meeting.

Once the Closing Meeting is concluded, the auditor sends an email to the customer attaching the Closing Report for the customer to sign, or at least acknowledge, by email, and return immediately.

If FLOCERT does not receive the signed report/acknowledgement within 2 weeks following the Closing Meeting, the Closing Report is still considered as acknowledged.

Technical requirements

In order to fully benefit from the advantages of Remote Audits, the customer must ensure certain technical conditions.

Communication devices (such as a laptop, desktop computer, tablet or mobile phone equipped with microphone, camera, loudspeaker and stable internet connection) must be available to ensure both video and audio communication of adequate quality.

In general, the customer being audited should suggest the conferencing tool, and organise the digital video conference and respective internet connection.

The conferencing tool used for the Remote Audit must comply with the following minimum requirements:

- It must allow the possibility of sharing screens and files during the Remote Audit.
- It must allow all people involved in the Remote Audit to join when necessary (i.e. multiple people at the same time on the customer's side) without the auditor having to purchase extra licenses.

If needed, e.g. where internet connection is a challenge, a combination of different tools can be used simultaneously – such as image transmission via conferencing tool alongside audio transmission via phone.

4.1.9. Audit process for Hybrid Audits

The hybrid auditing methodology can be applied to all Trader, Small-scale Producer Organisation and Hired Labour audits, including Initial Audits.

The Hybrid Audit comprises 2 main phases:

1. Remote desktop review: Advance documentation from the client is an essential first part of the Hybrid Audit to be carried out before the onsite visit. The goal is to better focus and prepare the audit and ensure a more efficient onsite visit. Observe the following steps:
    1. The assigned auditor contacts the customer with sufficient time in advance to explain that the hybrid approach will be followed and to confirm the onsite visit date.
    2. Once the on-site visit is arranged, the assigned auditor sends the Hybrid Audit preparation letter to the customer indicating which documents need to be uploaded in FLOCERT Nextcloud and the deadline to submit them.
    3. If documents are not submitted within the deadline, the auditor may send reminders to the customer. The non-submission of required documents can lead to a Certification Sanction, such as Suspension, due to a major non-compliance regarding granting access to all relevant information.
2. Onsite: Conducted as in a regular audit, focusing on triangulating information and completing the remaining audit tasks.

4.1.10. Audit process for Digital Audits

Digital Audits are not used for: Small Licensees, Additional Entities, or National Fairtrade Organisation (NFO) Audits.

The following Fairtrade Trader Standard topics do not form part of the Digital Audit:

- Physical Traceability (Fairtrade Trader Standard requirements 2.1.3 to 2.1.7),
- Production: Labour rights and environmental protection (Fairtrade Trader Standard requirements 4.1.1. and 4.2.1 to 4.2.3),
- Voluntary Best Practice requirements of the Fairtrade Trader Standard.

Digital Audits are typically structured as follows:

- Prior to the audit, FLOCERT informs the customer that a Digital Audit will take place. The customer is given the chance to make sure that their reports are complete in Fairtrace.
- The auditor determines the audit date with no customer involvement.
- The audit is then executed by the auditor based on data available in Fairtrace on the audit date.
  - As opposed to other audit types, the Digital Audit is not based on the principles of sampling, but rather analysing the full data set. Criteria are evaluated against a ranking system of compliance, where it is evaluated whether a customer is compliant, non-compliant, or if there are observations of issues that may lead to a non-compliance. An Observation can be recorded when:
    - a potential Non-Conformity has been identified but could not be fully investigated during the Digital Audit due to a lack of information, and/or
    - issues are identified which are not a breach of the Compliance Criteria but could lead to non-compliance if not corrected.
- After the audit is finished, the audit results (including any Non-Conformities and Observations) are shared with the customer electronically for the customer to comment on the results. Based on these comments, the wording in the Closing Report can be amended.
- The customer signs the Closing Report and sends it back to the auditor.
  - If signing by digital signature, printing or scanning presents a problem, the customer may instead confirm the Closing Report via email. If the customer doesn't get back to the auditor within 2 weeks, the report should be considered as accepted.

The Digital Audit is followed by the regular evaluation process (see ➔ Audit Evaluation and Certification). Where Observations of potential non-compliances have been recorded, these will be verified during the next On-site or Remote Audit.

4.1.11. Audit process for Unannounced Audits

Unannounced Audits are very similar to announced audits when carried out as On-site Audits. In exceptional cases, they may also be carried out as Remote Unannounced Audits.

The main difference is that the customer is not informed at all before the auditor reaches the site. For more information about the audit methodology, see ➔ Announced versus Unannounced Audits.

4.1.11.1. Remote Unannounced Audit

The reason for a Remote Unannounced Audit is mainly to check on cases of Allegations. The process for a Remote Unannounced Audit differs from that of an On-site Unannounced Audit:

The customer will only be informed once the Remote Unannounced Audit starts via an opening call. During the opening call, the auditor will inform the customer what information must be provided in order to conduct the audit. The customer and the auditor will also agree on a date for a Closing Meeting via telephone or videoconferencing tool.

After the opening phone call, the customer receives an email confirming the information provided in the opening phone call and the requested documentation/information that must be provided by the customer within a given deadline. If, for whatever reason, a customer refuses to collaborate and provide the required information, this is grounds for an immediate Suspension of the certificate (applies to all types of audits).

Scope:

- Verification of subsections/certain Compliance Criteria relevant for the customer.

4.2. Fairtrace Alerts

Fairtrace is an assurance and collaboration platform which connects Fairtrade-certified organisations with their business partners, in order to increase transparency within Fairtrade supply chains.

Fairtrade-certified customers are required to regularly report and verify Fairtrade volumes and Price and Premium payments in Fairtrace. FLOCERT then checks during audits that these reported and verified transactions are correct and complete.

Fairtrace Alerts refers to automatic daily screenings of Fairtrade transactions that have been reported in Fairtrace to identify potential compliance issues. In the case of any inconsistencies, the customer is requested to take the necessary action to solve the issue. Further information on reporting in Fairtrace, as well as User Guides, can be found directly on your Fairtrace profile: https://fairtrace.flocert.net/

4.3. Induction Training

FLOCERT provides Induction Training for all applicants - both Traders and Producers - through an online course hosted on our learning platform, FUSION. Completion of this training is a mandatory part of the application process and must be done before you can move forward with the next steps, such as receiving an Initial Audit (for Producers) or receiving a Permission to Trade (for Traders).

The purpose of the training is to ensure that all new customers gain a foundational understanding of relevant Fairtrade topics. It supports applicants in their certification journey by helping them avoid common mistakes and better prepare for the process ahead.

4.4. Annual Trader Questionnaire

The Annual Trader Questionnaire is a key tool for collecting essential information from Traders to support compliance and improve the audit process. Traders are required to complete the questionnaire annually, providing updates on various aspects such as stock levels of Fairtrade products, their role in the supply chain, and compliance with labour and environmental laws.

This information helps FLOCERT to improve audit preparation and execution, increase efficiency and manage risks. The questionnaire can be accessed via the Fairtrace platform under the "Questionnaires" tab.

For more details on completing the questionnaire, refer to the Fairtrace User Guide in the Fairtrace Platform: https://www.flocert.net/fairtrace-login/. If you have any questions, contact our support team at flocert@flocert.net

5. Audit Evaluation and Certification

After receipt of the audit results, the responsible Evaluator evaluates the Audit Report and findings, and then guides the customer through the process of closing any Non-Conformities. The Evaluator can either be a Certification Analyst or, under certain conditions, the Auditor who conducted the Audit.

The Evaluator has the right to confirm, change or delete Non-Conformities identified by the auditor.

The customer is welcome and encouraged to submit evidence before the deadline (see ➔ Timelines for the evaluation workflow until certification). However, FLOCERT may only start the evaluation once the deadline has expired. If the submitted evidence is incomplete, this may lead to delays in the process or sanctions.

Customers who are not able to propose Corrective Measures or to send the requested Objective Evidence within the defined deadline need to contact FLOCERT to discuss a solution.

Once the Evaluator has finished the evaluation, the case is reviewed by a Certifier who was not involved in the evaluation process so far.

Once FLOCERT is sufficiently satisfied with the compliance demonstrated by the customer (including correction of all Non-Conformities identified), it will provide or confirm the validity of the Fairtrade Certificate. The certificate is issued only after a successfully evaluated Initial Audit or Renewal Audit.

5.1. Timelines for the evaluation workflow until certification

The table below provides an overview of the evaluation workflow and the corresponding timelines after the audit is closed:

Timelines for the evaluation workflow until certification	
14 days	Auditor sends Audit Report to FLOCERT
2 months	Evaluator evaluates Non-Conformities and requests Corrective Measures.
1 month	Customer sends Corrective Measure proposals to Evaluator if they have not been suggested during the Closing Meeting.

14 days	Evaluator evaluates Corrective Measures proposed and, depending on the nature of the Non-Conformities, requests Objective Evidence or an on-site Follow-Up Audit as a means of confirming compliance.
45 days (Traders) 4 months (Producers)	Customer sends Objective Evidence to Evaluator
1 month	Evaluator evaluates Objective Evidence and sends evaluation recommendation to the Certifier (Certification Manager or Senior Certification Analyst).
14 days	Certifier confirms decision. Customer is informed.

6. Fairtrade assurance principles

FLOCERT provides Fairtrade assurance against all Fairtrade Standards (https://www.fairtrade.net/standard):

- the Fairtrade Trader Standard (https://www.fairtrade.net/standard/trader),
- the Producer Standards for:
  - Small-Scale Producers (https://www.fairtrade.net/standard/spo),
  - Hired Labour Organisations (https://www.fairtrade.net/standard/hl), and
  - Contract Production (https://www.fairtrade.net/standard/cp),
- as well as the following special Standards with a different scope from those mentioned above:
  - Fairtrade Gold (https://www.fairtrade.net/standard/gold),
  - Climate (https://www.fairtrade.net/standard/climate), and
  - Textile (https://www.fairtrade.net/standard/textile).

All information in this document refers to all Standards unless it is specifically mentioned that it applies to a certain Standard only.

6.1. Code of Conduct

FLOCERT's area of work is of a highly sensitive nature and requires its auditors and customer-facing staff to have direct personal contact with customers and partners. It is therefore important for everyone at FLOCERT to act with the highest level of integrity and respect.

FLOCERT's Code of Conduct provides guidance on expected conduct towards its customers and partners, and on what actions can be taken when conduct does not meet the required standards. The code is based on FLOCERT’s vision, mission and values.

This content is binding for all FLOCERT staff, including employees, auditors, consultants, board members and other representatives engaged in business for FLOCERT or performing activities

related to FLOCERT business outside of the FLOCERT offices. It also provides guidance on expected conduct by FLOCERT's customers and partners.

Communication

- FLOCERT staff will communicate in a professional and respectful manner.
- FLOCERT staff will be objective.
- FLOCERT staff will share information clearly and punctually and, where possible, in the language best understood by the recipient.
- FLOCERT staff will stick to the business at hand and avoid irrelevant discussion on unrelated topics.
- FLOCERT staff will respect confidentiality and privacy as set by FLOCERT's procedures and agreements.

Cultural awareness

- FLOCERT staff will make themselves aware of, and respect, the customs and cultures of the communities in which they work.
- FLOCERT staff will agree acceptable ways of working that accommodate the diversity of those they work with and abide by these agreements including schedules, necessary respect of cultural norms and customs and professional standards of doing business.
- FLOCERT staff will follow the FLOCERT guidelines on dealing with children and vulnerable adults.
- FLOCERT staff will always seek permission before they take pictures, footage or recordings at the site of the customer.

Personal security

- FLOCERT will not expect their staff to work in contexts where they face any threat to personal security or well-being.
- FLOCERT staff will withdraw from providing a service in contexts where there is a physical threat, including, but not limited to natural disasters, extreme weather conditions and political unrest.
- FLOCERT staff will withdraw from providing a service in contexts where there is a health risk, including, but not limited to an outbreak of a contagious disease.
- FLOCERT staff will withdraw from providing a service in contexts where there is a safety risk, including, but not limited to unsafe transportation, accommodation or infrastructure where no alternative is available.
- FLOCERT staff will withdraw from providing a service in contexts of unacceptable conduct which is not corrected after one warning from staff.

2. Code of Conduct: Fast

Punctuality

- FLOCERT staff will agree to and stick to a schedule which accommodates the context in which they operate.
- FLOCERT staff will communicate unavoidable changes and delays to agreed schedules timeously and clearly.

- FLOCERT staff will be as flexible as possible where circumstances beyond the control of the customer affect punctuality.
- FLOCERT staff will respect the working hours of customers and maintain a strict distinction between business activities and after hours or private activities.

3. Code of Conduct: Fair

Conflict of interest, independence and impartiality

- FLOCERT staff will abide by the contractual obligations to declare any conflicts of interest and threats to their independence and impartiality.
- FLOCERT staff will not accept or provide any advantage which could affect, or be seen to affect, the independence and impartiality of their work. Advantages may include substantial gifts, payments, opportunities, services, indulgences or any other action that may be seen as unduly influencing independence or impartiality or raising a conflict of interest.
- FLOCERT staff will accept meals, small gifts and treats that are an acceptable form of business and social behaviour in the context. These are not considered an "*advantage*". However, they will declare acceptance of such gifts according to FLOCERT internal procedures in order to ensure transparency. Should the timing, nature and/or value of the gift create the impression of influencing behaviour, this will be politely declined.
- FLOCERT staff will be responsible to arrange and pay for all services they make use of including food, accommodation and travel to the place of work.
- FLOCERT staff will use services as far as possible that are reasonably priced, safe, reputable and independent. Where the context dictates that the customer is the only reasonable provider of these services, FLOCERT will seek to fairly compensate the customer.

Discrimination and harassment

- FLOCERT staff will refrain from and not tolerate engagement in illegal activities.
- FLOCERT staff will refrain from and not tolerate engagement in procurement of sex workers.
- FLOCERT staff will refrain from and not tolerate engagement in physical or verbal abuse, intimidation, threats or bullying.
- FLOCERT staff will refrain from and not tolerate engagement in harassment, being unwanted conduct which persists after an initial warning including, but not limited to, sexual comments or advances.
- FLOCERT staff will refrain from and not tolerate engagement in invasions of privacy beyond the professional sphere, including via social and other media or personal remarks.
- FLOCERT staff will refrain from and not tolerate references to any ground for unfair discrimination, including but not limited to race, gender, sexual orientation, ethnicity, religion, disability, class or caste.
- FLOCERT staff will refrain from and not tolerate persistent personal questions, remarks and discussion on topics irrelevant to the work.

6.1.1. Reporting procedure for Complaints and Allegations

- FLOCERT will use the agreed procedures to report all instances of conflict of interest.

- FLOCERT will declare any threat or attempt to influence its independence.
- FLOCERT will declare any threat or attempt to influence its impartiality.
- FLOCERT will report any violation of this Code of Conduct and, if necessary, suspend the service being provided in persistent cases.

FLOCERT similarly will encourage customers and partners to submit a Complaint or an Allegation to record any violation of this Code of Conduct. These can be submitted here: https://www.flocert.net/submit-an-allegation-appeal-or-complaint/

- Customers, partners and service providers who experience behaviour from FLOCERT staff that does not conform to FLOCERT's Code of Conduct should follow the Complaints procedure as laid out in the => CA Complaints SOP (see https://www.flocert.net/submit-an-allegation-appeal-or-complaint/).
- Customers, partners and service providers who experience behaviour from other customers of FLOCERT that does not conform to FLOCERT's Code of Conduct should follow the Allegations procedure as laid out in the => CA Allegations SOP (https://www.flocert.net/submit-an-allegation-appeal-or-complaint/).

6.2. Official FLOCERT languages

FLOCERT operates in the following 5 languages: English, Spanish, French, Portuguese and German.

This means that most customer service and documentation are provided in at least these 5 languages. The English version supersedes the translated version in case of conflict of interpretation between translated documents.

6.2.1. Audit translations

Audits are also provided in the 5 languages specified above (see ➔ Official FLOCERT languages), where the respective auditor will speak the language most commonly used in the country where the audit takes place (e.g. English in Ghana, Portuguese in Brazil) but is not necessarily fluent in all 5 official FLOCERT languages. English is to be used as the primary language in the case of conflict of interpretation between translated documents.

Auditors will always indicate their respective language skills in the Audit Preparation Letter.

A language barrier exists when:

1. a customer’s documents are not written in (1 of) the audit language(s);
2. some of the customer's staff/members/Workers do not speak any of the audit languages.

It is the customer’s obligation to identify if a language barrier exists.

If a language barrier exists, customers are responsible for ensuring that translation is provided as necessary. If translation requirements are not fulfilled, this is interpreted as access to necessary information not being provided and may have consequences for the customer's certification.

Translation requirements are as follows:

- Documents: If audit documentation is not written in (1 of) the 5 FLOCERT languages, the customer must ensure that Basic Documentation required for an audit and as indicated in the Audit Preparation Letter are translated accurately and truthfully, and are available for the audit. All other documentation can be translated on-site during the audit.
- Interviews at head office: If the customer participant(s) mentioned in the audit agenda (as per the Audit Preparation Letter) do(es) not speak the audit language(s), the customer must ensure that several staff members from the same job category are available for translation/interpretation so that the auditor can choose a translator from them. If no staff members from the same job category that speak the audit language(s) are available, the customer must ensure that an independent third party translator/interpreter is present.
- Member/Worker interviews: If some of the organisation's members/Workers do not speak the language(s) in which the audit will be conducted, the customer must ensure that there are a number of Workers/members present to translate/interpret for all meetings. The auditor should have options to choose several different translators from within the membership/workforce to accompany them on field visits or to choose from those present in the field/manufacturing/processing site. If there are no or very few Workers/members who speak the audit language(s), the customer must ensure that an independent third party translator/interpreter is present.

In general, all translations must be accurate and truthful, and for all interviews (head office/members/Workers), the auditor shall have a choice between several satisfactory translators in order to be able to change the translator if deemed necessary. If no satisfactory translators are available (see below definition), and/or if no accurate and truthful translations are available, the auditor is required to stop the audit process, which may lead to a Suspension of the customer's certificate.

In order to assess whether a translator is satisfactory, the auditor will use the following guidelines:

Competency:

- Is the person acting as translator sufficiently fluent in both languages?
- Is the person acting as translator aware of the expected role of a translator? (i.e. translate exact words used by the interviewee without modification)

Impartiality:

- Is there any potential conflict of interest that may make the translator have an interest in modifying the content of what is being said?
- For third party translators: Is there an indication that the translator has received instructions from the contracting party to modify the content of the translation?

Bias/Prejudice:

- Does the translator show any bias/prejudice against the interviewee that may alter the content of the translation, even if this is not deliberate? Best practice: A translator should be of the same gender and similar social background and nationality as the interviewee.

6.2.2. Objective Evidence translations

After the Audit, customers will enter the evaluation process and, if Non-Conformities are found, will have to provide Corrective Measures and Objective Evidence.

Objective Evidence or other documents related to Non-Conformities raised during the audit must not by default be translated in an official FLOCERT language, but this must be done if requested by FLOCERT.

6.3. Scope of Fairtrade Certification

The scope of certification defines which companies/organisations of a supply chain need to be certified or included in the certification of another company, according to the Fairtrade Standards (https://www.fairtrade.net/standard) against which FLOCERT provides assurance.

Important note: Companies can only apply for certification if they fall into the Fairtrade scope (see → Application scope and requirements) as defined by Fairtrade International for certain products, countries and set-ups (https://www.fairtrade.net/standard/fairtrade-standards#scope).

The following companies must be certified with FLOCERT:

- Organisations that grow or mine a Fairtrade product.
- Companies that buy directly from Producers and/or are responsible for paying or conveying the Fairtrade Price or Premium.
- Companies that buy and sell a Fairtrade product up to and including the point where the product is in its final packaging and carrying a FAIRTRADE Certification Mark.
- Any company buying a product as referred to above for the purpose of repacking.

For certain Product Categories, the scope is slightly different:

Product	Companies in scope of certification
Perishable products **(fresh fruit, bananas, flowers (not including young plants))**	**a) If sold in Global North:** Companies up to and including Importer. If packing or repacking takes place at a stage after the Importer, these companies must be Fairtrade-certified as well. (Excluded: Florists and Retailers). Ripeners who do not repack are out of scope; in these cases, Quality Claims are covered under the scope of the certification only if forwarded by an entity certified by FLOCERT. **b) If sold in producing countries:** Actors up to and including company responsible for paying Price and Premium.
Cotton	**a) Fairtrade Cotton:** All companies up to the point where the product is cut/made/trimmed and labelled require certification. Printing/embroidery/flocking on

	already labelled and finished Fairtrade cotton products does not require certification. **b) Fairtrade Sourced Ingredients Cotton (FSI Cotton):** Companies participating in FSI Cotton require certification up to and including the level of the spinner. Subsequent supply chain entities need to be “Fairtrade Verified”.
Products in final packaging and carrying a FAIRTRADE Certification Mark imported from Producer countries	Traders buying products in final packaging and carrying a FAIRTRADE Certification Mark directly from the Producer organisation imported from the Producer countries (and/or buyers in the country of origin) require certification if they are responsible for Fairtrade Price and Premium payments, Quality Claims, contracts with Producers, pre-financing and packing/re-packing up to consumer-ready packs. Producer organisations that are also Licensees do not require certification against the Trader Standard if they are only selling their own finished and labelled product. However, if Producer organisations are buying certified products from other Fairtrade Producer organisations then they also require certification against the Trader Standard.
Fairtrade Carbon Credits (FCC)	In the Fairtrade Climate Standard, first buyers (as outlined below) and Producer organisations (if applicable with a Project Facilitator as an Additional Entity) must apply for Fairtrade Certification. Only the first buyer (and therefore Fairtrade Price Payer and Fairtrade Premium Payer) of Fairtrade Carbon Credits is considered a Climate Standard Trader and must be certified. Further buyers, except the Climate Standard End-Buyers are out of certification scope. A Climate Standard End-Buyer must comply with the Climate Standard's End-Buyer requirements if it sources more than 1,000 Carbon Credits per year but they do not need to be certified by FLOCERT but sign a contract with the National Fairtrade Organisation.

The following entities must be included within the certified company's certification; they will be reflected on the Fairtrade Certificate, invoiced for and audited regularly:

- Affiliates (of Small Producer Organisations/Hired Labour Organisations customers),
- Associates (of Trader Corporate Certification customers), and
- Additional Entities (of all customers, see ➔ Certification scope for entities owned or subcontracted by certified customers).

In addition, in order to use the FAIRTRADE Certification Mark on a customer-ready product, customers must have a valid license contract with a National Fairtrade Organisation or Fairtrade International.

- Companies interested in using the FAIRTRADE Certification Mark on customer-ready products must contact the National Fairtrade Organisation responsible for the market where they are located. Further information can be found on Fairtrade International's website (https://www.fairtrade.net/act/mark-use-guidelines).
- Companies interested in using the FAIRTRADE Certification Mark on unfinished products or promotional materials must contact Fairtrade International.

6.3.1. Certification scope for entities owned or subcontracted by certified customers

Producers or Traders within certification scope may own or subcontract entities like storage or processing sites that do not take legal ownership but do handle the Fairtrade product. Some of these, so-called "Additional Entity", must be included within the certification and will appear on the certificate, be invoiced* for and audited. Other entities are out of certification scope (see ➔ Services of entities out of certification scope table for details).

* Exception: Additional Entities certified on their own will appear on the certificate but will not be invoiced again on the invoice of the customer using the Subcontractor's service, nor be part of the customer's audits as they are audited against their activities as Subcontractor as part of their own certification audit.

To enable FLOCERT to audit those Additional Entities not owned by the certified customer but within certification scope, certified customers are required to have a contract in place with all Subcontractors that are included within the certification scope.

The following table (see ➔ Services of entities within certification scope (Additional Entities)) provides an overview of which entities are included within the certification scope, depending on the customer's set-up and the activity/service performed by the entity. For Traders, there is a differentiation between:

- Traders with Mass Balance products (Cocoa, Tea, Sugar, Fruit juice), and
- Traders
  - with products for which Physical Traceability is required by the Fairtrade Standards (all except those products listed in the first bullet point above), or
  - that trade Mass Balance products with Voluntary Physical Traceability.

6.3.1.1. Services of entities within certification scope (Additional Entities)

Customer set-up	Activity/Service performed by own/ subcontracted entity	Scope of audit* [*See relevant Compliance Criteria list for details of applicable criteria]	Examples
Producer	Subcontractors for Storage & Processing; Own Additional Entities for Storage & Processing (as described in ➔ Certification scope for own Additional Entities of Producer Organisations)	Subcontractor: traceability & some environmental criteria Own processing/storage entities: all requirements of the applicable Standard related to traceability, environmental protection and working conditions.	• Drying installations • Warehouses • Packing stations • Processing Installations
Trader physically traceable product & Trader Mass Balance with Voluntary Physical Traceability	Loose storage in tanks or silos; Re-packing, Processing	Traceability (physical & documentary), Production chapter (mostly reactive)	• Loose storage in tanks or silos • Coffee, spices, rice, nuts in bulk (not bags) • Fresh fruit being processed • Re-packing from big bag or similar to final labelled product • Coffee blending (from bag to big bag/ bulk)
Trader Mass Balance without Voluntary Physical Traceability	Processing and re-packing of composite product, entities involved in Group Mass Balance	Documentary Traceability, Production chapter (mostly reactive)	• Processing of chocolate • Muesli • Aromatised tea • Sweets • All blended juices (multivitamin blends, etc.)
Gold customers	Casting	All applicable requirements	Gold casting

6.3.1.2. Services of entities out of certification scope

Certain entities that handle but do not take legal ownership of Fairtrade products are out of certification scope. These entities are therefore not considered Additional Entities, do not show on the certificate, are neither invoiced for nor audited.

Customer set-up	Activity/Service performed by the own/subcontracted entity	Examples
All set-ups	Logistics Subcontractors	• Transport on ship/truck/ plane & loading/unloading of containers • Brokers, agents for export, clearing houses
Trader physically traceable product **&** **Trader Mass Balance with Voluntary Physical Traceability**	Pure storage (no re-packing & processing, no loose/bulk storage in tanks or silos)	• Sports balls • Storage of bottled wine • Coffee, spices, rice, nuts in Fairtrade-labelled bag or boxes • Perishable products like Flowers/Fruits/Vegetables in Fairtrade-labelled boxes or crates (e.g. banana ripeners) • Big bags/Pallets that are not re-packed or changed
Trader Mass Balance without Voluntary Physical Traceability	Storage/processing of a single product (not composite product), unless working under Group Mass Balance	• Storage of all Single Site Mass Balance products (tea, sugar, cocoa, fruit juice) • Processing of cocoa beans to liquor/butter/powder, processing of all Single Site Mass Balance products for which the Fairtrade Standards provide fixed conversion ratios • Processing juice, sugar, tea without additions (not composite product)
Gold customers	Engraving, polishing, stone setting	• Engraving, polishing or setting a stone on a gold ring

6.3.1.3. Certification scope for own Additional Entities of Producer Organisations

Additional Entities (storage and Processing Installations) owned by a Hired Labour plantation or Small-scale Producer Organisation are within certification scope if one or more of the following indicators apply (other own facilities are out of scope):

- Workers are hired by the plantation/Small-scale Producer Organisation at the Processing Installation (requirements for working conditions apply);
- Additional environmental requirements are applicable to the Processing Installation (e.g. waste or waste water management).

The following tables provide an overview of those Additional Entities which are in scope in Hired Labour (see ➔ Own Additional Entities in Hired Labour Organisations) and in Small-scale Producer Organisations (see ➔ Own Additional Entities in Small-scale Producer Organisations) if one or more of the above listed indicators apply.

6.3.1.3.1. Own Additional Entities in Hired Labour Organisations

Product Category	On-site Processing Installation
Bananas	Cleaning, grading, packing and storage
Flowers & plants	Packing, cold storage
Fresh fruits & vegetables	Packing, cold storage, hot water treatment
Fruit juice	Pulping, pasteurisation, filling & bottling and storage
Sports balls	Stitching, packing and storage
Tea	Withering, cutting/rolling, fermenting, drying/firing, sifting, grading, packing and storage
Wine	Cleaning, crushing, fermentation, filling or bottling and storage

6.3.1.3.2. Own Additional Entities in Small-scale Producer Organisations

A storage place/Processing Installation is considered an Additional Entity when it is owned by the organisation or when the facilities are rented by them. The storage site/Processing Installation is considered owned when the organisation holds more than 75% of the legal shares. In these cases, it is the organisation's responsibility that the storage/Processing Installation is operated in full compliance with the Fairtrade Standards.

Product Category	On-site Processing Installation/Storage place
Bananas	Cleaning, grading, packing and storage
Cocoa	Cleaning, hulling, drying, roasting, crushing, winnowing, grinding, grading and packing and storage
Coffee	Roasting, grading, wet processing, hulling, packing and storage
Cotton	Packing, storage and ginning
Cane sugar	Crushing and juice extraction, filtering or purification, boiling, crystallising, packing and storage
Dried fruit	Cleaning, Drying, Re-humidification, grading and packing
Fruit juice	Pulping, pasteurisation, filling & bottling and storage
Fresh fruit & vegetables	Cleaning, grading, packing and cold storage
Herbs & spices	Cleaning, drying, grading, grinding, packing and storage
Honey	Not relevant

Nuts & oil seeds	Cracking, cleaning, roasting or drying, Re-humidification, grading, packing and storage
Quinoa	Milling/washing, polishing, packing and storage
Rice	Milling, grading, packing and storage
Soybeans	Hulling, solvent extraction of oil, drying soy flakes, cleaning, packing
Pulses	Destoning, dehydration, sizing, dehusking, grading, cleaning, packing
Tea	Withering, cutting/rolling, fermenting, drying/firing, sifting, grading, packing and storage
Wine	Cleaning, crushing, fermentation, filling or bottling and storage

6.3.1.3.3. Additional Entities Owned by Artisanal Small-scale Mining Organisations

A Processing Installation is included in the scope of certification when it is owned by the organisation or its members or Production Partner Organisations.

6.4. Certification Cycle

The customer's certificate is issued and renewed at regular intervals, referred to as a Certification Cycle.

After successful completion of the Initial Audit, a certificate is issued covering the first Certification Cycle. Trading possibilities prior to receiving the Certificate are described under ➔ Permission to Trade.

The first Certification Cycle begins with the Initial Audit. All following cycles begin with a Renewal Audit.

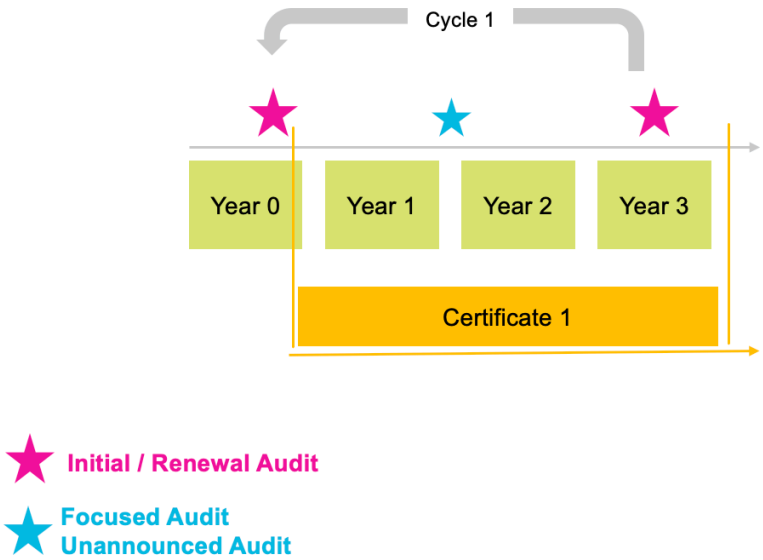
While Initial and Renewal Audits mark the beginning of a Certification Cycle, Confirmation Audits may take place in between an Initial and a Renewal Audit, or in between 2 Renewal Audits in order to confirm compliance.

A Confirmation Audit may be a Focused Audit, Digital Audit, or an Unannounced Audit, and is conducted if FLOCERT's assessment of the organisation’s individual needs requires it. This assessment is based on the following criteria:

- compliance with the Fairtrade Standards,
- Fairtrade Premium amount received/paid, and
- the individual set-up.

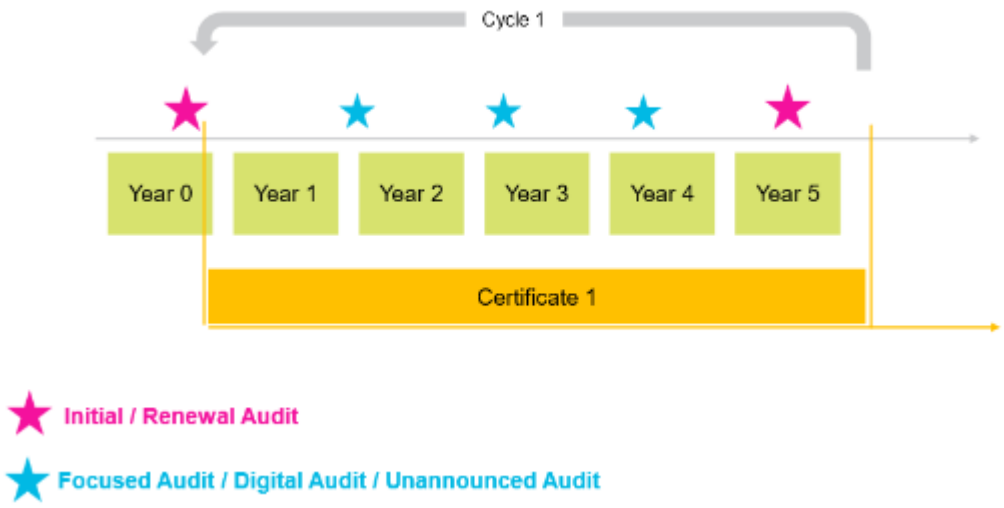
Further audits – announced or unannounced – may be conducted at any time, not only if there are indications that the customer's activities reveal critical deviations from the Standard, but also if FLOCERT deems such audits necessary.

6.4.1. 3-year Certification Cycle for Producers



The Certification Cycle for Producers lasts 3 years. Complementing the Initial Audit/Renewal Audit, a Certification Cycle may also include up to 2 Confirmation Audits.
The first Renewal Audit is carried out during Year 3 of the Certification Cycle. Full compliance with the applicable Standards and contractual obligations, including fulfilment of Corrective Measures, must be achieved and demonstrated before the certificate can be renewed for the next 3-year Certification Cycle.

6.4.2. 5-year Certification Cycle for Traders

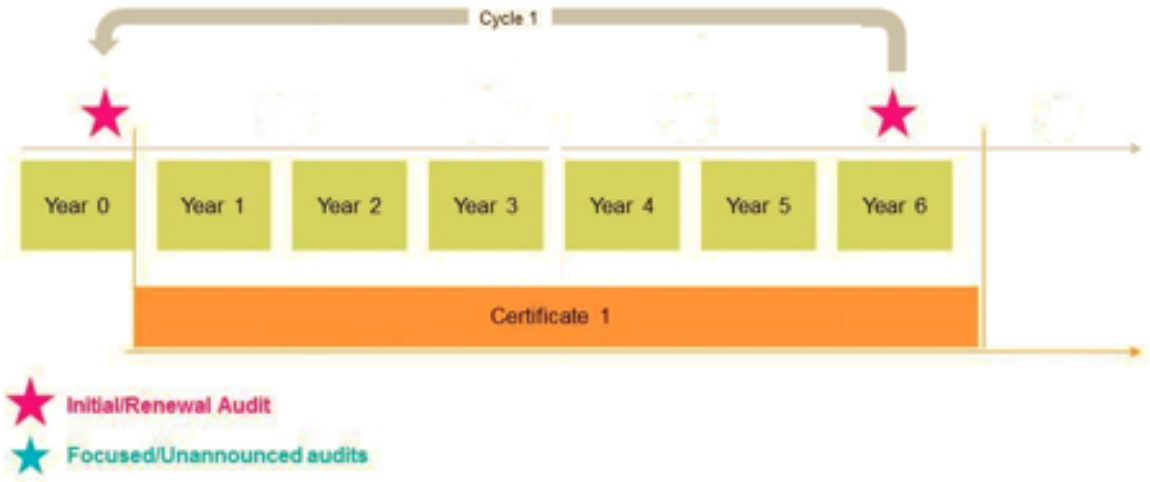


The Certification Cycle for Traders lasts 5 years. Complementing the Initial Audit/Renewal Audit, Traders are assigned an audit programme with different combinations of up to 4 Confirmation Audits (in the form of On-site, Digital and Remote Audits), according to the Trader's characteristics.

Any audit type (excluding Initial Audits) may be conducted remotely if the customer's profile and the scope of the audit is deemed suitable, i.e. if no physical checks are necessary.

The first Renewal Audit is carried out during Year 5 of the Certification Cycle. Full compliance with the applicable Standards and contractual obligations, including fulfilment of Corrective Measures, must be achieved and demonstrated before the certificate can be renewed for the next 5-year Certification Cycle.

6.4.3. 6-year Certification Cycle for Small Licensees



Customers classified as Small Licensees have a Certification Cycle of 6 years. Renewal Audits take place every 6 years; Confirmation Audits are usually not conducted.

The customer must proactively inform FLOCERT if they no longer meet the eligibility criteria of a Small Licensee. In this case, the status will be updated to the relevant customer category (resulting in adjusted certification fees according to the applicable customer category). See ➔ Small Licensee Scheme for further details.

6.4.4. Certification Cycle for Additional Entities

All Additional Entities are included in the Initial Audit of the certified customer and thereafter may be audited at least once per Certification Cycle.

6.5. Certificate and extension of scope of certificate

A certificate will only be issued if FLOCERT finds the customer compliant with all the criteria applicable to them.

Each compliant customer is provided with a certificate with specific validity. This validity is 4 years for Producers, 6 years for Traders, and 7 years for a Small Licensee.

For Producers, the certificate also indicates the Product Category and type that is allowed to be sold as Fairtrade.

For Traders, the certificate also indicates the Product Category and type that the Trader is allowed to buy and sell as Fairtrade.

Customers certified as both Producer and Trader will only receive 1 certificate including both scopes valid for 4 years. The Certification Cycle is based on Producer Certification.

A certificate may be cancelled within the validity period, as described under ➔ Decertification.

6.5.1. Extension of certification scope

A certified customer can extend its certification scope at any point in the Certification Cycle. (A scope extension is not possible if the customer is suspended).

Before transacting Fairtrade business under the extended scope, the customer must apply to FLOCERT and seek approval as follows for Producers (see ➔ Extension of certification scope: Producers) and Traders (see ➔ Extension of certification scope: Traders).

Fairtrade business under the new scope may be conducted only upon confirmation from FLOCERT and, if applicable, an amended Fairtrade Certificate.

In the following situations, an additional audit called a "*Scope Extension Audit*" (see ➔ Scope Extension Audits) is required before the confirmation of the scope extension:

Producers:

- **Adding a new Product Category** which is produced by new members, i.e. there is a scope extension at the Product Category and membership level.
- **Adding Affiliates** (new 1st/2nd grade organisations in Small-scale Producer Organisations/new estates in Hired Labour Multi Estates).
  - in Hired Labour, all new estates must be audited;
  - in Small-scale Producer Organisations, at least 3 new Affiliates must be audited.
- **Exception: Adding a Trader Service** for Producers, within 6 months from scope extension approval (Trader Initial Audit).

Traders:

- **Changing to Trader Corporate Certification.**

6.5.1.1. Extension of certification scope: Producers

Producers:

- add a new member organisation/estate to their Fairtrade activity. This only applies to 2nd or 3rd grade Small-scale Producer Organisations or Multi Estate companies who have limited their Fairtrade Certification to a selected number of member organisations/affiliated estates.
- add a new function to their Fairtrade activity. Certified Producers can apply to have the Trader function* added to their certificate in order to start exporting for another Producer organisation.

Permission to Trade for the Trader service will be issued and valid until an Initial Audit has been closed successfully.
- add a Subcontractor or Additional Entity to their Fairtrade activity.
- add a new Product Category, Product Type and/or Product Form to their Fairtrade activity - see below.

* Please note: Producers cannot apply to have Trader Corporate Certification added to their certificate.

1. Adding a Product Category to the customer's Fairtrade Certification

For example, if the customer wants to add the product *honey* to their Fairtrade Certification and they are currently certified for the product *coffee*, they add a new Product Category to their certificate. For this the customer must notify FLOCERT and get confirmation before they can sell the product under Fairtrade conditions.

2. Adding a Product Type from the same Product Category to the customer's Fairtrade Certification

For certain Product Types, the customer must get confirmation from FLOCERT if they want to add a product to their Fairtrade Certification, even if it belongs to the same Product Category they are currently certified for. The respective Product Types are listed below:

Product Category	Product Type	Application necessary?
Dried Fruit	Apricot, Banana, Date, Mango, Pineapple, Raisin, Sultana, Tomato, Wild Apricot	Yes
Fresh Fruit	Apple, Avocado, Banana, Coconut, Grapefruit, Lemon, Lime, Lychee, Mango, Melon, Orange, Papaya, Passion Fruit, Peach and Nectarine, Pear, Pineapple, Plum, Soft Citrus, Table Grapes, Wine	Yes
Fresh Vegetables	Green Beans, Green Pepper, New Potato, Peas, Red Yellow Pepper, Sweet Potatoes	Yes
Fruit Juice	Apple, Araza Pulp, Banana, Grapefruit, Guava Pulp, Lime, Lychee Pulp, Mandarin, Mango Pulp, Mangos for Pulp, Orange, Passion Fruit, Pineapple	Yes
Nuts and Oil Seeds	Almond, Amazonian Nut, Apricot Seeds, Brazil Nut, Cashew Nut, Coconut, Macadamia Nut, Olive Oil, Olives, Peanut, Sesame Seeds, Soya bean, Walnut	Yes

6.5.1.2. Extension of certification scope: Traders

Traders:

- add a new Product Category, Product Type and/or Product Form to their Fairtrade activity.
- add a Subcontractor or Additional Entity to their Fairtrade activity.
- add a new function to their Fairtrade activity.
- change to the certification model: Trader Corporate Certification.* (See ➔ Trader Corporate Certification for more information.)

* Please note: Traders who also have Producer certification cannot change their certification model to Trader Corporate Certification.

6.6. Organisational structural change

In the case of changes in the structure of a certified customer, a change in their certification may be necessary or desired.

This could occur as, for example, a change:

- from a Hired Labour Multi Estate to a Hired Labour Single Plantation set-up or vice versa,
- from Trader to Trader Corporate Certification set-ups or vice versa,
- in the certified entity's ownership or name, or
- any other change in organisational structure.

In the case of changes in the organisational structure, customers must inform their responsible Certification Analyst in order to assess whether a change in the certification is necessary/possible.

For organisational structural changes where there is no change in the legal entity certified, no application fees are charged.

6.7. Permission to Trade

A Permission to Trade is an intermediate, temporary allowance to start trading under Fairtrade conditions, issued upon the sole discretion of FLOCERT. It by no means represents a valid Fairtrade Certificate and it is linked to certain conditions. There is a difference in issuing the Permission to Trade for Traders and for Producers.

Compliance with requirements of the relevant Fairtrade Standards must be achieved within the regular timeframe and before the expiry date of the Permission to Trade, for the customer to be eligible for a valid certificate.

6.7.1. Permission to Trade: Traders

Traders may be eligible to receive a preliminary Permission to Trade valid for 9 months upon receipt of payment of the ~~initial~~ certification fee. This status is granted to facilitate initial Fairtrade sales, which will form the basis for the Initial Audit.

If customers are found to have started transacting Fairtrade business before receiving the Permission to Trade, or if there are indications of potential unfair trading practices, the Permission to Trade will only be issued after the Initial Audit, provided:

- there are no Major Non-Conformities identified, or
- once all Major Non-Conformities have been corrected.

(see also ➔ Financial Sanctions).

6.7.2. Permission to Trade: Producer organisations

Producer organisations may be eligible for their Permission to Trade only after an Initial Audit, provided:

- there are no Major Non-Conformities identified, or
- once all Major Non-Conformities have been corrected.

The Permission to Trade is valid for 9 months.

6.8. Certification Sanctions

FLOCERT can decide to apply any of the following Certification Sanctions after careful consideration of the sufficiency of the customer's overall compliance.

FLOCERT will consider the following aspects when deciding which sanction should be applied:

- Severity of Non-Conformities found during the latest audit, considering the type of criteria, scale and type of Non-Conformity as well as real or potential consequences. Irreversible, non-compliant actions directly impacting human health, well-being or the integrity of the Fairtrade product, and intentional non-compliances, are considered severe.
- Number of Non-Conformities found during the latest audit
- Repetition of Non-Conformities
- Inadequate evidence of compliance
- Failure to comply with certification rules, procedures and contractual obligations
- Risk to the Fairtrade system's credibility

If a Certification Sanction is issued, it will be explained to the customer in an official communication.

6.8.1. Financial Sanctions

FLOCERT may apply Financial Sanctions to customers who bring products on the market as Fairtrade without authorization or that are not Fairtrade:

The situations that can lead to a financial sanction are:

- Making Fairtrade business without authorization:
  - Applicant commenced buying and selling Fairtrade products before having received their Permission to Trade or Fairtrade Certificate.
  - Customer buys products from non-certified entity and sells them as Fairtrade.
- Selling more volume as Fairtrade than allowed:
  - Selling more than the allowed Fairtrade volumes during suspension.
  - Selling products from non-members (Small-scale Producer Organisation) as Fairtrade.
  - Selling products bought from a different plantation (Hired Labour) as Fairtrade.

The amount of the financial sanction depends on the annual certification fee that is paid by the customer, as per the table below:

Annual certification fee amount	Financial sanction
<1000 EUR	500 EUR
1000– 3000 EUR	1500 EUR
>3000 EUR	5000 EUR

Non-payment of an invoiced financial sanction has the same consequences as non-payment of the certification fees and therefore may result in a contract cancellation and consequently the decertification of the customer.

6.8.2. Cancellation of Permission to Trade/Denial of Certification

If this sanction is applied, the customer must cease trading in Fairtrade products with immediate effect. The customer may not sign any new Fairtrade contracts, as they will not be recognised as Fairtrade transactions, nor will existing contracts be recognised under Fairtrade terms.

After the customer has been given the opportunity to correct any Non-Conformities, a decision to deny certification may be taken at the end of the evaluation workflow if the customer fails to correct identified Non-Conformities.

6.8.3. Suspension of Permission to Trade or Suspension of Certificate

If this sanction is applied, the customer is not allowed to sign Fairtrade contracts with new trade partners, nor advertise or make any reference to maintaining a valid Fairtrade Certification.

During the Suspension period, all Fairtrade contracts signed prior to the Suspension remain valid and must be fulfilled. The customer may also sign new contracts with Fairtrade-certified trade partners

with whom they have had at least 1 Fairtrade transaction in the previous 12 months. However this volume cannot exceed 50% of the volumes traded as Fairtrade in the preceding 12 months with that certified trading partner.

In cases where annual contracts are signed or in cases where there is evidence of intentionally evading the Standard requirements, stricter trade restrictions can also be applied to customers who are suspended in case the above requirements or those mentioned in the Standard do not have an impact based on the nature of the business.

Stricter restrictions include:

- No new contracts can be signed during the suspension period.
- Reduced volume for new contracts with existing trade partners.
- Reduced duration: the customer should have had at least 1 Fairtrade transaction in the previous 6 months to qualify as an existing trade partner.
- No retro-certification for transactions that took place during the suspension period.
- Partial Fulfillment of existing contracts (lower volumes)

The maximum duration of a Suspension is determined by the evaluation workflow timelines (see ➔ Timelines for the evaluation workflow until certification). If the customer does not take the necessary steps in order to demonstrate compliance within the given timelines, this will lead to Decertification.

A Suspension decision may be taken due to the severity of the Non-Conformities identified during an audit, or during the evaluation workflow due to insufficient Corrective Measures, unsuitable Objective Evidence or when necessary information is not sent to FLOCERT within the requested deadlines.

6.8.4. Decertification

If this sanction is applied, the customer must stop trading under Fairtrade terms with immediate effect. The customer is not allowed to sign any new Fairtrade contracts nor fulfil existing contracts under Fairtrade terms, as these will not be recognised as Fairtrade contracts in the evaluation of their Fairtrade-certified trading partners.

A Decertification decision may be taken at the end of the evaluation workflow due to non-compliance, or due to insufficient or non-submission of Corrective Measures or Objective Evidence.

This decision may also apply at any time as a result of breach of contract (e.g. failure to pay certification fees).

6.8.4.1. Immediate Decertification

In exceptional cases, a decision to decertify may be taken directly after the evaluation of the Audit Report and before any Corrective Measure workflow has started. Such exceptional cases include:

- if severe Non-Conformities have been identified that require transactions to stop immediately,
- if there is insufficient evidence of compliance for Major requirements, which could seriously threaten Fairtrade's integrity,
- if there are grounds for a second Suspension for the same reason, i.e. if Non-Conformities that led to Suspension after the previous audit are identified again and would trigger another Suspension for the same reason.

6.8.4.2. Decertification/Denial of certification with moratorium for re-entry

This sanction may be applied in exceptional situations where a systematic failure to comply with the Fairtrade Standards has been identified. These exceptional cases are:

- if the customer was previously decertified due to non-compliance and receives a second instance of Decertification due to non-compliance,
- if the customer cannot demonstrate sufficient compliance during re-application subsequent to a previous Decertification due to non-compliance,
- if an immediate Decertification is issued due to severe non-compliance.

If this sanction is applied, re-entry is only possible once the moratorium period has passed and if all changes have been implemented that allow the customer to comply with the Fairtrade Standards.

6.9. Exceptions

FLOCERT is authorised to grant exceptions from Fairtrade Standard requirements in line with the Fairtrade International Exceptions Policy (https://files.fairtrade.net/standards/ASSU_ExceptionsPolicy_v2.0_EN.pdf).

Process

In order to apply for an exception, the customer should write to their contact person at FLOCERT, who will handle the request. They must submit a completed application form and they will then be charged an administrative fee (see ➔ Exception fees).

FLOCERT will inform the customer of the result of their request (approval or denial, conditions, duration) within 2 weeks following the official submission of the request. During the customer's next audit, FLOCERT will check if the conditions linked to the exception have been complied with.

An exception decision cannot be appealed.

Types of exceptions

Generally, exceptions that can be granted are classified under 2 categories:

- Category A exceptions are generally accepted deviations from base rules.

- Category B exceptions include exceptional and particular cases not covered under category A.

Category A exceptions

Category A exceptions are situations that Fairtrade accepts as deviations from base rules, provided that certain criteria are met. The decision whether an exception request is granted is mainly based on the conditions described below. Please note that there may be additional circumstances leading to the denial of an exception request (such as recurrence of the same exception topic, or non-compliance with conditions of previously granted exceptions).

Exceptions may be granted by FLOCERT in the following scenarios:

Retro-certification

Retro-certification may be applied for if the Producer / Trader receives its Permission to Trade shortly (max. 12 months**)** after the product had been sold/bought.

FLOCERT may approve requests for Retro-certification if the customer can demonstrate that they were not able to originally source the product as Fairtrade, and if the following conditions are met:

- It is a temporary measure (e.g. related to the launch of a new product, product from a certified Producer bought prior to the Producer's certification).
- There will be a benefit for Fairtrade Producers.
- The price differential calculation [= *Fairtrade Minimum Price – Price Paid]* and the balance owing [= (price differential x quantity or volume bought) + (Fairtrade Premium x quantity or volume bought)] are provided in the application form.
- The following is also submitted:
    - proof of payment for the consignment that was originally bought as non-Fairtrade;
    - documentary evidence for the consignment (invoice, purchase contract with Producer, Bill of Lading/airway bill/delivery notes as applicable).

Once the request has been approved, the customer must ensure the following:

- Compliance with the conditions laid out in the granting letter.
- Notification to the supplier of the Retro-certification and the amount owed, and an invoice requested for the same.
- Payment of the amount owed within the normal payment terms. This amount must include the Fairtrade Premium and the price differential owed.
- Inclusion of retro-certified volumes in the quarterly transaction reporting to FLOCERT.

Note: Systemic Retro-certification is allowed for tea, sugar and fresh fruit by the respective Fairtrade Product Standard and therefore not considered an exception.

Product Compensation

FLOCERT may grant a request for Product Compensation under the following circumstances:

- Sourcing the product in question as Fairtrade was not possible for reasons beyond the customer's control (e.g. drought or other natural disasters, strikes, war, or similar).

- Planning for purchasing the product in question as Fairtrade was not possible also due to reasons beyond the customer's control (e.g. new product launch, supply shortage, contracts not fulfilled by suppliers but Fairtrade product needed in the market).
- Retro-certification is not possible.
- As part of a Corrective Measure proposal to correct a negative Mass Balance discovered during an audit, but only under the following conditions:
    - The request for an exception (Product Compensation) can only form part of the Corrective Measure suggestion. The Corrective Measure suggestions therefore needs to take additional measures into account, especially with regards to measures to be taken to prevent a similar situation from reoccurring.
    - The compensating purchase cannot be conducted within the regular workflow deadlines for submission of Objective Evidence (i.e. 4 months for Producers and 45 days for Traders), due to large volumes, seasonality of the product or quality aspects ("*Like for Like*").

And if the following conditions are met:

- Demonstrate the ability to source the product in question as Fairtrade-certified in sufficient quantities within the timeline defined by FLOCERT (max. 1 year), not only to make compensation but also to fulfil ongoing product needs.
- The final product cannot be produced without the product input in question.
- In case of composite products: The total Fairtrade content of the affected composite product still reaches the minimum threshold of 20%.

Once the request has been approved, the customer must ensure the following:

- Compliance with the conditions laid out in the granting letter.
- Inform their customer(s) about the Product Compensation.
- Purchase the compensating quantity from a Fairtrade-certified supplier under Fairtrade conditions and sell or use it as non-Fairtrade (i.e. "downgraded equivalent") by the date indicated in the granting letter (within max. 1 year).
- The Fairtrade-certified product purchased as compensation is of the same kind and quality as the non-Fairtrade product used ("*Like for Like*").
- Keep documentary records to enable the Product Compensation transactions to be audited and to demonstrate traceability.
- Inform their Certification Analyst at FLOCERT in writing if they cannot complete the compensating purchase or sell the downgraded equivalent before the deadline.

Product composition exception

Exceptions under this category are granted by FLOCERT only for Traders who are processing Food Composite Ingredients.

All Traders processing Food Composite Products must contact their respective National Fairtrade Organisation (NFO)/Licensing Body regarding requesting an exception. However, it is not necessary to request an exception with FLOCERT and with the NFO. The customer should therefore check with their supplier/buyer if an exception has already been requested.

FLOCERT may grant this exception (referred to as "*Type I Exceptions*" in the Standard) in line with the Fairtrade Trader Standard requirement 2.2 (https://www.fairtrade.net/content/dam/fairtrade/fairtrade-international/standards/trader-standards/TS_EN.pdf):

- Supply shortage: Inability to provisionally source Fairtrade ingredients for reasons beyond the customer's control, e.g. drought or other natural disasters, strikes, war or similar.
- Inadequate quality: The quality of Fairtrade ingredients available causes insurmountable technical problems.
- 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: If sourcing problems persist 2 years after the publication of a new Product Standard.
- 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. A list of unavailable Fairtrade ingredients is published on the Fairtrade website (http://www.fairtrade.net/standards/our-standards/trade-standard.html). Note: FLOCERT will not invoice an exception fee in this case.

Special cases

- If the customer produces Food Composite Ingredients and uses these in the manufacturing of a consumer-ready product that is produced on behalf of a Licensee, the exception request must be addressed to the responsible National Fairtrade Organisation (NFO).
- If the request is related to the following (referred to as "*Type II Exceptions*" in the Standard), the decision will be taken by Fairtrade International's Exceptions Committee. The request must therefore be directed to Fairtrade International's Exceptions Committee (exceptions@fairtrade.net).
    - Transitioning ingredient: The customer cannot fully source an ingredient as Fairtrade although the ingredient is generally available and being sold/processed as Fairtrade. However, volumes are insufficient for their needs. They must have an agreed written plan for the ingredient to become 100% Fairtrade.
    - Provenance: For ingredients holding a provenance certification (e.g. Appellation d'origine contrôlée, Denominación de origen, etc.), the customer must indicate the ingredient claiming provenance as an exception on the back of the pack.

Once the request has been approved, the customer must ensure the following:

- Compliance with the conditions laid out in the granting letter.
- Inform their customer(s) about the exception.
- After the granted exception period, provide evidence that Fairtrade ingredients are now in use.

Physical Traceability for composite products

FLOCERT may grant exceptions for Physical Traceability for composite products in line with Fairtrade Trader Standard requirement 2.1.7 (https://www.fairtrade.net/content/dam/fairtrade/fairtrade-international/standards/trader-standards/TS_EN.pdf):

- if the composite product contains physically traceable and non-physically traceable ingredients, and
- if the following condition is met: It's proven that traceability is lost due to technical reasons.

Once the request has been approved, the customer must ensure compliance with the conditions laid out in the granting letter. This will be checked at the next audit.

This type of exception will be valid for a maximum of 1 year.

Worktime exceptions

FLOCERT may grant exceptions regarding overtime and rest days in line with the:

- Hired Labour Standard (3.5.10 and 3.5.11) (https://files.fairtrade.net/standards/HL_EN.pdf)
- Textile Standard (3.5.12) (https://files.fairtrade.net/standards/TextileStandard_EN.pdf)
- Gold Standard (3.3.29 and 3.3.36) (https://files.fairtrade.net/standards/2015-04-15_EN_Gold-and-Precious_Metals.pdf)

The exception may be granted in the event of an exceptional circumstance (e.g. peak production periods or changing weather conditions) requiring a deviation from overtime or rest day regulations.

And if the following conditions are met:

- The exception request is handed in and approved before the actual overtime or rest day exception occurs.
- The request does not exceed the maximums defined in the Standard (max. 14 hours of work per day or max. 72 hours of work per week or max. 18 continuous working days without rest).
- The request is not in contradiction with national legislation. If local legislation requires approval from the authorities, the approval must be handed in with the exception request. If approval is not yet confirmed by the authorities, proof of the request to the authorities must be handed in.

Once the request has been approved, the customer must ensure the following:

- Compliance with the conditions laid out in the granting letter.
- Compensation of overtime at a premium rate as defined in the respective Standard requirement.
- Agreed and legally stipulated lunch and work breaks must be observed.
- Maintenance of adequate records to verify compliance.

Note: This type of exception will be valid for a maximum of 12 weeks per calendar year.

Premium distribution as defined in the Hired Labour Standard

FLOCERT may grant exceptions to use 50% of the Fairtrade Premium for cash distribution in line with the Hired Labour requirement 2.1.20 (https://files.fairtrade.net/standards/HL_EN.pdf) in the event of exceptional circumstances, such as most migrant Workers in the workforce cannot benefit from Fairtrade Premium projects or an emergency situation.

And if the following conditions are met:

- The exception request is handed in and approved before the actual cash distribution takes place.
- Compliance with all requirements regarding Fairtrade Premium expenditure.
- Cash distribution is allowed under national legislation.

Once the request has been approved, the customer must ensure the following:

- Compliance with the conditions laid out in the granting letter.
- Maintenance of adequate records to verify compliance.

Mining in protected areas

FLOCERT may grant exceptions for mining in protected areas in line with requirement 3.2.21 of the Fairtrade Standard for Gold and Associated Precious Metals for Artisanal and Small-scale Mining (https://files.fairtrade.net/standards/2015-04-15_EN_Gold-and-Precious_Metals.pdf).

And if the following conditions are met:

- Mining in protected areas has already taken place with the relevant permissions before applying for Fairtrade Certification.
- The exception request is handed in together with the application for Fairtrade Certification.
- Together with the exception request, evidence of authorisation is handed in from the relevant authority, an environmental impact assessment, an environmental mitigation plan and evidence that the customer has been operating with a legal permit and under the monitoring of local authorities for at least 5 years.

Once the request has been approved, the customer must ensure the following:

- Compliance with the conditions laid out in the granting letter.
- Maintenance of adequate records to verify compliance.

Maximum land size for wine grape Producers and cane sugar (Small-scale Producer Organisation)

FLOCERT may grant exceptions for Small-scale Producer Organisations in line with:

- requirement 1.1.2 of the Fairtrade Fresh Fruit Standard (https://files.fairtrade.net/standards/Fresh_Fruit_SPO_EN.pdf) if local legislation, production and processing methods, soil fertility or other product and regional circumstances require a larger cultivation area for the Fairtrade crop
- requirement 1.1.1 of the Fairtrade Cane Sugar Standard (https://files.fairtrade.net/standards/Cane_Sugar_SPO_EN.pdf).

And if the following conditions are met:

- No more than 15% of members have a land size above 30 hectares.
- The maximum size of the land where members cultivate Fairtrade product cannot in any case be higher than 100ha.
- The exception is handed in and approved before the inclusion of larger members.

- Cane sugar: the organisation requesting an exception is based in Belize, Fiji, Mauritius or Paraguay.
- Wine Grapes: The organisation presents proof that the inclusion of members with more than 30 hectares is necessary, including as a minimum:
    - evidence that the average farm of small-scale Producers in the region and for the product in question is larger than 30ha. (e.g. statistics).
    - evidence that due to lower productivity/production methods a bigger farm size is needed.

Once the request has been approved, the customer must ensure the following:

- Compliance with the conditions laid out in the granting letter.
- Maintenance of adequate records to verify compliance.

Category B exceptions

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 Fairtrade mission. Category B exceptions may be granted in those cases not covered by any of the exceptions described in category A.

Special circumstances

In the following cases, FLOCERT may grant exceptions from Standard requirements:

- Force majeure situations (natural or man-made disasters).
- Other unforeseen events outside of the organisation's control (such as changes in legislation, pest outbreaks, abrupt price changes).
- Specific organisational, environmental, social or technical conditions of a particular case that make it exceptionally and justifiable different from other cases.
- The opportunity to bring substantial benefits to Producers and Workers via Fairtrade sales is made impossible by the application of a particular Standard requirement.

And if the following conditions are met:

- The exception request is handed in and approved before the occurrence of deviation from the Standard requirement in question.
- It is a temporary measure.

Once the request has been approved, the customer must ensure the following:

- Compliance with the conditions laid out in the granting letter.
- Maintenance of adequate records to verify compliance.

Note:

- Depending on the request's complexity or sensitivity, FLOCERT may refer the case to Fairtrade International's Exceptions Committee for a decision.

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

Fairtrade International maintains the Hazardous Materials List (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.

Exceptions to use chemicals or pesticides listed on the Red List may be applied only under highly exceptional circumstances when all other forms of control have failed. This exception can only be granted by the Oversight Committee.

And if the following conditions are met:

- The exception application is submitted to the Oversight Committee by FLOCERT or by the respective Licensing Body (on the customer's behalf).
- 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 must be based on expert advice.
- There is transparent and public communication about the exception by the customer.
- The customer can demonstrate that usage of the Red List material can be adequately mitigated to ensure little or no harm to people and environment.
- There is a monitoring plan for phasing out the Red List material.

Once the request has been approved, the customer must ensure the following:

- Compliance with the conditions laid out in the granting letter.
- Maintenance of adequate records to verify compliance during the next audit.

Collective exceptions

Collective exceptions can be granted in cases where there are circumstances or a situation that affect all the customers in a region/country/Product Category making the full application of a Fairtrade Standard requirement or requirements temporarily impossible.

These exceptions can only be granted by the Exceptions Committee according to the following criteria:

- The application for a collective exception is submitted to the Exceptions Committee by FLOCERT or the respective Licensing Body.
- The relevant Producer Network was consulted about the exception request prior to its 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 customers (force majeure such as extreme weather conditions, pest outbreak, etc.).
- The exception is only temporarily required and cannot be granted for longer than 1 year. Extensions are only possible when absolutely necessary.
- There is transparent and public communication about the exception by the customer.

Once the request has been approved, the customer must ensure the following:

- Compliance with the conditions laid out in the granting letter.
- Maintenance of adequate records to verify compliance during the next audit.

Note: If the Exceptions Committee find the case too complex, it may be referred to the Oversight Committee.

6.10. Right to appeal

Should the customer disagree with an Evaluation or Certification Decision taken by FLOCERT, they may appeal or request a review of the Evaluation Decision, see => CA AppealReview SOP.

6.11. Introduction to Fairtrade fees

To allow independent operations and cover the cost for all assurance efforts, customer service, access to and running the relevant tools FLOCERT issues a certification fee to all Fairtrade customers.

Fairtrade Certification costs consist of:

- a one-off application fee (see ➔ Application fees) and
- an annual fee. The certification fee is always charged in the same month of the year as the payment of the first one. The certification fee does not cover internal travel within the different audit sites.

For an estimate of the applicable fees, the FLOCERT website provides the cost calculator (https://www.flocert.net/fairtrade-fee-calculator/).

The certification fees cover a period of 12 months from the date of the invoice and are payable regardless of whether an audit has been conducted and a Certification Decision taken.

FLOCERT applies an "*all-in*" fee model with no extra charges for regular audits or customer attendance. However the following fees may apply under special circumstances and will be invoiced separately as one-off invoices, on top of the regular annual invoice:

- ➔ Follow-Up Audit fees (only in cases where a Follow-Up Audit is needed due to audit results),
- ➔ Exception fees (in cases where a customer applies for an Exception from the Fairtrade Standards),
- ➔ Cancellation fees,
- ➔ Social Indicator fees (for certain cotton customers).

Please note that all fees are exclusive of Value-Added Tax and other taxes, which will depend on the country the customer is (fiscally) located in.

The certification fees are not refundable.

FLOCERT reserves the right to charge additional costs to the certification fees if established audit costs are exceeded. This might be due to additional audit days (daily rate is EUR 406) and/or audit-related travel costs (estimated travel costs plus 20% contingency).

6.11.1. Exception fees

For Traders and all Producer set-ups (Small-scale Producer Organisations, Hired Labour and Contract Production), the following fee is charged for handling of an exception request from the Fairtrade Standards and respective certification requirements:

Exception fees	Fee (in Euros)
Exception fee (including derogations)	EUR 410

6.11.2. Cancellation fees

The customer will be required to pay a cancellation fee in the following situations:

- Cancellation or postponement of an audit by a customer less than 10 calendar days prior to the audit date mutually agreed between the auditor and customer, or denial of access on the date of the audit. The applicable fee will be equal to the amount of the annual certification fee and must be paid prior to the date of the next audit. The cancellation fee applies to both announced and Unannounced Audits.

- Cancellation or postponement of an audit by a customer 30 to 10 calendar days prior to the audit date mutually agreed between the auditor and customer. The applicable fee will be equal to 50% of the amount of the annual certification fee and must be paid prior to the date of the next audit.

In the event of a force majeure, the responsible Regional Manager will decide whether the conditions justify a cancellation of the audit. If justified, the customer will not be required to pay any cancellation fee.

6.11.3. Social Indicator fees

Traders

Social Indicators	Fee (in Euros)
Social Document Check *	EUR 71
Evaluation of social audit report **	EUR 249
Benchmarking of a Social Standard ***	EUR 563

* WFTO Membership; SA 8000 certificate; Participation in Ethical Trading Initiative, Fair Wear Foundation, Fair Labour Association, Worker Rights Consortium; union letter; statutes of the customer demonstrating that Workers are owners of the customer's company.

** FLOCERT evaluates a social audit report (including the Corrective Action Plan Report) against open Non-Conformities, provided that the Social Standard has already been benchmarked by FLOCERT and covers all ETI Base Code requirements, e.g. GOTS, SMETA, BSCI.

*** FLOCERT conducts a benchmark analysis of the Social Standard against the ETI Base Code and, if all ETI requirements are covered, evaluates the social audit report (including the Corrective Action Plan Report) against open Non-Conformities.

Producers - Small-scale Producer Organisation, Hired Labour and Contract Production

Cotton Social Compliance: In case the Producer organisation has an Additional Entity that is a cotton Trader related set-up/structure (e.g. a subcontracted ginner) for which social compliance requirements apply, please refer to the following:

- Trader fees apply, see https://www.flocert.net/fairtrade-fee-calculator/ for indication of cost
- Social Indicators chapter of the Fairtrade Assurance - Rules and Guidelines (https://www.flocert.net/fairtrade-assurance-manual/)

6.12. Special Fairtrade Assurance Schemes

Several special schemes exist within Fairtrade Certification - see:

- ➔ Small Licensee Scheme (applicable to Licensees who are already registered. As of 01.07.2025, no new applications are accepted)
- ➔ Trader Corporate Certification (applicable to Traders)

6.12.1. Small Licensee Scheme

FLOCERT offers Licensees an adapted certification scheme that fits smaller companies' structures whilst still providing Fairtrade Certification's usual reliability and quality. This option is only available for customers that were categorized as Small Licensees before June 30th, 2025.

Fairtrade Licensees who comply with all of the following requirements may benefit from FLOCERT's special "Small Licensee" certification:

- The customer is a Fairtrade Licensee; i.e. holds a licence contract with Fairtrade International or a National Fairtrade Organisation.
- The customer manufactures or repackages Fairtrade products.
- The customer does not classify as a Fairtrade Price Payer or Fairtrade Premium Payer
- The customer's Fairtrade business is limited to selling consumer packaged goods registered/validated by Fairtrade International or a National Fairtrade Organisation under their own label.
- The customer's annual global turnover (including non-Fairtrade activities) does not exceed EUR 2 million.

- The customer does not have more than 2 Additional Entities.

Small Licensees are required to use Fairtrace to verify their Fairtrade purchases.
They are not required report Fairtrade sales in Fairtrace as they are supposed to act as Licensee for all sales and report them in the Connect system to their National Fairtrade Organisation (NFO).

It is important to note that the term Small Licensee used by FLOCERT has no relation to National Fairtrade Organisations' own categorisation of Licensees.

6.12.2. Trader Corporate Certification

This section explains the "Trader Corporate Certification" certification model, including the criteria to qualify and the certification process where it differs from the regular Trader Certification process.

Criteria to qualify for Trader Corporate Certification

The following criteria must be fulfilled in order to apply for Trader Corporate Certification. If any of the criteria cannot be complied with, every entity taking legal ownership of the product must be certified individually.

1. Trader Corporate Certification consists of a Master Operator and its Associates and – if applicable – other Additional Entities. At a minimum there must be 1 Master Operator and 1 Associate. No more than 10 Associates can be covered by 1 certificate.
2. Any of the Associates can have subcontracted/Additional Entities, but these must not take legal ownership of the product, i.e. buy or sell.
3. The **“**Main Audit Site principle**”** must be fulfilled: Documentary Audits* will take place at the Master Operator level where the Fairtrade transactions of all entities involved in the set-up will be audited. Therefore it must be possible to combine the Documentary Audit of the Master Operator and all the Associates (this is called the "*Main Audit Site principle*"). For this purpose, one “*Main Audit Site*” must be defined (usually the site of the Master Operator). At this Main Audit Site, all audit-related documents of the Master Operator and all Associates must be available and access given to the ERP (Enterprise Resource Planning) system. Physical Traceability or processing of composite products in Mass Balance will be audited separately for every entity where necessary.
4. There is only 1 contact person for the Master Operator and all associated companies designated to liaise with FLOCERT. This person is responsible for all correspondence between FLOCERT and the certificate holder and must manage all administrative communication such as arranging audit dates, following up on Non-Conformities, reporting Fairtrade transactions, updating FLOCERT in case of changes in the Trader Corporate Certification structure, etc.

* A Documentary Audit is a check of Fairtrade transactions of all entities included in the Trader Corporate Certification set-up, including contracts, purchase and sales invoices, Price and Premium payments. pre-financing, Sourcing Plans, recipe and packaging approval, verification of volumes/Mass Balance, use of trademark, etc.

Roles of these entities in the Trader Corporate Certification set-up

	Master Operator	Associate	Additional Entity
Documentary Audit	**x**	**-** *	**-**
Physical Traceability Audit	**x**	**x**	**x**
Buy and sell Fairtrade product	**x**	**x**	**-**

* All documents of the Associates must be available at the Master Operator Documentary Audit.

Certification Process

The certification process only differs as follows from the certification process for other Traders.

Application

FLOCERT will assign 1 responsible Certification Analyst managing the audit and certification of all the companies involved in the Trader Corporate Certification.

Audit

If the Initial Audit reveals that compliance with the Standard for all Associates involved cannot be verified at the Main Audit Site, then:

- either the certification will be denied and all entities involved must apply for separate certification, or
- the Associates for whom compliance cannot be verified are excluded from the Trader Corporate Certificate.

Associates are generally audited once per Certification Cycle (see ➔ 5-year Certification Cycle for Traders). This audit will only verify the traceability requirements of the Standard and not involve a whole checklist. There could be reasons that justify more than one Associate Audit in the cycle, e.g. if there is an indication that the Associate is not compliant with the requirements of the Fairtrade Trader Standard.

Evaluation

Each Evaluation Decision or Certification Decision taken is for the whole of the Trader Corporate Certification set-up. This means that a Non-Conformity identified at 1 entity under Trader Corporate Certification could lead to sanctions for all other entities involved.

In cases where Physical Traceability must be checked at Associate/Additional Entity level, the Audit Report of the Master Operator is always linked to the Audit Report of any site that was audited after the Master Operator's last audit.

Fairtrade Transaction Reporting

Any purchase implying payment of Fairtrade Price and Premium must be reported online on a quarterly basis under the ID of the entity purchasing the Fairtrade product (either Master Operator or Associate). The reporting requirements apply for each legal entity separately and include the

reporting of inter-company transactions (e.g. sales of the Master Operator to an Associate, sales of an Associate to another Associate). The main contact person receives a login for the Master Operator and every Associate that is a Fairtrade Payer and is asked to report on behalf of the Associates.

Trader Corporate Certification set-ups in Intact Platform

The activities (e.g. the status as a Licensee) and products of all entities involved in the Trader Corporate Certification set-up are displayed at the level of the Master Operator so it is not possible to identify which entity is e.g. the Licensee or the Fairtrade Payer in the set-up. For information on this, the Certification Analyst in charge can be contacted.

6.12.3. Fairtrade Sourced Ingredients (FSI) Cotton

This section describes the verification scheme for Fairtrade Sourced Ingredients (FSI) Cotton.

For Fairtrade-certified customers, the regular processes apply, as described in the relevant sections on ➔ Audit Evaluation and Certification and ➔ Fairtrade Audit.

Scope

The FSI Cotton Verification scheme applies to all customers involved in an FSI Cotton supply chain, from Producer to Licensee (b. This includes but is not restricted to: Small-scale Producer Organisations, ginners, spinners, cut-make-trim (CMT), and embroiderers. The scheme also applies to Licensees (brand owners) purchasing finished cotton products to be sold under an FSI Cotton claim.

In contrast to supply chains for Finished Products carrying the Fairtrade Cotton Mark, FSI Cotton supply chains only require Physical Traceability up to and including the ginning stage.

Further actors further along the supply chain (e.g. spinners [if not acting as Fairtrade Payer], weaving, knitting, cut-make-trim) can apply Mass Balance and – if only involved in FSI Cotton – do not need to become Fairtrade-certified. Such customers, however, must be verified by FLOCERT.

The brand owner commits to sourcing a certain volume of cotton as bought under Fairtrade conditions within a certain time period (claim). They sign a Licensee agreement with a National Fairtrade Organisation (NFO), also informing the NFO of the complete supply chain or at least their first direct supplier.

Certified customers

Small-scale Producer Organisations (SPOs), ginners and spinners (if acting as Fairtrade Payer) participating in FSI Cotton supply chains must become Fairtrade-certified following the regular processes as described in the sections on ➔ Audit Evaluation and Certification and ➔ Fairtrade Audit. (Spinners participating in FSI Cotton supply chains only, however, do not need to have a Social Indicator in place.)

Verified customers

All other actors processing Fairtrade cotton (spinners not acting as Fairtrade Payers, weaving, knitting, cut-make-trim) need to be verified but they must:

- sign a verification contract with FLOCERT and be registered in the Intact Platform and Fairtrace,
- undergo remote assessments,
- report sales volumes and verify purchase volumes of FSI Cotton in Fairtrace on a quarterly basis,
- pay an annual verification fee.

Verified Licensees

The Licensee (brand owner) selling Finished Products using an FSI Cotton claim does not have to be Fairtrade-certified. They must:

- sign a Licence Agreement with a National Fairtrade Organisation,
- sign a verification contract with FLOCERT,
- undergo remote assessments,
- verify purchased volumes of FSI Cotton in Fairtrace on a quarterly basis,
- pay an annual verification fee, unless they are Fairtrade-certified due to other Fairtrade activities.

Application process

The application for FSI cotton verification is communicated to FLOCERT by the respective National Fairtrade Organisation. The application process will then be coordinated by FLOCERT's FSI Cotton Service Management who will assess which actor will need to become certified or verified. As a first step, the respective National Fairtrade Organisation of the Licensee (brand owner) must therefore inform FLOCERT (FSI Cotton Service Management via ✉ FSICotton@flocert.net),using *=> CERT FSICottonCommitment FO*, of:

- the complete supply chain or at least the Licensee and their first direct supplier,
- the sourcing commitment (in Fairtrade cotton lint equivalent),
- the applicable reference period (usually a calendar year).

A notification to FLOCERT must have happened until 31 March of each calendar year (or as soon as possible, ideally 3 months prior to start of reference period), by using *=> CERT FSICottonCommitment FO*. For claims submitted later than 31 March (or as soon as possible, ideally 3 months prior to start of reference period) or not via the form, FLOCERT cannot guarantee a timely verification of claims.

Once all supply chain actors – or at a minimum the Licensee and their first direct supplier – are either Fairtrade-certified or verified, the FSI Cotton Service Manager will initiate the Fairtrace onboarding process. Onboarding information is sent out to all supply chain actors (including the Fairtrace guide: see =>CERT FairtraceUserGuideFSICotton ED), and the Customer Service Desk provides Fairtrace technical support if needed.

Certified customers

Customers who are already Fairtrade-certified with FLOCERT but want to also engage in FSI Cotton shall contact FSI Cotton Service Management in writing (via ✉FSICotton@flocert.net).

Verified customers

Verified supply chain actors need only be registered in the Intact Platform and Fairtrace.

The registration process is initiated via an invitation process in Fairtrace, whereby customers who are already certified or verified can invite other supply chain partners to join.

The FSI Cotton Service Manager will assess whether the new supply chain partner must become verified or certified. The customers will be led through the respective process. To apply for verification, the following documents must be submitted to FLOCERT:

- the application form,
- a certificate of incorporation,
- a copy of the signed verification contract.

To finalise the registration process, verified customers must also pay the annual verification fee for the first 12 months.

Verified Licensees

In addition to signing a license agreement with a National Fairtrade Organisation verified licensees must also be registered in the Intact Platform.

The registration process is initiated as soon as the responsible National Fairtrade Organisation has informed FSI Cotton Service Management of the Licensee and (at least) their first direct supplier.

Documents to be submitted to FLOCERT include:

- the application form,
- a certificate of incorporation,
- a copy of the signed verification contract.

To finalise the registration process, verified Licensees must also pay the annual verification fee for the first 12 months.

Notification to FLOCERT

For already existing licensees / supply chains (i.e. for which a claim verification already happened in the past), the National Fairtrade Organisation must have notified FLOCERT until 31 March (or as soon as possible, ideally 3 months prior to start of reference period) of each calendar year, by using *=> CERT FSICottonCommitment FO*. The National Fairtrade Organisation must furthermore notify FLOCERT of any changes to the supply chain (if applicable). For claims submitted later than 31 March (or as soon as possible, ideally 3 months prior to start of reference period) or not via the form, FLOCERT cannot guarantee a timely verification of claims.

Reporting

Once onboarded in Fairtrace, the Licensee, as well as all supply chain partners, must report all purchases and sales of FSI Cotton in Fairtrace on a quarterly basis, following the Fairtrace User Guide FSI Cotton. Certain additional information which allows FLOCERT to link purchases to sales (and vice versa) as well as uploading supporting information (e.g. information on product composition) needs to be reported as well.

In case of questions, customers can contact:

- the Customer Service Desk at: ✉ flocert@flocert.net for technical questions on reporting, or
- the FSI Cotton Service Management at: ✉ FSICotton@flocert.net for content-related questions.

Delayed and/or incomplete reporting by the licensee and all supply chain partners will delay the claim verification by FLOCERT.

Claim verification

3 months prior to the end of the reference period, the FSI Cotton Service Manager will initiate the verification of the reported information. It may require reminding and/or requesting clarification from the Licensee and/or supply chain partners.

Copies of purchase and sales documents for a sample of purchase and sales transactions will need to be provided upon request. If documents are submitted only partially or not at all by the supply chain partners, the claim might only be partially verified or not at all.

In exceptional cases, FLOCERT may also conduct a verification at the customer's premises, in particular if there are strong indications that the data, activities or files reported or uploaded by the customer are not correct or if there is a substantiated Allegation by a third party affecting the correctness of the data or activities reported by the customer. If FLOCERT decides to conduct an on-site verification, FLOCERT will inform the customer in advance.

Within 4 weeks of the end of the reference period, the FSI Cotton Service Manager will inform the respective National Fairtrade Organisation of the claim verification results in the form of a verification report. The deadline only applies for claims which have been submitted to FLOCERT within the timelines and the format as explained above.

Fees

Certified customers

Certified customers must pay their annual certification fees. They will not be charged any additional fees for also participating in FSI Cotton supply chains.

Verified customers

Verified customers must pay an annual verification fee of EUR 1,500. Non-payment of the annual verification fee will lead to a cancellation of the verification contract with FLOCERT.

Verified Licensees

Licensees must pay an annual verification fee of EUR 1,500. Non-payment of the annual verification fee will lead to a cancellation of the verification contract with FLOCERT.

6.13. Audit observations

This section defines FLOCERT's procedure and approach for audit observations, ensuring that no conflict of interest endangers the audit process or the audit results.

The main objective of an audit observation is to witness how auditing and Fairtrade standards work on the ground for a specific product and/or set-up and create mutual understanding. Although acknowledging the benefit that audit observations can have for the Fairtrade system, to spare our customers, auditors and staff, an Observed Audit cannot replace:

- customer visits or any other communication with customers or suppliers. The purpose of audit observation is not to gain customer specific knowledge.
- training on product or supply chain specific issues.
- FLOCERT's expertise when it comes to auditing.

An "*observer*" is any participant during the audit whose participation was facilitated by FLOCERT and who is not the auditor, a trainee auditor or a FLOCERT staff member. The customer is free to appoint any other audit participant.

"*Conflict of interest*" is commonly defined as a situation occurring when an individual or organisation is involved in multiple interests, one of which could possibly corrupt the motivation.

6.13.1. Eligible observers

Insights into the audit process and methodology are particularly vital for those who develop the Fairtrade Standards and assurance procedures – namely those who help with their implementation by offering support to Producers, and those who must answer questions at the other end of the supply chain.

Fairtrade International:

- FLOCERT facilitates audit observations only for team members of the Standard and the Assurance & Oversight units.
- The number of audit observations is limited to one audit observation per team member per year.
- Other Fairtrade International units should organise Producer visits independently of a Fairtrade Audit, e.g. with the support of the Producer Networks.

National Fairtrade Organisations:

- Maximum two audit observations per National Fairtrade Organisation per year as per the Stakeholder Service Agreement.
- May not observe an audit of one of their customers due to potential conflict of interest.

Producer Networks:

- Maximum two audit observations per Producer Network per year.
- Producer Networks might observe audits of their customer as per the decision of the Regional/ Certification Manager.

6.13.2. Denial of audit observation

In the following situations, the request for audit observation can be denied or postponed:

- If there is a conflict of interest.
  - Media representatives may not be present in any audit. However, it is exceptionally possible on request to organise a simulated audit with a customer.
  - National Fairtrade Organisations may not observe an audit of one of their customers.
- If the customer does not accept the observer.
- If FLOCERT has no capacity for the facilitation of the audit.
- If no appropriate audit was identified as per the request (e.g. due to seasonality and non-availability of audits).

6.13.3. Principles of audit observation

Observing an audit will be permitted under the following conditions:

- There is only one observer per audit.
- FLOCERT decides on the audit to be observed and the customer needs to consent to this audit observation (=> CERT ObservedAuditCustomerConfirmation FO).
- The observer agrees to ensure that confidential information is not disclosed, nor used in any way without the written permission of FLOCERT .
- The observer acknowledges that FLOCERT is the rightful owner of all confidential information.
- The observer declares that s/he has no conflict of interest by observing the audit of the FLOCERT customer.
- The observer declares that s/he will not interfere in the audit in any way.
- The observer acknowledges that s/he may be excluded from parts of the audit such as individual interviews at the discretion of the auditor or the customer.
- The observer acknowledges that the auditor has full and complete authority to determine at any point during the audit whether the observer's presence or actions could negatively affect the audit and, if so, to decide to exclude the observer from parts of the audit or exclude her/him completely from the audit.
- Any costs related to the audit observation are to be borne by the respective observer (travel, accommodation etc.). There is no additional admin fee charged by FLOCERT for the facilitation of the audit observation.

6.13.4. Audit observations: Requests

- Parties interested in observing an audit may contact the Stakeholder Service Desk via stakeholderservices@flocert.net.
- Upon his/her audit request, the observer will be provided with the form => CERT ObservedAuditApplication FO which needs to be filled out with the requested information and signed.
- Incoming audit observation requests are only reviewed and processed twice a year.
    - Deadline for audit observations in Q1 and Q2: end of November of the previous year
    - Deadline for audit observations in Q3 and Q4: end of May of the same year

7. Assessing compliance

This section provides an outline of how compliance is assessed, with detailed information on proof of compliance, Compliance Criteria, and Corrective Measures.

Several key Fairtrade requirements that Fairtrade Producers or Traders must comply with are also explained in detail.

7.1. Proof of compliance

It is the responsibility of the entity seeking Fairtrade Certification to be compliant and demonstrate compliance with all the applicable requirements of the Fairtrade Standards.

It is FLOCERT's responsibility to assess if the evidence provided is sufficient to confirm compliance. Insufficient evidence of compliance or non-compliance with requirements would render an entity ineligible to receive or retain Fairtrade Certification. The final decision on eligibility rests with FLOCERT.

It is also the responsibility of the entity seeking Fairtrade Certification to act in accordance with the certification contract. A material breach of the certification contract (such as non-payment of certification fees) can lead to Decertification; an effective Decertification also leads to a termination of the certification contract for cause, with immediate effect.

7.2. Compliance Criteria

Compliance Criteria (CC) are established by FLOCERT to translate Fairtrade Standard requirements and FLOCERT requirements into verifiable control points that are assessed during Audits to determine compliance with the applicable Fairtrade Standard. The Compliance Criteria lists for all Standards are published at: https://www.flocert.net/solutions/fairtrade/compliance-criteria/.

There are 4 Compliance Criteria types: Major Compliance Criteria, Core Compliance Criteria, Development Compliance Criteria or Voluntary Best Practice Criteria as described below:

Core Compliance Criteria

Core Compliance Criteria are the baseline requirements which need to be complied with as they become applicable according to the certification timeline (Year 0,1, 3 and 6) (see ➔ Certification Cycle).

Major Compliance Criteria

In alignment with Fairtrade International, FLOCERT classifies as "Major" a limited number of Compliance Criteria that reflect key Fairtrade principles (e.g. ban on child labour). Non-Conformity with a Major Compliance Criteria is considered a threat to the objectives and the reputation of the Fairtrade system and may lead to stricter Certification Sanctions (see ➔ Certification Sanctions section).

Development Criteria

Development Compliance Criteria (only applicable to Producer set-ups) aim to support Producers in their continuous improvement over the years and only need to be complied with at an average score of 3 or higher (after 3 or 6 years). The average score is calculated by adding the ranks of all Development Criteria and dividing them by the total number of Development Criteria assessed.

- If the average score on the Development requirements equals or is higher than 3.0, the Producer will be considered as compliant with the Development requirements.
- If the average score on the Development requirements is less than 3.0, the Producer has a Non-Conformity with the core criterion: "*the average score of the Development Criteria is equal or above 3.0*". In that case, the Producer will select a number of Development Criteria to perform Corrective Measures and bring the average score at least to the required minimum level of 3.

Producers will thus be able to prioritise certain areas for improvement rather than having to comply with each single Development Criterion so that the focus is on overall development rather than on compliance with each individual criterion.

Voluntary Best Practice Criteria (VBP) – Traders only

Voluntary Best Practice Criteria (only for Traders) serve as an indication of where a Trader stands on the path to even fairer trade practices. They are voluntary and not required in order to be in compliance with the Fairtrade Trader Standard (no Non-Conformities are created based on Voluntary Best Practices). The Closing Report will, however, include the result on the Voluntary Best Practice criteria. The Fairtrade Trader Standard defines which requirements are Voluntary Best Practices.

Reactive Compliance Criteria – Traders only

Reactive Compliance Criteria reflect criteria related to the Reactive Assurance approach applied for requirements of the Trader Standard Production chapter. They apply to all Traders but are only

proactively checked if there are indications of non-compliance. Indications can be obtained via e.g. Allegations or observations during Trader audits.

Performance Ranks

Compliance Criteria generally have 5 levels of compliance (Ranks) that are numbered from 1 to 5, where 1 stands for a complete lack of conformity and 5 for best practices. Ranks 1 and 2 indicate non-compliance whereas Ranks 3 to 5 denote compliance. It should be noted that some Compliance Criteria may not have all 5 levels of compliance but may just provide "*No*" (signifying non-compliance) and "*Yes*" (compliance) as possible answers.

A Non-Conformity with a Compliance Criteria is understood to be a Non-Conformity with the corresponding Standard requirement.

Timeline and applicability

The number linked to a Compliance Criteria in the checklist (0, 1, 3 or 6) represents the number of certification years when a Compliance Criteria becomes applicable. For example, for Initial Audits, only criteria with timeline 0 apply.

It is important to note that although some Compliance Criteria may only become valid at a future point in time, customers are encouraged to conform with these Compliance Criteria or start working towards conformity as early as possible as a means of ensuring organisational strengthening and sustainable business development.

Limitations to the applicability of a Compliance Criteria are documented at the beginning of a Compliance Criteria text in brackets. For example, if a requirement:

- only applies to customers trading a specific product – indicated as e.g.: (banana)
- does not apply to small companies – indicated as: (NA for small companies)
- only applies after a transition period – indicated as e.g.: (1 July 2025)

7.2.1. Compliance Criteria types by organisational set-up

The table below shows the different types of Compliance Criteria, and to which set-up they apply:

Type of Compliance Criteria	**Core Compliance** (checked in all audits)	**Major Compliance** (checked in all audits)	**Development Compliance** (only checked in Renewal Audits - Year 3, 6, etc.)	**Voluntary Best Practices** (only checked in Initial and Renewal Audits)
Small-scale Producer Organisations	x	x	x	
Hired Labour Organisations	x	x	x	

Contract Production	x	x	x	
Traders	x	x		x

7.3. Corrective Measures

During a Fairtrade audit, FLOCERT assesses customer's practices and level of compliance with the Fairtrade Standards.

The auditor might identify areas for improvement and raise them as "Non-Conformities" which the customer must resolve within a certain timeframe in order to maintain certification. So that the organisation can benefit positively from the necessary changes in the long term, it is crucial that the customer choose the most suitable and effective Corrective Measures to fix its Non-Conformities.

During the Closing Meeting of the Fairtrade audit, the auditor presents the audit findings to the customer. The customer can choose to propose Corrective Measures during the Closing Meeting or wait for the FLOCERT Evaluator to request them after the audit.

FLOCERT encourages customers to suggest Corrective Measures during the Closing Meeting as this will speed up the entire evaluation process. Furthermore, customers can benefit from the momentum of the audit to start working on the Corrective Measures immediately. There are, however, situations in which a more detailed analysis of the root cause of a problem is needed in order to propose an effective Corrective Measure.

The auditor must not advise customers on how to fulfil the Non-Conformities, but s/he can explain the rationale of the Standard requirements and offer practical examples of what other customers have done in similar situations.

When suggesting and evaluating a Corrective Measure, the following aspects are important. While not all elements are necessarily relevant for every Corrective Measure, FLOCERT may conclude to not accept a Corrective Measure if it lacks relevant aspects.

Especially when the wellbeing or rights of individuals are affected, special attention will be paid on achieving a rights compatible approach - see examples related to workers' rights and labour conditions.

Where a Non-Conformity is specifically affecting a certain group of people, it is recommended to take the view of the affected party into consideration when designing the Corrective Measure to ensure the root cause is addressed.

Corrective Measures solve the situation:

Corrective Measures need to solve the current situation. A Non-Conformity can be solved by either no longer conducting a prohibited action or by implementing a certain required action.

Examples:

- *for stopping an action:*
  - *If discrimination practices are found, these should be stopped with immediate effect.*
  - *If the amount of Fairtrade Premium had been calculated incorrectly, a corrected calculation should be implemented immediately.*
  - *If prohibited hazardous materials are used, the practice should be stopped with immediate effect.*
- *for starting an action:*
  - *If no General Assembly has taken place, it should be called as soon as possible.*
  - *If no Sourcing Plan has been provided, the buyer should share it with the Producer as per the applicable timeline.*
  - *If workers were not provided with the necessary equipment to conduct their work safely, the relevant Personal Protective Equipment needs to be provided.*

Corrective Measures prevent the current and similar situation(s) from reoccurring:

To do so, they address the underlying root cause(s) of the Non-Conformity. It may be necessary to change the underlying processes instead of just carrying out one-off actions. If the root cause is unclear, customers are expected to investigate.

Examples:

- *If Fairtrade and non-Fairtrade products are mixed during production and storage, the traceability system needs to be improved.*
- *If payments are always made too late, the payment cycles need to be reviewed and adapted, including integrating possible controls.*
- *If the Fairtrade Premium accountancy shows discrepancies, the accountancy system should be revised.*
- *In the case of a Non-Conformity in the area of labour and employment related issues, the Corrective Measure should be discussed/aligned with Worker representatives.*

Corrective Measures compensate for losses or damages caused by the Non-Conformities:

Corrective Measures need to compensate the loss or damage caused by the Non-Conformity to Producer organisations or Workers.

Examples:

- *If the Fairtrade Premium wasn't paid, the identified aggrieved party should be compensated by paying the past unpaid dues.*
- *Differences between mandatory wages and wages paid should be compensated.*
- *If the initial payment was below the Fairtrade Minimum Price, the difference needs to be paid to the Producer organisation.*
- *A negative Mass Balance would need to be corrected by purchasing additional Fairtrade input and proposing a measure to prevent this situation from reoccurring.*
- *If an unjust dismissal took place, reinstate the affected worker.*

Corrective Measures are in proportion to the damage caused:

A Corrective Measure is proportionate to the damage caused, i.e. the bigger the damage, the stronger the Corrective Measure.

Examples:

- *If too little Fairtrade Premium was paid a year ago, the amount to be paid should compensate this by applying a market interest rate in the country of the Producer.*
- *If Workers have been paid below minimum wage for 6 months, the minimum wage must be raised and the arrears for the last 6 months must also be paid to Workers.*

Corrective Measures contain a new aspect:

Repeated Non-Conformities cannot be solved by simply repeating a previous Corrective Measure. *This guidance is especially relevant to Certification Analysts when evaluating a Corrective Measure suggestion for a repeated Non-Conformity.*

Example:

- *In year 1, a Non-Conformity was given for the lack of Fairtrade references in sales documents. As a Corrective Measure, the organisation suggested it train its staff members accordingly.*
  In year 2, the same Non-Conformity was found. In addition to training its staff members, the organisation now also adds a Fairtrade description to the article description in the organisation's resource planning system, ensuring that all futures sales documents will clearly display the products as Fairtrade.

Corrective Measures are specific:

Corrective Measures which do not address the underlying problem are avoided. Suggestions such as "*Corrective Measures will be discussed with FLOCERT*" are not acceptable. If the customer cannot suggest a meaningful and appropriate Corrective Measure during the Closing Meeting, it should be left open and suggested after the audit during the follow-up process.

7.4. Fairtrade Standards: Particular requirements and topics

This section covers certain particular requirements and topics from the Fairtrade Standards and how they can be complied with.

7.4.1. Mass Balance

As per the Fairtrade Trader Standard (section 2.1), Physical Traceability is required for all Product Categories. However, there a few Product Categories which are exempted from Physical Traceability requirements and may therefore apply Mass Balance, these are: cocoa, cane sugar, juice (incl. pulp and puree) and tea, as well as the FSI Cotton and Gold Sourcing Programs.

Mass Balance requirements

1. Input = Output

Prior to implementing Group Mass Balance, customers must apply to their FLOCERT certification contact for approval.

The customer ensures that the amount of outputs (final products) sold as Fairtrade must be equivalent to the amount of inputs sourced as Fairtrade, taking into account the processing yields and all losses.

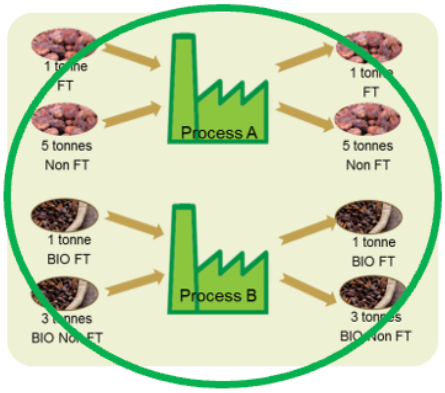
Initial stock: Finished goods *+ production – loss – sales – samples* *= Closing stock finished goods*
Initial stock: Raw material *+ purchases – production – loss* *= Closing stock raw material*

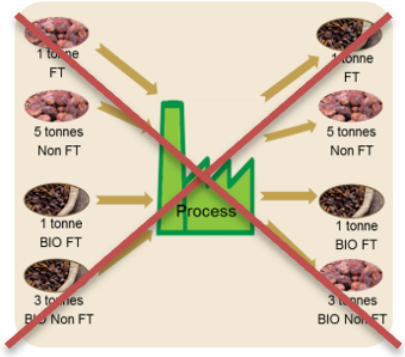
Customers must ensure that Fairtrade inputs (sourced products) are purchased before the sale of the Fairtrade outputs (final products).

The balance can never be negative. Should the balance become negative due to supply shortage, the customer must apply for an exception (compensation) from FLOCERT.

2. Like for Like

Fairtrade inputs shall be of the same kind and quality to the inputs used to process the Fairtrade output ("*Like for Like*"):





- Conventional # Organic
- Type: Black tea # green tea
- Orange juice # apple juice
- Cocoa: Fine flavour/Latin America # standard grade/West Africa

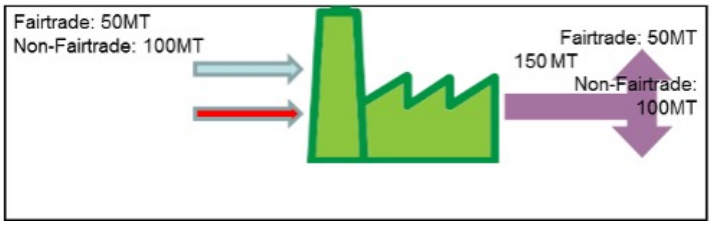
- Sugar: White and refined sugar # unrefined sugars # non-centrifuged dehydrated sugar cane juice
- Quality specifications and origin are difficult to determine

3. Single Site Mass Balance vs Group Mass Balance

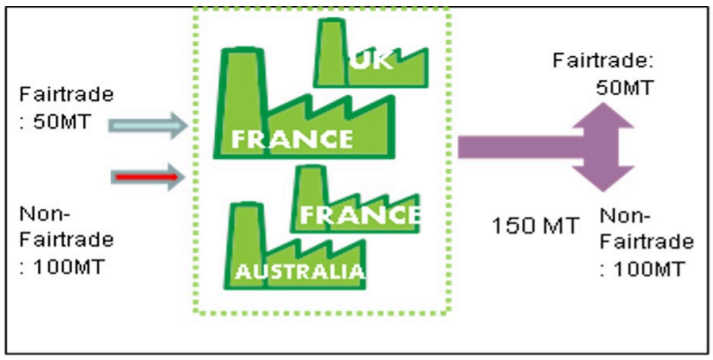
For most Fairtrade-certified customers, Mass Balance is audited per site.

For some companies, however, Mass Balance is audited per group of sites. This is only possible for cocoa and sugar and if certain pre-conditions are met (see Trader Standard requirement 2.1.12) and an application to FLOCERT is made to the Certification Analyst in charge.

Single Site Mass Balance (SSMB)



Group Mass Balance (GMB)



7.4.2. Voluntary Physical Traceability

Voluntary Physical Traceability is an option for customers buying and/or selling Mass Balance products but not wishing to use the Mass Balance disclaimer, given that Physical Traceability could be guaranteed on a voluntary basis throughout the entire supply chain.

In order to be able to distinguish the traceability approach applied and consequently allow for an appropriate claim on the product, specific requirements and rules for identification are in place.

In the Fairtrade Trader Standard (https://www.fairtrade.net/standard/trader), the primary Voluntary Physical Traceability requirement is specified under:

- 2.1.6 (optional Physical Traceability).

In the Fairtrade Producer Standards (https://www.fairtrade.net/standard), they are captured under:

- 2.1.8 for Small-scale Producer Organisations;
- 5.1.6 for Hired Labour;
- for Contract Production, the Voluntary Physical Traceability requirements appear in the Product Standard for Cocoa.

7.4.2.1. Voluntary Physical Traceability: Application process and requirements for customers

The Intact Platform activity "*Voluntary Physical Traceability*" will be assigned to Traders and Producer organisations upon written request only.

Customers need to request and submit the form (=> CERT VoluntaryPhysicalTraceabilityRequest FO), notifying FLOCERT (i.e. their respective Certification Analyst) of their intention to apply Voluntary Physical Traceability and to claim it.

The same applies should any of their Additional Entities be involved in the processing or handling of any physically traceable product. Should a Voluntary Physical Traceability product be processed only by the Additional Entity, the activity would still be assigned to both, i.e. Additional Entity and Master Operator.

This activity can also be assigned to pure Traders, i.e. where no physical product can be checked or seen during an audit. The assignment of the activity "*Voluntary Physical Traceability*" takes place at product level only.

Certified customers may continue to implement both, i.e. Mass Balance as well as Voluntary Physical Traceability.

Compliance will be checked on a sample basis during the course of FLOCERT's regular audits. In case of Non-Conformities, customers can – during the follow-up process – implement Corrective Measures, aimed at ensuring Voluntary Physical Traceability. However, should a customer fail to successfully implement effective Corrective Measures, the activity will be removed and the customer will no longer be permitted to sell products identified as physically traceable. Should this customer wish to re-apply for Voluntary Physical Traceability, a written request would once again need to be submitted, as well as proof of effective Corrective Measures having been implemented.

Certified customers are required to comply with a combination of basic Physical Traceability requirements as well as specific Voluntary Physical Traceability requirements. The corresponding Compliance Criteria are as follows:

- Traders:
  - (a) Basic requirements: 2.1.2.01, 2.1.2.02, 2.1.2.04, 2.1.1.14.
  - (b) Specific requirements: 2.1.2.03, 2.1.2.10: "*You have notified FLOCERT in writing of your intention to apply Voluntary Physical Traceability prior to implementation, and you are compliant with the respective requirements.*"
- Pure Traders (i.e. without storage and/or manufacturing):
  - (a) Basic requirements: 2.1.1.14 (tea and juice).
  - (b) Specific requirements: 2.1.2.03, 2.1.2.10: "*You have notified FLOCERT in writing of your intention to apply Voluntary Physical Traceability prior to implementation, and you are compliant with the respective requirements.*"
- Additional Entities (Trader):
  - 2.1.2.05, 2.1.2.06, 2.1.2.07, 2.1.2.08.
- Small-scale Producer Organisations (SPO):
  - (a) Basic requirements: 2.1.0.03, 2.1.0.04, 2.1.0.07, 2.1.0.13, 2.1.0.32, 2.1.0.33, 2.1.0.43.
  - (b) Specific requirements: 2.1.0.15, 2.1.0.45: "*You have notified FLOCERT in writing of your intention to apply Voluntary Physical Traceability prior to implementation, and you are compliant with the respective requirements.*"
- Additional Entities (SPO):
  - 2.1.0.30, 2.1.0.31, 2.1.0.33.
- Hired Labour (HL):
  - (a) Basic requirements: 5.1.0.05, 5.1.0.06, 5.1.0.23.
  - (b) Specific requirements: 5.1.0.10, 5.1.0.24: "*You have notified FLOCERT in writing of your intention to apply Voluntary Physical Traceability prior to implementation, and you are compliant with the respective requirements.*"
- Additional Entities (HL):
  - 5.1.0.06, 5.1.0.17, 5.1.0.18.
- Contract Production (CP):
  - (a) Basic requirements: A 2.1.0.01, A 2.1.0.02, A 2.1.0.08, A 2.1.0.12, A 2.1.0.19, A 2.1.0.26.
  - (b) Specific requirements: A 2.1.0.17, A 2.1.0.18, A 2.1.0.28: "*You have notified FLOCERT in writing of your intention to apply Voluntary Physical Traceability prior to implementation, and you are compliant with the respective requirements.*"
- Additional Entities (CP):
  - A 2.1.0.12, A 2.1.0.16, A 2.1.0.19.

7.4.2.2. Voluntary Physical Traceability: Process for Licensing Bodies receiving customer requests

Upon receiving requests for Voluntary Physical Traceability claims on finished Fairtrade products, Licensing Bodies such as National Fairtrade Organisations (NFOs) need to check that all customers in the specific supply chain have Voluntary Physical Traceability status in the Intact Platform (activity set at product level).

Currently, there is no automated system to inform stakeholders of changes in Voluntary Physical Traceability status (addition/removal of the Voluntary Physical Traceability activity in the Intact Platform). However, Fairtrade stakeholders can search for this information via the Intact Platform webportal, e.g. by using the extended search function and extracting a list of customers, who currently have the Voluntary Physical Traceability activity assigned.

This search need only be manually set up once and then saved, so that it can be simply re-used upon demand (daily, weekly, monthly, etc). If guidance is required to interpret the information extracted, NFOs are welcome to contact the Stakeholder Service Desk (stakeholderservices@flocert.net).

Customers who already have the activity assigned in the Intact Platform will be informed by FLOCERT of the new procedure in place and will be checked against the Voluntary Physical Traceability requirements at their next audit.

Please keep in mind that:

- customers can do both Voluntary Physical Traceability and Mass Balance.
- FLOCERT auditors check compliance with the requirements on a sampling basis, i.e. they do not check all Voluntary Physical Traceability supply chains (similar to any other assurance/ compliance check).

7.4.3. Social Indicators

Section 2.4 of the Fairtrade Standard for Fibre Crops (https://www.fairtrade.net/content/dam/fairtrade/fairtrade-international/standards/contract-production/fibre-crops/FibreCrops_SPO_EN.pdf) is intended to manage risk regarding working conditions and labour rights in the complex cotton supply chain, from the ginner up to the company manufacturing/processing the finished garment.

All supply chain actors that are Fairtrade-certified – or applying to become certified for Fairtrade cotton – must demonstrate efforts to comply with a set of ILO Conventions as stated in the Fibre Crops Standard. Generally, the purpose of the requirement is not to show compliance but rather efforts to comply, by demonstrating awareness of social issues in the supply chain.

The documentary evidence demonstrating these social compliance efforts are called Social Indicators - see definitions below.

Section 2.4.2 of the Fairtrade Standard for Fibre Crops (https://www.fairtrade.net/content/dam/fairtrade/fairtrade-international/standards/contract-production/fibre-crops/FibreCrops_SPO_EN.pdf) applies to every company in the supply chain that takes ownership of Fairtrade cotton and uses it in the processing/manufacturing until the point of licensing, including all own production sites as well as Subcontractors' sites.

If the customer is using a Subcontractor to process/manufacture Fairtrade-certified cotton, the customer must present a valid Social Indicator for the Subcontractor before the Subcontractor can be approved by FLOCERT to start processing and/or manufacturing Fairtrade-certified cotton.

This requirement does not apply to the following set-ups:

1. Companies that only take legal ownership of the Fairtrade cotton but do not do any processing (i.e. pure Traders).
2. Companies that are operating under the FSI Cotton * model from the spinning stage onwards. Under the FSI Cotton model, this requirement applies only to the companies up to and including the ginning stage.

* In supply chains with FSI Cotton, Physical Traceability is only required up to and including the ginning stage. All other actors further down the supply chain (spinner [if not acting as Fairtrade Payer], weaving, knitting, cut-make-trim/CMT) can apply Mass Balance and – if only involved in FSI Cotton – do not have to become Fairtrade-certified. Such customers, however, must become verified by FLOCERT.

Please note that all cotton-certified customers must have a valid Social Indicator in place at all times whilst being certified, therefore they must initiate all necessary steps on time to renew their Social Indicator for their production sites. This also applies to any subcontracted site involved in the processing of Fairtrade cotton.

Definitions

- Social Indicator (SI): Documentary evidence provided by the customer to FLOCERT in order to demonstrate their efforts to comply with the fundamental set of ILO Conventions as defined in the Fibre Crops Standard. It must refer clearly to the customer and to the specific production sites used to manufacture/process Fairtrade-certified cotton, including the specific address and activity.*

A Social Indicator is evaluated by FLOCERT first to assess whether it is eligible and second if it is valid:

- Social Indicator Eligibility: Only social documentary evidence defined in sections 2.4.2 of the Fibre Crops Standard are eligible as Social Indicators (https://www.fairtrade.net/content/dam/fairtrade/fairtrade-international/standards/contract-production/fibre-crops/FibreCrops_SPO_EN.pdf).
- Social Indicator Validity: The validity of a Social Indicator is not limited to timelines (it must be valid during submission date), but also related to scope (Social Standard must cover the ETI Base Code) and level of compliance (no open Non-Conformities with minimum requirements as defined in the Fibre Crops Standard).

* In general, the following processing/manufacturing activities occur in a cotton supply chain (resulting Product Forms in brackets): Producer (Seed Cotton) - Ginner (Cotton Lint/Cotton Bale) - Spinner (Cotton Yarn) - Dyer (Dyed Yarn) - Knitter (Knitted Cotton Fabric)/Weaver (Woven Cotton Fabric) - Dyer (Dyed Fabric) - CMT (Finished product, e.g. garments, house goods, etc.) - Embellishment (Embroidered Garment/Printed Garment). The embellishment activity (such as washing, embroidery, printing) must be clearly defined to FLOCERT.

Eligible Social Indicators

The following Social Indicators (as defined in Section 2.4.2 of the Fibre Crops Standard: https://www.fairtrade.net/content/dam/fairtrade/fairtrade-international/standards/contract-production/fibre-crops/FibreCrops_SPO_EN.pdf) are eligible and may be accepted by FLOCERT if the conditions as described below are met:

WFTO Membership Certificate

The customer is a member of the WFTO (World Fair Trade Organisation) and can provide their WFTO membership certificate. Additionally, their status as a member – including the address of the site – should be reflected on the WFTO website: https://wfto.com/members/

SA 8000 Certificate

The customer has a valid SA 8000 certificate. This is acceptable as a Social Indicator as long as they are not currently suspended. This can be verified on the list of certified organisations that is regularly updated on the SAAS website: https://sa-intl.org/resources/sa8000-certified-organizations/

As SA 8000 certification is valid for 3 years, several Evaluation Decisions are taken following Confirmation Audits throughout the 3-year period.

Participation in the Ethical Trading Initiative, Fair Wear Foundation, Fair Labour Association or Worker Rights Consortium

The customer's company or production unit involved in Fairtrade Cotton is engaged with one of the following initiatives:

- the Ethical Trading Initiative (ETI),
- the Fair Wear Foundation (FWF),
- the Fair Labour Association (FLA), or
- the Worker Rights Consortium (WRC).

These initiatives work differently, therefore the documentary proof also varies:

- For ETI (https://www.ethicaltrade.org/about-eti/our-members), FLA (http://www.fairlabor.org/affiliates/participating-companies) and WRC (https://www.workersrights.org/search/), the customer's membership should be reflected on the respective websites. Otherwise, they should provide documentary proof of their participation in the respective initiative.
- For FWF, customers should kindly submit the latest FWF Audit Report including the action plan.

Union Letter

The union active in the customer's company must be a member of the International Trade Union Confederation (ITUC). This ITUC membership can also be confirmed via the website: https://www.ituc-csi.org/IMG/pdf/list_of_affiliates_15th_gc.pdf

The company is owned by the Workers

The statutes of the customer's company demonstrate that the company is owned 100% by the Workers (100% of the shareholders must be the Workers).

Social audit Report

The customer's company has received a social audit from an auditing body. The complete social audit report – including the Corrective Action Plan Report (CAPR) signed by the auditor – must be submitted to FLOCERT.

The Social Indicator will be denied if the social audit report is more than 1 year old at the moment of submission to FLOCERT or if there is any open Non-Conformity of the Minimum Criteria as defined in the Fibre Crops Standard which has still not been lifted by the respective auditing body (see "*Minimum Criteria as per the Fibre Crops Standard*" directly below).

Furthermore, if the social audit was completed against a different Standard than the ETI Base Code, the applied Standard must still cover the ETI Base Code's requirements.

FLOCERT conducts benchmarking and will inform the customer whether the specific code or Standard is equivalent to the ETI Base Code. If not, the social audit report will not be accepted as a Social Indicator for Fairtrade Certification.

Minimum Criteria as per the Fibre Crops Standard

In order to exclude severe forms of labour exploitation, the following Minimum Criteria has been set out in the Fairtrade Fibre Crops Standard (https://www.fairtrade.net/content/dam/fairtrade/fairtrade-international/standards/contract-production/fibre-crops/FibreCrops_SPO_EN.pdf). If any open Non-Conformity with the following criteria has been detected, a Non-Conformity with CC 4.8.0.10 is raised and the Social Indicator must be denied.

Please note, the following examples are presented to illustrate the intention of the criteria and do not represent a comprehensive list of all possible situations:

Minimum Criteria as defined in the Fairtrade Fibre Crops Standard	**Examples of conduct that would contravene the criteria**
Employment is freely chosen (ILO Convention 29 & 105; ETI Base Code 1)	Unpaid labour, trafficking of persons, Workers not being allowed to leave their employer after reasonable notice, Workers being forced to sign a blank letter, workforce required to lodge deposits.
Freedom of Association and the right to collective bargaining are respected (ILO Convention 87 & 98; ETI Base Code 2)	Management of the company forbidding this right or putting barriers up for union activities.
Elimination of the worst forms of child labour (ILO Convention 182)	Where child labour is detected, the management should commit to putting a remediation scheme in place (such as giving access to education to the employed children in order to contribute to their development) and availability of such records which could be verified during FLOCERT audits. Refusal to put the remediation

	scheme in place within the company will be considered a Non-Conformity by the Minimum Criteria.
No harsh or inhumane treatment is allowed (ETI Base Code 9.1)	Physical abuse or discrimination, the threat of physical abuse, sexual or other harassment and verbal abuse, or other forms of intimidation or inhumane treatment.
Working conditions are safe and hygienic (ETI Base Code 3.3; 3.4)	Limiting access to food or drinking water, no access to acceptable sanitary facilities and no access to acceptable housing, where provided.

7.4.3.1. Denial of Social Indicators

After the customer hands in their Social Indicator, it will be evaluated by their FLOCERT Certification contact and may be denied (for example, if it is not valid).

If the Social Indicator is denied, a Non-Conformity will be raised with Compliance Criteria 4.8.0.10 (which relates to requirement 2.4.1 of the Fibre Crops Standard).

As with any other Non-Conformity, the customer will be given a certain timeframe to provide a new Social Indicator.

If the customer is still in the application phase, they will need to provide a new Social Indicator within the application timelines.

7.4.4. Child Labour

This section and its subsections define child labour in accordance with the ILO Conventions (see ➔ ILO Child Labour Conventions: Basis for the Fairtrade Standards) and Fairtrade Standards (see ➔ Fairtrade Standards on Child Labour), describing work that is acceptable for children to do and work which is defined as hazardous and therefore harmful to a child's development.

Also defined are Unconditional Worst Forms of Child Labour (UWFCL). These are illegal and should be reported by FLOCERT to the relevant Child Protection Agencies in the country where the audit is taking place.

Definitions

Child: a person below the age of 18, as per the United Nations Convention on the Rights of the Child and ILO Convention No. 182.

Child Labour: work that deprives children of their childhood, potential and dignity, and that is harmful to physical and mental development. It refers to work that:

- is mentally, physically, socially or morally dangerous and harmful to children,
- interferes with their schooling by depriving them of the opportunity to attend school, obliging them to leave school prematurely, or requiring them to attempt to combine school attendance with excessively long and heavy work,

- interferes with their leisure and development, and/or negatively impacts on the health, social, cultural, psychological, moral, religious and related dimensions of the child's upbringing.

7.4.4.1. ILO Child Labour Conventions: Basis for the Fairtrade Standards

The Fairtrade Standards define child labour in accordance with ILO Conventions 138 (Minimum Age Convention) and 182 (The Worst Forms of Child Labour Convention).

ILO Convention 138 – Minimum Age Convention

The Convention defines that the minimum age for admission to employment "*shall not be less than the age of completion of compulsory schooling, and, in any case, shall not be less than 15*".

Countries whose economy and educational facilities are insufficiently developed may initially specify a minimum legal working age of 14. Article 7 (1): "*National laws or regulations may permit the employment or work of persons 13 to 15 years of age on light work which is – a) not likely to be harmful to their health or development; and b) not such as to prejudice their attendance at school; their participation in vocational orientation or training programmes approved by the competent authority or their capacity to benefit from the instruction received.*"

ILO Convention 182 – The Worst Forms of Child Labour Convention

This Convention is concerned with the prohibition and immediate action for the elimination of the Worst Forms of Child Labour.

Article 2 defines a child as someone under the age of 18.

Article 3 defines child labour as:

a) All forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage, forced or compulsory recruitment of children for use in armed conflict.

b) The use, procuring or offering of a child for prostitution or for pornographic performances.

c) The use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties. These practices are known collectively as unconditional worst forms of child labour. They are illegal and FLOCERT will **immediately** inform the relevant child protection authorities in case they are detected during an audit.

d) Work which, by its nature or the circumstance in which it is carried out, is likely to harm the health, safety or morals of children. Often referred to as hazardous work/child labour.

The 173 nations which ratified Convention 182 committed to defining a list of activities considered to be hazardous work, paying special attention to:

- work which exposes children to physical, psychological or sexual abuse;
- work underground, under water, at dangerous heights or in confined spaces;

- work with dangerous machinery, equipment and tools, or which involves the manual handling or transport of heavy loads;
- work in an unhealthy environment which may, for example, expose children to hazardous substances, agents or processes, or to temperatures, noise levels, or vibrations damaging to their health;
- work under particularly difficult conditions, such as work for long hours or during the night or work where the child is unreasonably confined to the premises of the employer.

While Fairtrade Standards permit children to work under specific conditions (at an appropriate age, for limited hours per day/week/season, and barring hazardous tasks), the worst forms of child labour are prohibited.

7.4.4.2. Fairtrade Standards on Child Labour

Fairtrade prohibits child labour as defined by the International Labour Organization (ILO) Minimum Age and Worst Forms of Child Labour Conventions (see ➔ ILO Child Labour Conventions: Basis for the Fairtrade Standards).

Specific criteria in the Fairtrade Standards include:

- Children below the age of 15 are not to be employed by Fairtrade organisations.
- Children below the age of 18 cannot undertake work that jeopardises their schooling or their development.
- Children are only allowed to help on family farms under strict conditions. The work must be age appropriate and be done outside of school hours or during holidays.
- In regions with a high likelihood of child labour, Small-scale Producer Organisations are encouraged to include a mitigation and elimination plan in their Fairtrade Development Plan.
- If an organisation has identified child labour as a risk, the organisation must implement policy and procedures to prevent children from being employed.

For more information, refer to the following on Fairtrade Standards on Child Labour as applicable (https://www.fairtrade.net/issue/child-labour):

- Fairtrade Child Labour Standards for Small-scale Producer Organisations (https://www.fairtrade.net/standard/spo),
- Fairtrade Child Labour Standards for Hired Labour (https://www.fairtrade.net/standard/hl),
- Fairtrade Child Labour Standards for Contract Production (https://www.fairtrade.net/standard/cp),
- Fairtrade Child Labour Standards for Traders (https://www.fairtrade.net/standard/trader).

7.4.5. Fairtrade Trader Standard Production requirements specifics

There are two regular Compliance Criteria in the Trader Standard Production chapter 4 that are audited and evaluated in a special way:

4	**Production**
4.1	**Labour Rights**
CC 3.1.0.02	There are no indications that you violate any of the local labour laws or the fundamental ILO conventions.
4.2	**Environmental Protection**
CC 3.2.0.07	There are no indications that you violate any applicable environmental laws in your country.

Auditors are not proactively seeking evidence for compliance/non-compliance but rather report if they find indications of violations of labour laws/fundamental ILO conventions/environmental laws.

If indications are found, auditors will inform FLOCERT of the need to follow up providing all relevant information, as well as inform the certified company that further investigation may be carried out. The Certifier decides on appropriate further investigation e.g. using a Trader Production Audit.

7.4.6. Deforestation

Fairtrade Standards require deforestation-free Fairtrade crops. This is addressed by a number of requirements in the generic Small-scale Producer Organisation and product Standards for Cocoa and Coffee. The requirements are in line with the EU deforestation regulation that will apply to coffee and cocoa and other products not in scope of Fairtrade certification. It foresees the use of geodata as evidence that cocoa/coffee entering the EU market is "deforestation-free".

Applicable for Small-scale Producer Organisations:

- Small-Scale Producer Organisation requirements 3.2.31 requiring no deforestation and 3.2.32 requiring prevention of deforestation: Worldwide requirements since 2019.
- Cocoa requirement 3.4.1 requiring no deforestation since 2018, 3.4.5 requiring geolocation data and 3.4.7 on having and reporting geodata for all members. Worldwide requirements applicable as of January 2024, requirements 3.4.5 and 3.4.7 only as of January 2027 in Latin America and the Caribbean.
- Cocoa requirements 3.4.2 and 3.4.3, Coffee requirements 3.1.3 and 3.1.4 on monitoring and prevention and mitigation of deforestation risk. Worldwide requirements.
- Coffee requirement 3.1.1 requiring no deforestation since 2014, Worldwide requirement, applicable as of January 2025.
- Coffee requirement 3.1.2 requiring no deforestation since 2018. Worldwide requirement, applicable as of January 2027.
- Coffee requirements 3.1.6 requiring geolocation data and 3.1.8 on having and reporting geodata for all members: Worldwide requirements, applicable as of January 2027.

Applicable for Traders:

- Cocoa requirements 3.4.4, 3.4.6 and 3.4.8, Coffee requirements 3.1.5, 3.1.7 and 3.1.9 "Supporting Producers to prevent and mitigate deforestation, sharing geolocation data with producers and reporting to Fairtrade". Worldwide requirements.

Another important aspect of making sure Fairtrade cocoa is "deforestation-free" is to prevent non-member product being mixed with member product, which is already part of the Standards for Small-scale Producer Organisations. In addition, there are further traceability requirements in the Cocoa Standard (requirements 2.1.1, 2.1.3 and 2.1.4 on recording member production, documenting traceability procedure and product tracing solutions).

Glossary

1st grade organisation

A Small-scale Producer Organisation (SPO) whose legal members are exclusively individual farmers.

2nd grade organisation

A Small-scale Producer Organisation (SPO) whose legal members are exclusively 1st grade organisation Affiliates.

3rd grade organisation

A Small-scale Producer Organisation (SPO) whose legal members are exclusively 2nd grade organisation Affiliates.

Additional Entity

An Additional Entity is a site or legal entity that does not take legal ownership of the Fairtrade product but provides services involving the Fairtrade product (storage/packing/processing) that are within certification scope.

It can be either:

- A Subcontractor to a certified customer or
- a site owned by a certified customer.

Certain services are out of certification scope; entities providing these services are not considered Additional Entities.

Additional Entity Audit

FLOCERT audit carried out at the premises of a Master Operator's Additional Entity.

Affiliate

A producer organisation (e.g. 1st grade, 2nd grade, plantation) that operates under an umbrella body such as a 2nd (or 3rd) grade organisation or Multi Estate involved in the production of Fairtrade products.

Allegation

An accusation made by a third party against a Fairtrade organisation, claiming it has violated the Fairtrade Standards, FLOCERT policies, or other contractual obligations with Fairtrade International/FLOCERT. Such an Allegation may be filed by any party, including but not limited to: a Fairtrade organisation, a Non-Governmental Organisation (NGO), a labour union, a worker, or a member of the public. Find out more about FLOCERT's Allegation procedures at https://www.flocert.net/submit-an-allegation-appeal-or-complaint/

Annual Trader Questionnaire

A yearly questionnaire that Traders must complete to provide important updates on their operations, such as stock levels of Fairtrade products, supply chain roles, and compliance with labour and environmental standards. This helps FLOCERT enhance audit preparation and execution, manage risks, and improve efficiency. The questionnaire is accessible via the Fairtrace platform under the "Questionnaires" tab.

Appeal

An official request by the customer to revoke or reverse a FLOCERT Certification Decision.

Appeals Committee

An internal quality control body that objectively supervises the decision-making process carried out within FLOCERT. Thus, it is responsible for guaranteeing a consistent interpretation of the Standards and for ensuring that operations are carried out with due diligence. As a company-internal body, its role is neither that of an external and/or official arbitration/mediation body nor a court-like institution.

Artisanal Small-scale Mining Organisation

Short form: ASMO. An ASMO is comprised of artisanal and small-scale miners and/or is held by legal owners, landowners, shareholders and/or members. It is constituted according to the legal, social, cultural and organisational reality of the local context.

An ASMO has direct (held by the ASMO) or indirect (held by miners of the ASMO) legal or contractual rights and environmental permits to mine. Where a country does not provide community-based Artisanal Small-scale Mining with legal status, the ASMO has all other direct or indirect legal or contractual rights and environmental permits to mine legally.

Associate

A Trader Corporate Certification (TCC) certificate holder under one Master Operator.

Associate Audit

FLOCERT audit of an Associate in a Trader Corporate Certification (TCC) set-up.

Audit Order

Order that contains information regarding the audit to be carried out, including customer details (contact information, products), Terms of Reference and Compliance Criteria checklist. Audit Orders are created in Intact Platform and assigned to the Auditor. Each Audit Order bears a unique number which is automatically created in Intact Platform.

Audit Preparation Letter

Document that contains detailed information on the scope of the audit, the agenda and which documents the customer needs to prepare before the audit.

Audit Report Evaluation

An evaluation of all the completed Audit Order's documents and annexes.

Basic Documentation

Basic Documentation for an audit is defined for each customer individually by the Auditor in the Audit Preparation Letter.

Central Structure

Organisational level in Hired Labour Multi Estates or 2nd/3rd grade Small-scale Producer Organisations that coordinates and manages the overall organisation.

Certification Analyst

FLOCERT employee who acts as the point of contact for customers; coordinating and administering Fairtrade Certification for customers in the regions they are assigned to.

Certification Cycle

The period from the point of initial certification to re-certification, or from re-certification to the following re-certification.

Certification Decision

A Certification Decision is always made on the basis of a previous evaluation of audit results, or assessment of other compliance status-related facts, and directly affects an organisation's certification status.

Certification Sanctions

Sanctions used in the certification process that affect the certification status and ability to trade under Fairtrade terms.

Certifier

At FLOCERT, the Certifier refers to the staff member who, in contrast to an Evaluator, has the authority to take Certification Decisions.

Climate Standard End-Buyer

(Only applies to Fairtrade Climate Standard) The end-buyer of Fairtrade Carbon Credits is an organisation or individual that purchases Fairtrade Carbon Credits in order to compensate for its emissions and invest in a sustainable project in the South. An end-buyer is not certified by FLOCERT against the Standard requirements. However, if the end-buyer sources more than 1,000 Carbon Credits per year, they sign an agreement with their country's National Fairtrade Organisation, in which they commit to fulfilling the Fairtrade Climate Standard requirements for end-buyers.

Climate Standard Producer Organisation

(Only applies to Fairtrade Climate Standard) Organisation producing Fairtrade Carbon Credits. This producer organisation may be a Small-scale Producer Organisation, a community-based organisation, or any kind of organisation following the rules laid out in the Fairtrade Climate Standard. It is composed of “*producers*”, who produce Fairtrade Carbon Credits via the carbon project.

There are 2 such types of producer organisations:

- Legally registered producer organisations, who have already signed a certification contract with FLOCERT and are audited and certified against the requirements for producer organisations. If compliance with certain requirements is outsourced to a project facilitator, the organisation must have a contractual agreement with the project facilitator (see Glossary: "*Project facilitator*").
- Informal producer organisations, who are not legally registered and thus cannot sign the certification contract with FLOCERT. In these cases, the project facilitator may sign the certification contract with FLOCERT on the organisation's behalf. As the certificate holder, the project facilitator is therefore responsible for the compliance of the producer organisation.

Climate Standard Trader

The first buyer taking legal title of the issued Fairtrade Carbon Credits after the producer organisation must be certified against the trader requirements of the Fairtrade Climate Standard. They must sign a certification contract with FLOCERT and be audited against the Fairtrade Climate Standard trade requirements.

Closing Meeting

Meeting held at the end of the audit, during which the Auditor explains all Non-Conformities to the customer as well as the score achieved on Development Criteria (only applicable at Renewal Audits of Small-scale Producer Organisations, Contract Production and Hired Labour).

Find out more about FLOCERT's audit process at: https://www.flocert.net/how-to-join-fairtrade/

Closing Report

Signed by the customer, the Closing Report outlines Non-Conformities identified during the audit and presented during the Closing Meeting.

Complaint

A formal expression of dissatisfaction with the quality of services delivered by FLOCERT. A complaint can be registered by any third party or member.

Go to the the Quality and Appeals page at https://www.flocert.net/about-flocert/vision-values/quality-and-appeals/

Compliance Criteria

A translation of the requirements of the Fairtrade Standards, binding guidance documents and FLOCERT certification rules into verifiable control points. These criteria are evaluated in the certification process to determine compliance with the Fairtrade Standards and certification requirements. Compliance Criteria are in accordance with the minimum and progress requirements of the Fairtrade Standards, and therefore every Compliance Criterion is linked to a specific timeline indicating when it needs to be fulfilled.

All Compliance Criteria are published by FLOCERT on the public Compliance Criteria lists at: https://www.flocert.net/fairtrade-compliance-criteria/

Compliance Criteria Checklist

The list FLOCERT uses during audits to check compliance with a certain Standard.

Confirmation Audit

A FLOCERT Digital, Focused or Unannounced Audit, that may take place between an Initial and a Renewal Audit or in between two Renewal Audits to confirm compliance.

A Confirmation Audit is conducted if required by FLOCERT's assessment of the organisation's individual needs. This assessment is based on: compliance with the Fairtrade Standards, Fairtrade Premium amount received/paid, and the individual set-up.

Contract Production

In the Fairtrade Standards, Contract Production is a production set-up of small producers who don't have a formal structure, or who are organised into structures without legal status. They can join Fairtrade if they partner with an intermediary organisation such as an exporter, processor, private enterprise or Non-Governmental Organisation (NGO) (see Promoting Body) to which they contract for the production and sale of a product. The intermediary organisation contributes to the producer's social and economic development with the aim of helping them become autonomous and, over time, comply with the Fairtrade Standards for Small-scale Producer Organisations.

Conveyor

Any organisation that receives the Fairtrade Minimum Price and/or Fairtrade Premium from a Fairtrade Payer and passes it on to the respective producer.

Core Compliance Criteria

The Core Compliance Criteria reflect the Fairtrade principles. All producers within Small-scale Producer Organisations and Contract Production set-ups, as well as traders, must comply with the Core Compliance Criteria to become Fairtrade-certified.

Corrective Measures

A measure to resolve existing Non-Conformities and prevent their recurrence.

Decertification

Under certain circumstances (e.g. non-fullfilment of Corrective Measures, non-payment of fees), the certificate of a customer may be withdrawn. Following decertification, the customer is not allowed to sign new Fairtrade contracts nor to fulfill existing contracts.

Development Criteria

Development Compliance Criteria (only for producers) aim to support producers in their continuous improvement over the years and only need to be complied with after 3 or 6 years (at an average score of 3 or higher). The Fairtrade Standards define which requirements are Development Criteria.

Digital Audit

Digital Audit is an audit type that involves a detailed review of the transactions of a certified trader aided by business intelligence dashboards that support the auditor to detect possible discrepancies between the Fairtrace transactions and the Fairtrade Standard.

Documentary Traceability

Ability to trace the source and specific characteristics of a product via information captured in documents.

Domestic Processing Installations

Micro-enterprises and part of the family economy, which may – due to their size and characteristics – not require formal public registration, operation permits or labour inspection. The Artisanal and Small-scale Mining Organisation (ASMO) is obliged to register all domestic processing units and the miners if they belong to the ASMO’s production system and deliver into the Fairtrade supply chain. All people (family members above the age classified as child labour) involved in the domestic processing units' activities are miners. Domestic Processing Installations may include, e.g. small mills, amalgamation, smelting, dredges and pumps in alluvial mining, operated by family members and their workers.

Evaluation Decision

An Evaluation Decision is taken by FLOCERT within the application or audit evaluation process. Evaluation Decisions are the basis for the Certification Decision and include confirmation of Non-Conformities, Corrective Measures, and Objective Evidence sent in by the FLOCERT customer.

Exceptions Committee

The Exceptions Committee is responsible for providing guidelines for the granting of exceptions to the Food Composite Product Standard, and for granting Type II exceptions. Exceptions to the Fairtrade Trader Standard or Type I exceptions are granted by FLOCERT or the local National Fairtrade Organisation respectively.

Exporter

An Exporter is a company (other than the producer organization) taking care of exporting a Fairtrade product from the country of origin (the country the producer organization is located).

FLO ID

A unique identification number assigned by FLOCERT to all Fairtrade organisations. A FLO ID's existence does not necessarily imply that an organisation is certified.

FLOCERT

The independent Fairtrade certification body, offering Fairtrade certification services to customers in more than 120 countries. FLOCERT GmbH, a private limited company, evaluates Fairtrade certification applications, verifies compliance with the Fairtrade Standards during audits, and decides whether Fairtrade Certification can be granted or not. Certificates are issued as proof of successful Fairtrade Certification, and as authorisation to trade Fairtrade products. FLOCERT GmbH holds an ISO 17065 accreditation and follows best practice in all of its certification operations.

FairMonitor

A supply chain monitoring tool which enables Fairtrade organisations certified by FLOCERT to create a visual map of their supply chain, monitor the certification status of suppliers and customers, receive automated emails with information on changes in the Fairtrade certification status of their supply chain members, and customise their company profile to promote themselves to potential new partners and suppliers within Intact Platform.

Fairtrace

FLOCERT’s collaborative reporting and assurance platform available for all Fairtrade-certified supply chain actors. It captures Fairtrade transaction data (volumes, Price and Premium) and enables users to collaborate in the reporting and verification of information via virtual handshakes.

Fairtrace alerts

This tool scans our reporting platform Fairtrace for critical compliance and reporting issues and sends automated notifications to certification analysts so they can act immediately. These alerts enable to monitor compliance based on almost real-time information and thus quickly clear up any discrepancies directly rather than being flagged during audits.

Fairtrade

Fairtrade refers to all or any part of the activities of Fairtrade International e.V., FLOCERT, Fairtrade Producer Networks, National Fairtrade Organisations and Fairtrade Marketing Organisations. Fairtrade is used to denote the product certification system operated by Fairtrade International/FLOCERT.

Find out more about Fairtrade Certification at https://www.flocert.net/fairtrade-overview/

Fairtrade Carbon Credits

Carbon Credit(s) produced and traded under the conditions laid out in the Fairtrade Climate Standard.

Fairtrade Certificate

Each customer granted Fairtrade product certification by FLOCERT receives a certificate. This document is valid for four years for Producers, six years for Traders, and indicates either the products that producers are allowed to sell as Fairtrade, or the product category traders are allowed to buy as Fairtrade.

Find out more about the Fairtrade Certification process: https://www.flocert.net/solutions/fairtrade/how-it-works/

Fairtrade Certification

A product certification system where social, economic and environmental aspects of production are certified against Fairtrade Standards for producers and traders.

The Fairtrade system monitors the buying and selling of the product until it is consumer packaged and labelled. Certificates are only issued after a physical inspection has confirmed that all relevant Fairtrade Standards have been complied with. Find out more about Fairtrade Certification at: https://www.fairtrade.net/about/certification and https://www.flocert.net/solutions/fairtrade/fairtrade-overview/.

Fair Trade certification refers to certification according to Fair Trade Standards. To find out more visit: https://wfto.com/

Fairtrade Climate Standard

The Fairtrade Climate Standard defines all requirements for producer organisations and traders, project facilitators and end-buyers of Fairtrade Carbon Credits.

Fairtrade International

Fairtrade International (FI) is a multi-stakeholder, nonprofit organisation focusing on the empowerment of producers and workers in developing countries through trade. Fairtrade International provides leadership, tools and services needed to connect producers and consumers, promote fairer trading conditions and work towards sustainable livelihoods.

Fairtrade Labelling Organizations International e.V. is the legally registered name of "Fairtrade International".

Fairtrade Minimum Price

The Fairtrade Minimum Price (where it exists) is the minimum price that must be paid by buyers to producers for a product to become certified against the Fairtrade Standards.

It is a floor price which covers producers' average costs of production and allows them access to their product markets. The Fairtrade Minimum Price (FMP) represents a formal safety net that protects producers from being forced to sell their products at too low a price when the market price is below the FMP. It is therefore the lowest possible price that the Fairtrade Payer may pay to the producer.

Fairtrade Officer

All Fairtrade Certification customers must designate one key contact person, a Fairtrade Officer, within their organisation. The Fairtrade Officer will be the main point of contact for certification and audit issues. They will be responsible for ensuring the customer's compliance with all certification requirements and for keeping the certification body updated with contact details and other relevant information.

Fairtrade Payer

Fairtrade Payers are the buyers responsible for paying the Fairtrade Minimum Price or agreed commercial price and/or the Fairtrade Premium.

Fairtrade Premium

An extra sum of money, paid on top of the selling price, that farmers or workers invest in projects of their choice. They decide together how to spend the Fairtrade Premium to reach their goals, such as improving their farming, businesses, or health and education in their community.

Fairtrade Premium Committee

A committee consisting of elected worker members and appointed advisors from management. Its purpose is to manage the Fairtrade Premium received for the benefit of all workers on a certified plantation.

Fairtrade Premium Payer

The trader responsible for paying the Fairtrade Premium to the producer.

Fairtrade Price Payer

The trader responsible for paying at least the Fairtrade Minimum Price to the producer.

Fairtrade Product Standards

Requirements that apply to a specific product category, in addition to the Fairtrade Standards. Fairtrade Product Standards supersede Fairtrade Generic Standards if any contradictions occur.

Fairtrade Sourced Ingredients

Short form: FSI. A commodity-sourcing approach applicable to all products except bananas. The model focuses on the sourcing of Fairtrade commodities and is indicated by the use of the FSI Mark. FSI Licensees are offered a range of communication options, including both the FSI Mark on-pack of composite products and off-pack claims and/or communication.

Fairtrade Standards

Fairtrade Standards, comprising Fairtrade Generic Standards and Fairtrade Product Standards, are requirements that producers and traders must meet in order to obtain Fairtrade Product Certification: https://www.fairtrade.net/standard/fairtrade-standards

Fairtrade Trader Standard

Requirements that traders must meet, irrespective of the product traded, in order to obtain a Fairtrade certificate. See: https://www.fairtrade.net/standard/trader

Financial Sanctions

Monetary penalty that may be applied by FLOCERT as a sanction in certain situations.

Finished Product

A Finished Product is a consumer-ready product, which is Fairtrade labeled and in its final packaging (not further repacked/transformed).

Focused Audit

A FLOCERT Focused Audit may take place in between two Renewal Audits – or an Initial and a Renewal Audit – in order to follow up on Non-Conformities identified at the last Initial/Renewal Audit. It focuses on specific sections of the Fairtrade Standard identified as critical for the individual organisation.

Follow-Up Audit

A FLOCERT Follow-Up Audit is the result of an Evaluation or Certification Decision. The goal of a Follow-Up Audit is to follow-up on all Non-Conformities which can only be verified during a physical audit.

Food Composite Ingredient

An ingredient (e.g. chocolate chips) made of several components (e.g. cocoa, cane sugar) not intended for consumer purchase but to be used as an ingredient in a Food Composite Product.

Food Composite Product

A consumer-ready product (e.g. chocolate) composed of more than one ingredient (e.g. cocoa, cane sugar).

Gap Analysis

A performance assessment of a business entity against a given Standard or private Code of Conduct.

Such a pre-assessment is often used to rate a business entity's conformity levels against a given Standard and to identify any gaps in actual performance, to allow the business entity to close these gaps before a formal audit/verification and/or certification processes are initiated.

Group Mass Balance

Group Mass Balance (GMB) allows that Fairtrade inputs do not need to be delivered to the same site as that where the Fairtrade output is processed. Group Mass Balance is only allowed in cocoa and cane sugar. All entities belong to the same group. The product can be delivered to, processed in, sold on from any of the sites (i.e. Additional Entities, that consequently do not take legal ownership). Legal ownership remains only with the Master Operator.

See also: Mass Balance.

Hired Labour

The term Hired Labour refers to the Fairtrade Standard for Hired Labour Organisations. These are organisations where the main share of work is carried out by workers, as distinct from membership-based organisations such as Small-scale Producer Organisations.

Hybrid Audit

An Audit method that combines the elements of On-site and Remote audits, making use of the best of both approaches. Some information is reviewed remotely in advance, allowing for a more efficient and focused On-site visit.

Importer

An Importer is a company taking care of the import of a Fairtrade product from the country of origin (the country the producer organization is located).

Industrial Processing Installations

Installations that structurally depend on contracted labour (more than twenty workers, seasonal, temporary or permanent). Due to necessary safety measures, cyanidation/leaching plants are always considered to be "*industrial*" – regardless of their size and the number of workers they employ.

Initial Audit

In order to become Fairtrade-certified, an organisation must first apply for certification. Based on the information received during the application phase, and if the application is accepted, the Initial Audit is then planned. After the Initial Audit, the audit results will be evaluated and FLOCERT will decide whether the applicant can be certified.

Read more on the Fairtrade Certification process at: https://www.flocert.net/solutions/fairtrade/how-it-works/

Intact Platform

Intact Platform is the software used to facilitate the certification work for FLOCERT and its customers. Information on certification status, upcoming and conducted audits is accessable and the different follow-up steps after audits are conducted in the Intact Platform. The portal is password-protected and may be reached at: https://www.flocert.net/intact-platform/

Licence Agreement

The contract between the Licensee and a National Fairtrade Organisation or Fairtrade International, which regulates their commercial relations and the use of the FAIRTRADE Certification Mark on the Licensee's products.

Licensee

A company licensed by a National Fairtrade Organisation or Fairtrade International to use the FAIRTRADE Certification Mark.

Like for Like

Principle for Mass Balance products whereby purchases of Fairtrade inputs should be comparable (same kind and quality) to the inputs used in the actual Fairtrade product.

Main Audit Site

The location in a Trader Corporate Certification (TCC) set-up where the Documentary Audit takes place, usually at the head office of the certified customer.

Manufacturer / Processor

A Manufacturer / Processor is a company transforming a Fairtrade product at any stage in the production process from raw material into ready-for-sale product.

Mass Balance

The Fairtrade practice which requires certified customers to ensure that the output amount sold as Fairtrade must be equivalent to the input amount sourced as Fairtrade, taking into account production yields and losses. The quantity of products or ingredients sold must not exceed the quantity purchased, thereby ensuring that the "balance" is positive. Mass Balance is only applicable

to a few Fairtrade products: cocoa, cane sugar, juice and tea, as well as the Fairtrade Sourced Ingredients Cotton and Gold Sourcing Programs.

See also glossary terms: Group Mass Balance (GMB) and Single Site Mass Balance (SSMB).

Master Operator

Master Operator describes a certified entity that covers Additional Entities, Affiliates or Associates under its Fairtrade certificate. In the context of Trader Corporate Certification it is the entity where the main contact person for FLOCERT is located and the Documentary Audit takes place.

Multi Estate

Multi-estates are farms that are composed of more than one estate or several production sites under the same legal structure that apply different HR systems and/or production practices. Different HR systems mean that they have separate management and/ or HR decisions and rules (e.g. on overtime) differ on the sites and/or they have decentralized record keeping (e.g. contracts, pay slips, overtime and health records are kept on different production sites). Different production practices mean that for example different agrochemicals are applied or different health and safety requirements are implemented. Multi estates may also have separate Fairtrade Premium Committees and different workers representatives on the different production sites.

National Fairtrade Organisation

Short form: NFO. A full member of Fairtrade International, responsible for licensing, marketing, business development and raising awareness in a defined geographic area.

No product on site

No Fairtrade product is handled in any way at the main audit site of the customer, neither by the certified customer nor by an Additional Entity at the same location.

Non-Conformity

A Non-Conformity is the non-fulfilment of a specific Standard requirement.

Objective Evidence

Any means of proving compliance with a (Standard) requirement. At FLOCERT, Objective Evidence is requested from organisations in order to verify compliance during audits, or to prove fulfilment of Corrective Measures in the case of Non-Conformities.

Observation

An Observation can be recorded during a Digital Audit when a potential Non-Conformity has been identified but could not be fully investigated during the Digital Audit due to lack of information or when issues are identified which are not a breach of the Compliance Criteria but could lead to non-compliance if not corrected.

Observed Audit

FLOCERT Audit that is observed by a third party.

Opening Meeting

Meeting held at the beginning of an audit.

Permission to Trade

Intermediate and temporary allowance to start trading under Fairtrade conditions. By no means does it represent a valid Fairtrade Certificate and it is linked to certain conditions. There is a difference in the Permission to Trade for traders and producers:

- Traders, upon receipt of payment of the initial certification fee, receive a preliminary Permission to Trade valid for nine months.
- For producer organisations, the Permission to Trade will be issued if there are no Major Non-Conformities identified during their Initial Audit until the audit evaluation is completed and a Fairtrade Certificate is issued.

Physical Traceability

In a Fairtrade supply chain, Physical Traceability is the ability to follow a specific product throughout the supply chain and at all stages of production and processing. In this model, Fairtrade products must always be segregated from non-Fairtrade products (exceptions apply to cocoa, tea, sugar and juice products) and certified organisations must ensure that the product is clearly identifiable as Fairtrade. Physical mixing of certified products coming from different certified sources is allowed.

Processing Installation

A Processing Installation is owned or subcontracted by an organisation where the raw and intermediate product is transformed into a product with higher value. Within Fairtrade Certification, Fairtrade-certified organisations are responsible for assuring their Processing Installations' compliance with the Fairtrade Standards when they fall under the definition of "Additional Entity".

Producer

The term Producer refers to any type of producer set-up as found in the Fairtrade Standards: Hired Labour, Small-Scale Producer Organizations, Contract Production and Artisanal Small-scale Mining Organizations.

Producer Certification

The certification of producers against the Fairtrade Standards relevant to them.

Producer Executive Body

Elected representatives of the individual contracted producers, in the context of Contract Production. The Producer Executive Body (PEB) is the intermediary between the individual producers and the Promoting Body. It also represents the producers' interests and ensures that the Fairtrade Premium is handled properly.

Producer Induction

An e-learning training that all new Producer Organisations that enter the system have to take, to ensure that they enter with a minimum level of knowledge on relevant topics and prevent common mistakes.

Producer Network

A regional network of producers and/or regional associations who work together for their common interest. The focus of those efforts may vary depending on the context.

The promotion of dialogue and collaboration is a key Fairtrade objective, and the Producer Networks represent their members on the Fairtrade International Board. Networks include Fairtrade Africa for the African and Middle East region, CLAC for the Latin American and Caribbean region and NAPP for the Asia and Pacific region. They also exist as "CAN", a cluster of Fairtrade Producer Networks (CLAC-FTA-NAPP).

Producer that also exports for other Producers

Any Fairtrade Producer organisation that is taking care of exporting a Fairtrade product for another Producer organisation from the country of origin (the country the Producer organisation is located).

Product Category

The respective Fairtrade Product Standard classification, such as fresh fruit, cocoa, coffee, etc.

Product Compensation

When a buyer purchases a product from a non-certified producer or Conveyor under ordinary conditions (non-certified), and wants to convert that product into a certified product. To do this they must purchase the equivalent quantity and quality from a certified producer and sell or use it as non-Fairtrade (i.e. "downgraded equivalent"). Product Compensation is only granted in very exceptional cases and requires a formal application and approval process with FLOCERT.

Product Form

The processed form of a Product Type.

Product Type

The Product Type is always directly derived from a Fairtrade Standard and describes the different products summarised within one Product Category.

Production Partner Organisation

An organisation or commercial entity that an Artisanal Small-scale Mining Organisation (ASMO) may partner with in the production or processing of their certified metals, e.g. a cyanidation plant, or ore crushers.

Project Facilitator

(Only applies to the Fairtrade Climate Standard) An external entity that supports the producer organisation in developing Fairtrade Carbon Credit projects. This entity may be an independent consultant, NGO, company, technology provider, buyer, etc., as long as it provides a support role and transfers skills to the producer organisation.

Commonly known in the carbon sector as a "*project developer*", Project Facilitators must comply with the applicable Fairtrade Standard requirements because they perform activities that fall under the producer organisation's certification scope (e.g. handling the Fairtrade Carbon Credits – holding an account without legally owning the Fairtrade Carbon Credits or price and Premium on behalf of the certified entity). Project Facilitators are registered as an Additional Entity under the producer organisation's certificate and are audited as part of the producer organisation.

Project Facilitators are often mandated to carry out activities related to Standard requirements for the producer organisation. These may be requirements for the producer organisation (e.g. ensuring the project complies with the country's laws/requirement 2.2.2 of the Fairtrade Climate Standard) or they may hold the producer organisation's Carbon Credits in their Gold Standard account without legally owning them.

It is possible for there to be 2 or more Project Facilitators involved with the same producer organisation. Those taking legal ownership of the Fairtrade Carbon Credits must be certified separately as a trader (see Climate Standard Trader). Those whose roles include both Project Facilitator and trader do not have to buy all Carbon Credits issued by the producer organisation as Fairtrade Carbon Credits. They may wait until a purchase contract for Fairtrade Carbon Credits is signed with the producer organisation once they know they have a buyer for Fairtrade Carbon Credits.

Promoting Body

A Promoting Body is defined in the Fairtrade Standards for Contract Production, and describes a legal entity, either trade or non-trade, forming a partnership with the producers it contracts and supports. In the case of certification in the Contract Production Standard, the Promoting Body is the holder of the certificate.

Pure Licensee

Companies that buy and sell finished Fairtrade products and have a License Agreement with a National Fairtrade Organisation or Fairtrade International. They are generally out of scope for

➔ Fairtrade Certification because they buy finished labelled and packaged products, but can apply for Pure Licensee verification.

Quality Claim

A FLOCERT procedure whereby an organisation reports to the producer that products have been sold below the quality tolerances.

Re-entry Audit

Audit conducted when a previously decertified customer seeks to enter Fairtrade Certification again.

Remote Audit

A Remote Audit is the method of conducting an audit remotely, using documentary evidence and electronic methods such as video conferencing, email and telephone to obtain audit evidence.

Renewal Audit

FLOCERT Audit conducted at the end of a Certification Cycle before the linked certificate expires. The aim is to verify compliance with the requirements applicable at the time, and to determine whether certification can be renewed.

Retro-certification

The process of retrospectively converting a Fairtrade-eligible product bought from a Fairtrade producer or exporter under ordinary conditions (non-Fairtrade) into a Fairtrade product by payment of the Fairtrade price and/or Fairtrade Premium adjustment. Retro-certification is only granted in very exceptional circumstances and requires a formal application and approval process with FLOCERT.

Scope Extension Audit

A Scope Extension Audit is carried out if the FLOCERT customer wants to add an additional product or entity to the certification scope before the next scheduled audit and the Analyst has evaluated the scope extension application with the condition of a previous audit.

Single Estate

A single farm part of a Multi Estate structure (as opposed to a Single Plantation).

Single Plantation

The Hired Labour Standard differentiates Single Plantations from Multi Estate organisations. A Single Plantation has one or several production sites producing the same product and all HR decision are made at a central level and all files (contracts, health records, pay roll incl. overtime records) are kept centrally.

Single Site Mass Balance

Single Site Mass Balance (SSMB) requires that all Fairtrade inputs must be delivered to and processed at the same site where the Fairtrade output is processed.

Small Company

Applicable only for Hired Labour Standard (https://files.fairtrade.net/standards/HL_EN.pdf):

Any company hiring 25 or fewer permanent workers. All requirements are applicable to all companies; however some requirements have been modified for small companies as noted throughout the Standard.

Small Customer

A subcategory of Fairtrade Trader, that meets all the following requirements:

1. The customer does not classify as a Fairtrade Price Payer or Fairtrade Premium Payer.
2. The customer is not a conveyor.
3. The customer's annual global turnover (including non-Fairtrade activities) does not exceed EUR 5 million.

Small Licensee

A customer that has been granted the right to use the FAIRTRADE Mark by Fairtrade International or a National Fairtrade Organisation, and who meets the criteria set out in FLOCERT's ➔ Small Licensee Scheme.

Small-scale Producer Organisation

Legally registered organisation of farmers who are not structurally dependent on permanent hired labour and who manage their production activity mainly with family workforce and who are either in the process of application / certification or certified according to the Standard for Small-Scale Producer Organisations (https://www.fairtrade.net/standard/spo).

Social Indicator

Documentary evidence in relation to requirements 2.4.1 and 2.4.2 of the Fairtrade Standard for Fibre Crops. It can be a certain certificate, involvement in certain initiatives, or certain Social Audit reports.

Sourcing Plan

An outline of what is likely to be purchased during the year or season, and in what quantities.

Subcontractor

An individual or company that provides product-related services on behalf of an organisation, but does not take legal ownership of the product. Within Fairtrade Certification, Fairtrade-certified organisations are also responsible for assuring their subcontractors' compliance with the Fairtrade Standards when they fall under the definition of "Additional Entity".

Suspension

If a customer does not adhere to certification requirements (e.g. Non-Conformity with Major Criteria) or contractual obligations, FLOCERT may suspend the customer's certificate in order to give the customer the opportunity to make corrections.

Terms of Reference

The Terms of Reference are created and sent by the Certification Analyst to the Auditor and define the Auditor's mandate for the upcoming audit.

Trader

An organisation with Trader Certification. It may have either a seller or buyer role in transactions depending on its business relationship with the other party of each particular transaction.

- Seller: when selling a product volume it has bought from a producer to a buyer.
- Buyer: when buying a product volume from a seller.

Trader Certification

The Fairtrade certification of traders against the relevant Fairtrade Trader Standards: https://www.fairtrade.net/standard/trader

Trader Corporate Certification

As opposed to traditional Fairtrade Trader Certification where every legal entity buying and selling Fairtrade products holds 1 individual certificate, Trader Corporate Certification allows up to 11 legal entities to be covered by 1 certificate, to buy and sell Fairtrade products, i.e. 1 legal entity acting as “Master Operator” (certificate holder) and up to 10 other legal entities considered as “Associates”.

Trader Induction

An e-learning training that all new Traders that enter the system have to take, to ensure that they enter with a minimum level of knowledge on relevant topics and prevent common mistakes.

Trader Production Audit

All certified Trader customers may receive a Trader Production Audit. These audits have the objective to follow up on indications of violations of environmental or labour laws/the fundamental ILO conventions. These may have been identified in regular Audits or via Allegations or other relevant information. FLOCERT reserves the right to randomly select customers to receive a Trader Production Audit.

This audit type uses a specific checklist with additional checkpoints marked as "reactive" in the Compliance Criteria List for Traders.

Unannounced Audit

FLOCERT Audit that takes place without prior announcement in order to assess what is happening at the customer's site during a "typical" day, in contrast to the potentially artificial environment created for an Announced Audit.

Unannounced Remote Audit

Remote FLOCERT Audit that takes place without prior announcement.

Voluntary Best Practice

Additional steps that all supply chain actors can take to foster even fairer trading conditions. These are voluntary and not required in order to be compliant with the Fairtrade Trader Standard.

Learn more about FLOCERT's Compliance Criteria at: https://www.flocert.net/solutions/fairtrade/compliance-criteria/

Voluntary Physical Traceability

Physical Traceability has always been a requirement for Fairtrade products. However, the Standards allow 4 product categories (cocoa, cane sugar, fruit juices and tea) an exception from the Physical Traceability requirements as soon as the Fairtrade products are processed, i.e. they allow for Mass Balance.

Customers trading 1 of the above 4 products may opt for Voluntary Physical Traceability throughout their entire supply chain. FLOCERT will check compliance on this during the audit.

Workers

Field Workers, artisans or other Workers, including migrant, temporary, seasonal, sub-contracted and permanent Workers, and all other Hired Labour personnel. The term, however, is limited to personnel who are entitled to join unions, and therefore normally excludes middle and senior management (for more details see the Fairtrade Hired Labour Standard: https://www.fairtrade.net/standard/hl).