

Scope of Certification

Explanatory Document

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Certifier for



FAIRTRADE
INTERNATIONAL



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1 Purpose

This document establishes which companies and producer organisations trading in Fairtrade products are required to be certified with FLOCERT.

2 Area of application

This document applies in all circumstances and for all companies and producer organisations trading in Fairtrade products.

3 All products

Following companies must be certified with FLOCERT:

- Companies that buy and sell a Fairtrade product until the product is in its final packaging.
- Any company buying a finished product for the purpose of repacking.

4 Perishable products

All companies and producer organisations trading in fresh fruit, bananas or flowers (including loose fruit in boxes) up to and including the importer must be certified with FLOCERT. In addition, any company past the point of the importer that is packing or re-packing the product must be certified with FLOCERT. (Exclusion: Florists and Retailers).

Where Perishable Products (fresh fruit, bananas or flowers) are produced, packed, labelled and sold in the South all companies up to and including the company responsible for the Fairtrade price and premium payment, contracts and pre-financing according to the Fairtrade Trader Standard must be certified with FLOCERT.

Ripeners after the Fairtrade price & premium payer who do not repack can choose to be out of scope of certification. However, quality claims are covered under the scope of FLOCERT only if forwarded by an entity certified by FLOCERT.

5 Finished labelled products from the Producer countries

The main principle for purchases of consumer ready products from the Producer countries is that traders buying directly from the producer organisation (and/ or buyers in the country of origin) require certification if they are responsible for Fairtrade Price & Premium payments, quality claims, contracts with producers, pre-financing and packing/re-packing up to consumer ready packs.

6 Cotton

- a) Fairtrade Cotton: All companies up to the point where the product is cut/made/trimmed and labeled require certification. Printing on already labelled Fairtrade cotton products does not require certification.
- b) Fairtrade Sourced Ingredients Cotton (FSI Cotton): Companies participating in FSI Cotton require certification up to (including) the level of the ginner. Subsequent supply chain entities need to be "Fairtrade Verified" and should be registered on Fairtrace (traceability software).

7 Registration of Additional Entities (AE)

An additional entity is defined as a company / legal entity, which handles Fairtrade products but does not take legal ownership of the Fairtrade product. Additional entities do not need to be certified separately but in some cases need to be registered, invoiced and audited (see below).

We distinguish the following types of additional entities:

a. Subcontractors

A subcontractor is a company that provides product-related services on behalf of a certified client and performs activities that fall under the Fairtrade Standards, i.e., handling / transforming the Fairtrade product in a way that affects either documentary or physical traceability (e.g. processing or storage of unfinished product when the product is stored in silo or stored products are mixed/ repacked) or affects product composition rules. Each subcontractor must be audited at least once during the certification cycle.

Certified clients that are also acting as subcontractors for other certified clients must be registered in Ecert under the respective “master operator”, but do not need to be invoiced as subcontractors.

b. Own Additional sites

Own additional sites are companies that provide product-related services on behalf of and are owned by the master operator and perform activities that fall under the Fairtrade Standards, i.e., handling / transforming the Fairtrade product in a way that affects either documentary or physical traceability (e.g. additional office, processing or storage of unfinished product when product is stored in silo or stored products are mixed / repacked) or affects product composition rules. Each additional site must be audited at least once during the certification cycle.

c. Affiliates

a) Small Producer Organisations: Affiliates are 1st/2nd grade member organisations of 2nd/3rd grade Small Producer organisations. The central structure is the umbrella organisation of a 2nd/3rd grade organisation which is audited by FLOCERT. The Audit SOP describes the number of affiliated organisations that must be inspected during the audit of the central structure.

b) Hired Labor: Affiliates / estates are Single Plantations belonging to a Multi Estate. The Audit SOP describes the number of affiliated estates that must be inspected during the audit of the central estate.

Rationale for auditing and invoicing Additional Entities (own additional entities or subcontractors)

	Type of AE	Register in Ecert	Invoice	Audit
Physical traceable product	Processing	Yes	Yes	Yes (at least once during the certification cycle)
	Loose (bulk) storage and/or repacking (e.g. storage in silo, tank or repacking from big bags into silos)	Yes	Yes	Yes (at least once during the certification cycle)
Mass balance product	Processing of simple product (e.g. cocoa into liquor)	Yes	No	No
	Processing of composite product	Yes	Yes	Yes (at least once during the certification cycle)



Small Producer Organisation/ Hired Labor	Affiliates	Yes	Yes	Yes (as per Audit SOP)
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8 Other entities with no registration

Agents or companies providing logistic or storage services for finished products are not registered with FLOCERT and do not need to be audited. Special entities needed due to unforeseen circumstances (e.g. special treatment due to unusual quality deviation of the product, force majeure) do not need to be registered or audited. However, FLOCERT shall be informed on time in case such service is needed including information on the service provided.