

FSI Cotton Verification

Standard Operating Procedure

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Certifier for



FAIRTRADE
INTERNATIONAL



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1 Purpose

This Standard Operating Procedure describes FLOCERT's scheme for FSI Cotton Verification and its underlying rules and principles such as application, verification, reporting, and fees. Furthermore, it provides an overview of the onboarding process onto Fairtrace.

For customers which are Fairtrade certified, the regular processes as described in the CERT Certification SOP, CERT Audit SOP, and CERT Certification WI apply.

2 Area of application

This Standard Operating Procedure applies to all parties involved in FSI Cotton Verification including FLOCERT staff, auditors, certified customers, verified customers as well as brand owners (licensees).

3 Scope

The FSI Cotton Verification scheme applies to all customers involved in an FSI Cotton supply chain. This includes but is not restricted to small-scale producer organisations, ginners, spinners, CMT, and embroiderer (etc.). 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, physical traceability is only required up to and including the ginning stage in supply chains for FSI Cotton. All other actors further down the supply chain (spinner (if not acting as Fairtrade price and premium 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.

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

3.1 Certified customers

Small-scale Producer Organisations (SPO), ginners and spinners (if acting as Fairtrade price and premium payer) participating in FSI Cotton supply chains must become Fairtrade certified. They need to comply with the requirements as set out in the Fairtrade Standards for Small-scale Producer Organisations and Traders as well as the Fairtrade Standard for Fibre Crops, e.g. ensuring physical traceability. Spinners participating in FSI Cotton supply chains only, however, do not have to have a social indicator in place. The regular processes as described in the CERT Certification SOP and CERT Audit SOP apply to these customers. In the reporting tool Fairtrace, SPOs must verify sales volumes that have been reported by certified traders (usually ginners).

3.2 Verified customers

All other actors processing Fairtrade cotton (spinners not acting as Fairtrade price and premium payer, weaving, knitting, CMT) do not have to be Fairtrade certified but must sign a verification contract with FLOCERT and be registered in Ecert and Fairtrace. They are not subject to regular on-site audits but will have to undergo remote (desktop) assessments. They must report sales volumes and verify purchase volumes of FSI Cotton in Fairtrace on a quarterly basis. Verified customers must pay an annual verification fee.

3.3 Licensee

The licensee (brand owner) selling finished products using an FSI Cotton claim does not have to be Fairtrade certified. Brand owners must sign a license agreement with a National Fairtrade Organisation. In addition, they must sign a verification contract with FLOCERT and must pay an annual verification fee, unless they are Fairtrade certified due to other Fairtrade activities. They furthermore must verify purchase volumes of FSI Cotton in Fairtrade on a quarterly basis. They are not subject to regular on-site audits but will have to undergo remote (desktop) assessments.

4 Application process

The respective NFO of the licensee (brand owner) must inform FLOCERT (FSI Cotton Service Management via FSICotton@flocert.net) of the complete supply chain or at least the licensee and his first direct supplier, the sourcing commitment (in Fairtrade cotton lint equivalent) as well as the applicable reference period. Once all supply chain actors or at least the licensee and his first direct supplier are either Fairtrade certified or verified (see instructions below), the FSI Cotton Service Manager will initiate the onboarding process onto Fairtrade.

4.1 Certified customers

Small-scale producer organisation, ginners and spinners (if acting as Fairtrade price and premium payers) need to apply for Fairtrade certification, following the regular application process as described in the CERT Application SOP. Customers who are already Fairtrade certified with FLOCERT but want to also engage in FSI Cotton shall FSI Cotton Service Management in writing (via FSICotton@flocert.net).

4.2 Verified customers

Other supply chain actors need to become registered in Ecert and Fairtrade only. The registration process will be initiated by an invitation process in Fairtrade, where customers who already are certified or verified can invite other supply chain partners to join. The FSI Cotton Service Manager will assess whether the new supply chain partner needs to become verified or certified and will inform the new customer as well as the Applications Team accordingly. The Applications Team will then initiate the process of becoming verified and inform the customer on which documents must be submitted to FLOCERT. In addition to the application form, a certificate of incorporation as well as a copy of the signed verification contract needs to be submitted to FLOCERT. To finalize the registration process, verified customers furthermore must pay the annual verification fee for the first twelve months.

4.3 Licensee

In addition to signing a licensee agreement with a National Fairtrade Organisation, licensees must be registered in Ecert as well. The registration process will be initiated as soon as the responsible NFO has informed FSI Cotton Service Management of the licensee and (at least) his first direct supplier. In addition to the application form, a certificate of incorporation as well as a copy of the signed verification contract needs to be submitted to FLOCERT. To finalize the registration process, verified licensee furthermore must pay the annual verification fee for the first twelve months.

5 Reporting

The licensee as well as all supply chain partners must report all purchases and sales of FSI Cotton in Fairtrace on a quarterly basis and within the timelines, providing 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). In order to be able to report in Fairtrace, they will be onboarded accordingly.

In case of technical questions on reporting, customers can contact the Customer Service Desk via reporting@flocert.net. Content-related questions will be handled by the FSI Cotton Service Management via FSICotton@flocert.net.

6 Claim verification

Three months prior to end of the reference period, the FSI Cotton Service Manager will check all reports in Fairtrace and remind and/or request clarification from the licensee and/or supply chain partners (if needed) to conduct the claim verification. In order to do so, the FSI Cotton Service Manager will request copies of purchase and sales documents for a sample of purchase and sales transactions. If documents are not submitted partially only or not at all by the supply chain partners, the claim might be verified only partially or not at all.

In exceptional cases, FLOCERT may also conduct a verification at the premises of the Customer (on-site verification), in particular if FLOCERT reasonably believes that the data, activities or files reported or uploaded by the customer are not correct or there is a substantiated allegation by a third party affecting the correctness of the data or activities reported by the customer. In case FLOCERT decides to conduct an on-site verification, FLOCERT will inform the customer reasonably in advance, if practicable.

Within four weeks after the end of the reference period, the FSI Cotton Service Manager will inform the respective NFO about the results of the claim verification in form of a verification report.

7 Fees

7.1 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 will have to pay an annual verification fee of 1,500 €. Non-payment of the annual verification fee will lead to a cancellation of the verification contract with FLOCERT.

7.2 Licensee

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

8 References

- CERT FSI Cotton Application Form FO 10 en
- CERT Certification SOP
- CERT Audit SOP



- CERT Application SOP
- CERT Application WI
- CERT Certification WI
- CERT FairtraceUserGuideFSICotton ED 10 en
- CERT FSI Cotton WI 11 en