



Certification

Standard Operating Procedure

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1. Purpose of this Document

This Standard Operating Procedure describes the FLOCERT certification system and its underlying rules and principles such as the certification cycle, the concept of compliance criteria and the rationale behind certification sanctions. Furthermore, it provides an overview of the audit and certification process.

2. Area of Application

This Standard Operating Procedure applies to all involved parties in FLOCERT certification including FLOCERT staff, auditors and certified customers.

3. Languages and Translations

FLOCERT operates in the following five languages: English, Spanish, French, Portuguese and German. This means that customer service and documentation are provided in at least these five languages, while FLOCERT's website and other marketing material are maintained in English and Spanish.

Audits are also provided in the five languages mentioned above while the particular auditor will speak the language that is most common in the country where the audit takes place (e.g. English in Ghana, Portuguese in Brazil) but not necessarily be fluent in all five official languages. English as the primary language is to be used in case of conflict of interpretation between translated documents.

The requirements for translator/translations are defined in the audit preparation letter that you will receive prior to every audit. In case a language barrier exists during the audit you are responsible to ensure that translation is provided as required. In case the requirements for translations are not fulfilled this is interpreted as not providing access to necessary information and may have consequences for your certification.

4. Certification System

FLOCERT Public Compliance Criteria

Compliance Criteria (CC) are established by FLOCERT to translate Fairtrade Standard requirements and FLOCERT certification policies into verifiable control points that are monitored during the certification process to determine compliance with the Fairtrade Standards. Compliance Criteria lists are published here <http://www.flocert.net/fairtrade-services/fairtrade-certification/compliance-criteria/>

Non-conformity with a Compliance Criterion is understood to be a non-conformity with the corresponding Standard requirement.

Below you can find the different types of compliance criteria and to which Compliance Criteria List they are applicable:

| 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 Producer Organisations | x | x | x | |
| Hired Labour Organisations | x | x | x | |
| Contract Production | x | x | x | |
| Traders | x | x | | x |

Major Compliance Criteria

FLOCERT classifies a limited number of Compliance Criteria as major that reflect key Fairtrade principles (e.g. ban on child labour). Non-conformity with a major compliance criterion is considered a threat to the objectives and the reputation of the Fairtrade system and may lead to direct certification sanctions.

Core Compliance Criteria

Core Criteria are the Fairtrade baseline Standards and need to be complied with at all times.

Development Compliance Criteria

Development requirements refer to the continuous improvement that certified organisations must demonstrate. Compliance with development criteria is verified against an average score of 3.

Voluntary Best Practices (VBP)

VBP serves as an indication where a trader stands on the path to even fairer trade practices. The score on VBP criteria is not relevant for the evaluation process as no non-conformities are created based on VBP.

Timeline & Applicability

Some CC might not be applicable to your specific situation or will become applicable only in the future.

The number linked to a CC (0, 1, 3 or 6) represents the number of years until a CC becomes applicable to you. For example, for initial audits, only criteria with timeline 0 apply.

You will find limitations to the applicability of a CC at the beginning of a CC text in brackets. For example

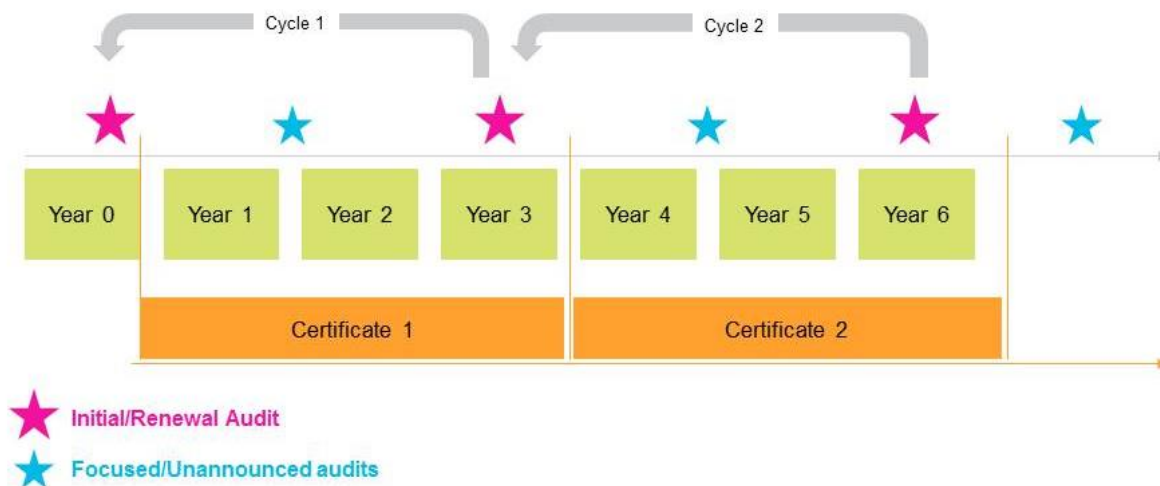
- a requirement might only be applicable for customers dealing in a particular product – indicated as: (banana) -,
- might only apply to larger companies – indicated as (NA for small companies) -,
- or might only apply after a transition period - indicated as (1 July 2015).

Performance Ranks

Compliance Criteria generally have 5 levels of compliance (ranks) that are numbered from 1 to 5 (1 standing for complete lack of conformity and 5 for best practices) Ranks 1 and 2 indicate non-compliance whereas Ranks 3 to 5 denote compliance. It must be noted that some Compliance Criteria may not have all 5 levels of compliance but may just have No and Yes as answers signifying non-compliance and compliance respectively.

5. FLOCERT certification cycle and applicable compliance criteria

5.1 Three-year certification cycle for Producers & Traders



After you have successfully completed the initial audit and fulfilled all evaluation steps, you will receive a valid Certificate that covers the first certification cycle. For information on trading possibilities prior to receiving the Certificate, please refer to [Chapter 7. Permission to Trade](#).

In every cycle, you receive one renewal audit. In addition, up to two more confirmation audits (i. e. focused or unannounced audits) may take place depending on our assessment of your individual needs. This assessment is based on the following criteria: Compliance with the Fairtrade Standards, Fairtrade Premium amount received/paid and your individual setup.

Further unannounced audits can be conducted at any time if there are strong indications that your activities reveal critical deviations from the Standard.

The first renewal audit is carried out during year 3 of your certification. Compliance, including fulfilment of Corrective Measures (CM), must be achieved before the certificate is renewed for the next 3-year cycle. The same 3-year cycle continues into year 6.

It is important to note that although some CC may only become valid at a future point in time, you are encouraged to be in conformity with these CC or start working towards conformity as early as possible as a means for organisational strengthening and sustainable business development.

5.2 Six-year certification cycle for Small Licensees



If you are classified as a Small Licensee, your certification cycle is 6 years. Renewal audits will take place every six years; confirmation audits are usually not conducted.

If you no longer meet the criteria of a Small Licensee you must inform FLOCERT proactively. In this case we will change your status to the relevant customer category (which implies adjusted certification fees to your category). For further details please consult the [TC SmallLicenseeDefinition ED](#).

6. Certificates

Each certified customer will be provided with a Certificate of Conformity valid for 4 years. This period of validity will be 7 years for a Small Licensee. A Certificate will only be issued if you are compliant to all CC relevant for that point in time.

If you are certified as both a producer and a trader, you will only receive one Certificate which includes both scopes. You will have only one certification cycle based on the producer certification cycle and audits will be combined for efficiency reasons.

If you are a certified producer and you wish to also be certified as a trader because you plan to start exporting for another producer organisation, you have to ask for a scope extension. Then you will receive a permission to trade for the trader service, valid until an initial audit has been conducted.

For producers, the Certificate indicates the products (product category and type) that are allowed to **be sold** as Fairtrade. For traders the Certificate indicates the product category and type the trader is allowed to **buy** and **sell** as Fairtrade.

7. Permission to Trade

7.1 Traders

If you are a trader, you will be eligible to receive a preliminary Permission to Trade valid for 9 months upon receipt of payment of the initial certification fee. You are granted this status to facilitate initial Fairtrade sales, which would then form the basis for the initial audit.

If you (as an applicant) are found to have started transacting Fairtrade business before having received the Permission to Trade, or if there are indications of potential unfair trading practices, no Permission to Trade can be issued before you have been audited. Please also see [9.4 Financial Sanctions](#).

7.2 Producer organisations

If you are a producer organisation, you will receive the Permission to Trade letter only after an initial audit, provided there are no major non-conformities identified or once you have corrected all major non-conformities. The Permission to Trade is valid for 9 months and enables you to start trading in Fairtrade products. Once all non-conformities are fulfilled, a valid Certificate will be issued.

You must achieve compliance within the regular timeframe ([refer to 8.4 Evaluation](#)) and before the expiry date of the Permission to Trade letter.

8. Audit, evaluation and certification process

The following chapter provides an overview of the audit, evaluation and certification process of FLOCERT.

8.1 Scheduling and preparation of the audit

Prior to each audit, the responsible certification analyst will provide the assigned auditor with the Terms of Reference (ToR) which will define the scope of the audit. The assigned auditor will contact you to determine a convenient audit date. At this point you will also receive information about any prospective observer accompanying the auditor, if applicable. Once an audit date has been agreed upon, the auditor will send you the audit preparation letter containing detailed information on the scope of the audit.

For Unannounced Audits, the auditor will not send the audit preparation letter to you prior to the audit, The responsible certification analyst will provide the assigned auditor with an unannounced audit letter which will be handed to you by the auditor upon arrival on site. It might be possible that - depending on the scope of the unannounced audit - you receive short notice notification via email to make sure that the contact person in your organisation is available on the audit date. In this case you will receive the audit notification via email and should immediately confirm your availability for the audit date to the auditor.

8.2 Execution of the audit

The auditor will evaluate your performance against the FLOCERT compliance criteria during the audit. You are required to accept announced and unannounced audits at your premises, as well as at your subcontractor's premises and provide all requested information needed to demonstrate compliance with the Fairtrade standards.

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

8.3 Closing meeting

The auditor will complete a closing report with all detected non-conformities and present this report during the closing meeting which will be held at the end of the audit. During the closing meeting the auditor will explain all non-conformities to you. If you are a producer the auditor will also inform you of your score on Development Criteria (only applicable in renewal audits) and if you are a trader, about the results of the Voluntary Best Practice criteria (only applicable in initial and renewal audits).

You can choose to propose corrective measures aimed at correcting the detected non-conformities during the closing meeting, or you can wait for the FLOCERT evaluator to request them from you after the audit. The auditor is not permitted to advise you on how to fulfill the non-conformities identified but is permitted to explain the requirements and offer practical examples of what other customers have done in similar situations. For more guidance on how Corrective Measures can be proposed in an efficient manner, please refer to the **CERT Effective CM ED**.

Following the audit, the audit results will be reported to FLOCERT by the auditor within 14 days.

8.4 Evaluation and certification

After receipt of the audit results the responsible certification analyst (evaluator) will evaluate the audit report and findings. The evaluator has the right to change, confirm or delete non-conformities identified by the auditor. Non-conformities might also be added after the audit, in case the supporting documents submitted provide evidence of further non-compliance.

The table below provides you a step-by-step overview of the evaluation workflow and the corresponding timelines.

You are welcome and encouraged to submit evidence before the deadline. However, please note that FLOCERT may only start the evaluation on expiry of the deadline. Please note that if the submitted evidence is not complete, delays in the process or sanctions may be the result.

In case you are not able to propose the corrective measures or to send the requested objective evidences within the defined deadline, please contact your certification analyst to discuss a solution.

| Timelines for the evaluation workflow until certification | |
|---|--|
| | Audit is finished |
| 14 days | Auditor sends audit report to FLOCERT |
| 2 months | FLOCERT confirms non-conformities and requests corrective measures ¹ . |
| 1 month | You send corrective measures proposal to FLOCERT in case no corrective measures have been suggested during the closing meeting of the audit (in the case of producers' renewal audits with an average score for development criteria under 3, you select target scores for individual development criteria until the target average is 3 or above). |
| 14 days | FLOCERT confirms corrective measures proposed and depending on the nature of the non-conformities, requests objective evidence ² or an onsite follow up audit as a means of confirming compliance. |
| 45 days (Traders) 4 months (Producers) | You send objective evidence to FLOCERT |
| 1 month | FLOCERT evaluates objective evidence and sends evaluation recommendation to certifier (Certification Manager or Senior Certification Analyst) |
| 14 days | Certifier sends confirmation to evaluator; evaluator sends decision to you |

9. Certification Sanctions

Based on your compliance, the certifier can decide to apply **any of the following** certification sanctions at his/her discretion.

The decision to apply any of these sanctions will be based on a careful consideration of your organisation's overall compliance and will be explained to you in an official communication. The certifier will consider the following aspects when deciding which sanction should be applied:

- a. Severity of non-conformities found during the latest audit (considering the type of criteria, scale and type of the non-conformity as well as real or potential consequences. Irreversible non-conform actions directly impacting human health or wellbeing, or impacting the integrity of the Fairtrade product, and intentional non-compliance are considered severe).

¹ Corrective Measures (CM) are measures suggested by the customer to correct a situation that is not according to the Fairtrade requirements and generated a non-conformity.

² Objective Evidence (OE) is the evidence provided by the customer that proves that corrective measures have been implemented and the situation that generated the non-conformity has been therefore corrected accordingly.

- b. Amount of non-conformities found during the latest audit.
- c. Repetition of non-conformities
- d. Failure to comply with certification rules, procedures and contractual obligations.
- e. Risk to the credibility of the Fairtrade system

9.1 Cancellation of Permission to Trade / Denial of Certification

If this sanction is applied to you, you have to cease trading in Fairtrade products with immediate effect. You may not sign any new Fairtrade contracts, as they will not be recognized as Fairtrade transactions, nor will already existing contracts be recognized under Fairtrade terms.

A decision to deny certification may be taken at the end of the evaluation workflow after you have been given the opportunity to correct any non-conformities.

9.2 Suspension of Permission to Trade or Suspension of Certificate

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

During the suspension period, all Fairtrade contracts signed prior to your suspension remain valid and have to be fulfilled. You may also sign new contracts with Fairtrade certified trade partners with whom you had at least one Fairtrade transaction in the past 12 months. However the volume cannot exceed 50% of the volumes traded as Fairtrade in the preceding 12 months with that certified trading partner.

The maximum duration of a suspension is determined by the evaluation workflow timelines ([refer to 8.4 Evaluation](#)). If you do not take the necessary steps to lift the suspension within the given timelines, this will lead to decertification. The suspension will be lifted once the reasons for suspension have been corrected.

A suspension decision may be taken after the audit when the report is evaluated due to the severity of the non-conformities and during the evaluation workflow due to corrective measures or suitable objective evidence not being sent within requested deadlines

9.3 Decertification

If this sanction is applied to you, you have to stop trading under Fairtrade terms with immediate effect. You are not allowed to sign any new Fairtrade contracts nor are you allowed to fulfil existing contracts under Fairtrade terms, as these will not be recognized as Fairtrade contracts in the evaluation of your Fairtrade certified trading partners.

A decertification decision may be taken during the evaluation workflow due to non-compliance, non-submission of corrective measures or objective evidence.

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

9.3.1 Immediate decertification / Cancellation of Permission to Trade

In cases of very severe non-conformities that require transactions to stop immediately, a decision to decertify may be taken before completion of the evaluation workflow.

This decision may be taken directly after the evaluation of the audit report.

9.3.2 Decertification / Denial of certification with moratorium for re-entry

This sanction may be applied if systemic failure to comply with the Fairtrade Standards has been identified. This is the case if you had been decertified due to non-compliance before and receive a 2nd instance of decertification due to non-compliance, as well as if you cannot demonstrate compliance during re-application after a previous decertification due to non-compliance.

A moratorium for re-entry can be issued in combination with an immediate decertification as well.

If the sanction is applied to you, you need to fulfil additional requirements if you want to apply again for certification: You can only apply once the moratorium period has passed and you have implemented changes in your operations or management that will allow you to comply with the Fairtrade Standards.

9.4 Financial sanctions

FLOCERT may apply financial sanctions under the following conditions:

- If an applicant commenced Fairtrade business before having received the Permission to Trade or its Fairtrade certificate, a charge of TWICE their annual certification fee calculated on a pro-rata basis from the date of their earliest Fairtrade transaction.
- If a certified customer has non-compliances which cannot be resolved retrospectively within the certification cycle. (E.g. Non-Member Business, Overselling under suspension, Transacting with an entity who remain uncertified, etc.,) a charge of TWICE their annual certification fee calculated on a pro-rata basis from the date of the earliest transaction that led to the non-compliance.³

A financial sanction will not exceed 5000 EUR.

10. Right to appeal

Should you disagree with an evaluation or certification decision taken by FLOCERT, you may appeal or request a review of the evaluation decision. For further information, please refer to the Appeal & Review Procedure (**EXE Appeal/Review SOP**) published on the FLOCERT [website](#).

11. Re-entry after decertification

If you have been decertified, you may re-apply to become Fairtrade certified under the following conditions:

1. You agree to undergo an audit before re-entering the Fairtrade certification system if deemed necessary by FLOCERT. In case of severe previous non-conformities, an audit will be conducted in any case.
2. You have corrected all unresolved prior non-conformities.

Should you choose to re-enter the Fairtrade certification system within 12 months of the date of decertification, you will not be required to pay the application fee. However, any outstanding certification fees from the period prior to decertification would have to be paid as well as the initial certification fee.

Should you choose to re-enter the Fairtrade certification system after 12 months of the decertification date, you will be required to complete the application process (please refer to the **CERT Application SOP** for more information).

12. Scope Extension

As a certified customer you can extend the scope of certification at any point in the certification cycle. However, before transacting Fairtrade business under the extended scope you would need to apply to FLOCERT and seek approval in the following cases:

You are a producer and you want:

- to add a new product category to your Fairtrade activity.
- to add a new member organisation / estate to your Fairtrade activity. This only applies to 2nd or 3rd grade small producer organisations or multi estate companies who have limited their Fairtrade certification to a selected number of member organisations / affiliated estates.
- to add a new function to your Fairtrade activity. Certified producers can apply to have the trader function added to their Certificate.

³ In exceptional cases where no transaction date can be determined, the maximum financial sanction can be applied.

- to add a subcontractor or additional entity to your Fairtrade activity.

You are a trader and you want:

- to add a new product category to your Fairtrade activity.
- to add a subcontractor or additional entity to your Fairtrade activity.
- to add a new function to your Fairtrade activity.

You may conduct Fairtrade business under the new scope only once you have received confirmation from FLOCERT and if applicable, an amended Fairtrade Certificate.

13. Trader Corporate Certification

If you are a certified trader and you want to change to the certification model Trader Corporate Certification, please send your application request to the applications team. Further information on applications can be found in the FLOCERT application procedure ([CERT Application SOP](#)).

Detailed information on Trader Corporate Certification can be found in the explanatory document on the FLOCERT website: https://www.flocert.net/wp-content/uploads/2017/08/Trader-Corporate-Certification_en.pdf