

## REGULATIONS GOVERNING THE USE OF THE EUROPEAN UNION CERTIFICATION MARK "FAIRTRADE"

### I. CERTIFICATION MARK

The Fairtrade Certification Mark ("**Certification Mark**") is the figurative mark "FAIRTRADE" as shown below:



### II. OWNER

Fairtrade Labelling Organizations International e.V. trading under FLO Bonner Talweg 177, Bonn, (53129) Germany ("**Fairtrade International**").

### III. DECLARATION OF COMPLIANCE

The owner declares – in compliance with the requirements laid down in Art. 83(2) of Regulation (EU) 2017/1001 – that it does not carry out any business involving the supply of goods of the kind certified.

### IV. LIST OF GOODS

The Certification Mark certifies products as fairly produced and traded against the Fairtrade Standards. The Certification Mark shall cover products of the following classes

Class	Description
3	Cosmetics and toiletry preparations; dentifrices; perfumery, essential oils; cosmetic oils; hand and body creams; cotton wool for cosmetic purposes.
4	Wax; beeswax; lubricants; fuels; candles and wicks for lighting; alcohol (fuel).
5	Pharmaceutical and veterinary preparations; sanitary preparations for medical purposes; food for babies; herbal teas for medicinal purposes; medicinal herbs; chewing gum for medical purposes; plasters, materials for dressings; dental wax; cotton for medical purposes.

14	Precious metals and their alloys and goods in precious metals or coated therewith, namely jewellery not included in other classes and semi-finished jewellery components; coins, ingots and bullion products of commemorative and/ or financial nature, medals and trophies, and religious artefacts; horological and chronometric instruments.
17	Semi-processed plastics
22	Ropes, string, nets, tents, awnings, tarpaulins, sails, sacks and bags (not included in other classes); padding and stuffing materials (except of rubber or plastics); raw fibrous textile materials; textile fibers; raw cotton; cotton fibers; coconut fiber.
23	Yarns and threads, for textile use.
24	Fabric and textiles goods, namely bed and table covers, linen, sets comprised of duvets and duvet covers, bed sheets, pillowcases, pillow shams, towels, cushion covers, textile placemats, curtains, kitchen textiles, namely, textile table cloth, textile table napkins and textile table runner.
25	Clothing, namely, shirts, blouses, skirts, dresses, underwear, jackets, blazers, anoraks, shorts, t-shirts, jeans, scarves, bandanas, saris, leggings, trousers, bathrobes, baby underwear; baby clothes, namely, dungarees, rompers, dresses, hats; headgear, namely, beanies, hats and caps; footwear, socks.
27	Carpets, rugs and mats.
28	Sport balls.
29	Preserved, dried and cooked fruits and vegetables; fruit peel, jellies, jams, compotes; edible oils and fats; coconut milk; cocoa butter; nuts equally whether processed, dried or prepared; butter made of nuts; pastes made from nuts; mixtures of fruit and nuts; fruit pulps; beans equally whether preserved dried or cooked, fruits equally whether preserved, dried or cooked.
30	Coffee, tea, cocoa; herbal teas; sugar, rice, tapioca, sago; edible rice paper; flours made from wheat, canola, soy, corn, quinoa, amaranth, spelt; cocoa powder; preparations made from flours and cereals containing cocoa, namely, processed cereal-based food containing cocoa to be used as a breakfast food, snack food or ingredient for making other foods; molasses for food; breakfast cereals, bread, pastry, confectionery containing cocoa, chocolate, candy, chewing gum, tarts, cakes, biscuits, cookies, ice cream, edible ices, water-based ices; chewing gum for breath freshening; honey, propolis; royal jelly; natural sweeteners; treacle; mustard; vinegar, sauces, condiments, condiment sauces; spices; seasonings; sesame seeds; culinary herbs; processed herbs; dried herbs; flowers or leaves for use as tea substitutes; dressings for salad
31	Agricultural, horticultural and forestry products and grains (included in class 31); fresh fruits and vegetables; seeds, natural plants and flowers; herbs; garden herbs, fresh; unprocessed herbs; bagasses of cane; brans, foodstuffs for animals, malt; unprocessed nuts; unprocessed cereals; raw cocoa beans; bee pollen (unprocessed).
32	Beers; non-alcoholic drinks; juices; fruit drinks and fruit juices; syrups and other preparations for making beverages.
33	Alcoholic beverages (except beers).

## V. DEFINITIONS

The following Regulation of Use ("**Regulation**" or "**RoU**") shall cover all conditions of use of the Certification Mark on Fairtrade Products, which shall include any modification or amendment thereof.

In this Regulation, unless the context otherwise requires, the following words and expressions shall have the meaning here assigned to them:

- (a) **ATCB** ("All That Can Be Must Be") is a product composition requirement set out in the Fairtrade Trader Standard for food composite products. Under ATCB, Fairtrade Verified Operators must ensure that all ingredients in a composite product that can be sourced on Fairtrade terms are in fact sourced Fairtrade-terms.
- (b) **Fairtrade Assurance Providers** are organizations that are allowed by Fairtrade International to perform assurance against Fairtrade Standards and which monitor and verify compliance of Fairtrade Certified Operators with the Fairtrade Standards.
- (c) **Fairtrade Certified Operator(s)** are all organizations and companies (producers/ manufacturing companies and traders) that have successfully undergone the required certification procedure and obtained a Fairtrade certification. Certified producer organizations and traders are called Fairtrade Producers and Fairtrade Traders, respectively.
- (d) **Fairtrade Minimum Price** (where it exists) is the minimum price defined by Fairtrade International that Fairtrade Traders (buyers) must pay to Fairtrade Producers for a Fairtrade Product. When the relevant market price for a Fairtrade Product is higher than the Fairtrade Minimum Price, then at least the market price must be paid. The relevant market price is the price that prevails on non-Fairtrade markets for equivalent products.
- (e) **Fairtrade Premium** is an amount defined by Fairtrade International to be paid by Fairtrade Traders (buyers) to Fairtrade Producers on top of the Fairtrade Minimum Price for investment in social, environmental or economic development projects, decided upon democratically by producers within a farmers' organization or by workers on a plantation.
- (f) **Fairtrade Products** are any Finished Products, or any raw materials or semi-Finished Products intended for use in a Finished Product, produced or manufactured and traded in compliance with the applicable Fairtrade Standards.
- (g) **Fairtrade Standards** are all the standards set by Fairtrade International. The Fairtrade Standards cover various categories, including producer organizations, traders and products.
- (h) **Fairtrade Verified Operators** are all Fairtrade Certified Operators and non-certified operators that are eligible to use the Certification Mark on Finished Products. Fairtrade Verified Operators are required to enter into a royalty-bearing agreement with Fairtrade International or a National Fairtrade Organization to use the Certification Mark on Finished Products.
- (i) **Finished Products** are consumer-ready products that are not further transformed or re-packed before sale to consumers.

The rules around the use of the Certification Mark are defined in the Fairtrade Standards, to ensure the credibility of the Certification Mark. All Fairtrade Standards are available on Fairtrade International's website at <https://www.fairtrade.net/standard>.

## VI. FAIRTRADE STANDARDS: THE CHARACTERISTICS TO BE CERTIFIED

The Fairtrade Standards define the characteristics against which organizations and companies will be assessed as to their eligibility to use the Certification Mark. Each Fairtrade Standard includes a range of criteria (such as social, economic and environmental criteria) that producers and traders must comply with in order to be able to use the Certification Mark on products and for advertising purposes.

The characteristics to be certified by the Certification Mark are the requirements laid down in the Fairtrade Standards. For example, the Fairtrade Standards contain labor requirements intended to ensure decent working conditions, including but not limited to the prohibition of forced labor, child labor and discrimination. Environmental requirements as set out in the Fairtrade Standards include biodiversity protection, minimal use of pesticides and agrochemicals, and the prohibition of the use of genetically modified organisms. Further trade requirements that Fairtrade Operators need to comply with when selling their products include the physical segregation (when applicable) of Fairtrade Products from non-Fairtrade Products and having their artwork bearing the Certification Mark approved prior to its use. Besides these more specific requirements, the Fairtrade Standards also include more general requirements such as, for example, related to the certification process, in particular the obligation to accept audits and provide information at the certification body's request.

The Certification Mark on a Finished Product indicates to the relevant public that the product has been produced and traded in a fairly and sustainable way in compliance with the social, economic and environmental requirements set out in the applicable Fairtrade Standards by Fairtrade International.

The Fairtrade Standards within the scope of the Certification Mark can be grouped into the following categories: (1) Fairtrade Standards for Producers, (2) Fairtrade Standards for Traders, (3) Fairtrade Product Standards and (4) the Fairtrade Textile Standard. In detail:

### 1. Fairtrade Standards for Producers

Producers that would like to obtain or retain a Fairtrade certification must comply with the Fairtrade Standard relevant to their organizational setup, regardless of the product they want to certify. In the Fairtrade system, Fairtrade Producers are grouped into three organizational setups:

- The Fairtrade Standard for Small-scale Producer Organizations (available at: <https://www.fairtrade.net/standard/spo>) applies to small-scale producers, which run their business mainly by using their own or their family's labor;
- The Fairtrade Standard for Hired Labor (available at: <https://www.fairtrade.net/standard/hl>) applies to organizations which employ hired labor to produce or supply Fairtrade Products;
- The Fairtrade Standard for Contract Production (available at: <https://www.fairtrade.net/standard/cp>) applies to small-scale producers that are not yet democratically organized or are organized into non formal structures.

### 2. Fairtrade Trader Standard

The Fairtrade Trader Standard (available at: <https://www.fairtrade.net/standard/trader>) applies to all companies that buy and sell Fairtrade Products, and/or handle the Fairtrade Minimum Price and Fairtrade Premium, regardless of which product they trade, until the Finished Product.

### 3. **Fairtrade Product Standards**

In addition to complying with the standards applicable to their organizational set-up, producers and traders wanting to acquire or retain the Fairtrade certification must comply with specific Fairtrade Product Standards applicable to the product category that they would like to obtain or retain a certification for.

Generally, Fairtrade certification is open to diverse producer set-ups across a range of product categories. However, the certification of some products is only available to specific producer set-ups. For example, the Fairtrade Product Standards for Coffee, Cane Sugar and Honey only apply to small-scale producer organizations. This means that only small-scale producer organizations are eligible to be certified for coffee, cane sugar and honey. As another example, the Fairtrade Product Standard for Flowers and Plants is only available for hired labor organizations.

The Product Standards complement the Fairtrade Standards for Producers and the Fairtrade Trader Standard in that they lay down specific requirements for products that Fairtrade Producers and Fairtrade Traders produce or trade, respectively. For example, the Fairtrade Standard for Cereals requires all quinoa producers to dedicate at least 30% of their Fairtrade Premium to make the production and the processing of quinoa more environmentally sustainable. As another example, under the Fairtrade Standard for Honey, since honey production is particularly affected by irregular weather patterns, and especially with the impacts of climate change in mind, honey traders are required to take additional action to support producers in mitigating weather-related risks.

If and to the extent that a product-specific standard differs in any way from a particular requirement in the Fairtrade Standards for Producers or the Fairtrade Trader Standard, the requirements in the latest revised standard shall prevail.

Only products for which there are Fairtrade Product Standards can be certified as Fairtrade. When Fairtrade-certified products are used as ingredients in composite products (e.g. cocoa in a chocolate bar), such composite products are, in principle, eligible to bear the Certification Mark. This explains why the list of goods under Section IV of the Regulation covers substantially more product categories than there are Fairtrade Product Standards. For example, the composite product "beer" (Class 32) can be labelled with the Certification Mark, if it contains one or more ingredients, such as the cereal barley (Class 31), that have been produced and traded in compliance with the applicable Fairtrade Standards (here: the Fairtrade Standard for Cereals). As another example, the generic term "alcoholic beverages (except beer)" in Class 33 covers alcoholic beverages, such as, *inter alia*, wine, vodka and rum, each of which might contain ingredients, such as grapes (wine), cereals (vodka) or cane sugar (rum), that are each covered by Fairtrade Product Standards. An exemplary table showing which Fairtrade Standards are applicable to which category of products (Section IV of the Regulation) is attached as **Annex 1** with a number of examples.

### 4. **Fairtrade Textile Standard**

The Fairtrade Textile Standard (available at: <https://www.fairtrade.net/standard/textile>) aims at bringing more benefits to workers in the textile industry by facilitating best practices in the textile supply chains. It applies to all operators employing hired workers in the textile supply chain processing Fairtrade certified cotton and other responsible fibres. The textile supply chain includes, but is not limited to the production stages of ginning, spinning, weaving, knitting and cut-make-trimming. The Fairtrade Textile Standard also applies to Fairtrade Verified Operators purchasing textile Finished Products.

## VII. USE SCENARIOS OF THE CERTIFICATION MARK

The Certification Mark may be used on (non-consumer-ready) wholesale products (such as export and transport boxes or bags), in promotional materials (off-pack communications such as brochures, websites or invoices) and on Finished Products. On (consumer-ready) Finished Products, the Certification Mark may be used in the following scenarios:

- On single-ingredient and composite (multiple ingredient) food products where every ingredient is Fairtrade certified (e.g. a coffee pack)
- On composite food products containing both Fairtrade and non-Fairtrade ingredients (e.g. a chocolate bar).
- On non-food composite products containing both Fairtrade and non-Fairtrade components (e.g. cotton and gold).
- On non-food products processed or manufactured in Fairtrade Supply Chains (e.g. sport balls and textile goods certified against the Textile Standard).

### 1. Product Composition Rules

In principle, Fairtrade-certified composite products should contain as many Fairtrade ingredients as available. However, not every possible ingredient is covered by a Fairtrade Product Standard. Therefore, for products containing both Fairtrade-certified and non-certified ingredients, the 'all that can be' (ATCB) principle applies. ATCB means that all ingredients in a composite product that can be sourced on Fairtrade terms are in fact sourced on Fairtrade-terms. However, the amount of Fairtrade-certified ingredients in a composite product must still reach the minimum threshold of 20% of a product's total ingredients.

The rules relating to which composite products containing both Fairtrade and non-Fairtrade components can be labelled with the Certification Mark are laid down in the Fairtrade Standards or in separate Product Composition Policies. For food products, in particular, the product composition rules are defined in the Trader Standard (see requirement 2.2). For non-food products, the labelling rules for composite products are either defined in the applicable Product Standard or, in the absence of any rules, in Product Composition Policies set by the National Fairtrade Organisations. For example, composition rules for gold are defined in the Product Standard for Gold and Associated Precious Metals (available at: <https://www.fairtrade.net/standard/gold>). For cotton and for cosmetics, the composition rules are defined in the Cotton Composite Products Policy (available at: [https://files.fairtrade.net/2016\\_06\\_Global-Cotton-Composite-Policy.PDF](https://files.fairtrade.net/2016_06_Global-Cotton-Composite-Policy.PDF)) and the Cosmetics and Personal Care Products Formulation Policy (available at: [https://files.fairtrade.net/2012\\_Cosmetics-Policy-final.pdf](https://files.fairtrade.net/2012_Cosmetics-Policy-final.pdf)), respectively.

In principle, all Fairtrade-sourced ingredients of a Finished Product should be physically traceable from the producer to the consumer. A physically traceable ingredient is an ingredient that has been physically segregated from non-certified ingredients of the same kind and can be traced back to its producer. The physical traceability requirements are compulsory for all Fairtrade Products except for cocoa, cane sugar, fruit juice and tea (*camellia sinensis*). This is because the latter products are routinely mixed or go through complex manufacturing processes in local mills, factories or at the point of shipping. Tracing these products throughout the supply chain is extremely difficult and can limit sales for Fairtrade Producers. Therefore, traders of those exempted products, and only those products, can choose whether or not to apply physical traceability. If they choose to apply

physical traceability, they must comply with the physical traceability requirements defined in the Fairtrade Standards.

If a trader chooses not to apply physical traceability, the mass balance model applies. Mass balance is a traceability model used by Fairtrade International and many other certifiers to ensure farmers and workers have maximum opportunities to sell their certified crops. Under mass balance, companies may mix Fairtrade and non-Fairtrade Products of the same kind (e.g. cocoa) during the processing stages as long as the actual volumes of sales on Fairtrade terms are tracked and audited throughout the supply chain. Mass balance is only allowed for the abovementioned products exempted from physical traceability, namely cocoa, cane sugar, fruit juice and tea (*camellia sinensis*).

## 2. Use of the Certification Mark on Food Products

When 100% of a food product's ingredients are sourced under Fairtrade terms and all such ingredients can be physically traced from the producer to the consumer, the Certification Mark is used in its original design.

When composite (multiple ingredient) food products are traded under the ATCB model (*i.e.* containing both Fairtrade-certified and non-certified ingredients) and/or contain at least one ingredient that has been traded under the mass balance model, an arrow is placed next to the Certification Mark to indicate to consumers to look at the back of the packaging. On the back, the consumers will find more information about which ingredients were not sourced under Fairtrade terms and which ingredients were traded under mass balance, if any.

The use of the Certification Mark on food composite products can be visualized as follows:

100% FAIRTRADE CONTENT



ATCB PHYSICALLY TRACEABLE AND / OR MASS BALANCE



## 3. Use of the Certification Mark on Non-Food Products

There are rules on how non-food products should be labelled with the Certification Mark, which is possible in the following cases: Fairtrade Cotton, Fairtrade Gold, Fairtrade Textile Production, Fairtrade Sports Balls and Fairtrade Cosmetics and Personal Care Products. The rules that apply to the use of the Certification Mark on these specific types of non-food products are detailed below.

### 3.1 Fairtrade Cotton

The Certification Mark can be used for cotton products, where all cotton contained in a product is physically traceable and was traded in compliance with the Fairtrade Standard for Fibre Crops for Small Producer Organizations and Traders (available at: <https://www.fairtrade.net/standard/spo-fibre-crops>). The Certification Mark on cotton goods indicates that 100% of the cotton contained in the finished product is Fairtrade-certified irrespective of the total cotton percentage contained in the product. An additional commodity tab is placed next to the Certification Mark to indicate to consumers that only the commodity "cotton" and not any other component of the product is Fairtrade-certified.

The use of the Certification Mark on cotton products can be visualized as follows:



### 3.2 Fairtrade Gold (and Other Precious Metals)

The Certification Mark can also be used for gold and other precious metals that have been sourced in compliance with the Fairtrade Product Standard for Gold and Associated Precious Metals for Artisanal and Small-Scale Mining (available at: <https://www.fairtrade.net/standard/gold>). Physical traceability is required for all precious metals contained in Finished Products labelled with the Certification Mark to ensure the authenticity of any precious metal sourced under Fairtrade terms. The product that bears the Certification Mark may contain components other than the ones certified. Therefore, an additional commodity tab is placed next to the Certification Mark to indicate to consumers that only the identified commodity, and not any other component of the Finished Product, is Fairtrade certified.

The use of the Certification Mark on gold/associated precious metal products can be visualized as follows:



The Certification Mark can also be used for ecological Fairtrade certified gold, platinum and silver. The Eco Marks may be used if the precious metal has been extracted without the use of chemicals, with strict ecological restoration requirements.



### 3.3 Fairtrade Textile Production

The Certification Mark on a textile Finished Product indicates that the whole textile supply chain processing Fairtrade-certified cotton and/or other responsible fibres has been certified against the Fairtrade Textile Standard. The textile supply chain under the scope of the Textile Standard includes, but is not restricted to the production stages of ginning, spinning, weaving, knitting and cut-make-trimming. The Certification Mark on the product packaging of a textile good is always accompanied by the descriptor 'Fairtrade Textile Production' and a compulsory claim indicating the brand's progress towards achieving living wages in the textile supply chain.

The use of the Certification Mark on textile Finished Products can be visualized as follows:





### 3.4 Fairtrade Sports Balls

The Certification Mark can also be used on sports balls stitched or assembled under Fairtrade conditions in compliance with the product-specific Fairtrade Standard for sports balls for hired labour organizations (<https://www.fairtrade.net/standard/hl-sports-balls>). The Standard covers requirements that are specific to sport balls manufacturers and traders, such as hand- and machine stitching. The Standard applies to all workers involved in the production of sport balls, and is applicable to all work within the value chain of the sports ball company, which includes all stages of the production process from the acquisition of the raw materials to the export of the end product. The Certification Mark must bear an accompanying statement specifying the type of sports ball: Fairtrade (assembled/stitched) (type of ball), e.g. Fairtrade assembled football.

An exemplary use of the Certification Mark on sports balls can be visualized as follows:



### Fairtrade assembled sports ball

### 3.5 Fairtrade Cosmetics and Personal Care Products

The Certification Mark can also be used on cosmetics and personal care products, which contain Fairtrade-certified ingredients (such as cocoa butter, coconut butter, shea (nuts) butter, argan oil, olive oil, essential oils, cocoa, beeswax, etc.). If the Fairtrade-certified ingredients in a cosmetic product total less than 100% of the total product, the statement "contains Fairtrade ingredient/s" is added. If there is only a single Fairtrade ingredient in a cosmetic product, the ingredient may be stated, e.g. "contains Fairtrade cocoa butter." If one or multiple Fairtrade ingredients in a cosmetic product were traded under mass balance, an arrow is placed next to the Certification Mark (as to the meaning of the arrow, see above Section VII. 2.).

An exemplary use of the Certification Mark on cosmetics can be visualized as follows:



## VIII. AUTHORIZED USERS OF THE CERTIFICATION MARK

Any organization or company wanting to use the Certification Mark on Finished Products, including promotional materials, must either be a Fairtrade Certified Operator or a Fairtrade Verified

Operator and obtain prior written approval for its artwork bearing the Certification Mark from Fairtrade International or a National Fairtrade Organization. In addition to written artwork approval, for the use of the Certification Mark on Finished Products, a Fairtrade Certified Operator or a Fairtrade Verified Operator must enter into a royalty-bearing agreement with Fairtrade International or a National Fairtrade Organization. A request for permission to use the Certification Mark can be rejected in exceptional cases, if the requester's behavior or activity is not in line with the Fairtrade Organization Code (available at: [https://files.fairtrade.net/2019\\_FairtradeOrganizationCode.pdf](https://files.fairtrade.net/2019_FairtradeOrganizationCode.pdf)) or Fairtrade International's core principles.

## 1. **Fairtrade Certified Operators**

Fairtrade Certified Operators are all organizations and companies (producers, manufacturing companies and traders) which have successfully undergone a Fairtrade certification procedure and obtained a Fairtrade certification. Certification is required for any company that

- is the producer (has ownership/custody) of the raw ingredients and/or
- is responsible for transforming the product in any way (manufacturing/processing/packaging/re-packaging up to the point where the product is in its final packaging) and/or
- is buying directly from Fairtrade Producers and/or is responsible for complying with any of the requirements of the Fairtrade Standards such as paying or conveying the Fairtrade Minimum Price or Fairtrade Premium, contracts with Fairtrade Producers, quality claims, pre-financing and traceability (up to consumer-ready packs).
- In textiles, all operators employing hired workers in the textile supply chain processing Fairtrade certified cotton and other responsible fibres.

Subject to prior approval of the artwork bearing the Certification Mark, all Fairtrade Certified Operators may use the Certification Mark on wholesale packaging (such as export and transport boxes or bags) and/or external promotional material (off-pack communications, such as brochures, websites or invoices for Fairtrade products).

## 2. **Fairtrade Verified Operators**

Fairtrade Verified Operators are all Fairtrade Certified Operators and non-certified operators that are eligible to use the Certification Mark on Finished Products. Such eligibility requires that an operator has been verified and has entered into a royalty-bearing agreement with Fairtrade International or a National Fairtrade Organization. In the verification process, Fairtrade International or a National Fairtrade Organization verifies compliance with a set of requirements, such as that the product to be labeled with the Certification Mark was acquired from a Fairtrade Certified Operator and is indeed a Finished Product (*i.e.* not further transformed or repacked before sale to consumers). The verification bodies also verify that any accompanying packaging information is accurate and up-to-date and that the full supply chain, whenever possible, but at least the immediate supplier, of the product to be labeled with the Certification Mark is Fairtrade-certified.

Fairtrade Verified Operators can also use the Certification Mark on promotional materials in relation to their Fairtrade Products upon signing a royalty-bearing agreement with the relevant verification body.

## **IX. TESTING AND SUPERVISION**

### **1. Supervision over Fairtrade Certified and Verified Operators**

The compliance of Fairtrade Certified Operators with the Fairtrade Standards is assessed and monitored by Fairtrade Assurance Providers. The main Fairtrade Assurance Provider and certification body is FLOCERT GmbH, Bonner Talweg 177, 53129 Bonn, Germany, which is accredited against ISO 17065, the international standard for ensuring fair and capable certification of products, processes and services. FLOCERT is the only Fairtrade Assurance Provider for producer and trader certification in all producing countries, as well as for traders in most of the consuming countries. A list of all currently approved Fairtrade Assurance Providers can be found on Fairtrade International's website at [https://files.fairtrade.net/standards/ASSU\\_AssuranceCode\\_PublicSystemReport\\_EN.pdf](https://files.fairtrade.net/standards/ASSU_AssuranceCode_PublicSystemReport_EN.pdf).

Any operator (producer or trader) wishing to obtain a Fairtrade certification is required to enter into a certification agreement with a Fairtrade Assurance Provider. The certification agreement obliges all operators interested in becoming certified to, *inter alia*, accept unannounced audits at their premises, including subcontracted premises. Following the application for Fairtrade certification, an initial audit is conducted to assess compliance of the operator interested in becoming certified with the relevant Fairtrade Standards. In case of non-conformities, the operator is asked to take corrective action within a certain period of time. Once the operator has resolved all non-conformities or was fully compliant to begin with, a Fairtrade certification is granted.

Any organization, whether or not it is a Fairtrade Certified Operator, that wishes to become a Fairtrade Verified Operator and as such wishes to use the Certification Mark on the product packaging of its Finished Products must enter into a royalty-bearing fee agreement with Fairtrade International or the competent National Fairtrade Organization.

In addition, Fairtrade Verified Operators must comply with the Fairtrade Trader Standard and other rules directly related to the use of the Certification Mark, such as rules on product composition and accurate labelling. These requirements are assessed and monitored by Fairtrade International or the relevant National Fairtrade Organization. All requirements to be met by Fairtrade Verified Operators are set out in a royalty-bearing fee agreement which the respective Fairtrade Verified Operator has concluded with Fairtrade International or the National Fairtrade Organization (as the competent verification body).

#### **1.1 Assessment Methodology**

All initial and subsequent audits of Fairtrade Certified Operators or operators interested in becoming certified are usually on-site physical audits conducted by qualified third-party auditors. In addition to physically auditing processing installations, storages and production sites, on-site audits include documentation reviews and sample interviews with personnel at different levels of an organization/company and/or workers and other groups to verify compliance with the Fairtrade Standards. The basis on which an audit is planned and conducted is described in the Standard Operating Procedure for Fairtrade Assurance Providers (available at: <https://www.flocert.net/wp-content/uploads/2017/09/audit-procedure.pdf>). Any samples to be assessed are chosen by the auditor, not the auditee. The number of samples to be tested and the number of interviews to be conducted depends on various parameters such as, for example, the size, the structure and the number of workers in the organization to be assessed. However, certain minimum quantitative requirements are defined in the Requirements for Fairtrade Assurance Providers (available at: [https://files.fairtrade.net/standards/ASSU\\_ReqAssuranceProviders\\_V2.pdf](https://files.fairtrade.net/standards/ASSU_ReqAssuranceProviders_V2.pdf)).

In exceptional cases, a Fairtrade Assurance Provider can rely on so-called desktop audits (off-site audits as remote audits) instead of on-site physical audits. A desktop audit is an evaluation of compliance that excludes the field visit to the premises, only allowed in case a physical audit is not possible due to very special circumstances, such as regional conflicts, natural disasters, outbreaks of diseases, or other high travel risk circumstances, and there is a clear indication that the audit cannot be postponed or skipped. Initial or renewal audits are always physical audits and cannot be replaced by such desktop audits.

A desktop audit is set up of four elements: (i) the scoping call; (ii) document collection; (iii) desktop review; and, (iv) a so-called live interaction with the Fairtrade Certified Operator. The objective of the scoping call is to understand circumstances that impact the remote assessment, such as available videoconferencing tools for the live interaction, systems used by the Fairtrade Certified Operator to document transactions, members information, etc. As a next step, the Fairtrade Certified Operator needs to provide a defined set of documents, amongst others an overview of transactions, suppliers and buyers, information about the functioning of the organization, bookkeeping, sales, premium use; information about employed workers. During the desktop review, the auditor reviews the provided documentation and may ask for further documents, e.g. samples, to get a first insight in the level of compliance. The process is concluded with the live interaction, which is a video-call with the relevant Fairtrade Certified Operator, in which the auditors mimics the onsite audit as far as possible. Findings from the desktop review are cross-checked, compliance with the applicable requirements is assessed. Opening and closing meeting are conducted.

The standard certification cycle is usually three years, except for a subcategory of traders that are Fairtrade Verified Operators, whose certification cycle usually lasts for six years. At the end of each certification cycle, a renewal audit is to be conducted. However, even during certification cycles, a Fairtrade Certified Operator may be subject to additional audits, if a Fairtrade Certified Operator falls within certain risk categories, defined in Fairtrade International's Risk Based Assurance Policy (available at: [https://files.fairtrade.net/standards/ASSU\\_ReqAssuranceProviders\\_V2.pdf](https://files.fairtrade.net/standards/ASSU_ReqAssuranceProviders_V2.pdf); in Annex C, page 35). For example, a Certified Operator qualifies as a high risk target, if the Certified Operator has high number of non-compliances with the Fairtrade Standards or has any major non-conformities resulting in suspension, etc. In addition, unannounced audits are conducted at any time if there are indications of additional risk, such as specific allegations, expansion of the organization's certification scope or product- or country-specific risks.

The verification procedure conducted by Fairtrade International and the National Fairtrade Organizations includes the review of all documentary evidence submitted to Fairtrade International or the competent National Fairtrade Organization by the applicant, the verification of information like the validity of the supply chain of the applicant in relation to the production and supply chain originating from Fairtrade Certified Operators, the veracity of claims (e.g. physical traceability in case of products for which mass balance is allowed). The verification procedure also includes a verification that the proposed composition of the product is in conformity with the requirements of the Fairtrade Trader Standard, and the relevant Fairtrade Product Standards, and that that the submitted artwork is in conformity with the rules related to the use of the Certification Mark.

## 1.2 Personnel Competence

All personnel involved in the compliance assessment of Fairtrade Certified Operators and operators interested in becoming certified, including auditors, must comply with qualification and competency criteria and personal attributes as set out in the Requirements for Fairtrade Assurance Providers. Fairtrade Assurance Providers must verify that the qualification criteria are met before engaging with any auditor or other assurance personnel, and must assess periodically whether competency

criteria continue to be met. The assessment process for assurance personnel includes on-the-job evaluation and the witnessing of audits. Qualification and competency criteria as set out in the Requirements for Fairtrade Assurance Providers include, but are not limited to, auditing and work experience in assurance, having received training on Fairtrade Standards and audit methodology and possessing appropriate language skills to communicate with the auditee in their native language. All qualification and competency criteria are set out in detail in Section 4.2 ("Requirements for Assurance Personnel") of the Requirements for Fairtrade Assurance Providers.

Likewise, all personnel involved in the decision-making related to the authorization of the use of the Certification Mark must meet at least the qualification and competency criteria as set out in the Requirements for Licensing Bodies ([https://files.fairtrade.net/standards/ASSU\\_ReqLicensingBodies\\_v2.0-3.pdf](https://files.fairtrade.net/standards/ASSU_ReqLicensingBodies_v2.0-3.pdf)). Such qualification and competency criteria include related work experience and language and communication skills as well as knowledge of the Fairtrade system.

### 1.3 Sanctions

Any inadequate or inappropriate use of the Certification Mark by any Fairtrade Certified Operator or Fairtrade Verified Operator can ultimately lead to a loss of the right to use the Certification Mark. In severe cases of non-compliance with the Fairtrade Standards or other requirements related to the use of the Certification Mark, other legal actions can be initiated, depending on the severity of the case.

In general, non-compliance with the applicable Fairtrade Standards may result in sanctions for the Fairtrade Certified Operator. As a first step, the Fairtrade Certified Operator will be asked to correct any non-compliances within a given timeframe. If corrective actions are not implemented or turn out unsuccessful, the competent Fairtrade Assurance Provider can, as a second step, suspend the certification for a period of up to six months, in which case the Fairtrade Certified Operator would retain its certification, but with limitations, until appropriate corrective actions are initiated. If, following a suspension, the Fairtrade Certified Operator still fails to take appropriate corrective actions within the defined timeframe, the competent Fairtrade Assurance Provider can withdraw the Fairtrade certification altogether.

The above multi-tiered sanction mechanism does not necessarily have to apply to any type of scenario. For example, in severe cases of non-compliance, such as, for example, when a Fairtrade Certified Operator refuses to be audited, the relevant Fairtrade Assurance Provider can directly resort to decertification without any further intermediate steps.

As a result of decertification, a Fairtrade Certified Operator must cease trading Fairtrade Products with immediate effect, may not sign new contracts or fulfil existing contracts relating to the production and/or trade of Fairtrade Products. If the operator is both a Fairtrade Certified Operator and a Fairtrade Verified Operator at the same time, in case of decertification by the Fairtrade Assurance Provider the right to use the Certification Mark is likewise revoked by Fairtrade International or the relevant National Fairtrade Organization so that such a decertified Fairtrade Certified and Verified Operator must immediately cease using the Certification Mark.

The decertification of a Fairtrade Certified Operator by the competent Fairtrade Assurance Provider within a supply chain of Fairtrade Products will grant Fairtrade International or the relevant National Fairtrade Organization at the end of such a supply chain the right to revoke the authorization to use the Certification Mark on any of the Fairtrade Verified Operator's Finished Products with immediate effect. Upon revocation of authorization to use the Certification Mark, a Fairtrade Verified Operator must cease all use of the Certification Mark on and in relation to all packaging and promotional materials to its Finished Products.

Other acts on part of a Fairtrade Verified Operator, such as diminishing the reputation of the Certification Mark, engaging in dishonest trading practices, or using the Certification Mark in connection with non-Fairtrade Products, can also lead to a loss of right to use the Certification Mark. Sanctions on Fairtrade Verified Operators can be found in the Requirements for Licensing Bodies (available at: [https://files.fairtrade.net/standards/ASSU\\_ReqLicensingBodies\\_v2.0-3.pdf](https://files.fairtrade.net/standards/ASSU_ReqLicensingBodies_v2.0-3.pdf)).

Any Verified Operator having lost its right to use the Certification Mark on Finished Products may be asked to withdraw from sale or from circulation any packaging or other promotional material bearing the Certification Mark. The withdrawal shall take place no later than 30 days as from receipt of written notice from Fairtrade International or the relevant National Fairtrade Organization in its role as verification body.

## 2. **Supervision over Fairtrade Assurance Providers**

The compliance of Fairtrade Assurance Providers with the Requirements for Fairtrade Assurance Providers is assessed and monitored by Fairtrade International through its Oversight Committee – a subcommittee of, and accountable to, the Fairtrade Standards Committee and, ultimately, the Fairtrade International Board. The Oversight Committee is a multi-stakeholder committee whose members may be producers’, workers’ and traders’ representatives as well as technical members with expertise in certification and verification. The Oversight Committee implements regulations that govern the assurance and verification schemes and monitors whether certification and verification bodies continue to meet Fairtrade International’s expectations. The Oversight Committee also monitors specific assurance issues in terms of effectiveness and consistency.

All rules for the oversight procedure are laid down in the Fairtrade International Oversight Procedure manual (available at: [https://files.fairtrade.net/standards/ASSU\\_OP\\_Oversight\\_Procedure\\_2.0\\_final\\_19June\\_2019.pdf](https://files.fairtrade.net/standards/ASSU_OP_Oversight_Procedure_2.0_final_19June_2019.pdf)). The usual assessment cycle for Fairtrade Assurance Providers is three years, with a renewal assessment taking place at the end of each cycle. Further routine surveillance checks are conducted yearly, except during the year in which the renewal assessment is due. Renewal audits are always on-site audits that include the witnessing of live audits. Any major non-compliances with the Fairtrade International Oversight Procedure can ultimately lead to a withdrawal of the right to act as a Fairtrade Assurance Provider.

### **Annexes**

<b>Annex 1</b>	<b>Table of Fairtrade Standards and corresponding Fairtrade Products and Goods covered by the RoU</b>
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