



Changes to Certificate Scope Procedure

Fair Trade USA

Version 2.0.0

Purpose

This procedure outlines the requirements to change the scope of a Certificate between audits. It seeks to balance the risk of changes to the scope of the Certificate outside of the original audit scope and sample selection with the increased impact to producers that a change of scope can bring between audits. For agricultural producers and fishermen, this procedure allows for changes in the scope of a Certificate and outlines what needs to be communicated to Fair Trade USA and the Conformity Assessment Bodies (CABs). For factories, this procedure requires that any changes to the Certificate undergo an onsite audit.

Scope

This procedure is applicable to all Fair Trade USA's product categories, producers, factories, fishermen, Fishing Associations or cooperatives, landing sites, processing plants, and fishing vessels that have received certification under the Agricultural Production Standard (APS), Capture Fishery Standard (CFS), or Factory Standard for Apparel and Home Goods (Factory) that want to change the scope of their Certificate between audits.

As part of the changes to the Certificate scope, a Certificate Holder may choose to expand or reduce the scope of a Certificate in terms of members, sites, products, or species. Each section below defines the terms 'members' and 'sites' as they apply to the APS and CFS.

General Definitions

Expansion: Increase in the number of producers, factories, fishermen, Fishing Associations or cooperatives, landing sites, processing plants, and fishing vessels for an existing Certificate.

Reduction: Decrease in the number of producers, factories, fishermen, Fishing Associations or cooperatives, landing sites, processing plants, and fishing vessels for an existing Certificate.

Definitions for APS

members: A producer, farm, facility, or other entities mentioned in the Requirements of Certificate Scope under the APS that is not owned, managed, or operated by the Certificate Holder.



site: A farm or facility that is owned, managed, operated by a member or a Certificate Holder.¹

Definitions for CFS

members: Any worker, fisherman, Fishing Association or cooperative, and/or other entities mentioned in the Requirements of Certificate Scope under the Capture Fisheries Standard.

sites: Any landing site, processing facility, or vessel (fishing, tender, or transfer vessels).

1. Changes in the Certificate Scope under the Factory Standard

- 1.1.1. The Certificate Holder shall review the Requirements for Certificate Scope under the Factory Standard for Apparel and Home Goods, to ensure that the changes to the Certificate are in scope. This policy can be found on the Fair Trade USA website.
- 1.1.2. For any changes in scope, the Certificate Holder must follow all applicable sections in this document for the CAB to approve the scope change.
- 1.1.3. The CAB will provide either an updated Certificate or schedule an audit if the information provided is not sufficient to grant a change of scope.

1.2. Expansion of a Factory Certificate

- 1.2.1. Certificate Holders may only add a site to their existing Certificate when an on-site audit has taken place and compliance with all applicable criteria has been met.
- 1.2.2. The audit must either be:
 - a) A separate audit for the specific site to be added to the existing Certificate Holder, recognizing it will be added to the Certificate Holder's Certificate once all applicable criteria are complied with; or,
 - b) Included in the scope of the next annual audit of the existing Factory Certificate.
- 1.2.3. All new sites which the Certificate Holder wishes to add to the current scope of a Factory Certificate must be at the same level as the existing sites (i.e. if the existing site is at Year 3, the new sites will enter the program at the Year 3 compliance level).

1.3. Reduction of a Factory Certificate

- 1.3.1. The Certificate Holder must have written consent from the site(s) being removed. The Certificate Holder shall provide the CAB and Fair Trade USA with proof of this consent. This will be verified during the regularly scheduled audit. The CAB and/or Fair Trade USA reserve the right to request evidence of written consent at any point in time. Written consent includes, but is not limited to, a signed letter confirming agreement to the removal of sites or meeting minutes including the discussion and agreement to the change in scope of the Certificate, signed by the Certificate Holder and a representative of the site being removed.
- 1.3.2. The Certificate Holder must send the CAB and Fair Trade USA an amended application form, with an updated list of the sites included in the Certificate.

¹ For the purpose of this policy, we have used a simplified version of the definition found in the Fair Trade USA Glossary version 1.1.0. The complete definition and the definition in this policy are aligned. For more information visit the Fair Trade USA website.



- 1.3.3. An on-site audit is not required for a reduction of scope of a Certificate, however the CAB and/or Fair Trade USA reserve the right to include the removed site in the audit scope for final verification.

2. Changes in Certificate Scope Under the APS

- 2.1.1. The Certificate Holder shall review the Requirements for Certificate Scope under the APS, to ensure that new members and new sites are in scope for the Certificate. This policy can be found on the Fair Trade USA website.
- 2.1.2. If the change in scope includes changes in sites, members, or products, the Certificate Holder must follow all applicable sections of this document for the CAB to approve the scope change.
- 2.1.3. The CAB will provide either an updated Certificate or schedule an audit in the case that the information provided is not sufficient to update the Certificate scope.

2.2. Expansion of an APS Certificate

- 2.2.1. All new sites and/or members which the Certificate Holder wishes to include in the current scope of an APS Certificate must be at the same level as the existing members and/or sites (i.e. if the group is at Year 3, the new members/sites will enter the program at the Year 3 compliance level).
- 2.2.2. When the Certificate Holder holds more than one Certificate, they must specify the Certificate to which the new sites and/or members are being added.
- 2.2.3. When requesting a Certificate scope expansion in terms of sites and/or members, the following documents must be submitted to the CAB and Fair Trade USA no later than two months before the anniversary of the annual audit:
- An amended application form, with the information on all new sites and/or members being added to the Certificate;
 - An updated risk assessment that includes the new sites and/or members as required in criterion 6.1.4.a;
 - Documentation of internal inspections of these sites and/or members as required in criterion 6.1.5.d; and,
 - Training materials and, when applicable, dates to carry out trainings for any new workers in the new sites and/or members being added as required by criterion 6.1.7.a.
- 2.2.4. These documents will be reviewed by the CAB within two weeks of receipt.
- 2.2.5. The CAB will provide either an updated Certificate or schedule an audit in the case that the information provided is not sufficient to grant a change of scope.
- 2.2.6. The Certificate Holder may only sell product coming from the new members and sites under Fair Trade terms once the scope expansion has been approved.
- 2.2.7. New members and/or sites are added to existing Fair Trade Committees only.

2.2.8. To add sites to a Certificate:

- 2.2.8.1. The sites being added between audits must not change the size category used in the most recent audit (i.e. in terms of workers, the size category must not go from a small farm and facility to a large farm and facility).
- 2.2.8.2. If adding a new site increases the size of the Certificate Holder as specified by the APS, the CAB must conduct an on-site audit before those sites can be included in the scope of the Certificate.
- 2.2.8.3. If the site is in another state, island or country, the CAB must conduct an on-site audit before those sites can be included in the scope of the Certificate.



2.2.9. To add members to a Certificate:

2.2.9.1. The new members must not replace current registered members without the consent of the relevant current registered members.

2.2.9.2. The number of new members can not represent an increase to the scope of the Certificate of more than 10% of the current total number in the workforce. If the Certificate Holder wants to add more than 10% of the total workforce, the CAB must conduct an on-site audit before the new member can be included in the scope of the Certificate.

2.2.9.3. If the new members are in another state, island or country, the CAB must conduct an on-site audit before those members can be included in the scope of the Certificate.

2.3. Reduction of an APS Certificate

2.3.1. The Certificate Holder must send the CAB and Fair Trade USA:

- a) An amended application form, with the updated information on all sites and/or members, including those the Certificate Holder would like to remove from the Certificate.
- b) Written consent from the sites and/or members being removed. This will be verified during the regular scheduled audit. The CAB and/or Fair Trade USA reserve the right to request evidence of written consent at any point in time. Written consent includes, but is not limited to, a signed letter confirming and agreeing to the removal of sites and/or members, or meeting minutes, with a clear agenda item to discuss the change in scope of the Certificate. Written consent must be signed by the Certificate Holder and the representatives of the sites and/or members being removed.
- c) A plan clearly outlining how they plan to fulfill all contractual obligation in terms of payment for product already purchased and payment of premium owed to the site and/or member being removed. This can either be a written plan provided to the site and/or member or a clause within the written consent mentioned above.

2.3.2. An on-site audit is not required for a reduction of scope of a Certificate.

2.3.3. Fair Trade USA and the CAB will verify that the payment for the product and the premium for this client was fulfilled in the timeline specified in point 2.3.1.c. Fair Trade USA and the CAB reserve the right to request evidence of payment at any point before the next audit.

2.4. Changes to Products Covered by the Certificate

2.4.1. The documents requested in this section will be reviewed by the CAB within two weeks of receipt.

2.4.2. Adding new products to a Certificate:

2.4.2.1. When the Certificate Holder holds more than one Certificate, they must specify the Certificate to which the new products are being added.

2.4.2.2. When requesting a Certificate scope expansion in terms of product, the following documents must be submitted to the CAB and Fair Trade USA no later than two months before the anniversary of the annual audit:

- a) An updated risk assessment that includes the new product as required in criterion 6.1.4.a of the APS Standard;
- b) An amended application form, with the information on all products being added to the Certificate; and,
- c) An updated agrochemical list, including pesticides and fumigants, with application records, used on the site where the new products are grown.

2.4.2.3. An on-site audit must occur if:



- a) The updated risk assessment identifies severe risks related to any critical criteria in Module 2 or Sub-Module 3.2 that are applicable for the year of certification and size of the site; and/or,
- b) The updated agrochemical list identifies a chemical found in the Prohibited and Restricted Pesticides List.

2.4.3. Removing products from a Certificate:

2.4.3.1. When the Certificate Holder holds more than one Certificate, they must specify the Certificate from which the products shall be removed.

2.4.4. When removing a product, the Certificate Holder must provide to the CAB and Fair Trade USA, no later than two months before the anniversary of the annual audit, an amended application form. An on-site audit is not required for a reduction of scope of a Certificate.

3. Changes in Certificate Scope Under the CFS

3.1.1. For any changes to the Certificate Scope, the Certificate Holder shall review the Requirements for Certificate Scope under the Capture Fisheries Standard, to ensure that new members and new sites are in scope for the Certificate. This policy can be found on the Fair Trade USA website.

3.1.2. If the change in scope includes changes in sites, members, or species, the Certificate Holder must follow all applicable sections in this document for the CAB to approve the scope change.

3.1.3. The CAB will provide either an updated Certificate, or schedule an audit in the case that the information provided is not sufficient to grant a change of scope.

3.2. Expansion of a CFS Certificate

3.2.1. All new sites and/or members which the Certificate Holder wishes to include in the current scope of a CFS Certificate must be at the same level as the existing members and/or sites (i.e., if the group is at Year 3, the new members/sites will enter the program at the Year 3 compliance level).

3.2.2. When the Certificate Holder holds more than one Certificate, they must specify the Certificate to which the new sites, members, and/or species are being added.

3.2.3. The following documents must be submitted to the CAB and Fair Trade USA no later than two months before the anniversary of the annual audit:

- a) An amended application form, with the information on all sites and/or members being added to the Certificate;
- b) An updated risk assessment that includes the new sites and/or members as required in criteria ECD-DM 1.1, 1.2, and 1.3 of the CFS; and,
- c) Training materials, including, when applicable, dates to carry out trainings for any new Registered Fishermen, crew members, and/or workers in the new sites being added.

3.2.4. These documents will be reviewed by the CAB within two weeks of receipt.

3.2.5. The CAB will provide either an updated Certificate or schedule an audit in the case that the information provided is not sufficient to grant a change of scope.

3.2.6. New sites and/or members are added only to existing Fair Trade Committees.

3.2.7. To add sites to a Certificate:

3.2.7.1. Processing facilities that are added to an existing Certificate must be in the same country as the landing site, even if this is in a different region or location (including a different island). If the processing facility is in another country, an on-site audit must be carried out.



3.2.8. To add members to a Certificate:

3.2.8.1. If the Certificate Holder wants to add more than 10% of the total members, the CAB must conduct an on-site audit before the new members can be included in the scope of the Certificate.

3.2.8.2. The Certificate Holder maintains a list of new Registered Fishermen which specifies whether they are part of more than one Fishing Association or cooperative, as well as listing the specific Fishing Associations and cooperatives of which they are a member. This list must be available for review during the annual audit. The CAB and/or Fair Trade USA reserve the right to request this list at any point in time.

3.2.8.3. New members added to an existing Certificate must:

- a) Use the same fishing gear as of those under the current Certificate; and,
- b) Fish the same species as of those under the current Certificate.

3.3. Reduction of a CFS Certificate

3.3.1. The Certificate Holder must send the CAB and Fair Trade USA:

- a) An amended application form, with the updated information on all sites and/or members, including those the Certificate Holder would like to remove from the Certificate.
- b) Written consent from the sites and/or members being removed. This will be verified during the regular scheduled audit. The CAB and/or Fair Trade USA reserve the right to request evidence of written consent at any point in time. Written consent includes, but is not limited to, a signed letter confirming and agreeing to the removal of sites and/or members, or meeting minutes, with a clear agenda item to discuss the change in scope of the Certificate. Written consent must be signed by the Certificate Holder and the representatives of the sites and/or members being removed.
- c) A plan clearly outlining how they plan to fulfill all contractual obligation in terms of payment for product already purchased and payment of premium owed to the site and/or member being removed. This can either be a written plan provided to the site and/or member or a clause within the written consent mentioned above.

3.3.2. An on-site audit is not required for a reduction of scope of a Certificate.

3.3.3. Fair Trade USA and the CAB will verify that the payment for the product and the premium for this client was fulfilled in the timeline specified in point 2.3.1.c. Fair Trade USA and the CAB reserve the right to request evidence of payment at any point before the next audit.

3.4. Changes to Species Covered by the Certificate

3.4.1. Adding new species to a Certificate:

3.4.1.1. When the Certificate Holder holds more than one Certificate, they must specify the Certificate to which the new species are being added.

3.4.1.2. A Certificate Holder may add species to the Certificate under the following conditions:

- a) The fishermen are the same as those registered in the current CFS Certificate;
- b) The same vessels and the same fishing gear is used to catch the new species;
- c) For fisheries which are MSC or ASC certified, the Certificate Holder must provide the CAB with a valid MSC or ASC Certificate; and,
- d) For fisheries which are not MSC or ASC certified, the Certificate Holder must provide the CAB with physical proof of compliance with the Resource Management section pertinent to the year they would enter the Certificate.

3.4.1.3. The Certificate Holder must provide the CAB and Fair Trade USA with an amended application form, with the information on all species being added to the Certificate.



3.4.2. Removing species from a Certificate:

3.4.2.1. When the Certificate Holder holds more than one Certificate, they must specify the Certificate from which the species shall be removed.

3.4.2.2. When removing a species, the Certificate Holder must provide to the CAB and Fair Trade USA no later than two months before the anniversary of the annual audit an amended application form.

