



Requirements for Certificate Scope under the Trade Standard

Fair Trade USA

Version 1.0.0

A. Introduction

The Fair Trade USA Trade Standard covers traders and brands of various products in different parts of the world under one generic set of requirements. The scope of a Trade Certificate can cover a single entity (such as a trader that organizes all aspects of its business within a single legal entity), or a group of entities (e.g. a trader who works with one or several independent entities who provide services such as processing or storage).

The scope of the Certificate can vary significantly depending on the type of activities and the number of entities and/or sites that are included. Ensuring that the scope requirements are followed is important to ensure that as the Fair Trade Certified™ product is processed, transported, stored, exported, imported, manufactured, packaged, and sold to the consumer, the necessary entities along the supply chain are covered by Fair Trade certification. This allows Fair Trade USA and the Conformity Assessment Body to verify that the correct amount of Fair Trade Price and Fair Trade Premium has been paid, and ensure traceability of product such that only those products eligible for sale as Fair Trade Certified are sold or claimed as such.

B. Purpose

This document explains the requirements for the scope against which the Certificate will be issued, and an audit conducted. It defines the entities, products, sites, and activities that must be included in the scope of the Certificate. This document also explains the requirements for sites handling Fair Trade product that are not included in the scope of a Certificate.

All entities, sites, and activities included in the scope of a Certificate must comply with the requirements of the Trade Standard and are subject to audits by Fair Trade USA and/or an approved Conformity Assessment Body. Additionally, Certificate Holders are required to report on Fair Trade Certified transactions that are within the scope of the Certificate to Fair Trade USA.

C. Scope

This document applies to all entities certified against the Fair Trade USA Trade Standard.

1. Requirements for the Trade Certificate Holder

1.1. The Certificate Holder holds the Certificate on behalf of one or multiple entities. It is responsible for ensuring compliance with the Trade Standard by those entities.



1.2. The Certificate Holder must be able to make and enforce agreements with other sites included in the Certificate (i.e. have in place sufficient controls). The Certificate Holder must be a company or legal entity and cannot be a person. In the case of subcontracted entities, the Certificate Holder is required to ensure that the subcontracted entity complies with the traceability requirements of the Trade Standard, as well as with the “Requirements for Subcontractors” as described in Section 4 of this document.

1.3. Only a Certificate Holder may buy and sell product as Fair Trade Certified, not other sites or entities independent from the Certificate Holder who are included in the scope of the Certificate.

2. Requirements for Products Included in the Scope of a Trade Certificate

2.1. Only products produced by entities certified against a Fair Trade USA producer standard or by an approved certifier are eligible for purchase as Fair Trade Certified.

It is the responsibility of the Certificate Holder to ensure that only Fair Trade eligible products are purchased as Fair Trade Certified. Traders can search for Fair Trade certified producers and check the certification status of their suppliers by logging into the Fair Trade USA Partner Portal or by contacting Fair Trade USA.

2.2. A list of products that Fair Trade USA currently certifies is available in the Price and Premium database on our website: FairTradeCertified.org. If the product you are looking for is not listed here, or if you are unsure of a product listing, please contact Fair Trade USA directly for more information.

3. Requirements for Sites and Activities Included in the Scope of a Certificate

3.1. All activities connected to trading and/ or handling of Fair Trade Certified product and/ or Fair Trade Premium and Fair Trade Price¹ must be included in the scope of the Trade Certificate and audit.

3.2. Any site or entity that buys, sells, or otherwise takes financial ownership of a Fair Trade Certified product, up to the point where it is in final packaging for the end consumer, must be included in the scope of the Certificate. This can include sites or entities who don't take physical ownership of the Fair Trade Certified product.

3.3. Any site that invoices, pays, or otherwise handles Fair Trade Premium and/or Fair Trade Price must be included in the scope of the Certificate. This includes brokers who do not take financial ownership of the Fair Trade Certified product but negotiate the contract and handle Fair Trade Premium.

3.4. Any site or entity that physically labels a product with the Fair Trade Certified seal or designs a product label with the Fair Trade Certified seal must be included in the scope of the Certificate. This includes sites or entities that don't apply the Fair Trade Certified seal but contract other entities to do this on their behalf.

3.5. Any site or entity that is owned or managed by the Certificate Holder, and any entities subcontracted² by the Certificate Holder, that handle Fair Trade Certified product, paperwork on Fair Trade Certified sales

¹ Fair Trade Price is the final price required to be paid by Fair Trade Payers and Conveyors, taking into account the requirements on relevant market price, Fair Trade Minimum Price, and appropriate price adjustment defined in Module 2 of the Trade Standard.

² This refers to any subcontractor (individual or company) that is not managed by the Certificate Holder nor subject to a controlling interest by the Certificate Holder (either through ownership or family relationships) and which does not take financial ownership of the Fair Trade product but provides services to process, pack, or transform the product.



or purchases, Fair Trade Premium, Fair Trade labeling, or label design must be included in the scope of the Certificate.

3.6. The following sites or entities are exempted from being included under the scope of the Trade Certificate:

- a) Entities purchasing finished, labelled Fair Trade Certified product ready for sale to the end consumer, as long as they are not responsible for paying the Fair Trade Premium or Fair Trade Price and do not design or physically apply the Fair Trade Certified seal. This typically includes retailers and distributors. This also includes entities purchasing product in bulk to sell directly to end-consumers, such as retailers for fresh case or food service providers. These entities must sign an agreement with Fair Trade USA committing to traceability requirements for Fair Trade Certified product.
- b) Entities and activities which are covered by another approved Fair Trade Certificate. This includes:
 - i) Entities certified against the Fairtrade International Trader Standard by FLO-CERT.
 - ii) Trading activities which are covered by a producer Certificate³ issued by Fair Trade USA or an approved certifier. Note that if a Certificate Holder for a producer Certificate is also classified as a Fair Trade Payer, their Fair Trade Price and Premium payment activities must be covered by a Trade Certificate.
- c) All other sites where Fair Trade Certified product is only being transported.

4. Requirements for Subcontractors

4.1. For any entities and/ or sites where Fair Trade product is handled by a subcontractor, the Certificate Holder must have a contract or an agreement with the entity which covers all of the following elements:

- a) That the entity or site will ensure that Fair Trade product is not mixed with non-Fair Trade product, in accordance with requirements in Module 3 of the Trade Standard.
- b) That the entity meets the ILO Core Conventions:
 - i) Forced Labour Convention, 1930 (No. 29)
 - ii) Abolition of Forced Labour Convention, 1957 (No. 105)
 - iii) Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
 - iv) Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
 - v) Minimum Age Convention, 1973 (No. 138)
 - vi) Worst Forms of Child Labour Convention, 1999 (No. 182)
 - vii) Equal Remuneration Convention, 1951 (No. 100)
 - viii) Discrimination (Employment and Occupation) Convention, 1958 (No. 111)
- c) That Fair Trade USA and/or an approved Conformity Assessment Body may enter the site(s) to perform control activities against these contract requirements.

³ A producer Certificate refers to all entities, sites and activities certified under the Agriculture Producer Standard (APS), Capture Fisheries Standard (CFS), or the Factory Standard for Apparel and Home Goods (Factory Standard) by Fair Trade USA, or Fairtrade International producer standards.

