



NZFAI Approved Wool Facility & Exporter Standard

Plus Membership Criteria, Protocol, and Checklist

Purpose

In April 2021, the National Council of Wool Interests adopted the New Zealand Farm Assurance Programme (NZFAP) as National standard for NZ wool. New Zealand Farm Assurance Incorporated (NZFAI) owns and manages the NZFAP and NZFAP Plus along with other National assurance standards, including the NZFAP-RWS programme.

Business' wishing to store, advertise, promote, auction, process, trade, or export Certified Wool from a NZFAP, NZFAP Plus, or NZFAP-RWS Certified supplier must be an NZFAI Approved Facility or Exporter and be audited in compliance with the requirements in this document, or alternatively be certified to Textile Exchanges' CCS (Content Claim Standard).

Scope

NZFAI need to protect the integrity of the assurance programmes and this document covers the requirement for the traceability and separation of NZFAP, NZFAP Plus, certified wool and NZFAP-RWS compliant wool from non-certified/compliant wool throughout the supply chain from the farm gate through to testing certification and export.

Definitions

AC	Assurance Code
APPROVED BATCH/ES	Parcels of NZFAI Approved wool for which test certificates have been issued that have been stamped with the NZFAI Logo.
ASSURANCE HUB	CAB's Electronic data base holding certification status
CAB	Certification Accreditation Body
CAR	Corrective Action Request
CERTIFIED (or Compliant) WOOL	Parcels of NZFAP or NZFAP Plus Certified, or NZFAP-RWS, Compliant, wool that has constant traceability via lot numbers or other ERP systems back to the supplying farm Assurance Code (AC).
CCS	Content Claim Standard (owned by Textile Exchange)
ERP	Enterprise Resource Management
ERP Identifier	Enterprise Resource Management Identifier; A unique number or code that identifies a specific quantity of NZFAP/NZFAP Plus certified product, verses non-NZFAP/NZFAP Plus certified product. (e.g., lot number)
EXPORTER	Any individual, company, or business involved in the exporting of NZ wool.
FACILITY	Any store where wool is located
FAF	Facility & Exporter Application Form
GROUP	The consolidation of wool from multiple farms where the number of bales in a lot is below the optimal sale size into a single saleable line of identical type, often identified with the brand GROUP.
LOT / LOTS	A unique number that has been allocated to a uniquely identifiable parcel of wool.
MEMBER DECLARATION	A declaration made by a member that the associated product is compliant with the NZFAP/NZFAP Plus Standard, and they are holding traceability records to prove this.
MUST	Refers to obligations arising from commercial requirements. Failure to comply with them will result in NC's and CARs being issued and could result in exclusion from the scheme until CARs have been closed.
NC	Non conformance
NZFAI	New Zealand Farm Assurance Incorporated
NZFAP	New Zealand farm Assurance Programme
NZFAP APPROVED EXPORTER	Exporter that has been audited and passed the requirements under this wool facility standard..
NZFAP-RWS APPROVED EXPORTER	Exporter that has been audited and passed the requirements under Textile Exchanges' CCS (Content Claim Standard)

NZFAP APPROVED FACILITY	Facility that has been audited and passed the requirements under this wool facility standard
NZFAP CERTIFIED FARM	A NZ farm that has been certified to the NZFAP and has been granted an Assurance Code (AC)
NZFAP-RWS CERTIFIED (Farm)	A NZ farm that has been certified to the NZFAP-RWS and has been granted an Assurance Code (AC)
NZFAP-RWS COMPLIANT (wool)	Parcels of NZFAP-RWS compliant wool that has constant traceability via lot numbers or other ERP systems back to the supplying farm Assurance Code (AC).
NZFAP LOGO	Logo of New Zealand Farm Assurance Incorporated.
PIC	Person in Charge, the person who accompanies the auditor during the Site Audit.
RWS	Responsible Wool Standard (Owned by Textile Exchange)
SAMPLE SELECTION CRITERIA	Based on the number of lots/batches/consignments, apply a square root calculation to the total sample and use that selection up to a maximum of twenty.
SLIPE	Wool that is recovered from the fellmongery process from skins.
WOOL CONSIGNMENT	An export consignment made up of wool batch's
WS	Wool Specification Sheet

WOOL FACILITY & EXPORTER MEMBERSHIP CRITERIA

1.0. Programme Membership

Any Facility or Exporter wishing to receive, handle, or process NZFAP/NZFAP Plus certified or NZFAP-RWS compliant wool (including Group or Slipe) and store, advertise, promote, auction, process, trade or export such wool must comply with this Standard and to do so they....

- a) Must be a NZFAI financial member.
- b) Supply a completed Facility & Exporter Application Form (FAF) to NZFAI, including a declaration if they are CCS certified or not, and to fully co-operate with NZFAI should they need to investigate the traceability or compliance with this standard.
- c) Agree to **EITHER** be audited under this Standard **OR** confirm they hold current certification to Textile Exchanges' CCS (Content Claim Standard)

NB:

- a) The CCS is recognised as delivering the same outcomes (compliance) as the requirements detailed in the Wool Facility and Exporter Standard below.
- b) If a member confirms they are certified to the CCS, they do not need to be audited to the Wool Facility and Exporter Standard.

- 1.1. **On acceptance of a FAF application that does NOT hold CCS certification**, NZFAI or their delegate will confirm to the applicant the date of acceptance on an 'Interim Approval' basis. Within 2 months an audit of the Facility or Exporter will then be undertaken and on passing the audit the parties will become either a NZFAP Approved Facility or NZFAP Approved Exporter' and be recognised as such on the NZFAI website.

Programme Status:

- a) **Interim Approval:** This is for a limited period of 2 months from the date of acceptance of the FAF, during which time the facility or exporter will be able to receive, handle, or process New Zealand origin wool originating from NZFAP/NZFAP Plus certified farms and store, advertise, promote, auction, process, trade or export such wool.
- b) **NZFAP Approved Facility & NZFAP Approved Exporter:** From the date of an approved audit and for a limited period of 12 months the Facility or Exporter will be able to receive, handle, or process New Zealand wool originating from NZFAP/NZFAP Plus certified farms and store, advertise, promote, auction, process, trade or export such wool.

c) Surveillance Audits:

These will be undertaken for both approved facilities and approved exporters on an annual basis and in advance of 12 months following the previous audit.

- 1.2. **On acceptance of a FAF application that DOES hold CCS certification** NZFAI will validate the application and the CCS certification status on the Textile Exchange website and record the certification and its expiry date internally. On validation NZFAI will confirm acceptance of the application as an **NZFAP-RWS Approved Facility or Exporter** who will be

able to receive, handle, or process NZ wool originating from NZFAP-RWS certified farms and store, advertise, promote, auction, process, trade or export such wool as NZFAP-RWS certified.

- 1.2.1. It is the Facility or Exporters responsibility to obtain their own RWS transaction certificates from their CCS certifying body throughout the supply chain, from the farm-gate to FOB, and ensure their CCS status continues uninterrupted, and should it be lost the approval will cease immediately.

NZFAI WOOL FACILITY & EXPORTER STANDARD:

REQUIREMENTS

1. ORIGIN and TRACEABILITY

- 1.1. Wool covered by this standard must be of New Zealand origin and not have been imported into New Zealand.
- 1.2. All wool entering and moving through any facility or exporter business must be separately identifiable via lot numbers or an ERP system to maintain constant identification as either NZFAP/NZFAP Plus certified or non-certified product.
 - 1.2.1. Physical storage of certified and non-certified product is allowed but separate traceability and identification must be maintained via an ERP Identifier throughout the supply chain.

2. NZFAP APPROVED FACILITY and EXPORTER RECORDS

- 2.1 Approved Exporters and operators of all Approved Facilities must retain full traceability and product separation records for at least five years from the date the animal material or animal products first arrived at the facility.

3. TRACEABILITY PROCEDURE: (At first approved facilities)

- 3.1. For wool coming off farm, the Supplier must supply a completed WS, confirming the accompanying wool meets the requirements of the NZFAP/NZFAP Plus and detailing the supplying farm AC.
 - 3.1.1. Should the Supplier fail to include the farm AC on the WS the receiving stores may identify the Suppliers NZFAP/NZFAP Plus status via the Assurance Hub and providing the 'Certified' status is 'YES' they may add the AC to the WS.
 - 3.1.2. For any wool to be NZFAP/NZFAP Plus Certified it is the first receiving stores responsibility to validate the supplying farm has a 'Certified' status of 'Yes' on the Assurance Hub.
- 3.2. On arrival the first Approved Facility must allocate a unique ERP Identifier (e.g., lot number) to such parcels.
- 3.3. This a unique ERP Identifier must be recorded and maintained in the Approved Facility ERP to show the lot originated from a NZFAP/NZFAP Plus Certified farm.

4. TRACEABILITY PROCEDURE: (Throughout the supply-chain)

- 4.1. All Facilities and Exporters handling NZFAP/NZFAP Plus wool must ensure the ERP Identifier accompanies the product throughout the NZ supply chain thus maintaining constant identification as either NZFAP/NZFAP Plus certified or non-certified product.
- 4.2. If any lots are combined at any time for any purpose through the NZ supply chain and a new lot or REP Identifier is allocated to the combined lot, the make-up of this must be retained within the Facilities ERP who have changed the ERP Identifier.
- 4.3. The ERP Identifier (e.g., lot number or flag) identifying the lot as NZFAP/NZFAP Plus Certified must be referenced as a member declaration on any test certificate request issued by SGS or NZWTA.

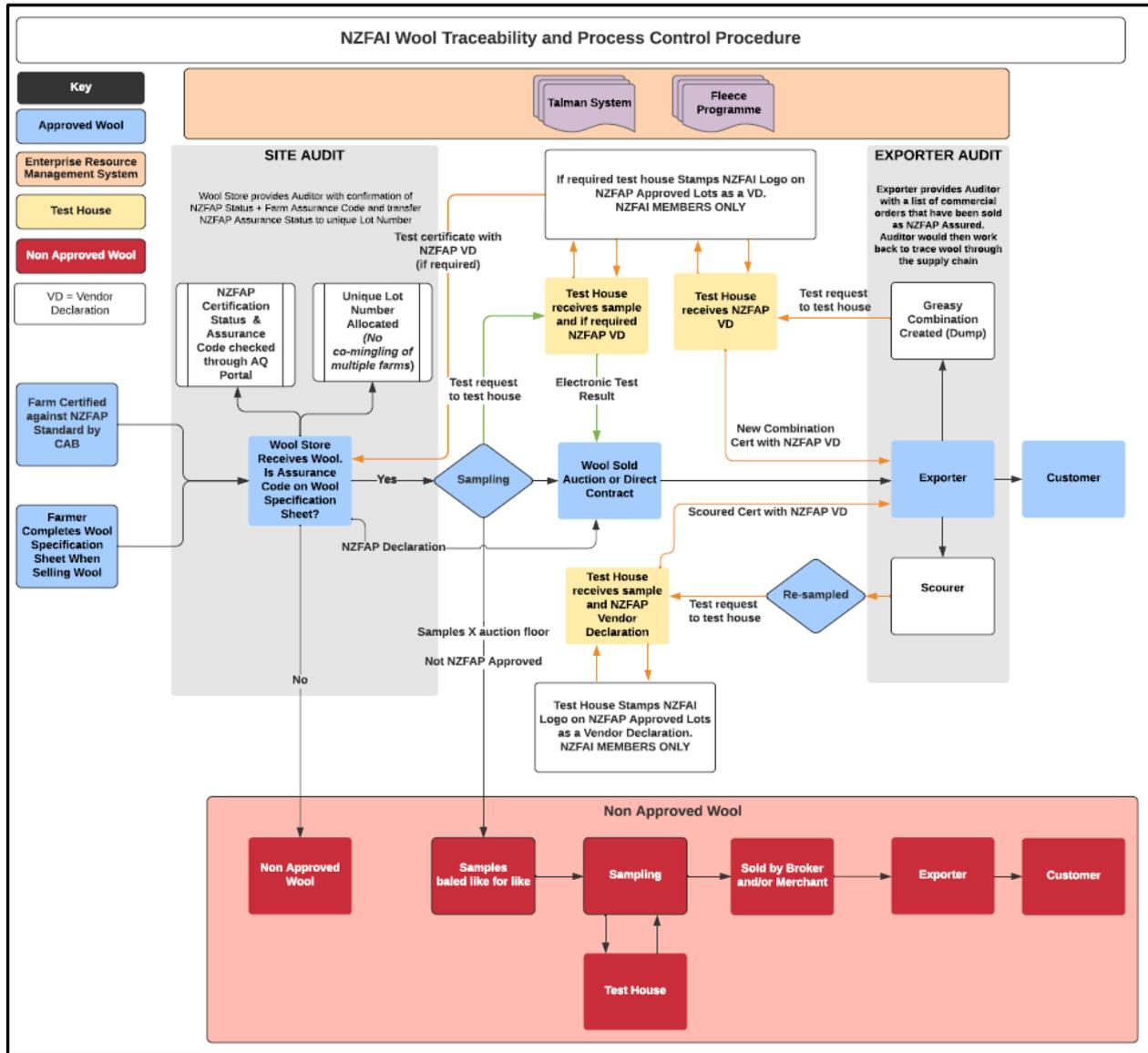
On receipt of a member declaration that the compliant wool (as defined below) is NZFAP/NZFAP Plus Certified the test houses will include the NZFAI logo as a VD on the associated test certificate.

Compliant wool:

All the following types of wool are eligible to carry a vendor declaration they are NZFAP/NZFAP Plus certified.

1. Scoured Wool Certificates (e.g., scoured wool packages, LAC certificates, etc.), where all greasy lots have originated from Certified Suppliers and been purchased from an Approved Facility.
2. Combination Test Certificates, where all greasy lots have originated from Certified Suppliers and purchased from an Approved Facility.
3. Test Certificates of
 - Classed Grower (P) Lots, where the lot has originated from a Certified Supplier.
 - Group lots [Bulk-Classed (B) and Interlots (I)], where all greasy wool involved in the lot has originated from a Certified Supplier.
 - Objectively Matched Lots (M), where all greasy lots involved have originated from a Certified Supplier

Table 1: NZFAI Wool Traceability and Process Control Procedure.



Non-Conformance Structure

Result	Non-Conformance	Description	Target Date
Blue = Pass/certified		Requirements met or exceeded the New Zealand Farm Assurance Programme standard.	N/A
Green = Not certified, corrective action required	Minor CAR	CARs identified where there is no risk to programme conformance. CARs issued with 30 days to rectify or sooner by agreement with the auditor.	30 days
Amber = Not certified, corrective action required	Major CAR	CARs identified where there is a possible risk to programme conformance. CARs issued with 30 days to rectify or sooner by agreement with the auditor.	30 days
Red = Not certified, corrective action required	Critical Car	CARs identified where there is an immediate risk to programme conformance. Corrective action required within 24 hours. If not rectified within 24 hours, Certified Status is revoked immediately and checked by re-audit. Relevant meat companies notified.	24 hours

Wool Audit Protocol and Checklist

1.0 NZFAI Facility Audit (Physical on-site audit)

NZFAP APPROVED FACILITY (EG. Wool Stores, Brokers, Processors, and Merchants)

Desired Outcome: Any Facility wishing to be a NZFAP Approved Wool Facility must maintain records to enable the traceability and separation of certified NZFAP/NZFAP Plus wool from non-certified wool from receipt off farm through to testing and export.

	Requirements	Auditor Guidance	Result 0/1/3/5
1.1	<p>At First Approved Facility.</p> <p>Each parcel of NZFAP/NZFAP Plus identified wool from the farm must be accompanied by an approved and fully completed Wool Specification sheet. (WS).</p> <p>On arrival the Approved Facility allocates a unique ERP Identifier (e.g., lot number) to such parcels and within the Approved Facility ERP a flag is activated to show the lot is NZFAP/NZFAP Plus certified. The Approved Facility must maintain a log linking the AC and Lot numbers.</p> <p>Randomly select WS sheets, check.</p> <p>1.1.1 Is each WS sheet the approved version?</p> <p>1.1.2 Does the certification status associated with the AC match the certification status recorded on the WS</p>	<ul style="list-style-type: none"> • Use the Sample Selection criteria and record the AC numbers and suppliers trading name. • Ask the PIC to run the selected AC's on the assurance hub to check they are certified. • Verify the selected AC's certification status was correctly recorded on the WS at the point of allotment. • Verify the AC on the SS has been correctly recorded under the lot number in the Approved Facility ERP system and the flag activated to show the lot is NZFAP certified. <p>Minor/Major NC – Not applicable. <i>(Facilities either comply or are noncomplying)</i></p> <p>Critical NC - If invalid AC - Corrective action is to remove NZFAP designation from that Lot.</p> <ul style="list-style-type: none"> • Check further Lots based on the Sample Selection Criteria. Should there be any further critical NC's, the Approved Facility will have its NZFAP approved status suspended. NZFAI must be immediately (within next four business hours) be advised by the auditor or CAB. • There will need to be a successful full re-audit for the facility to have their suspension withdrawn while at the same time move to a 6-monthly re-inspection cycle. <p>Revisit in 6 months, if audit result pass, back on 12 monthly audit cycles. If Fail audit result passed back to the NZFAI Wool TAG.</p>	
1.3	<p>At First Approved Facility and at all Facilities throughout the supply-chain</p> <p>Based on the number of Lots available for audit on the day, randomly select NZFAP/NZFAP Plus lots on the Approved Facility floor/storage area and return to the office to validate for credibility.</p> <p>Where the facility is storing and selling Group/Slipe Wool, ensure that 10% of the Lots (using the Sample Selection criteria) are selected as part of the sample Lots.</p> <p>1.2.1 Does the Approved Facility hold a valid WS and AC or ERP Identifier to confirm the lot is NZFAP/NZFAP Plus compliant?</p>	<ul style="list-style-type: none"> • Use the Sample Selection criteria and record the AC numbers and suppliers trading name. • Ask the PIC to run the selected AC's on the assurance hub to check they are certified. • Verify the AC on the SS has been correctly recorded under the lot number in the Approved Facility ERP system and the flag activated to show the lot is NZFAP/NZFAP Plus certified. <p>Minor/Major NC – Not applicable. <i>(Facilities either comply or are noncomplying)</i></p> <p>Critical NC - If invalid AC - Corrective action is remove NZFAP/NZFAP Plus designation from that Lot.</p>	

		<ul style="list-style-type: none"> • Check further Lots based on the Sample Selection Criteria. Should there be any further critical NC's, the Approved Facility will have its NZFAP approved status suspended. NZFAI must be immediately (within next four business hours) be advised by the auditor or CAB. • There will need to be a successful full re-audit for the Facility to have their suspension withdrawn while at the same time move to a 6-monthly re-inspection cycle. <p>Revisit in 6 months, if audit result pass, back on 12 monthly audit cycles. If Fail audit result passed back to the NZFAI Wool TAG.</p>	
--	--	---	--

2.0 NZFAI Exporter Audit (undertaken remotely)

NZFAP Approved Exporter (EG. Wool Exporter)

Desired Outcome: Any Exporter wishing to be a NZFAP Approved Wool Exporter must maintain records to enable the traceability and separation of certified NZFAP/NZFAP Plus wool from non-certified wool from receipt off farm through to testing and export.

	Requirements	Auditor Guidance	Result 0/1/3/5
2.1	<p>On an annual basis, the exporter members will provide the audit body with a list of all their Approved Batch/es of export wool consignments by lot number and in summary form only and excluding any commercial details.</p> <p>From that list the audit body will apply the Sample Selection Criteria.</p> <p>Where there are Lots of Group/Slip Wool included in the consignments/scourments, ensure that 10% of the Lots (using the Sample Selection criteria) are selected as part of the sample.</p> <p>2.1.1 Does each Approved Batch of NZFAP/NZFAP Plus certified wool link from an exporter and back through to a valid farm source?</p>	<ul style="list-style-type: none"> • The audit body Programme Coordinator will request the Exporter to email through an Excel spreadsheet (or similar report) of their Approved Batches of exported NZFAP/NZFAP Plus wool consignments in summary and by lot number for the last 12 months. • The Sample Selection Criteria will be used to select the Approved Batches to be traced back to the initial Approved Facility and back to the source farm. • The audit body will check the source Facility is an Approved Facility. • The audit body will request the Approved Facility site to send through the Lot AC's that made up the Approved Batches selected under the Sample Selection Criteria. <p>Minor/Major NC – Not applicable. <i>(Exporters either comply or are noncomplying)</i></p> <p>Critical NC - If invalid AC - Corrective action is to investigate NZFAP/NZFAP Plus designation with the exporter and complete a traceback for that Approved Batch/Lot and that it came from an Approved Facility. If the designation remains invalid, or the Batch/Lot came from a Non-Approved Facility the NZFAP Approval will be removed for that Consignment. The exporter must provide evidence that the NZFAP approval has been removed.</p> <ul style="list-style-type: none"> • Check further Lots based on the Sample Selection Criteria. Should there be any further critical NC's the Exporter will have its NZFAP Approved status suspended. NZFAI must be 	

		<p>immediately (within next four business hours) be advised by the auditor or CAB.</p> <ul style="list-style-type: none">• There will need to be a successful full re-audit for the Exporter to have their programme status re-approved while at the same time move to a 6-monthly re-inspection cycle. <p>Revisit in 6 months, if audit result pass, back on 12 monthly audit cycles. if Fail audit result passed back to the NZFAI Wool TAG.</p>	
--	--	--	--