



# Licensing

# Standard Operating Procedures

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## Section 1: Overview

### 1.1. Purpose of this Document:

The purpose of this document is to define Fairtrade America's Licensing Policy and Procedure. This policy signifies Fairtrade America's commitment to implementing transparent, credible and impartial procedures as outlined by Fairtrade International's Requirements for Licensing Bodies (RLB).

### 1.2. Applicability:

This Standard Operating Procedure applies to all Fairtrade America staff engaged in Licensing. Fairtrade America's policies and procedures are non-discriminatory. Procedures are not used to impede or inhibit access to applicants without due justification.

### 1.3. Non-Discrimination:

Fairtrade America is dedicated to non-discriminatory operations and practices. Fairtrade America does not and shall not discriminate based on race, color, religion (creed), gender, gender expression, age, national origin (ancestry), disability, marital status, sexual orientation, or military status, in any of its activities or operations. These activities include, but are not limited to, [hiring](#) and firing of staff, selection of volunteers and vendors, and provision of services. We are committed to providing an inclusive and welcoming environment for all members of our staff, clients, volunteers, subcontractors, vendors, and clients. This policy, its associated procedures and their administration reflect this commitment and shall be carried out in a non-discriminatory fashion. Any party that believes Fairtrade America policies, procedures and/or their application are discriminatory has the right to submit a complaint, as described in [Fairtrade America's Complaints, Allegations and Appeals Policy](#).

### 1.4. Confidentiality:

Fairtrade America will keep all confidential licensee information confidential. All staff, interns, volunteers, board members as well as contractors with access to confidential information, must sign a confidentiality agreement with Fairtrade America. Refer to Fairtrade America Data Control SOP.

### 1.5. Impartiality & Conflict of Interest:

Fairtrade America, its employees, board members, interns and contractors understand the importance of impartiality and the consideration of any potential conflict of interests in carrying out its activities. All staff, interns, volunteers, board members influencing licensing decisions must adhere to [Fairtrade America's Impartiality Policy](#).

Fairtrade America refers to the Fairtrade International Oversight Committee for resolution of cases of Impartiality or conflict of interests, when there is doubt or debate.

### 1.6. General Roles and Responsibilities:

Fairtrade America is a member of Fairtrade International- a network of member organizations working to advance Fairtrade worldwide. Fairtrade America's licensing body operates within the United States (US) and oversees all US licensing operations, including the implementation of this policy and procedure.

Fairtrade America is governed by a [Board of Directors](#) and overseen by the Leadership Team. All licensing

activities are managed by the Licensing Coordinator with oversight from the Director of Brand, Impact and Communications and Leadership Team. Fairtrade America maintains an up-to-date [organizational chart](#) for reference purposes.

## Scope of Knowledge

**All employees:** All staff are aware that Fairtrade America is a Registered Licensing Body (RLB) of Fairtrade International, and that we follow both the latest version of the RLB Standard Operating Procedure as well as the Quality Management System (QMS). All staff receive basic training on Fairtrade CONNECT, the Brand Guidelines, and the Mark Use Guidelines during their initial onboarding as well as periodic additional training as needs arise. [The training logs can be found here.](#)

**Licensing Staff:** A subset of employees who are directly involved in licensing, contracting, commercial partnership sales, client management, product applications and product approvals. All licensing staff must read, sign and abide by the [Licensing SOPs & Manuals](#). Currently, the licensing staff includes the Licensing Coordinator, the Leadership Team, the Finance Team and the Commercial Partnerships Team.

## Authority

**Quality Manager and/or Licensing Coordinator:** with the supervision of the Director of Brand, Impact and Communications will be responsible for implementing policies and procedures and all related licensing activities. The Licensing Coordinator will also be responsible for developing, revising and overseeing compliance to all licensing policies and procedures and incorporating changes within Fairtrade International into Fairtrade America's policies and procedures. The Licensing Coordinator alone makes decisions on standard exceptions (generally category A, type 1, though Licensing Coordinator uses their discretion if they feel any exceptions of those types should be escalated for further review) as well as the primary keeper of Fairtrade CONNECT for Fairtrade America.

In coordination with the Leadership Team, the Licensing & Impact Coordinator will also oversee compliance to [Fairtrade America's Service Complaints, Allegations and Appeals](#) Process. Once an applicant is accepted as described below a license contract is sent to the applicant by the account manager. Then, when the contract is signed, the account manager passes this information along to the Licensing & Impact Coordinator.

The account managers may be trained to act as a replacement for the Licensing & Impact Coordinator for holidays and other absences.

**Licensing Committee:** This committee is dedicated to the ongoing hygiene and innovation of Fairtrade CONNECT, and Fairtrade America's licensing practices. Led by the Licensing Coordinator (aka our quality manager), this committee focuses on licensing quality management system (QMS), conducts quarterly reviews, reports out to the broader team on the current status of Fairtrade CONNECT, and leads licensing staff in data cleanliness projects. Members include the Licensing Coordinator, the Director of Brand, Impact and Communications, and the Account Managers.

**Exceptions / Impartiality Committee:** Comprised of the Leadership Team, this committee reviews, discusses, and approves/denies non-standard exceptions, and addresses issues of impartiality as they arise.

**Leadership Team:** The Leadership Team refers to Fairtrade America's Executive Director, Director of Commercial Partnerships, Director of Finance and Director of Brand, Impact and Communications, who lead the organizational vision and ensure implementation of best practices. The Leadership Team provides oversight and guidance to the Licensing Coordinator and all related policies and procedures. The Leadership Team are the signatories of all licensing contracts.

**Brand, Impact and Communications (BIC) Department:** The BIC Department refers to the team that is responsible for Fairtrade America's marketing and communications, impact reporting upholding brand integrity and maintaining a strong reputation in the US market as well as fundraising. Fairtrade maintains an [organizational chart](#) listing the roles and responsibilities of BIC members.

Current Staff involved in one of the aforementioned licensing groups

Group	Staff Member
Licensing Coordinator/ Quality Manager	Lior Wolf
Licensing Staff	Lior Wolf (lead), Kate Stritzinger, Will Packard, Danette Edelen, Zainab Sohail, Amanda Archila, Katie Kowalski, Abby Massey, Kinsey Davis, Clint Guinther, Clare Magalaner, Allison Greene
Licensing Committee	Lior Wolf (lead), Kate Stritzinger, Abby Massey, Kinsey Davis
Exceptions/Impartiality Committee	Amanda Archila, Will Packard, Kate Stritzinger, Katie Kowalski, informed by Lior Wolf

## 1.7. Terminology

Fairtrade America uses Fairtrade International's terminology for licensing activities in all public communications. Fairtrade America uses the Connect and Fairtrade Glossary for relevant internal documents.

## 1.8. Review of Policy

Fairtrade America's Leadership Team will review this policy and procedure at least every two years. During review, changes will be managed in a separate file by the Licensing Staff under the leadership of the Licensing Coordinator with track changes and submitted (via email or hard file) to the Leadership Team for approval. Significant procedural changes shall be presented to both Leadership Team and Licensing Staff prior to implementation of the proposed changes. The Licensing Coordinator will ensure that all revisions to the licensing manual are in compliance with Fairtrade International's Requirements for licensing.

New versions of the Licensing Manual will be saved with the version number, date of approval and the version it supersedes.

## Section 2: Quality Assurance

## 2.1. Licensing Data

Fairtrade CONNECT is the Fairtrade product registration system. It is used to record all core Licensing data regarding Licensee organizations, their finished products, and the ingredients used. Approval decisions are communicated to the Licensee in text form through automatic notifications from Fairtrade CONNECT.

Where this is not possible Licensees are informed by email. When the licensing information cannot be entered into Fairtrade CONNECT or product approval is not possible due to the technical limitation of Fairtrade CONNECT, then Fairtrade America informs Fairtrade International and ICC Support and stores the information securely at its own premises. FLOCERT certification data is stored in INTACT.

## 2.2. Internal Audit

Fairtrade America conducts regular **internal audits** to ensure compliance with the Fairtrade America Standard Operating Procedure Fairtrade International's Licensing Body Requirements and to identify potential areas of weakness. Internal audits are coordinated by the Licensing Coordinator and overseen by the BIC Director and Leadership Team following the [Fairtrade America QMS SOP](#).

**Spot Checks** consist of a review of samples of records, including applications, contracts and reports by the Leadership Team to ensure licensing activities are being implemented in accordance with the Licensing Standard Operating Procedure, checked via the procedure in the Fairtrade America QMS SOP, and referring to Fairtrade International's Requirements for Licensing Bodies. Additionally, the Leadership Team will note areas for improvement and document non-conformities. The Licensing Coordinator will be responsible for drafting corrective action plans and remediating all non-conformities identified by the Leadership Team.

## 2.3. Knowledge Development

The Licensing Coordinator ensures continuous knowledge development by participating in Fairtrade Licensing, Operations and Assurance (LOA) meetings and system wide trainings. The Licensing Coordinator also remains active on licensing and certification communication channels, as well as through coordination with member NFOs. Additionally, the Licensing Coordinator remains informed of international best practices through participation in ISEAL and relevant working groups. Furthermore, in accordance with [Fairtrade America's Employee Handbook](#), all personnel receive annual performance appraisals to assess day-to-day performance and to receive feedback on areas for growth and improvement. Identified areas of improvement are supported and addressed through Fairtrade America's professional development program established by Human Resources.

Standards, policies and procedures set by Fairtrade International are maintained by the Licensing Staff. The Licensing Coordinator regularly reviews the [new or revised standards, policies and procedures published by Fairtrade International](#), and ensures that Fairtrade America staffers are informed of changes.

## 2.4. Document Control and Records

Fairtrade America's [Document Control SOP](#) outlines the procedures for managing internal and external documents and records. All internal documents relating to licensing are maintained in Fairtrade America's document management environment and thus available to the Licensing Coordinator and authorized observers.

Fairtrade America uses the following platforms to store and access documents. The Document Control SOP provides details of what can be found on each platform.

- SharePoint
- Salesforce
- Connect

All records related to licensing are kept by the Licensing Coordinator for at least five years.

All relevant and applicable public documents, including Fairtrade America organizational policies and public reports, are placed on the website and thus available to stakeholders and the public. The Licensing & Impact Coordinator ensures that the website is kept updated with new or revised standards, policies and procedures.

## Section 3: Licensing Procedures

### 3.1. General Licensee Applications

Fairtrade America reserves the right to reject an application in exceptional circumstances if the Organization's behavior or activity is not in line with Fairtrade International Code of Ethics and Conduct. The exceptional circumstances are based on objective criteria; they apply equal to all and are supported with evidence.

#### 3.1.1. Preliminary Inquiry Stage

The Development Manager(s) establishes relationship with potential new licensees and through direct communication gathers and logs the required baseline information (see list below) on the potential new licensee and informs Partnership Development Coordinator.

##### Required Baseline information

- Commodities/Ingredients that are intended to be Fairtrade (and any additional potential Fairtrade commodities)
- Volumes/Forecasts of Fairtrade commodities
- Finished products that will contain Fairtrade ingredients
- Understanding of full supply chain – including traders, ingredient suppliers and manufacturers
- Desired mark use – All That Can Be or Fairtrade Sourced Ingredients
- Is the Fairtrade product a private label or branded item (additionally, we will work to understand capabilities of the manufacturer)
- Timeline for needing mark on pack
- Procedure for gathering and logging Required Baseline information
- Send a standardized list of questions to the prospect via email. This should be done in the earliest stages of discovery with the prospect
- Send the email with the subject title “Supply chain verification email” and log the email string with all relevant responses in Salesforce

- Alternatively, if this information is collected via a phone conversation it can be logged in Salesforce under meeting notes from that conversation and will be tagged “supply chain verification information”

The Development Manager(s) determines the type of agreement needed to be established for the potential new licensee (Licensing and Certification, Pure Licensee, Promotional Licensee) with the Licensing Coordinator available for consultation.

The Licensing Coordinator collects relevant policies and requirements for Fairtrade America licensees and traders.

### 3.1.2. Application Review and Approval

The Development Manager determines whether the proposed products are covered by Fairtrade Standards generally. The Development Managers determine whether the organization needs to be certified and whether they should be licensed. It may be appropriate that another actor in the supply chain should be the licensee. The following companies must be certified and are therefore subject to physical audits:

- Companies that buy and sell a Fairtrade product until the product is in its final packaging.
- Companies that buy directly from producers and/or are responsible for paying or conveying the Fairtrade Price or Premium.

The following companies must be verified and are therefore exempted from physical audits, unless deemed necessary, and are monitored through effective reporting tools:

- Companies that have signed a license agreement to use one of the FAIRTRADE Marks or make a reference to Fairtrade and do not fall under any of the two categories above. These are monitored by the respective licensing body. For these companies, the applicable requirements are defined in their license agreement.
- Companies working under the Fairtrade Sourced Ingredient (FSI) model for Cotton after the Fairtrade payer, or after the ginning stage (if this comes earlier). These are monitored through the FLOCERT traceability tool, Fairtrace.

If the licensee requires certification, they are informed that they need to apply for certification with FLOCERT and that they cannot be licensed until certification is obtained.

If there are no grounds for denial, licensee application is approved.

### 3.1.3. Processing Signed Contracts

Once the signed License Contract is received from the applicant, Fairtrade America signs the contract and provides a copy to the new Licensee. The Development Managers inform FLOCERT of the new Licensee. If the new Licensee is a Pure or Verified Licensee, then the Licensing Coordinator provides FLOCERT with the Licensees contact details. Pure licensees do not require certification.

The Licensing Coordinator sends an invitation link through Fairtrade CONNECT for licensee staff to create their own accounts.

The Licensing Coordinator updates the new Licensee's information in Fairtrade CONNECT and the account manager updates information in Salesforce.

A welcome email, next steps, mark guidelines, appropriate mark files licensee toolkit and communications guide are sent to the new Licensee by the Development Manager. If the Licensee has also not sent in their product approval application and artwork, the Licensing Coordinator includes a notification that product and mark use approval are necessary before the Licensee can sell products with the Fairtrade Mark.

### 3.1.4. Application Denial

The Senior Manager of Business Development reviews all prospective partners, and where they feel there might be an instance of misalignment with the FT Code of Ethics and Conduct, they will bring that case to the Commercial Director for review and final decision on application acceptance or denial.

If the application is denied, the Senior Manager of Business Development informs the applicant in writing why the application was denied and informs them of the reconsideration procedure and the complaints policy. Fairtrade America also informs all other Fairtrade Licensing Bodies.

Any review of and decision making around prospective partners is subject to [Fairtrade America's Impartiality Policy](#).

### 3.1.5. Reconsideration

Applications funneled through the Get Started form. Applicants who do not have the capacity to comply with Fairtrade Standards or do not operate in the US are identified and redirected to the relevant stakeholders (i.e. Fairtrade International, FLOCERT, Fairtrade Federation, etc.).

In the event that a prospective partner's application is denied, they can appeal this decision by following the appeals steps outlined in the Complaints, Allegations, and Appeals policy. In case an Organization which is interested in obtaining a License disagrees with the outcome of a licensing or approval decision, they can apply for a reconsideration to the relevant Licensing Body within 14 calendar days following the initial decision, following the outlined procedure for an appeal in the [Complaints, Allegations, and Appeals Policy](#).

In case the application for reconsideration is not substantiated, and the license is denied, Fairtrade America informs all relevant stakeholders within the Fairtrade system about the decision.

## 3.2. License Withdrawal/Delicensing

Fairtrade America reserves the right to terminate the License Contract where the Licensee has misused the Fairtrade Mark and has not taken corrective action. Fairtrade America will undertake actions in this area following the guidelines of its [Suspension and Delicensing SOP](#).

Fairtrade America will also terminate the license contract for cause with immediate effect in the following cases:

- In the event licensee becomes decertified (or its permission trade is withdrawn)

- In the event licensee engages in dishonest trading practices or any activity that reduces or diminishes the reputation, image and prestige of the FAIRTRADE Mark
- In the event licensee engages in advertising, marketing and promotional activity in connection with non-Fairtrade Products which suggests to the consumer that these products meet the Fairtrade Standards

Fairtrade America will also terminate the license contract for cause in the following cases:

- In the case of non-payment of license fees
- In the case of non-reporting of sales data
- Licensee becomes decertified (or its permission trade is withdrawn)
- In the case of any material breach of the Fairtrade Mark Guidelines for the use of the Certification Mark or the Fairtrade Standards that is not corrected.

Upon termination of the license contract, the licensee must cease all use of the Certification Mark on and in relation to all packaging and promotional material, as defined in the license agreement.

If the license contract is terminated for dishonest or misleading practices or material breach of the Fairtrade Standards, then Fairtrade America informs FLOCERT and asks them to review the certificate or permission to trade.

If the license contract is not terminated for cause, then the licensee must decide whether they wish to be a Pure Trader.

The Commercial Partnerships Team decides on license withdrawals cases in consultation with the Director of Commercial Partnerships and Executive Director.

FLOCERT is informed of any delicensed Licensees.

### 3.3. Product Registrations

Product registration has the following requirements:

- All product composition must conform with Fairtrade Trader Standards, relevant Product Standards as well as Fairtrade America's Policies.
- All product packaging must conform to the Fairtrade Mark Use Guidelines.

All Licensees enter and update details of their Fairtrade finished products and the Fairtrade ingredients they use in the Fairtrade CONNECT.

All new Licensees are given basic training in Connect and are asked to contact their Licensing Coordinator when they are ready to enter their first product into Connect. These trainings are logged in the Licensee's Salesforce profile.

A series of Licensee "How to Manuals" are provided which cover the details of all relevant areas of Connect and can be accessed directly in Connect in the 'Documents' section.

### 3.4. Ingredients

#### 3.4.1. Ingredient References

In the Connect Sourcing 01 References tab Licensees enter the following information:

- Ingredient name
- Ingredient category
- Fairtrade status (Fairtrade or not Fairtrade)
- Organic status
- An ingredient reference number / identifier
- Physical Traceability Status
- Whether the product is claimed to be from a specific origin
- Whether the ingredient is Discontinued (if applicable)

NOTE: For tea, cocoa, and sugar physical traceability can only be set to “Yes” if FLOCERT’s INTACT certification database indicates that supply chain actors have opted to be audited for voluntary physical traceability.

Fairtrade America also checks that physical traceability for composite ingredients, intermediate products and finished products is only set to “Yes” if all ingredients have physical traceability. If the ingredient is indicated as not Fairtrade but there is a Fairtrade Standard for the ingredient, then Connect automatically prompts the Licensee to request an exception.

The Licensee either switches to a Fairtrade supplier or requests a food composite product ingredient exception. Where the ingredient is a composite purchased from another party, Fairtrade America can grant an exception for the ingredient as a whole, however cannot grant exceptions for specific ingredients within the composite. Exceptions for specific ingredients within a purchased composite are granted by FLOCERT or other Fairtrade Assurance provider.

The exception request is reviewed by the Licensing Coordinator, Impartiality Committee or the Exceptions Committee (e.g. transitioning ingredient, provenance) as appropriate. If the grounds for an exception as set out in the Trader Standard and Fairtrade International Exceptions policy are met, then the Licensing Coordinator records the basis for the exception in Connect.

Once the Licensee has entered all relevant information Licensing staff review and either “Approve” or “Decline” the References section.

#### 3.4.2. Ingredient Supply Chain

In the Connect Sourcing 02 Supply tab Licensees enter the following information:

- Immediate supplier (mandatory)
- The rest of the supply chain, back to the producer (optional, and only if necessary)

Wherever possible licensees are asked to link the ingredient to their supplier’s Fairtrade CONNECT record for the ingredient. Licensing staff normally assist with this process. In this way, it is not necessary to enter the whole supply chain in the ingredient record and all relevant supply chains are automatically updated if each element in the supply chain keeps their Connect Sourcing 02 Supply tab up to date.

Fairtrade CONNECT automatically checks that the supply chain that has been entered is certified for the relevant product category and Fairtrade function, for example Producer or Price and Premium Payer. Whenever needed Fairtrade America verifies the whole supply through ECERT for plausibility, but at least the immediate supplier.

Once the Licensee has entered all relevant information Licensing staff review and either “Approve” or “Decline” any items that are flagged as “In review.”

### **3.4.3. Ingredient Application**

If the Licensee’s ingredient is linked to their supplier’s Fairtrade CONNECT record for the ingredient, then the Connect Sourcing 01 Recipe tab will be automatically completed with the recipe.

Otherwise, Licensees enter the recipe into the Connect Sourcing 02 Recipe tab if it is a composite ingredient.

Once the Licensee has entered all relevant information, Licensing staff review and verify the recipe and either “Approve” or “Decline” this section.

## **3.5. Finished Products**

### **3.5.1. Product References**

In the Connect Product 01 References tab Licensees enter the following information:

- Product name
- Product category
- Brand
- At least one unique product reference number / identifier / barcode
- Organic status
- Details of product variants (optional)

Once the Licensee has entered all relevant information Licensing staff review and verify the product information and either “Approve” or “Decline” this section.

### **3.5.2. Product Recipes**

In the Connect Product 02 Recipe tab Licensees enter the following information:

- Product Manufacturer
- Physical Traceability Status
- Recipe Confidentiality
- Product Composition, i.e. Recipe.

The licensee enters the ingredient(s) and their percentages in the product recipe. For ATCB products ingredient totals must add up to 100%. For ATCB products, Fairtrade content must be 20% of total product recipe by weight, or greater.

For tea, cocoa, and sugar physical traceability can only be set to Yes if FLOCERT’s ECERT certification database indicates that the licensee has opted to be audited for voluntary physical traceability.

Fairtrade CONNECT automatically calculates the percentage of Fairtrade ingredient contents and prompts the Licensee to request a minimum Fairtrade content exception if the product does not meet Fairtrade Trader Standard. The exception request is reviewed by the Licensing Coordinator. If the grounds for an exception as set out in the Trader Standard and Fairtrade International Exceptions policy are met, then the Licensing Coordinator records the basis for the exception in Fairtrade CONNECT.

Once the Licensee has entered all relevant information Licensing staff review and verify the recipe and either "Approve" or "Decline" this section.

### 3.5.3. Product Packaging

In the Connect Product 03 Packaging tab Licensees enter the following information:

- Container Type
- Consumer Pack Size
- Packaging Artwork(s)

When the packaging artwork has been uploaded, the Licensing Coordinator reviews it using the Connect checklist, and in particular the Licensing Coordinator reviews all Fairtrade claims against the Fairtrade Mark Use Guidelines.

In case of fresh produce, the relevant account manager will verify with the Licensee that approved artwork was provided by the Licensee to the producer or exporter.

The Licensing Coordinator indicates in Fairtrade CONNECT packaging review checklist any areas that are not compliant, and the Licensee either submits corrected artwork or requests an exception in Fairtrade CONNECT.

The exception request is reviewed by the Licensing Coordinator, the Fairtrade Impartiality Committee and the Fairtrade International Exceptions Committee as needed. If the grounds for an exception as set out in the Mark Use Guidelines and Fairtrade International Exceptions policy are met and approved by Fairtrade International then the Licensing Coordinator records the basis for the exception in Connect.

Once the Licensee has entered all relevant information, Licensing staff review and verify the packaging and either "Approve" or "Decline" this section.

### 3.5.4. Origin Claims

Where a licensee refers to a country of origin or producer specifically in the Fairtrade claim, Fairtrade America ensures that the Fairtrade CONNECT supply chain contains producer information. If it isn't included, Fairtrade America staff ask the brand to add backup information.

### 3.5.5. Producer Benefits

Where communications about the benefits to the producers or Fairtrade Premium use have been made, Fairtrade America asks the licensee to provide the source of the information used, e.g. premium Development Manager plan or CODImpact data, and Fairtrade America verifies that the information and communication is accurate, up to date at the time of printing, and substantiated.

In the case of mass balance, communication about the benefits in a specific country on packaging is possible, providing that no reference to the physical traceability of the ingredient in the product is made.

### 3.6. Communications Material

Licensees are asked to forward all Fairtrade communication and promotional materials to the Account Manager. Depending on the distribution, longevity and weight of the ask, the licensing coordinator or a member of the BIC team reviews the materials using Trader Standard and Fairtrade Mark Use Guidelines.

Once the Licensee has provided all relevant information staff review the communications materials and either "Approve" or "Decline".

### 3.7. Product Licensing Details

In the Connect Product 04 Licensing tab Licensees enter the following information:

- Launch / Start Date
- End of Availability (if applicable)
- License Holder
- License Fee Payer
- License Fee Reporter

The Finance Department confirms that Fairtrade CONNECT has assigned the correct licensing fee, and either "Approves" or "Declines."

### 3.8. Country(s) of Sale

The Licensee enters all the Country(s) where they intend to sell the product. The Licensing Coordinator "Approves" or "Declines" the sale of the product into the US. Sales to the US will only be declined if there is a problem with the product in one of the other sections. The relevant destination Licensing Body "Approves" or "Declines" the sale of the product into the country(s) they cover.

Similarly, Licensees of other Licensing Bodies may enter the US as a country of sale. The Fairtrade America Licensing Coordinator reviews cross border sales (CBS) into the US and if appropriate "Approves" the sale. If Fairtrade America wishes to "Decline" a cross-border sale into the US, they consult with the Home NFO. Otherwise, cross border sales are automatically approved after 5 days.

### 3.9. Product Visibility

In the Connect Product 05 Visibility tab Licensees may optionally enter the following information:

- Whether they wish the product to be published in any Fairtrade Product Finders
- Pack Shot
- Product confidentiality / findability within Connect

At present Fairtrade America does not have a Fairtrade Product Finder.

If the Licensee has entered the above information Licensing staff review and either "Approve" or "Decline" this section.

### 3.10. Product Distribution

In the Connect Product 05 Distribution tab Licensees may optionally enter the following information:

- The percentage of Out of Home or Retail for the product.
- Distributors of the finished product

If the Licensee has entered the above information Licensing staff review and either "Approve" or "Decline" this section. If the product is an intermediate product, for example and composite inclusion in another product, then the Licensee can indicate the Licensees who are a customer of this intermediate product.

## Section 4: Sales Reporting and License Fees ATCB and FSI

### 4.1. Sales Reporting and License Fees ATCB and FSI

#### 4.1.1. Quarterly Sales Reporting

Unless otherwise provided by the licensing body, licensees shall report sales of finished product by SKU and by calendar quarter as well as any other information that is required in order to calculate the license fees.

All reporting is done through the Fairtrade Product Registration System, Fairtrade CONNECT.

- Every calendar quarter, the Finance Department creates reporting cycles for all reporting Licensees and sends out a series of reminders:
- Quarter has ended and reporting cycles are available to be completed
- Reminder when the cycle is open
- Reminder two weeks before reporting deadline
- Reminder that reporting deadline has passed

The Account Managers carry out the following:

- Warning of Suspension and Subsequent Delicensing
- Suspension Notices
- Delicensing Notices

#### 4.1.2. Reviewing Reports

The Account Manager reviews submitted sales reports for correctness and completeness and marks the report as Incomplete if necessary. Once the report is correct and complete it is Approved. Technical guidance is provided by the Licensing Coordinator if needed. The Finance Department assigns late fees to late reporters as applicable.

#### 4.1.3. Invoicing License Fees

The Finance Department prepares an invoice which is sent to Licensees and follows up on payment.

#### 4.1.4. Cross Border Sales and Fees

Once all or substantially all the reports have been invoiced for a quarter, Finance provides details of sales by Fairtrade America licensees to other countries, including volumes and license fee information, to the Licensing Bodies responsible for those countries. The other Licensing Bodies then invoice Fairtrade America.

Each quarter, Finance receives details of sales by licensees in other countries into the US, including volumes and license fee information. Fairtrade America then invoices the Licensing Bodies where the Licensee is licensed.

### Section 5: Delegation of Licensing Responsibilities

Licensees may request delegation of one or more of the following responsibilities to another Fairtrade certified licensee (the Delegate), normally their supplier or manufacturer.

- Payment of the Licensee Fees
- Report on Quarterly Sales
- Submission of Packaging Artwork
- Submission of Recipe and Supply Chain information

If approved the Licensee acknowledges that the Licensee is ultimately responsible for these obligations under its License Contact and if the Delegate fails to perform these actions, then Fairtrade America may require the Licensee to fulfill these obligations.

If Fairtrade America approves the requested delegation, the licensee who is delegating a task sends a delegation request to the entity they are delegating to, who then accepts it from their Connect account.

### Section 6: Exceptions

Exceptions are handled in the following manner:

- All exceptions are approved by the Licensing & Impact Coordinator and - where appropriate - the relevant Fairtrade International body.
- All Fairtrade composite product ingredient exceptions are recorded in Fairtrade CONNECT.
- All Fairtrade product packaging exceptions are recorded in Fairtrade CONNECT.
- All Minimum Fairtrade content exceptions are recorded in Fairtrade CONNECT.
- All required exceptions are reported to the Fairtrade International Licensing Coordinator as part of the normal annual cycle.
- Complaints, Allegations and Reconsiderations are recorded and made available to FI upon request.

### Section 7: Fairtrade International

## 7.1. Fairtrade International

The Licensing Coordinator shall inform Fairtrade International of all licensee licensing status changes by sending them to FLOCERT, who will update ECERT. This will be done within 7 days of the licensing decision.

## 7.2. Licensing Body Status

If Fairtrade International withdraws Fairtrade America's licensing body status, then Fairtrade America will not sign new licensing contracts.

## 7.3. New or Changed Standards

The Brand, Impact and Communications Department monitors changes to Fairtrade Standards and keeps licensees informed of these changes. The Executive Director is responsible for ensuring that when a new standard has been adopted by Fairtrade America it will be implemented as per the timelines outlined in the Standard.

All communication about changes in the standards or guidance or interpretation, or information about upcoming reviews can be found on Fairtrade International's website:

<https://www.fairtrade.net/standard/announcements>

## 7.4. Standards Interpretation

If necessary, Fairtrade America asks Fairtrade International's Standards Unit for advice on how a Standard is interpreted.

## 7.5. Changes to the Fairtrade Mark

Fairtrade America does not make any changes to the Fairtrade Mark or the Fairtrade Claims without consulting and getting the approval of the Exceptions Committee or Fairtrade International

## 7.6. Guidelines Interpretation

If necessary, Fairtrade America asks the Fairtrade Exceptions Committee or Fairtrade International on how a Mark Use Guideline is interpreted.

# Section 8: Misuse of the Mark

Fairtrade America protects the integrity of the Fairtrade Marks by guarding it against misuse and false claims and reports all information and cases of misuse to Fairtrade International.

Fairtrade America will attempt to convert misusers of the Fairtrade Mark and Fairtrade Claims into users, focusing on prospects that are trading non-Fairtrade products for which there are Standards available. If unsuccessful, and after giving fair warning, Fairtrade America will forward the case to Fairtrade International to pursue legal action if deemed necessary.

## 8.1. European Union Certification Mark Regulations

Fairtrade America ensures that if a Licensee falls within the legal scope of one of the EU- Certification Mark Regulations it does not allow Licensees to deviate from the relevant EU- Certification Mark Regulations.

Fairtrade America follows the latest Fairtrade International Mark Use Guidelines.

## Section 9: Complaints, Allegations & Appeals

### 9.1. Complaints, Allegations & Appeals

Complaints, Allegations and Appeals Procedure are covered by the Fairtrade America Complaints, Allegations and Appeals Policy. This document is publicly available on Fairtrade America's website here: <https://www.fairtrade.net/us-en/for-business/for-partners/mark-misuse-allegations-or-complaints.html>,

Complaints, Allegations and Reconsiderations are recorded and made available to FI upon request.

### 9.2. Confidentiality

Confidentiality guidelines are outlined in the Fairtrade America Fairtrade America [Complaints, Allegations and Appeals Policy](#).

## Section 10: Staff Qualifications and Competencies

The following qualification criteria apply to Licensing Coordinator.

Area	Criteria
Work Experience	At least one year of work experience in a field related to the content of the standard being evaluated or in licensing of other schemes.
Fairtrade Training	Have received training on all relevant Fairtrade Standards and policies from the licensing body.
Communication	Able to express ideas and concepts clearly; Able to express findings in written reports clearly and concisely.
	Able to communicate orally and in written form with business senior management and employees in order to elicit information relevant to licensing.

### 10.1. Staff Evaluation and Training

Fairtrade America shall verify that qualification criteria have been met prior to engaging an individual as licensing personnel and shall periodically assess whether competency criteria have been met including periodic on-the-job evaluation. Fairtrade America organizes periodic training and calibration program of licensing personnel.

## Section 11: Reporting to Fairtrade International

### 11.1. Information

The following information is sent to Fairtrade International periodically in the form and method defined by Fairtrade International:

- The names of all organizations to which Fairtrade America grants a license.
- A list of products to which Fairtrade America grants a license. The list of licensed products is obtained from the Fairtrade CONNECT.
- All information regarding ingredient exceptions, as required by the Exceptions Committee.
- All information regarding artwork exceptions granted, including those granted by Fairtrade International for products sold in the Licensing Body's local market and as Cross Border Sales.
- All information regarding Fairtrade percentage composition exceptions granted.
- The summary of all Reconsiderations, Complaints and Allegations, and actions taken to resolve them.
- Impartiality reports, cases of Impartiality that occurred, risks to Impartiality and their mitigation,
- Annual sales figures.
- Any other information as required by the Agreement with Fairtrade International.

## Section 12: Quality System Documents

Fairtrade America keeps versions of the following quality system documents and provides them to Fairtrade International upon request or when they have changed substantively, including the rationale and summary of the changes.

- Licensing Standard Operating Procedures (this document)
- [Fairtrade America's Document Control SOP](#)
- [Complaints, Allegations and Appeal SOP](#)

All License Contract Templates

- [Fairtrade America License Contract & Appendixes](#)
- [Fairtrade America Promotional Agreement Contract & Appendixes](#)

Documents Referenced

- [Fairtrade America Employee Handbook](#)
- [Fairtrade America's Data Control SOP](#)
- [Fairtrade America's Organizational Chart](#)
- [Fairtrade America's Document Control SOP](#)
- [Fairtrade America Licensing Training SOP](#)
- [Fairtrade America Impartiality Policy](#)
- [Fairtrade America QMS SOP](#)