

Licensing Standard Operating Procedure

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1. Purpose of this Document

The purpose of this document is to describe how applications, evaluations, and licensing decisions under the Fairtrade Standards and FAIRTRADE Mark Guidelines are handled for Fairtrade licensees.

2. Applicability

This Standard Operating Procedure applies to all Fairtrade International's Brand, Trademark and Licensing (BTL) Unit staff engaged in Licensing and refers to the licensing activities performed by the BTL Unit.

All of the Fairtrade International's policies and procedures are non-discriminatory. Procedures are not used to impede or inhibit access to applicants without due justification.

2.1 Terminology

Fairtrade International's BTL Unit uses Fairtrade International's terminology for licensing activities in all public communications.

The BTL Unit uses the [Connect and Fairtrade Glossary](#) for relevant internal documents.

3. General Roles and Responsibilities

The BTL Unit is responsible for licensing the FAIRTRADE Marks in all countries that are not covered by a National Fairtrade Organization (NFO), including those where there are Fairtrade Marketing Organizations (FMO). A list of current NFO and FMO may be accessed on our website at <https://www.fairtrade.net/about/fairtrade-organizations>.

The Head of BTL Unit supervises the Licensing staff and develops policies, requirements and evaluations for the department which are approved by the Chief Executive Officer.

In this document Licensing staff refers to the Fairtrade International's BTL staff engaged in licensing activities.

3.1 Licensing Data

The Fairtrade Product Registration System, Connect (Fairtrade Connect) is used to record all core Licensing data regarding Licensee organizations, their finished products and the ingredients used.

When the licensing information cannot be entered into Fairtrade Connect or product approval is not possible due to the technical limitation of Fairtrade Connect, the Fairtrade International's licensing staff informs ICC Support and stores the information securely at its own premises.

4. Licensee Applications- General

Fairtrade International does not discriminate between organizations and all parties are welcome to apply. All applications will be processed following the same application procedure as described in this document and in the BTL Licensing Application Policy, without discriminating against any applicant. All applications meeting the set requirements will be accepted, except in very exceptional cases.

Companies and organizations interested in becoming a Licensee should contact Fairtrade International's BTL Unit at licence@fairtrade.net.

The application process is summarised in a flowchart in APPENDIX 1.

See also the BTL Licensing Application Policy.

4.1 Request for Initial Application

When approached by a company or organization wanting to become a Licensee, the Licensing Coordinator will first check the eligibility of the enquirer to become a licensee. The Licensing Coordinator determines whether the proposed products are covered by Fairtrade Standards, and whether the organisation needs to be certified and should be licensed: it may be appropriate that another actor in the supply chain is the licensee. The Licensing Coordinator will provide the eligible operators with an application package.

If the applicant requires certification, the Licensing Coordinator will verify that the applicant has a valid FLOCERT certificate (or permission to trade) for the product(s) they want to sell with the FAIRTRADE Mark. Valid means current, not suspended or withdrawn and covers the product(s) in the application.

If the applicant requires certification, but does not have a valid FLOCERT certificate or has permission to trade for the relevant product(s) at the time of the application, they are informed that they will need to apply for certification with FLOCERT. Basically all companies and

organizations that fall in scope of certification must be certified. In general, an applicant needs certification if they process or repackage Fairtrade products, is responsible to pay the Fairtrade price or premium or if they sell unfinished Fairtrade products. The BTL Unit does not grant a license until the relevant certificate or permission to trade is provided.

If the applicant does not require certification (Verified or Pure Licensee) then the Licensing Coordinator will verify that the applicant:

- is buying Fairtrade certified finished products from a certified operator and is selling them as consumer-ready product(s) under their own brand;
- does not further transform or repackage the product(s);
- is not responsible to pay the Fairtrade price or premium;
- does not sell unfinished Fairtrade products and
- does not perform any other action that would require certification.

The Licensing Coordinator also verifies the applicant's Certificate of Incorporation.

The application package shall include an application questionnaire and an information sheet for the applicant to know the requirements of Fairtrade Licensing.

The applicant shall submit to the BTL Unit the filled out application questionnaire at the earliest convenience.

4.1.1 Application Received

The Licensing Coordinator will review all the information and documentary evidence submitted by the applicant, to verify compliance with the Fairtrade Trader Standard and the FAIRTRADE Mark Guidelines.

Once the Licensing Coordinator has reviewed the application and has confirmed:

- product category scope is covered by Fairtrade Standards,
- a valid FLOCERT certificate (or Permission to Trade) has been issued by FLOCERT at the time of application, if certification is required.
- proposed finished products, communication material or claim using the FAIRTRADE Mark meet the requirements of the Fairtrade Trader Standard and FAIRTRADE Mark Guidelines,
- the applicant's activities are in line with the Fairtrade International Organisation Code,
- certification status of the proposed supply chain.

If all the above is verified and there are no objective criteria upon which the license cannot be granted, then the Licensing Coordinator sends a licence contract to the applicant, here after referred to as Licensee.

All applications meeting the set requirements will be accepted, except in very exceptional cases.

4.2 Application Denial

If any of the conditions outlined above and in the Fairtrade International's Licensing Application Policy are not met, then application is denied. The BTL Unit may also deny an application if the applicant's behaviour or activity is not in line with the Fairtrade Organization Code. The decision is based on objective criteria: they apply equally to all applicants and are supported by evidence.

The Head of BTL Unit informs the applicant in writing why the application was denied and informs them of the reconsideration procedure and the BTL Unit's Complaints Policy.

4.3 Reconsideration

There are no appeals of licensing application decisions, however applicants can ask for a reconsideration by the Head of BTL Unit as set out in the Fairtrade International's Licensing Application Policy.

Requests for reconsideration must be made in writing within 14 days of the decision and addressed to the Head of BTL Unit to licensing-credibility@fairtrade.net. The Head of BTL Unit acknowledges all requests within 5 working days of receipt.

The Head of BTL Unit reviews all the relevant evidence, Standards and Policies, and provides the applicant with a written response within 15 working days.

The Head of BTL Unit also informs all other relevant stakeholders within the Fairtrade system about the reconsideration decision. A written record of all reconsiderations is kept.

4.4 Processing License Contract

The Licensing Coordinator sends two (2) copies of the licence contract to the Licensee, duly signed by the designated Fairtrade International's representative with signature rights, for counter signature. The Licensee keeps a copy of the Licence Contract signed by both parties and return a signed copy to the BTL Unit.

Once the countersigned License Contract is received from the applicant, the Licensing Coordinator sends an e-mail to FLOCERT ECERT to notify them that one of their existing certified operators has become a Licensee, so they can mark the operator as a Licensee in ECERT.

If the applicant does not require certification (Verified or Pure Licensee), the Licensing Coordinator requests FLOCERT to create a FLO ID (FLOCERT unique identification number)

for the Licensee. The ECERT administrator will issue a FLO ID and log-in details for ECERT to the Licensee. FLOCERT communicates this information directly to the Licensee.

The Licensing Coordinator will also notify, with a brief email, the following members of the Fairtrade system, of the new Licensee:

- Relevant FMO – only FMO Licensees
- Producer Networks – new Licensees in producer countries according to region.

The Licensing Coordinator sets up an account for the Licensee in Connect and the following information is defined:

- Company Account details
 - Licensee's Home NFO
 - Address and Contact details
 - Fairtrade role (e.g. Licensee, manufacturer, trader etc.)
- Licensing Contract details
 - Licensing Type ATCB or Fairtrade Sourced Ingredients, FCC, Textile Standard
 - Product Areas generally
 - Start Date
- Reporting details
 - License Fees
 - Reporting currency
 - Reporting cycle
 - Reporting units

The Licensing Coordinator provides Connect login details and Connect information to the relevant Licensee staff.

The Licensing Coordinator uploads a signed PDF version of the License Contract to Connect; files the printed copy in our Contract file folder for our records, and updates the contract status in the Master list.

FLOCERT ECERT is informed of all the new Licensees and of any delicensed Licensees.

5. License Withdrawal

Fairtrade International reserves the right to terminate the License Contract where the Licensee has misused the FAIRTRADE Mark and has not taken corrective action.

Fairtrade International will also terminate the License Contract for cause with immediate effect in the following cases:

- In the case licensee, becomes decertified (or its permission trade is withdrawn)
- In the case of non-payment of the license fees
- In the case of non-reporting of sales data
- In the case licensee engages in dishonest trading practices or any activity that reduces or diminishes the reputation, image and prestige of the FAIRTRADE Certification Mark
- In the case licensee engages in advertising, marketing and promotion activity in connection to non-Fairtrade Products which suggests to the consumer that these products meet the Fairtrade Standards
- In the case of any material breach of the FAIRTRADE Mark Guidelines for the use of the FAIRTRADE Mark or the Fairtrade Standards by the Licensee.

Upon termination of the License Contract, licensee, must cease all use of the FAIRTRADE 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 the Licensing Coordinator asks FLOCERT to review the certificate or permission to trade.

The Head of BTL Unit decides on License Withdrawals cases.

6. Product Applications - General

The Licensing Coordinators or the Licensees themselves enter and update details of the Licensee's Fairtrade finished products and the Fairtrade ingredients they use in the Fairtrade Connect.

All licensees are provided a login to Connect for all staff who will use the system.

A series of Licensee brief manuals are provided which cover the details of all relevant areas of Connect.

6.1 Ingredients

6.1.1 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 claim to be from a specific origin
- Whether the ingredient is Discontinued (if applicable)

The Licensing Coordinator verifies the physical traceability of ingredients where Mass Balance is allowed –tea (camellia sinensis), cocoa, cane sugar and fruit juices– if physical traceability is claimed. Traders of those exempted products can choose whether or not to apply physical traceability. If they choose to apply physical traceability, they must inform FLOCERT about it. FLOCERT’s ECERT certification database will indicate that the operator has opted to be audited for voluntary 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 an ingredient exception. If the grounds for an exception as set out in the Fairtrade Standards and Fairtrade International Exceptions policy are met, then the Licensing Coordinator records the basis for the exception in Connect.

Once all relevant information has been entered in Connect, the Licensing Coordinator will review and either approve or decline the References section.

6.1.2 Ingredient Supply

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

- Immediate supplier (mandatory)
- The balance of the supply chain (wherever possible)

Licensees are asked to link the ingredient to their supplier’s 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 as each element in the supply chain keeps their Connect Sourcing 02 Supply tab up to date.

Connect automatically checks that the supplier is certified for the relevant product category and Fairtrade function, for example Producer or Price and Premium Payer.

Once all relevant information has been entered in Connect, the Licensing Coordinator will review and either approve or decline this section, if not automatically approved by Connect.

6.1.3 Ingredient Recipe

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

Otherwise the recipe is entered into the Connect Sourcing 02 Recipe tab.

Once all relevant information has been entered into Connect, the Licensing coordinator will review and either approve or decline this section, if not automatically approved by Connect.

6.2 Finished Products

6.2.1 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 all relevant information has been entered in Connect, the Licensing Coordinator will review and either approve or decline this section, if not automatically approved by Connect.

6.2.2 Product Recipes

In the Connect Product 02 Recipe tab the following information is entered:

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

Product composition is declared using the Ingredients that has been previously entered.

For tea (*camellia sinensis*), cocoa, cane sugar and fruit juices, physical traceability can only be claimed if FLOCERT's ECERT certification database indicates that all operators of the Supply Chain have opted to be audited for voluntary physical traceability.

Connect automatically calculates the percentage Fairtrade content and prompts the Licensee to request an exception if the product does not meet Fairtrade product composition rules.

Once all relevant information has been entered in Connect, the Licensing Coordinator will review and either approve or decline this section.

6.2.3 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 Brand Integrity Manager reviews it using the Connect checklist, and in particular the Brand Integrity Manager reviews all Fairtrade claims against the FAIRTRADE Mark Guidelines.

The Brand Integrity Manager indicates in the Connect packaging review checklist any areas that are not compliant and the Licensee either submits corrected artwork or requests an exception in Connect.

Once all relevant information has been entered in Connect, the Brand Integrity Manager will review and either approve or decline this section, if not automatically approved by Connect.

6.2.3.1 Origin Claims

Where a license refers to a country of origin or producer specifically in the Fairtrade claim then the Licensing Coordinator verifies the whole supply chain back to the producer in ECERT or by collecting information from the Licensee.

6.2.3.2 Producer Benefits

Where communication about the benefits to the producers or Fairtrade Premium use have been made, verify that the information is accurate, up-to-date at the time of printing and substantiated.

In case of Mass Balance, communication about the benefits in a specific country on Packaging is possible providing that no reference to the physical ingredient in the product is made.

6.2.3.3 Fresh Produce

The Licensing Coordinator checks that the approved artwork was provided by the Licensee to the producer or exporter and the letter or email proving this is attached as a document to the packaging artwork upload in Connect.

6.2.3.4 Communication Material

The Licensing Coordinator asks Licensees to forward all Fairtrade communication and promotional materials to artwork@fairtrade.net.

The Brand Integrity Manager reviews the materials using the Fairtrade Communications Materials checklist to verify that they meet requirements of the Fairtrade Trader Standard and FAIRTRADE Mark Guidelines.

6.2.4 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 Licensing Coordinator confirmed that Connect has assigned the correct licensing fee.

Once all the above information has been entered in Connect, the Licensing Coordinator reviews and either approves or declines this section, if not automatically approved by Connect.

6.2.4.1 Country(s) of Sale

All the Country(s) where the Licensee intends to sell the product(s) are entered in Connect. The Licensee must inform the BTL Unit of any new country of sale.

The Licensing Coordinator will then need to update Appendix 1 and Appendix 4 of the Licence Contract accordingly.

The Licensing Coordinator approves or declines the sale of the product into Fairtrade International Territory.

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 one or more countries of Fairtrade International Territory as a country/-ies of sale. In this case the Fairtrade International's Licensing Coordinator reviews the Fairtrade product and approves or declines the sale of the product into Fairtrade International Territory.

6.2.5 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 International does not have a Fairtrade Product Finder. However, products of Fairtrade International's licensees that are sold in countries where the NFO has set a Fairtrade Product Finder might feature in Fairtrade Product Finder of those NFOs.

If the Licensee has entered the above information Licensing Coordinator reviews and either approves or declines this section, if not automatically approved by Connect.

6.2.6 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 Coordinator reviews and either approves or declines this section, if not automatically approved by Connect.

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.

7. Fairtrade Sourced Ingredients (FSI)

This section outlines additional processes that are specific to FSI.

The general application and product approval process applies to Fairtrade Sourced Ingredients with the following variations.

7.1 FSI Commitment Plan

FSI applicants complete and sign a FSI commitment plan that covers at least three years.

This plan is reviewed once a year with the Licensee to compare committed with actual volumes. If necessary, the commitment plan is updated to cover at least three years hence.

7.2 FSI Claims

Volumes of ingredients sourced as Fairtrade by the Licensee or its suppliers (as applicable) are verified by reviewing purchase documentation before the proposed FSI claims are published.

Volumes agreed between Licensee and the BTL Unit can be communicated and approved before verification only in accordance with the relevant FAIRTRADE Mark Guidelines.

The BTL Unit ensures that the proposed communication of claims complies with the requirements of the relevant FAIRTRADE Mark Guidelines or any variation approved by Fairtrade International or the Brand Integrity and Strategy Committee.

8. Standard Compliance Marks

8.1 Climate Standard / Fairtrade Carbon Credit (FCC)

This section has additional processes that are specific to Fairtrade Carbon Credits.

FCC Producers and Authorised FCC Suppliers are certified by FLOCERT.

FCC Distributors and FCC End Buyers are verified by the relevant Fairtrade Licensing Body.

8.1.1 FCC Application

The general application process applies to Fairtrade Carbon Credits with the following variations.

FCC Authorized Suppliers buy Fairtrade Carbon Credits from FCC Producers and pay the Fairtrade Price and Premium. Fairtrade International signs an FCC Authorized Supplier Contract with Authorized Suppliers which covers use of the FCC Lock Up and payment of the FCC License fee.

FCC Distributors buy Fairtrade Carbon credits from Authorised FCC Suppliers and sell them to FCC End Buyers. Fairtrade International signs an FCC Lock Up Only Contract with FCC Distributors. FCC Distributors do not need to sign an FCC End Buyer Commitment Agreement.

Fairtrade International signs an FCC End Buyer Contract with End Buyers of Fairtrade Carbon Credits who purchase over 1,000 carbon credits of any kind in a year. These End

Buyers also sign an FCC End Buyer Commitment Agreement which outlines their plans to reduce greenhouse gas emissions.

FCC End Buyers who wish to make public communications regarding Fairtrade Carbon Credits but purchase less than 1,000 Fairtrade Carbon Credits a year sign a FCC Lock Up Only Contract with Fairtrade International.

8.1.2 FCC Reporting

FCC Distributors and FCC End Buyers only have to report FCCs they retire themselves.

FCC Distributors need to report the name of an FCC End Buyer only if:

- The FCC End Buyer asks the FCC Distributor to specify the number of FCCs retired on their behalf, OR
- The FCC Distributor retires more than 500 FCCs for an End Buyer in one retirement.

Authorised FCC Suppliers report FCC transactions to FLOCERT.

8.1.3 FCC Claims

If an FCC End Buyer wishes to communicate the percentage of Carbon Credits purchased as Fairtrade Carbon Credits, then the FCC End Buyer Contract gives consent to the BTL Unit to obtain information from the Registry to confirm the percentage, i.e. the total number of CCs retired by the end buyer in the relevant period.

All public communications regarding Fairtrade Carbon Credits by FCC End Buyers, FCC Distributors and Authorised FCC Suppliers are submitted to the BTL Unit before publication.

The Licensing Coordinator verifies that:

- the use of the Standard Compliance Mark's lock-ups is associated with a Fairtrade Standard; and
- the proposed communication material complies with the requirements of the FAIRTRADE Mark Guidelines or any variation approved by Fairtrade International or the Brand Integrity and Strategy Committee.

The Licensing Coordinator holds a review meeting at least once a year with each FCC End Buyer to review their Carbon Reduction Plan and Plan to Buy Increasing Amounts of FCCs.

8.2 Textile Standard

The Fairtrade Textile Standard applies to all operators employing hired workers in the textile supply chain processing Fairtrade certified cotton and/or other responsible fibres. This standard also applies to brand owners purchasing finished textiles. The brand owner must have a contract with Fairtrade International. So, companies wanting to use the Certification Mark on textile goods produced in Fairtrade Supply Chains must comply with the Fairtrade Textile Standard. Operators using Fairtrade cotton must also be certified against the Fibre Crops Standard.

8.2.1 Textile Standard Claims

The Licensing Coordinator verifies that:

- the use of the Standard Compliance Mark's lock-ups is associated with a Fairtrade Standard; and
- the proposed communication material complies with the requirements of the FAIRTRADE Mark Guidelines or any variation approved by Fairtrade International or the Brand Integrity and Strategy Committee.

9. Sales Reporting and License Fees

9.1 Quarterly Sales Reporting

Unless otherwise provided by the licensing body, licensees shall report sales of finished product by wholesale value (the sale amount before retail) and units sold, and by calendar quarter as well as any other information that is required in order to calculate the license fees.

Sales reports are submitted online through the Fairtrade Connect, and are due thirty (30) days after the end of each quarter:

Quarter	Beginning of Quarter	End of Quarter	Report Due
1	1 January	31 March	30 April
2	1 April	30 June	31 July
3	1 July	30 September	31 October
4	1 October	31 December	31 January

Every calendar quarter the Licensing Coordinator sends out a series of reminders:

Quarter	1 st Reminder	2 nd Reminder	3 rd Reminder
1	1 April	15 April	30 April
2	1 July	15 July	31 July
3	1 October	15 October	31 October
4	1 January	15 January	31 January

- Quarter has ended and reports are available to be completed
- First reminder on the first day of the reporting period
- Second reminder in the middle of the reporting period
- Third reminder on the last day of the reporting period, when the deadline is about to expire

Once the reporting period is over (one month), the Licensees who have not reported until that time will be approached with late reporting reminders and warning of de-licensing. If after the late reporting reminders, the Licensee has not yet reported, the License Contract with the Licensee will be withdrawn.

Reminder	When
1st email reminder	One week after reporting deadline
2 nd email reminder	Two weeks after reporting deadline
3 rd call reminder	One week before reporting deadline

9.2 Reviewing Reports

The Licensing Coordinator reviews submitted sales reports for correctness and completeness and marks the report as Declined if necessary. Once the report is correct and complete it is Approved.

The Licensing Coordinator will contact the Licensee and request further clarification any inaccuracies and/or ambiguities are detected in the sales report.

9.3 Invoicing License Fees

The Licensing Coordinator prepares an invoice request which is sent to the Licensee.

Finance enters the invoice in the accounts, and follows up on payment.

9.3.1 Cross Border Sales and Fees

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

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

10. Exceptions

Exceptions for the use of a non-Fairtrade Ingredient in place of a Fairtrade Ingredient may be granted for a defined period of a maximum of two (2) years. After that time, traders should provide evidence that Fairtrade Ingredients are already in use or submit a new exception application. The total Fairtrade content of the composite product must still reach the minimum threshold of 20%.

Type I exceptions are granted by the Licensing Coordinator.

Type II exceptions are granted by the Exceptions Committee.

All Fairtrade Product ingredient exceptions are recorded in CONNECT.

All Fairtrade product artwork exceptions are recorded in CONNECT.

All Fairtrade percentage content exceptions are recorded in CONNECT.

All required exceptions are reported to the Fairtrade International Assurance Manager as part of the normal annual cycle.

11. Delegation of Licensing Responsibilities

With the consent of the Licensing Body a Licensee may request to delegate one or more, and even all of the following responsibilities to another Fairtrade certified operator (the Delegate), normally their supplier or manufacturer.

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

The Licensee acknowledges that the Licensee is ultimately responsible for these obligations under its License Contract and if the Delegate fails to perform these actions then Fairtrade International reserves the right to ask the Licensee to fulfill these obligations.

If Fairtrade International approves the requested delegation the two parties must sign a Licensee Delegation Agreement that is added as an Appendix to the License Contract, which outlines exactly which tasks are delegated and for which specific products. Fairtrade International then updates Connect to reflect these delegations.

12. Business Service Mark

The BTL Unit follows the procedures and principles approved by the Fairtrade International Board to engage with Organizations or Organizations' own schemes in relation to the use of the Business Service Marks.

The BTL Unit applies the 'Traffic Light Approach to New Partnerships with Corporate Sustainability Schemes' approved by the Fairtrade International Board in making decisions to engage with Organizations.

The BTL Unit applies the 'Content of a Fairtrade partnership' and 'No-go areas for partnerships' approved by the Fairtrade International Board.

The Licensing Coordinator verifies proposed communication material complies with the requirements of the "Working with" or "Programmes" Mark guidelines or any variation provided by Fairtrade International and the Brand Integrity and Strategy Committee.

The Licensing Coordinator verifies that the Business Services Marks are not used on-pack, other than the "Programmes" Mark used as promotion, as a free give-away, e.g. chocolate bar as give-away

13. Changes in the Licensing Status

The Licensing Coordinator shall inform FLOCERT of all operator licensing status changes, who will update ECERT accordingly. This will be done within 7 days of the licensing decision.

13.1 New or Changed Standards

The Head of BTL Unit shall keep licensees informed of any changes to Fairtrade Standards. The Head of BTL Unit is responsible to ensure that when a new standard has been adopted by Fairtrade International it will be implemented as per the timelines outlined in the Standard.

13.2 Standards Interpretation

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

13.3 Changes to the FAIRTRADE Mark

The BTL Unit does not make any changes to the FAIRTRADE Mark or the Fairtrade Claims without consulting and getting the approval of the Brand Integrity and Strategy Committee.

13.4 Guidelines Interpretation

If necessary, the BTL Unit asks the Fairtrade Brand Integrity and Strategy Committee on how a FAIRTRADE Mark Guideline is interpreted.

14. Misuse of the Mark

The BTL Unit, as a licensing body, protects the integrity of the FAIRTRADE Marks by guarding it against misuse and false claim.

14.1 Detection

The BTL Unit receives allegations of unauthorised use of the FAIRTRADE Marks from consumers, companies, and general public through a number of reporting mechanism, including, but not limited to, Fairtrade International's website contact form <https://www.fairtrade.net/about/marks-misuse> or sending us a direct message by email to licensing-credibility@fairtrade.net.

The BTL Unit will treat the information of a person who reports a potential trademark misuse or trademark infringement as confidential at the request of the reporting party. If, in the course of investigating and enforcing the corresponding notified trademark misuse or infringement with respect to the FAIRTRADE Marks, disclosure of the identity (name, address etc.) of the reporting party becomes appropriate or necessary (e.g., in a trademark infringement case in court regarding the time of discovery, witness testimony, etc.), the competent Fairtrade personnel must notify that person in advance to obtain that person's consent.

In addition to proactive reporting by anyone who would like to report an alleged trademark misuse, the BTL Unit performs internet searches once in a quarter to detect incorrect or unauthorised use of the for FAIRTRADE Marks in Fairtrade International Territory.

14.2 Licensee Incorrect Use

Incorrect use of the FAIRTRADE Mark on Licensee product packaging is handled by the BTL Unit through Fairtrade Connect.

14.2.1 Warning Email

If there is improper or incorrect use of a FAIRTRADE Mark not captured in Fairtrade Connect, or if a Licensee continues to use a FAIRTRADE Mark on a product that has been declined in

Fairtrade Connect, then the Head of BTL Unit, or the Licensing Coordinator as his delegate, sends an email to the Licensee outlining the improper and/or incorrect use of the FAIRTRADE Mark and asking them to correct the use by a certain reasonable deadline which should normally not be longer than two (2) weeks, to remedy the improper or incorrect use of the FAIRTRADE Mark. This may be preceded by a phone call from the Head of BTL Unit or the Licensing Coordinator.

14.2.2 Incorrect Use Letter

If the Licensee does not remedy and correct the improper and/or incorrect use within the given deadline, then the Head of BTL sends a more formal Incorrect Use letter to the Licensee.

The letter clearly indicates the specific nature of the improper and/or incorrect use, the correction required, the date by which the correction must be completed, the method by which conformance will be confirmed and the possible consequences if the deadline is not met. In the event of serious and intentional incorrect use the consequence and result is a delicensing.

If the given deadline is approaching and licensing personnel have not heard anything from the Fairtrade Operator, the Head of BTL Unit contacts the Operator before the deadline passes.

If the deadline passes without fixing the incorrect use, then the Operator is sent a letter of delicensing. These letters are reviewed and signed by the Chief Executive Officer. If a licensee is delicensed, FLOCERT is informed. The Head of BTL Unit at Fairtrade International follows up with Fairtrade International Legal Department to coordinate the further proceedings.

14.3 Non-Licensee Misuse

14.3.1 Warning Email

The Head of BTL or his delegate sends an email to the company outlining the misuse of the FAIRTRADE Mark(s) and asks them to correct the misuse within a certain reasonable deadline which should normally not be longer than two (2) weeks to remedy the misuse of the FAIRTRADE Mark.

14.3.2 Cease and Desist Letter

If the company fails to respond to the warning email or if the company cannot be contacted, then the Head of BTL Unit send the company or the misuser a cease and desist letter. The letter is reviewed and signed by a person other or additional than the drafter of the letter. The Head of BTL Unit or the Chief Executive Officer may sign the letter.

The letter is delivered by registered/certified mail, as the date of the receipt/delivery of the cease and desist letter needs to be demonstrated/verified.

14.3.3 Failure to Correct

If after the cease and desist letter the infringing company fails to remove all unauthorised use of the FAIRTRADE Marks, the Head of BTL Unit discusses the legal options with the internal and/or external (trademark) legal counsel, and the Chief Executive Officer is informed.

14.3.4 Legal action

As the owner of the FAIRTRADE Marks, Fairtrade International is entitled to take any legal action concerning trademark misuse.

14.3.5 Records and Reports to Fairtrade International

The BTL Unit ensures that the evidence of FAIRTRADE Mark misuse is recorded and that such evidence is dated.

Records of all warning emails, Cease and Desist letters and any subsequent actions as described in this document are kept for ten (10) years to be able to trace repeated trademark misuse and infringements in a documented way.

The BTL licensing staff sends quarterly overviews of all FAIRTRADE Mark Misuse cases by licensees and non-licensees they had in the quarter in Fairtrade International Territory. All reports are sent to trademark@fairtrade.net.

14.4 European Union Certification Mark Regulations

The BTL Unit 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.

15. Complaints

Complaints are covered by the Fairtrade International's BTL Complaints Policy.

16. Allegations

Allegations are covered by the Fairtrade International's BTL Allegations Policy.

17. Confidentiality

Confidentiality guidelines are outlined in the Fairtrade International's BTL Confidentiality Policy.

18. Impartiality

All licensing activities shall be undertaken impartially and shall not allow commercial, financial or other pressures compromise impartiality. Please refer to the Fairtrade International's BTL Impartiality Policy.

All licensing staff must understand and declare in writing conflicts of interest, if any, as outlined in the BTL Impartiality and Conflicts of Interest SOP.

The BTL Unit refers to the Oversight Committee for resolution of cases of Impartiality or conflict of interests, when there is doubt or debate.

19. Staff Qualifications and Competencies

The following qualification criteria apply to Licensing staff.

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 system training	Have received training on all relevant Fairtrade standards and policies from the licensing body.
Language skills	Is fluent in English, and has at least basic proficiency in either French or Spanish. Knowledge of German, an asset.
Work experience	Able to express ideas and concepts clearly; Able to express findings in written reports clearly and concisely.
Communication	Able to communicate orally and in written form with business senior management and employees in order to elicit information relevant to licensing.

20. Staff Evaluation and Training

Fairtrade International 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 International organizes periodic training and calibration program of licensing personnel.

21. Language

The BTL Unit provides licensing services to operators in, English, French and Spanish.

22. Reporting to Fairtrade International's Assurance

22.1 Information

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

- The names of all organizations to which the BTL Unit grants a license.
- A list of products to which the BTL Unit 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 the Brand Integrity and Strategy Committee or 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 Fairtrade International's Assurance Manager.

22.2 Quality System Documents

The BTL Unit keeps versions of the following system documents and provides them to Fairtrade International's Assurance upon request or when they have changed including the rationale and summary of the changes.

Licensing Standard Operating Procedures:

- BTL Licensing SOP
- BTL Quality Management SOP
- BTL Data Control SOP
- BTL Document Control SOP
- BTL Mark Monitoring and Control SOP
- BTL Allegations Policy
- BTL Complaints Policy
- BTL Confidentiality Policy
- BTL Impartiality Policy

All policies that regulate or have implications on how licensing is carried out.

- BTL Licensing Application Policy
- BTL Cosmetics Policy

Document: BTL Licensing Standard Operating Procedure

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Author: Yanet González / BTL

Approved by: draft

Version: 01 *Date:* 30 Sept. 2020

Confidentiality: Public

File: BTL Licensing SOP 01 en_final

- BTL Cotton Policy

Documents Referenced

BTL Licensing Application Policy
BTL Quality Management SOP
BTL Document and Record SOP
BTL Mark Monitoring and Control SOP
BTL Licensing Training SOP

23. Definitions

All that can be must be (ATCB) refers to the requirement in the Trader Standard (TS) that food composite ingredients and food composite products contain as many Fairtrade ingredients as available.

Brand Integrity and Strategy Committee (BISC) is a group of experts from the Fairtrade system that has been established to drive thought leadership, share best practices and expertise, and facilitate discussion to inform better decision making relating to the Fairtrade Brand. The committee provides a forum for expertise from the Fairtrade system in order to make decisions for the Fairtrade Brand that are in line not only with the Fairtrade strategy but also with market trends, industry practices and legal considerations.

Cross Border Sales refer to sales reported by the Licensee outside of their home territory.

EU-Certification Mark Regulations refers to both EU-Certification Mark Regulations, namely the EU-regulation governing the use of the FAIRTRADE EU-Certification Mark and the EU-regulation governing the use of the FSI EU-Certification Mark.

Exception is a formal granting of permission for an operator to use a non-certified ingredient in place of a certified ingredient in a product formulation for a defined period of time and under specific conditions.

Exceptions Committee refers to a committee responsible for providing guidelines for the granting of exceptions.

Fairtrade International Territory refers to all countries that are not covered by a National Fairtrade Organizations (NFO), including those where there are Fairtrade Marketing Organizations (FMO). A list of all current NFO and FMO may be accessed in our website at <https://www.fairtrade.net/about/fairtrade-organizations>.

FAIRTRADE Mark(s) refer to all kind of individual trademarks and certification marks for the Fairtrade and FSI-logos worldwide, including the Fairtrade EU-Certification Mark and the FSI EU-Certification Mark, owned and licensed by Fairtrade International. The FAIRTRADE Mark(s) denote that ingredients and products have been certified, sourced, traded and audited in compliance with the relevant Fairtrade Standards.

FAIRTRADE Mark Guidelines provide direction to Fairtrade Certified Operators and Fairtrade Licensees on how to use the Certification Mark and the term Fairtrade on products and for communication purposes. The comprehensive guidelines also specify most types of bulk packaging and product promotion usage.

Fairtrade Marketing Organization (FMO): Fairtrade Organizations without licensing operations, responsible for promoting Fairtrade in their countries.

Fairtrade Sourced Ingredient (FSI) (formerly known as Fairtrade Sourcing Program, FSP) refers to a commodity-sourcing approach applicable to all products except coffee and bananas. The model focuses on the sourcing of Fairtrade commodities and is indicated by the use of the FSI Mark. FSI Licensees are offered a range of communication options including the FSI Mark on-pack of composite products as well as off-pack claims and / or communications.

FLO ID is a unique identification number assigned to all Fairtrade organizations by FLOCERT. The existence of an FLO ID does not necessarily imply that an organization is certified.

License contract refers to the agreement between a National Fairtrade Organization or Fairtrade International and a Licensee which includes setting out the conditions for using the FAIRTRADE Mark.

Licensee is a company that has signed a License Contract with Fairtrade International or a National Fairtrade Organization to use of any of the FAIRTRADE Marks on one or more products, and thus are entitled to use the licensed FAIRTRADE Mark on those specific products covered by the license agreement.

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 process as long as the actual volumes of sales on Fairtrade terms are tracked and audited through the Fairtrade Supply Chain. Mass balance is only allowed for cocoa, tea (camellia sinensis), cane sugar and fruit juices.

National Fairtrade Organization (NFO): full member of Fairtrade International. The NFO is responsible for licensing, marketing, business development and awareness raising in a defined geographical area. An NFO has the right to sublicense the FAIRTRADE Mark to Licensees and third parties in its area.

Reconsideration (in the context of this document) refers to a request by an Organization (or Licensee) to the Licensing Body for a reconsideration of their approval decision.

24. APPENDIX 1 – Application Process

