

LICENSING DEPARTMENT MANUAL

Current Version: v

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Section 1: Overview

Fairtrade Ireland works directly with businesses, civil society, and consumers to provide an alternative approach to conventional trade so that farmers and workers in developing countries get a better deal, have an opportunity to improve their own lives and plan for their futures. As a member of Fairtrade International, Fairtrade Ireland runs the Fairtrade system in Ireland.

1.1 Purpose of this Document

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

1.2 Non-Discrimination

Fairtrade Ireland is dedicated to non-discriminatory operations and practices. Any party that believes Fairtrade Ireland policies, procedures and/or their application are discriminatory has the right to submit a complaint, as described in Fairtrade Ireland Complaints, Allegations and Appeals Policy and Procedure, Appendix A.

1.3 Confidentiality

Fairtrade Ireland will keep all 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 Ireland. Refer to Appendix B for the full confidentiality policy.

1.4 Impartiality and Conflict of Interest

Fairtrade Ireland, 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 are required to indicate if they have a conflict of interest in relation to a particular file, and will behave impartially in relation to all licensing decisions.

1.5 Entry into Effect

This policy and procedure is effective as of September 2016 and supersedes all previous versions.

1.6 Application

This policy is implemented in Ireland and is applicable to all organisations and personnel involved in Fairtrade Ireland's licensing activities.

1.7 Review of Policy

Fairtrade Ireland's Licensing Department will review this policy and procedure at least every two years. During review, changes will be managed in a separate file by the Licensing Department with track changes and submitted (via email or hard file) to the Executive Director for approval. The Licensing Officer 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.

1.8 Role and Responsibilities

Fairtrade Ireland is a member of Fairtrade International - a network of member organizations working to advance Fairtrade worldwide. Fairtrade Ireland's licensing body operates within Ireland and oversees all Ireland licensing operations, including the implementation of this policy and procedure. Fairtrade Ireland is governed by a Board of Directors and overseen by the Executive Director. All licensing activities are managed by the Licensing Department.

- **Licensing Department:** The Licensing Department refers to Fairtrade Ireland's Licensing Team, currently comprised of the Executive Director and Licensing Officer. The Licensing Team will be responsible for implementing this policy and procedures and all related licensing activities. The Licensing Department will be responsible for developing, revising and overseeing compliance to all licensing policies and procedures and incorporating changes within the Fairtrade International System into Fairtrade Ireland's policies and procedures. In coordination with the Licensing

Department, the Executive Director will oversee compliance to Fairtrade Ireland's complaints and appeals process and quality management systems.

1.8 Glossary of Terms

Please refer to Appendix C for the glossary of terms.

Section 2: Quality Assurance

2.1 Oversight

The Licensing Department deploys a system of quality checks to ensure accuracy and consistency throughout the department's activities. Quality checks are conducted by the Licensing Officer and consist of cross-checks of data entered into Fairtrade Ireland's databases – currently Salesforce and Infocenter, as well as verification of records and documentation. Quality checks will most often be conducted during the reporting cycles of each quarter.

2.2 Internal Audits

Fairtrade Ireland conducts internal audits at least every three years to ensure compliance to this policy and procedure, Fairtrade International's Licensing Body Requirements and to identify potential areas of weakness. Internal audits are coordinated by the Licensing Department.

Internal audits consist of a review of samples of records, including applications, contracts and reports by the Licensing Department to ensure licensing activities are being implemented in accordance to the Licensing Operating Procedure (OP) and Fairtrade International's Requirements for Licensing Bodies. Additionally, the Licensing Department will note areas for improvement and document non-conformities. The Licensing Officer will be responsible for drafting corrective action plans and remediating all non-conformities identified.

2.3 Knowledge Development

The Licensing Department ensures continuous knowledge development by participating in Licensing Operations Assurance (LOA) meetings and system wide trainings. The Licensing Department also remains active on licensing and certification

list serves, as well as through coordination with member National Fairtrade Organisations (NFOs). 2.4 Document Control and Records

All internal documents relating to licensing are kept on Fairtrade Ireland's password protected cloud storage and thus available to the Licensing Department and authorised observers. This includes but is not limited to applications, contracts and internal reports. All records related to licensing are kept by the Licensing Department for at least five years.

Individual Licensee records will include both e-files and hard files. Each licensee will have both an e-folder and hard folder, which may include the following:

- Completed licensing check list
- Licensing application
- Licensing contract
- Product application and recipes
- Recipes approval letters
- Article list
- Quarterly reporting
- Artwork approvals
- Warning of deregistration and/or suspension
- Trademark suspensions
- Filed complaints and appeals
- Other licensing records

Standards, policies and procedures set by Fairtrade International are maintained by the Licensing Department.

All relevant policies, practices, and procedures are available on www.fairtrade.net.

Section 3: Licensing Procedures

3.1 Company Application

3.1.1 Preliminary Inquiry stage

Business Development establishes relationship with potential new operators and through direct communication gathers baseline information on the potential new operator. Business Development falls within the remit of the Licensing Department.

Licensing Department determines the type of agreement needed to be established for the potential new operator (Licensing and/or Certification).

3.1.2 Application Review and Approval

Licensing Department sends the application package (Appendix D), which includes the following:

- ✓ Fairtrade Ireland Background to Fairtrade Licensing and Certification
- ✓ Fairtrade Ireland Operator Application Form (Form A)
- ✓ Schedule of Fairtrade Ireland License Fees
- ✓ If requested, non-disclosure agreement

Additional requirements apply per product category for FSP, cotton, cosmetics, and textiles.

- Once Form A is returned, the Licensing Department meets with the potential licensee and provides same with the Fairtrade Operator Contract.
- Once the Licensing Department has verified that the Licensee falls within the scope of Certification, and the Contract is signed and returned to the Licensing Department, details are put into Infocentre.
- Once the applicant is certified, the product approval application process will proceed.

Note: If the applicant does not hold a certification or if their certification is suspended, the licensing process can be completed but product approval will be on hold. In this case the Licensing department will notify the Licensee via email that they may complete the licensing process but product approval will only be completed once certification is obtained. (Applicable from January 2017 when Certification in Ireland moves to FLO-CERT)

- If the applicant is a Licensee, coordinate with FLO-CERT to generate a FLO ID.
- If it is determined that the application is complete, the Licensing Department makes a decision to issue a license and prepares the approval email and contract outlined in 3.2.
- If applicant is denied, the Licensing Department sends via email a thank you letter with an explanation for denial and link to complaints and appeals process.
- The Licensing Department follows an Application Checklist on Salesforce.

3.2 Contracts

If the applicant is approved, Licensing Department prepares the approval email and coordinating attachments including the Operators Contract, Appendix E.

Customized Licensee contracts include (contract saved and sent as PDF):

- Licensee's name, address and FLO ID on the first page;
- Contract term: date of approval and expiration date if any;
- If applicable, documentation of exceptions and expiration dates;
- If applicable, product approval appendix.

Additional attachments accompanying the Contract are as follows (Appendix F):

- Fairtrade Mark Use Guidelines;
- Product application Form.

The Licensing Department updates the new Licensee's information in Infocenter and Salesforce.

If the Licensee has also not sent in their product approval application and artwork, Licensing Department includes a notification that product and mark use approval are necessary before the Licensee can sell products with the Fairtrade Mark.

3.3 Product Approval New or Modified

The Licensing Department determines if the commercial partner has an approved licensing contract or if they are a new commercial partner. If new commercial partner, section 3.1.2-3.2.1 should supersede this section.

If a current Licensee falls within the scope of certification, the Licensing Department verifies that the Licensee is currently certified for the product category applying for, before proceeding to product review and approval.

If the Licensee's certification has been suspended, if the Licensee has been decertified or is not certified in the product category currently applying for, the Licensing Department notifies the Licensee via email that they must have an active certification before product approval applications will be processed.

Licensee completes product registration form (Appendix F) and submits form for review to dunstan@fairtrade.ie by the certification department.

If the Licensee has applied for an exception, supporting documentation must accompany the exception application. The Licensing Department will only approve Type I exceptions as outlined in the Trader Standard.

Once the product application is received, the Certification Department reviews that production application is complete. If the application or supply chain information is incomplete the Certification Department follows up with the Licensee to obtain the complete information.

The production application review includes:

- All operators indicated on the product application are checked and certified by verifying the certification status.
- If applicable, review of the requested exceptions and supporting evidence.

If a product application is denied, the Licensing Department sends via email a thank you letter with explanation for denial. If denial is due to non-certified operators within the Licensee Supply Chain or denied exceptions the Licensing Department may provide the Licensee with a list of alternative certified operators.

If a production is approved, Licensing Department sends the Licensee via email the approval letter and asks for the submission of artwork if not received. The approval letter includes:

- Licensee's name, address and FLO ID.
- Products approved, date of approval and expiration date if any.
- If applicable, documentation of exceptions and expiration dates.

3.3.1 Mark Use Approval For Licensees (on product and promotional)

Accompanying product artwork and all promotional materials must be approved before a Licensee can print packaging or promotional materials with the Fairtrade Mark.

Product mark use /artwork must be in compliance to the Fairtrade Mark Use Guidelines and legally compliant with Irish law.

Product mark use/artwork is submitted to the Certification Department by the Licensee via email: artwork@fairtrade.ie.

Certification Department reviews the artwork, ensuring that the mark and claims statement aligns with Fairtrade's mark use guidelines and is legally compliant to Irish law.

For promotional materials, assets must be submitted to melanie@fairtrade.ie (Marketing and Communications) for sign off before being created by the licensee.

3.3.2 Article Lists

The Licensing Department generates Article Lists (approved products and mark use) for each Licensee annually and upon new product approval. Article Lists are generated from the Infocenter database.

- Log on to Infocenter and select custom reporting
- Select Article Lists report
- Generate report by Fairtrade Ireland Licensee
- Save report as PDF in Licensee's folder
- Email PDF article list to Licensee
- Send hard copy of list

3.4 FSP

Although Fairtrade Ireland allows FSP licensees, strict oversight of claims and use of the mark will be implemented.

3.4.1 FSP Company Application- Cocoa, Sugar and Cotton

A prospective FSP client follows the same application procedures as outlined in 3.1. The company application is the same.

Once the company application is received, the Licensing Department will notify FLO-CERT of the FSP client. FLO-CERT will be verifying flow of goods and volume claims for FSP licensees.

A separate certification contract with FLO-CERT to verify flow of goods and volume claims must be in place prior to product and claim approvals by the licensing department.

3.4.2: Signing the FSP Contracts

Licensing Department prepares the License Contract depending on the commodity type (sugar, cocoa, or cotton) as a pdf and sends it to the licensee to sign. *The contract allows for signed copies to be equal to an original

Once the contract has been sent to the FSP licensees, the Licensing Department will review the FSP mark guidelines and claims stipulation with the prospective FSP licensee to ensure understanding of the limitations around FSP.

The Licensing Department will also review the FSP sourcing appendix with the FSP client. Once a sourcing plan is outlined the FSP client will continue on to signing the contract.

Licensee prints, initials each page and signs the Contract and scans a new pdf copy back to Fairtrade Ireland.

When Contract comes back, Licensing Department verifies that contract has been properly signed and initialled. If any information is missing on the contract, Licensing Department will follow up with the operator.

Licensing reviews the sourcing plans and communication claims. Sourcing plans and claims are first verified with FLO-CERT to ensure alignment. For FSP cotton licensees, registration in FairTrace will be verified.

Once the sourcing plan and claims are verified the, ED will sign the FSP contract.

The Licensing Department updates the new Licensee's information in Infocenter and Salesforce.

3.4.3: Product Application

For each new product a sourcing plan (volume commitments) and claim must be reviewed by the licensing body.

For cocoa and sugar: the FSP licensees will submit the new sourcing plan and claim to the Licensing Department. The Licensing Department will verify the volumes and claim with FLOCERT. If verified, an approval letter will be sent. If denied the Licensing

Department will send a denial letter, explaining the reason for denial, next steps and with a link to the complaints and appeals process.

For Cotton FSP: the new sourcing plan will be submitted to the licensing department and claim registered in FairTrace. The Licensing Department will verify volumes and claims in the FairTrace system prior to approvals.

If new claims are verified, an approval letter will be sent. If denied, the Licensing Department will send a denial letter, explaining the reason for denial, next steps and with a link to the complaints and appeals process.

3.4.4: Reporting and Verification as outlined in the FSP contract:

FSP licensees will pay a fee based on their volume commitments. Fees can be paid quarterly to align with non-FSP licensees. Verification of claims will be ongoing by FLOCERT and a desk top review will take place at least annually. The Licensing Department can initiate a desk top review of volumes and claims at any time, if it is felt that the FSP licensee is in violation of their sourcing plan or claim commitments.

Section 4: Reporting

4.1 Quarterly Sales Reporting

Licensee sales reports must be submitted quarterly. Licensees have 30 days from the end of the quarter to submit sales data to Fairtrade Ireland, and will be delicensed if sales data is not submitted within 60 days of the end of quarter. Notifications are generated from Infocenter directly to each Licensees Fairtrade contact. The reporting timeline is as follows:

- Last day of quarter: notification that the quarter has ended and the reporting period is now open; reports are due by the 20th, generated from Infocenter directly to each Licensees Fairtrade Reporting Officer. The reporting timeline is as follows:
- 10 days into reporting a reminder email is sent out
- Reporting deadline a notification that all reports are due
- 7 days past deadline notification of late reports sent
- 14 days past deadline, phone call to licensee with late reports
- 30 days past deadline, warning of delicensing sent

- 45 days past deadline, delicensing notice sent

4.2 Reporting to Fairtrade International Annually

Licensing Department submits the following information and data to Fairtrade International:

- List of all commercial partners
- List of licensed products
- List and deadlines of all exceptions granted
- Licensing Body policies and procedures

Section 5: Cross Border

5.1 CBS out of Ireland

Application

The Licensing Department is informed by Licensee that they will be selling in a territory outside Ireland

The Licensing Department submits the application and accompanying product and artwork information for approval by the Destination NFO.

The Destination NFO has 5 days to review the application, product information and artwork and respond to the Home NFO's request. Unless on the Destination NFO's exception list, products are considered automatically approved after the 5-day period.

If feedback is submitted on a product not included on the product exceptions list, the home NFO may ask Licensee for adjustments.

Licensing Department enters Licensee's cross-border information into Salesforce and Infocenter, for ongoing reporting.

Ongoing

Licensing Department continues to inform Destination NFO via CBS reporting or other methods established between Fairtrade Ireland and Home NFO.

Destination NFO invoices Fairtrade Ireland on the CBS sales report for that quarter.

Fairtrade Ireland pays the Destination NFO the fees due to the territory, in accordance with the most up to date CBS Regulations.

5.2 CBS into Ireland

Application

Home NFO requests permission from Licensing Department to sell into Ireland

The Licensing Department reviews the application and accompanying product and artwork and submits feedback to Home NFO

The Licensing Department has 5 days to refuse product in Ireland, otherwise it is assumed permitted

Ongoing

Home NFO continues to inform Licensing Department of sales into Ireland

Licensing Department calculates invoices for Home NFO and sends invoice

Destination NFO transfers the applicable CBS Fees to Fairtrade Ireland in accordance with the most up to date CBS Regulations.

Section 6: De-licensing

The Licensing Department may decide to de-licence independently of Certification (FLOCERT). Reason(s) are as follows:

- Non-Payment
- Loss of Certification
- Failure to Report
- Trademark Infringement
- Reputational Risk, including actions that reduce or diminish the reputation, image and prestige of the Mark and or undermine the Fairtrade Group's mission and reputation.

Licensing Department drafts the delicensing letter, and sends by post and by email with cc to Certification (FLOCERT).

Licensing Department will notify FLOCERT for an update on their database.

Move physical file to delicensed (Former licensees' folder) section in Licensee Folders

Check 1 month later to ensure private labels have stopped.

Check 6 months' later mark has disappeared from website and products.