

Fairtrade Belgium

Licensing - Standard Operating Procedures

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Contents

| | |
|--|----|
| 1. Purpose of this Document | 4 |
| 2. Applicability and Terminology | 4 |
| 2.1 Applicability..... | 4 |
| 2.2 Terminology | 4 |
| 3. Roles and Responsibilities, Data | 5 |
| 3.1. General Roles and Responsibilities | 5 |
| 3.2 Licensing Data | 5 |
| 4. License Applications..... | 7 |
| 4.0 License Applications - General..... | 7 |
| 4.1 Request for Initial Application | 7 |
| 4.2 Application denial | 8 |
| 4.3 Application reconsideration..... | 9 |
| 4.4 Processing License Contracts | 9 |
| 5. License Withdrawals | 10 |
| 6. Product Applications – general..... | 11 |
| 6.1 Ingredients | 11 |
| 6.1.1 Ingredient References..... | 11 |
| 6.1.2 Ingredient Supply Chain..... | 12 |
| 6.1.3 Ingredient Recipe | 12 |
| 6.2 Finished Products..... | 13 |
| 6.2.1 Product References..... | 13 |
| 6.2.2 Product Recipes | 13 |
| 6.2.3 Product Packaging..... | 13 |
| 6.2.4. Product Licensing Details | 15 |
| 6.2.5. Product Visibility | 15 |
| 6.2.6. Product Distribution..... | 15 |
| 7. Fairtrade Sourced Ingredients (FSI) | 17 |
| 7.1 FSI product recipes..... | 17 |
| 7.2 FSI Claims | 17 |
| 8. Sales Reporting and License Fees ATCB and FSI | 18 |
| 8.1 Quarterly Sales Reporting | 18 |
| 8.2 Review of Quarterly Sales Reports..... | 19 |
| 8.3 Invoicing License Fees | 19 |

| | |
|--|----|
| 8.4 Cross Border Sales and Fees | 19 |
| 9. Exceptions | 20 |
| 10. Delegation of Licensing Responsibilities | 20 |
| 11. Fairtrade International..... | 21 |
| 11.1 Licensee Status..... | 21 |
| 11.2 Licensing Body Status..... | 21 |
| 11.3 New or Changed Standards | 21 |
| 11.4 Standards Interpretation | 21 |
| 11.5 Changes to the Fairtrade Mark | 21 |
| 11.6 Guidelines Interpretation..... | 21 |
| 12. Misuse of the Mark..... | 22 |
| 12.1 European Union Certification Mark Regulations | 22 |
| 13. Complaints | 22 |
| 14. Allegations..... | 22 |
| 15. Confidentiality..... | 22 |
| 16. Impartiality and Conflict of Interest..... | 22 |
| 17. Staff Qualifications and Competencies..... | 23 |
| 18. Staff Evaluation and Training | 23 |
| 19. Language | 23 |
| 20. Reporting to Fairtrade International..... | 24 |
| 20.1 Information | 24 |
| 20.2 Quality System Documents..... | 24 |

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 Use Guidelines are handled for Fairtrade licensees.

2. Applicability and Terminology

2.1 Applicability

This Standard Operating Procedure applies to all Fairtrade Belgium staff engaged in Licensing.

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

2.2 Terminology

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

Fairtrade Belgium uses the Fairtrade Connect application and Fairtrade Glossary for relevant internal documents.

3. Roles and Responsibilities, Data

3.1. General Roles and Responsibilities

Fairtrade Belgium is responsible for licensees located in Belgium.

The Licensing Officer and Licensing Manager are responsible for the licensing operations.

The Licensing Officer requests the information for application from the applicant as described in chapter 4. License Applications.

Once an applicant is accepted as described in a license contract is sent to the applicant by the Licensing Officer.

The Licensing Manager decides License application approvals.

If an applicant requests a reconsideration of an application denial as described in 4.2 Application denial, the reconsideration is handled by the Licensing Manager as described in 4.3 Application reconsideration.

The withdrawal is handled by the Licensing Manager as described in 5. License Withdrawal.

The Licensing Officer decides product application approvals as described in 6. Product Applications – general.

Exceptions are handled by the Licensing Officer as described in 10. Exceptions.

Misuse of Fairtrade Mark is handled by the Licensing Manager as described in 14. Misuse of the Mark.

The Licensing Manager supervises the Licensing Officer and develop and update policies, requirements and evaluations for the department which are in the end approved by the Executive Director.

In this document Licensing staff refers to the Licensing Officer and the Licensing Manager.

Licensing Staff from Fairtrade Nederland may act as a replacement for Fairtrade Belgium's Licensing Staff for holidays and other absences.

3.2 Licensing Data

The Fairtrade Product Registration System is Fairtrade CONNECT.

Fairtrade CONNECT is used to record all core Licensing data regarding Licensees, license contracts, their finished products, ingredients used, applicable fee rates and discounts, and sales volumes.

Approval decisions are communicated to the Licensee in text form through automatic notification 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, Fairtrade Belgium informs Fairtrade International and ICC Support and stores the information securely at its own premises.

Other communication with certified operators and/or licensees takes place via licensing@fairtradebelgium.be and stored on secured mail servers.

Other data from certified operators and licensees are stored in secured data servers.

FLOCERT certification data is stored in Fairtrade Intact Platform.

4. License Applications

4.0 License Applications - General

Fairtrade Belgium does not discriminate between organisations and all parties are welcome to apply. No application for licensing shall be denied except as provided for in the Fairtrade Standards, Fairtrade Belgium Licensing Standard Operating Procedure or other such relevant and public documents.

4.1 Request for Initial Application

The applicant can contact the Fairtrade Belgium's Licensing team by phone or by e-mail.

The Licensing officer informs the applicant to allow for 4 to 6 weeks for the entire application process.

The Licensing officer informs the applicant about the Fairtrade system, Fairtrade ingredients and sourcing, licensing of consumer-ready products, and the application process.

To review the company situation and needs of the applicant the Licensing Officer inquires about the applicant's ingredients, products, supply chain and any other details relevant to the application request.

The Licensing Officer registers the applicant as a prospect in the Licensee Application Register.

Certification, verification and / or licensing of applicants

The Licensing Officer determines in first instance whether the proposed products are covered by Fairtrade Standards generally. The Licensing Officer also determines whether the applicant 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 licence 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 applicant 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 the applicant requires verification they are informed that they need to apply for verification with FLOCERT and that they cannot be verified until a license contract is obtained.

The licensing officer informs FLOCERT that the applicant will become Licensee and needs verification and when signed sends the first and last page of the licensing contract to FLOCERT for confirmation.

Initiation of application

An application for licensing can be initiated when the applicant has obtained Fairtrade certification and has received from FLOCERT a Permission to Trade or full certificate to buy and sell Fairtrade.

If applicable the Licensing Officer will provide the applicant with an application package. The application package shall include a License application form, Licence contract for review, and the materials necessary for the applicant to know the requirements of Fairtrade Licensing.

Application received

The Licensing Officer reviews the License application form for the following application criteria:

- The company is legally registered,
- The company structure,
- Product category scope is covered by Fairtrade Standards,
- Customer/ brand owner of proposed finished products is not licensee
- Proposed finished products as well as communication material meet Fairtrade Standards and Mark Use Guidelines;
- Permission to Trade or full certificate to buy and sell Fairtrade.
- If the Applicant's behaviour or activity is in line with the Fairtrade International Organisation Code

If the applicant does not submit the application form, submit missing information or fails to respond for more than 6 months since the application process started, the application is discontinued.

4.2 Application denial

Fairtrade Belgium may deny an application when the applicant's behaviour or activity is not in line with the Fairtrade International Organisation Code. The decision is based on objective criteria, they apply equally to all applicants and are supported by evidence.

The criteria include where the applicant:

- has misused a certification mark or a trademark,
- has made demonstrably false or misleading statements regarding social or environmental certification or labelling,
- has or intends to incite hatred based on ethnic origin, sexual orientation, gender, religion or other such social group, or:
- has admitted or has been convicted of corrupt, fraudulent or other similar behaviour.

If all of the above are not confirmed and the applicant is in line with the Fairtrade International Organisation Code, then the Licensing Manager sends a licence contract to the applicant.

If the application is denied, the Licensing Manager informs the applicant in writing why the application was denied and informs them of the reconsideration procedure 4.3 Application

reconsideration and the complaints policy 14. Complaints. Fairtrade Belgium also informs, when applicable, other Fairtrade Licensing Bodies.

4.3 Application reconsideration

There are no appeals of licensing application decisions, however applicants can ask for a reconsideration within 14 days of the denial. Fairtrade Belgium acknowledges all requests within 2 working days of receipt.

Reconsideration of licensing decisions are handled by the Licensing Manager who will review all the relevant evidence, Standards and Policies.

Licensing Body informs the applicant about the reconsideration decision within 15 working days.

A written record of all reconsiderations is kept.

If the reconsideration is successful Fairtrade Belgium also informs, where applicable, other Fairtrade Licensing Bodies.

4.4 Processing License Contracts

When in agreement the applicant notifies Fairtrade Belgium Licensing team to initiate the process to sign the license agreement.

The Licensing Officer first sends the Fairtrade Licensing Allocation Committee a request for formal allocation of the applicant to Fairtrade Belgium.

When formally allocated, the Licencing Officer sends a request to both parties, i.e. the executive director of Fairtrade and to the applicant, to electronically sign the license contract.

The license agreement needs to be signed with a valid electronic signature by a duly authorised representative of the applicant.

Once the license contract is digitally signed, the Licensing Officer informs FLOCERT that the applicant has become a Licensee.

If the new Licensee is a Licensee with a verification status then Fairtrade Belgium provides FLOCERT with the Licensee's contact details, requests from FLOCERT a FLO ID and informs FLOCERT about the need to start a Pure Licensee Verification application process. A day after the applicant is registered as (Pure) Licensee or certified operator in FLOCERT's Intact Portal, an account is automatically created in Connect with the company's basic information ('Account' page).

The Licensing Officer updates the Customer Relation Management systems.

The Licensing Officer updates Fairtrade CONNECT after certification or verification.

The Licensing Officer will send the Licensee a welcome email with the login credentials of the Fairtrade CONNECT application.

The Licensing Officer will invite Licensee for a Connect onboarding and training session to describe and clarify the product registration, approval and reporting process in CONNECT.

5. License Withdrawals

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

The decision is based on objective criteria as set out in the License Contract, they apply equally to all applicants and are supported by evidence.

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

- In case the licensee becomes decertified (or its permission to trade is withdrawn)
- In case the licensee engages in dishonest trading practices or any activity that reduces or diminishes the reputation, image and prestige of the FAIRTRADE Certification Mark
- In case the 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

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

- In case of non-payment of licensee fees.
- In case of non-reporting of sales data.
- Licensee becomes decertified (or its permission to trade is withdrawn)
- In 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.

When the decision is made to terminate the license contract, the Licensing Manager informs the Licensee in writing why the license contract was terminated and informs Licensee of the reconsideration procedure and the complaints policy.

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 par 12 Term and Termination of the license agreement.

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

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

The Licensing Manager decides on License Withdrawal cases in consultation with the Partnership Development Manager.

FLOCERT is informed of any delicensed Licensees.

6. Product Applications – general

All product references and product licensing details must conform with the Fairtrade License Contract and Fairtrade Mark Use Guidelines.

All product composition must conform with Fairtrade Trader Standards, relevant Product Standards as well as Fairtrade Belgium Policies.

All product packaging must conform with Fairtrade Mark Use Guidelines.

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

All new Licensees are given an onboarding and a basic training in Connect and are supported by the Licensing Officer to enter their first product into Connect.

A CONNECT user guide is provided to each operator working with CONNECT which covers the details on how to understand, use and update all relevant areas of Connect. In addition, a CONNECT privacy policy, release notes and terms of use are made available in CONNECT.

6.1 Ingredients

6.1.1 Ingredient References

In the Connect Sourcing 01 References tab operators (Account Owner) enter the following information:

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

The Account Owner is the operator that buys the ingredient.

The Licensing Officer verifies if the correct ingredient category has been selected.

For tea, cocoa, fruit juice and sugar physical traceability may only be set to “Yes” if FLOCERT’s Intact Platform (certification database) indicates that the operator has opted to be audited for voluntary physical traceability. If this is not the case, the Licensing Officer requests the operator to contact FLOCERT to get the VPT status. Otherwise, the Licensing Officer approves the section.

Fairtrade Belgium 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 this is not the case, the Licensing Officer declines the section and requests the operator to modify the recipe.

If all settings are correct, the section is automatically set to “Approved”.

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.

If the ingredient is on the Unavailability List, the operator clicks on “Request an exception” at the bottom of the screen. The exception is automatically added and approved.

Otherwise, 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 Belgium 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 Officer or, when applicable, by the Fairtrade International Exceptions Committee (e.g. transitioning ingredient, provenance, unavailability) 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 Officer records the basis for the exception in Connect.

Once the Licensee has entered all relevant information as requested in FI’s Exceptions Policy, the Licensing Officer or Fairtrade International’s Exceptions Committee reviews and either “Approves” or “Declines” the exception request. As stated in FI’s Exceptions Policy, every exception approval can be granted for a maximum period of 2 years.

6.1.2 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 (Only if necessary; mandatory in case of an origin claim on pack)

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 if each element in the supply chain keeps their Connect Sourcing 02 Supply tab up to date.

Whenever possible Fairtrade Belgium verifies the whole supply chain through the Intact Platform for plausibility, but checks at least the immediate supplier. In addition, 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.

Once the Licensee has entered all relevant information, the section is automatically set to “Approved”. If the status is not automatically set to “Approved”, the Licensing Officer will review the information.

6.1.3 Ingredient Recipe

If the Licensee’s composite ingredient is linked to their supplier’s Connect record for the ingredient, then the Connect Sourcing 03 Recipe tab will be automatically completed with the recipe.

Otherwise, Licensees enter the recipe into the Connect Sourcing 03 Recipe tab if it is a composite ingredient.

Once the Licensee has entered all relevant information, the section is automatically set to “Approved”. If the status is not automatically set to “Approved”, the Licensing Officer will review the information.

6.2 Finished Products

6.2.1 Product References

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

- Launch date
- Fairtrade program (if applicable)
- Product category
- Product name
- At least one unique identifier: commercial reference / internal reference / barcode / EAN
- Brand
- 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.

Once the Licensee has entered all relevant information, the section is automatically set to “Approved”. If the status is not automatically set to “Approved”, the Licensing Officer will review the information.

6.2.2 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 and their percentages in the product recipe. Ingredient totals must add up to 100%. When the Fairtrade Sourced Ingredient model is applicable, the licensee enters only the Fairtrade ingredients see chapter 7. Fairtrade Sourced Ingredients (FSI).

For tea, cocoa, fruit juice and sugar physical traceability may only be set to Yes if FLOCERT’s Intact Platform (certification database) indicates that the operator has opted to be audited for voluntary physical traceability (VPT). The Licensing Officer checks for VPT status through the Intact Platform. If VPT status is not applied, the Licensing Officer requests the operator to contact their certification analyst.

Connect automatically calculates the percentage of Fairtrade content.

Once the Licensee has entered all relevant information, the section is automatically set to “Approved”. If the status is not automatically set to “Approved”, the Licensing Officer will review the information.

6.2.3 Product Packaging

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

- Consumer Pack Size

- Artwork application
 - Name/reference of the artwork
 - Start date of the artwork
- Packaging Artwork(s)

The Licensee uploads the packaging artwork(s) in the artwork application or delegates this task to the supplier in case the Licensee buys a finished product. When the packaging artwork has been uploaded the Licensing Officer reviews it within 5 working days using the CONNECT checklist, and in particular the Licensing Officer reviews all Fairtrade claims against the Fairtrade Mark Use Guidelines.

The Licensing Officer 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.

The exception request is reviewed by the Licensing Officer or the Fairtrade International Brand Integrity and Strategy Committee. If the grounds for an exception as set out in the Mark Use Guidelines and Fairtrade International Exceptions policy are met, then the Licensing Officer records the basis for the exception in Connect.

The Licensee needs to add all relevant information in tabs 01 References, 02 Recipe and 04 Licensing before Licensing Staff can review the packaging. The Licensing Officer either “Approve” or “Declines” this section.

6.2.3.1 Origin Claims

Where the Licensee refers to a country of origin or producer specifically in the Fairtrade claim or on pack then Fairtrade Belgium collects information from the Licensee, wherever possible, verifies the origin claim for plausibility in FLOCERT’s Intact Portal, and asks the licensee to enter the full supply chain in Connect.

6.2.3.2 Producer Benefits

Where communication about the benefits to the producers or Fairtrade Premium use have been made, Fairtrade Belgium asks the licensee to provide the source of the information used, e.g. premium development plan or COD Impact data, and Fairtrade Belgium verifies that the information and communication 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 traceability of the ingredient in the product is made.

6.2.3.3 Communication Material

The Licensing Officer asks licensees to forward all Fairtrade communication and promotional materials to licensing@fairtradebelgium.nl.

The Licensing Officer reviews the materials in collaboration with the Communication Department in accordance with the Fairtrade Mark Use Guidelines.

The Licensing Officer or Communication Department informs the Licensee of any areas that are not compliant and the Licensee either submits corrected communications materials or requests an exception.

The exception request is reviewed by the Licensing Officer, Head of Communication or the Fairtrade International Brand Integrity and Strategy Committee. If the exception is approved by Fairtrade

International or the Brand Integrity and Strategy Committee, then the Licensing Officer records the basis for the exception in Connect.

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

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 Fee Payer
- License Fee Reporter
- Country/ies of sale

The Licensing Officer confirms that Connect has assigned the correct licensing fee.

The Licensing Officer “Approves” or “Declines” the sale of the product into Belgium. Sales to Belgium would only be declined if there was 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 Belgium as a country of sale. The Fairtrade Belgium Licensing Officer reviews cross border sales (CBS) into Belgium and if appropriate “Approves” the sale. If Fairtrade Belgium wishes to “Decline” a cross border sale into Belgium they consult with the Home NFO. Otherwise, cross border sales are automatically approved after 5 days.

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

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 Belgium 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.

6.2.6. Product Distribution

In the Connect Product 06 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, e.g. a composite inclusion in another product, then the operator can indicate other operators who are a customer of this intermediate product.

7. Fairtrade Sourced Ingredients (FSI)

The aim of the FSI model is to significantly increase the sales of Fairtrade producers through long-term sourcing commitments with brand owners and other supply chain actors. The par model offers a wide range of product labelling (on-pack) and corporate communication (off-pack) options to allow businesses the flexibility to choose the solution which most closely matches their business plans on ethical and / or sustainability issues.

This section outlines additional processes that are specific to the FSI model.

The general application and product approval process applies to Fairtrade Sourced Ingredients but with the following variations listed in par 7.1 and 7.2.

7.1 FSI product recipes

In the CONNECT Product 02 Recipe tab Licensees enter the standard product information, but for the recipe the Licensees only enter the Fairtrade ingredients and their percentages. Ingredient totals must not add up to 100%. Once the Licensee has entered all relevant information Licensing staff review and verify the recipe and either “Approve” or “Decline” this section.

7.2 FSI Claims

With the FSI model, off-pack communications and associated sourcing claims are introduced.

The off-pack communications include the possibility to use the FSI Mark together with a volume claim based on the company’s verified sourcing of Fairtrade commodities, either measured in tonnes or as a percentage of the company’s total sourcing of that commodity.

Fairtrade Belgium must verify the volume of licensees’ sourcing of Fairtrade commodities under the FSI model before any volume claim can be approved and published. Depending on the content of an off-pack claim, Fairtrade Belgium may need to collaborate with FLOCERT, especially to verify the volumes of commodities purchased when the company is not using the (or all of the) sourced volumes in FSI-labelled products.

Fairtrade Belgium 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. Sales Reporting and License Fees ATCB and FSI

8.1 Quarterly Sales Reporting

Licensee must submit a quarterly sales report in Fairtrade Connect within 30 days after the end of the quarter covering the precedent quarter, which will include the information necessary to determine the sales per Licensed Finished Product SKU and Country of Sale in order to calculate the license fees due.

A license fee rate is assigned in Connect to product references based on the license contract details, Home NFO i.e. Fairtrade Belgium or Fairtrade Switzerland (Country of Sale Switzerland) or Fairtrade UK (Country of Sale UK) and per product category.

The license fee is calculated based on the quantity of Product sold in volume i.e. kilos or litres (excluding the weight of the packaging) or 'wholesale value'. For retailers the 'wholesale value' is usually the purchase value of the finished products. For wholesalers this is usually the sales value of the finished products excluding the cost of transportation.

For some Licensees delegation of fee reporting and payment to their suppliers is applicable. In these cases the fee rate of the Home NFO of the Licensee apply, unless agreed otherwise.

The Licence Fee per kilo/liter is adjusted annually, effective 1st of January. This adjustment is based on the consumer price index (CPI) as published by Statistics Belgium.

A fee rate adjustment needs to be communicated at least 3 months prior to effective date as stated in the License contract.

All sales reporting is done through the Fairtrade Product Registration System, Connect. Every calendar quarter the Licensing Officer creates, on day one, a standard quarterly report for all reporting Licensees and sends out a series of reminders:

- Quarter has ended and reports are available to be completed
- Reminder 14 days before reporting deadline
- Reminder that reporting deadline will pass in a few days
- Reminder that reporting deadline has passed
- Warning of deregistration
- Deregistration

The Licensing Officer provides support for the submittance of the quarterly report by the Licensee.

A Connect quarterly report upload template can made be available for download in order to facilitate the report submittance.

The Licensing Officer creates an addition report in case the standard quarterly report is already approved and invoiced and adjustments are needed.

The Licensing Officer creates a correction report in case the standard quarterly report is already approved and invoiced and needs to be corrected.

8.2 Review of Quarterly Sales Reports

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

To review for correctness and completeness Licensing Officer checks the following parameters:

- Irregularities due to missing SKU's volumes while expected.
- Irregularities due to lower or higher volumes than expected.
- Irregularities due to lower or higher product unit prices (Value divided by Units)
- Irregularities due to deviation of sales trend

8.3 Invoicing License Fees

Once a report is approved, an invoice request is generated in Connect and sent to Finance.

Finance sends the invoice to the licensee and follows up on payment.

8.4 Cross Border Sales and Fees

Once all or substantially all of the reports have been invoiced for a quarter, Finance provides CBS details of sales by Fairtrade Belgium 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 Belgium.

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

9. Exceptions

All exceptions are approved by the Licensing Officer and where appropriate the relevant Fairtrade International body.

All Fairtrade composite product ingredient exceptions are recorded in CONNECT.

All Fairtrade product packaging exceptions are recorded in CONNECT.

Every year, Fairtrade International extracts Licensing Bodies' Category A and Category B Exceptions from Connect. The extract is presented to and reviewed by the FI Exceptions Committee and Oversight Committee. If there are any irregularities, the FI Exceptions Committee gets back to the Licensing Body to regulate the irregularities.

Granted exceptions which have not been registered in CONNECT must be registered using the Excel template ASSU Exceptions Reporting. This template is sent to Fairtrade International by mail upon their request to report granted exceptions not registered in CONNECT.

10. Delegation of Licensing Responsibilities

In Connect, Licensees may request delegation of one or more of the following responsibilities to another Fairtrade certified operator (the Delegate), normally their supplier or manufacturer.
Submission of Recipe and Supply Chain information

- Submission of Packaging Artwork
- Reporting of Quarterly Sales
- Payment of the Licensee Fees
- Full delegation (= creation and management of products on behalf of licensee)

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 Belgium may require the Licensee to fulfill these obligations.

11. Fairtrade International

11.1 Licensee Status

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

11.2 Licensing Body Status

If Fairtrade International withdraws Fairtrade Belgium licensing body status, then Fairtrade Belgium will not sign new licensing contracts.

11.3 New or Changed Standards

Fairtrade Belgium monitors changes to Fairtrade Standards and keeps licensees informed of these changes. The Licensing Manager is responsible to ensure that when a new standard has been adopted by Fairtrade Belgium it will be implemented as per the timelines outlined in the Standard.

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

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

11.4 Standards Interpretation

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

11.5 Changes to the Fairtrade Mark

Fairtrade Belgium 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 or Fairtrade International.

11.6 Guidelines Interpretation

If necessary Fairtrade Belgium asks the Fairtrade Brand Integrity and Strategy Committee or Fairtrade International on how a Mark Use Guideline is interpreted.

At least once a year Fairtrade Belgium provides the Fairtrade Brand Integrity and Strategy Committee or Fairtrade International with a copy of the Fairtrade Belgium Mark Use Internal Manual.

12. Misuse of the Mark

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

After giving fair warning, Fairtrade Belgium may take legal action in cases of misuse of the Fairtrade Marks and upon the written consent of Fairtrade International.

12.1 European Union Certification Mark Regulations

Fairtrade Belgium 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.

13. Complaints

Complaints are covered by the Fairtrade Belgium Complaints Policy. The Policy is available upon request.

14. Allegations

Allegations are covered by the Fairtrade Belgium Allegations Policy. The Allegations Policy is available upon request.

15. Confidentiality

Confidentiality guidelines are outlined in the Fairtrade International Confidentiality Policy. The Confidentiality Policy is available upon request.

16. Impartiality and Conflict of Interest

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

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

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

17. 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 either French or English and has at least basic proficiency in the other language. Proficiency in the second language shall improve gradually until there is substantial fluency. |
| 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. |
| | |

18. Staff Evaluation and Training

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

Where is it not possible to fill a position with a person with at least one year of relevant work experience, then Fairtrade Belgium informs the Assurance Manager of Fairtrade International and requests a variation.

19. Language

Fairtrade Belgium provides licensing services to operators in Dutch, and English and French.

20. Reporting to Fairtrade International

20.1 Information

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

- The names of all organisations to which Fairtrade Belgium grants a license.
- A list of products to which Fairtrade Belgium grants a license.
- The list of licensed products is obtained from the Fairtrade Product Registration System, 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 the Agreement with Fairtrade International.

20.2 Quality System Documents

Fairtrade Belgium keeps version 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:

- Fairtrade Belgium Licensing SOP
- Fairtrade Belgium Quality Management SOP
- Fairtrade Belgium Data Control SOP
- Fairtrade Belgium Document Control SOP
- Fairtrade Belgium Mark Control SOP
- Fairtrade Belgium Allegations Policy
- Fairtrade Belgium Complaints Policy
- Fairtrade Belgium Confidentiality Policy
- Fairtrade Belgium Impartiality Policy

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

- Fairtrade Belgium Application Policy
- Fairtrade Belgium Reporting & Product Approval Policy
- Fairtrade Belgium Cosmetics Policy
- Fairtrade Belgium Cotton Policy

All License Contract templates adapted to national legislations.

- Fairtrade Belgium License Contract
- Fairtrade Belgium License Contract Appendix Fees Licensees