

Pure Licensee Verification

Standard Operating Procedure

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1 Purpose and scope

This document describes the verification scheme for Pure Licensees (see definition). It underlies rules and principles such as the scope of verification, the verification cycle, the concept of Compliance Criteria and the rationale behind any sanctions. Furthermore, it provides an overview of the audit and verification process.

2 Area of Application

This Standard Operating Procedure applies to all parties involved in the Pure Licensee Verification, including FLOCERT staff, auditors, and Pure Licensee customers.

3 Definitions

Pure Licensee: Traders that buy and sell finished Fairtrade products and have a license agreement with a National Fairtrade Organisation (NFO). They are out of scope of Fairtrade certification.

Pure Licensees that are required to be audited by FLOCERT according to their licence agreement with their NFO must register with FLOCERT for the verification service for Pure Licensees (see chapter Registration)

4 Scope of Pure Licensee Verification

Pure licensees buying finished labelled products are not in the scope of certification of the Fairtrade Trader Standard which means they cannot apply for Fairtrade certification and hold a Fairtrade certificate. The Pure Licensee Verification has been developed to assess topics relevant for such licensees, such as details related to license fees and some aspects addressed in the Fairtrade Trader Standard.

Pure Licensees may be requested by the relevant NFO in the license agreement to sign up for Pure Licensee Verification. Being a verified customer of FLOCERT offers the following benefits:

1. Access to FairMonitor, a tool that allows to check on the certification status of trade partners.
2. Appearance as a Fairtrade trader in the Intact Platform web portal with verification status visible to other customers.
3. Possibility to claim that the entire trade chain, including the licensee, is Fairtrade certified/verified.

The verification involves an onsite audit to check the following topics:

- License fee payments,
- Fairtrade product approval,
- Fairtrade product composition,
- Fairtrade purchases from certified trader(s),
- the production chapter of the Fairtrade Trader Standard.

Details on the above topics (except license fee payment) can be found in the Fairtrade Trader Standard: <https://www.fairtrade.net/standards/our-standards/trade-standard.html>.

FLOCERT does not have a direct access to the CONNECT software. It is the responsibility of the Pure Licensees customers to provide evidence to the auditors during the audit, for topics related to CONNECT (artwork approval...)

5 Fees

Registration Fee	612 Euro	
Initial verification fee	1895 Euro	
Annual Verification fee	Pure licensee Category 1 (license fee above 15.000 Euro)	Pure licensee Category 2 (license fee below 15.000 Euro)
	1895 Euro	633 Euro

Customers who were deregistered and re-enter within 12 months will not be charged the registration fee but an administration fee of EUR 300.

6 Procedure

6.1 Registration

Pure Licensees that want to use FLOCERT's verification service need to register with FLOCERT. The registration form **CERT Pure Licensee Registration Form FO** must be completed, signed, and sent to the indicated email address along with the requested documents listed in the form:

1. First and last page of the licensing contract with a National Fairtrade Organisation or Fairtrade International, or an email from one of these organisations stating that the organisation will become a licensee.
2. Signed FLOCERT verification agreement.
3. Certificate of incorporation (documents that show the legal registration of your company)
4. Proof of payment of registration fee

Once the documents are received and complete, FLOCERT will send confirmation to the customer.

If the registration fee is paid but not all documents have been submitted, FLOCERT will retain the registration request active for a maximum of 12 months. After this period, registration is considered as discontinued. Should the licensee wish to register for Fairtrade verification after this 12 months' period, it will be requested to go through the entire registration process again.

After completion of the registration process, an initial verification fee will be charged. The customer is audited within 9 months after payment of both the registration fee and initial verification fee.

Following payment of the initial fee, subsequent years will see an annual verification fee always charged in the same month of the year.

6.2 Verification cycle

Pure Licensees in category 1 (license fee above 15.000 Euro) are audited annually while Licensees in category 2 (license fee below 15.000 Euro) are audited once every three years.

FLOCERT will contact the relevant National Fairtrade Organisations yearly to confirm the license fees amounts and the proper customer categorization. Should a customer change category, FLOCERT will adjust the fee amount and audit planning.



6.3 Audit and Verification process

6.3.1 Audit scheduling and preparation

Prior to each audit, the responsible analyst provides the assigned auditor with the Terms of Reference (ToR) which define the scope of the audit. The assigned auditor contacts the customer to determine a convenient audit date. If a date cannot be mutually agreed, it will be fixed by FLOCERT.

At this point the customer also receives information about any prospective observer accompanying the auditor, if applicable.

Once an audit date has been set, the auditor sends all important information to the customer to prepare for the audit. The customer may also be guided by the checklist of compliance criteria relevant to the upcoming audit, which is in their Intact Platform portal.

The audits are always announced in due time (no unannounced audits).

The customer will be required to pay a cancellation fee in the following situations:

- Cancellation or postponement of an audit by a customer less than 10 calendar days prior to the audit date mutually agreed between the auditor and customer, or denial of access on the date of the audit. The applicable fee will be equal to the amount of the annual verification fee and must be paid prior to the date of the next audit.
- Cancellation or postponement of an audit by a customer 30 to 10 calendar days prior to the audit date mutually agreed between the auditor and customer. The applicable fee will be equal to 50% of the amount of the annual verification fee and must be paid prior to the date of the next audit.

In the event of a force majeure, FLOCERT will decide whether the conditions justify a cancellation of the audit. If justified, the customer will not be required to pay any cancellation fee.

6.3.2 Execution of the audit

The customer is required to make all efforts, including providing information needed to demonstrate their compliance with the requirements of the verification scheme. During the audit, the auditor evaluates the customer's performance with regards to these requirements using FLOCERT compliance criteria (see **CERT Pure Licensee Checklist FO**).

Filming or recording of audits is not allowed without prior approval by FLOCERT and the auditor(s).

6.3.3 Closing meeting

The auditor completes the checklist and presents any detected non-conformities during the closing meeting which is held at the end of the audit.

The customer can choose to propose corrective measures aimed at correcting the detected non-conformities during the closing meeting or postpone until FLOCERT's analysts request them after the audit. The auditor will not advise the customer on how to fulfill the non-conformities identified but may explain the requirements and offer practical generic examples of compliance. The corrective measures proposed by the customer during the closing meeting may not be changed unless requested by FLOCERT during the evaluation process. FLOCERT can refuse to accept the suggested Corrective Measures if it finds them to be unsuitable for the resolution of the detected non-conformities.

6.3.4 Evaluation and verification decision

After receipt of the audit results, the responsible analyst evaluates the audit findings and related documents and guides the customer through the process of closing non-conformities. The analyst has the right to change, confirm or delete non-conformities identified by the auditor.

The table below provides an overview of the evaluation workflow and the corresponding timelines.

Timelines for the evaluation workflow	
	Audit is finished
14 days	Auditor sends audit report to FLOCERT
2 months	Analyst evaluates non-conformities and requests Corrective Measures ¹ (if they have not been suggested during the closing meeting).
1 month	Customer sends Corrective Measure proposals to FLOCERT (if they have not been suggested during the closing meeting).
14 days	FLOCERT evaluates corrective measures proposed and, depending on the nature of the non-conformities, requests Objective Evidence ²
45 days	Customer sends Objective Evidence to FLOCERT.
1 month	FLOCERT evaluates Objective Evidence and sends verification decision to the customer.

The customer is welcome and encouraged to submit evidence before the deadline. However, FLOCERT may only start the evaluation on expiry of the deadline. If the submitted evidence is incomplete, this might lead to delays in the process or sanctions (see chapter Sanctions).

Customers who are not able to propose the corrective measures or to send the requested objective evidence within the defined deadline should contact the respective analyst to discuss a solution.

Once FLOCERT is sufficiently satisfied with the compliance demonstrated by the customer (including correction of any non-compliances identified), it will provide a verification letter to the customer.

¹ Corrective Measures (CM) are measures suggested by the customer to correct a situation that is not compliant with the Fairtrade requirements and generated a non-conformity.

² Objective Evidence (OE) is the evidence provided by the customer that proves that corrective measure has been implemented and the situation that generated the non-conformity has thereby been corrected accordingly.

6.4 Sanctions

FLOCERT can decide to apply sanctions after careful consideration of the sufficiency of the customer's overall compliance. FLOCERT will consider the following aspects:

- Failure to submit corrective measures or objective evidence within the above timelines: in this case, the verification status in Intact Platform web portal will be set to “verified – actions pending”.
- If the corrective measures or objective evidence are still not provided within 1 month after the status change described above, FLOCERT will terminate the verification agreement and the customer's public status will be set to “deregistered”.

If a sanction is issued, it will be explained to the customer in an official communication.

Non-payment of the verification fees may result in a contract cancellation and consequently the de-registration of the customer.

7 Compliance Criteria

Compliance Criteria (CC) are established by FLOCERT to translate Fairtrade Standard or scheme requirements into verifiable control points. These are assessed during the certification/verification process to determine compliance with the scheme in question. Compliance Criteria lists are published here <https://www.flocert.net/pure-licensee-scheme/>

Non-conformity with a Compliance Criterion is understood to be a non-conformity with the corresponding requirement.

Applicability

Limitations to the applicability of a CC are documented at the beginning of a CC text in brackets. For example, a requirement only applicable to customers trading a specific product – indicated as: “(Seed Cotton)”

Performance Ranks

Compliance Criteria generally have 5 levels of compliance (ranks) that are numbered from 1 to 5 where 1 stands for complete lack of conformity and 5 for best practices. Ranks 1 and 2 indicate non-compliance whereas Ranks 3 to 5 denote compliance. It must be noted that some Compliance Criteria may not have all 5 levels of compliance but may just have “No” (signifying non-compliance) and “Yes” (compliance) as possible answers.

8 Right to appeal

Should the customer disagree with an evaluation or verification decision taken by FLOCERT, they may appeal or request a review of the decision (see CA Appeal Review SOP).

9 Official languages and translations in audits

FLOCERT operates in the following 5 languages: English, Spanish, French, Portuguese, and German.

This means that most customer service and documentation are provided in at least these 5 languages. The English version supersedes the translated version in case of conflict of interpretation between translated documents. Audits are also provided in the 5 languages specified above, where the respective auditor will speak the language most commonly used in the country where the audit takes place but is not necessarily fluent in all 5 official FLOCERT languages. English is to be used as the primary language in the case of conflict of interpretation between translated documents.

Auditors will always indicate their respective language skills in the Audit Preparation Letter.

A language barrier exists when:

1. a customer's documents are not written in (1 of) the audit language(s);
2. some of the customer's staff do not speak any of the audit languages.

It is the customer's obligation to identify if a language barrier exists.

If a language barrier exists, customers are responsible for ensuring that translation is provided as necessary. If translation requirements are not fulfilled, this is interpreted as access to necessary information not being provided and may have consequences for the customer's verification.

Translation requirements are as follows:

- Documents: If audit documentation is not written in (1 of) the 5 FLOCERT languages, the customer must ensure that the documentation required for an audit and as indicated in the Audit Preparation Letter are translated accurately and truthfully, and are available for the audit. All other documentation can be translated on-site during the audit.
- Interviews at head office: If the customer participant(s) mentioned in the audit agenda (as per the Audit Preparation Letter) do(es) not speak the audit language(s), the customer must ensure that several staff members from the same job category are available for translation/interpretation so that the auditor can choose a translator from them. If no staff members from the same job category that speak the audit language(s) are available, the customer must ensure that an independent third-party translator/interpreter is present.

In general, all translations must be accurate and truthful, and for all interviews, the auditor shall have a choice between several satisfactory translators to be able to change the translator if deemed necessary. If no satisfactory translators are available (see below definition), and/or if no accurate and truthful translations are available, the auditor is required to stop the audit process, which may lead to a sanction (see chapter "Sanctions" above).

To assess whether a translator is satisfactory, the auditor will use the following guidelines:

Competency:

- Is the person acting as translator sufficiently fluent in both languages?
- Is the person acting as translator aware of the expected role of a translator? (i.e. translate exact words used by the interviewee without modification)

Impartiality:

- Is there any potential conflict of interest that may make the translator have an interest in modifying the content of what is being said?
- For third party translators: Is there an indication that the translator has received instructions from the contracting party to modify the content of the translation?

Bias/Prejudice:

- Does the translator show any bias/prejudice against the interviewee that may alter the content of the translation, even if this is not deliberate?

10 References

- [FLOCERT Public Compliance Criteria Lists](#)
- [Fairtrade Standards](#)
- [CERT Pure Licensee Registration Form FO](#)
- Pure Licensee Verification Contract