Pure Licensee Verification

Standard Operating Procedure

Valid from: 01/01/2024

Distribution: External

Certifier for

Table of contents

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 an 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)

For further definitions please refer to the **Fairtrade Assurance Rules and Guidelines**.

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	597 Euro	
Initial verification fee	1849 Euro	
Annual Verification fee	Pure licensee Category 1 (license fee above 15.000 Euro)	Pure licensee Category 2 (license fee below 15.000 Euro)
	1849 Euro	618 Euro

6 Procedure

6.1 Registration

Pure Licensees that want to use FLOCERTs 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.

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.

★ Licensee fee less than 15000 euro per year

★ Licensee fee more than 15000 euro per year
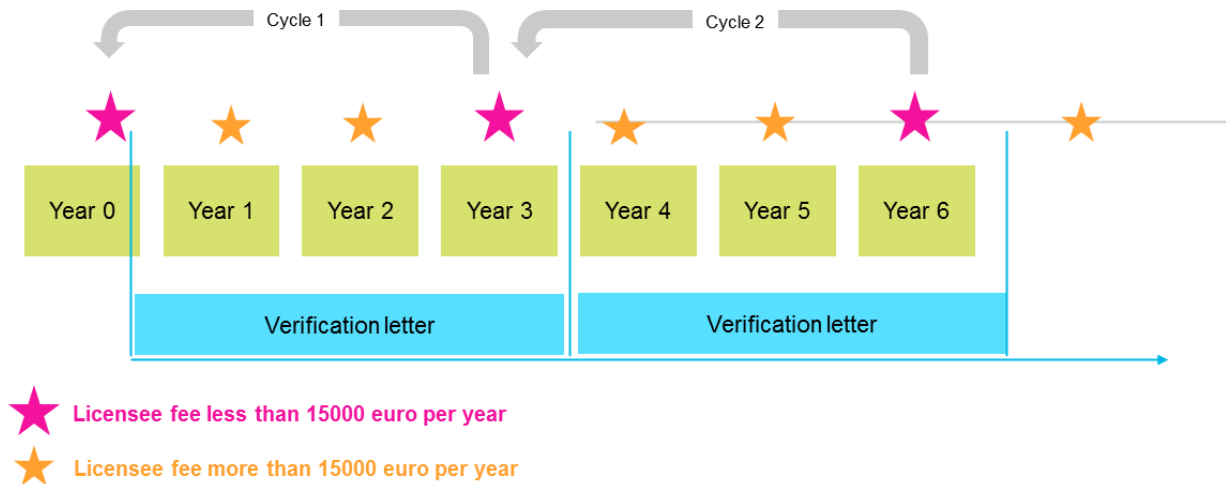
6.3 Audit and Verification process

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).

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. For more guidance on how Corrective Measures can be proposed in an efficient manner, please refer to the relevant chapter in the Fairtrade Assurance Rules and Guidelines. 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. Non-conformities might also be added after the audit if the supporting documents submitted provide evidence of further non-compliance.

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].
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.

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".

---

[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.

- 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.

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.

Major Compliance Criteria

FLOCERT classifies a limited number of Compliance Criteria as major that reflect key Fairtrade principles.

Core Compliance Criteria

Core Compliance Criteria are the baseline requirements which need to be complied with as they become applicable according to the certification timeline (year 0,1, 3 and 6)

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

Please refer to the Fairtrade Assurance – Rules and Guidelines, chapter "Official FLOCERT languages" for information on the requirements.

10 References

- FLOCERT Public Compliance Criteria Lists
- Fairtrade Standards
- CERT Pure Licensee Registration Form FO

- Pure Licensee Verification Contract
- [Fairtrade Assurance - Rules and Guidelines](#)