



## APPLICATION POLICY

### 1. PURPOSE

This document outlines requirements for initial applications.

### 2. DEFINITIONS

A “**Producer**” is an organization that has been certified by FLO-CERT as the original producer of Fairtrade Certified products.

A “**Licensee**” is a company that has signed a contract with Fairtrade Canada allowing them to put the Fairtrade International Mark on one or more products. Licensees pay license fees based on volume. Unless you have signed a contract that specifically gives you permission to put the Fairtrade International Mark on a finished product then you are not a licensee.

A “**Trader**” is any other company that is not a Producer, Licensee or Sub-licensee. Traders do not pay license fees and are not allowed to put the Fairtrade International Mark on products. They may have a limited permission to use the Fairtrade International Mark on business cards and other such materials. Traders pay trader certification fees.

A “**Sub-contractor**” is a company or person that provides a service to the Fairtrade Certified products. Sub-contractors do not at any time buy or sell Fairtrade Certified product, and therefore at no time takes legal ownership of Fairtrade Certified goods. Subcontractors also do not handle the payment of the Fairtrade Minimum price and/ or Fairtrade premium.

An “**Agent**” is a juristic or natural person who provides services to registered Fairtrade operators to facilitate trade. An agent does not under any circumstances buy or sell Fairtrade Certified products, and therefore at no time takes legal ownership of Fairtrade Certified goods, An agent also does not handle the payment of the Fairtrade Minimum price and/ or Fairtrade premium.

### 3. WHO NEEDS TO APPLY

#### 3.1 Certification Services (FLOCERT)

FLOCERT policies cover who must be certified. In general this means that every operator buying or selling Fairtrade Certified products up to the point where the product is in its final packaging and ready to sell to consumers must be certified. Certified means audited against Fairtrade Standards by FLOCERT, Fairtrade ANZ or Fairtrade Japan.



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Companies trading in fresh fruit, bananas, fresh vegetables or flowers up to an including the importer in the 'Global North' must be certified. Any company after the importer that is packaging or labelling the fruit must be certified.

### **3.2 Licensees (Fairtrade Canada)**

All companies that will submit product packaging artwork to Fairtrade Canada should be a licensee. In the case of private labels where the private label manufacturer is responsible to provide the product packaging artwork to Fairtrade Canada, the private label manufacturer should be the licensee. Nevertheless, Fairtrade Canada reserves the right to determine which company will be the licensee. This is normally done at time of application.

All potential licensees located in Canada must be licensed by Fairtrade Canada.

All companies located outside Canada who wish to sell labelled finished Fairtrade Certified Products in Canada must be covered by a licence contract with another National Fairtrade Organisation (NFO) or Fairtrade International and a cross border agreement signed between Fairtrade Canada and the Host NFO. In some cases Fairtrade Canada may require a direct license contract.

All Fairtrade Canada Licensees who wish to sell labelled finished Fairtrade Certified Products outside Canada must ask Fairtrade Canada to get permission for them from the Destination National Fairtrade Organisation

#### **3.2.1 Delegation of Licensees Responsibilities**

Licensees have a number of responsibilities:

- finished product artwork approval,
- promotional material artwork approval,
- recipe approval,
- supply chain approval,
- quarterly sales reporting (by sku); and
- license fee payment.

One or more of these responsibilities can be delegated to an upstream supplier with the consent of Fairtrade Canada. The two parties sign a Delegation Agreement and provide a copy to Fairtrade Canada. The downstream licensee is ultimately responsible if the delegated party fails to perform the task on their behalf.

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### **4. EVALUATION**

Applications may be denied if in the opinion of Fairtrade Canada the applicant does not have the capacity to comply with Fairtrade International Standards or Fairtrade Canada Policies.

### **5. SUBCONTRACTORS AND AGENTS**

#### **5.1 Sub-contractors**

Sub-contractors, as defined above, do not need to apply to Fairtrade Canada for licensing or certification. However companies using them must disclose them to FLOCERT.

#### **5.2 Agents**

Agents, as defined above, do not need to apply to Fairtrade Canada for licensing or certification. However companies using them must disclose them to Fairtrade Canada and / or FLOCERT.

### **6. DISCONTINUATION OF APPLICATIONS**

If the application process does not proceed due to the fact that the applicant does not submit missing information or fails to respond to Fairtrade Canada for more than 6 months after the application process has started the application will be discontinued.

If the applicant wishes to continue, a new application must be started from the beginning. All documents need to be resubmitted, a new invoice for the application fee will be issued and fees already paid cannot be taken into consideration.

### **7. REAPPLICATION AFTER DE-CERTIFICATION**

In general, operators that have lost the certification for their Fairtrade Certified products for failing to meet Fairtrade Standards may not reapply to Fairtrade Canada within one year of de-certification. This time period can be shorter if appropriate to the reason for de-certification, but is never less than 3 months.

Although companies may reapply after the respective time period, there is no guarantee that the application will be accepted. Fairtrade Canada will evaluate each application to verify if the operator complies with Fairtrade Standards. Where there has been a serious non-compliance this will generally require an on-site audit before re-certification. The cost of the audit must be covered by the applicant.