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# Licensing

## Impartiality Policy

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### 1. Purpose of this document

Fairtrade Lëtzebuerg seeks to maintain its reputation as a not-for-profit organization delivering high quality professional services. This policy is designed to ensure that all licensing activities shall be undertaken impartially.

Fairtrade Lëtzebuerg management and employees, volunteers, and contractors understand the importance of impartiality and the consideration of any potential conflict of interests in carrying out its licensing activities. This policy illustrates good behavioural practices for the benefit of both Fairtrade Lëtzebuerg and Licensees. The overall aim of this policy is to give confidence to all parties.

### 2. Impartiality risks

Fairtrade Lëtzebuerg is responsible for the impartiality of its licensing activities and shall not allow commercial, financial or other pressures to compromise impartiality.

Impartiality risks arise from Fairtrade Lëtzebuerg's activities, from its relationships, or from the relationships of its personnel. However, such relationships may not necessarily present a licensing body with a risk to impartiality. A relationship presenting a risk to impartiality of the licensing body can be based on ownership, governance, management, personnel, shared resources, finances, contracts, marketing (including branding), and payment of a sales commission or other inducement for the referral of new stakeholders, etc.

Threats to impartiality are sources of potential bias that may compromise, or may reasonably be expected to compromise the ability to make unbiased observations and conclusions. Threats to impartiality include, but are not limited to, the following:

- self-interest: arising from a person or body acting in its own interest to benefit itself;
- self-review: arising from reviewing the work done by themselves;
- subjectivity: arising when personal bias overrules objective evidence;
- familiarity: arising from a person being familiar with or trusting of another person;
- intimidation: preventing a licensing body or its personnel from acting objectively due to fear of a candidate or other interested party; and
- financial: the source of revenue can be a threat to impartiality.

### 3. Identified risk

Fairtrade Lëtzebuerg aims to inspire confidence in its licensing processes to its stakeholders and the public at large by:

- being impartial;
- employing competent personnel;
- being responsive to complaints;
- providing access to relevant information gathered;
- fairness;
- transparency of processes; and
- maintaining confidentiality

### 4. Quality controls

Fairtrade Lëtzebuerg will identify and assess risks that may result in a conflict of interest or pose a threat to impartiality.

Impartiality is protected by placing it within an organizational structure, which will guarantee that the safeguards required are implemented. Conflict of interest and objectivity is addressed through standard operating procedures and binding agreements to ensure that all activities undertaken throughout the licensing process are conducted in an objective, independent and impartial manner. Licensing of companies and products is based on objective evidence obtained through a fair, valid and reliable assessment, and is not influenced by other interests or other parties. The

main principles for inspiring confidence are independence, impartiality and competence both in action and appearance.

Fairtrade Lëtzebuerg and any part of the same legal entity and entities under its organizational control shall not:

- be the designer, manufacturer, installer, distributor or maintainer of the certified product;
- be the designer, implementer, operator or maintainer of the certified process;
- be the designer, implementer, provider or maintainer of the certified service;
- offer or provide consultancy to its stakeholders;
- offer or provide management system consultancy or internal auditing to its stakeholders where the certification scheme requires the evaluation of the stakeholder's management system.
- Market or offer activities as linked with the activities of an organization that provides consultancy.
- Use personnel to review or make a licensing decision for a product for which they have provided consultancy for minimum 2 years

When the separate legal entity offers or produces the certified product (including products to be certified) or offers or provides consultancy, Fairtrade Lëtzebuerg management personnel and personnel in the review and licensing decision-making process shall not be involved in the activities of the separate legal entity. The personnel of the separate legal entity shall not be involved in the management of the licensing body, the review, or the licensing decision.

## 5. Continual review

Fairtrade Lëtzebuerg shall identify risks to its impartiality on an ongoing basis and a register of identified risks shall be kept.

The impartiality risks will be assessed periodically to enhance its delivery of impartial licensing activities. This review will be performed by the Executive Director or an appropriate appointee named by the Executive Director. The organization will consider what actions it may need to take to address any deficiencies identified in the review.

## 6. Corrective action

Fairtrade Lëtzebuerg shall act to respond to any risks to its impartiality, arising from the actions of other persons, bodies or organizations, of which it becomes aware.

If a risk to impartiality is identified, the licensing body shall be able to demonstrate how it eliminates or minimizes such risk.

Licensing activities shall be structured and managed so as to safeguard impartiality.

### 6.1. Possible conflict

If a staff person has reason to believe that a person has failed to disclose and actual or potential conflict of interest, they will inform the Executive Director.

### 6.2. Procedure

If a conflict is disclosed or a possible conflict identified, the Executive Director will determine whether a conflict of interest exists, and if so determine and appropriate resolution to the conflict of interest.

### 6.3. Remedy

If the conflict of interest is material to the interests of Fairtrade Lëtzebuerg then the following are possible remedies for the conflict of interest:

- Not working on certain areas, types of work or certain operators,
- Divestment of certain investments,
- No participation in certain types of discussions or decisions; or
- Termination of employment where;
  - the conflict is serious and was intentionally not disclosed in advance; or
  - there is no other possible way of resolving the conflict.