

IMPARTIALITY POLICY

1. PURPOSE

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

Fairtrade Canada top management and its 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 Canada and Licensees. The overall aim of this policy is to give confidence to all parties.

2. Impartiality risks

Fairtrade Canada 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 Canada, its 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 clients, 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 Canada aims to inspire confidence in its licensing processes to its clients and the public at large by:

- being impartial;
- employing competent personnel;
- being responsive to complaints;
- providing access to relevant information gathered;
- fairness;

IMPARTIALITY POLICY

- transparency of processes; and
- maintaining confidentiality

4. Quality controls

Fairtrade Canada 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 help ensure that the safeguards required are implemented. Conflicts of interest and objectivity is addressed through standard operating procedures and signed staff declaration to help 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 Canada and any part of the same legal entity and entities under its organizational control, shall not:

- be the designer, manufacturer, or distributor of Fairtrade licensed products;
- offer or provide paid consultancy or other services to its licensees other than through established Fairtrade Programs or Fairtrade Offers to Business where the requirements of those Programs or Offers are followed and where potential financial conflict of interest are mitigated;

5. Continual review

Fairtrade Canada 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 annually to enhance its delivery of impartial licensing activities. This review will be performed by the Quality Manager or an appropriate appointee by the Chief Executive Officer. The organization will consider what actions it may need to take to address any deficiencies identified in the review.

6. Corrective action

Fairtrade Canada shall take action 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 to safeguard against impartiality.

IMPARTIALITY POLICY

6.1 Possible conflict

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

6.2 Procedure

If a conflict is disclosed or a possible conflict identified, the Quality Manager will determine whether an actual or perceived conflict of interest exists and, if so, determine an appropriate resolution to the conflict of interest. If the conflict is with the Quality Manager, then the Chief Executive Officer will act in their stead.

6.3 Remedy

If the conflict of interest is material to the interests of Fairtrade Canada, 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.

IMPARTIALITY POLICY

Impartiality & Conflict of Interest Declaration

1. Purpose

The purpose of this declaration is to identify threats to impartiality and conflicts of interest and applies to all Fairtrade Canada staff engaged in Licensing the Fairtrade Mark.

2. Definitions

A conflict of interest is understood as an actual or perceived interest or action that results in, or has the appearance of resulting in, a personal, organizational or professional gain.

3. Identification

Conflicts of interest may arise out of the following:

- financial interest in any company within the scope of Fairtrade Standards.
- holding office, serve on the board or receive gifts or loans from an organisation that has competing interests with Fairtrade Canada, with the exception of gifts of less than \$50 that could not be refused without discourtesy.
- close family members or close personal friends that work at an operator licensed by Fairtrade Canada.

Close family members mean:

- spouse, children, parents, uncles, aunts or siblings.

4. Declaration

I confirm that I have read, understand and will follow this Policy, and will disclose any conflict of interest that might influence my impartiality.

I confirm that I do not have any close family members or close personal friends working for an operator certified or licensed for Fairtrade, or where they exist, the mitigation of the conflict of interest is documented

I confirm that I do not have investments that might cause a conflict of interest as described above.

Name

Position

Signature

Date