



# Complaints Procedure

Fair Trade USA

Version 1.0.0

## A. Introduction

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This procedure is intended to provide a means for any interested party to convey their concerns regarding a Fair Trade USA position, policy, standard or decision, or concerns regarding the behavior of any actor in the Fair Trade USA system. Fair Trade USA will endeavor to address concerns and conduct appropriate follow up actions through this procedure.

## B. Scope

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This procedure outlines the process by which interested parties may submit complaints, allegations, and appeals to Fair Trade USA. The procedure applies to parties that are currently certified or registered by Fair Trade USA, or are in the applicant phase of certification or registration. Stakeholders or other entities may also submit complaints, allegations, or appeals on behalf of an involved or affected party.

## C. Terms and Definitions

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**Allegation:** A claim or assertion made by any interested party or stakeholder, that a Certificate Holder, registered partner, or applicant, has violated the requirements of a Fair Trade Standard.

**Appeal:** An appeal is a request by a Certificate Holder, registered partner or applicant, for formal reconsideration of any decision made by Fair Trade USA related to the party's certification status or any issue relating to the certification mark.

**Certification Decision:** A Certification Decision is any decision taken that confirms or changes the certification status of an applicant or Certificate Holder. It is the process of determining whether a trader or producer is in compliance with the requirements of the Certification & License Agreement, including the Fair Trade USA Standards. Authorization to use the Fair Trade USA certification seal is granted to parties that meet said requirements.

**Complaint:** A complaint is a formal expression of dissatisfaction with Fair Trade USA or a 3<sup>rd</sup> party operating on behalf of Fair Trade USA, such as an assurance provider, submitted by a stakeholder.

**Conformity Assessment Body (CAB):** A 3<sup>rd</sup> party and impartial organization that conducts assessments for certification against a particular standard.



# 1. Complaints and Allegations

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## 1.1. Topics Covered by Complaints and Allegations

1.1.1. Complaints may be made on a variety of topics related to the standards system, compliance with a Fair Trade USA standard, behavior of Fair Trade USA staff or service providers, decisions made by Fair Trade USA, fraud or potential fraud regarding Fair Trade USA certification or use of the certification seal, or positions on topics of interest to the complainant.

1.1.2. Complaints may be made about any actor in the Fair Trade system, from certified entities, to certification bodies and auditors, to Fair Trade USA itself.

1.1.3. Allegations may be made regarding any violation of a Fair Trade standard requirement, including the Trade standard and authorized use of the label and certification seal. Allegations may cover various types of violations, such as an allegation of a violation of a labor standard, an allegation of worker mistreatment, or an allegation of non-compliance with the Trade Standard, such as incomplete payments to sellers or breaks in physical traceability.

1.1.4. Allegations may also cover actions outside of the spirit of Fair Trade. The spirit of Fair Trade is characterized by respect, collaboration, transparency, sustainable development, equity, integrity, long-term relationships and justice. In the case of management and workers, it is also characterized by a collaborative relationship built on mutual respect, joint problem-solving, worker involvement, and improved livelihoods for workers and their families. Allegations of violations of these values may also be reported through this process.

## 1.2. Who May Submit a Complaint or Allegation?

1.2.1. Any interested party or stakeholder may file a complaint or allegation.

1.2.2. Any party with firsthand information about Certificate Holders violating Fair Trade standards, or engaging in activities that violate the spirit of Fair Trade may file an allegation or complaint.

1.2.3. Complainants are not required to be party to the violation or complaint – they may be 3<sup>rd</sup> parties filing a complaint or allegation as an interested stakeholder or on behalf of an affected or involved party.

## 1.3. How to Submit a Complaint or Allegation

1.3.1. Complaints and allegations must be submitted using the Complaints Form, available on the Fair Trade USA website.

1.3.2. Complaints Forms may be submitted through the website, or via mail, email or fax.

1.3.3. If the complainant is unable to access the form, complaints and allegations may also be communicated via telephone to the Fair Trade USA office in Oakland, California.

## 1.4. Investigation Process

1.4.1. Fair Trade USA will acknowledge receipt of any complaint or allegation at the time it is received.

1.4.2. If not directed at Fair Trade USA, complaints are forwarded to the appropriate party against whom the complaint has been lodged – this may be a certified entity or an audit body, for example.

1.4.3. Fair Trade USA aims to begin an investigation of the complaint or allegation immediately and to resolve the issue within 30 days. This timing may vary depending on the severity of the issue and the number of parties involved.

1.4.4. Fair Trade USA will review the submitted information and determine if a formal investigation is needed, or whether the issue can be resolved through dialogue and/or training. Factors that determine whether a formal investigation is needed include the severity of the issue, the identity of the complainant,



and whether the allegation can be substantiated. In either case, the complainant will be notified of the process and anticipated timeline.

1.4.5. If a formal investigation is needed, Fair Trade USA will convene an internal investigation committee made up of:

- a) One representative from the Standards Department;
- b) One representative from the Certification Department with responsibility for a product that is not related to this case;
- c) One representative from the Impact Department;
- d) One representative from the Senior Management Team (Vice President or Officer level) outside of the Certification Department if not represented by one of the individuals above.

1.4.6. Depending on the nature of the complaint or allegation, Fair Trade USA may also assign auditors as independent investigators to investigate the issue. This is often the case when information must be verified or a claim substantiated during an audit or other site visit to a Certificate Holder.

1.4.7. If Fair Trade USA has access to additional information through existing relationships with farm/factory managers, workers, NGOs and brands, the investigation may include additional interviews with these relevant outside parties.

## 1.5. Resolution and Decision Making

1.5.1. A Fair Trade USA cross-departmental committee composed of three members of the Senior Management Team representing both the product categories and the Product Team and one member of the Executive Team will review the investigation's findings and recommendations and make a decision regarding the case.

1.5.2. Additional documentation (e.g. supporting paperwork, additional interviews, employment documentation, etc.) may be requested to substantiate complaints and allegations.

1.5.3. Possible decisions include case dismissal when no wrongdoing was demonstrated, required training or other forms of remediation, corrective actions on the part of any involved party including Fair Trade USA, or suspension of the Fair Trade certification of the Certificate Holder under investigation.

1.5.4. A complaint or allegation may trigger an unannounced audit at a farm, factory or other commercial entity (exporter, processor). The farm, factory or trader's certification status may be suspended while an investigation is taking place, depending on the severity of the complaint or allegation.

## 1.6. Confidentiality

1.6.1. Due to the sensitive nature of complaints and allegations, the results of a review or investigation will not be made public. Rather, decisions will be communicated directly to both the complainant and the party against whom the complaint was lodged.

1.6.2. If the decision involves suspending or revoking certification or registration of a party, this status change will be made public, but not the reason for the status change.

1.6.3. Fair Trade USA and its partners make every effort to protect workers who submit complaints or allegations. This includes keeping sensitive information confidential, working with trusted organizations in the investigation, and seeking guidance from local experts familiar with the national and local labor context, when necessary. Most importantly, retaliation by management against a worker who has filed a complaint or allegation will not be tolerated. Corrective action and/or immediate decertification of the farm/factory will be applied in such cases.

1.6.4. All steps in the process described above are documented and the records and communications saved with the files for the relevant partner. All records regarding complaints or allegations are maintained for seven years, in keeping with the Fair Trade USA Document Control and Record Retention Procedure.



## 1.7. How to Appeal a Decision

1.7.1. Both the complainants and the targets of a complaint have the right to appeal a decision. A letter of appeal must be accompanied by supporting argumentation, documentation, and/or evidence that the appealing party believes was not considered during the investigation.

1.7.2. A final decision on the appeal will be made by the cross-departmental committee, in light of the additional evidence submitted, and will be communicated to the relevant parties.

## 2. Appeals

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### 2.1. Topics Covered by Appeals

2.1.1. Appeals may be made for formal reconsideration of any decision made by Fair Trade USA related to certification status, issuance of a non-compliance against a specific requirement of a Fair Trade USA standard, or any issue relating to use of the certification seal.

2.1.2. Appeals may also be submitted regarding issues not satisfactorily resolved and decisions by CABs authorized by Fair Trade USA to issue certification decisions against Fair Trade USA standards.

### 2.2. Who may Submit an Appeal

2.2.1. Appeals may be made by a Certificate Holder, registered partner, or applicant. This includes all parties that are currently certified or registered by Fair Trade USA, or are in the applicant phase of certification and registration by Fair Trade USA.

### 2.3. How to Submit an Appeal

2.3.1. The appellant must submit the appeal to the Fair Trade USA Certification Department explaining the reason for the appeal within five (5) days of a Certification Decision. The explanation should include:

- a) The specific compliance criteria and/or non-compliance in question;
- b) An explanation of why the appellant believes that it is in compliance;
- c) Any supporting materials (documents, pdf files, photographs etc.).

### 2.4. Appeals Process

2.4.1. The product lead within the Fair Trade USA Certification Department will send the appellant an acknowledgement and an overview about the next steps within five (5) days of receipt. The lead will review the appeal and documentation and prepare a summary for review by an Internal Appeals Committee.

2.4.2. The Internal Appeals Committee will include:

- e) One representative from the Standards Department;
- f) One representative from the Certification Department with responsibility for a product that is not related to this case;
- g) One representative from the Impact Department;
- h) One representative from the Senior Management Team (Vice President or Officer level) outside of the Certification Department if not represented by one of the individuals above.

2.4.3. The committee will convene and come to a majority decision regarding the appeal that will be communicated to the appellant within thirty (30) days of receipt of the appeal. This communication will explain the proposed decision or action, and why the appeal was accepted or denied.

2.4.4. If the appellant, accepts the proposed decision or action, then the appeal is closed.



2.4.5. Where the internal procedure of investigation and evaluation of an appeal does not satisfactorily resolve the case, and the party rejects the proposed decision or action, the appeal will remain open and is referred to a specially convened cross-departmental committee for final review and decision.

2.4.6. The committee is composed of three members of the Senior Management Team representing both the product categories and the Product Team and one member of the Executive Team.

2.4.7. A final decision will generally take place within ninety (90) days of referral to the committee and is communicated in writing to the appellant by Fair Trade USA upon issuance.

2.4.8. All steps in the appeals process described above are documented and the records and communications saved with the files for the relevant partner. All records regarding appeals are maintained for seven years, in keeping with the Fair Trade USA Document Control and Record Retention Procedure.

