



# Management of Incidents, Allegations and Complaints

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Fair Trade USA



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## Introduction

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Any interested party may 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 addresses concerns and conducts follow up as defined in this procedure to ensure consistent management of incidents, complaints and appeals, and determine outcomes in an unbiased manner.

## Scope

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This procedure covers the process that interested parties follow when submitting concerns to Fair Trade USA relating to the activities of Fair Trade USA; the activities of a Conformity Assessment Body (CAB) or the activities of a Certificate Holder (CH), applicant, or licensee currently certified or registered by Fair Trade USA.

## Terms and Definitions

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**Allegation:** Allegations are a serious type of incident that are investigated formally. They are claims or assertions made by any interested party or stakeholder, that a Fair Trade USA certified entity, licensee, or applicant, has violated the requirements of a Fair Trade Standard. Any third party, person, or entity can file an allegation with Fair Trade USA.

**Complaint:** A formal expression of dissatisfaction by any person or entity relating to activities of Fair Trade USA or a 3rd party operating on behalf of Fair Trade USA, such as a Conformity Assessment Body.

**Incident:** An umbrella term that encompasses reported activity, observation, stakeholder comment, or concern that threatens the integrity of the Fair Trade USA assurance system and/or spirit of fair trade, including authorized use of the Fair Trade Certified seal. Any interested party or stakeholder may report an incident to Fair Trade USA. Complaints and allegations are specific types of incidents.

**Reporter:** the person or party submitting the concern to Fair Trade USA

# 1. Reporting a complaint, incident or allegation

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- 1.1. Any interested party or stakeholder may report an incident.
- 1.2. Incidents are to be submitted online at <https://www.fairtradecertified.org/report-an-issue> or sent by email to [certification@fairtradeusa.org](mailto:certification@fairtradeusa.org).
- 1.3. The reporter does not need to be directly involved in or affected by the incident being reported. They may be a third party submitting a complaint or allegation on behalf of an affected or involved party.
- 1.4. Fair Trade USA staff who observe or receive information about potential Priority Non-Compliances are required to report the information within 24 hours, as per Fair Trade USA's internal procedures.
- 1.5. Brands/retailers who have their own mechanisms for receiving and investigating incidents and allegations are encouraged to share with Fair Trade USA any incidents or allegations they receive directly, even if they intend to conduct their own investigation.
- 1.6. Reporters should include as much detail as possible, including any evidence to support their claim.
- 1.7. Within 2 business days of submission, Fair Trade USA communicates with the reporting party to confirm receipt.

## 2. Validating and categorizing incidents

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- 2.1. Within 10 business days of receiving the incident, Fair Trade USA determines if the incident is valid and if it should be further categorized as either a complaint or an allegation.
- 2.2. Fair Trade USA reaches out to the reporting party to obtain any required information to validate and investigate the incident. This includes assessing if further investigation will reveal the identity of the reporter, if the reporter wishes to remain anonymous and any other confidentiality concerns. If the incident is raised by a worker, Fair Trade USA ensures communications are in the worker's primary language.
- 2.3. Incidents are considered valid if they are both credible and are within the scope of the Fair Trade USA certification system. Reasons for not validating an incident include:
  - It doesn't relate to a certified entity/applicant.
  - It relates to issues outside the scope of certification (e.g., commercial issues such as pricing).
  - The issue relates to a CAB, can be resolved with the CAB directly **and** no effort has been made to resolve the issue directly with the CAB through the CAB's complaint process (Note: These types of incidents are not validated because CABs are expected to resolve them directly. See the section on Complaints below for further details on when Fair Trade USA does investigate complaints related to CABs.)
  - There is clear evidence that the incident is not valid.
- 2.4. If the incident is not validated, Fair Trade USA communicates with the reporter to inform them the issue will not be further investigated.
- 2.5. If the incident is validated, it is categorized based on the definitions in the Terms and Definitions section above. The categorization of the concern determines how it will be further investigated.
  - 2.5.1. Validated incidents are generally categorized as allegations if:
    - There is an imminent threat to the credibility of the Fair Trade USA certification, **or**

- The incident is an alleged Priority Issue.

2.5.2. Validated incidents are generally categorized as complaints if:

- It relates to auditor or CAB compliance with Fair Trade USA program requirements, **and**
- The issue has been addressed by the CABs complaints procedure, but the reporting party feels the CAB resolution is not satisfactory.

2.5.3. A validated incident remains categorized as an incident if:

- It cannot be substantiated with evidence or is not from a credible source, **or**
- There is no serious threat to workers' safety or well-being.

### 3. Investigating Allegations

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The steps below apply to all incidents that are categorized as allegations.

3.1. Within 10 business days of the validation decision, Fair Trade USA determines the next steps for investigating the allegation.

3.2. Allegations are generally investigated by either conducting a special investigation audit or by following up during routine assurance activities (e.g., regularly scheduled surveillance audits).

3.2.1. Investigations of certified producers are generally conducted by approved third party conformity assurance bodies. When appropriate, Fair Trade USA may work with a civil society organization or other third party to conduct an investigation. Investigations of licensed traders are conducted by approved third party conformity assurance bodies or the Fair Trade USA team. For all investigations, the investigations team may include subject matter experts.

3.3. Fair Trade USA ensures the confidentiality of the reporter and any affected parties throughout the investigation process.

3.4. If the allegation(s) is raised by a worker, the investigation always includes a review of the Certificate Holder's grievance mechanism.

3.5. Once the investigation is complete, Fair Trade USA determines if the allegation is substantiated.

3.5.1. When allegations are substantiated, it may result in non-compliances which must be addressed through the process outlined in the relevant Program Assurance Manual. As outlined in the relevant Program Assurance Manual, failure to address non-compliances results in the suspension of a certification.

### 4. Allegations – Information sharing

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4.1. As part of determining how to investigate allegation, Fair Trade USA also determines if information about the allegation and investigation can be shared with brand/retail partners.

- 4.1.1. If sharing information about the allegation will negatively impact the investigation, information is not shared with brand/retail partners. This may include allegations where Fair Trade USA needs to protect the confidentiality of the reporter.
- 4.1.2. It is possible that sharing information with external partners may not be possible during the investigation but may be possible at the conclusion of the investigation.
- 4.1.3. In cases where brand/retail partners are informed of the allegation, information shared at this stage is general information on the nature of the complaint and timeline for investigation.
- 4.2. Within 10 business days of the validation decision, Fair Trade USA informs the reporter of the general timeline for investigating the allegation. Further details, including any information gathered during the investigation, are not shared with the reporter to protect the confidential nature of the investigation.
- 4.3. Within 7 business days of the conclusion of the investigation, Fair Trade USA determines what information can be shared with brand and retail partners.
  - 4.3.1. If there is an agreement between Fair Trade USA and the certificate holder allowing for Fair Trade USA to share information with the certificate holder's buyers, Fair Trade USA informs the brand and retail partners of the investigation outcomes and any non-compliances.
- 4.4. Within 10 business days of the conclusion of the investigation, Fair Trade USA informs the reporter that the investigation has been concluded. Fair Trade USA may share publicly available information such as the status of the certificate, but specific details of the investigation are not shared with reporters.

## 5. Investigating Complaints

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- 5.1. If complaints are related to CABs and the reporter has not yet raised the complaint to the CAB directly, the complaint is referred back to the CABs for further investigation.
  - 5.1.1. Reporters are informed that their complaint is being referred to the CAB and of the general timeline for investigation of the complaint.
  - 5.1.2. CABs must investigate the complaint and report back to Fair Trade USA within 30 days.
  - 5.1.3. Based on the outcomes of the CABs investigation, Fair Trade USA may take further action including sanctioning the CAB or conducting further investigation.
- 5.2. If complaints are related to CABs and the reporter has raised the complaint to the CAB and it has not been satisfactorily resolved by the CAB:

- 5.2.1. Within 5 business days Fair Trade USA obtains the CAB's summary of their internal investigation and any outcomes.
- 5.2.2. Within 10 business days of receiving the CAB's internal investigation summary, Fair Trade USA determines if the CAB's internal investigation and outcomes were sufficient to address the complaint.
- 5.2.3. If the CAB's investigation was sufficient, no further action is necessary. The reporter is informed.
- 5.2.4. If the CAB's investigation was not sufficient, Fair Trade USA will require the CAB to take further action to address the complaint. The reporter is informed that the complaint is being further addressed and of the expected timeline for any additional action and/or investigation.
- 5.2.5. Fair Trade USA may share details of actions taken and investigation outcomes if there are no confidentiality issues.
- 5.3. If complaints are related to Fair Trade USA's standards, they are handled according to the Procedural Complaints Policy.
- 5.4. If complaints relate to matters outside of Fair Trade USA's Standards or assurance processes, they are referred to the proper internal team for further consideration. The report is informed how their complaint is being handled and of the general timeline for resolution.

## 6. Investigating Incidents

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- 6.1. Within 10 business days of the validation decision, Fair Trade USA determines the next steps for investigating the incident.
- 6.2. Because incidents are situations that do not present a serious threat to worker's safety or well-being, they are usually investigated through follow-up at the next surveillance audit at the certified site.
- 6.3. The reporter is informed that their issue is being classified as an incident and of the timeline for follow-up. The reporter is informed that Fair Trade USA will follow up but is not informed of the specific outcomes of any follow up activities.

## About Fair Trade USA™

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Fair Trade USA, a tax-exempt 501(c)(3) nonprofit organization, is the leading certifier of Fair Trade products in North America. Offering award-winning, rigorous, and globally recognized sustainable sourcing certification programs that improve livelihoods, protect the environment, and build resilient, transparent supply chains, its trusted Fair Trade Certified™ label on a product signifies that it was made according to stringent Fair Trade standards. Fair Trade USA is building an innovative model of responsible business, conscious consumerism, and shared value to eliminate poverty and enable sustainable development for farmers, workers, their families, and communities around the world.

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