

IMO XXX Fair for Life Complaint, Appeal and Allegation Procedures

Consultation Draft April 2013

as referenced in Fair for Life Programme Module 1, Consultation Draft April 2013

1. Principles

- 1.1. Any affected party can present complaints (objections) related to the services provided by the IMO staff during the audit and evaluation process, about the evaluation and certification decisions, and regarding the decision to certify an operator suspected to violate the Fair for Life standard.
- 1.2. The certification body aims to ensure effective resolution of such objections as a mean of protection of integrity of the certification scheme, the clients and other users of conformity assessment on Fair for Life standard against errors, omissions and unreasonable behaviour.
- 1.3. The Fair for Life complaint, appeal and allegation procedures are based on principles of ISO_PAS_17003_2004, ISO 10002_2004, SA8000 guidances and the best practices as implemented by other social standard certification schemes.
- 1.4. All complaints, appeals and allegations ("objections") will be handled by IMO according to its complaint, appeal and allegation procedure (available on the IMO website) as well as the specific requirements laid down in this document including an escalation process, as outlined in section 6.
- 1.5. The resolution process to address any objections raised must be credible and transparent, and therefore it has to be impartial and well documented. The person managing a complaint or appeal will be selected to be competent to assess the situation and to be unbiased, i.e. not the same person that conducted the certification activity (i.e. audit, decision making) questioned in the complaint or appeal.
- 1.6. Information regarding the status of the handling the objection will be available for complainants, customers and other interested parties. Written information will be sent to the complainants as soon as a case is **considered resolved**. The confidentiality agreement between the certification body and the certified operation shall be respected regarding the disclosure of any detailed data about the operation. –see also section 5.3 **on publicly available data**.
- 1.7. The receipt, evaluation process and decision about objections will be documented to provide a traceable resource for future investigations on this matter, and to ensure consistent decision-making and understanding of objections trends, aiming to guarantee the continual improvement of the certification scheme.
- 1.8. Where the Fair for Life certification system is found to be lacking the related standard issues will be addressed in the course of the next standard revision process.

2. Scope and definitions

- 2.1 This procedure is valid for any complaint (in its broader sense) regarding Fair for Life / For Life audit, evaluation and certification.
- 2.2 Complaints are defined and categorized by IMO according as follows:

<u>Complaints:</u>	Dissatisfaction by the certified operator related to the manner that the certification body provides its services;
<u>Appeals:</u>	Disagreement with the certification decision or decision making process by the certified operation.

Allegations: Complaints or grievances raised against an operator certified by IMO because of alleged violation of the standards, e.g. by workers, trade unions, NGO's, etc.

3. Complaints Handling Procedure

- 3.1 Complaints by the certified operation concerning the applied procedures as well as the audit or certification personnel are dealt with according to the procedures described in this chapter.
- 3.2 Appeals presented by the evaluated operations are dealt according to procedures as outlined in section 4. Allegations (complaints/grievances) raised by workers or external stakeholder about a company's compliance with Fair for Life standards are dealt with according to the Allegation procedures described in section 5. The most important steps of the complaint handling procedure are:
 - Formal complaints shall be submitted to the control body in writing and will be documented and managed centrally. All complaints are preliminarily reviewed by the responsible manager to ensure that they are not evidently unfounded or crucial information is missing.
 - Persons to be in charge of the handling of the objection will be determined.
 - In case the control body receives communication that by its nature constitutes a serious complaint, the responsible head of department briefly investigates and assesses the problem or complaint raised and initiates complaint handling procedures if appropriate (see also the description of different stages of handling allegations and complaints in section 5).
 - As soon as possible, at the latest within 10 working days, the responsible complaint manager writes to the complainant to confirm receipt of the complaint and to provide an overview of follow up procedures and time frames.
 - If the objection is not accepted, IMO will notify the complainant of the reasons for not accepting it and provide instruction on the further process. The complainant shall also be given the opportunity to provide additional evidence to support the objection.
 - The complaint is duly investigated in consideration of facts provided, data in project file as well as additional information obtained of the staff members concerned and/or third party experts if relevant. Further information is requested from the complainant if necessary.
 - Based on the findings, measures are proposed. The measures to be taken are based on the requirements of the case (incl. that they need to be reasonable with regard to necessary efforts/expenses as well as timely clarification of the matter). They can be determined by relevant laws, regulations and standards.
 - For any formal complaint a written notice is sent to the complainant indicating the conclusion of the complaint investigation.
 - The notification or updated notification, which outlines further actions planned in case of complex cases, shall be sent to the complainant within 8 weeks after the complaint has been filed.
 - **The complaints shall be resolved at the latest within 6 months after the complaint has been filed. An extension of this period up to 12 months is only possible under extraordinary circumstances.**

- The quality manager, as well as any involved manager, as per stage in the escalation process, shall be informed upon the completion of the complaint procedure, respective documentation has to be forwarded to the quality management team for central filing.
- The section 6 describes the different stages in the escalating process, including arbitration of the complaint case by first the Swiss Bio-Foundation and then an external arbitration panel if no agreement can be reached.

4. Appeals Procedure

- 4.1 Any operation which has been audited against the Fair for Life programme can appeal the certification decision.
- 4.2 The operation is informed about the right to appeal the certification decision in the IMO certification notification. The following procedures are followed:
 - Within 14 days of receiving the certification letter, the operator submits a written rebut of the described facts to the control body by submitting new evidence or additional justification.
 - On this basis the certification body re-evaluates the situation. All revision steps are duly documented.
 - The result is communicated to the operation in writing, either as revised certification notification or explanatory letter.
 - If no agreement can be found, the appeal can be taken to the next stage, as described in the escalation process in section 6.

5. Allegation Handling Procedure

Allegations (grievances or “complaints”) raised by workers and external stakeholders regarding a certified operation’s alleged violation of the Fair for Life Standards are handled according to the following steps:

5.1. Addressing Workers / Producer Grievances

1. The Fair for Life certification body does not act as mediator between management and workers (nor regarding between the group operator and the individual producers). Fair for Life requires all certified operations to implement an efficient “internal grievance procedure”, allowing any members of the structure (workers or employees, producers, etc...) to file their concerns regarding the well-functioning of the organization and the conformity with the social responsibility and fair trade standards. The system must ensure confidentiality for the complainants, follow-up of the grievance, clear communication about corrections, no discriminatory actions as result.
2. In most cases, workers / producers will therefore be encouraged to raise any grievances that they have regarding their working with their employer through the grievance procedure and/or worker/ producer representation structures. During the IMO audits, the handling of internal grievances is always carefully verified, and audits always include a substantial number of workers / producers interviews.
3. However, Fair for Life provides an effective mechanism for workers / producers to inform the certification body of any violations of applicable Fair for Life standards also by the following means, as outlined in bullet point 2 and 3.

5.2. Information received from Workers / Producers during/after the audit

4. Every For Life Social Responsibility certified operation (including any Fair for Life certified production operation) shall permanently make its Social Responsibility Policy (or summary thereof) accessible to workers / producers (e.g. worker notice board, in employee handbook, summarized in the internal standard and mentioned in producer trainings), including an information about its For Life certification status and workers' right to discuss all matters of their employment with the Fair for Life auditor during and directly after audits (per email or phone) and the mechanism to raise complaints about breaches of social and fair trade standards directly to the Fair for Life certification body.
5. The Fair for Life Hired Labour Standards specify explicitly that "Workers who inform the Fair for Life certification body on labour related problems are not discriminated, intimidated or penalised. A company with an established and well working grievance procedure may require workers to use the internal mechanisms first before informing the certification body". The adequacy and efficiency of the grievance procedure will be verified during audits.
6. During the opening and the closing meeting, representatives of the intended target groups (workers, producers if applicable) shall be present, in order that they are directly informed about the general purposes and outcomes of the Fair for Life certification of the operation.
7. When the allegation is received during the audit time, it will be evaluated as a potential non conformity and thoroughly investigated **within the regular audit time**. In the case of **material critical allegations**, the audit time can be increased accordingly, and the cost has to be covered by the operator. The informant's identity is kept strictly anonymous in communication with the certified operation.
8. The final IMO report will include reference to the outcome of the investigations referred to the allegation received from the workers / producers, but care is taken to describe the allegations and investigations only in general terms that do not allow them to be traced back to individual workers/ producers.
9. For very large **new** operations requesting a Fair for Life or For Life certification, stakeholder consultation in preparation of the audit is a standard procedure, where it is expected that major concerns regarding possible controversial situations related to the operation would arise.

5.3. Other Allegations

10. If workers, producers, or external stakeholders with insights into a certified operation's performance, contact IMO at other times about alleged violation of Fair for Life standards, the information provided will be duly considered and followed up by IMO according to a risk based approach. The informant's identity is kept strictly anonymous in communication to the certified operation.
11. For allegations received after the audit time, the allegation is pre-assessed to decide if it should be handled as a minor or a major allegation.
 - a. **Minor allegations** (raised only singularly, without substantial information or data and / or directly contradicted by audit findings), will be briefly investigated further and will be considered for the next regular audit. During that audit they will be followed up and cross verified by means of workers' interviews, site inspections and document reviews as applicable. A specific note to the issue may be included in the corresponding final report.
 - b. **Major allegations** (raised by several stakeholders or workers OR not substantially contradicted by audit findings and concerning Minimum certification requirements, objective evidence of violation of the standards) will be always followed up in detail, with all investigations and findings fully documented.
12. The preliminary evaluation against the applicable Fair for Life clauses will be based on discussion with informant and may involve crosschecking information with other stakeholders.

13. If the allegations are found to be substantial and cannot be verified remotely, an unannounced audit of the certified operation is performed, at the cost of the certified operation. Management of the company is informed of allegations (in general terms that do not give information on identity of informant) and is given the chance to respond.
14. Based on the findings of the additional audit, the certification decision is reviewed as per standard procedures and certification suspended if necessary.
15. The informant worker or organization will be duly informed about the outcome of the investigations. The information to be disclosed will be decided on a case by case basis, according to the nature of the alleged violation and within the limits of the confidentiality principles of IMO as an accredited certification body. The certified operation will be informed about the content of the statement sent to the informant.
16. In case of workers or producers' allegations against their employer/producer operation, they have the right to receive more information on the outcome of the certification decision in response to their allegation, namely the final assessment of the situation as expressed in the certification body's summary of non-conformities and required corrective action (in summary assessment) – which is also shared (at least in preliminary version) with the company's workers representative during the audit's exit meeting.
17. In case of a public allegation against a Fair for Life certified operation, IMO reserves the right to publish a public response to the allegations. The information to be disclosed will be decided on a case by case basis, according to the nature of the alleged violation and within the limits of the confidentiality principles of IMO as an accredited certification body. The public response needs to be approved by the certified operation, but in case of serious allegations and if no consensus can be found, the situation may need to be reviewed on top level by the Bio-Foundation and from this stage onwards, the certified operation can no longer veto the public statement (see section 6 – stage 4)
18. In a substantial case a worker or an external stakeholder organization may at this point also file a formal complaint against IMO's audit procedures and certification decision which will be dealt with according to complaint handling procedures described in section 3.

5.4. Information received in Formal Stakeholder Consultation

For very large operations requesting a Fair for Life or For Life certification, formal stakeholder consultation in preparation of the first audit is a standard procedure. Information received about an applicant's or certified operation's performance in this process are then included in overall assessment of the operation's compliance with Fair for Life standards during and after the audit.

In this case IMO will identify relevant local stakeholders and invite them in writing before the audit to contribute their feedback on an applicant's (or at a latest stage, certified) performance with regard to social and fair trade standards.

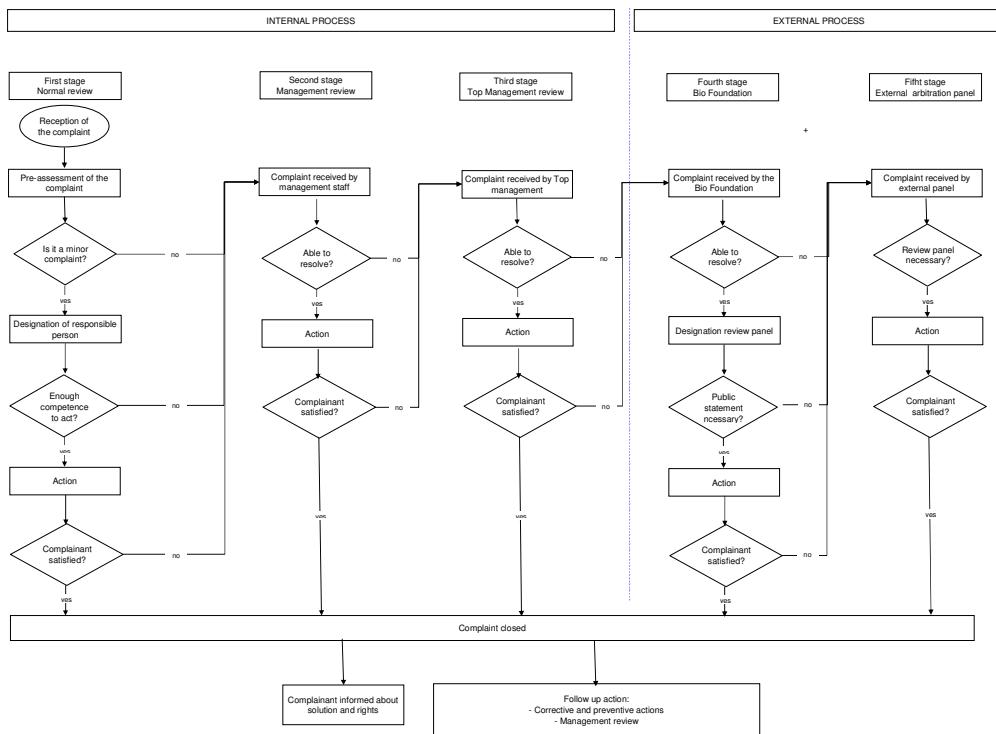
Comments received will be screened for relevance with regard to the Fair for Life standards, severity of the allegation and can then be cross-checked during the audit and included in the assessment of the operation's performance against Fair for Life standards. In case of any substantial allegations raised, the procedures described in section 5.3 apply, including a brief feedback to the organisation who raised the concern/allegation regarding the outcome of the evaluation.

6. Stages in dealing with complaints, appeals and allegations

- 6.1 All complaints, appeals and allegations received by IMO will be handled in different stages, following an escalation process methodology outlined according to ISO 10002 principles.
- 6.2 The IMO Quality Manager is in charge of handling complaints and allegations from 2nd Stage onwards and will designate the responsible person for dealing with the complaint according to its nature and severity.

6.3 After each stage of the escalation process, IMO will contact the complainant for updating information or for informing him about the resolution of its complaint. If the complainant is satisfied, the procedure will end at that point.

6.4 The escalation approaches implicates that IMO will handle the received objections in gradual steps, case by case, designating the responsible persons and resources according to the severity of each case. As far as possible, cases will be solved already in the initial stages, and they will be escalating further only in case a sound solution cannot be found on a certain stage and if the case is back up by material evidence/support. The last level for resolution of very difficult cases will be an external arbitration panel.



The 5 stages of the Fair for Life escalation process are:

1st stage: Normal review

Normally applicable for verbal objections complaints. The person receiving the objection will listen and understand the concern and will attempt to solve it directly, if he / she knows the matter and has the competence for doing it. In case it is clearly a simple case, but it requires of a different competence, he / she might ask for the participation of a staff having the requested competence (at the same authority level).

The responsible person will inform the complainant about the resolution. If the complainant is satisfied, the procedure will end here. General records will be kept about the complaint, including at least the basic information about the complainant, the subject, dates and final agreement.

The case will be automatically referred to the following stage when:

- The complaint cannot be resolved by the receiving staff because it is outside their specific delegation or area of expertise;
- The complainant is not satisfied with the answer and requests the complaint to be referred to a manager.
- The complainant is unusually upset, extremely angry or threatening.
- The complaint is of a serious nature such as alleged controversial conduct, illegal conduct, or there is threat of legal action.

2nd stage: Management review:

The person receiving the complaint will request the complainant involving a serious or complex matter to put the complaint in writing (using the complaint registration form in case of complaints). If the complainant declines to complete the form, the staff in charge should record details as described by the complainant using the relevant forms.

The complaint will be presented to a managing staff. He/she will review the complaint, and conducts a formal review of the complaint to determine its validity and explore a resolution. He /she will conduct the necessary investigations on the matter by himself, or will coordinate the related tasks between other members of the staff. The members of the staff who were involved in the investigated case will be contacted only for clarification purposes, but they will not be involved in the investigation.

3rd Stage –Top Management Review

Where the complainant is dissatisfied with the decision of the manager, the manager refers the complaint to the IMO director. The director will conduct a formal review of the steps taken by the staff, from the reception to the decision making on the complaint..

4th Stage –Review by the Bio-Foundation

Where the complainant is dissatisfied with the decision of the certification body's director, and if the complaint is supported by material evidence and backed by more than one individual's allegation (e.g. workers plus workers right organisation after due research of the case) he/she can refer the complaint case to the Board of trustees of the Swiss Bio-Foundation, which is the standard holder of the Fair for Life programme.

The board will conduct a formal review of the complaint case, and present the case to the Fair for Life Stakeholder Advisory Committee. Depending on the confidentiality nature of the complaint and the severity the Bio-Foundation board may after initial discussion of the case with the stakeholder advisory committee, chose to refer the case directly to an external arbitration panel, or propose a smaller subgroup of members of Fair for Life Stakeholder Advisory Committee to investigate the specific complaint case ("review panel"). Selection of the review panel members is done by a trustee of the Bio-Foundation, based on their expertise in the matter of complaint and their neutral position on the case, and panel members agree to keep the case details confidential.

The certified operation and the complainant are informed on the choice of committee members for the internal review. Other members of the stakeholder advisory committee are informed on the composition of the review panel.

The evaluation and recommendation by the Stakeholder advisory committee / sub-committee will specially focus the principles of the FFL standard concerning the matter of the complaint. The panel members receive full access to IMO audit documents (but not the operation's original records/data), including confidential parts of the report and other relevant external documents as necessary for full evaluation of the case.

Based on this recommendation, the board of the Bio-Foundation decides on the outcome of the complaint, and further steps to be taken and informs the complainant and the certified operation accordingly.

If requested by the complainant or deemed necessary because of the nature of the complaint / public allegations, it also publishes a public statement summarizing the steps taken in investigation of the matter and the overall outcome of the complaint. If the statement does not contain details of the certified operation's performance, the certified company can comment but cannot veto publication of the public statement. It has, however, the choice to cancel the Fair for Life certification contract at this point.

5th Stage: External arbitration panel

If no agreement can be found by the Bio-Foundation and the complainant, the complainant may invoke arbitration before an external arbitration panel, which will not be a standing body, but will be created at each invocation of arbitration under this system.

Main focus of the evaluation by the panel shall be the control procedures applied and the evaluation of findings against the Fair for Life standards, considering also the fundamental principles of the international labour rights and fair trade certification.

The external arbitration panel will be constituted by different persons, according to the matter of the alleged violation of the FFL standard. It is expected that the persons participating in the panel will have the expertise on the matter, and they shall be unbiased and well reputed persons. They will be designated as follows:

1. One representative will be named by the complainant by himself, or by an advocacy organization / NGO representative he/she chooses for this purpose.
2. One representative will be named by the Bio-Foundation.
3. The third member will be chosen by both representatives to serve as a Chair and neutral arbitrator (details and restrictions regarding the selection of the members of the board are stated in separate IMO guidelines).

The external arbitration panel may choose to additionally appoint an independent neutral expert to assist the panel in gathering facts necessary to a full resolution by direct interviews with party representatives and relevant actors prior to the hearing. The Chair will appoint such independent expert if not agreed by the other two Board members.

As Panel members and any external experts will have full access to confidential audit documents and supporting documents, they will be required to sign an agreement to keep the technical details of the case confidential

The panel should always hear the position of all affected parties including the certified operation with regard to the allegations.

The external arbitration panel may simultaneously carry out a mediation function assisting IMO and the advocacy organization to resolve the dispute short of a final determination by the Board. An agreement on remediation may result of this mediation function.

The arbitration will take place not longer than 60 days after selection of the neutral arbitrator (this time frame will be a factor in selecting the arbitrator). The panel will decide by majority vote whether a certifying body correctly or incorrectly certified a company as compliant the standards, and this decision may be made public by the panel. When the panel finds that in fact the certification is not warranted, IMO will suspend certification, until the operation will be able to demonstrate full compliance with the corresponding Fair for Life criteria.

Where the panel provides additional feedback on the Fair for Life certification system, e.g. specific principles or compliance criteria, the related issues will be addressed in the course of the next standard revision process or, in simple cases, addressed by change of internal policies and/or guidance to clients.

If requested by the complainant or deemed necessary because of the nature of the complaint / public allegations, the panel publishes a statement summarizing the steps taken in investigation of the matter and the overall outcome of the complaint and informs the affected parties directly. If the statement does not contain details of the certified operation's performance, the certified company can comment but cannot veto publication of the statement. It has, however, the choice to cancel the Fair for Life certification contract at this point.

The cost of the arbitration system will be shared between the advocacy organizations invoking arbitration, the company seeking the FFL certification and IMO.