



Complaints Procedure

Fair Trade USA®

Version 2.0.0

Introduction

Fair Trade USA offers dispute management services designed to find meaningful resolutions that address stakeholder concerns.

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 will endeavor to address concerns and conduct appropriate follow up actions as defined in this procedure to ensure consistent management of complaints and appeals, resolve disputes, and determine outcomes in an equitable, objective and unbiased manner.

Scope

This procedure outlines the process by which interested parties may submit concerns to Fair Trade USA relating to its activities, or the activities of a Conformity Assessment Body (CAB) or a Certificate Holder (CH), applicant, or licensee currently certified or registered by Fair Trade USA.

The scope of this procedure provides a formal process for addressing complaints related to one or more of the following:

- 1) Management of the Fair Trade USA standards system;
- 2) Personnel conduct or adherence to assurance program requirements;
- 3) Incidents of fraud or potential fraud;
- 4) Activities of a CAB or CH¹, where the complaint has not already been satisfactorily addressed by the CAB;
- 5) Certification decisions taken by Fair Trade USA.

¹ Complaints related to applicants or Certificate Holders in the Apparel and Home Goods Factory program may be submitted directly to Fair Trade USA.



Terms and Definitions

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. Any third party, person, or entity with firsthand information about certified entities can file an allegation with Fair Trade USA.

Appeal: A request by a Certificate Holder, registered partner or applicant, for formal reconsideration of any decision made by the Conformity Assessment Body or Fair Trade USA related to the party's certification status or any issue relating to the certification seal.

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. A response to a complaint is expected.

Grievance: An issue raised by a worker through an internal channel at their place of employment, e.g. through a suggestion box, verbally, or in writing to a supervisor, Human Resources department, a union, or a worker representative.

Incident: Any 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.

1. Complaints

1.1. Topics Covered by Complaints

1.1.1. Complaints may be made on a variety of topics related to the standards system, such as a position or policy of Fair Trade USA, compliance with a Fair Trade USA standard, behavior of Fair Trade USA staff or service providers, quality of service, decisions made by Fair Trade USA, or potential fraud..

1.1.2. Complaints may be made about Fair Trade USA or any actor in the Fair Trade USA system, such as certified entities, Conformity Assessment Bodies (CABs) and auditors.

1.1.3. Allegations may be made regarding any violation of a Fair Trade USA standard requirement, including the Trade standard.

1.1.4. Allegations may cover various issues, such as violations of labor rights or worker protections, lack of transparency, or faults in payments or traceability.

1.1.5. 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.

1.1.6. Fair Trade USA standards require that certified entities have grievance procedures in place to support worker-management engagement and provide a mechanism of communication and transparency, allowing workers to make comments or complaints without retribution.

1.1.7. Potential misuse or misrepresentation of Fair Trade USA certification or the Fair Trade Certified seal by any entity, company or organization may be reported to Fair Trade USA.



1.2. Complaint Submission

1.2.1. Any interested party or stakeholder may submit a complaint.

1.2.2. Any incident that risks the integrity of the assurance system and/or spirit of fair trade may be reported to Fair Trade USA.

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

1.2.4. To be accepted and classified as a complaint, a submission shall:

- 1) Be submitted using the Complaints Form, available on the Fair Trade USA website, via mail or email;
- 2) Clearly state contact information for follow up and resolution;
- 3) Include a detailed description of the complaint and a list of any allegations;
- 4) Include steps taken thus far to address the matter (e.g. the complaint submission to the CAB where the complaint is related to a CAB or CH);
- 5) Include evidence to substantiate the complaint.

1.2.5. For further information on complaints related to certification decisions taken by Fair Trade USA, please see Section 2 on Appeals. A certification decision is any decision taken that confirms or changes the certification status of an applicant, Certificate Holder, or licensee.

1.3. Pre-Investigation

1.3.1. Fair Trade USA acknowledges receipt of any complaint at the time it is received.

1.3.2. Submissions are not accepted as complaints in the following cases:

- 1) The complaint is anonymous. In this case, it is logged as an incident.
- 2) The complaint is outside the scope of Fair Trade USA complaints management (see Scope);
- 3) The complainant(s) has not made good faith efforts to address the issue at a local level.

1.3.3. Fair Trade USA may accept complaints that have not first been addressed locally in exceptional circumstances, e.g. time-sensitive non-conformities of a severe nature.

1.3.4. Any complaint that does not meet the requirements for complaint submission (see 1.2.3) is logged as an incident. Response to incidents varies depending upon the severity and nature of the reported issue.

1.3.5. Fair Trade USA will direct complainants to the appropriate party for resolution where relevant – this may be a certified entity or a CAB, for example.

1.4. Investigation Process

1.4.1. Fair Trade USA aims to begin an investigation of the complaint within 10 days 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, and related activities.

1.4.2. Fair Trade USA first reviews the submitted information and determines 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 complaint can be substantiated. In all cases, the complainant is notified of the process and anticipated timeline.

1.4.3. If a formal investigation is needed, Fair Trade USA convenes an internal investigation committee consisting of personnel with knowledge to assess the issues concerned, including a representative of the Leadership Team.



1.4.4. Investigations may require additional follow up with involved parties to further verify information and substantiate claims.

1.4.5. Depending on the nature of the complaint, Fair Trade USA may also assign independent auditors and conduct review audits and witness audits as a component of investigations. Audits can be announced or unannounced.

1.4.6. Fair Trade USA welcomes additional information through 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 Leadership 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.

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 USA certification of the Certificate Holder under investigation.

1.5.4. A complaint may trigger an unannounced audit at any 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.

1.5.5. All complaints received are annually reviewed as a part of Fair Trade USA's internal audit, management review, and oversight activities.

1.6. Confidentiality

1.6.1. Due to the sensitive nature of complaints, the results of a review or investigation are not made public. Rather, decisions are 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 is 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. All parties involved in 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

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 Fair Trade Certified seal.

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 team lead within the Fair Trade USA Certification Department sends the appellant an acknowledgement and an overview about the next steps within five (5) days of receipt. The lead then reviews the appeal and documentation and prepares a summary for review by an Internal Appeals Committee.

2.4.2. The Internal Appeals Committee includes relevant personnel with knowledge to assess the issues concerned and without conflicts of interest. The committee includes a representative of the Leadership Team.

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 Leadership 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.

