



Fairtrade Labelling Organizations International e.V.
("Fairtrade International")

Complaint and Allegation Procedure

Legal & Compliance

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A. Objectives

Fairtrade International is committed to accountability as a core principal, and strive to take responsibility for our actions. To ensure our stakeholders can hold us to account will improve the quality of our work. When we make a mistake we want and need to be informed. We will use the information to endeavour to put things right and to help us to become more effective. By providing stakeholders with channels to report any incidence or suspicion of misconduct or malpractice, a sound complaint mechanism allows for the identification of problems which might otherwise not surface, and for subsequent corrective action to be taken.

This document outlines Fairtrade International’s commitment to dealing with complaints, to ensure that the frustrations, concerns and complaints are investigated and responded to. This document also provides information about how we manage, respond to and learn from complaints made.

B. Scope

It is an expectation that all persons within the scope of this document familiarize themselves with this mandatory policy, which is available on the Fairtrade International Server.

This Policy applies to:

- Board members
- Board Committee members
- Employees of Fairtrade International (“staff members”)
- Consultants, Contractors and Vendors
- Volunteers
- Student Assistants
- Interns
- Partners and responsible parties engaged/contracted by Fairtrade International for a project or activities (“implementing partners” and “responsible parties”, respectively)

and to any behavior relating to work or in the context of work. Fairtrade International is committed to taking a systematic and robust approach to all allegations and complaints made against our organization, our staff and all our partners.



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C. Definitions

1. Complaint

Complaint is an expression of dissatisfaction about the standards of service, actions or lack of action by Fairtrade International or its staff, volunteers or anybody directly involved in the delivery of our work. It is a criticism that expects a reply and would like things to be changed.

Complaints could include the following (but not limited to):

- Concern from someone we work with about the quality of program delivery;
- Concern from a member of the public or supporter about a particular fundraising approach or campaign;
- Concern about misbehavior or breach of Code of Conduct and/or the Fairtrade Organization Code by Fairtrade International staff and associates.

A complaint has to be about an action for which Fairtrade International is responsible or is within our sphere of influence.

A complaint is not:

- A general query about Fairtrade International's work
- A request for information
- A contractual dispute
- A request to amend records e.g. to correct an address, cancel a donation
- A request to unsubscribe from a Name of Member Organization 'service' e.g. a campaign newsletter or email.

2. Complaint Mechanism

An effective complaint mechanism promotes accountability as communities and employees are better able to report abuse and access additional protection through deterrence.

A complaint mechanism can function through different ways and channels: A complaint by victim(s) or witness(es) of misconduct can be made in person or anonymously by calling a complaint hotline, through a complaint email, by approaching an ombudsperson, by voicing the complaint in a public meeting etc. The complaint is then processed by Ethics and Compliance Manager or designated personnel in a formalized manner.



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Complaint mechanisms are used in various ways. In the context of organizations, some only target severe cases of misconduct, such as corruption or misappropriation of funds. Others include suggestions on how operations should be improved, e.g. by participants in projects or by employees. Due to the variety of cases dealt with and the different nature of organizations, mechanisms differ from organization to organization.

3. Type of Complaint

Most complaints can be distinguished into two types:

a. Operational complaints

Operational complaints mostly related to projects and programs, e.g. the project management, the quality of work, donor registration, or staff incidents related to accidents, disease or security threats. Examples are manifold:

- a former donor complains about not having been deleted from the fundraising data base yet;
- a community member complains about not being selected to be involved in a project in spite of his family's need for support

b. Serious complaints

A serious complaint is related to a breach of the Code of Conduct of an organization and/or the Fairtrade Organization Code. In general, serious complaints can be divided into two categories:

- Corruption, fraud and financial issues;
- Physical, psychological, sexual exploitation or abuse of persons

D. Policy Statement

Fairtrade International will handle all allegations and complaints following the principles of:

1. **Legitimacy:** A mechanism must have clear, transparent, and sufficiently independent governance structures to ensure that there is no bias or interference and the process can be conducted fairly with respect to all parties.
2. **Accessibility:** Complainants should be able to make a complaint as easily as possible: written correspondence, email, telephone, verbally, via the established Whistleblowing system, via a third party, etc. Fairtrade International is committed to making communication with us as easy as possible. Fairtrade International will also assist in cross-border complaints.



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3. **Fairness:** The principles of procedural fairness (natural justice) will be observed (see also: Whistle-blowing policy). Affected persons/ suspects/ defendants shall be informed and heard unless this endangers the investigation conducted by Fairtrade International or prosecutors. All legally available sources of information shall be taken into account to clarify the incident.
4. **Timeliness:** Fairtrade International aims to resolve complaints within 28 days of receipt unless an instant action is necessary (e.g. in cases of (child) abuse, bullying, harassment or similar). In the event that a complaint cannot be resolved within this timeframe the complainant will be informed about the progress made to date and when they can expect to receive a response. Complaints should be made within 90 days of the relevant incident. In exceptional circumstances Fairtrade International may be able to respond to a complaint that is older, although the passage of time may make it harder to resolve the complaint satisfactorily.
5. **Confidentiality:** Some complaints need to be kept confidential in order to safeguard those making or involved in the complaint. However in some instances we might judge that the complainant will be better served if others are involved in the resolution of a complaint. Third parties will only be included in the resolution of confidential complaints on a case-by-case basis and with the agreement of the complainant. Please also refer to Whistle-blowing Policy.
6. **Documented:** Some complaints may be both made and resolved verbally, e.g. by telephone or face to face. Where they are unable to resolve verbally, complaints must be made in writing.
7. **Right to appeal:** Complainants who have launched a well-founded complaint and who are unsatisfied with Fairtrade International's response to that complaint have the right to appeal. Appropriate appeal processes are outlined in the documents published with this policy.

After the internal appeal, you may however still contact our international office of the association, Fairtrade International.

8. **Mutual Respect:** Everyone who makes a complaint to Fairtrade International will be treated with courtesy and respect. In return, Fairtrade International expects people who make a complaint to communicate their concerns fairly and appropriately. Where complainants harass staff, behave abusively, or unreasonably pursue complaints, Fairtrade International reserves the right to withdraw or modify its complaints process.
9. **Part of a learning process:** We will log and monitor all serious complaints and results of such complaints and this information will be brought, regularly, to the attention of appropriate senior managers in order that we learn from what we do and how we do it. This information will not necessarily be available to the public.



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E. Complaint Handling Process

1. Who Can File a Complaint?

Anyone should be allowed to file a complaint through the complaint mechanism. This includes people directly involved with Fairtrade International as well as any “outsiders”, i.e. Fairtrade International’s employees, short-term employees, board members, management, volunteers, project participants as well as suppliers and partners or anyone else in contact with, or influenced by, the organization and anyone who has observed wrongdoing by Fairtrade International.

To inform “outsiders” regarding our complaint mechanism, this policy is available on our website or can be obtained by contacting us by post or by email to compliance@fairtrade.net.

Complaints can also be made by a group of people or on behalf of another person. The latter constitutes a special case, e.g. when a victim fears reprisal from filing a complaint and therefore entrusts another person to speak on his/her behalf.

2. Channels to Report Complaints

Complaints can be submitted through any channel as preferred by the complainant. Anonymous reporting should be made possible and accessible. The reporting channel should also be free of charge, auditable, and be easily accessible to communities and seek to reduce the barriers for persons in fear or people with a special need to access the complaint mechanism. To ensure confidentiality, only designated responsible personnel should hear, open, record and acknowledge complaints. If the designated responsible personnel is implicated in the complaint, then a formal complaint must be submitted to the published Head of Region.

3. Processing and Investigating Complaints

- a. Acknowledge of receipt of complaint shall be sent as soon as possible and no later than one calendar week with copy of this policy and brief explanation of what happens next.
- b. All complaints shall be given a unique identifier (e.g. complaint number), be identified as a serious or operational complaint, and shall be recorded with the date of complaint, first actions to be considered and a timeline for response. It is the responsibility of the designated responsible personnel to determine the type and nature of the complaint and thus decide on the specific policy or documentation that it relates to and which needs to be followed.
- c. For an **operational complaint**, the best practice is the principle of the nearest person. In general, the operational complaint should be handled as close to the case as possible, i.e.



where it comes from. Thus, it needs to be forwarded to the responsible staff and his/her direct manager.

- d. For a **serious complaint** however, the steps are more complex. The principle is to be handled by the next higher person and the Ethics and Compliance Manager: if the complaint is about the person's line manager, it should be forwarded to the next higher management level and the Ethics and Compliance Manager.
Serious complaints should be investigated if enough evidence is available. Safety risks should be identified and responded to immediately.
- e. Upon receipt of a complaint and evidence gathered, the responsible person needs to decide whether to initiate an investigation, and – before dismissing a complaint – involving the CEO or COO to conduct an independent review of the complaint ("four-eyes principle"). If necessary, inform complainants when their request is out of scope, provide them with reasons necessary for this decision and possible alternative channels to pursue their grievance.
- f. If it is determined that an investigation is needed, an ad-hoc investigation committee will be formulated to handle the complaint. The members of the committee depend on the nature and seriousness of the allegation. For example:
 - Human Resource manager to deal with harassment, sexual, physical and verbal abuse, exploitation, safety and health, discrimination and nepotism;
 - Finance manager to deal with the falsification of records and authorisations, financial fraud;
 - COO to deal with conflicts of interest, disclosure of information and disloyal behaviour, disregard of laws and standards, abuse of resources and assets, procurement, logistics, vehicles, theft, corruption.
- g. The process of investigation and sanctioning cannot be undertaken by the line manager who oversees or has responsibility for the complainant or the subject of the complaint. Instead, the investigation team should have an unbiased perspective in relation to the case.
- h. The investigation committee should prepare an investigation report and should not report to their direct management but to a higher instance such as the board, which also decides when a case can be closed.
- i. Based on the investigation report, final conclusions and recommendation shall be made by persons not in the investigation committee. Depending on severity of the findings, the consequences can be handled internally or externally through legislative sanctions.
- j. Possible sanctions should be transparent and fair (proportional to the misconduct) as well as widely known and understood within the organization and among its external partners. Consequences executed internally can range from an official warning and a note in the personal work file to relocation to another department or demotion to a lower job, or loss of a



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job. In case of suspicion or detection of a criminal offense under the law of the country in which the activity was conducted, the staff of the complaint mechanism is obliged to refer the case immediately to the law enforcement agents in the country. External legal consequences can include a financial penalty or a prison sentence.

- k. Parties involved in the complaint will be informed about the final decision and actions to be taken.

4. Appeal

It is in the interests of both the complainant and Fairtrade International to ensure that any complaint is satisfactorily resolved. Should the person making a complaint not feel satisfied with the outcome despite having had the opportunity to request further clarification or feedback, they can submit a formal appeal directly to CEO or the Board within 30 days upon receipt of the decision. Appeal can be made only once.

The case will be fully reviewed by independent Board committee. The most appropriate next steps will be agreed with all involved parties.

5. Documentation

Throughout the complaint procedure, all steps should be documented in writing, in as detailed a manner as possible. The documentation, including the final report and all annexes, must be saved in a secured file with access limited to designated people. This procedure is important for several reasons. The establishment of a complaint mechanism entails the risk of court cases, for example, of persons who were sanctioned due to a breach of the Code of Ethics and Conducts. The files are also important for systematic analysis and eventual structural improvement of the organization.

F. Lesson Learning

To realize the potential of the complaint mechanism as a tool for learning and improvement, it is essential to analyze the cases dealt with: What were the origins of a complaint? Was it handled well? How can similar cases be avoided in the future? Knowledge can be gained from each complaint to improve the organization's operations. The more cases detected, the more systematic approaches can be developed. The lessons learned can feed continuously into project improvement and making anti-corruption activities more successful. Fairtrade International's Ethics and Compliance Manager shall draw up a lessons learned report to be presented to the COO and other persons affected by the issue.



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G. Monitoring Compliance

Measurable Policy Objective	Who is Monitoring?	Reporting Frequency	How do we Monitor?	To Whom the Monitoring is reported to?
Annual complaints report	Ethics and Compliance Manager	annually	Reporting and auditing	the Board
Evaluation and improvement of the complaint mechanism	Ethics and Compliance Manager	annually	reporting	the Board

H. Document Change History

Document version	Date approved and by whom	Mandatory Review	Creator
1.0	December 2019, Fairtrade Labelling Organizations International e.V., Board/Vorstand	By Nov 2021	Compliance