

# Dispute Resolution Procedure

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## Objective and Scope

The purpose of this procedure is to describe and regulate the way Preferred by Nature handles disputes related to Preferred by Nature clients or Preferred by Nature activities. Disputes are divided into two broad categories: complaints and appeals. Within the context of this policy, the term *grievance* is considered to be synonymous with *complaint* – with grievances to be handled in the same manner as complaints. The procedure is applicable to Preferred by Nature certification, verification and validation/verification activities.

**Appeals** are defined as issues raised by Preferred by Nature clients or applicants against Preferred by Nature's decisions or Preferred by Nature findings (NCRs). NOTE: Appeals by a client against a suspension or termination shall not change the decision while the dispute resolution is in process.

**Complaints** are defined as a communication of dissatisfaction raised by any individual or organisation relating to Preferred by Nature's activities, standards, scheme owner role or relating to organisations engaged with Preferred by Nature through assurance services or otherwise. Complaints may arise about or in relation to an applicant or client before, during or after the initial engagement process and must include objective evidence that can be investigated. Nonconformities detected during the complaint resolution process can be raised to clients. NOTE: Complaints raised against Preferred by Nature clients, with both active and suspended certificates, are accepted and investigated.

**Incidents** are defined as allegations made about the activities of Preferred by Nature personnel or subcontractors and/or Preferred by Nature clients that are brought to Preferred by Nature's attention through news outlets, social media, research studies and/or other publications, rather than through a communication directed to Preferred by Nature from an identified person/group.

## Dispute Receipt and Registration

- 2.1. The dispute process is formally initiated when a dispute is received in writing to the email [dispute@preferredbynature.org](mailto:dispute@preferredbynature.org). If a dispute is received verbally, Preferred by Nature representative should invite the disputing party to submit a written dispute.

- 2.2. In the case of **appeals** raised by Preferred by Nature clients or applicants against Preferred by Nature, see specific timeline requirements for notification to relevant Scheme Owner/Accreditation Body in Annex A, and specific certification scheme owner requirements related to dispute receipt outlined in Annex B.
- 2.3. In the case of **complaints** against the actions of a Preferred by Nature client, the complainant should first attempt to resolve the issue directly with the organisation before asking Preferred by Nature to become involved. The client's own dispute resolution process may be required prior to Preferred by Nature's involvement.
- 2.4. In the case of a **complaint against a Preferred by Nature client** (e.g., regarding the client's conformity with a certification standard or company-owned policy), Preferred by Nature informs the client of the complaint. Preferred by Nature keeps the complainant's name and organisation anonymous unless the complainant consents to disclosing these details.

**Important:** If the nature of the complaint against a Preferred by Nature client includes a credible allegation of nonconformity or fraud that must be investigated in confidence, Preferred by Nature may opt not to disclose the dispute to the client and can conduct a short notice or unannounced audit (see in Auditor Handbook).
- 2.5. **Incidents** shall be forwarded to the relevant Task Manager, who then evaluates if the evidence is of a substance and nature that shall be handled according to this policy and procedure. Anonymous complaints and expressions of dissatisfaction that are not substantiated as complaints are treated as stakeholder comments and addressed during the next certification audit, or (depending on their nature) may be resolved through the dispute resolution process as described below. For incidents related to a Preferred by Nature client, see Annex C.
- 2.6. Preferred by Nature keeps a registry of received disputes in Preferred by Nature's Salesforce database (Dispute Log). The Quality Team registers all formal disputes using the 'Dispute' Engagement Record Type in Salesforce Database, with required fields and milestones completed accordingly. Emails and documentation related to the dispute shall be saved in the dispute engagement.

## Dispute Resolution Team Composition

- 3.1. Disputes are managed by the Quality Team, who will coordinate and monitor the Dispute Resolution Process.
- 3.2. For all Disputes, a Task Manager and Dispute Resolution Team shall be assigned. The dispute resolution team shall include a Team Leader and may include additional Team Members.
- 3.3. Dispute resolution team responsibilities:

**Team Leader:**

  - a. The individual who will take lead on the dispute resolution process.
  - b. The individual designated to communicate with a disputing party about the resolution process and decisions. Responses to the dispute shall be in the same language as the dispute, or in a language agreed with the disputing party.

#### Team Members:

- a. May be involved if additional help or translations are necessary (see specific Certification Scheme Owner team composition requirements in Annex B).
- 3.4. IMPORTANT:** The dispute resolution team shall be impartial regarding the subject of the dispute. It shall be confirmed that there are no conflicts of interest with the members of the dispute resolution team and the client or complainant. The dispute resolution team members should not have been involved in the Preferred by Nature services related to the dispute (e.g., having acted as auditor or RRA reviewer in the engagement or NCRs that are the subject of the dispute).

## Dispute Resolution Process

- 4.1.** All Disputes shall be resolved according to the timeframes described below, and specific timelines for some Certification Schemes outlined in Annex A.
- 4.2.** Preferred by Nature representative **shall send an acknowledgement of receipt** of the dispute to the disputing party **as soon as the dispute is received**. The **Dispute Acknowledgement Letter Template** may be used as a guide.
- 4.3.** Preferred by Nature provides an **initial response** to the disputing party, including an outline of the proposed course of action to follow up on the dispute, within 14 calendar days of receiving the dispute (see specific Certification Schemes timeline requirements in Annex A). The **Dispute Initial Response Letter Template** may be used as a guide.
- 4.4.** Preferred by Nature gathers and verifies all necessary information (as far as possible) to progress the dispute to a decision and keeps the disputing party informed of progress in evaluating the dispute.

Evaluation of the information is based on the review of objective and verifiable evidence, using general auditing principles including triangulation of evidence, and should not rely solely on conclusions received from an external source (i.e., stakeholder input, or client communication). See specific details related to dispute evaluation for Certification Schemes in Annex B.

## Dispute Resolution Outcome

- 5.1.** Preferred by Nature provides a written conclusion (including specifics of all proposed actions) to the disputing party when the dispute is considered to be closed. The **Dispute Resolution Final Letter Template** may be used as a guide. The final dispute resolution shall be sent within 90 calendar days of receiving the dispute (see Annex A for specific timelines by scheme/service that differ from the default of 90 days).
- 5.2.** If the dispute can't be resolved timely, Preferred by Nature should inform the disputing party about the progress and agree on the timeline extension to complete the dispute resolution process. Preferred by Nature shall follow the scheme owner rules where applicable, see specific details for Certification Schemes in Annex A.
- 5.3.** If the disputing party is not satisfied with Preferred by Nature's dispute resolution, Preferred by Nature will inform the disputing party that they can refer

the dispute according to the relevant certification scheme owner's resolution process (where it exists), see specific instructions in Annex B.

- 5.4.** The process of submitting a dispute and the subsequent dispute investigation and decision will not result in any discriminatory actions against the disputing party.
- 5.5.** Preferred by Nature doesn't share the information about the dispute process and dispute resolution results externally until it is required by the certification program rules or by law or the consent is received from all involved parties. Preferred by Nature will determine together with the client and the complainant whether and to what extent the subject of the complaint and its resolution can be made public.

## Annex A. Certification Scheme Owner Timeline Requirements

- 1.1.** Some Certification Schemes have specific timelines for disputes that differ from the procedures described in sections 4 and 5 above. The following table includes the required timelines for those relevant Schemes. Where there is no timeline specified, the procedures outlined above shall be followed. For easy overview, the first column shows our default timelines that are applied for all disputes, unless a different timeline is specified for a scheme for some aspects.

	Default timelines (unless noted differently for specific schemes)	Rainforest Alliance	Bonsucro	PEFC	RSPO P&C
Client is allowed to submit appeal after the certification decision	(No Limit)	5 business days	30 days	(No Limit)	(No Limit)
Notification to CB/AB upon receipt				30 days	(As soon as possible)
Acknowledgement	As soon as possible for all				
Informing scheme				30 days	
Initial response	14 days	10 days			
Final resolution and response	90 days	30 days	30 days	90 days	60 days

\*In all cases, see additional detailed information outlined in Annex B below.

## Annex B. Certification Scheme Owner Requirements and Process Steps

1.1. Some Schemes/Services have specific requirements and process steps that differ from the procedures described above and must be considered. The following table includes the required details for those relevant Schemes/Services.

PROCESS STEPS	SERVICE	CERTIFICATION SCHEME OWNER REQUIREMENTS
DISPUTE RECEIPT	Bonsucro	In the case of Bonsucro, the clients are permitted to appeal within thirty (30) days of a certification decision.
	C.A.F.E. Practices	In the case of C.A.F.E. Practices, for appeals submitted during draft report review period, Preferred by Nature should report the appeal in Verifier Reporting System (VRS), C.A.F.E. Practices verification reports online tool. Preferred by Nature should inform SCS Global Services (SCS) of the appeal only if any reporting deadline is affected by it or if the appeal is related to a Zero Tolerance Non Conformity (ZTNC). For the appeals submitted after the report approval, only in the cases where client claims that extenuating circumstances do apply and is able to present this in writing with supporting evidence, Preferred by Nature should contact SCS to initiate a SCS dispute resolution process. Preferred by Nature doesn't follow up with the appeal resolution. Preferred by Nature will then follow SCS dispute resolution instructions.
	PEFC	In case of PEFC related complaints against certified clients Preferred by Nature will notify PEFC Council within 30 days of receipt.
	Rainforest Alliance	<p>In the case of Rainforest Alliance, an appeal to the certification decision will need to be submitted within five (5) business days of the certification decision.</p> <p>The scope of Rainforest Alliance appeals must be restricted to any combination of the following:</p> <ul style="list-style-type: none"> <li>a. Interpretation of the standard criteria based on the evidence available during the audit;</li> <li>b. Evaluation of relevant evidence that the audited operation believes the audit team intentionally or unintentionally did not consider during the audit; or</li> </ul>

		c. Possible infractions or violations of the requirements in this document, Preferred by Nature audit and certification procedures, or conflicts of interest or other ethical issues on the part of the audit team or Preferred by Nature.
		In case of Rainforest Alliance appeals, if the dispute is unrelated to activities under Preferred by Nature's purview, Preferred by Nature shall respond to the disputing party providing this explanation as to why Preferred by Nature will not proceed with an evaluation of the dispute. Include reference and links to any applicable standard requirements.
	<b>RSPO P&amp;C</b>	In case of RSPO P&C related complaints Preferred by Nature will notify ASI and RSPO.  Complaints against Preferred by Nature's RSPO P&C certified clients are forwarded to RSPO Secretariat and Preferred by Nature doesn't follow up with the complaint resolution. Preferred by Nature will then follow RSPO instructions.
	<b>Sustainable Travel</b>	For appeals, a copy of the formal notice of the outcome of any appeal shall be sent to the GSTC and the GSTC standard owner.
	<b>SBP</b>	Complaints shall only be accepted where they relate directly to allegations of nonconformity with SBP requirements.  The SBP Secretariat shall be included in the acknowledge receipt of a complaint or appeal.
<b>DISPUTE RESOLUTION TEAM COMPOSITION</b>	<b>Rainforest Alliance</b>	In the case of Rainforest Alliance appeals, the appeal shall be analysed by at least two persons and one of these persons shall be a qualified Lead Auditor for the specific certification scope.
<b>DISPUTE EVALUATION</b>	<b>FSC</b>	Regarding FSC, Preferred by Nature cannot accept one-on-one interpretations from scheme owners (e.g., an informal interpretation via email) for the purpose of resolving disputes. Preferred by Nature must only rely on officially published interpretations.
	<b>Rainforest Alliance</b>	Regarding Rainforest Alliance certification decision appeals, clients can submit additional evidence during the appeals process if and only if the audit team had access to this evidence during the audit process. Additional evidence of compliance that was not available during the audit, or that was the result of improvements made since the audit, cannot be considered as part of an appeal. Rainforest Alliance certification decision appeals shall not be resolved by changing the certification scope in order to eliminate a problem in the scope of the certification granted.

<b>DISPUTE OUTCOME</b>	<b>Bonsucro</b>	If the disputing party is not satisfied with Preferred by Nature's response, Preferred by Nature shall report to Bonsucro any complaint or appeal not resolved.
	<b>C.A.F.E. Practices</b>	If the disputing party is not satisfied with Preferred by Nature's response, Preferred by Nature should initiate an SCS dispute resolution process by sending an email to SCS (cafepractices@scsglobalservices.com) and copying Starbucks ( <a href="mailto:CAFEprac@starbucks.com">CAFEprac@starbucks.com</a> ), providing the information specified in the Appeals and Disputes section of the C.A.F.E. Practices Verifier and Inspector Operations Manual.
	<b>FSC</b>	If the disputing party is not satisfied with Preferred by Nature's response, it should be first presented to ASI and ultimately to FSC.
	<b>Gold Standard</b>	If the disputing party is not satisfied with Preferred by Nature's response, the complaint may be forwarded to Gold Standard following <a href="#">Gold Standard Grievance Procedure</a> available in the Gold Standard website ( <a href="https://www.goldstandard.org/">https://www.goldstandard.org/</a> ).
	<b>PEFC</b>	Preferred by Nature shall provide the PEFC Council and the corresponding PEFC National Governing Body with the summary of resolved complaints against the PEFC certified clients, including at minimum: <ul style="list-style-type: none"> <li>d. identification of the appellant/complainant (subject to disclosure)</li> <li>e. identification of the client organisation</li> <li>f. subject of the complaint</li> <li>g. summary of the complaint handling process</li> <li>h. outcome/resolution of the complaint.</li> </ul>
	<b>Rainforest Alliance</b>	Preferred by Nature will inform Rainforest Alliance that additional time is needed for dispute resolution.  If the disputing party is not satisfied with Preferred by Nature's response, the grievance may be forwarded to Rainforest Alliance following <a href="#">Rainforest Alliance Grievance Procedure</a> through the online form available in Rainforest Alliance website. Link: <a href="https://www.rainforest-alliance.org/business/certification/questions-and-complaints/">https://www.rainforest-alliance.org/business/certification/questions-and-complaints/</a>

		For Rainforest Alliance certification decision appeals, if an operation's appeal is accepted, Preferred by Nature will modify the original audit report to reflect the new certification decision.
	<b>RSPO P&amp;C</b>	If a complaint is not resolved timely, Preferred by Nature will immediately inform ASI and inform the complainant about ASI complaint procedure which is available on ASI's website. If the complaint refers to the conditions of RSPO membership and is not resolved within 60 days, Preferred by Nature will inform the RSPO Secretariat.
	<b>SFI</b>	If the disputing party is not satisfied with Preferred by Nature's response, SCC is the final level of appeal in disputes with Preferred by Nature regarding conformance with accreditation criteria.
	<b>SRP and GlobalGAP</b>	If the disputing party is not satisfied with Preferred by Nature's response, the dispute can be addressed to the GLOBALG.A.P. Secretariat using the GLOBALG.A.P. complaints form, available on the GLOBALG.A.P. website ( <a href="http://www.globalgap.org">www.globalgap.org</a> )

## Annex C: Incidents related to Preferred by Nature Clients

1.1. In the case of incidents related to a Preferred by Nature client's conformity with a certification standard or company-owned policy, an email is sent to the client including the following:

- Reference to complainant's allegation;
- Ask if the client is aware of the allegation;
- Mention that we have to review the allegation as it is a potential violation of the standard or policy; in the case of an incident related to a certification requirement, mention that the certification scheme owner may decide to follow up according to its own procedures;
- Ask if the client can confirm the direct or indirect involvement in controversial activities specified in the allegation;
- Ask if the client can prove that it is not involved in the unacceptable activities in the allegation; and mention that documents alone are often not enough to prove legality in relation to countries with unacceptable corruption levels (e.g., if the Corruption Perceptions Index is lower than 50).
- Sending documentation relating to the complaint to the client's contact person. Preferred by Nature gives the client an initial opportunity to provide their perspective on the issue (e.g., through the organisation's own version of the incident, historical background, etc.). This may be done either verbally or in writing, preferably the latter.

A follow-up call is made to confirm that the client is aware of the email and certification scheme owner policies, and the case is discussed verbally.

Based on the client's response the conclusion may be:

- The allegation is unfounded based on irrefutable evidence. No further actions are needed;
- Further investigation is needed;
- The client agrees with the allegation and Preferred by Nature takes an appropriate decision (e.g., issuing a major NCR; or suspension or termination of certification) depending on the scale of the violation.