

CERES Policy

Impartiality and Conflict of Interest

1	Aims	The objective of this policy is to ensure independency and impartiality during inspection and certification work.
2	Back-ground	Private certification involves several immanent conflicts of interest. The key point is a certain contradiction between the relationship "controller – controlled operator", on one side, and the relationship "service provider – client" on the other. This conflict cannot be completely overcome, but awareness of the problem and clear rules for all staff must minimize the risk of unfair decisions.
3	Normative framework	<p>ISO/IEC 17065:</p> <p>4.2.1 Certification decisions shall be undertaken impartially</p> <p>4.2.2 The certification body shall be responsible for the impartiality of its certification activities and shall not allow commercial, financial or other pressures to compromise impartiality</p> <p>4.2.3 The certification body shall identify risks to its impartiality on an ongoing basis. This shall include those risks that arise from its activities, from its relationships, or from the relationships of its personnel (see 4.2.12).</p> <p>4.2.4 If a risk to impartiality is identified, the certification body shall be able to demonstrate how it eliminates or minimizes such risk. This information shall be made available to the mechanism specified in 5.2</p> <p>4.2.5 The certification body shall have top management commitment to impartiality</p> <p>4.2.6 The certification body and any part of the same legal entity and entities under its organizational control (7.6.4) shall not</p> <ul style="list-style-type: none"> a) be the designer, manufacturer, installer, distributor or maintainer of the certified product d) offer or provide consultancy (3.2) to its clients related to the certified products, services or processes e) offer or provide management system consultancy (3.3 or ISO/IEC 1702:2011) or internal auditing to its clients where the certification scheme requires the evaluation of the client's management system. <p>4.2.7 The certification body shall ensure that activities of separate legal entities with which the certification body (...) has relationships do not compromise the impartiality of its certification activities.</p> <p>4.2.8 When the separate legal entity in 4.2.7 offers or produces the certified product (including products to be certified) or offers or provides consultancy (see 3.2), the certification body's management personnel and personnel in the review and certification decision-making process shall not be involved in the activities of the separate legal entity. The personnel of the separate legal entity shall not be involved in the management of the certification body, the review, or the certification decision.</p> <p>4.2.9 The certification body's activities shall not be marketed or offered as linked with the activities of an organization that provides consultancy (3.2). A certification body shall not state or imply that certification would be simpler, easier, faster or less expensive if a specified consultancy organization were used.</p> <p>4.2.10 Within a period specified by the certification body, personnel shall not be used to review or make a certification decision for a product for which they have provided consultancy</p> <p>4.2.11 The certification body shall take action to respond to any risks to its</p>

impartiality arising from the action of other persons, bodies or organizations of which it becomes aware

4.2.12 All certification body personnel, either internal or external, or committees, who could influence the certification activities, shall act impartially.

Annex 2 to ISO 17065:

Risks to impartiality include bias that may arise from:

a) self-interest (e.g. overdependence on a contract for service or the fees, or fear of losing the client or fear of becoming unemployed, to an extent that adversely affects impartiality in carrying out conformity assessment activities);

b) self-review (e.g. performing conformity assessment activity in which the certification body evaluates the results of other services it has already provided, such as consultancy);

c) advocacy (e.g. a certification body or its personnel acting in support of, or in opposition to, a given company, which is at the same time its client);

d) over-familiarity, i.e. risks that arise from a certification body or its personnel being overly familiar or too trusting instead of seeking evidence of conformity (in the product certification context, this risk is more difficult to manage because the need for personnel, with very specific expertise, often limits the availability of qualified personnel);

e) intimidation (e.g. the certification body or its personnel can be deterred from acting impartially by risks from or fear of, a client or other interested party);

f) competition (e.g. between the client and a contracted person).

ISO 17029

states the same topics of management of impartiality in Chapter 5.3 of the standard as ISO 17065 in chapter 4.2. However, for 17029 referring to validation/verification (body) instead of certification (body).

NOP says:

205.501 (a) A private or State entity accredited as a certifying agent under this subpart must:

(11) Prevent conflicts of interest by:

(i) Not certifying a production or handling operation if the certifying agent or a responsibly connected party of such certifying agent has or has held a commercial interest in the production or handling operation, including an immediate family interest or the provision of consulting services, within the 12-month period prior to the application for certification;

(ii) Excluding any person, including contractors, with conflicts of interest from work, discussions, and decisions in all stages of the certification process and the monitoring of certified production or handling operations for all entities in which such person has or has held a commercial interest, including an immediate family interest or the provision of consulting services, within the 12-month period prior to the application for certification;

(iii) Not permitting any employee, inspector, contractor, or other personnel to accept payment, gifts, or favours of any kind, other than prescribed fees, from any business inspected, except that a certifying agent that is a not-for-profit organization with an Internal Revenue Code tax exemption, or in the case of a foreign certifying agent a comparable recognition of not-for-profit status from its government, may accept voluntary labour from certified operations;

(iv) Not providing advice concerning organic practices or techniques to any

certification applicant or certified operation for a fee, other than as part of the fees under the applicable certification program established under the Act; and

(v) Requiring all persons identified in § 205.504(a)(2) to complete an annual conflict of interest disclosure report.

Rainforest Alliance RA "Rules for Certification Bodies":

The CB shall have a written conflict of interest and impartiality management procedure that:

a. Ensures that all CB personnel, including personnel that make certification decisions, reviewers, auditors, technical experts and interpreters contracted for audit and certification processes, shall complete a declaration stating any potential or existing conflicts of interest including property, financial, work and family ties with certificate holder or applicant and its personnel. This declaration shall be updated at least annually and whenever a potential conflict arises. For external auditors the record shall be updated at least every six months.

b. When there is a conflict of interest risk involving certifiers and auditors, the respective individuals shall not be involved in the related audit or certification decision processes.

c. Ensures that the CB has a conflict of interest disclosure policy that requires auditors and personnel involved in auditing and certification activities to report any potential or real conflict of interest in any given situation of the certification process including auditing situation.

d. Ensures that auditors do not audit the same certificate holders where they conducted technical assistance activities or having worked or provide any consultancy in the last two years for an operation, one of its subsidiaries or a company of the same parent group.

e. Ensures that certifiers do not make decisions about the same certificate holders in which they participated in the most recent audit (any audit type) or where they conducted technical assistance activities or provide consultancy or having worked in the last two years for a CH, one of its subsidiaries or a company of the same parent group.

f. Ensures that an auditor shall not audit the same CH for more than two consecutive audits (excluding follow-up audits).

g. All payments related to the certification process must be received exclusively by the CB and not by the auditors of the CB personnel.

h. Ensures that auditors have enough financial resources provided in order to conduct an audit with no dependency on the CH.

i. Ensures that for Investigation Audits, the CB shall use auditors that did not participate in the last audit of the CH.

j. Ensures that the CB documents and implements a code of conduct to be applied by each employee and contractor. The code of conduct shall prohibit employees and auditors from accepting any money, gift, gratuity, or item of value from the certificate holder. The code of conduct needs to have

		<p>measures to be taken in case of bribery or coercion. When bribery or coercion of an auditor or a member of an independent committee is suspected, the CB shall report this situation to the Rainforest Alliance.</p> <p>k. The Rainforest Alliance reserves the right to standardize one single conflict of interest management mechanism and make it binding for all CBs.</p>
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4	Terms	<p>Consultancy: ISO/IEC 17065 defines "consultancy" as "participation in designing, manufacturing, installing, maintaining or distributing of a certified product (respectively service or process) or a product to be certified". Similarly ISO 17029 defines "consultancy" as "involvement in design of the object leading to the claim or providing object specific expertise that supports the preparation of the claim".</p>	
5	General:	<p>For a general statement on impartiality, refer to CERES Doc. 1.2. A general SOP on risk management is found in Doc. 2.1.7. The CERES Anticorruption Policy is published as Doc. 2.1.6. Implementing rules for this policy are in 2.1.6.1</p>	
6	Prices, payment, marketing:	<p>a. Based on a clear pricing scheme (see Document 3-3-0 and 3-3-0-2), CERES will charge the same price for similar operators in the same country. b. CERES will never charge volume or turnover-based fees. We work only on a flat fee base, or with daily fees, depending on the situation. c. Commercial relationship with clients on the one side, and inspection on the other side should be separated. d. When inspectors receive a commission for bringing new clients, they must be excluded from inspection to this for two years.</p>	
7	Allowed and not Allowed Information to Clients		
		Allowed	Not allowed
	Pre-Inspection	<p>A pre-inspection is allowed if it exclusively aims at identifying compliance / noncompliance with the applicable standard. The pre-inspection must be carried out by a person who will neither do the inspection, nor be involved in the certification process.</p>	<p>It is not allowed to use a so-called pre-inspection for giving the operation technical advice or helping to set up management systems. It is not allowed that this service entails any consultancy.</p>
	Training, Informative Sessions	<p>Informative sessions in which at least 3 clients or potential clients participate, and which are limited to explaining CERES' services, the applicable standards, and general ways of how to comply with the standards. Informative sessions are only to provide relevant information and solve questions but never to provide solutions regarding implementation of the standard.</p>	<p>It is not allowed to offer training to particular clients or potential clients only. An exception to this is the JAS training which is explicitly required by JAS for production managers and grading managers.</p>
Internal Control Systems (ICS - Organic Farming)	<p>Similar to the above: we can only offer public training accessible to more than one client. CERES can offer templates to be used for internal inspections, or general templates for internal regulations.</p>	<p>We cannot help a group or company to set up their ICS beyond a public training for internal inspectors. Not allowed to develop ICS documents specifically for one operation.</p>	

8	Annual renewal of conflict of interest statement	Any person involved in application review, inspection, certification or evaluation must submit to CERES a signed "conflict of interest" statement where the companies with whom a conflict of interest might exist are listed.
9	Exclusion	<p>a. CERES management personnel or personnel involved in the evaluation or certification process shall not be involved in activities of a separate legal entity offering or manufacturing the certified product (including products to be certified) or offering advice</p> <p>b. CERES inspectors and certification officers may not perform inspection, or make or influence the certification decisions, or be involved in complaint handling in case of operators,</p> <ul style="list-style-type: none"> ○ Who are their relatives or personal friends ○ Who are or have been their employees or employers, or for whom they have worked during the previous 2 years, or still work as external consultants. ○ Who are or have been during the previous 2 years their business partners or competitors in any field not directly related to inspection / certification issues. ○ With whom they have or have had during the previous 2 years any kind of personal or business conflict, not directly related to inspection/certification issues. ○ Against or in favour of whom they are or have been advocating or campaigning. This includes not only individual companies, but also entire industries, projects, etc. <p>c. An inspector must not perform more than 3 consecutive inspections regardless of the standard, without external supervision or an independent inspection (announced or unannounced) performed by another inspector to the same operator in the meantime. For RA it's not allowed to perform more than 2 consecutive audits (follow up excluded) and for GGAP 4 consecutive years in the same operation.</p> <p>d. In case that CERES representatives who neither participate in inspections nor in certification decisions are involved in production, consultancy, or trade in the same branch for which certification services are offered, then:</p> <ul style="list-style-type: none"> ○ CERES will communicate the potential conflict of interest openly to clients; ○ Any confidential information related to clients (e.g., management plans, inspection reports, documents required for transaction certificates, etc.) will be handled directly between the inspector and the CERES headquarter, without involving the respective representative; ○ CERES will not certify operations owned by CERES staff (including freelancers) or their family members (first degree).
10	Decisions by evaluation / certification officers	In case of doubts concerning certification decisions, the responsible certification officer is obliged to consult at least one colleague. In case that the two cannot find a consensus, they must consult external specialists and/or competent authorities.
11	Prevent corruption	<p>CERES inspectors, evaluation officers, country managers, certification officers and other staff may not accept:</p> <p>a. Direct payment of inspection and certification services, in cash or to their private bank account</p> <p>b. Gifts with a value higher than 20 Euro (20 USD).</p> <p>c. Invitations to inappropriately luxurious hotels, restaurants, etc.</p> <p>d. Invitations to locations or events which might compromise the inspector's and/or certification body's reputation.</p>

12	Travel expenses	<p>a. For RA inspections, the inspectors must pay for their own transport, meals and accommodation. CERES or its local offices are responsible for providing inspectors with enough money for this purpose. Only when, for logistic reasons, inspectors must travel with the client, or must sleep in the client's house or facilities, exceptions can be made to this rule.</p> <p>b. CERES strongly recommends to follow this rule also under other standards – although we do not make it compulsory for the time being.</p>
13	Avoiding "company blindness"	<p>CERES inspectors and certification officers are encouraged to exchange information, criteria, and experiences regularly with colleagues from other certification bodies, both at a day-to-day basis, and at a formalized level. This will help to challenge company-specific points of view and make criteria and decisions more objective.</p>
14	Intimidation	<p>Inspectors and other staff are encouraged to inform the CERES general management immediately of any cases of intimidation by clients. The client may be sanctioned in such cases to the point of revocation of certificates.</p>
15	Establishing commercial contacts	<p>a. CERES must not get involved in establishing commercial contacts between producers / sellers and buyers of certified products. Getting involved in such things, may lead to serious conflicts with other players on the market. We can refer interested parties to the list of certified clients on our website, to entries in the Easy-Cert platform, and to the different databases, which we feed regularly, but neither give contact details of producers to potential buyers, nor vice-versa.</p> <p>b. Travelling together with potential buyers to places of origin of certain products, in search of suppliers, is strictly prohibited!</p> <p>c. Vice-versa: it is not allowed for CERES representatives to arrange trips with clients / producers / exporters for finding buyers. It is allowed to organize trips for e.g., getting to know good examples of organic farming – provided that such trips are open for everybody, and not organized specifically for one or two clients only.</p> <p>d. Example: the CERES representative from country X is requested by some clients to organize a trip to BioFach in Germany. This would be allowed under the following conditions:</p> <ol style="list-style-type: none"> i. All clients in country X are invited in due time to participate in the trip ii. If the clients, in addition to the general arrangements for the trip, ask for assistance for contacting potential customers, this part should be handed over to an independent consultant. CERES should not get involved here.
16	Publicity, media, trade shows	<p>a. Being in the media, in general terms, is good for our reputation. It is, however, not allowed to appear in the media giving the impression that we are closely linked to a specific company. Examples: An article about company X, and then an interview with a CERES inspector who praises the good job done by this company. Or a TV program presenting the work of one single company, and the CERES inspector appearing in this film as being part of the game.</p> <p>b. It is not allowed for CERES representatives to share booths in trade shows with clients or potential clients. CERES will either have its own booth or share a booth with other certifiers. It is allowed, however, being part of a shared space (e.g., different companies from one region), where each entity has its clearly separate booth.</p>
17	Governments	<p>CERES must comply with national laws in each country, where we operate. National governments, however, may also constitute serious risks for our impartiality, because they are mainly interested in export promotion. The problem may become very serious in countries with notoriously corrupt and/or authoritarian governments. Some general rules:</p> <p>a. CERES always makes its own assessment of compliance / noncompliance with a standard. Confirmations from government agencies or local authorities, e.g. in</p>

		<p>relation to previous land management or to sustainability of wild collection, can be considered, but such papers alone are not sufficient as evidence. The same is true when a government agency confirms compliance with labour laws. When it comes to social audits, CERES will make its own assessment, regardless of such confirmations.</p> <p>b. Sometimes we get applications for certifying businesses run directly by the state, or by persons who play an important role in the government. Certifying such entities may have an important promotional effect, but we should be aware of the risks, especially in non-democratic countries. If serious non-conformities exist in such a company – will the inspector dare to address them? Will the local office be subject to intimidation and pressure for not reporting such things to the headquarter? Such applications may be accepted only in close coordination with the CERES QM. A close follow-up from the headquarter, e.g., through unannounced check-audits, is compulsory, if the application is accepted.</p> <p>c. If competent authorities in a country exercise pressure e.g., in favour of a government official's friend or relative, CERES will take the case to the standard owners, to the national and international anti-corruption organizations, and if necessary, to the media.</p> <p>d. If the pressure from government representatives in a certain country becomes very strong (e.g., threatening with not renewing the CERES business license if negative certification decisions are made, as has happened in certain countries), then CERES should consider withdrawing from that country.</p>
18	Sanctions	<p>Inspectors or other staff, who have been proven to</p> <ul style="list-style-type: none"> ○ Accept corrupting gifts ○ Suppress consciously significant non-conformities or otherwise alter important data in their inspection reports ○ Help operators to hide significant non-conformities ○ Consciously not inform CERES about an excluding relationship with a client (see 5.1) <p>will be dismissed immediately.</p> <p>In addition, staff member will be compelled to return any goods that was received or to reimburse the money to the client.</p>
19	Related documents	<p>2.1.5 Management Declaration of Independence (Con)</p> <p>2.1.6 Anti-Corruption Policy (Pol)</p> <p>2.1.6.1 Implementing the Anti-Corruption Policy (WI)</p> <p>2.1.7 Risk Management (SOP)</p> <p>1000003 Compliance Guidelines of the ECG</p>