

APPEAL AND GRIEVANCE MECHANISMS

LDC RESPONSIBLE SOURCING PROGRAM – ADVANCED

Updated: November 2022

1- Purpose and Scope

This document aims to describe the mechanisms available for parties involved in LDC Responsible Sourcing Program – Advanced supply chains as well as external stakeholders to submit appeals and grievances.

Appeals refer to complaints submitted by any of the parties involved in an LDC Responsible Sourcing Program – Advanced supply chain (farmers, commercial intermediaries, LDC) against decisions made by the Internal Management System of the program, such as verification decisions, sanctions, or corrective actions.

Grievances refer to complaints against the way LDC Responsible Sourcing Program is managed locally or globally, or against critical non-conformances and unfair practices identified at any stage of the supply chain (e.g., violations of labor and human rights, damages to the environment, unethical business conducts, conflicts of interest, etc.). Grievances can be submitted by any internal or external party.

2- Appeals

As part of their enrolment into the LDC Responsible Sourcing Program - Advanced supply chain, farmers and commercial intermediaries are made aware about the possibility to appeal the decisions made by the Internal Management System (IMS) about sanctions and their participation in the RSP-Advanced supply chain.

For each LDC Responsible Sourcing Program - Advanced supply chain, an Appeal Committee is established locally. It is composed of at least 3 people from LDC staff or suppliers involved in the supply chain. Appeal Committee members are designated by LDC and at least 2 of them should be external to the Internal Management System team, in order to avoid conflicts of interest.

Appeals can be raised verbally or in writing by farmers or intermediary suppliers directly to any of the members of the Appeal Committee, or indirectly via other LDC employees who will then escalate the appeal to the Appeal Committee. Farmers and suppliers can also contact directly LDC Sustainability Team by writing to emea-coffee-sustainability@ldc.com.

The Appeal Committee will:

- Receive and keep record of all the appeals made by farmers and intermediaries
- Confirm if the appeal falls into the scope of the Appeal Committee. If not, the appeal will be rejected. If the complaint concerns the way LDC Responsible Sourcing Program is managed, or critical non-conformances and unfair practices in the supply chain, the demand will be treated as a grievance (see 3- Grievances).

- Review and analyze the appeals and make enquiries with the interested parties (farmers, intermediaries, IMS team, other LDC employees, etc.)
- Assess possible ways to address the complaint and define the corrective actions if applicable
- Issue a final decision to close the case and inform the interested parties
- Keep record of all the decisions

No further appeal will be accepted after the decision of the Appeal Committee. Any party willing to challenge the decision of the Appeal Committee should submit a grievance (see 3- Grievances).

3- Grievances

Farmers and commercial intermediaries are also made aware about the possibility to report violations against the code of conduct, denounce unfair practices from supply chain actors (including LDC), and raise complaints on any issue related to the management of LDC Responsible Sourcing Program – Advanced. LDC will also receive and assess grievances from external stakeholders, if they're related to the program.

Farmers, intermediaries and external stakeholders can raise grievances directly to the LDC Responsible Sourcing Program Supply Chain Manager in origin or indirectly via LDC field staff. Depending on the complexity and severity of the case, the LDC Responsible Sourcing Program Supply Chain Manager can coordinate the remediation himself, and respond directly to the petitioner, or escalate the complaint to other instances within LDC for remediation. LDC Responsible Sourcing Program Supply Chain Manager will keep record of all the grievances.

Farmers, intermediaries and external stakeholders can also contact directly LDC Sustainability Team by writing to emea-coffee-sustainability@ldc.com.

If they prefer, they can also raise grievances anonymously through [Ethics Point](#), an independent secure hotline provider available in different languages, that handles all the information on a confidential and anonymous basis and transfer the allegations to the relevant people within LDC, without disclosing the identity of the petitioner. Allegations received are subject to a comprehensive review and any investigations required are handled independently per the Group Investigation Protocol.