

# Terms and Conditions of Business

For the certification bodies (CB) and validation/verification bodies (VVB) listed in the annex

## 01 Scope and definition

These terms and conditions apply between each certification body (CB) or validation/verification body (VVB) and its clients. The scope includes inspection, certification and other services unless otherwise agreed in writing or required by law. Most standards and private programs require at least an annual inspection (audit) / surveillance audit, announced or unannounced risk-based spot checks and sampling for this purpose. Audits can be held also up on request from the standard holder. For Rainforest Alliance client, in order to maintain its certificate, a client shall receive a yearly surveillance audit. Supply chain clients may be exempted from receiving external surveillance audit or al surveillance audits based on their risk level.

## 02 Basics

The contract is based on the services requested by the client in each case. The client hereby declares that he/she is in possession of the relevant regulations or directives and that he/she is familiar with and complies with their provisions. The respective valid version can be obtained from the competent authority or organisation at any time. The client must keep himself/herself informed of any changes to the regulations or guidelines.

## 03 Rights of the client

Holders of a certificate from one of the certification bodies may use it for their business purposes during its period of validity. Furthermore, they are entitled to use the corresponding inspection and certification marks in accordance with the provisions of Clause 10. The client may refuse an inspector for plausible reasons.

## 04 Obligations of the client

The client agrees to provide the inspectors/auditors with open and truthful information on all internal company matters relevant to the assessment of the inspection and certification status and supports the inspection. Employees of the client may be questioned by the inspector of the CB/ VVB at any time. This also applies to production sites and subcontractors responsible for activities that may be relevant to the scope of certification. Contracts with subcontractors shall include clauses allowing for announced or unannounced inspections and sampling. The client shall notify the CB/ VVB in writing of any (planned) changes related to compliance with the relevant standard, as well as any formal changes, such as address, mergers, organizational changes or acquisitions, management of new land, inclusion of new processing sites, changes in recipes, changes in the production system that could affect product compliance with the relevant standard, etc. within 30 days - for RA standards within 48 hours. Changes may also lead to an adjustment of the offer.

The client undertakes,

- to comply with the applicable ordinances, the statutory regulations and the guidelines and directives declared to be binding, and to align all operations and production and processing steps accordingly
- For Rainforest Alliance: the client has to comply with the RA requirement for transparency and confidentiality as set forth in its licensing agreement
- to maintain all necessary descriptions, journals and lists correctly and truthfully on an ongoing basis
- to grant the CB/ VVB's and the standard setter's authorised persons unrestricted access at any time to areas, warehouses, operating sites, production facilities, etc., as well as access to the accounts and all necessary journals, receipts and documents, and to allow sampling to be carried out
- to grant access and inspection to the same extent to representatives of official bodies, accreditation bodies or label providers who monitor the work of the CB/ VVB, and to make the necessary arrangements for this purpose
- to immediately notify the CB/ VVB in writing of any complaints by third parties regarding product conformity and to document and disclose to the CB/ VVB the corrective measures taken in this respect
- Immediately report in writing any events that could constitute a possible violation of guidelines, e.g. use of prohibited substances or residues above the levels specified in the standard.
- to pay for the services provided by the CB/ VVB on the basis of the prices in force at the time (see point 6)
- to bear the costs of additional work (according to the invoicing rules in force at the time), laboratory analysis, legal advice and similar additional expenses incurred by the CB/ VVB, if he / she has caused them by violating the rules or his / her obligations under this contract or if they are required by

applicable law

- to inform the CB/ VVB immediately if it abandons the certification scheme in question
- designate a responsible contact person vis-à-vis the CB/ VVB
- Train and monitor employees and subcontractors to ensure compliance with the rules

The client agrees that samples may be sent to external accredited laboratories. The client undertakes to inform the CB/ VVB of all activities with other certifiers relating to the same scope or product.

Transaction certificates for textile customers are to be submitted a maximum of 6 months after the trading transactions. Applications submitted later may be rejected by the certification body.

## 05 The CB/ VVB's rights and obligations

### 05a Confidentiality and data protection

All data collected by the CB/ VVB are subject to business secrecy and are treated as strictly confidential, unless the information is already in the public domain. The obligation of confidentiality does not apply to official bodies entrusted with enforcement tasks, to accredited inspection organisations, to lawyers representing the client's interests or to the label holders under whose label the client markets the products.

The CB/ VVB can share all data with the label holders including those regarding the Certified Entities facilities and its subcontractors, its products, volumes, any and all documents collected for verification during certification and operation of certified processes and the supply chain of their raw materials. The Standard holder may use Certified Entity information provided by the Certifier for purposes related to impact assessment, aggregated volume information, legal proceedings etc. without compromising individual data privacy or commercially confidential norms.

The CB/ VVB is also entitled to share relevant information with other certification bodies if this is (a) necessary to ensure credibility of the respective scheme, (b) if a client decides to change to another inspection body, (c) if a client, where permitted, gets certified by two bodies for the same activity, (d) if the CB/ VVB would terminate the contract with the label issuer. If the client was previously certified by another body, he agrees with his signature that this body can pass on relevant information to the CB/ VVB.

Personal data to which the CB/ VVB has access during the contractual relationship will be processed exclusively for the purpose of fulfilling this contractual relationship. The client authorises the CB/ VVB or the standard provider to pass on collected data in anonymised form for research purposes and market analyses. In order to simplify administrative procedures and to support the quality assurance of the clients, the CB/ VVB offers online tools as a service. With the use of these online tools, address and certification information of the clients becomes visible to the clients. The clients are only allowed to use the viewed data for quality assurance purposes and to simplify internal business processes. They undertake to use the data in accordance with the terms of use. The valid terms of use for online tools are an integral part of the Terms and Conditions and apply to all users of these online services. The certificates issued are displayed online in a certificate pool and can be viewed by the public. Within the framework of the contractual relationship, the contracting parties undertake to comply without exception with the European Data Protection Regulation (GDPR), the data guidelines of the standard providers and other relevant data protection provisions in the respective applicable version when processing personal data. The contracting parties further undertake to take all necessary technical and organisational measures for data security. If other information technologies are used for communication or data transfer, the data protection guidelines of these providers shall apply. The current version of the data protection statement available on the CB/ VVB's website forms an integral part of these Terms and Conditions. Personal data of which the CB/ VVB becomes aware in the course of the contractual relationship will be processed exclusively for the purpose of implementing this contractual relationship. Within the framework of the contractual relationship, the client expressly authorizes the CB/ VVB to send official communications to the client's e-mail address via newsletters/infomailings. The contracting parties further undertake to ensure that any recipients of personal data also comply with data protection and data secrecy in accordance with the GDPR. Both parties undertake to retain certification-relevant documents for at least 10 years - even after termination of the contract.

The standard setter/ CB/ VVB has the right to include the name of the manufacturer in transaction certificates throughout the supply chain.

The CB/ VVB shall grant the client access to all records related to the certification, e.g. audit reports and related evidence, except for confidential documents (e.g. records of staff interviews, internal CB/ VVB communications).

The client agrees to publish basic information on the websites of the label providers.

For Textile Exchange and Rainforest Alliance clients, if the client feels that publication could pose a risk to him/her, he/she can request that certain data not be published.

### 05b Release from official secrecy

The contracting entity shall release official bodies which are in possession of information required for inspection and certification from official secrecy vis-à-vis the CB/ VVB.

### **05c Right to information**

The CB/ VVB may report violations of legal regulations or the directives declared applicable to the competent authorities or press relevant criminal charges. To safeguard information to possible buyers, the CB/ VVB may, in the event of non-recognition or withdrawal of the label, forward and publish the necessary information.

### **05d Services / Certification / Sanctions**

The CB/ VVB provides the services booked by the client. The CB/ VVB may subcontract the services offered to authorised inspection/certification bodies and authorised laboratories. If the legal regulations and the guidelines declared applicable are complied with, the CB/ VVB shall issue the relevant certificate(s).

If the guidelines are not fully complied with, the CB/ VVB may impose sanctions and set deadlines within which the deficiencies must be remedied. If these deadlines are not met, a follow-up inspection may be required or a certification decision may be taken, unless otherwise provided for by the respective standard. Sanctions are based on the sanction regulations of the respective public legal ordinances or the guidelines of private label programmes. In the event of serious infringements on the standards, the CB/ VVB reserves the right, in accordance with the applicable sanction regulations of the label issuers and ordinances, to refuse certification up to and including withdrawal of the certificate and / or to impose marketing bans. If the inspection/certification is not successful due to a refusal to carry out checks, non-granting of access to premises, missing or defective documentation, organisational requirements, failure to meet deadlines, etc., the CB/ VVB reserves the right to refuse certification until the complete inspection documentation has been received.

### **05e Spot checks/residue analyses**

For quality assurance purposes, the CB/ VVB or the label and standard providers or accreditation bodies may, in addition to the regular inspections, carry out spot checks and take samples for residue analyses at any time. In these cases, access and inspection must be guaranteed to the same extent as in the case of an ordinary inspection.

### **05f Liability**

The CB/ VVB shall only be liable for intentional and gross negligence within the scope of the activities it undertakes. Claims for compensation for damage caused by the CB/ VVB are limited to the amount covered by the liability insurance. The CB/ VVB is not responsible for lost profits or other financial losses, nor can it guarantee a market, a specific status or licenses for certified or inspected products. It is the customer, not the CB/ VVB, who is responsible and liable for compliance with the standard or other aspects of product quality. In particular, the CB/ VVB cannot be held liable if third parties do not recognize the certificate or only partially recognize it. The same applies in the case of possible claims for damages by third parties (namely customers of the certificate holder) due to non-fulfilment of their quality expectations or in the case of non-recognition of the certificate as evidence in product liability disputes. The client is liable for damages caused by products for which the CB/ VVB receives incomplete or incorrect information.

## **06 Prices**

The prices are set out in the CB/ VVB's invoicing rules. The applicable invoicing rules are published on the CB/ VVB's website. The CB/ VVB will notify the client of price increases with one month's notice. The valid invoicing rules are an integral part of these Terms and Conditions and can be consulted at any time on the website. The rejection, suspension or withdrawal of a certificate due to non-compliance with the standard does not entitle the client to withhold outstanding payments. The certification decision will be sent to the client after receipt of the final payment.

## **07 Duration and termination of the contract**

With the signature of the contract a contractual relationship for an indefinite period comes into being. If an additional activity or standard is added, a new contract must be concluded. Each contract starts with the date of signing by the CB/ VVB. The contracts relating to the control and certification of GLOBALG.A.P. are concluded for a period of 4 years, while the contracts relating to the inspection and verification under CAFÉ Practices or 4C are concluded for 1 year. Either party may terminate the contract in writing, at least three months before the end of the term of the certificate. It is not sufficient for a certificate to expire. The contract must be formally terminated by at least one party. A certification pending at the time of termination or at the date of the end of the contract shall be completed despite the termination. The services rendered will be invoiced according to the invoicing rules and any notifications to label providers or official bodies will be made. The CB/ VVB is not responsible for delays due to force majeure. Events of force majeure also entitle the CB/ VVB to withdraw completely from the contract. Such events do not entitle the client to take legal action against the CB/ VVB for non-fulfilment of the contract. If the delay due to force majeure lasts longer

than 12 weeks, the customer is entitled to withdraw from the unfulfilled parts of the contract. Claims for damages are excluded in such cases. The CB/ VVB may terminate the certification contract if the approval is suspended or cancelled. If a negative certification decision for a client has been made according to the Rainforest Alliance standard, the client may not change the CB/ VVB until the next audit and cycle after the decision was made.

## **08 Infringements**

### **08a Serious infringements**

Serious breaches of contract may conclude denial of services, denial of certification, denial of inspection and certification marks, and/or termination of this contractual relationship. Serious breaches of contract include, for example, the submission of incomplete or incorrect documentation, refusal to cooperate in audits, non-payment of invoices, failure to notify changes or misuse of the CB/ VVB company name and misuse of the control and certification marks. Any attempt to bribe, influence, manipulate or intimidate inspectors will result in immediate suspension of certification and termination of the contract. If the continuation of the contractual relationship cannot be reasonably expected in good faith, the CB/ VVB is entitled to terminate it without notice. In this case, certificates issued will be revoked / reclaimed with immediate effect and the termination of the contract may be published.

### **08b Damages for breach of contract**

In the event of repeated or serious breaches of contract by clients, the CB/ VVB is entitled to a contractual penalty of EUR 10,000.00. In addition, the CB/ VVB is entitled to compensation for any further damage.

### **08c Non-payment of invoices**

Invoices from the CB/ VVB are payable within the specified deadlines. Costs for reminders, debt collection and legal disputes will be charged to the client. In the event of non-payment of invoices, services may be refused and the contractual relationship terminated without notice.

## **09 Appeals / Complaints and Appeals or Mediations (NOP)**

Appeals against decisions of the CB/ VVB may be lodged within 30 days of notification of the decision. The appeal must be clearly designated as such, must be substantiated and must be addressed in writing to the CB/ VVB, citing any evidence. Decisions of the CB/ VVB become legally binding as soon as they are issued. The CB/ VVB decides whether any appeal against a negative decision has a suspensive effect. For Rainforest Alliance the client shall not sell or ship product with the certified claim during the entire appeal duration in case of suspension cancellation or non-certification. An advance payment is required for the assessment of the appeal. This must be received within these 30 days, otherwise the appeal will be considered withdrawn. The costs of the appeal procedure will be invoiced to the appellant in accordance with the current price list. Other complaints may be addressed to the CB/ VVB at any time and will be dealt with in accordance with the provisions of the relevant standard or the CB/ VVB's Quality Manual. The client agrees to follow the CB/ VVB's complaints and appeals procedure first, and if the disagreement persists, to then submit the dispute to the standard setter where provided. For Rainforest Alliance, the client agrees that it will only take legal action against the Rainforest Alliance upon the final disposition of its dispute through the CB/ VVB and the Rainforest Alliance grievance procedures.

## **10 Use of trademarks and quality seals**

During the validity and to the extent of a granted certificate, the certificate holders are entitled to use the control and certification marks corresponding to the successfully performed certification or assessment in accordance with the established rules and to label the products with the marks or a text variant. This also applies to advertising and press releases. Reference to the CB/ VVB or the standard setter may not be used in a way that could discredit the CB/ VVB or the standard setter. Copies of the certification documentation may only be passed on to third parties in complete form. If the certificate ceases to be valid, appropriate references in physical or electronic advertising and marketing materials, media or on websites, documents, other business-to-business communications and on labels must be removed immediately and the certificates returned to the CB/ VVB. Buyers must be notified in writing (for Rainforest Alliance latest within 3 business days) of products that do not meet the requirements of the standard and ensure that references to the standard are removed from the affected products. The cost of taking back products that already have referenced labels or seals to the standard shall be borne by the client. If the removal of the label or the reference to the standard setter is not possible, these products must be withdrawn from the market. In the case of misuse of trademarks and quality seals, the right to use them can be withdrawn from the client after a written warning has been issued once without success. We reserve the right to enforce cease and desist requests and claims for damages in the event of unauthorised labelling.

The following applies to clients of the Rainforest Alliance Standard: The client agrees that after the cancellation, non-certification or suspension, he will immediately cease to sell or ship product with respective

certified claim. In specific situations and according to the Rainforest Alliance Supply Chain Policy and applicable Certification Rules and policies, client have the possibility to seal pcertified product in a period of 6 months after the suspension or cancellation date. The Rainforest Alliance Certified™ seal may only be used after signing a license agreement and only under the conditions specified in the license agreement. Separate approval by RA is required for public use of the RA seal. For further details, please refer to RA's supply chain guidelines.

## **11 Jurisdiction**

The place of jurisdiction and the law to be applied to the contract with regard to the relevant CB/ VVB are referred to in the Annex to the Terms and Conditions of Business.

## **12 Integrated components of the Terms and Conditions**

- Current Invoicing Rules of the certification bodies
  - Label information
  - Terms of use for the online tool of the ECG
  - Brief descriptions
  - Offer of the certification bodies
  - Application of Client
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## Annex to the Terms and Conditions of Business

These Terms and Conditions of Business apply to the following certification bodies:

CERES GmbH

CERTification of Environmental Standards

Vorderhaslach 1, 91230 Happurg, Germany

Company registry number: B 21261

Website: [www.ceres-cert.de](http://www.ceres-cert.de)

German law, place of jurisdiction: Nuremberg

CERES-CERT AG

Ackerstrasse 117, 5070 Frick, Switzerland

Company registry number: CH-400.3.451.004-3

Website: [www.ceres-cert.de](http://www.ceres-cert.de)

Swiss law, place of jurisdiction : Frick