

ANNEX II. 2: CERTIFICATION BODY SANCTIONS

(This Annex forms part of the GLOBALGAP (EUREPGAP) General Regulations V3.1-Nov09 and may be referred to by other GLOBALGAP (EUREPGAP) documentation.)

1. General Rules

- (i) The GLOBALGAP Board defines the types and levels of sanctions described in this Annex.
- (ii) Appeal against a sanction proposed by the ISC must be received within 5 working days after the receipt of the notification. The Integrity Surveillance Committee evaluates the appeals. The second appeal against a re-confirmed sanction by the Integrity Surveillance Committee follows the arbitration procedure the arbitration procedure described in the Licence and Certification Agreement and in the Equivalent Certification System Owner Agreement (ECSO).
- (iii) GLOBALGAP established an Integrity Surveillance Committee (ISC), which decides on the sanctions as outlined in this Annex, following a case-by-case approach.
The Integrity Surveillance Committee consists of:
 - 3 permanent and 2 substitute members;
 - A representative of the GLOBALGAP Secretariat may participate in the ISC meetings;
 - A representative of the Accreditation Bodies may participate as an independent observer;
 - The ISC shall invite a representative of the concerned Equivalent Scheme Owner.
- (iv) The Integrity Surveillance Committee may take any of the following actions:
 - Issue sanctions as defined in point 3;
 - Request additional/extra integrity assessments of CBs;
 - Decide that the CB sanctioned has to pay the cost of the assessment or re-assessment visit(s). The rate of any assessment visit and the necessary travel time is 1000 € per day including travel cost. If an assessment visit is planned to exceed 3 days, the Integrity Surveillance Committee has to approve.
 - Pronounce fines of up to 5000 Euros;
 - Require the CB to reimburse the costs directly linked to the investigation and sanctioning process of a particular case. The burden of proof of the amount of costs lies with GLOBALGAP;
 - Advise the GLOBALGAP Secretariat to cancel the contract with the CB concerned;
 - Request that particular inspectors/auditors, which have not performed according the GLOBALGAP regulations, repeat the online exam in the presence of a GLOBALGAP Secretariat representative. Additional exam fee and other expenses will be covered by the CB;
 - Request that particular inspectors/auditors attend a GLOBALGAP CB workshop or any other GLOBALGAP approved training course. The CB will cover participation, exam fee and other expenses.
- (v) By default sanctions applicable to the CB as a whole. The Integrity Surveillance Committee may limit the sanctions to scope or sub-scope level only.
- (vi) Sanctioning steps 1 to 5 (see point 3.) are not necessarily consecutive. E.g.: a CB may have already received a Step 1. – 1st Warning due to an incomplete database entry. Where serious infringements will be discovered during a later integrity audit, the Integrity Surveillance Committee may judge the infringement as Red Card and jump to step 4 immediately.
- (vii) Sanctions will be communicated to the concerned Accreditation Body and where applicable to the Equivalent Certification System Owner (ECSO) or to the owner of Approved Modified Checklist (AMCO).
- (viii) In case of a CB suspension by the AB or a CB having lost its accreditation otherwise, the CB concerned is not allowed to issue new certificates. The ISC's decision will take into consideration the reason of the suspension to determine whether existing certificates issued by the CB are still valid and will consider issuing a Red Card.
- (ix) The Equivalent Certification System Owner (ECSO) can ask GLOBALGAP to carry out additional integrity assessment(s) to the ones initiated by GLOBALGAP. GLOBALGAP may charge a separate fee for those additional assessments.

2. Integrity

The Integrity Programme consists of 2 pillars:

- (i) BIPRO: Brand Integrity Programme (e.g.: contractual issues, database, logo use, administrative requirements, etc.).
- (ii) CIPRO: Certification Integrity Programme (e.g.: inspection, audit or certification performance of the CB, etc.). CIPRO is risk based and consists of 2 kinds of assessments:
 - Office assessments to check CB certification performance;
 - Producer assessments or witness CB assessments to check CB inspection and audit performance.

The IPRO Sanctioning procedures are illustrated in a flow chart at the end of the document

2.1 BIPRO – Brand Integrity Programme

The following non-compliances belong to BIPRO:

- (i) Non-compliances as defined in GR Part II. 3.1.1 & 2. The ISC may be requested to judge the CB immediately e.g. 3.1.1 (vi) confirmed fraud.
- (ii) Repeated incomplete or missing registration in GLOBALGAP database as defined in point 3. Sanctioning steps.
- (iii) Any outstanding payment of invoices accepted by the CB that has not been settled within three months after the second written warning by the GLOBALGAP Secretariat will result in a Red card, and finally in Step 5 – Contract Cancellation.
- (iv) Incomplete or wrong database entries and/or issued certificates.
The sanction level derived from database entries will be re-set (annulled) in case the CB does not exceed the threshold (see: point 3.2) within 12 months after the latest sanction or after the start of the monitoring process.

2.2 CIPRO – Certification Integrity Programme

2.2.1 Evaluation and Classification of Assessment Results

Each assessment is documented in a CIPRO assessment report. A representative of each assessed site (producer, producer group or CB office) shall sign the assessment report. Each CIPRO assessment report receives a classification for internal use, ranging from #1 to #5 (see 2.2.2 below). The classification of reports follow a four-eye principle, i.e. another GLOBALGAP integrity assessor reviews the CIPRO report.

Each CIPRO assessment report is sent to the CB, to the Accreditation Body and where applicable to the ECSO/AMCO. Accreditation Bodies are encouraged to use it as an input for its next assessment. CBs and ECSO/AMCO can use these reports as a management feedback for their continuous improvement processes.

Evidence from one or more classified CIPRO assessment reports and the failure of the CB to demonstrate improvement from previous assessments is the base for GLOBALGAP to propose an overall performance classification of the CB to the ISC. The CB will be informed about their proposed performance classification and shall be given the opportunity to respond in a written statement within 14 (fourteen) days after notification. The relevant AB and where applicable the ECSO/AMCO will be notified by GLOBALGAP.

ISC decision-making is based on:

- The individual assessment reports presented by the GLOBALGAP Secretariat taking into consideration all previous assessments,
- The proposed performance classification by GLOBALGAP and
- The written CB statement (pleading).

The assessment reports submitted to the ISC are anonymous and shall not disclose the name of the CB(s) involved.

The GLOBALGAP Secretariat may request a summary of follow-up measures, but not necessarily require a corrective action plan on each case.

2.2.2 Classification

2.2.2.1 Classification #1.

(i) Definition:

Unacceptable performance, which puts the overall competency of the CB in question: serious infringements of the GLOBALGAP rules are observed. These include, but are not limited to objective evidence for:

- deliberate and/or repeated ignorance or negligence of the GLOBALGAP regulations
- misuse of the GLOBALGAP (EUREPGAP) licence
- one or more serious technical failures in the inspection/audit process
- large number of minor technical failures in the inspection/audit process
- verified fraud.

(ii) Procedure

Further assessment(s) can be planned to investigate whether it was an isolated incident or a general way of working, but one single assessment can also result in classification #1. The CB is put forward to the ISC immediately and implements corrections/corrective actions on farm and on CB level immediately. The CB reports its immediate remedial action to the GLOBALGAP Secretariat and where applicable to the ECSO/AMCO.

2.2.2.2 Classification #2.

(i) Definition

Very poor performance, which implies serious and immediate improvement measures by the CB: a number of assessments raise serious doubts and concerns. Deliberate mismanagement is suspected, but objective evidence of fraud was not found.

(ii) Procedure

The CB shall immediately verify corrections/corrective actions on farm level. New assessments (re-assessments) will be scheduled to verify the effectiveness of the corrective measures within maximum of 8 months. If no improvement is observed in the re-assessment the CB is put forward to ISC.

CB shall be put forward to ISC immediately in any cases where a potential food safety risk has not been identified. CB may be put forward to ISC immediately where a second assessment received classification #2.

2.2.2.3 Classification #3.

(i) Definition

Inadequate performance, which requires the CB to improve performance and implement improvement measures. The result of a number of assessments raises some concerns.

(ii) Procedure

New assessments (re-assessments) will be scheduled to verify the effectiveness of the corrective measures within maximum of 12 months. If no improvement is observed the CB will be put forward to ISC.

2.2.2.4 Classification #4.

The CB's performance is good and acceptable. No systematic and serious non-compliances have been found. The CB has good performance. No specific re-assessments are scheduled.

2.2.2.5 Classification #5.

The CB has shown a high level of implementation of the GLOBALGAP requirements. Low priority is given to schedule subsequent assessments.

3. Sanction steps for Certification Bodies

3.1 Step 1 - 1st Warning

Decided and implemented by the GLOBALGAP Secretariat. A 1st Warning due to BIPRO non-conformances can be followed by a 2nd Warning without the approval of the ISC.

1st warning can be issued:

- Where non-compliances as defined in GR Part II. 3.1.1&2 are detected.
- Where the CB does not react or does not report on written requests by the GLOBALGAP Secretariat.
- Where incomplete or wrong database entries and/or issued certificates has been detected.

3.2 Step 2 - 2nd Warning

Decided and implemented by Integrity Surveillance Committee or by GLOBALGAP Secretariat.

2nd warning can be issued:

- Where 1st Warning has not been closed out after the indicated deadline.
- Where the CB does not react or does not report on repeated written requests by the GLOBALGAP Secretariat.
- Where the number of incomplete or wrong database entries and/or issued certificates reached 5 GLOBALGAP Numbers (GGN) or 1% of the total number of GGNs registered under a CB, whichever is higher.

3.3 Step 3 - Yellow Card

Judged and decided by the Integrity Surveillance Committee and implemented by the GLOBALGAP Secretariat. The Yellow Card is published on the GLOBALGAP website.

Yellow card can be lifted by the ISC when GLOBALGAP Secretariat has verified the effectiveness of the improvement during one or more verification (re)assessments and found it satisfactory.

Yellow card can be issued:

- For the period when the CB implements improvement measures due to CIPRO assessment result. Time period for improvement is maximum 8 months. GLOBALGAP schedules a follow-up assessment to evaluate improvement.
- Where improvements observed in a re-assessment are not sufficient.
- Where no reaction on written requests by GLOBALGAP Secretariat after Step 2 - 2nd Warning.
- Where after Step 2 - 2nd Warning the number of incomplete or wrong database entries and/or issued certificates reached again 5 GGNs or 1% of the total number of GGN registered under a CB, whichever is higher.

3.4 Step 4 - Red Card

Judged and decided by Integrity Surveillance Committee and implemented by the GLOBALGAP Secretariat. The Red Card is published on the GLOBALGAP website.

Temporarily full or partial prohibition of the use of the GLOBALGAP (EUREPGAP) licence is imposed, i.e. the CB is not allowed to issue new or re-issue certificates for 1 to 6 months. ISC may lift this sanction only, if confidence in the reliability of the CB's operation can be reassured. The verification (re)assessments will be paid by the CB. CB must inform (by means of written letter) all of their certified producers about the sanction.

Red Card can be issued:

- Where CB performance does not show sufficient improvement during further repeated re-assessments.
- Where Yellow Card has not been closed out after the indicated deadline.
- Where the AB has suspended the accreditation.
- After Step 3 - Yellow Card the number of incomplete or wrong database entries and/or issued certificates reached again 5 GGNs or 1% of the total number of GGN registered under a CB,

whichever is higher.

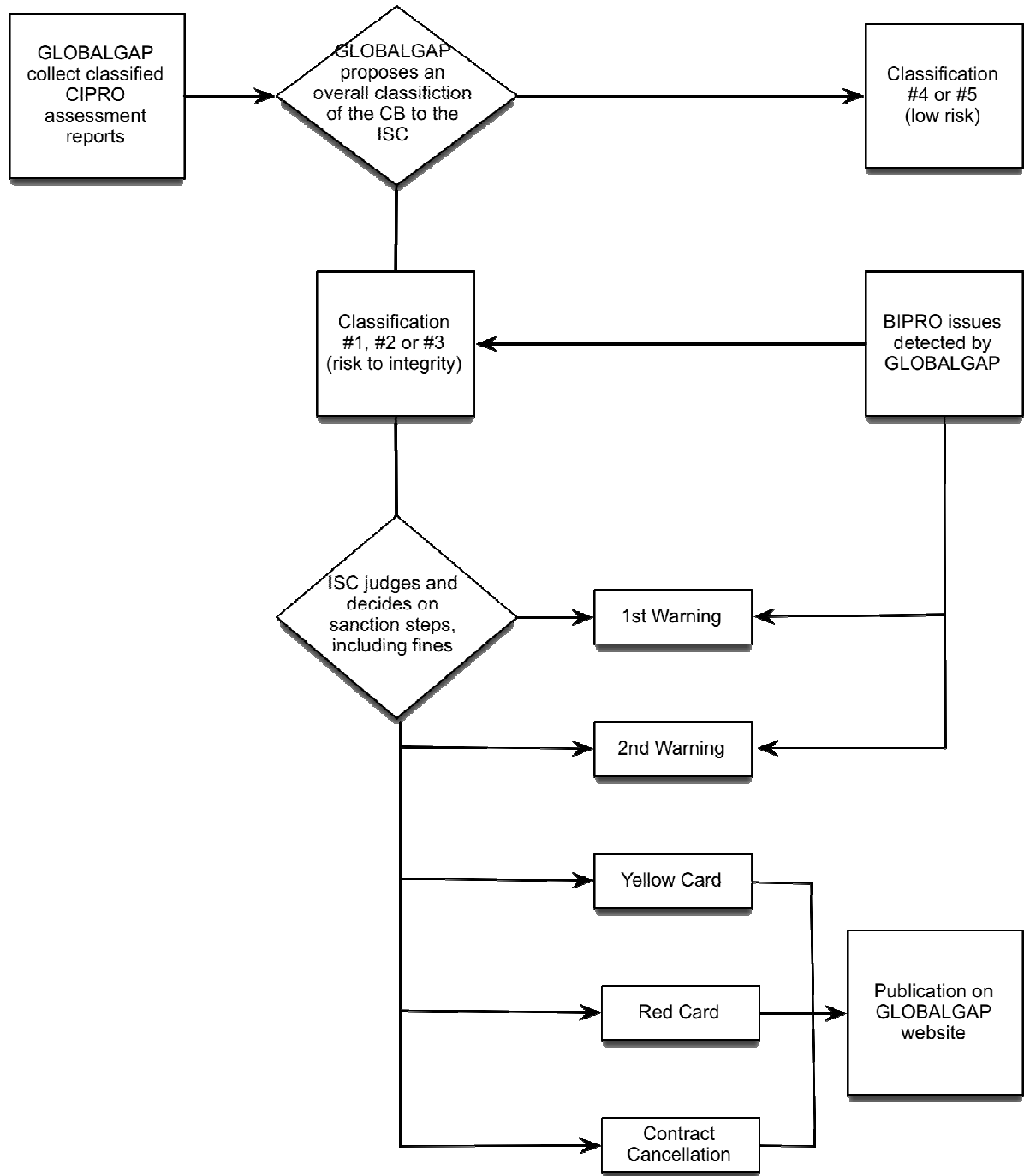
3.5 Step 5 - Contract cancellation

Judged and decided by Integrity Surveillance Committee and implemented by the GLOBALGAP Secretariat. Contract cancellation is published on the GLOBALGAP website.

Cancellation of the Licence and Certification Agreement will be imposed for at least 2 years. The ECSC is responsible to enforce this sanction on their CBs operating a GLOBALGAP equivalent scheme. The CB is obliged to inform (by means of written letter) all of their certified producers about the sanction. The CB has the possibility to transfer all certificates to an approved CB. In case the CB does not use the transfer possibility (see: Annex II.1 "Transfer between CBs) within the set deadline, after contract cancellation all existing certificates issued by the CB lose their validity.

Contract cancellation can be:

- In cases of verified fraud.
- Where Red Card sanction could not be lifted after the agreed deadline.



Flow chart illustrating the IPRO Sanctioning Procedure