

OFC CERTIFICATION POLICIES FOR OPERATORS

LEGAL STATUS

The Organic Food Chain Pty Ltd (OFC) is a privately owned Australian limited liability company.

SCOPE

The Organic Food Chain Pty Ltd provides an audit and certification service of management systems operated by organisations and individuals for compliance to the organic standards with which it has the authorisation to certify to. In addition to certification provided by OFC, all operators wishing to export produce must also comply with the importing countries requirements for organic production. Export compliance may require certification to multiple organic standards. The OFCs certification policies are documented in our Product Certification Management System, which is available upon request.

CONFIDENTIALITY

Operator confidentiality is paramount to the OFC. To protect your interests, the OFC ensures that our employees, consultants and independent inspectors maintain secrecy, concerning all confidential information relating to the operator's business. The OFC will not release any information pertaining to an operator without the express authorisation of that operator or as required by relevant standards.

ORGANISATION

A copy of the organisational chart is available upon request.

GENERAL CONDITIONS

For the purposes of consistency and continuity, an acceptance of our services constitutes a commitment to our policies inclusive of the following requirements.

- a) The operator agrees to provide all information necessary for the OFC to complete relevant certification services.
- b) The operator agrees to make all arrangements to allow the OFC to conduct audits and surveillance including provision for examining documentation and records, and access to the relevant equipment, location(s), area(s), personnel, and the operator's subcontractors and participation of observers; if applicable.
- c) Should there be concerns that the requirements of certification are not being met; the OFC will inform the operator of those issues through a notice of non-compliance. Operators must address non-compliances within the agreed time frame. Once the corrective action has been taken by the OFC may be required to repeat those parts of the audit which are necessary to confirm compliance, at costs additional to the initial audit. Should the corrective action not be completed within the agreed time frame the OFC may issue sanctions, suspensions or withdrawal of certification.
- d) The operator agrees to advise the OFC of any complaint which is received concerning the organic integrity of any OFC certified products and make all arrangements to allow the OFC to investigate complaints. Appropriate actions must be taken and documented with respect to such complaints and any deficiencies found in products that affect compliance to the relevant standards.
- e) The inspector will collect a sample of produce, product or soil for residue testing during the audit.
- f) The operator agrees to abide by all requirements of relevant standards including implementing appropriate changes when they are communicated by the OFC or if changes to standards occur.
- g) The operator agrees to inform the OFC, without delay, of changes that may affect its ability to conform to certification requirements.
- h) The operator agrees to only make claims regarding certification consistent with the scope of certification.
- i) If the operator provides copies of the certification documents to others, the documents shall be reproduced in their entirety.
- j) The operator agrees to sign and abide by the Licence/Logo Agreement prior to the use of the OFC logo.

- k) The operator understands that formal certification documentation shall only be issued after, or concurrent with, the following:
- a) the decision to grant or extend the scope of certification has been made;
 - b) certification requirements have been fulfilled;
 - c) the Agreement for Organic Certification Services has been completed and signed

APPLICATION FOR CERTIFICATION

On completion and return of an application form along with the correct application fee the application will be assessed by the OFC. Should the OFC decide to accept the application, a full copy of the production procedures for the operation will be forwarded to the operator. Should the OFC decide that the application cannot be accepted the operator will be notified in writing. No persons shall be denied certification services offered by the OFC due to discrimination because of race, age, colour, national origin, gender, religion, disability, political beliefs, sexual orientation, marital or family status.

OPERATOR'S ORGANIC MANAGEMENT SYSTEM

A review of the operator's management system will be undertaken at application and approximately every twelve months thereafter. To enable the audit process to be undertaken, all records relating to the implementation and operation of the organic management system need to be available for review.

An approved Organic Management Plan must be in place that includes;

- a) Description of all practices and procedures to be performed and maintained, including the frequency with which they will be performed.
- b) A list of each substance to be used as a production or handling input, a copy of each substance Material Safety Data Sheet (MSDS) and storage information.
- c) Description of monitoring practices for each control point, including frequency, and acceptable results.
- d) A list of all records kept (e.g. delivery dockets, staff training).
- e) A description of all procedures used to prevent contamination and separation of organic and non-organic product.
- f) Procedures to keep records for a minimum of five years and to be made available on request to the OFC or an inspector conducting an audit on behalf of the OFC. Records must meet the requirements of relevant standards for organic certification to continue.

Organic Management Plan updates must be submitted for approval prior to annual audits. All inputs must be declared in the plan and approved prior to use.

CERTIFICATION

Once the audit is completed the inspector submits the report to the OFC for review. When the review has verified that the audit meets all the requirements for certification, the certificate will be issued.

SURVEILLANCE

Periodic surveillance visits outside of the normal schedule may be conducted from time to time at the expense of the OFC. These surveillance visits may be announced or unannounced. The operator agrees to provide access to the OFC to undertake such surveillance. The inspector may collect a sample of produce, product or soil for residue testing during the surveillance visit.

ROUTINE AUDITS

Audits shall be conducted annually for all operators.

EXTENSIONS & MODIFICATIONS OF CERTIFICATION

Extensions and modifications to the scope of the certification can take place at any time in line with our operator's needs. The cost of administration and auditing of such extensions and modifications and the means of implementation on the site will be agreed on a case by case basis.

REPORTS

A written report will be provided to the operator following each audit. A copy of residue test results from the sample taken during the audit will also be issued to the operator, if testing is conducted.

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PUBLICITY BY CERTIFICATE HOLDERS

Certified operators may use the logo on product, product packaging and promotional material relating to the registration in accordance with the terms and conditions of the Logo Agreement. All logo usage must be approved by the OFC prior to use. The OFC reserves the right to restrict the use of the logo in accordance with certification. Such restriction shall be notified to the operator in writing. Operators must not use product certification in such a manner as to bring the OFC into disrepute. Operators must not make any statement regarding product certification that the OFC may consider misleading or unauthorised.

MISUSE OF THE LOGO

The OFC shall take all reasonable precautions to ensure that the use of its logo is consistent with the requirements of the OFC, the *Export Control (Organic Produce Certification) Orders*, the *National Standard for Organic and Bio-Dynamic Produce* and other relevant standards. All operators must seek approval from OFC management for any proposed new use of the OFC logo prior to using it. Where misleading use of the logo is found in promotional material, on packaging etc. the operator shall be notified so that corrective action may be taken.

It is in the operator's interest to ensure that no confusion can arise between certified and non-certified products, processes or services. Operators must not make any claim that could mislead purchasers to believe that a product, process or service is covered by the scope of the certification when in fact it is not.

SUSPENSION OF A CERTIFICATE

Certification may be suspended for a limited period of time under circumstances such as:

- a) Corrective actions not closed out within an agreed time frame
- b) A case of improper use of the certificate or logo not being resolved by suitable and appropriate remedial measures by the operator.
- c) Any contravention of these OFC Certification Policies or relevant organic standard.
- d) Non-payment of any fees.

Any product, process or service may not be offered as a certified product whilst the certification is under suspension. Any product which is labelled as certified must be immediately withdrawn from sale from the time of imposition of a suspension of certificate.

A suspension and the conditions thereof will be officially notified, in writing to our operator and the requirements to remove the suspension clarified. To enable reinstatement of the certificate, an assessment by the OFC management must confirm that the required actions have been implemented. The operator will be advised in writing of the outcome of such assessment.

Should no actions be taken by operators to correct issues identified, the certification may be withdrawn.

The operator agrees to pay all costs in relation to suspension and withdrawal of the certificate.

In order to protect the integrity of its certification system, the OFC reserves the right to publish the fact that a certificate has been suspended.

WITHDRAWAL OF CERTIFICATION

There are circumstances under which certification may be withdrawn by the OFC:

- a) If inadequate measures are taken by the operator, in the case of a suspension
- b) If the operator fails to comply with the due settlement of their financial obligation to the OFC.
- c) If an operator either purposefully or accidentally causes potential or actual harm to the good name and reputation of the OFC.
- d) If non-compliances are identified that affect the organic integrity of certified product and correction is not possible.

In the above cases the OFC reserves the right to withdraw the certificate by officially informing the operator. Operators shall return the withdrawn certificate to the OFC. In the event of a withdrawal, no reimbursement of fees shall be given and the withdrawal of the certificate may be published by the OFC. Any product which is labelled as certified must be immediately withdrawn from sale from the time of imposition of a withdrawal of certificate and discontinue its use of all advertising matter that contains any reference to the OFC certification.

CANCELLATION OF CERTIFICATION

There are circumstances under which certification may be cancelled by an operator:

- a) If the operator does not wish to renew the certification
- b) If the product, process or service is no longer offered, or the operator goes out of business

Operators must notify the OFC in writing if they wish to cancel their certification. In the event of a cancellation, no reimbursement of audit fees shall be given and the cancellation of the certificate may be published by the OFC. Operators shall return the cancelled certificate to the OFC. Any product which is labelled as certified may be required to be withdrawn from sale from the time of cancellation of certificate and discontinue its use of all advertising matter that contains any reference to the OFC certification.

FEES

The OFC produces a schedule of fees detailing costs for our regular certification services. Work required outside of the scope of the schedule will attract appropriate fees. For example:

- a) Repeats of any part or the entire audit process in circumstances where certification requirements have not been met and where re-auditing due to non-compliances is essential.
- b) Additional work and expenses due to the suspension, withdrawal and/or subsequent reinstatement of a certificate
- c) Extra audits necessary due to changes in the production system or scope of operation.
- d) For services not covered in this schedule a quotation will be given to the operator.

APPEALS

Our operators reserve the right of appeal if, for whatever reason they disagree with any of the following decisions;

- a) An inspector's findings
- b) Non-compliances issued
- c) Certification being denied, suspended or withdrawn.

An appeal should be lodged within seven days of the notification that the certification is to be denied, suspended or withdrawn. All appeals will be reviewed by the Director at a meeting called specifically for the purpose of reviewing the appeal. The decision of the Director will be final and binding. Once the appeal has been made and a decision reached regarding the appeal, no claim or counter claim can be made by either party to amend or change this decision.

Where an appeal is successful and the certification goes ahead, no claim can be made against the OFC for reimbursement of costs or any losses incurred as a result of the initial suspension or withdrawal notification.

CONFLICT OF INTEREST

Operators must advise the OFC of any conflicts of interest between themselves and any Director, staff or contactor of the OFC.

COMPLAINTS

Despite our best efforts, we acknowledge that from time to time operators will feel that they have cause to complain. The OFC request that all complaints be put in writing to the OFC.

Operators of OFC have accepted the OFC policies by initially signing the application form and the OFC Logo agreement. These policies include those requirements listed in the *National Standard for Organic and Bio-Dynamic Produce* and other relevant standards. These documents identify the conditions acceptable to the OFC for produce to be considered organic. They also call up references to other pertinent codes and standards, for example animal welfare codes and national residue controls. They form the basis of determining acceptability of produce to meet export certification contained in the *Export Control (Organic Produce Certification) Orders*.

However, there may be occasions where an accident or a deliberate act is perpetrated which prevents the produce from meeting the required standard. Any operator that does not satisfy the *National Standard for Organic and Bio-dynamic Produce*; and if exporting the *Export Control (Organic Produce Certification) Orders*; and/or relevant importing country requirements; will be deemed to have not met the requirements of the OFC. To address these issues, sanctions and penalties have been established by the OFC commensurate with the circumstances and the impact of the infringement on OFC's ability to maintain its certification function.

The most likely issues to which sanctions could apply are listed as:

- a) Evidence of breach of relevant standards;
- b) Evidence of a breach of the Conditions of Use of the OFC Logo by the operator;
- c) Operator fails to follow requirements of agreed suspension of operations;
- d) Operator fails to abide by voluntary decertification advice;
- e) Misuse of OFC Logo by the operator;
- f) Outstanding fees are not paid; and
- g) Defects identified during part of an external audit of the OFC organic certification system.

The indicative sanctions, in ascending order of severity, to apply will be one of:

- a) Suspension of organic certification until evidence that the objectionable materials or practices cannot contaminate organic production or produce with or without increased audits at the operator's cost;
- b) Decertification of the product or contaminated area until evidence that the problem is no longer a threat to organic production systems or produce with or without increased audits at the operator's cost; and
- c) Withdrawal of OFC certification.

The sanction applied will depend on the evidence and risk to the organic integrity of products produced. The OFC management reserves the right to alter any sanction/penalty depending on the specific situation and relevant information. Penalties are outlined our document *Non-Compliance Penalties*, a copy of which is available upon request.