



**Farmfit  
Fund**

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**COMPLAINTS  
POLICY /  
GRIEVANCE  
MECHANISM**

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ADOPTED BY A RESOLUTION OF THE  
MANAGEMENT BOARD ON 15 NOVEMBER 2019

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## RATIONALE

The ESMS Complaints Policy addresses stakeholders' complaints related to issues where IDH Farmfit Fund investments have failed to respect the Environmental and Social Management System ("ESMS"). A complaint means any expression of dissatisfaction raised by people, communities, borrowers, co-investors, contributors and/or any other stakeholder ("the stakeholders") of the IDH Farmfit Fund ("the Fund"). For the avoidance of doubt, any borrower or co-investor of the Fund is considered a stakeholder for the purpose of this document.

The aim of the grievance mechanism is to provide these stakeholders fearing or suffering adverse impacts from a project with the assurance that they will be heard and assisted in a timely manner.

Effective complaint handling offers many practical benefits to the Fund and helps to improve the quality of services. Complaints provide evidence of faulty decisions and poor service delivery. In relation to this, the Fund makes all the possible efforts to conduct its operations in a manner that avoids stakeholders' complaints.

Stakeholders should be ensured that the complaints procedure is easy, and that their complaints are acknowledged and handled quickly, fairly and sensitively. In order to preserve and enhance its reputation, the Fund should identify dissatisfied counterparties and work out methods of resolving their complaints.

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## POLICY OBJECTIVE

In order to ensure that complaints are addressed and handled properly, the Fund has set up a Complaints Policy whereby:

- a. Stakeholders are given the opportunity to raise their complaints;
- b. Complaints must be answered within three months from their reception;
- c. All complaints must be documented and reported.

The grievance mechanism, process, or procedure should address concerns promptly and effectively, using an understandable and transparent process that is culturally appropriate and readily accessible to all segments of the affected communities, at no cost and without retribution. The mechanism should not impede access to other judicial or administrative remedies that might be available under law or through existing arbitration procedures, or substitute for grievance mechanisms provided through collective agreements.

The Complaints Procedure of the Fund defines the terms complainant and complaint and explains the procedure for resolving complaints.

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### 2.1 CONNECTION WITH OTHER POLICIES

For the avoidance of doubt, whistleblower provisions for all clients, contributors and stakeholders, including civil society organizations, are set in the [Whistleblower Policy]. In choosing whether to report under the whistleblower provisions or this Complaints Management Policy, the following should be considered:

The Whistleblower provisions are generally for the benefit of any concerned party who may or may not be raising an issue that they are directly affected by. Whistleblower reports are generally anonymous by default, unless they volunteer the disclosure of their identity. Anonymity of whistle-blowers also signifies that the whistle-blowers will not receive any notice of acknowledgement by the Fund or any other follow-up investigation queries or reports related to the issue.

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## RESPONSIBILITIES

Owner of the Complaints procedure is the Management Board delegating this to the Complaints Officer. The Complaints Officer is responsible for approving the Complaint procedure.

Complaints are handled by a person who was not involved in the action to which the complaint relates. Therefore, the Management Board has designated the Complaints Officer with the responsibility for complaints and the

monitoring of compliance with the procedure. In the event where a complaint relates to the Complaints Officer, the responsibility for handling the complaint is delegated to the Senior Operations and Risk Manager of the Manager of the Fund (IDH Investment Management B.V.).

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## DEFINITIONS

The following definitions apply to this procedure:

- **Complainant:** The client and/or his representative who submits a complaint
- **Complaint:** Any report from a client which indicates that the stakeholder's expectations were not met and which is not a misunderstanding or a lack of information.

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## PROCEDURE

This section handles the different stages of the complaints procedure.

### 5.1 MAKING A COMPLAINT

Complaints should be made in writing or by e-mail and are submitted to the Complaints Officer directly or to any other employee of the Manager. If the complaint is submitted to an employee of the Manager not being the Complaints Officer, the receiving employee will pass on the complaint and its specifics to the Complaints Officer.

### 5.2 REGISTRATION OF COMPLAINTS

The Complaints Officer records all complaints that are submitted, handled and resolved in the Complaints Register. The Complaints Officer keeps a file of each individual complaint.

A complaint made in writing or by e-mail must be signed by the complainant and contain at least:

- a. the name and address of the complainant,
- b. the date,
- c. a description of the event and/or person to which the complaint relates.

When a complaint is verbally reported, the Complaints Officer will request the complainant to submit the complaint in writing or by e-mail in accordance with the requirements set out above.

The description of the event and/or person to which the complaint relates must be sufficient, in the opinion of the Complaints Officer, to be able to consider the complaint properly. Otherwise the complainant is asked to provide the Complaints Officer with additional information.

All records of complaints shall be maintained by the Complaints Officer, as anonymized to the extent necessary, and will be kept for a minimum period of 5 years.

### 5.3 REPORTING TO THE MANAGEMENT BOARD

Complaints are reported immediately to the Management Board. The Supervisory Board of the Manager will be informed at the next Supervisory Board meeting or sooner should the Complaints Officer deem this necessary to address the complaint within a reasonable timeframe. At all times, one designated member of the Management Board will ensure that complaints are treated within the herein described procedure and escalated without undue delay in accordance with the regulatory and contractual obligations of the Fund as the case may be.

The Complaints Officer shall ensure that systemic or recurring complaints are being identified, and that the cause of those complaints is being identified and remedied, if these complaints are considered valid. The Complaints Officer will also present the lessons learnt on a regular basis to the Management Board as well as the actions put in place to avoid or limit complaints in the future.

Complaints received and related reports shall be kept confidential to the maximum extent possible. Confidentiality interests, considering any law or regulations on privacy, will be balanced with the need to conduct an adequate investigation. Sharing of information

in relation to complaints with persons not involved in the investigation or management of the complaints procedure is forbidden.

## 5.4 HANDLING OF COMPLAINTS

This section details the steps which can be distinguished within the handling of complaints.

### 5.4.1 CONFIRMATION

When a complaint is to be investigated, the Complaints Officer will confirm the receipt of the complaint and its investigation, including an estimation of the investigation period, in writing to the complainant, within two weeks after submission of the complaint.

The investigation period is based on the complexity of the complaint and can be qualified as follows;

- Simple complaints are handled within a period of six weeks, after submission; and
- Complex complaints are handled within a period of three months, after submission of the complaint.

If for any reason deviations occur and the estimated investigation period cannot be met, the complainant will be timely informed thereon by the Complaints Officer in writing, including the reason of delay and period in which the response of Complaints Procedure may be expected instead. Complaints Procedure is not required to consider complaints relating to an action which took place more than one year prior to the submission of the complaint. Within four weeks after receipt of the complaint, the Compliance Officer notifies the complainant in writing that the complaint is not considered.

### 5.4.2 FILING

After receiving the complaint, the Complaints Officer records the complaint and its specifics in the Complaints Register and ensures that the following information is included in the complainant's file:

- The complainant's name and address details
- The date on which the complaint was made
- The name of the person with responsibility for complaints in the specific file
- The description of the complaint

Once applicable:

- The correspondence conducted regarding the complaint; and
- The status of the complaint (being handled/resolved)
- The date on which and the manner in which the complaint was concluded

### 5.4.3 INVESTIGATION

After creating the complaint file the investigation commences. The Complaints Officer informs the department or employee concerned about the complaint to obtain relevant information. If the complaint relates to an action of an employee, the Complaints Officer shall inform the concerned employee that a complaint has been made.

The complainant may require confidential handling of the complaint by the Complaints Officer. The Complaints Officer may disregard this request on the complainant's part if the Complaints Officer believes the request may obstruct the handling of the complaint.

Within the investigation the Complaints Officer:

- Assesses the case to which the complaint relates and gathers additional information when deemed relevant;
- May obtain additional information from the complainant;
- Will investigate the complaint and liaise with the involved parties to understand all perspectives;
- May discuss the complaint file and findings thereon with the Senior Operations and Risk Manager of the Manager as a check of his own interpretation; and
- Records his/her opinion on the complaint in the file concerned supported by argumentation;
- Provide advice to and enable the Management Board to take a decision on the resolution of the complaint.

## 5.5 RESOLUTION OF THE COMPLAINT

The Complaints Officer informs the complainant in writing on the results of the investigation regarding the complaint and his point of view on behalf of the Fund. If the complainant disagrees with the interpretation of the Complaints Officer on behalf of the Fund, the complainant may notify the Complaints Officer in writing hereof. If the exchange of views following the complainant's response cannot be concluded to either the complainant's satisfaction, the Complaints Officer will inform the complainant of the possibility of submitting the complaint directly to the Supervisory Board or to an external organization that on reasonable grounds is most suitable to process the complaint notification.

## 5.6 CONTACT DETAILS

### **IDH Farmfit Fund**

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