



**PROCESS FOR NON-COMPLIANCE OF A MEMBER
WITH THE GOED CODE OF ETHICS AND BUSINESS
PRACTICES AND/OR THE GOED MONOGRAPH**

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The purpose of this document is to define a process for handling official complaints alleging potential incidences of GOED members being out of compliance with the GOED Code of Ethics and Business Practices and/or the GOED Monograph. As a condition for membership in GOED, all member companies have signed an affidavit and agreed to meet the ethical standards of GOED (as described [here](#)). In addition, those GOED members that produce or market EPA/DHA omega-3 oils that fall within the scope of the GOED Monograph have pledged to adhere to the requirements specified in the GOED Monograph.

Compliance with GOED's ethics code and the monograph is a critical issue for the industry because it guarantees the high-quality standards by member companies and maintains trust in omega 3 products by consumers and regulatory bodies.

THE PROCESS:

Exploratory Committee: Any person or organization, regardless of whether they are GOED members, may bring a compliance issue to the attention of GOED. The party who files the complaint may choose to remain anonymous (except to the members of the Exploratory Committee) during the handling of the official complaint and in this case, the details of the complainant should remain anonymous to all GOED parties following closure of the official complaint case.

When an allegation of non-compliance is raised against a GOED member ("Member in Question"), an Exploratory Committee shall be formed to investigate the allegations. The Exploratory Committee shall consist of the Managing Director of GOED, the Chairperson of the GOED Board, and one (1) additional member of the GOED Board. GOED's staffperson responsible for Compliance shall coordinate the Exploratory Committee and all official communication between parties. In practice it is most practical if the Managing Director assembles the Exploratory Committee in consultation with GOED's staffperson. The Chairperson of the Board may be excused if there is an obvious, perceived or potential conflict of interest, in which case an alternative member of the Board will form part of the Exploratory Committee.

Initial Findings: The Exploratory Committee will meet to determine whether or not there is merit in the allegation. The Exploratory Committee may make one of two findings: (1) a finding of "No merit to the allegation" or (2) a finding of "Merit to the allegation" (which may require additional investigation).

As a result, the following actions will be taken:

1. Finding of "No merit to the allegation"

The matter will be considered closed and dismissed with no further action required. The party who filed the complaint will be informed about this decision.

2. Finding of "Merit to the allegation"

The Exploratory Committee will inform the Member in Question about the official complaint and request a response within 30 days. In practice, many cases are quickly resolved at this stage as the Member in Question was not aware of the non-compliance, and indicates it will quickly rectify the situation. In this scenario, the case is closed, and all parties are informed about the closure of the complaint. If deemed necessary, the Member in Question may be asked to follow up with the Exploratory Committee to submit proof of its renewed compliance within a reasonable period of time.

In some cases, some correspondence between the Exploratory Committee and the parties involved may be necessary before an acceptable solution is found. Usually, parties are given 30 days to respond to any new letter issued by the Exploratory Committee. This time can be shortened if quicker responses are necessary. In some situations, a return to compliance is agreed upon but may take a long time to realize in practice (for example, if it involves updating the marketing language of products on the market, where existing stock needs to be sold first before the new product can be placed on the market).

If the Member in Question disagrees with the official complaint, the Exploratory Committee will evaluate the reasons for the discrepancy. Additional time may need to be taken to investigate the details of the case and determine the merit of the allegation. Outside counsel (ethical, legal or technical) may need to be consulted for the Exploratory Committee to make a decision on how to proceed. Based on the evaluation, the Exploratory Committee will take a decision and the parties will be informed accordingly. This may encompass 1) dismissing the case if additional information leads the Committee to believe there is no longer non-compliance, 2) a proposal for return of non-compliance by the Member in Question in line with the GOED Code of Ethics and Business Practices and/or the GOED Monograph. The case will be dismissed if the GOED Code of Ethics and Business Practices and the GOED Monograph do not have any provisions against which to measure the particularities of the official complaint.

If the Member in Question does not accept the recommendations of the Exploratory Committee, the case will be sent to the Board of GOED for a decision.

The Board of GOED will study the details of the official complaint case and first vote to accept or reject, by a simple majority, the recommendation of the Exploratory Committee given to the Member in Question.

If the Board of GOED votes in favor of the Exploratory Committee recommendation, the Member in Question will be informed through the Exploratory Committee of this decision.

There is also the possibility that the Board of GOED may have an alternative solution, which could then be offered to the Member in Question through the Exploratory Committee. If the Member in Question accepts the alternative option, it will implement that and thereafter the official complaint is closed.

If the Member in Question refuses to abide by the board decision or dismisses the alternative option for return to compliance, membership of the Member in Question will be terminated.

The member can return to membership no sooner than one year after the date of the decision of the Board of GOED, presuming they are now in compliance, and must re-sign the affidavit upon its return and demonstrate proof of meeting that part of the GOED Code of Ethics and Business Practices and/or the GOED Monograph related to the official complaint that led to membership termination.

If the Board of GOED votes against the recommendation of the Exploratory Committee, the official complaint will be dismissed at this stage, and the parties informed about the decision.

Proposed Plan for Return to Compliance: In the event the Exploratory Committee accepts a finding of “Merit to the allegation” against the Member in Question and the Member in Question agrees, the Member in Question will be required to develop a plan to be back in compliance that is proposed to and accepted by the Exploratory Committee.

The plan must include:

1. A definitive timeframe for coming back into compliance that is reasonable for the Member in Question to achieve.
2. Specific milestones, with deadlines, that should bring the Member in Question back into compliance if all are achieved.
3. Assurance that proper systems are in place to prevent future incidences of noncompliance.

The plan to bring the Member in Question back into compliance must be accepted by the Exploratory Committee (and Board of GOED if the case led to a decision at Board level).

Once the plan to return to compliance is accepted by the Exploratory Committee, it shall serve in an oversight role to monitor progress by the Member in Question. The Member in Question must continue to provide the Exploratory Committee with information it requests to determine whether or not the Member in Question has achieved the milestones. Requests for information by the Exploratory Committee should be provided within 30 days.

If the Member in Question has not achieved the milestones or supplied the requested information to the Exploratory Committee in a timely fashion, then the Exploratory Committee may make a recommendation to the Board of GOED that the Member in Question's membership status in GOED be terminated. The Board of GOED shall then take action on the Member in Question's membership status as defined in the GOED Bylaws.