



COOXUPÉ
SUSTAINABILITY
PROTOCOL

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Cooxupé Sustainability Protocol



SCS global
SERVICES
Setting the standard for sustainability



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1. INTRODUCTION



COMMITMENTS

Cooxupé has committed to providing coffee that is ethically and environmentally sustainable. This goal stems from an understanding that the longevity and quality of coffee is intricately tied to a production system that is economically beneficial for the producer in the long term—thus, in harmony with the environment and human communities. Cooxupé’s goal is to support its members to take action in these changing times and equip themselves with the best practices to ensure resilience, better livelihoods, safe working conditions, and better coffee.

This document presents the sustainability requirements and commitments to be demonstrated by Cooxupé’s members, and by Cooxupé itself.

The content includes a summary of Cooxupé sustainability indicators and an overview of the process by which these indicators will be verified.

The Gerações was developed by Cooxupé with the support of SCS Global Services (“SCS”), a global third-party certification body with over 40 years of experience in environmental, sustainability, and food quality certification.

1.1 PROGRAM DOCUMENTS

GERAÇÕES PROTOCOL DOCUMENTS INCLUDE:

- Cooxupé Sustainability Protocol
- Cooxupé Standard Indicator Guidance
- Cooxupé Field Checklist for Members
- Cooxupé Field Checklist for Cooxupé

1.2 TERMS AND DEFINITIONS

INVOLVED IN THE PROTOCOL

Appeal: Request to the oversight body for reconsideration of their assessment decision (adapted from ISO 17000).

Complaint: Expression of dissatisfaction, other than appeal, by any person or organization to a scheme owner, assurance provider or oversight body relating to their respective activities, where a response is expected (adapted from ISO 17000).

Conformity: Demonstration that requirements of a standard are fulfilled (ISEAL 2018).

Cooxupé: Cooperative of Coffee Growers and its business units.

Corrective Action: An action taken to eliminate the root cause of a non-conformity identified by an auditor to prevent recurrence.



1.2 TERMS AND DEFINITIONS

INVOLVED IN THE PROTOCOL

Cooxupé Members: Any person or entity engaged in agricultural or extractive activities, producer/ farmer, or holder of land of any size, who agrees to abide by Cooxupé's bylaws and ethical code of conduct and is approved by Cooxupé's Board of Directors.

Employees: Employees are all those workers who hold paid employment jobs, which are those where the incumbents hold employment contracts, which give them a basic remuneration not directly dependent upon the revenue of the unit for which they work (ILO).

Essential indicator: Specific requirement of critical importance (Level 1).

Indicator: The specific requirement against which the entity will be evaluated as part of the verification.

Level of Sustainability: The category under which the member is classified, based on how many indicators are found in conformity.

Non-Compliance: An identified occurrence of non-conformance with one requirement of a standard, identified as part of an assessment. Synonym: non-conformity (ISEAL 2018).

Pillar: The three main areas of the Standard that comprise the core tenets of the Cooxupé Sustainability Program by which Target Areas and indicators are grouped in (e.g., Social, Environment, Economic).



1.2 TERMS AND DEFINITIONS

INVOLVED IN THE PROTOCOL

Root Cause: A factor that caused a non-compliance that should be permanently eliminated through process improvement.

Standard: The full set of indicators that make up the program requirements, detailed in the Cooxupé Standard Indicator Guidance and in the Cooxupé Field Checklist.

SCS Global Services (“SCS”): A third-party verification firm that provides program oversight, verifier approval, training, to ensure the quality and integrity of the Cooxupé Sustainability Program.

Target Areas: Specific groupings of indicators that comprise the Social, Environmental and Economic Pillars.

Verification: Confirmation, through the provision of objective evidence, that specified requirements have been fulfilled (adapted from ISO 9000).

Verification period: The period during which verifications take place. It is preferable for this period to be during the regional coffee harvesting season.

Verifier: An accredited person who performs the verification.

Worker: A person who performs any activity to produce goods or to provide services (adapted from ILO).



2. COOXUPÉ'S SUSTAINABILITY VISION

2.1 FOUR LEVELS OF SUSTAINABILITY

DEFINITIONS

Cooxupé's members vary vastly in production sizes, geographic locations, experience, goals, activities, and resources.

The cooperative's goal is to serve all members to ensure that, despite their differences, they can achieve the highest level of sustainability that is accessible to them.

In order to have clear objectives and ensure transparency, Cooxupé has defined four different levels of sustainability:



- **Level 1:** Aware of sustainability (compliance with all essential indicators)
- **Level 2:** Involved in sustainability (compliance with 50% of applicable indicators, including Essential Indicators)
- **Level 3:** Practicing sustainability (compliance with 75% of applicable indicators, including Essential Indicators)
- **Level 4:** Beyond sustainability (compliance with 100% of applicable indicators)

Applicable indicators = Comply indicators (C, including Essential indicators) + Not Comply Indicators (NC).

Percent compliance is determined by:

$$\#C \text{ indicators} \div (\#C \text{ indicators} + \#NC \text{ indicators})$$

All members are to meet minimum commitments towards sustainability (Level 1: Essential Indicators) and increase their engagement in sustainability when progressing through the subsequent sustainability Levels.

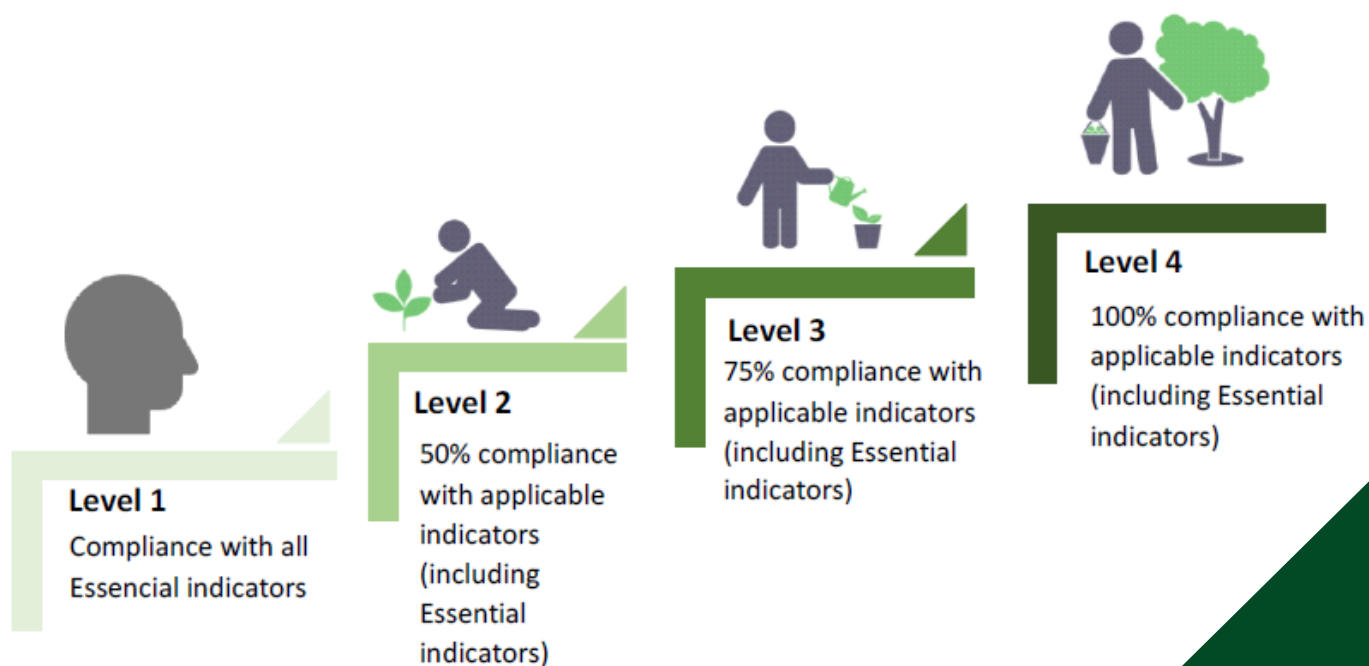
2.2 PROGRESSION THROUGH LEVELS

HOW IT WORKS?

Cooxupé and members are to expect from each other a minimum commitment to the Code of Ethical Conduct that represents Cooxupé's mission and values.

This includes abiding by the community's basic requirements towards the cooperative and following labor and environmental laws that reject any kind of child labor, forced labor, and deforestation activities.

Once this Level is achieved and verified, a member can progress through the levels by increasing compliance with indicators. The overall percentage of compliance with the Standard determines a member's Level (see section 6.4 for Level evaluation).



2.3 TRANSPARENCY AND QUALITY ASSURANCE

IMPORTANCE

Transparency is a major aspect of sustainability. In order to ensure full transparency and credibility, Cooxupé's office and its members will be visited and undergo a third-party verification process to ensure member's adherence to the different Levels of sustainability and verify Cooxupé's engagement in supporting its members. This verification will take place against the list of indicators developed.

3. MEMBER SUSTAINABILITY INDICATORS

DEVELOPMENT

The list of indicators for the cooperative member was developed in concord with Cooxupé's vision and mission described in Cooxupé's Code of Ethical Conduct, Integrity Program, Manual of Good Practices, Sustainability Policy, and Social Statute documents, as well as through a benchmarking exercise against global verifications and certification Standards (e.g., SAI FSA, C.A.F.E. Practices).

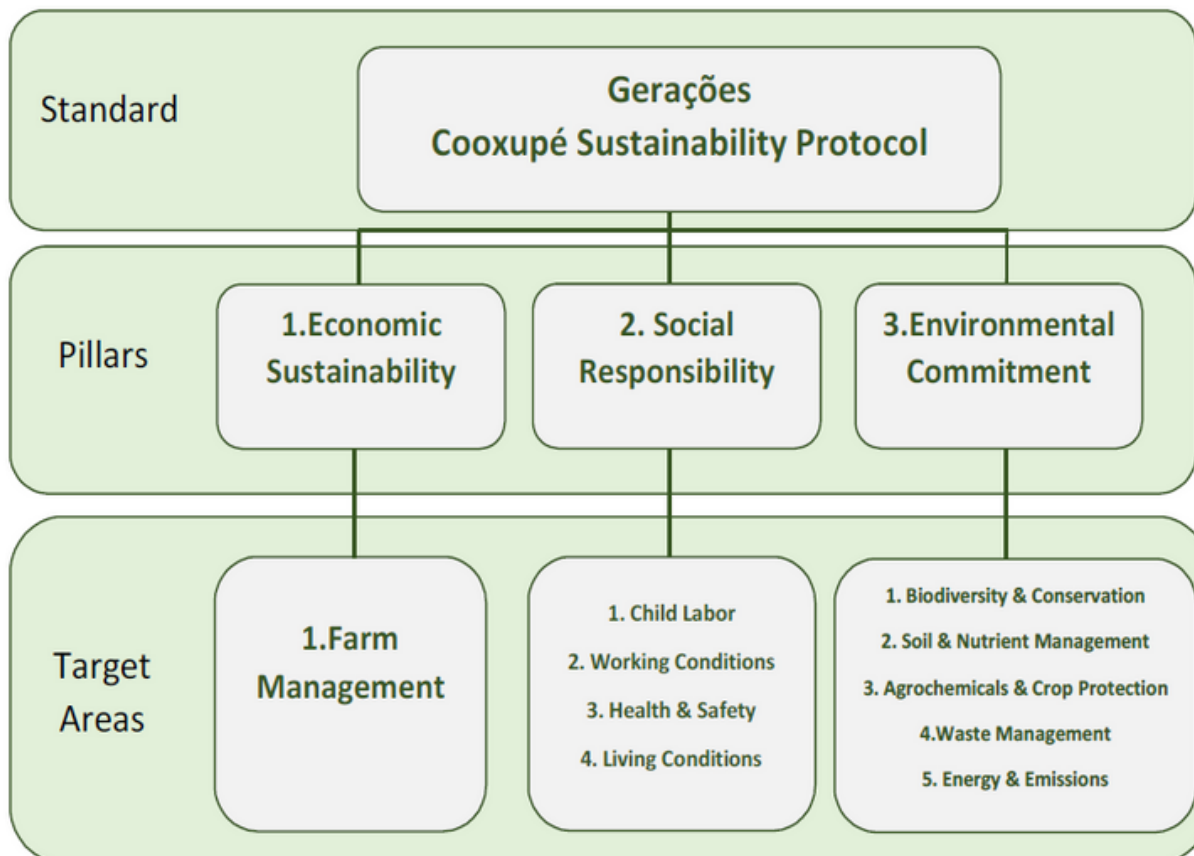
The indicators were developed to ensure a strong, credible program, that is in line with the industry while incorporating those producers who strive towards such Levels but who still need support to get there.

Cooxupé believes in the concept of continuous development and learning, giving all members the time and the chance to achieve the highest Levels of sustainability at the pace that is realistic and sustainable for them.

3.1 STRUCTURE

PILLARS AND TARGET AREAS

Centered on the three pillars of Economic Development, Social Responsibility, and Environmental Commitment, the Gerações is subdivided into 9 target areas, broken down into indicators that aim to guide and support Cooxupé’s members towards more sustainable practices, economic growth of its members, and the wellbeing of the community and the environment.



3.2 CONTENT

3.2.1. PILLAR 1 – ECONOMIC DEVELOPMENT

Cooxupé understands that economic development is of uttermost importance as farmers' and workers' livelihood depend on it. Cooxupé seeks to guide its members through sustainable economic practices that will help them improve their income and production while providing accountability to all those involved.

Target Area:

- **Farm Management:** By complying with the indicators under this Target Area, producers gain knowledge of basic traceability practices, providing transparency of the Cooxupé coffee supply chain.

3.2.2. PILLAR 2 – SOCIAL RESPONSIBILITY

There are many stakeholders involved in coffee farming. Cooxupé aims to ensure that producers, workers, and their families have their basic rights respected and are provided decent working conditions.

Target Areas:

- **Child Labor:** These indicators were developed to secure children's right to childhood and education.
- **Working Conditions:** These indicators protect workers' rights to a safe work environment.



- **Health & Safety:** Workers receive information and training on safety practices to prevent injury and harm.
- **Living Conditions:** Workers who live where they work have the right to safe and decent living conditions.

3.2.3 PILLAR 3 – ENVIRONMENTAL COMMITMENT

Members are aware of better practices to preserve the environment and resource conservation.

Target Areas:

- **Biodiversity & Conservation:** These indicators seek to educate workers and farmers on practices that promote biodiversity while maintaining a healthy ecosystem.
- **Soil & Nutrient Management:** Healthy soil yields better coffee. Farmers learn best practices and count on Cooxupé's technicians' support to improve the quality of their soil.
- **Agrochemicals & Crop Protection:** This Target Area seeks to minimize the use of agrochemicals and to ensure that when agrochemical use is inevitable, it is done so not to harm workers or the environment.
- **Waste Management:** These indicators focus on best practices for waste disposal, waste reduction, reutilization of resources, and recycling.
- **Energy & Emissions:** Practices developed to reduce pollution and conserve energy.



4. COOXUPÉ SUSTAINABILITY INDICATORS

Cooxupé seeks to prepare the cooperative members for the consumer of the future. The Cooxupé indicators reflect Cooxupé's commitment to capacitate its members for current and future sustainability demands in the coffee industry.

4.1 STRUCTURE

7 GROUPS

The cooperative's indicators are organized in seven major groups: Required Trainings, Record Keeping, Technical Assistance, Financial Assistance, Internal Control, and Internal Quality.



Internal Quality



Required Trainings



Record Keeping



Technical Assistance



Financial Assistance



Internal Control



Governance



4.2 CONTENT

4.2.1 REQUIRED TRAININGS

Cooxupé provides members with practical trainings on diverse topics to capacitate and educate the cooperative member on more sustainable practices. The required trainings to be offered shall cover the following basic topics:

- Ethical Conduct
- Worker's Rights
- Coffee Quality & Safety
- Agrochemicals & Other Hazardous Substance Storage & Handling
- Occupational Health & Safety
- Soil Health & Plant Nutrition
- Biodiversity & Conservation
- Waste & Wastewater Management
- Resource Efficiency

Cooxupé's Required Trainings indicators will be measured by the percentage of members attendance to specific trainings.

4.2.2 RECORD KEEPING

The indicators in this group were developed to ensure accountability and transparency. To comply with these indicators Cooxupé must demonstrate copies of receipts and other relevant documentation as well as provide the member with templates to implement their own traceability system.

4.2.3 TECHNICAL ASSISTANCE

Cooxupé offers technical support to its members. The indicators in this group focus on areas where members need help the most including soil management plan, PPE, and erosion control so that cooperative members achieve sustainable excellence.



4.2.4 FINANCIAL ASSISTANCE

The indicators in this group ensure Cooxupé is providing its members access to financial services, such as, credit support and financing options for purchasing of machinery and inputs, and the most up-to-date information on prices in the coffee market and agricultural inputs market.

4.2.5 INTERNAL CONTROL

The indicators in this group serve as a monitoring tool to ensure cooperative members are complying with the member indicators set by this Standard. By complying with the Internal Control indicators, Cooxupé obtains data on members' performance within the program and can offer appropriate feedback and support addressing any potential non-compliance found.

4.2.6 INTERNAL QUALITY

The Internal Quality indicators focus on continuous quality improvement. Similar to the Internal Control indicators, the Internal Quality indicators allow Cooxupé Management to utilize results from this program's verification and set a plan for improving areas of weakness and of non-conformities.

4.2.7 - GOVERNANCE

Cooxupé has as a governance mechanism in place to represent its members before public, legislative and class representation bodies. This requirement seeks to ensure the representation of member's demands and secure their interests, such as guaranteeing the preservation of their rights in accordance with the precepts of the Code of Ethical Conduct and the Integrity Program.

5. USE OF COOXUPÉ DIGITAL PLATFORM

ACCESS TO INFORMATION

Cooxupé will implement a digital platform to facilitate member's access to information. Members will also be able to upload required documents, update farm information, and access different tools such as technician recommendation.

6. VERIFICATION PROCESS OVERVIEW

6.1 SCOPE

A Gerações verification entails an assessment of the coffee supply chain from the farm level to Cooxupé. Different social, environmental, economic, and management indicators are evaluated for compliance. The objective of the Cooxupé Sustainability Program verification process is to evaluate each entity against all applicable evaluation criteria.

6.2 ENTITIES TO BE VERIFIED

- **Members:** The coffee farm is the initial point of verification for Gerações. Indicators from the Social, Environment, and Economic Pillars are assessed at the member level.



Sources of evidence at the farm level includes visual observation, producer interview, worker interview and documentation. The scope of farm visit includes the full property of the farm (including natural land and aquatic systems), workers and those who live onsite, documentation related to social, environmental and management aspect of the operation (when available).

- **Cooxupé:** Verification of Cooxupé represents an important part of the verification, as it plays a key role in training members, providing access to resources and information, as well as maintaining traceability. The Cooxupé verification includes assessment of the Cooxupé indicators. The main sources of evidence are documentation and interview with management. Information obtained during the Cooxupé verification should be triangulated at the member level when possible. For example, if Cooxupé states that all members have received training on a certain topic, the verifier should confirm with members during farm visits that they received this training.

6.3 EVALUATION OF CONFORMITY

An accredited verifier visits the farm to gather evidence of conformity. The verifier performs interviews, visual observations, and document review to assess whether the indicators in the scorecard are being met.

Verifiers carrying out on-site verification will use the following nomenclature to evaluate whether indicators laid out in the Scorecard are met:



- **Comply “C”:** Indicates compliance with an indicator based on the evidence available at the time of the verification.
- **Not Comply “NC”:** Indicates non-compliance with an indicator based on the evidence available at the time of the verification.
- **Not Applicable (“NA”):** Indicates that the indicator is not applicable based on the absence of conditions called for in the indicator (e.g., if no labor is hired, indicators related to hired labor will be evaluated as Not Applicable).

6.4 EVALUATION OF LEVEL

All indicators in Level 1 are considered Essential, therefore members must comply with 100% of them to stay in the program. To be considered Level 2, a member must comply with 50% of all applicable indicators, including all Essential indicators from Level 1. For Level 3, a member must comply with 75% of all applicable indicators, including all Essential indicators. Finally, in order to be considered a Level 4, the member must comply with all applicable indicators.

These levels are attributed to members once the field verification is completed. The Levels remain assigned to the member until a new verification of this member takes place, or if a Corrective Action procedure takes place (see section 6.5).

6.5 CORRECTIVE ACTION PROCEDURE

The following situations require a Corrective Action Procedure to take place:



- In case of non-conformance with any Essential Indicator (Level 1),
- If the member is 5% compliance short from reaching a Level, and this member seeks to obtain this next Level (e.g., a member obtained 73% compliance (including compliance with all Essential Indicators), which set this member at a Level 2. This member can seek, through a corrective action procedure, to address the right number of non-compliance to reach 75% compliance).

In both cases, a corrective action procedure shall take place. This requires identifying the root causes of the non-compliances, and developing plans to correct them.. This responsibility is shared between the cooperative member and Cooxupé, and the procedure is reviewed by a third party to determine closure of the non-compliances.

7. APPEALS AND COMPLAINTS

In the case where a program participant would like to appeal the outcome of a verification or findings of a verification report, the appeal may be sent to SCS via the email provided in the following section. A description of the appeal along with supporting evidence must be provided. SCS will then review the appeal and provide a response within 30 days. Any complaints regarding Gerações may be sent to the contact information provided in the following section.

8. CONTACT INFO

INQUIRIES OR COMMENTS:

SCS Global Services
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