GERAÇÕES

PROTOCOLO DE SUSTENTABILIDADE COOXUPÉ

Cooxupé Sustainability Protocol

Version 2.0: 2024

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1. Introduction

Cooxupé is committed to supplying coffee that is ethically and environmentally sustainable. This goal stems from an understanding that the longevity and quality of coffee is intrinsically linked to a production system that is economically beneficial to the producer in the long term - in harmony with the environment and communities. Cooxupé's aim is to support its members to act 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 cooperative members, and by Cooxupé itself.

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

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

1.1 Program documents

The documents in the Generations program include:

- *Cooxupé Sustainability Protocol*
- *Requirements Reference Guide for Verifiers*
- *Member's Field Verification Card*
- *Cooxupé Field Verification Card*

1.2 Terms and Definitions

Brazilian Forestry Code: This is Brazil's Law 12.651, which aims to protect native vegetation and establishes the general rules for how and where native vegetation can be exploited in Brazilian territory, as well as which areas must be preserved, and which can receive rural production.

CLT: Brazil's Consolidation of Labor Laws (Law No. 5,452), refers to labor law and procedural labor law (rights and duties of workers and employers).

Compliance: Demonstration that the requirements of a standard are met (ISEAL 2018).

Continuous Improvement: This is the process of developing the sustainability of the producers participating in the program. This improvement can be evidenced by progression through levels or even from one verification to another.

Cooperative member(s): Any person or entity involved in agricultural or extractive activities, producer/farmer, or landholder of any size, who agrees to comply with Cooxupé's statutes and code of ethical conduct and is approved by Cooxupé's Board of Directors.

Cooxupé: Coffee Growers' Cooperative and its business units.

Corrective Action: An action taken to eliminate the root cause of a non-conformity identified in a verification to prevent its recurrence.

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

Every Worker: a term used to refer to all workers (permanent and temporary) who carry out any activity to produce goods or provide services, regardless of whether their employment is permanent or temporary.

Fixed worker: A person who carries out any activity to produce goods or provide services on a fixed basis on the property, i.e., those workers who are employed for an indefinite period of time.

Focus Area: Specific groups of requirements that comprise the Social, Environmental and Economic Pillars.

ILO: Founded in 1919 to promote social justice, the International Labour Organization (ILO) is the only United Nations agency with a tripartite structure, in which representatives of governments, employers' organizations and men and women workers, in a decent and productive way, in conditions of freedom, equity, security and dignity.

MAPA: Brazil's Ministry of Agriculture, Livestock and Supply (MAPA), has the mission of promoting the sustainable development and competitiveness of agribusiness for the benefit of Brazilian society.

NBR 9843-2019: Brazilian legislation responsible for guiding issues related to the storage and correct use of pesticides.

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

NR 31: Regulatory Standard 31 (NR 31), Ordinance SEPRT 22.677 of 22/10/2020, is a set of rules and recommendations that increases safety and guarantees the health and well-being of workers in the rural sector.

Overtime: According to the CLT, daily working hours may be increased by overtime, not exceeding two hours per day, by individual agreement, collective agreement, or collective bargaining agreement.

Pillar: The three main areas of the Standard that comprise the basic principles of the Cooxupé Sustainability Program, by which the Focus Area and Requirements are grouped (Social, Environmental, Economic).

Registered Worker: An employee is any worker who has a paid job, which is one in which the holder has an employment contract, which gives him/her a basic remuneration not directly dependent on the income of the unit for which he/she works (Adapted from the ILO Definition of "Employees").

Regular Working Hours: According to the CLT, the normal working hours for employees in any private activity will not exceed 8 (eight) hours a day.

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

Requirements: The specific requirement against which the entity will be assessed as part of the verification.

Review: Request to the supervisory body for reconsideration of its assessment decision (adapted from ISO 17000).

Root Cause: A factor that caused a non-compliance that must be permanently corrected through continuous process improvement.

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

Standard: The complete set of requirements that make up the program requirements, detailed in the *Reference Guide* to *Requirements for Verifiers* and *Field Verification Cards.*

Sustainability Level: The category under which the cooperative is classified, based on the percentage of compliance with applicable requirements.

Temporary Worker: A person who carries out any activity to produce goods or provide services on a temporary basis on the property, i.e., a worker who is employed during the harvest period.

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

Verification period: The period during which the verifications take place. It is essential that this period is during the regional coffee harvest season.

Verifier: An accredited person who carries out the verification.

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

2. Cooxupé's vision of sustainability

2.1 Three Levels of Sustainability

Cooxupé's members vary greatly in production size, geographical location, experience, objectives, 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 accessible to them. In order to have clear objectives and ensure transparency, Cooxupé has defined three different levels of sustainability:

- *Level 1:* Aware of sustainability (Compliance with all essential requirements)
- *Level 2:* Practicing sustainability (Compliance with all essential requirements + all additional labor requirements that are not classified as essential)
- *Level 3:* Excellence in sustainability (100% Compliance with all applicable requirements, including all essential requirements)

Applicable requirements = compliant requirements (C, including Essential requirements) + non-compliant requirements (NC) Percentage of compliance is determined by:

$$n^{\underline{o}} \; requisitos \; C \div (n^{\underline{o}} requisitos \; C + n^{\underline{o}} \; requisitos \; NC)$$

All cooperative members must fulfill the minimum sustainability commitments (Level 1: Essential Requirements) and increase their commitment to sustainability as they progress through the subsequent Levels.

2.2 Progression through the levels

Cooxupé and its members should expect a minimum commitment from each other to the Code of Ethical Conduct that represents Cooxupé's mission and values. This includes complying with the basic requirements of the community in relation to the cooperative and complying with labor and environmental laws that reject any kind of child labor, forced labor and deforestation activities. Once this level has been reached and verified, the cooperative member must demonstrate their progress in the program and progress through the levels by increasing compliance with the indicators. The overall percentage of compliance with the Standard determines a cooperative member's level (*see section 6.4 for level assessment*).

Level 1
Compliance with all essential requirements.

Level 2
Compliance with all essential requirements + all additional labor requirements that are not classified as essential.

Level 3
100% Compliance with all applicable requirements (including all essential requirements).

2.3 Transparency and Quality Assurance

Transparency is an important aspect of sustainability. In order to ensure full transparency and credibility, Cooxupé's office and its members will be visited and subjected to a third-party verification process to ensure that members adhere to the different levels of sustainability and to verify Cooxupé's commitment to supporting its members. This verification will be based on the list of requirements developed.
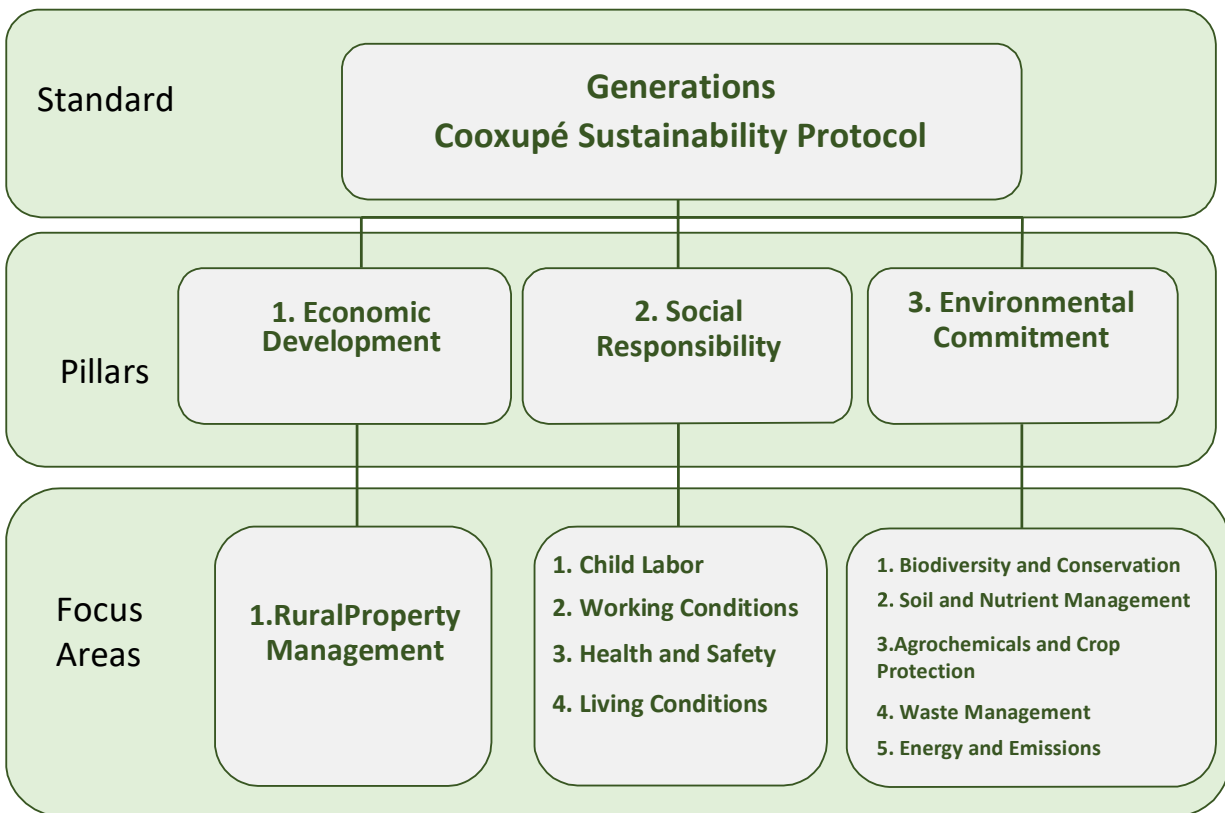
NOTE: Whenever the protocol undergoes updates and/or version changes, the entire Cooxupé team involved will always be trained, as well as the third-party company responsible for validating the program. After training both teams, all content is passed on and updated in the field with the program participants.

3. Sustainability Requirements for Cooperative Members

The list of requirements for the cooperative member was developed in accordance with Cooxupé's vision and mission as described in the Cooxupé Code of Ethics and Conduct, Integrity Program, Good Practices Manual (Based on MAPA), Sustainability Policy and Bylaws documents, as well as through a benchmarking exercise with global verification and certification standards (e.g. SAI FSA, C. A. F. E. Practices, and ILO).A.F.E. Practices), current Brazilian legislation (such as the CLT and the Brazilian Forest Code, and NR 31 NBR 9843-2019) and the ILO. The requirements were developed in order to ensure a strong and reliable program that is in he with the industry, while incorporating those producers who strive to achieve such Levels, but still need support to get there. Cooxupé believes in the concept of continuous development and learning, giving all cooperative members the time and chance to reach the highest levels of sustainability at the pace that is realistic and sustainable for them.

3.1 Structure

Centered on the three pillars of Economic Development, Social Responsibility and Environmental Commitment, Gerações is subdivided into 10 target areas, divided into requirements that aim to guide and support Cooxupé members towards more sustainable practices, economic growth for its members and the well-being of the community and the environment.

Standard	**Generations** **Cooxupé Sustainability Protocol**	
Pillars	**1. Economic Development** / **2. Social Responsibility** / **3. Environmental Commitment**	
Focus Areas	**1.RuralProperty Management**	**1. Child Labor** / **2. Working Conditions** / **3. Health and Safety** / **4. Living Conditions**	**1. Biodiversity and Conservation** / **2. Soil and Nutrient Management** / **3.Agrochemicals and Crop Protection** / **4. Waste Management** / **5. Energy and Emissions**

3.2 Contents

3.2.1. Pillar 1 - Economic Development

Cooxupé believes that economic development is of the utmost importance, as the livelihoods of farmers and workers depend on it. Cooxupé seeks to guide its members through sustainable economic practices that will help them improve their income and production, while being accountable to everyone involved.

Focus:

- **Rural Property Management:** By fulfilling the requirements under this Target Area, producers acquire 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 growing. Cooxupé's aim is to ensure that producers, workers, and their families have their basic rights respected and have decent working conditions.

Focus:

- **Child Labor:** These requirements were developed to guarantee children's right to childhood and education.

- **Working Conditions:** These requirements protect workers' rights to a safe working environment.
- **Health and Safety:** Workers receive information and training on safety practices to prevent injuries and damage.
- **Living Conditions:** Workers who live where they work have the right to safe and decent living conditions.

3.2.3. Pillar 3 - Environmental commitment

Cooperative members are aware of the best practices for preserving the environment and conserving resources.

Focus:

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

4. Cooperative Sustainability Requirements

Cooxupé seeks to prepare its members for the consumer of the future. The requirements of the Cooxupé Verification reflect Cooxupé's commitment to training its members for the current and future demands of sustainability in the coffee sector.

4.1 Structure

The cooperative's requirements are organized into seven major groups: Necessary Training, Record Keeping, Technical Assistance, Financial Assistance, Internal Control, Internal Quality and Governance.

Required Trainings

Governance

Record Keeping

Cooxupé Requirements

Internal Quality

Technical Assistance

Internal Control

Financial Assistance
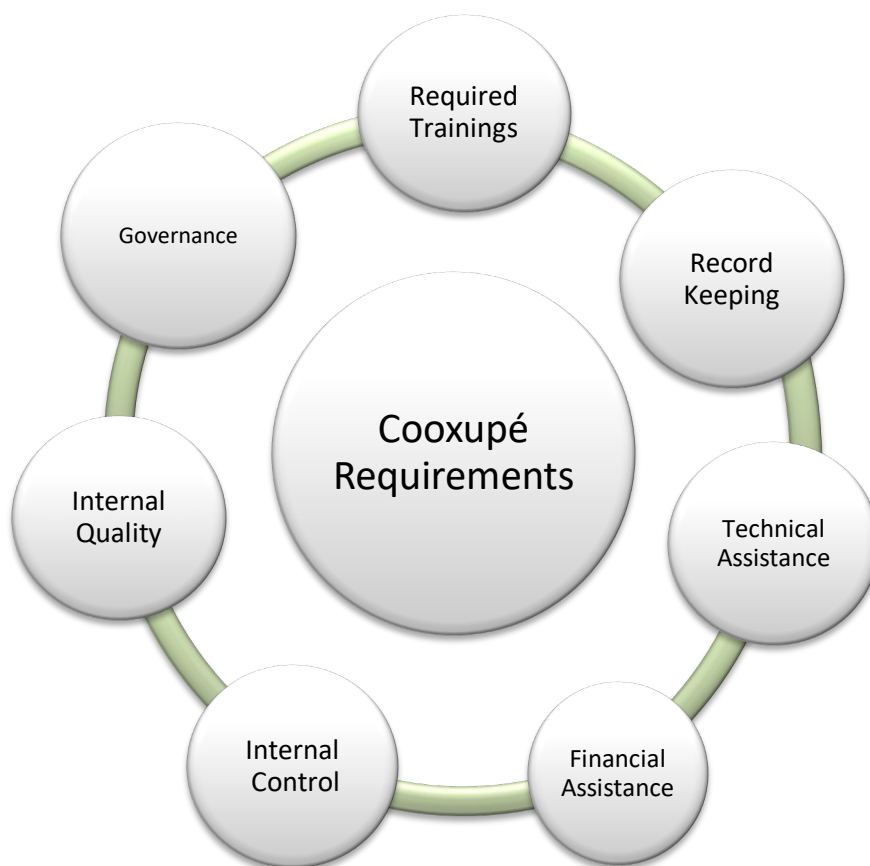
4.2 Contents

4.2.1 Mandatory training

Cooxupé offers its cooperative members practical training on various topics to train and educate the cooperative's members on more sustainable practices. The necessary training to be offered by Cooxupé or through its intermediary should cover the following basic topics:

- Ethical conduct
- Workers' rights
- Coffee quality and safety
- Agrochemicals and other hazardous substances, including Storage and Handling
- Occupational Health and Safety
- Soil health and plant nutrition
- Biodiversity and Conservation
- Waste and Wastewater Management
- Resource efficiency

Cooxupé's Necessary Training requirements will be measured by the percentage of cooperative members participating in specific training.

4.2.2 Record keeping

The requirements of this group have been developed to ensure accountability and transparency. To comply with these requirements, Cooxupé must demonstrate copies of receipts and other relevant documentation, as well as provide the cooperative member with templates for implementing their own traceability system.

4.2.3 Technical assistance

Cooxupé offers technical support to its cooperative members. The 12 requirements in this group focus on areas where cooperative members need the most help, including soil management plans, PPE, and erosion control so that cooperative members can achieve sustainable excellence.

4.2.4 Financial Assistance

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

4.2.5 Internal Control

The requirements of this group serve as a monitoring tool to ensure that cooperative members are complying with the field verification requirements established by this Standard. By complying with the internal control requirements, Cooxupé obtains data on the performance of cooperative members within the program and can offer appropriate feedback and support to resolve any potential non-compliance found.

4.2.6 Internal Quality

Internal quality requirements focus on continuous quality improvement. Similar to the Internal Control requirements, the Internal Quality requirements allow Cooxupé management to use the results of the verification of this program and establish a plan to improve areas of weakness and non-compliance.

4.2.7 - Governance

Cooxupé's governance mechanism is to represent its members before public, legislative and class representation bodies. This requirement aims to ensure that the demands of its members are represented and that their interests are guaranteed, as well 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 the Cooxupé Digital Platform

Cooxupé provides a digital platform to make it easier for cooperative members to access information. Members are also able to upload the necessary documents, update agricultural information and access different tools, such as recommendations from technicians.

6. Overview of the Verification Process

6.1 Scope

The verification of Cooxupé's Sustainability Program involves an assessment of the coffee supply chain from the farm level to Cooxupé. Different social, environmental, economic and management requirements are assessed for compliance. The aim of the Generations verification process is to assess each entity against all applicable assessment criteria.

6.2 Entities to be Verified

- **Cooperative members**: The coffee-producing rural property is the starting point for verification of Generations. The requirements of the Social, Environmental and Economic Pillars are assessed at the cooperative level. Sources of evidence at the farm level include visual observation, producer interview, worker interview and documentation. The scope of the farm visit includes the total farm property (including natural lands and aquatic systems), workers, including those who live on site, documentation related to the social, environmental and management aspect of the operation.
- **Cooxupé**: Cooxupé verification represents an important part of verification, as it plays a key role in training cooperative members, providing access to resources and information, as well as maintaining traceability. Cooxupé verification includes the assessment of the Cooperative's office verification requirements. The main sources of evidence are documentation and interviews with management. The information obtained during Cooxupé's verification should be triangulated at the level of the cooperative member, where possible, and if there are divergences between the evidence, it is up to the verifying party to assess the change in the evaluation of the criterion after the verification has been completed.

6.3 Conformity assessment

An accredited verifier visits the farm to gather evidence of compliance. The verifier conducts interviews, visual observations, and reviews documents to assess whether the requirements on the Field Verification Card are being met.

Verifiers will use the following nomenclature to assess compliance with the requirements on the Field Verification Card:

- Complies "C": Indicates compliance with an indicator based on the evidence available at the time of verification.
- Non-Compliant "NC": Indicates non-compliance with an indicator based on the evidence available at the time of verification.
- Not Applicable ("NA"): Indicates that the indicator is not applicable based on the absence of the conditions required in the requirement (e.g., if there are no workers, the requirements related to hired labor will be assessed as Not Applicable.

6.4 Level assessment

All Level 1 requirements are considered *Essential*, so members must meet 100% of them to remain in the program. To be considered Level 2, the member must fulfill

all essential requirements + all applicable labor requirements that are not classified as essential. Finally, to be considered Level 3, the cooperative must comply with all applicable indicators including all Essential requirements.

These levels are assigned to the members as soon as the field check is completed. The Levels remain assigned to the member until a new verification takes place, on the same member, or if a Corrective Action procedure takes place (see section 6.5).

6.5 Corrective Action Procedure

The corrective action procedure must take place whenever there is a Non-Conformity in the verification process, in compliance with Essential Requirement 1.1.11, of the Cooperative's Field Verification Card, which evaluates the demonstration of the cooperative member's progress in the program as an essential item.

The corrective action procedure must be carried out within the period stipulated in the validation period of its verification process, where after the closure of the Non-Conformities, the cooperative's progress is evidenced, and it may reach level 3 if it meets 100% of the criteria. This responsibility is shared between Cooxupé and the cooperative member and the procedure is reviewed by a third party to determine the closure of non-conformities.

7. Reviews and Requests

In the event that a program participant wishes to appeal the outcome of a verification or the results of a verification report, the appeal can be sent to SCS via the email provided in the following section. A description of the appeal must be provided along with supporting evidence. SCS will then review the appeal and provide a response within 30 days.

Any request regarding Generations can be sent to the contact information provided in the following section.

8. Contact Information

If you have any questions or comments about the program, please contact us:

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