



REMEDIATION POLICY

(FOR CRITICAL NONCONFORMITIES)

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In case of divergence in the interpretation between versions in different languages, the wording contained in the official version in Brazilian Portuguese shall prevail.

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1 INTRODUCTION

COOCACER, through the Sustainable Coffee Program, aims to impact coffee production in the Cerrado Mineiro Region, Minas Gerais, Brazil and the world. This protocol is a tool that is being developed to help producers follow a sustainable path in coffee production. In this context, this remediation policy outlines the guidelines for dealing with critical non-conformities evidenced in certified producers or those who claim to certify their properties.

This policy establishes the guidelines for the **remediation of critical non-conformities** detected on farms or certified groups that want to be certified or that are already certified in the Sustainable Coffee Protocol - COOCACER. Critical non-conformities are violations that generate **serious negative impacts** on people or the environment, such as **forced/child labor**, **illegal deforestation**, or **improper disposal of hazardous substances**, especially in riverbeds.

The focus of remediation is **on fixing the causes** and **consequences** of these violations, protecting affected parties and ensuring that the situation is remedied effectively. Remediation goes beyond stopping the practice, and must correct the causes and damage caused to people or the environment.

2 DEFINITION OF CRITICAL NON-CONFORMANCE

Critical non-conformities refer to actions that violate essential sustainability and ethical standards defined in the Sustainable Coffee protocol, which are:

- *Forced or child labor;*
- *Deforestation as of January 1, 2014;*
- *Contamination of water bodies by disposal of pesticides or other hazardous chemicals.*
- *Use of products from the GCP Prohibited Pesticide List*
- *Failure to meet continuous improvement requirements.*

3 DEFINITION OF REMEDIATION

Remediation is the process of immediate response to these violations, with the goal of **correcting** both the practice and its **consequences**, offering protection to affected parties and restoring producer compliance.

4 IDENTIFICATION

To participate in the certification process in the **Sustainable Coffee Protocol** or to remain certified, the producer will be subjected to regular evaluations that aim to verify their compliance with all the guidelines established by the protocol. These assessments aim to ensure that the producer is not involved in any practices that constitute a **critical non-compliance**, ensuring adherence to the required sustainability and ethical standards. The evaluation phases are carried out as follows:

- a. **Initial Evaluation:** Before joining the program, the producer will be carefully evaluated as to the minimum compliance with the critical criteria and unacceptable practices defined by the Sustainable Coffee Protocol.
- b. **Internal and Certification Audits (External):** During internal and external audits, the producer will be evaluated on all critical criteria and criteria applicable to the year in question, as well as unacceptable practices. The producer can comply with more than what is required, but cannot comply less.

5 REMEDIATION PROCEDURES

When a **critical non-conformance** is identified, the following remediation steps should be taken, involving **immediate response**, **investigation**, and **remediation**:

PHASE 1: Immediate Protective Response

- a. **Protection of Affected People and the Environment:** Upon identifying a critical violation, COOCACER will take immediate action to protect people or the environment that may be suffering harm. This may include:
 - o **Removal of people** (such as children in child labour or workers in unsafe conditions) from the harmful situation;
 - o **Notification to the competent authorities** in cases of serious legal violations (e.g., slave labor, environmental crimes);

- **Isolation of areas affected** by harmful environmental practices, such as toxic waste disposal.

b. Provisional Suspension of Certification Status: The producer's certification is suspended immediately while the violation is being investigated and remedied, preventing the commercialization of the coffee as protocol-certified coffee.

PHASE 2: Research and Review

a. Full Investigation: A COOCACER team (sustainability department and if necessary legal department), in cooperation with independent auditors, will carry out a detailed investigation to understand:

- **The root cause** of the violation (e.g., failure to monitor, inadequate employee training, poor operational practices, lack of knowledge of the producer, etc.);

- **Impacts** of violation on workers, communities and the environment.

b. Review of Internal Procedures: The investigation process will include reviewing and, if necessary, **updating the procedures** that contributed to the violation, such as:

- Lack of adequate monitoring;
- Flawed recruitment processes;
- Lack of supervision or specific training.

PHASE 3: Development of a Remediation Plan

a. Corrective Action Plan: Based on the results of the investigation, a **remediation plan** will be developed in collaboration with the producer, and will include:

- **Immediate actions** to correct the violation (e.g., reforestation in illegally deforested areas, proper disposal of hazardous waste, improvement in working conditions, improvement of living conditions of residents, etc.);

- **Compensatory measures** for affected parties, such as workers or communities;

- **Institutional reforms** to prevent recurrences (e.g., improvements in management systems, implementation of stricter monitoring controls).

b. Timeline and Monitoring: The plan will include clear timelines for implementing corrective actions and an ongoing monitoring schedule, with regular visits to check on progress.

PHASE 4: Monitoring and Implementation

a. Technical Support and Monitoring: During the implementation of the plan, COOCACER will provide technical support and frequent monitoring to ensure that the grower is following the plan.

b. Regular Reporting: COOCACER will maintain detailed reports on the progress of corrective actions, ensuring **transparency** in the process and resolution of issues.

PHASE 5: Verification Audit

Final Assessment: Following the implementation of the plan, an audit will be conducted to ensure that the critical non-compliance has been corrected. This includes verifying that:

- Harmful **practices** have been eliminated;
- The **affected parties** have been compensated or protected;
- The **environment** has been restored, where applicable.

If the final audit confirms that all corrective actions have been successfully completed, the producer's certification can be restored.

6 CERTIFIED COFFEE TREATMENT DURING REMEDIATION

a. Coffee in Stock or in Transit

Identification and Segregation: Any coffee in stock or in transit coming from a farm that has committed a violation will be **identified and segregated**.

- **Coffee in Stock:** Coffee that is in stock will be kept segregated and cannot be marketed as certified until the remediation process is completed.
- **Coffee in Transit:** Any coffee that is in transit will be retained and will not be sold as certified until the final audit confirms the correction of the non-conformity.

b. Destination of Coffee During Suspension

Coffee may be marketed as **non-certified** during the remediation period, or it may be held in stock until compliance is restored.

7 MONITORING AND TRANSPARENCY

COOCACER is committed to closely monitoring the implementation of the remediation plan, conducting **periodic audits** to verify that the plan is being followed and that the issues are being resolved.

A continuous monitoring **system will be maintained to ensure that critical non-conformities** are corrected and that preventive measures are implemented. The producer will be closely monitored, so that COOCACER can help him align with the criteria of the Sustainable Coffee Protocol and that such problems do not happen again.

8 RESPONSIBILITY

The responsibility for the Sustainable Coffee Remediation protocol is COOCACER's Sustainability department, but this will be supported by COOCACER's legal department, in cases that are necessary, so that all actions taken are guided by current legislation in Brazil.

9 FINAL CONSIDERATIONS

It is important to emphasize that the Sustainable Coffee Protocol aims to foster a sustainable approach to production in the Cerrado Mineiro. Its positive impact increases as more coffee farmers get involved, reinforcing the importance of this initiative. The proposed actions are intended to support producers in adapting to the guidelines of the protocol, without creating barriers or restricting access to certification. It is an instrument that encourages constant evolution, promotes awareness of inappropriate practices and prepares producers to achieve the standards required for certification.

10 TECHNICAL RESPONSIBILITY

Elaborated by:

ROBSON CARVALHO – Agrocert Ltda

Civil Engineer | Occupational Safety CREA 429132 MG robson@agrocert.com.br

Reviewed by:

CLÉSIO REIS – COOCACER

Sustainability Department Manager COOCACER Araguari

gestor.sustentabilidade@coocaceraraguari.com.br

Technical Approval:

FABIANO MELO – Agrocert Ltda

Agronomist CREA MG 94286/D

fabiano@agrocert.com.br

General Approval:

ELIANE CRISTINA – COOCACER

Executive Director – Legal Representative

elianecristina@coocaceraraguari.com.br