

40 CODE OF CONDUCT



The Common Code for the Coffee Community (4C) was created through a participatory, extensive, transparent and balanced consultation with coffee stakeholders worldwide, and was owned and operationalized by the 4C Association until April 2016.

- Since April 2016, Coffee Assurance Services GmbH & Co. KG (“CAS”) has been responsible for assuring compliance with the 4C Code of Conduct through the 4C Certification system.
- The 4C Code of Conduct is recognized as equivalent to the Global Coffee Platform’s Baseline Common Code.
- As at 17th September 2018 Coffee Assurance Services GmbH & Co. KG (“CAS”) has been renamed **4C Services GmbH**, who are responsible for assuring compliance with the 4C Code of Conduct through the 4C certification system.
- Contact 4C Services at info@4c-services.org for information about the 4C Code of Conduct and 4C Certification System.

© 2018, 4C Services GmbH. All rights reserved.

No part of this work covered by the copyright may be reproduced or copied in any form or by any means (graphic, electronic or mechanical, including photocopying, recording, recording taping, or information retrieval systems) without the written permission of the copyright owner.

The document is subject to regular evaluation and revision according to needs. Only the latest version can be considered as the valid document. Legally valid documents are available through the 4C Services GmbH. 4C Services accepts no responsibility or liability whatsoever without prior consent.

4C Services reserves the right to undertake relevant steps to protect its copyright in case of breach, misuse, inappropriate use or infringement of this copyright.

For documents translated into languages other than English, the English language version remains the definitive version and 4C Services accepts no responsibility for any discrepancies between translated versions.

Index

INTRODUCTION

ECONOMIC DIMENSION

PRINCIPLES ON FARMING AS A BUSINESS (1.1 - 1.3)

PRINCIPLES ON THE SUPPORT TO FARMERS (1.4 - 1.8)

SOCIAL DIMENSION

PRINCIPLES APPLICABLE TO ALL FARMERS AND OTHER BUSINESS PARTNERS (2.1-2.2)

PRINCIPLES APPLICABLE TO WORKERS (2.3 - 2.9)

ENVIRONMENTAL DIMENSION

PRINCIPLES APPLICABLE TO NATURAL RESOURCES (3.1, 3.4, 3.6 - 3.9)

PRINCIPLES APPLICABLE TO AGROCHEMICALS (3.2, 3.3, 3.5)

PRINCIPLES APPLICABLE TO ENERGY (3.10).

UNACCEPTABLE PRACTICES

Annex 1. Pesticide lists

Annex 2. Glossary

Annex 3. General requirements (executive summary of Certification Regulations)

INTRODUCTION TO THE 4C CODE OF CONDUCT

Scope

The 4C Code of Conduct applies to any type of producing entity (4C Units) based in any coffee producing country that wish to produce and sell coffee as 4C Compliant. The term 4C Unit is very inclusive and covers any type of production facility and/or process: it can be a group of small-scale farmers, a cooperative or a farmers' association, a collecting station, a mill, a local trader, an export organisation, or even a roaster (as long as it is based in a country where coffee is produced). There are two prerequisites to qualify as a 4C Unit:

- Be able to supply a minimum of one container of green coffee (20 tons);
- Have a person or a group of people who can ensure the implementation of the 4C Code of Conduct. The 4C system calls this a Managing Entity.

Audit of adherence to the principles of the 4C Code of Conduct must be carried out by an auditing company, which is approved by the 4C Services. A list of approved 4C Certification Bodies can be found on the 4C Services website.

The 4C Code of Conduct and its Principles

The entry-level approach of the 4C Code of Conduct enables coffee producers around the globe to embark on their sustainability journey. The inclusive nature of the 4C Code of Conduct aims to reach out to producers who are currently not participating in the market for sustainable coffee and bring them into compliance with a basic level of sustainability. The intention is to gradually raise the social, economic and environmental conditions of coffee production and processing worldwide.

In order to achieve this, the 4C Code of Conduct comprises:

- 27 principles across economic, social, and environmental dimensions. These principles are based on good agricultural and management practices as well as international conventions and recognized guidelines accepted in the coffee sector and;
- 10 Unacceptable Practices which have to be excluded before applying for 4C Certification.

Regarding the 3 dimensions of sustainability, the 4C Code of Conduct encompasses the following principles:

- 8 Economic principles, thereof:
 - 3 principles on coffee farming as a business (1.1 - 1.3);
 - 5 principles on the support to farmers by the Managing Entity of a 4C Unit (1.4 - 1.8).
- 9 Social Principles, thereof:
 - 2 principles applicable to all farmers and other business partners (2.1 - 2.2);

- 7 principles applicable to workers (2.3 - 2.9).
- 10 environmental principles comprising:
 - 6 principles applicable to natural resources (3.1, 3.4, 3.6 - 3.9)
 - 3 principles applicable to agrochemicals (3.2, 3.3, 3.5)
 - 1 principle applicable to energy (3.10).

In order to receive a 4C Certificate (which confirms compliance with the Code of Conduct and enables certificate holders to sell 4C Compliant Coffee), a 4C Unit must have eradicated the 10 Unacceptable Practices amongst all business partners within the Unit, achieve an average yellow performance in each dimension and pass an independent audit. Average yellow refers to the situation where any principle rated red in one dimension must be balanced by an equivalent number of principles rated green in that same dimension. This is considered average yellow and is allowed during the first three years before the first renewal of certificate takes place.

In addition to complying with the 4C Code of Conduct, the 4C Units need to adhere to requirements relating to the organisation and management of the Unit in order to sell coffee as 4C Compliant. These requirements are summarized in Annex 3 of this document and described in detail in the 4C Certification Regulations issued by 4C Services GmbH.

How to use the 4C Code of Conduct

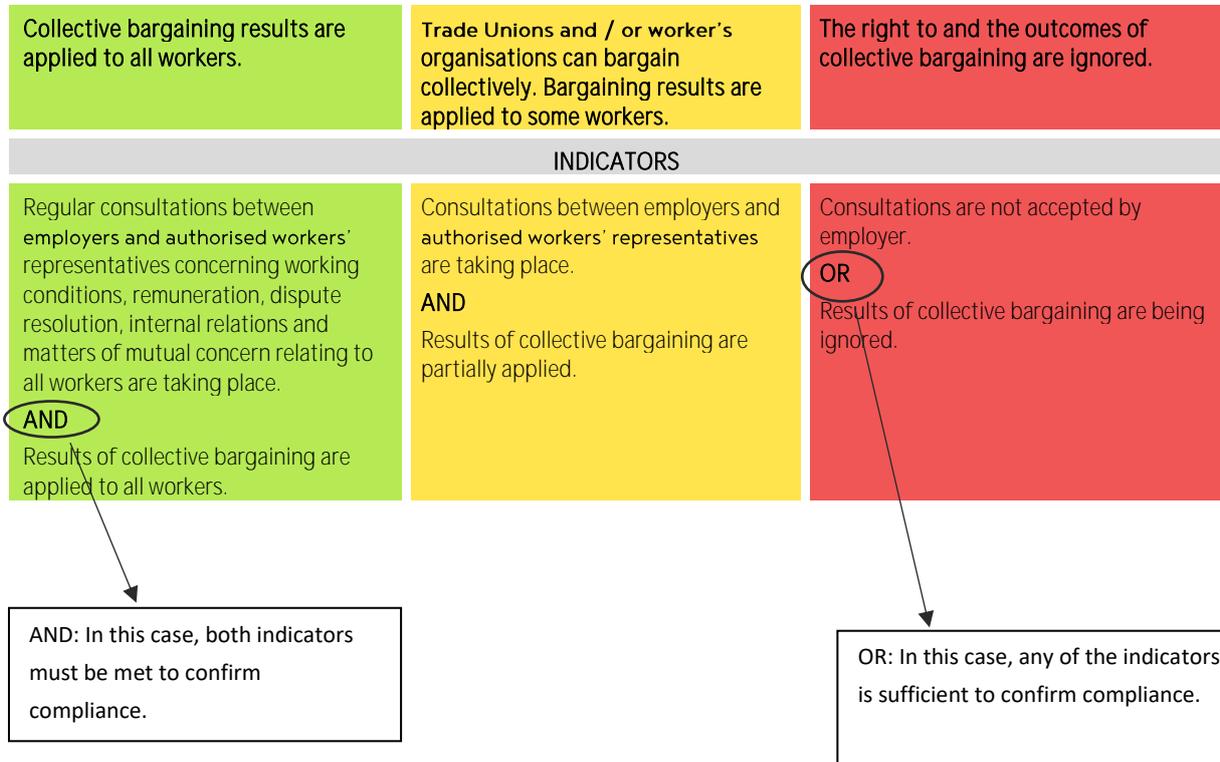
4C Units must comply with the 27 principles of the Code of Conduct. Each of the principles in the Code is presented with the following information (see graph with example below):

- number of the principle;
- its name or category;
- to whom it applies within the 4C Unit;
- a short description of the principle.

Three columns from left to right describe the green, yellow and red criteria. To better understand the expectation of a principle, start by reading the green criteria and its principles and then move to the yellow and finally to the red one. When indicators are linked via an AND, it means that two (or more) indicators need to be observed or met in order to comply with that principle. When two or more indicators are linked by an OR, it suffices that one indicator is observed in order to assess compliance or non-compliance of the principle (see example below).

Example: Principle 2.4. Right to collective bargaining (Social dimension)

Principle	Category:	Applies to:
2.4	Right to collective bargaining	Managing Entity and Business Partners with permanently hired workers
Workers have the right to bargain collectively		



References

The 4C Code of Conduct follows a number of internationally recognized standards and conventions, in particular those of the International Labour Organization (ILO). The revision of the 4C Code of Conduct follows the revision cycle of the Global Coffee Platform for its Baseline Common Code, in line with the Global Coffee Platform's Standard Setting Procedure which complies with the ISEAL Code of Good Practice for Setting Social and Environmental Standards.

Implementation

4C Services offers guiding documents which contain further information related to the 4C Code of Conduct and its implementation and the 4C certification system. These documents can be found on the 4C Services website (www.4C-services.org). 4C Units will only be audited against the requirements of the 4C Code of Conduct and those requirements in the 4C Certification Regulations which are applicable to the 4C Units. The Managing Entity of a 4C Unit is responsible for the implementation of the 4C Code of Conduct.

Version validity

This revision comes into effect immediately upon its publication on the 4C Services website:
www.4C-services.org

Document history

Version	Effective date as of	Details of change
V2.3 (2018)	November 2018	No content change to the previous version, only the renaming of: <ul style="list-style-type: none"> • Coffee Assurance Services GmbH & Co. KG. to 4C Services GmbH • Verification Companies to Certification Bodies • 4C Lead Verifiers to 4C Auditors • 4C License to 4C Certificate 4C Services GmbH will be managing and operating the 4C Certification System to validate compliance against the 4C Code of Conduct.
V2.2 (2017)	August 2017	No technical changes. Correction of the reference to principle 2.9 in principle 2.7 (changed to 2.8). Correction of the name of principle 3.9 from Hazardous Waste to Waste. Inclusion of the 9 CAS numbers for mineral oils in the red pesticide list.
V2.1 (2016)	1st of July 2015	No content change, only small updates to adjust to the new organizational reorganization. The Global Coffee Platform will define and maintain the Baseline Common Code, which is the reference for the verifiable 4C Code of Conduct operated by Coffee Assurance Services.
v2.0 (2014)	1st of July 2015	The revision process was started with a needs assessment in 2013, and the final revised Code was formally approved by the Council of the 4C Association in December 2014. Changes in the structure: inclusion in one document of the indicators of the Unacceptable Practices, the Pesticide List, glossary and other requirements for 4C Units. Focus on coffee farming as a business: adding a new principle on productivity/profitability, starting with the economic dimension and grouping principles when applicable to small farmers. Pesticide list: more focused on coffee production and better aligned with the lists of other voluntary standards.
v1.3 (2009)	July 2010	The 4C Code of Conduct was adapted for its implementation and verification. Changes included: wording updates, modification of some principles and the addition of a new category. Generic indicators were also introduced.
v1.0 (2004)	2007	The Common Code for the Coffee Community (4C) was launched in September 2004 as a result of a collaborative project initiated as a public-private partnership by the German Ministry for Economic Co-operation and Development (BMZ) and the German Coffee Association (DKV). Over 18 months, more than 70 representatives from coffee producers, trade and industry, non-governmental organizations and unions developed together the first version of the Code of Conduct. The 4C Association, the multi-stakeholder membership platform which owns and operates the 4C Code, was legally registered in December 2006 and started its operations as of 2007. After the foundation of the 4C Association and the finalization of the verification system and the definition of the Verification Regulations, the Code underwent two minor updates (v1.1, and v1.2).

Next revision of the 4C Code of Conduct

CODE OF CONDUCT

VERSION 2.3 | November 2018

In line with the recommendations of the ISEAL Alliance for credible sustainability standard systems, the 4C Code is reviewed, and revised if necessary, at a maximum interval of every five years. Stakeholders will be notified well in advance of the next scheduled review.

ECONOMIC DIMENSION

Coffee farming as a Business

Principle	Category:	Applies to:
1.1	Profitability and long term productivity	Business Partners which grow coffee
Actions to maintain or increase profitability and long term productivity at farm level are promoted and starting to be implemented.		

Producers are implementing practices that will lead to maintained or increased profitability and long term productivity of their farms,	There is awareness on practices that have the potential to maintain or increase profitability and long term productivity	There is no awareness on practices that have the potential to maintain or increase profitability and long term productivity
INDICATORS		
Producers are implementing practices that can lead to maintained or increased profitability and long term productivity such as good agricultural practices, post-harvest and handling practices, and good management practices. Implementation of good practices are evident on the farm.	Producers are aware of practices that can be implemented at farm level and that can lead to maintained or increased profitability and long term productivity and implementation of good practices has started.	Producers are not aware of practices that have the potential to increase productivity.

Principle	Category:	Applies to:
1.2	Capacity and skill development	Managing Entity and Business Partners
Business Partners and workers within the 4C Unit have access to trainings to improve their skills and capacities according to identified needs.		

Business Partners and workers within the 4C Unit are given access to relevant training and skill development in order to apply good agricultural and management practices, according to identified needs.	Business Partners and workers within the 4C Unit have access to training in relevant technical skills.	Business Partners and workers within the 4C Unit do not have access to any training to improve their skills.
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------

INDICATORS

<p>A training policy and implementation plan based on identified needs, have been developed covering Good Agricultural Practices, Good Management Practices, and quality aspects.</p> <p>AND</p> <p>Training activities are available to all workers on an equal basis, and offered for free during working hours. Training activities are available to all Business Partners.</p> <p>AND</p> <p>Women and men have the same opportunities to participate.</p> <p>AND</p> <p>Documentation of training programmes for all workers and Business Partners is available.</p>	<p>Training policy and plan regarding relevant technical skills are documented, and starting to be implemented.</p> <p>AND</p> <p>Training activities have started and are available to some workers and Business Partners.</p>	<p>No training policy is in place.</p> <p>AND</p> <p>No training activities are evident.</p> <p>AND</p> <p>No documentation is available.</p>
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------

Principle	Category:	Applies to:
1.3	Record keeping	Managing Entity and Business Partners that grow coffee
Record keeping to monitor profitability is promoted. .		

Record keeping of main coffee costs and income by producers is evident.	Steps are taken to ensure that main coffee costs and coffee income are kept.	No records of any costs and incomes are evident.
INDICATORS		
<p>Producers have records of main coffee costs and income</p> <p>AND</p> <p>Managing Entity provides training to producers to understand use of records on costs and income</p> <p>AND</p> <p>Managing Entity makes analysis of costs and income at farm level and uses this information to train producers.</p>	<p>Producers have records of main coffee costs and income.</p> <p>OR</p> <p>In absence of records at small holder level, producer can explain main coffee costs and income verbally. Producers are being trained on how to keep records of main costs and income, and understand and agree to start recording.</p>	<p>There is no record keeping in place at all.</p> <p>OR</p> <p>Producers are not aware of their main costs (such as labour and/or inputs) and the price at which they have been selling their coffee.</p>

ECONOMIC DIMENSION

Supporting coffee farmers

Principle	Category:	Applies to:
1.4	Access to services	Managing Entity and Business Partners
Based on producer needs, the ME provides or facilitates the provision of services in order to produce coffee following sustainability practices.		

Producers have access to adequate services based on their needs.	Producers have access to services that partially address their main needs. .	Producers do not have access to any services and needs have not been identified.
INDICATORS		
<p>An assessment of the types of services needed by the producers has been conducted.</p> <p>AND</p> <p>Business Partners have access to services at market rates such as supply of fertilizers, pesticides, equipment, credit, planting material/seedlings and technical assistance.</p> <p>AND</p> <p>The Managing Entity actively communicates about these services.</p>	<p>An assessment of the types of services needed by the producers is being conducted.</p> <p>AND</p> <p>Business Partners have access to only some of the services.</p>	<p>The Managing Entity has not identified the main needs of their Business Partners</p> <p>AND</p> <p>Business Partners do not have access to, or information about, any services available.</p>

Principle	Category:	Applies to:
1.5	Market information and commerce	Managing Entity and Business Partners
Market information is accessible within the 4C Unit. Transparent pricing mechanisms reflect coffee quality and sustainable production practices.		

Coffee quality requirements and market prices are up-to-date, passed on and accessible within the 4C Unit. Price mechanisms reflect quality of coffee and sustainable production practices.

Coffee quality requirements and market prices are accessible within the 4C Unit. Price mechanisms reflect coffee quality

Coffee quality requirements and market information are not accessible within the 4C Unit. Price mechanisms do not reflect the quality of the coffee.

INDICATORS

Managing Entity regularly provides updated market information to business partners within the 4C Unit, in particular local prices differentiated by quality.

Producers are aware of price mechanisms according to the coffee quality attributes and sustainable production practices

AND

Price mechanisms reflect the coffee quality attributes and the 4C sustainability practices.

Managing Entity regularly provides updated market information to business partners within the 4C Unit, in particular local prices differentiated by quality.

AND

Producers are aware of price mechanisms according to the coffee quality attributes

AND

Price mechanisms reflect the coffee quality attributes

Business Partners have no access to information about coffee prices and quality requirements or information is not understandable to them.

AND

There is no proof that coffee price mechanisms reflect coffee quality attributes.

Principle	Category:	Applies to:
1.6	Quality	Managing Entity and Business Partners
Coffee quality is monitored within the 4C Unit.		

Systematic monitoring of quality enables meeting market requirements or national/international export standards.	First steps are taken to monitor coffee quality against market requirements or national/international export standards.	Coffee quality is not monitored against any standards or requirement within the 4C Unit.
------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------

INDICATORS

<p>Systematic quality assessment from farm up to the Managing Entity level is in place.</p> <p>AND</p> <p>Quality assessment is made at each point of the chain</p> <p>AND</p> <p>Green coffee quality is assessed according to moisture content and physical defects at the time of delivery. Similar control is in place for delivery of cherries or parchment.</p> <p>AND</p> <p>Proper storage conditions at farm level and along the supply chain exist within the 4C Unit.</p>	<p>Quality specifications have been defined and control is partially implemented. In the case of small farmers, they are aware of the quality parameters.</p>	<p>There is no control of quality taking place.</p>
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------

Principle	Category:	Applies to:
1.7	Business integrity (transparent business practices)	Managing Entity and Business Partners
Transparent business practices are promoted so that the market is not affected by any preferential treatment based on the offering and receiving of any personal or improper advantage in exchange for retaining business or other advantages.		

Transparent business practices are actively promoted.	There is awareness of the need to promote transparent business practices	No awareness of the need to promote transparent business practices.
INDICATORS		
At ME level a policy on transparent business practices exists and is implemented in order to create a barrier to corruption. Policy emphasises abstaining from offering or receiving personal or improper advantages or gifts in order to retain business or other advantages.	At ME level there is awareness of the need for a policy on transparent business practices that emphasises abstaining from offering or receiving personal or improper advantages or gifts in order to retain business or other advantages.	At ME level there is no policy on transparent business practices.

Principle	Category:	Applies to:
1.8	Traceability	Managing Entity and Business Partners
Mechanisms for traceability within the 4C Unit are in place.		

Within the 4C Unit, coffee is clearly identified, segregated, stored, and protected from being mixed with other sources. Written documents are available and operational.

Coffee is traceable within the 4C Unit.

There are no clear procedures to ensure coffee is traceable within the 4C Units.

INDICATORS

4C Compliant Coffee is clearly identified, segregated, stored and protected from being mixed with other sources.

AND

Standard Operational Procedure of traceability is available and operational.

AND

Written documents are available.

4C Compliant Coffee is clearly identified along the supply chain.

AND

Every supply chain actor within the 4C Unit knows who they buy their 4C Compliant Coffee from and who buys their 4C Compliant Coffee.

AND

Written documents at Managing Entity are available.

Coffee from different origins is likely to be mixed without possibility to keep track of 4C Compliant Coffee.

AND

There are no clear procedures in place to identify 4C Compliant Coffee.

SOCIAL DIMENSION

All Business Partners

Principle	Category:	Applies to:
2.1	Discrimination (ILO Conventions 110, 111, 100)	Managing Entity and Business Partners and their permanently or temporarily hired workers
Equal rights are secured with respect to gender, maternity, religion, ethnicity, physical conditions and political views.		

Positive action programmes to secure equal rights are implemented.	Awareness to secure equal rights is raised and concrete steps to develop positive action programmes are evident.	No positive action to either raise awareness or secure equal rights is evident.
INDICATORS		
<p>Policy and procedures include grievance mechanisms to secure equal rights exist and are communicated within the 4C Unit.</p> <p>AND</p> <p>The policy and procedures are being implemented, i.e. potentially vulnerable groups are identified and efforts have been made in order to explain in further detail the procedures to them, in particular the grievance mechanisms. There is evidence that this and other actions to remove the obstacles that foster discrimination are being developed.</p> <p>AND</p> <p>There is no evidence that equal rights are violated or that harassment or abusive treatment occurs.</p>	<p>Policy and procedures to secure equal rights exist and are communicated within the 4C Unit.</p> <p>AND</p> <p>In case incidents of discrimination, harassment or abusive treatment have occurred, these are being addressed.</p>	<p>No policy or procedures for equal rights exist.</p> <p>AND</p> <p>Incidents of discrimination, harassment or abusive treatment have occurred.</p>

Principle	Category:	Applies to:
2.2	Right to childhood and education	Managing Entity and Business Partners
Children have the right to childhood and education. ILO Convention 182, 138 1999.		

Children's rights to childhood and education are implemented.

Deliberate efforts to remove children from work and get them into education are evident.

There are no measures to encourage the education of children.

INDICATORS

All children under the age of 15 (or of legal school age) are attending school.

AND

Children under the age of 15 (or legal school age) are not part of the regular work force.

AND

Child work is only accepted as part of light family work and outside school hours for children below 15 years old and they are not performing hazardous work.

AND

There are measures to improve the educational situation within the 4C Unit.

The majority of the children under the age of 15 (or of legal school age) are attending school.

AND

Children under the age of 15 are not part of the regular work force at the Managing Entity, buying and processing facilities or coffee estates. The Managing Entity has identified vulnerable regions or producers where child labour may be happening, encourages farmers to send children to school and raises awareness on young workers (below 18 and above legal school age) to not perform hazardous work.

AND

Child work is only accepted as part of light family work and outside school hours for children below 15 years old

The majority of the children under the age of 15 (or of legal school age) are not attending school

AND

Some of the children under the age of 15 are part of the regular work force

AND

No awareness on the educational needs of children within the 4C Unit is evident.

AND

No efforts to facilitate access to education are evident.

SOCIAL DIMENSION

Workers

Principle	Category:	Applies to:
2.3	Freedom of Association.	Managing Entity and Business Partners with Permanently hired workers. Business Partners who wish to join an organization
Workers and producers have the right to found, to belong to and to be represented by an independent organisation of their choice.		

Resources, information and institutional structures are available to improve representation of workers and farmers by their organisation

Right to found, belong to and to be represented by an independent organisation of free choice is accepted and easy access to it exists

Organisations exist but are not accepted as valid counterparts / interlocutors.

INDICATORS

Workers and producers declare that they are free to form and join independent organizations for the purpose of protecting their interests (such as trade unions and labour organizations for workers, and federations, associations, farmer groups for producers.).

AND

Representatives of independent organizations are guaranteed access to the information and resources necessary to carry out their functions.

AND

No cases of discrimination, adverse action against or exclusion of members of independent organizations by Managing Entity, employer or other workers.

A process has been started to enable workers, producers and representatives of independent organizations to freely join independent organizations for the purpose of protecting their interests.

AND

Representatives of independent organizations have access to the information and resources necessary to carry out their functions.

AND

No cases of discrimination, adverse action against or exclusion of members of independent organizations by Managing Entity, employer or other workers.

Organisations exist, but no indications of any process or programme to enable workers and producers to freely join independent organisations are evident.

AND

Representatives of independent organizations have no guaranteed access to the information and resources necessary to carry out their functions.

AND

Cases of discrimination or adverse actions against members of independent organizations (other than trade unions) still occur.

Principle	Category:	Applies to:
2.4	Right to collective bargaining	Managing Entity and Business Partners with permanently hired workers
Workers have the right to bargain collectively		

Collective bargaining results are applied to all workers.	Trade Unions and / or worker's organisations can bargain collectively. Bargaining results are applied to some workers.	The right to and the outcomes of collective bargaining are ignored.
-----------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------

INDICATORS

Regular consultations between employers and authorised workers' representatives concerning working conditions, remuneration, dispute resolution, internal relations and matters of mutual concern relating to all workers are taking place. AND Results of collective bargaining are applied to all workers.	Consultations between employers and authorised workers' representatives are taking place. AND Results of collective bargaining are partially applied.	Consultations are not accepted by employer. OR Results of collective bargaining are being ignored.
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------

Principle	Category:	Applies to:
2.5	Working Conditions - Labour contract	Managing Entity and Business Partners with permanently or temporarily hired workers
Workers receive a labour contract and know their rights.		

All workers receive written labour contracts. Contractual agreements are adhered to.	Informal but transparent contractual agreements are used and implemented.	Contractual agreements with workers are not implemented or adhered to.
--------------------------------------------------------------------------------------	---------------------------------------------------------------------------	------------------------------------------------------------------------

INDICATORS

<p>Written labour contracts for all workers are available.</p> <p>AND</p> <p>All workers have a copy of their labour contracts.</p> <p>AND</p> <p>Contractual agreements are adhered to.</p>	<p>At least verbal contractual agreements for all workers exist. Workers know their rights and duties.</p> <p>AND</p> <p>Contractual agreements are being implemented.</p>	<p>There are complaints from workers or from their legal representatives or organizations that contractual agreements are not respected.</p>
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------

Principle	Category:	Applies to:
2.6	Working Conditions - Working hours	Managing Entity and Business Partners with permanently or temporarily hired workers
Working hours comply with national laws / international conventions and/or collective bargaining and overtime work is remunerated.		

Working hours comply with national laws / international conventions and/or collective bargaining and overtime is fully remunerated.	Working hours comply with national laws/international conventions and working hours are recorded individually.	Working hours do not comply with national laws / international conventions and overtime is not remunerated.
INDICATORS		
<p>The working time of all workers and employees does not exceed 48 hours weekly or fewer if provided by national law.</p> <p>AND</p> <p>Overtime is voluntary, infrequent, and fully remunerated according to national law and paid in due time. Overtime is agreed with workers but it does not exceed 12 hours per week. Exception to this may only happen for a maximum 2 months during peak season.</p> <p>AND</p> <p>Documentation of working hours and voluntary overtime for individual workers is available.</p>	<p>Regular working hours of workers and employees are limited to 48 per week or fewer if provided by national law. For some specific jobs, e.g. watchmen, more than 48 hours per week may be acceptable if specifically allowed by national law.</p> <p>AND</p> <p>Overtime is paid according to national law.</p> <p>AND</p> <p>Working hours of permanent workers are recorded.</p> <p>AND</p> <p>Workers enjoy at least one free day following six consecutive days worked as well as public and annual holidays.</p>	<p>Regular working hours of workers and employees exceed 48 hours per week or provision of national or local law.</p> <p>AND</p> <p>Workers declare that overtime is not paid for, irregular and / or not voluntary.</p> <p>AND</p> <p>Working hours are not recorded.</p>

Principle	Category:	Applies to:
2.7	Working Conditions - Wages	Managing Entities and Business Partners with permanently hired workers. For temporarily hired workers see 2.8
Wages comply with national laws or sector agreements.		

Living wages or wages above existing national minimum wages or sector agreements are paid.

Wages comply with existing national minimum wages or sector agreements.

Wages are below existing national minimum wages or sector agreements.

INDICATORS

Living wages or wages of all workers and employees are above existing national minimum wages or sector agreements, whichever is higher

AND

Wages are paid in time/ as stated in the labour agreement

AND

Payment records or payslips for all workers and employees are available.

Minimum wages or sector agreements, whichever is higher, are paid.

Wages paid are below national minimum or sector agreements.

Principle	Category:	Applies to:
2.8	Working Conditions - Seasonal and piece rate workers	Managing Entity and Business Partners
Equitable treatment of seasonal and piece rate workers.		

Seasonal and piece rate workers are equitably treated.

Seasonal and piece rate workers receive minimum wage but get no other benefit.

Seasonal and piece rate workers do not get the equivalent of minimum wages in normal working hours and have no access to other benefits.

INDICATORS

Piece rate payment systems are monitored to ensure that the total salary paid is at least equivalent to national or sector minimum wages (whichever is higher) and proportional to wages paid to other workers for equivalent working time.

AND

Seasonal and piece rate workers receive the same benefits as other workers (e.g. housing, food, transport, hygiene).

AND

Records/documentation regarding working hours and wages are available.

Piece rate payments are monitored to ensure that daily earnings are at least equivalent to national or sector minimum wages (whichever is higher) for equivalent working time.

AND

Seasonal and piece rate workers do not receive other benefits (e.g. housing, food, transport, hygiene).

Piece rate payment systems are lower than national or sector minimum wages.

AND

Seasonal and piece rate workers do not receive other benefits.

Principle	Category:	Applies to:
2.9	Working Conditions - Occupational Health and Safety	Managing Entity and Business Partners with hired workers (temporary or permanent)
Employer assures proper occupational health and safety conditions for workers.		

A health and safety programme is fully implemented and a monitoring system is in place.	A health and safety programme exists, and a start has been made in its monitoring and implementation.	No health and safety programme exists. Unhealthy and dangerous working conditions are evident.
INDICATORS		
<p>Risk Assessment is carried out including the identification and evaluation of hazards.</p> <p>AND</p> <p>A health and safety programme, including procedures, equipment, responsibilities and monitoring is implemented.</p> <p>AND</p> <p>Workers are well informed and trained on health and safety issues (incl. an emergency kit and (a) persons trained in first aid).</p> <p>AND</p> <p>Appropriate equipment and gear, including personal protection equipment are available, well maintained, and clean.</p> <p>AND</p> <p>Safe facilities are available.</p> <p>AND</p> <p>Hazardous wastes are safely collected and measures for safe disposal are taken.</p> <p>AND</p> <p>Workers are fully aware of, and sufficiently protected against, dangerous machinery, unhealthy working situations, chemicals and other risks.</p>	<p>A Risk Assessment is carried out including identification and prioritization.</p> <p>AND</p> <p>Procedures and equipment to minimize risks and ensure healthy and safe working conditions and practices (e.g. in relation to pesticides, machinery and heavy loads) are known but not always available or used.</p> <p>AND</p> <p>Workers are aware of safe practices</p> <p>AND</p> <p>Monitoring is being implemented.</p> <p>A health and safety programme is documented. Small farmers may not have a documented program but do know the main risks and implement measures to address them - including measures for personal protection.</p>	<p>There is no evidence of protection measures or awareness of health and safety risks among staff and workers.</p> <p>AND</p> <p>Unhealthy and dangerous working conditions are evident.</p>

ENVIRONMENTAL DIMENSION

Principle	Category:	Applies to:
3.1	Conservation of Biodiversity	Managing Entity and Business Partners
Conservation of biodiversity, including protected or endangered native flora and fauna is supported.		

A program of conservation and enhancing wildlife and native flora is developed and implemented.

Conservation actions are being taken and awareness is being raised in relation to endangered and protected species and native flora

Exploitation of native flora and fauna is practiced.

INDICATORS

Each individual farm has a map indicating land use.

AND

A general map of the Unit's land use exists.

AND

There are measures and actions in the conservation or restoration of natural vegetation and fauna and protection of sensitive areas (slopes, river banks, wetlands)

Maps are being developed.

AND

Managing Entity has identified the main sensitive areas within the 4C Unit

AND

No hunting or extraction of endangered species of animals and plants is practiced. In case small holders are hunting or collecting endangered species, there is evidence of activities to raise their awareness on conservation.

No awareness within the 4C Unit of the importance of biodiversity and lack of knowledge on endangered species of animals and plants in the region.

AND

No measures to protect or enhance native plants and fauna are taken.

AND

Hunting or extraction of endangered species of animals and plants is evident.

Principle	Category:	Applies to:
3.2	Use of pesticides	Managing Entity and Business Partners
Use of pesticides is minimised and integrated pest, weed and disease management is improved with time.		

Pest control methods integrate biological, cultural and physical approaches and decision on pesticide use is based on monitoring of pests, diseases and weeds.
Pesticides in the 4C Red List are not used and pesticides in the 4C Yellow List are not used or are minimized.

Steps are taken to monitor pest, disease and weed levels, and at least one method to reduce use of pesticides is implemented.
Pesticides in the 4C Red List are not used. Pesticides in the 4C Yellow List may be in use.

There is no system in place to minimise the use of pesticides.
Pesticides in the 4C Red List are being used.

INDICATORS

An integrated pest management (IPM) system is documented and being implemented.

AND

Pesticides in the 4C Red List are not used. Pesticides in 4C Yellow List are avoided if possible. Use of all pesticides is minimized as provided by evidence of records and IPM replacements.

AND

Records of types and rates of all pesticides used are kept.

AND

There is evidence that training on IPM is provided to farmers and workers and a manual is available.

An integrated pest management - IPM- system is being developed: farmers monitor their crop for pest, weeds and diseases and are aware of preventive measures and potential control techniques which are not chemical.

AND

Pesticides in the 4C Red List are not used.

AND

The Managing Entity has knowledge on the type of the pesticides used by its Business Partners.

AND

At farm level, records of types of pesticides used are incomplete, or in the case of small holders, no records are kept

There is no (integrated) pest management system. Farmers are not aware of preventive measures or of potential non-chemical controls.

AND

Pesticides in the 4C Red List are being used.

AND

The Managing Entity has limited knowledge of the pesticides used by its Business Partners

AND

No records are kept.

Principle	Category:	Applies to:
3.3	Handling of pesticides and other hazardous chemicals	Managing Entity and Business Partners

Pesticides and other hazardous chemicals are stored, applied and disposed of in the least hazardous manner for human health and the environment.

A plan for handling pesticides and other hazardous chemicals referring to application, storage and disposal is formulated. Steps are taken to avoid the most hazardous application, storage and disposal practices.

Pesticides and other hazardous chemicals are stored, applied and disposed of in a hazardous manner for human health and the environment.

INDICATORS

A plan for applying, storing and disposing pesticides and other hazardous chemicals is available.

AND

All pesticides and other hazardous chemicals are properly applied, stored and disposed of by trained personnel using personal protective equipment, according to national and/or local legislation, manufacturers' instructions and ILO recommendations.

AND

Personal protective equipment is controlled and ensured it is in good state for smallholders as well as larger farms.

A plan for applying, storing and disposing pesticides and other hazardous chemicals is available, including identification of critical points and measures to reduce risks.

AND

People handling pesticides and other hazardous chemicals are being trained on proper handling (including application, storage and disposal). The Managing Entity is aware of national and/ or local legislation, manufacturers' instructions and ILO recommendations. Workers handling pesticides, are given personal protection equipment. In the case of smallholders, hazard awareness is being raised and they implement measures for personal protection.

AND

Pesticides and fertilisers are properly stored away from reach of non-trained people and to avoid polluting the environment.

No measures are taken to apply, store and dispose of pesticides and other hazardous chemicals properly according to national and/or local legislation, and manufacturers' instructions and ILO recommendations.

AND

Farmers are unaware of the hazardous nature of the pesticides and chemicals they are using

Principle	Category:	Applies to:
3.4	Soil Conservation	Managing Entity and Business Partners who grow coffee
Soil conservation practices are in place.		

Soil is protected from erosion by adequate soil conservation measures.	Soil conservation measures have been started.	Practices that contribute to soil erosion are evident.
INDICATORS		
<p>Soil conservation measures to protect soil from erosion are in place with vegetation and/or plant residues and/or minimum tillage and other soil conservation techniques.</p> <p>In case there are signs of erosion actions have been implemented to control erosion and restore the soil.</p>	<p>Some measures are taken to protect soil from erosion.</p> <p>In case there are signs of erosion, there is a plan to implement measures to control erosion and to restore the soil. At small holder level, plans can be verbally explained.</p>	<p>No measures are taken to protect soil from erosion, where applicable.</p> <p>AND</p> <p>Practices that contribute to soil erosion are evident.</p>

Principle	Category:	Applies to:
3.5	Soil Fertility and nutrient management - Fertilisers	Managing Entity and Business Partners
Mineral and/or organic fertilisers are used in a balanced and appropriate way.		

Application of fertilisers is in accordance with the needs of the crop based on soil and or leaf analysis.

Application of fertilisers is based on a technical recommendation.

Excessive or no use of fertilisers is evident.

INDICATORS

Soil and/or leaf analysis is done and documented.

AND

The use of mineral and/or organic fertilisers is according to soil and or leaf analysis and expected yield.

AND

There is awareness within the 4C Unit of the need to reduce the use of acidifying Nitrogen fertilizers in order to avoid further soil acidification

AND

Fertilisation is documented.

There is some use of mineral and/or organic fertilisers

AND

Technical recommendations from a credible institution for balanced and appropriate application of fertilisers are available but not necessarily implemented

There is evidence of excessive or no use of fertilisers.

AND

Managing Entity is not aware on proper nutrition needs as on average for its supply chain.

Principle	Category:	Applies to:
3.6	Soil Fertility and nutrient management - Organic matter	Managing Entity and Business partners who are coffee processors or coffee growers
Maintenance of organic matter in the soil is promoted.		

Organic matter is reused and recycled and partially replaces mineral fertiliser.	Organic matter is reused and recycled.	Wasteful and improper disposal of organic matter.
INDICATORS		
<p>Organic waste materials are recycled and considered as a nutrient supply and/or practices to increase fertility are in place, e.g. soil is covered with leaf litter or organic mulch, there are shade trees and /or boundary plants.</p> <p>AND</p> <p>Central coffee processors and service providers return or make available to coffee farmers the organic matter from coffee processing (processed waste), if economically feasible and considering plant health risks.</p>	<p>Some organic waste materials including coffee pulp and husk are recycled and/or practices to increase fertility are in place, e.g. soil is covered with leaf litter or organic mulch, there are shade trees and /or boundary plants.</p> <p>AND</p> <p>Central coffee processors and service providers start to implement efforts to return or make available to coffee farmers the organic matter from coffee processing, if economically feasible and considering plant health risks.</p>	<p>Organic waste materials are not recycled or reused as fertilizer.</p>

Principle	Category:	Applies to:
3.7	Water - water sources	Managing Entity and Business Partners who are coffee processors and coffee growers
Water resources are conserved and used efficiently.		

Necessary steps are taken to conserve water resources.	Water conservation practices are implemented.	Overuse of water sources.
INDICATORS		
<p>Water sources have been identified and are conserved by recycling, by using less amounts that might not endanger its sustainability.</p> <p>AND</p> <p>Managing Entity is in dialogue with other stakeholders to coordinate conservation efforts for those sources which are known or considered to be in critical stage or overused</p> <p>AND</p> <p>Water for coffee processing and irrigation is used efficiently. In the case of smallholders, there is evidence that the Managing Entity is facilitating trainings on more efficient use of water. At the processing level use of water is be measured and documented to show efficient use.</p>	<p>Water sources have been identified and some measures to conserve water sources are implemented. In the case of smallholders they are being trained in conservation of water sources</p> <p>AND</p> <p>Managing Entity is aware of sources which are known or considered to be in critical stage or overused.</p> <p>AND</p> <p>Some measures to reduce water use are implemented. In the case of smallholders, these are being trained in efficient irrigation and processing, if applicable. At central processing level use of water is being measured and efforts made to make efficient use.</p>	<p>Water sources are not conserved.</p> <p>AND</p> <p>No evidence of awareness of efficient water use.</p>

Principle	Category:	Applies to:
3.8	Water - wastewater	Managing Entity and Business Partners who are coffee processors and coffee growers.
Wastewater management is in place.		

Wastewater is treated and the discharged load of contaminants is minimized.

Untreated wastewater is not directly discharged into water courses

Untreated wastewater is discharged directly into water courses.

INDICATORS

Wastewater from central processing facilities and from workers' housing sewage is not being discharged directly into water courses

AND

Wastewater treatment system for wet processing and sewage is in place.

AND

Treated wastewater complies with parameters specified in national/local legislation before being discharged and analysis results are available.

Central washing stations analyse treated wastewater once per harvesting season and this confirms to national legislations before being discharged and analysis results are available;

AND

All Business Partners dealing with wastewater are aware of importance of its treatment.

Wastewater from central processing facilities and from worker's housing sewage is not being discharged directly into water courses

AND

Actions exist to minimize wastewater pollution from wet processing and sewage.

AND

There is evidence of awareness of the importance of wastewater treatment among coffee producers dealing with wastewater from wet processing and with sewage.

Wastewater from wet processing and sewage is being discharged directly into water course

AND

No development of any wastewater treatment system is evident.

AND

There is no evidence of awareness of importance of wastewater treatment among Business Partners dealing with wastewater.

Principle	Category:	Applies to:
3.9	Waste	Managing Entity and Business Partners
Safe waste management is in place.		

Waste generation is minimized, reuse and recycling is maximized. Safe disposal of hazardous waste is ensured.

Safe disposal of hazardous waste is practiced. Steps are taken to improve waste management

Hazardous waste is disposed of unsafely. No management system is in place.

INDICATORS

Different types of waste generated within the 4C Unit are identified.

AND

Reuse, recycling and safe disposal is in place and according to the different types of waste.

Hazardous wastes are identified.

AND

Hazardous wastes are safely disposed of in order to prevent contamination of water and soil resources as well as harm to human beings and animals.

AND

Steps are taken to minimise waste.

AND

Steps are taken to maximize re-use and recycling, including starting to separate wastes according to the different types.

Hazardous wastes are disposed of without consideration of possible contamination of the environment.

AND

There is no minimization, re-use and recycling of waste.

Principle	Category:	Applies to:
3.10	Energy.	Managing Entity and Business Partners who are central coffee processing facilities
Saving Energy and preferential use of renewable energy		

INDICATORS		
<p>Energy use is monitored and evaluated regularly. Minimization of energy use is evident. The use of renewable energy sources is maximized.</p> <p>AND</p> <p>Use of energy is regularly evaluated and first steps towards energy efficiency and alternative options are implemented. Options for use of renewable energy are assessed and implementation is planned if appropriate.</p>	<p>Use of energy is regularly evaluated and first steps towards energy efficiency and alternative options are implemented. Options for use of renewable energy are assessed and implementation is planned if appropriate.</p>	<p>Wasteful use of energy as input for coffee processing is evident and renewable sources are not known.</p>
<p>Energy use in coffee processing is quantified and documented.</p> <p>AND</p> <p>Optimization or reduction of energy use and improvement of energy efficiency is evident.</p> <p>AND</p> <p>Renewable energy sources are used if available</p>	<p>Energy use in coffee processing is quantified.</p> <p>AND</p> <p>Some measures are taken to reduce energy use and improve energy efficiency.</p> <p>AND</p> <p>Potential renewable energy sources have been identified and their use is being evaluated or some renewable energy sources are used if available.</p>	<p>No measures are taken to reduce energy use and improve energy efficiency.</p> <p>AND</p> <p>Knowledge of the availability of potential renewable sources is lacking.</p>

UNACCEPTABLE PRACTICES

Unacceptable Practice 1	Description of Status	Indicators
<p>Worst forms of child labour</p> <p>(referring to ILO convention 182 on Worst Forms of Child Labour, 1999, and ILO Convention 184 on Safety and Health in Agriculture, 2001)</p>	<p>The worst forms of child labour are used and no measures are taken against it.</p> <p>Children below the age of 18 years do work which is likely to jeopardize their health, safety or morals.</p> <p><i>Scope: worst forms of child labour within the 4C Unit</i></p>	<p>There are practices similar to slavery, debt bondage, and forced labour of children working within the 4C Unit</p> <p>OR</p> <p>Children under the age of 18 perform work that is hazardous or harmful to their health and safety (i.e. dangerous equipment, machinery, heavy loads, hazardous substances, or work more hours than legally permitted, night work).</p>

Unacceptable practice 2	Description of Status	Indicators
<p>Forced and bonded labour</p> <p>(referring to ILO conventions 29 and 105) and</p> <p>Trafficking in persons</p> <p>(referring to UN Convention against transnational organized crime, protocol on trafficking and smuggling, effective December 2003)</p>	<p>There are cases of forced labour found.</p> <p>Trafficked persons live and/ or work and no measures are taken against it.</p> <p><i>Scope: for forced labour or trafficking persons for any activities within the 4C Unit</i></p>	<p>Workers are not allowed to leave their work places and/or living quarters provided by the employer.</p> <p>OR</p> <p>Workers are not allowed to leave employment after reasonable notice.</p> <p>OR</p> <p>Identity or travel documents, salary / money or other asset deposits of workers are retained by the employer.</p> <p>OR</p> <p>Repayment conditions for possible indebted workers to employer exceed debt cost for employer itself.</p> <p>OR</p> <p>Workers have to pay off recruiting or hiring fees to employer.</p> <p>OR</p> <p>In case purchasing schemes for food, accommodation and / or transport are managed by the employer, the costs exceed local market rates in order to maintain or increase the indebtedness of the workers.</p> <p>OR</p> <p>Employer uses trafficking of persons for recruitment of labour.</p>

Unacceptable practice 3	Description of Status	Indicators
<p>Prohibiting membership of or representation by a worker's organization or a trade union</p> <p>(referring to ILO Convention 87 and 98)</p>	<p>Membership of or representation by a worker's organization or trade union is prohibited.</p> <p><i>Scope: trade unions only in the 4C Unit</i></p>	<p>Representation of workers by a trade union is not possible, since trade unions are not recognised by the employer.</p> <p>OR</p> <p>Employer interferes into establishment, functioning and administration of trade unions.</p> <p>OR</p> <p>Employees, who are members of trade unions or participating in their activities, are discriminated against or adverse actions are taken against them. (i.e. no promotion, disciplinary actions, employee transfers, dismissal)</p> <p>OR</p> <p>Employment of workers is made conditional upon withdrawal of union membership.</p> <p>OR</p> <p>Trade union representatives have no access to workers and information in order to carry out their responsibilities.</p>

Unacceptable practice 4	Description of Status	Indicators
<p>Forced Eviction</p> <p>(Referring to Commission on Human Rights Resolution 2004/28 Prohibition of forced evictions; Sub-Commission on the Protection and Promotion of Human Rights Resolution 1998/9 on Forced Evictions)</p>	<p>Forced evictions are/have taking place</p> <p><i>Scope: land acquisition since 2006 for any activities related to coffee production and processing within the 4C Unit.</i></p>	<p>There is evidence of forced eviction having taken place since 2006 in order to acquire the land where the coffee production and processing takes place.</p> <p>OR</p> <p>Land acquisition is carried out without prior and informed consent of affected people with legal land use right including those who claim traditional land use right, especially indigenous people.</p> <p>OR</p> <p>In case of legal forced evictions, negative effects of relocation are not mitigated. No agreed compensation (housing, land, money) is provided to all victims in case of eviction or relocation.</p>

Unacceptable practice 5	Description of Status	Indicators
<p>Failure to provide adequate housing</p> <p>(Referring to ILO convention 110 – Plantations convention)</p>	<p>Adequate housing is not provided.</p> <p><i>Scope: farm or plantation or any other entity within the 4C Unit with at least 10 permanent workers</i></p>	<p>Housing is needed by permanent and/or seasonal workers, but not provided by the employer.</p> <p>OR</p> <p>Where housing is provided by the employer, the following conditions are not met:</p> <ul style="list-style-type: none"> • separate bed for each worker, • separate accommodation of the sexes for single workers, • drainage • sanitation • ventilation, • water supply for domestic use. <p>OR</p> <p>The housing provided is not habitable:</p> <p>size according to the national regulations, if existing,</p> <p>appropriate construction materials,</p> <p>safe from hazards and pollution.</p>

Unacceptable practice 6	Description of Status	Indicators
<p>Failure to provide potable water to all workers</p> <p>Referring to the United Nations' Report of the World Summit on Sustainable Development, Johannesburg 2002</p>	<p>Workers do not have access to safe drinking water while at work</p> <p><i>Scope: potable water (= water safe for drinking) provided by the employer for all workers</i></p>	<p>There is evidence of dehydration during labour practices due to failure of providing sufficient amount of potable water to all workers.</p> <p>OR</p> <p>There is evidence of diseases caused by water consumption.</p> <p>OR</p> <p>There is visual evidence of contaminated water sources for consumption.</p>

Unacceptable practice 7	Description of Status	Indicators
<p>Cutting of primary forest or destruction of other forms of natural resources that are either designated by national and/ or international legislation</p>	<p>Primary forest cutting and the destruction of other natural resources within protected areas is practiced.</p> <p><i>Scope: primary forest, protected areas and areas of high conservation value within the 4C Unit</i></p>	<p>There is evidence of primary forest being cut down by any business partner of the 4C Unit since 2006.</p> <p>OR</p> <p>There is evidence of destruction of protected areas (designated by national and/or international legislation) by any business partner of the 4C Unit since 2006.</p>

Unacceptable practice 8	Description of Status	Indicators
<p>Use of Pesticides in the Unacceptable List of pesticides (see annex 1) listed in Annex III of the Stockholm Convention on Persistent Organic Pollutants (POPs) and/or listed in the Annex III of the Rotterdam Convention on Prior Informed Consent (PIC) and/or listed under the Montreal Protocol of Ozone Depleting Substances</p>	<p>Unacceptable pesticides are still used.</p> <p><i>Scope: Use of pesticides in the Unacceptable listed on the coffee plot and 4C compliant coffee.</i></p>	<p>There is evidence of the application of banned pesticides on the coffee plot or 4C Compliant Coffee.</p>

Unacceptable practice 9	Description of Status	Indicators
<p>No use of genetically modified (transgenic) organisms (GMO), and varieties, by 4C Units</p>	<p>4C Units use genetically modified (transgenic) coffee seeds or seedlings.</p> <p><i>Scope: coffee grown by business partners within the 4C Unit and coffee supply chain within the 4C Unit.</i></p>	<p>There is evidence that genetically modified (transgenic) coffee trees or seedlings are being used</p> <p>OR</p> <p>The Managing Entity (ME) trades or is in contact with genetically modified (transgenic) coffee.</p>

Unacceptable practice 10	Description of Status	Indicators
<p>Immoral transactions in business relations according to international covenants, national law and practices</p> <p>(Referring to OECD Guidelines for Multinational Enterprises and UN Convention on Contracts for the International Sale of Goods)</p>	<p>Basic business rules are not complied with.</p> <p><i>Scope: Business relations within the 4C Unit</i></p>	<p>There is evidence of fraud, corruption, bribery and/or extortion within the 4C Unit.</p>

ANNEX 1

4C PESTICIDE LISTS

Introduction

The 4C Code of Conduct aims to foster safer work places and better living conditions. It includes three lists of pesticides (listed as technical names of active ingredients), which are operated as the 4C Pesticides Lists as part of the 4C Code of Conduct.

The lists are divided into Unacceptable Practices pesticides, Red List pesticides and Yellow List pesticides, taking into account the following considerations:

- The ISEAL Alliance¹ takes as its key technical and scientific references the Highly Hazardous Pesticide List by Pesticide Action Network (PAN) International (June 2014 version). The PAN HHP List is also used as the key reference for hazard criteria used in its pesticide lists.
- The pesticide lists are focused on pesticides which are currently used in coffee production. Within each list, pesticides which are coffee relevant² are identified and highlighted for action.

Selection criteria used for the 4C Pesticide Lists

The 4C Pesticide Lists³ are based on two selection elements:

- Hazard criteria used in the PAN HHP List. These cover: acute toxicity for humans; chronic health hazards; environmental hazards; and pesticides in relevant international agreements on managing hazardous chemicals.
- Alignment criteria in relation to the status of pesticides on the lists of other relevant standards (RA SAN; Utz; FLO; and Starbucks CAFÉ Practices).

The following section summarises the criteria used in each of the 4C Pesticide Lists. Full details of the hazard criteria and the sources for the official classifications can be found in the PAN International HHP List⁴. Shorter explanatory notes on the hazard classifications used are given at the end of this Annex.

Unacceptable Pesticides as described in Unacceptable Practice 8 of the 4C Code of Conduct. Active ingredients are listed under the following international agreements:

¹ For more info on ISEAL, see <http://www.isealalliance.org/>

² Coffee relevant pesticides refers to those which are in the revised Red or Yellow lists (or were in the former lists) and which have reported as in current use by some producers.

³ The lists were the result of consensus at the former 4C Association's Technical Committee based on evaluation of the feedback received from members and external stakeholders during two rounds of consultation between 2013 and 2014.

⁴ Downloadable via http://www.pan-germany.org/gbr/project_work/highly_hazardous_pesticides.html

- Annex III of the Stockholm Convention on Persistent Organic Pollutants (POPs)
International agreement aimed at protecting human health and the environment from persistent organic pollutants.
- Annex III of Rotterdam Convention on Prior Informed Consent (PIC)
International agreement that aims to provide governments with information on active ingredients banned elsewhere for health or environmental protection reasons.
- Montreal Protocol on Ozone Depleting Substances
Global treaty designed to protect the ozone layer by phasing out the production of numerous substances that heavily contribute to ozone depletion. The only pesticide in the Protocol is the fumigant methyl bromide.

The use of any pesticide or Severely Hazardous Pesticide Formulation on any of these international agreements is an Unacceptable Practice for 4C Units and therefore prohibited within 4C Units in coffee farms and for 4C Compliant Coffee.

NOTE: The pesticide lists of international agreements continue to evolve. The Rotterdam and Stockholm Conventions may therefore add further pesticides to their lists in the future. To give 4C Units time to adapt, any newly listed pesticide under international agreements will be subject to a 3 year phase out period before being included (prohibited) in the 4C Unacceptable Practices list of pesticides.

4C Red List pesticides: Code requirements and actions to be promoted

The use of active ingredients listed in the 4C Red list qualifies for a red practice of principle 3.2 of the environmental dimension Use of Pesticides. Red practices have a phase out period of three years after the first certification. This means that 4C Units are expected to stop their use within 3 years at the latest, replacing them with safer IPM methods.

Criteria for the Red List:

HAZARD: Pesticides in any one of the 3 most acutely toxic classifications via ingestion, skin contact or inhalation, OR known to be carcinogenic (causing cancer)

AND

ALIGNMENT: Pesticides (with Red List hazard characteristics) which are prohibited⁵, or proposed to be prohibited in forthcoming revisions by two or more other standards

⁵ Prohibited by a standard, except for any permitted derogations. Restricted, monitored or watch lists are not considered as prohibitions. Sources for standards used were: SAN draft 2014, UTZ draft 2013, FLO version 2012, Café Practices 2011.

4C Yellow List pesticides: 4C Code of Conduct requirements and actions to be promoted

As a better practice (green criteria), 4C Units are required to have minimised the use of Yellow List pesticides and, if possible, phased out their use completely by replacing them with Integrated Pest Management (IPM) alternative methods.

Criteria for the Yellow List:

ALIGNMENT: Pesticides with Red List hazard characteristics but excluded from the Red List because they are prohibited by only one or no other standard.

HAZARD: Pesticides with chronic hazards in the classifications of probable carcinogens, known endocrine disruptors, known reproductive toxins or known mutagens.

OR

HAZARD: Pesticides with one or more of the environmental hazards featured in the PAN HHP List (bioaccumulation, persistence, high toxicity to bees or aquatic organisms).

AND

ALIGNMENT: Pesticides with Yellow List hazard characteristics which are prohibited, restricted, monitored or on the proposed watch-list of one of the other standards or which meet the hazard criteria for the restricted, monitored or watch-lists of other standards

For further information, please contact the 4C Services GmbH at: info@4c-services.org

4C LIST OF UNACCEPTABLE PESTICIDES

No	Name of active ingredient of pesticide	CAS number	International Conventions		
	The revised 4C Unacceptable List contains 25 pesticides, of which 3 are coffee relevant, and 4 severely hazardous pesticide formulations.		POP	PIC	Montreal
	COFFEE RELEVANT Pesticides				
1	Aldicarb	116-06-3		x	
2	Endosulfan	115-29-7	x	x	
3	Methyl bromide	74-83-9			x
	OTHER Pesticides				
4	Alachlor	15972-60-8		x	
5	alpha-BHC:alpha-HCH	319-84-6	x		
6	Azinphos-methyl	86-50-0		x	
7	beta-HCH: beta-BCH	319-85-7	x		
8	Captafol	2425 06 1		x	
9	Chlordane	57-74-9	x	x	
10	DDT	50-29-3	x	x	
11	DNOC and its salts	534-52-1		x	
12	Ethylene dibromide (EDB: 1,2-dibromoethane)	106-93-4		x	
13	Ethylene dichloride (EDC)	107-06-2		x	
14	Ethylene oxide	75-21-8		x	
15	Fluoroacetamide	640-19-7		x	
16	Hexachlorobenzene (HCB)	118-74-1	x	x	
17	Hexachlorocyclohexane (HCH)	608-73-1		x	
18	Lindane	58-89-9	x	x	
19	Mercury and its compounds	7439-97-6		x	
20	Methamidophos	10265-92-6		x	
21	Monocrotophos	6923-22-4		x	
22	Parathion	56-38-2		x	
23	Parathion-methyl (methyl parathion)	298-00-0		x	
24	Pentachlorophenol (PCP)	87-86-5		x	
25	Phosphamidon	13171-21-6		x	
Severely Hazardous Pesticide Formulations (SHPF) listed in Annex III of PIC Convention:					
Dustable powder formulations containing a combination of: benomyl at or above 7%, carbofuran at or above 10% and thiram at or above 15%					
Methamidophos (soluble liquid formulations of the substance that exceed 600 g active ingredient/l)					
Parathion-methyl (emulsifiable concentrate (EC) at or above 19.5% active ingredient and dusts at or above 1.5% active ingredient)					
Phosphamidon (soluble liquid formulations of the substance that exceed 1000 g active ingredient/l)					
The 4C UAP List uses the following 3 hazard criteria in the PAN HHP List related to international agreements:		<ul style="list-style-type: none"> • Pesticides listed in the Stockholm Convention on Persistent Organic Pollutants (POPs) • Pesticides listed by the Rotterdam Convention on Prior Informed Consent (PIC). • Pesticides listed in the Montreal Protocol on Ozone Depleting Substances. 			

RED PESTICIDE LIST

No	Name of active ingredient of pesticide	CAS number	Acute Toxicity			Known Carcinogens		
			WHO 1a	WHO 1b	H330	EPA	IARC	EU GHS
The 4C RED List contains 71 pesticides, of which 5 are coffee relevant.								
COFFEE RELEVANT Pesticides								
1	Carbofuran	1563-66-2		x	x			
2	Paraquat dichloride	1910-42-5			x			
3	Terbufos	13071-79-9	x					
4	Triazophos	24017-47-8		x				
5	zeta-Cypermethrin	52315-07-8		x				
OTHER Pesticides								
6	Acrolein	107-02-8		x	x			
7	Alpha-chlorohydrin	96-24-2		x				
8	Anthracene oil	90640-80-5						x
9	Arsenic and its compounds	7778-39-4				x	x	
10	Azinphos-ethyl	2642-71-9		x				
11	Beta-cyfluthrin; Cyfluthrin	68359-37-5		x	x			
12	Blasticidin-S	2079-00-7		x				
13	Brodifacoum	56073-10-0	x					
14	Bromadiolone	28772-56-7	x					
15	Bromethalin	63333-35-7	x					
16	Butoxycarboxim	34681-23-7		x				
17	Cadusafos	95465-99-9		x				
18	Carbosulfan	55285-14-8			x			
19	Chlorethoxyphos	54593-83-8	x					
20	Chlorfenvinphos	470-90-6		x				
21	Chlormephos	24934-91-6	x					
22	Chlorophacinone	3691-35-8	x					
23	Coumaphos	56-72-4		x				
24	Coumatetralyl	5836-29-3		x				
25	Demeton-S-methyl	919-86-8		x				
26	Dichlorvos; DDVP	62-73-7		x	x			
27	Dicrotophos	141-66-2		x				
28	Difenacoum	56073-07-5	x					
29	Difethialone	104653-34-1	x					
30	Dinoterb	1420-07-1		x				
31	Diphacinone	82-66-6	x					
32	Disulfoton	298-04-4	x					
33	Edifenphos	17109-49-8		x				
34	Epichlorohydrin	106-89-8						x
35	EPN	2104-64-5	x					
36	Ethiofencarb	29973-13-5		x				

CODE OF CONDUCT

VERSION 2.3 | November 2018

37	Ethoprophos; Ethoprop	13194-48-4	x		x			
38	Famphur	52-85-7		x				
39	Fenamiphos	22224-92-6		x				
40	Fenchlorazole-ethyl	103112-35-2						x
41	Fentin acetate	900-95-8			x			
42	Fentin hydroxide	76-87-9			x			
43	Flocoumafen	90035-08-8	x		x			
44	Flucythrinate	70124-77-5		x				
45	Formaldehyde	50-00-0					x	
46	Formetanate	22259-30-9		x	x			
47	Furathiocarb	65907-30-4		x	x			
48	Heptenophos	23560-59-0		x				
49	Isoxathion	18854-01-8		x				
50	Mecarbam	2595-54-2		x				
51	Methidathion	950-37-8		x				
52	Methiocarb	2032-65-7		x				
53	Methomyl	16752-77-5		x				
54	Mevinphos	7786-34-7	x					
55	Nicotine	54-11-5		x				
56	Omethoate	1113-02-6		x				
57	Oxamyl	23135-22-0		x	x			
58	Oxydemeton-methyl	301-12-2		x				
59	Paraffin oils; mineral oils	64741-88-4 64741-89-5 64741-97-5 64742-46-7 64742-54-7 64742-55-8 64742-65-0 72623-86-0 97862-82-3						x
60	Phorate	298-02-2	x					
61	Propetamphos	31218-83-4		x				
62	Sodium fluoroacetate (1080)	62-74-8	x		x			
63	Strychnine	57-24-9		x				
64	Sulfotep	3689-24-5	x					
65	Tebupirimifos	96182-53-5	x					
66	Tefluthrin	79538-32-2		x				
67	Thiofanox	39196-18-4		x				
68	Thiometon	640-15-3		x				
69	Vamidothion	2275-23-2		x				
70	Warfarin	81-81-2		x				
71	Zinc phosphide	1314-84-7		x				

The 4C Red List uses the following 4 hazard criteria in the PAN HHP List:

Acute toxicity for mammals, including humans:	'Extremely hazardous' WHO class 1a according to the World Health Organisation Recommended Classification of Pesticides by hazard; 'Highly hazardous' WHO class 1b according to the WHO Recommended Classification of Pesticides by hazard; 'Fatal if inhaled' H330 hazard statement according to the Globally Harmonized System (GHS) for classification and labelling of chemicals.
Cancer hazard:	The highest concern classifications, equivalent to 'known carcinogen', according to the US Environmental Protection Agency (EPA), the International Agency for Research on Cancer (IARC) and the Globally Harmonized System (GHS).

4C YELLOW PESTICIDE LIST

No	Name of active ingredient of pesticide	CAS number	Probable Carcinogens		Chronic Toxicity			Environmental Relevance				Acute Toxicity		Known Carcinogens			
			EPA	IARC	Muta	Repro	EDC	Bio acc	Very pers in water, soil or sediment	Very toxic to aquatic organisms	Toxic for bees	WHO Ia	WHO Ib	H330	EPA	IARC	EU GHS
	The revised 4C Yellow List contains 82 pesticides, of which 19 are coffee relevant.																
	COFFEE RELEVANT Pesticides																
1	Abamectin	71751-41-2										x				x	
2	Aluminum phosphide	20859-73-8										x					
3	Carbaryl	63-25-2	x					x				x					
4	Carbendazim	10605-21-7			x	x	x										
5	Chlorantraniliprole	500008-45-7							x	x							
6	Chlorothalonil	1897-45-6	x												x		
7	Chlorpyrifos	2921-88-2										x					
8	Deltamethrin	52918-63-5						x				x					
9	Dimethoate	60-51-5						x				x					
10	Diuron	330-54-1	x					x									
11	Epoxiconazole	133855-98-8	x					x									
12	Fenitrothion	122-14-5						x				x					
13	Fipronil	120068-37-3										x					
14	Lambda-cyhalothrin	91465-08-6						x				x			x		
15	Malathion	121-75-5						x				x					
16	Mancozeb	8018 01 7	x					x									
17	Permethrin	52645-53-1	x					x									
18	Propargite	2312-35-8	x						x		x						
19	Thiamethoxam	153719-23-4											x				
	OTHER Pesticides																
20	Acephate	30560-19-1						x				x					
21	Amitrole	61-82-5						x		x							
22	Atrazine	1912-24-9						x									
23	Azafenidin	68049-83-2				x											
24	Azocyclotin	41083-11-8							x						x		
25	Bifenthrin	82657-04-3						x				x					
26	Borax; disodium tetraborate decahydrate	1303-96-4				x											
27	Boric acid	10043-35-3				x		x									
28	Bromoxynil	1689-84-5						x							x		
29	Chlorfenapyr	122453-73-0										x					
30	Chloropicrin	76-06-2													x		
31	Chlorotoluron	15545-48-9						x		x							

ANNEX 2. GLOSSARY

Terminology as used specifically by 4C Services in the 4C Certification System

4C Unit = an operational entity that implements the 4C Code of Conduct in order to be part of a 4C Supply chain. This entity can be established at any level of the coffee supply chain in a producing country. It can be an estate, a loose group of farmers, an organised cooperative/ association, or a mill, etc. Within the 4C System, 4C Units are subject to certification.

Business Partner BP = any actor within the 4C Unit up to the Managing Entity level who has physical contact with coffee cherries or beans. Those actors are typically coffee farmers, collectors, warehouses, mills, chemical sprayers, labour services providers, etc.

Internal Management System IMS = a documented set of procedures and processes that the 4C Units' Managing Entity implements in order to achieve 4C Requirements. An IMS used for 4C Requirements may be part of an IMS the Managing Entity also uses for achieving requirements of other schemes.

Implementation (of a program or plan or policy) = in the case of a policy means that it is being communicated, and tested and that training on it has been delivered)

Managing Entity = an individual or group having an overall responsibility for managing a 4C Unit with regard to implementing the 4C Code of Conduct and trading its 4C Compliant Coffee.

Small-holders/ small-farmers = the 4C Code uses a size threshold to define small, these are Business Partners that do not exceed 5 hectares of coffee (for Brazil 10 hectares of coffee). This threshold is considered useful as it manages to mostly include as a small holder farms based on either a family or household labour, or a workforce exchange. Inside of a smallholding no permanent worker is hired.

ECONOMIC DIMENSION

Mass balance = a Chain of Custody model in which "mixing of certified and non-certified volumes is allowed at any stage in the production process, provided that the quantities are controlled."

Source: ISEAL Claims Good Practice Guide v0.2 26 Nov 2014_Annex F Chain of custody models and related claims. <http://www.isealalliance.org/online-community/resources/iseal-sustainability-claims-good-practice-guide>

Post-harvesting = Describes the stage of coffee processing that can be performed in two distinct methods: the dry method and the wet method. The dry method is the oldest and most frequently used one. It means the berries sorting, cleaning and exposing them in the sun on specific patios. In order to avoid the fermentation, the coffee beans are regularly raked. The wet method provides a faster pulp removing way and different procedures of processing like pulping, fermentation and washing. The scope

CODE OF CONDUCT VERSION 2.3 | November 2018

of post-harvesting is to prepare the coffee beans for the next stage (Roasting) and to prevent the beans fermenting and deteriorating.

Source: *Post-harvest Processing and Quality Assurance for Speciality/Organic Coffee Products*, Alastair Hicks, FAO Regional Office for Asia and the Pacific, Bangkok, Thailand (<http://www.journal.au.edu/au techno/2002/jan2002/article2.pdf>).

Productivity = Is a measure of production efficiency based on the ratio of production output to production inputs of land, capital, water, other natural resources, labour, energy or other materials; Productivity measures the ratio of what you get out of your coffee field to what you put into it.

Source: OECD, *Defining and Measuring Productivity*, <http://www.oecd.org/std/productivity-stats/40526851.pdf>

Profitability = is the ability of a farm to earn a profit. A profit is what is left of the revenue a farm generates after it pays all expenses directly related to the generation of the revenue, such as producing a product, and other expenses related to the conduct of the business' activities.

Segregation = A Chain of Custody model in which there is “no mixing with non-certified product of the same ingredient – whole content is certified. Could be from different certified sources.” Another characteristic of the model is that “can trace product to the certified source, or to the point where it was mixed with other certified sources. Traceability, segregation and identification systems are in place to ensure only certified sources are in the product.”

In the 4C context, segregation of 4C Compliant Coffee, means that it is not mixed with non-4C compliant coffee. 4C compliant coffee may originate from different certified sources.

Source: ISEAL Claims Good Practice Guide v0.2 26 Nov 2014, Annex F Chain of custody models and related claims. <http://www.isealliance.org/online-community/resources/iseal-sustainability-claims-good-practice-guide>

SOCIAL DIMENSION

Child labour = According to ILO, the term child labour is defined as “work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. It refers to work that: is mentally, physically, socially or morally dangerous and harmful to children; and interferes with their schooling by depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work”.

Source: ILO, What is child labour, <http://www.ilo.org/ipec/facts/lang--en/index.html>

Living wage = According to ISEAL, the living wage is defined as “Remuneration received for a standard work week by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing, and other essential needs, including provision for unexpected events”.

Source: ISEAL, *A Shared Approach to Estimating Living Wages*, 2013, <http://www.isealliance.org/sites/default/files/Descripton%20of%20Living%20Wage%20Methodology%2020131124.pdf>

National minimum wage = “*Minimum wage* may be understood to mean the minimum sum payable to a worker for work performed or services rendered, within a given period, whether calculated on the basis of time or output, which may not be reduced either by individual or collective agreement, which is guaranteed by law and which may be fixed in such a way as to cover the minimum needs of the worker and his or her

CODE OF CONDUCT VERSION 2.3 | November 2018

family, in the light of national economic and social conditions.” *National minimum* wage has to be understood in relation to the specific regulations of each country depending on its domestic economy.

Source: ILO, *Minimum Wages. Wage-fixing machinery, application and supervision*, International Labour Office Geneva (<http://www.ilo.org/public/english/support/lib/resource/subject/salary.htm>).

Permanent worker = “Employee with paid leave entitlements in jobs or work contracts of unlimited duration, including regular workers whose contract last for 12 months and over”.

Source: OECD, <http://www.oecd.org/employment/emp/45590204.pdf>

Piece rate workers = those employees who are paid a set amount of money per number of unit output or per number of completed tasks. The “piece” wage varies depending on the type of performed work or outcome. With regard to the measurement of the piece rate work ILO states: “The daily pay of groups or individuals is determined by accurate measurements. There must be a system of accurately measuring work in order to ensure that pay is given according to work accomplished. When the task or piece work system is being used, workers and their representatives may insist and demand that accurate measurements are taken periodically.”

Source: ILO, http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_policy/---invest/documents/publication/wcms_114940.pdf

Seasonal workers = The ILO designates seasonal workers as those employees “who hold implicit or explicit contracts of employment where the timing and duration of the contract is significantly influenced by seasonal factors such as climatic cycle, public holidays and/or agricultural harvests. These workers may be classified as employees or own-account workers according to the specific characteristics of the employment contract”.

Source: International Labour Organization (ILO) *Resolutions Concerning International Classification of Status in Employment Adopted by the 15th International Conference of Labour Statisticians*, January 1993, para. 14(g); on <http://stats.oecd.org/glossary/detail.asp?ID=2936>.

Sector minimum wage = the minimum sum of a salary paid to a worker, determined by specific conditions related to the sector where the worker is performing the activity. Thus, this type of wage can vary from sector to sector. Minimum salaries in the coffee sector are not globally fixed ones, they may differ depending on the particular Country.

Temporary workers = “Employees on a fixed term contract or whose expected duration of main job was less than one year with Seasonal/temporary/fixed contract work supplied as the reason. Temporary employment is calculated as the sum of the following categories: ‘Fixed term contract’, ‘Paid by employment agency’ and ‘Seasonal workers’. ‘Paid by employment agency’ covers all employees who were paid by an employment agency/labour hire firm. ‘Fixed term contract’ covers all employees working on a fixed term contract and excludes employees paid by an employment agency/labour hire firm. ‘Seasonal workers’ covers all employees whose expected duration of main job was less than one year with Seasonal/temporary/fixed contract supplied as the reason and excludes all employees who are on a fixed term contract or paid by an employment agency/labour hire firm”.

Source: OECD, *Permanent and Temporary Workers*, <http://www.oecd.org/employment/emp/45590204.pdf>.

Trade union = A trade union is an organization based on membership of employees in various trades, occupations and professions, whose major focus is the representation of its members at the workplace and in the wider society. It particularly seeks to advance its members interest through the process of rule-making and collective bargaining.

Source: ILO, http://www.ilocarib.org.tt/Promalco_tool/productivity-tools/manual09/m9_4.htm

Trafficking - recruits/ transports/ transfers/ harbours/ receives worker AND Uses threat or force / coercion / abduction / fraud / deception / abuse of power or vulnerability/ payment to the person in

control of victims (recruiting agencies) AND with the goal to have forced labour or services/ slavery or practices similar to slavery / removal of organs.

Source: ILO, *Human Trafficking and Forced Labour Exploitation. Guidelines for Legislation and Law Enforcement*, 2005.
http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_081999.pdf

Worst forms of child labour = Article 3 of ILO Convention No. 182 definition: (a) all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict; (b) the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances; (c) the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties; (d) work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.

Source: ILO, *What is child labour*, <http://www.ilo.org/ipec/facts/lang--en/index.htm>.

ENVIRONMENTAL DIMENSION

Biodiversity = “Biological diversity” means the variability of living organisms from all sources including: inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species and of entire ecosystems.

Source: *Convention on Biological Diversity 1992* (<http://www.biodiversitya-z.org/content/biodiversity>).

Fossil energy source = fossil energy is a non-renewable form, and includes oil, coal and natural gas.

Genetically Modified Organism (GMO) = any organism, with the exception of human beings, in which the genetic material has been altered in a way that does not occur naturally by mating and/or natural recombination.

Source: Secretariat of the Convention on Biological Diversity (CBD Secretariat) 2013; European Union (2001) Directive 2001/18/EC on the deliberate release into the environment of genetically modified organisms. OJ 106/11-38

Hazardous waste = Waste (generally inorganic) that by its nature can create short-term, long-term or irreversible damages (corrosiveness, poisoning, reactivity, ignitability, toxicity etc.) to the environment and/or living beings.

Source: International Network for Environmental Compliance and Enforcement (<http://inece.org/topics/chemicals/hazardous-waste/>).

Integrated Pest Management (IPM) = means the careful consideration of all available pest control techniques and subsequent integration of appropriate measures that discourage the development of pest populations and keep pesticides and other interventions to levels that are economically justified and reduce or minimize risks to human health and the environment. IPM emphasizes the growth of a healthy crop with the least possible disruption to agro-ecosystems and encourages natural pest control mechanisms. (FAO Definition)

Integrated Pest Management (IPM) is an ecosystem approach to crop production and protection that combines different management strategies and practices to grow healthy crops and minimize the use of pesticides.

CODE OF CONDUCT

VERSION 2.3 | November 2018

Source: <http://www.fao.org/agriculture/crops/thematic-sitemap/theme/pests/ipm/en/>.

Native flora and fauna = those vegetative and animal species that had been observed in the form of a “naturally occurring and self-sustaining population in historical times” and specific places.

Source: European Union (1979) Convention on the conservation of European wildlife and natural habitats (Bern Convention). 19. IX.1979. The Council of Europe, Bern, Germany (<http://www.biodiversity-z.org/content/native-species>).

Non-organic/ inorganic waste = all the waste including materials other than animal or vegetal, which are not considered to be biodegradable.

Organic waste = is considered to be all animal or vegetal waste that is generally biodegradable (can be decomposed by microorganisms).

Permanent Preservation Area, APP (Brazil) = protected area, covered (or not) by native vegetation, with an environmental impact on the preservation of water resources, landscape, geological stability and biodiversity. That facilitate gene flow of fauna and flora, protect the soil and ensure the wellbeing of human population.

Art. 4: The Permanent Preservation Area is delimited as follows:

I - the marginal bands of any natural watercourse perennial, intermittent, excluded ephemeral in minimum width of:

- a) 30 meters, for watercourses of less than ten 10 meters wide;
- b) 50 meters, for watercourses of 10 to 50 meters wide
- c) 100 meters, for watercourses of 50 to 200 meters wide
- d) 200 meters, for watercourses of 200 to 600 meters wide
- e) 500 meters, for watercourses of over 600 meters wide

II - the areas surrounding the lakes and natural ponds, with a minimum width of:

- a) 100 meters, on rural areas, except for waterbody of 20 hectares of surface and marginal strip of 50 meters,
- b) 30 meters on urban areas.

III - areas surrounding artificial reservoirs, according to environmental license

IV - areas surrounding the water springs and perennial waterholes, on minimum radius of 50 meters

V - the slopes or parts thereof with slopes greater than 45 °, equivalent to 100% (one hundred percent) in the line of greatest slope:

VI - the sandbanks, as dunes fixing or mangrove stabilizing

VII - mangroves

VIII - the edges of the trays or plateaus until the break line relief in the range of not less than one hundred (100) feet in horizontal projections;

IX - on top of hills, mountains, with a minimum height of one hundred (100) meters and an average slope greater than 25 °, the areas delineated from the level curve corresponding to 2/3 (two thirds) of the minimum height of always rise to the base

X - areas altitude above 1800 (one thousand eight) meters, whatever the vegetation;

XI - on veredas, the marginal band in horizontal projection, with a minimum width of fifty (50) meters from the space permanently waterlogged.

The executive power can define other Preservation Areas, as defined on Art. 6.

Source: Brazilian Forest Code, Federal Law n. 12.951, May 25th 2012.

Pesticide = FAO defines pesticides as “any substance or mixture of substances intended for preventing, destroying or controlling any pest, including vectors of human or animal disease, unwanted species of plants or animals causing harm during or otherwise interfering with the production, processing, storage,

CODE OF CONDUCT VERSION 2.3 | November 2018

transport or marketing of food, agricultural commodities, wood and wood products or animal feedstuffs, or substances which may be administered to animals for the control of insects, arachnids or other pests in or on their bodies. The term includes substances intended for use as a plant growth regulator, defoliant, desiccant or agent for thinning fruit or preventing the premature fall of fruit, and substances applied to crops either before or after harvest to protect the commodity from deterioration during storage and transport”.

Source: FAO, *International Code of Conduct on the Distribution and Use of Pesticides*, 2005, <http://www.fao.org/docrep/018/a0220e/a0220e00.pdf>

Primary Forest = relatively intact forest that has been essentially unmodified by human activity for the past sixty to eighty years; an ecosystem characterized by an abundance of mature trees. Human impacts in such forests have been limited to low levels of artisanal hunting, fishing, and harvesting of forest products, and, in some cases, low density migratory agriculture (World Bank 1991).

Source: FAO, *Second Expert Meeting On Harmonizing Forest-Related Definitions for Use by Various Stakeholders*, <http://www.fao.org/docrep/005/y4171e/Y4171E36.htm>

Protected Area = a geographically defined area which is designated or regulated and managed in order to achieve specific conservation objectives. Convention on Biological Diversity 1992 1 Article 2.

A clearly defined geographical space, recognised, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values. International Union for Conservation of Nature (IUCN) (Dudley) 2008

As protected areas are set up for a range of purposes, there are a wide variety of management approaches that apply to them. These vary from those which are highly protected sites where few if any people are allowed to enter, to much less restrictive approaches where conservation is integrated with the traditional and sustainable human activities and practices. Some protected areas ban activities like food collecting, hunting or extraction of natural resources while for others it is an accepted and even a necessary part of management.

Note: The IUCN definition is consistent with the CBD definition for a protected area. Tacit agreement exists between the CBD Secretariat and IUCN that the definitions are equivalent.

Source: <http://terms.biodiversitya-z.org/terms/157>; UNEP-WCMC 2013 Glossary of Biodiversity Terms, Version 1, UNEP-WCMC Cambridge, UK.

Source: <http://www.biodiversitya-z.org/areas/45>

Renewable energy source = energy that is derived from natural processes (e.g. sunlight and wind) that are replenished at a higher rate than they are consumed. Solar, wind, geothermal, hydro, and biomass are common sources of renewable energy.

Source: International Energy Agency (<http://www.iea.org/aboutus/glossary/r/>).

Threatened Species = is an umbrella term for any species categorised as Critically Endangered, Endangered or Vulnerable by the International Union for Conservation of Nature (IUCN) Red List of Threatened Species: <http://www.iucnredlist.org/> Source <http://terms.biodiversitya-z.org/terms/193>

Source: UNEP-WCMC 2013 Glossary of Biodiversity Terms, Version 1, UNEP-WCMC Cambridge, UK.

Sensitive Areas = in the principle of Conservation of Biodiversity it refers to areas that are vulnerable in terms of loss of natural habitats and biodiversity. In the specific context of the Baseline Common Code and coffee, this includes slopes, river banks and wetlands.

Yield = refers to the measure of the yield of a crop per unit area of land cultivation. Yield is the ratio of coffee volume produced to total area.

ANNEX 3. REQUIREMENTS FOR 4C UNITS

Executive Summary of requirements for 4C Units included in the Certification Regulations section 6.

Introduction

4C Units are the object of 4C audits. In addition to the 4C Code of Conduct, this chapter describes other requirements that are applicable to 4C Units.

The following general requirements need to be met in order to receive a 4C Certificate:

- 6.1 To implement an Internal Management System (IMS) (at least basic for initial certification and the first three years, and at least intermediate for renewal).
- 6.2 To complete an updated Business Partner Mapping (BPM)
- 6.3 To complete an updated Self-Assessment (SA)
- 6.4 To exclude unacceptable practices
- 6.5 To have an average Yellow performance within each of the three dimensions of the 4C Code of Conduct
- 6.6 To grant auditors access to information during the audit in the field

Once the certificate is granted, the following requirements apply:

- 6.7 To commit to continuous improvement (provide IP, eliminate red practices)
- 6.8 To ensure periodic monitoring by 4C Units (annual update on BPM, SA, IP, Pesticide use report and commercial reporting)
- 6.9 To comply with rules for trading 4C compliant coffee

6.1 Internal Management System (IMS) by 4C Units

Requirement: 4C Units MUST implement an Internal Management System which ensures that the 4C Code of Conduct and other requirements are properly put into practice by the Managing Entity and all Business Partners within the 4C Unit. During the initial certification a basic level IMS MUST be implemented. By the end of the first 3 year cycle, at the time of renewal, an upgrade to the Intermediate level IMS MUST have been achieved and be functional.

6.2 Business Partner Mapping (BPM) and Organisational Chart by 4C Units

Requirement: 4C Units MUST complete the BPM and create an organisational chart before contacting the 4C Services and 4C Certification Bodies for an audit. The BPM MUST be updated on an annual basis regarding ALL Business Partners. The organisational chart MUST be updated in the event of any changes within the 4C Unit.

6.3 Self-Assessment (SA) by 4C Units based on the 4C Code of Conduct and Applicable Requirements

Requirement: As a minimum, 4C Units MUST conduct an aggregated Self-Assessment before contacting 4C Certification Bodies for audit AND on an annual basis after certification.

6.4 Exclusion of 10 Unacceptable Practices (UAP) by 4C Units

CODE OF CONDUCT

VERSION 2.3 | November 2018

Requirement: The 4C Code of Conduct outlines ten Unacceptable Practices (UAPs). To apply for certification, 4C Units MUST exclude all ten UAPs at the level of all individual Business Partners and at the level of the Managing Entity.

6.5 Average yellow performance by 4C Units

Requirement: After excluding the 10 UAPs, 4C Units MUST reach the minimum average yellow performance in each of the three dimensions⁶ of the 4C Code of Conduct on an aggregated level. Only then can they undergo the initial certification.

6.6 Granting Auditors Access to Information by 4C Units

Requirement: 4C Units MUST provide auditors with full access to all information necessary for their work during an audit.

6.7 Continuous Improvement (CI) by 4C Units

Requirement: Within six weeks after being certified, 4C Units MUST develop an Improvement Plan based on the audit result which addresses audit findings, risks and observations with the aim to eliminate all remaining red practices, if applicable, until the next renewal (within 3 years). Any red practice as concluded during the previous audit MUST be eliminated within three years before undergoing renewal. Any derogation to this rule will be made by the 4C Services on a case-by-case basis in consultation with the 4C Auditor and other sources as deemed necessary. Derogations will be limited in time and a Unit should not be granted derogations on a continuous basis. Derogations are only possible due to force majeure, i.e. 4C Units being located in conflict zones or because of a natural disaster, or where the outbreak of a disease or pest is considered as an epidemic event as declared by recognized sources such as national authorities.

The 4C Unit MUST update its improvement progress on an annual basis together with the Self-Assessment and other documents.

6.8 Periodic monitoring by 4C Units

Requirement: 4C Units MUST update the 4C Services on their improvement of remaining red practices towards yellow annually, as well as on the overall performance of the 4C Unit against the 4C Code and respective basic data and information, as reflected in the BPM and organizational chart and in report on pesticides. In addition, 4C Units MUST report on the previous coffee year's commercial activities (Commercial Reporting).

6.9 Trading of 4C Compliant Coffee by 4C Units⁷

Requirement: 4C Units MUST only trade coffee from registered Business Partners of the 4C Unit as 4C Compliant Coffee. When accepting a bid from buyers or making an offer to sell 4C Compliant Coffee, 4C Units MUST make reference to its valid certificate number and certificate validity period. Each and every shipment of 4C Compliant Coffee MUST include a copy of the 4C Unit's certificate as part of the shipment documentation (e.g. Bill of Lading). 4C Compliant Coffee must ONLY be shipped under a valid certificate. Shipping 4C Compliant Coffee stock⁸ from 4C Business Partners is ONLY possible when the 4C Unit has a traceability mechanism in place equivalent to the practice described under traceability principle number. 1.8 (economic dimension) at the YELLOW level.

⁶ Average yellow is applicable per dimension, i.e. some principles may be rated red and in these cases the red practices need to be compensated by green and/or yellow principles within the same dimension in order to reach an average yellow rating per dimension. An aggregated yellow rating in each dimension is a minimum prerequisite for certificate eligibility.

⁷ This only applies to delivery by 4C Units of its own 4C Compliant Coffee. 4C Units and Trade Members, who buy and sell 4C Compliant Coffee of other 4C Units, are requested to refer to the 4C Commercial Guidelines for further guidance.

⁸ Stocks of coffee refer to coffee which was produced under a valid certificate it was obtained in previous harvest (year) which has been stored and is intended to be sold as 4C Compliant Coffee.