

Ref.: 4C Info Mail 017/18 - Clarification about the article published by Repórter Brasil

7<sup>th</sup> August 2018

To all users of the 4C System and other civil society stakeholders,

On August 03, 2018 the 4C Code of Conduct and verification system was mentioned in an article published by "Repórter Brasil" describing the occurrence of an inspection carried out by the Brazilian Ministry of Labor at Fazenda Córrego das Almas, in the municipality of Piumhi, Minas Gerais, Brazil.

In order to clarify all stakeholders in a transparent manner, we would like to confirm that the farm mentioned in the report:

- 1. does not hold a 4C license:
- 2. is not included in any list of producers belonging to the groups (4C Units) holding a 4C license;
- 3. was recently included in a request for verification and inclusion in a producer group. The on-site verification has already occurred, but to date the 4C license has not been issued;
- 4. did not market any coffee as a 4C licensed coffee up to now.

We consider the information described in the "Repórter Brasil" article to be relevant and their findings are of course incompatible with the requirements of good agricultural and management practices. They would constitute a breach of the 4C Code of Conduct, and specifically represent unacceptable practices as described in the 4C Code.

As soon as we became aware of the content of the report, we have initiated a rigorous internal investigation and have already implemented the corresponding sanctions of the verification rules of the 4C system. In practical terms, this means the immediate exclusion of the farm mentioned in the report from the application process we received recently, and an increased level of scrutiny for other farms within the same 4C Unit to ensure the problem is not occurring elsewhere.

We make ourselves available for further clarification.

Best regards,

Gustavo Bacchi Managing Director

Coffee Assurance Services

