

## REMEDIATION POLICY FOR CRITICAL NONCONFORMITIES

### 1. Introduction

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

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

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

## 2. Definition of Critical Non-Conformance

Critical non-conformities refer to actions that violate essential sustainability and ethical standards defined in ECO by Expocacer, which are:

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

## 3. Definition of Remediation

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

## 4. Identification

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

- a. Initial Evaluation:** Before joining the program, the producer will be carefully evaluated as to the minimum compliance with the critical criteria and unacceptable practices defined by ECO by Expocacer.
- b. Internal and Certification Audits (External):** During internal and external audits, the producer will be evaluated on all critical criteria and criteria

applicable to the year in question, as well as unacceptable practices. The producer can comply with more than what is required, but cannot comply less.

## 5. Remediation Procedures

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

### Phase 1: Immediate Protective Response

**a. Protection of Affected People and the Environment:** Upon identifying a critical violation, EXPOCACER will take immediate action to protect people or the environment that may be harmed. This may include:

- Removal of people (such as children in child labour or workers in unsafe conditions) from the harmful situation;
- Notification to the competent authorities in cases of serious legal violations (e.g., slave labor, environmental crimes);
- Isolation of areas affected by harmful environmental practices, such as toxic waste disposal.

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

## Phase 2: Research and Review

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

- The root cause of the violation (e.g., failure to monitor, inadequate employee training, poor operational practices, lack of knowledge of the producer, etc.);
- Impacts of violation on workers, communities and the environment.

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

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

## Phase 3: Development of a Remediation Plan

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

- Immediate actions to correct the violation (e.g., reforestation in illegally deforested areas, proper disposal of hazardous waste, improvement in working conditions, improvement of living conditions of residents, etc.);
- Compensatory measures for affected parties, such as workers or communities;

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

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

#### Phase 4: Monitoring and Implementation

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

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

#### Phase 5: Verification Audit

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

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

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

### 6. Certified Coffee Treatment During Remediation

- a. Coffee in Stock or in Transit**

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

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

b. Destination of Coffee During Suspension

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

7. Monitoring and Transparency

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

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

8. Responsibility

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

## 9. Final considerations

It is essential to highlight that ECO by Expocacer aims to promote a vision of sustainability for the Cerrado of Minas Gerais. The more producers adhere to the protocol, the greater the impact generated, making its purpose increasingly relevant. The actions of this policy seek to facilitate the adaptation of producers to the guidelines of the protocol, without the intention of excluding or preventing any producer from seeking certification. The protocol is a tool designed to support continuous improvement, raise awareness of unacceptable practices, and ensure that producers are able to certify.

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# ECO

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