

Raiz Sustainability™ Assurance Methodology_2024

1. Introduction

This document outlines the methodology used to assess compliance with the Raiz Sustainability™ criteria. It is designed to provide a clear, consistent, and transparent approach to sustainability assessments, ensuring that all results are trustworthy and credible.

2. Objectives

- To establish a robust framework for assessing the compliance of stakeholders with Raiz Sustainability™ criteria.
- To ensure that the assessment results are accurate, consistent, rigorous, and accessible to all stakeholders.
- To enhance stakeholder confidence in the sustainability initiative, facilitating better decision-making for investments and partnerships.

3. Methodology Overview

The methodology consists of several key components: Preparation, Assessment, Analysis, Reporting, and Continuous Improvement.

4. Preparation Phase

- **Define Assessment Criteria:** Clearly outline the sustainability criteria, including environmental, social, and economic components, aligned with both Raiz standards and GCP equivalence mechanisms.
- **Develop Assessment Tools:** Create standardized assessment checklists, surveys, and scoring matrices for evaluating compliance. Tools should include a mix of qualitative and quantitative metrics.
- **Training:** Conduct training sessions for assessors to ensure understanding of criteria, assessment tools, and data collection methods.

5. Assessment Phase

- **Initial Self-Assessment (Baseline_):** Encourage supply chain partners (farmers, cooperatives, processors) to conduct a self-assessment using the developed tools to promote accountability and identification of areas needing improvement. All clusters complete the performance monitoring surveys annually on a representative sample (as per sampling guidance)

On-Site Assessments:

- Frequency: Conduct on-site assessments at least once a year for each supplier or participating in the Raiz program.
- Approach:
- Utilize trained field assessors who will use standardized checklists to perform evaluations.
- Gather data through observations, interviews, document reviews, and surveys of both farmers and workers.
- Conduct random sampling of coffee lots to evaluate practices and sustainability criteria adherence.

Third-Party Audits:

- Commission independent third-party auditors to verify compliance annually, by audit firms accredited by APSCA certification
- Ensure that auditors are accredited by Rainforest Alliance or Fairtrade USA, as well as the requirements for Auditors to assess compliance with GLOBALG.A.P., the ISO 19011: Guidelines for Auditing Management Systems,
- Auditors must meet:
 - Possesses a post high school degree in EITHER of the following two (2) categories:
 1. A two-year trade or technical degree in a discipline related to the scope of certification
 2. Bachelor's degree in a relevant subject (Environmental Science, Accounting, Rural Development, Agronomy, etc.)
 - ii. Meets BOTH of the following criteria related to in-field audit experience for similar standards [e.g., Fairtrade, Organic, ISO 9001: 2008; SA8000, ISO14001, UTZ / Rainforest Alliance Chain of Custody, Nespresso AAA, Coffee and Farmer Equity (C.A.F.E.) Practices]:
 - AT LEAST one (1) year of experience conducting these audits b. Has led4 a minimum of ten (10) total audits 5 under the aforementioned standards iii. Possesses at least two (2) years of agricultural industry experience.

All on-site auditors or audit teams must have at least one representative with certification audit experience in coffee supply chains AND a current member of APSCA in good standing to mitigate risk of unethical behaviour and negligent behavior. Suppliers are actively requested by the SO to report observed or suspected misbehavior on the part of auditors

through standard complaint mechanisms provided in the Guidelines or directly to SO contact(s). All current and prior year audit reports are reviewed alongside each other by a Westrock representative upon receipt, after which meetings are scheduled with cluster administrators to confirm their acceptance of the audit results, and gather feedback on the audit process with the chosen firm.

Auditor Assessment:

After receiving a completed audit report from the field auditor, Westrock submits a questionnaire to

1. Enter the full name of the auditor, name of the cluster and date range of the field inspection. Auditor name: _____ / Date/ __/__/____/, cluster name _____
2. Rate the quality of the field inspection from 1 to 10 (10 being the best) and explain your answer: _____.
3. Did the auditor communicate in a clear way?
4. Was the auditor respectful?
5. Was the auditor punctual?
6. Did you have any issues or discrepancies during the field inspection? If so, please describe.
7. Do you wish to appeal the results or any of the findings?
8. Is there anything you want to report or communicate regarding the Raiz audit?

Westrock will share the auditor assessments with the audit firm and will report any misbehavior from auditors, reserving the right to exclude any person found guilty of wrongdoing.

6. Analysis Phase

- **Data Compilation:** Collect and compile data from self-assessments, on-site assessments, and third-party audits into a centralized database.
- **Scoring and Evaluation:** Establish a scoring system based on agreed metrics, where specific weights are assigned to different sustainability criteria.
- **Assess performance against defined benchmarks to categorize compliance levels (e.g., compliant, non-compliant, and needs improvement).**
- **Trend Analysis:** Analyze historical assessment data to identify trends in compliance over time, offering insights into areas of progress or concern.

7. Reporting Phase

- **Stakeholder Reports:** Generate bi-annual reports summarizing assessment findings, trends, compliance levels, and areas for improvement. Reports should maintain a level of detail sufficient for stakeholders to understand methodologies and outcomes clearly.
- **Accessibility:** Publish the findings on the Westrock Coffee Company website in a user-friendly format, ensuring stakeholders can easily access this information.
- **Distribute reports to stakeholders,** including partners and investors, highlighting key insights and sustainability impacts.
- **Feedback Mechanism:** Implement a structured feedback process allowing stakeholders to comment on the findings and suggest improvements, ensuring inclusive engagement.

8. Continuous Improvement

- **Follow-Up Plans:** Based on assessment results, develop tailored improvement plans for individual supply chain partners that outline specific actions and timelines for addressing identified issues.
- **Reassessment:** Conduct follow-up assessments to evaluate the effectiveness of improvement actions and ensure ongoing compliance.
- **Stakeholder Engagement:** Maintain a continuous dialogue with stakeholders, providing updates on progress and changes to sustainability standards, and inviting input on criteria and methodologies.

9. Documentation and Transparency

- **Maintain Comprehensive Records:** Keep detailed records of all assessments, including self-assessments, on-site assessments, third-party audit reports, and corrective action plans. Ensure these records are date-stamped and securely stored.
- **Validation of Results:** Cross-validate results by comparing multiple data sources (self-assessment, auditor reports, trend analysis) to minimize biases and ensure accuracy.
- **Transparency in Assessments:** Share methodologies, criteria, and assessment results in a transparent manner, ensuring stakeholders understand how compliance is measured and reported.

Best Practices for Farmer Surveying

1. **Representativeness:** Being aware of the homogeneity of the farmer population is important as well as individual farmer locations. The ideal approach would be a

- simple random sample where the appropriate number of farmers are randomly selected from a list and surveyors go to that list of farms to conduct the surveys.
2. Accuracy of farmer recall (memory) diminishes significantly beyond one year, so try only to ask about the last production cycle. It is also optimal to visit farmers soon after the main harvest period (and ideally at approximately the same time each year).
 3. Try to talk to the head of household for each farm (different people may give you different perspectives but typically the decision-makers will yield the most accurate results).
 4. Quality checks in the first week of a surveyor's work can also make a big difference; make sure surveyors stick to the specific questions as written.
 5. Make sure surveyors understand why you are asking the specific survey questions, and you will get better quality and more motivation (you might even share how the data will be used).

This documented methodology for assessing compliance with Raiz Sustainability™ criteria establishes a comprehensive framework that ensures accuracy, consistency, rigor, and accessibility of results. By providing clear guidelines and maintaining transparency, Westrock Coffee Company fosters trust among supply chain partners, investors, and other stakeholders. This commitment enables informed decision-making and supports the collective goal of building a more sustainable coffee industry.