



V6 October 2024

Westrock Coffee Company's Raíz Sustainability™ Program Guidelines



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Letter from Westrock Coffee Company

Westrock Coffee Company was founded on the belief that fostering honest and equitable relationships in agricultural supply chains could drive the success of our farmer partners, supply chain partners, and our company. Westrock Coffee has evolved and grown since we began in 2009, notably with the acquisition of S&D Coffee & Tea in 2020. However, our commitment to responsibly sourcing coffees and teas in a manner that is fair to the people who grow and handle them, as well as to their employees, peers and environments has remained steady through this growth. We also remain focused on growing supply chain transparency through long term relationships built on repeat business and sustainable supply chain development.

Westrock Coffee's acquisition of S&D in 2020 introduced us to Raíz Sustainability™ (Raíz), a pioneering initiative empowering farmers through sustainable practices and equitable trade, built by S&D in 2014 with invaluable help from Conservation International. Raíz is a tangible demonstration of S&D's and Westrock Coffee's commitment to long-term, sustainable business from our farmer partners all the way to our customers.

Raíz Sustainability™ roots farm economic profitability, environmentally beneficial agriculture, socially responsible working conditions, and equitable supply chains into the fabric of the partnerships that carry coffee from the tree it grows on to the consumer who enjoys it. The Raíz Sustainability™ Standard, written by Conservation International, is the foundation of the program. The standard specifies code of conduct requirements and continuous improvement opportunities for producers and their cluster administrators within the social, environmental, and economic categories.

The updated standard, Version 6, ensures that Raíz continues to be relevant to the evolving needs of our farmer partners, their communities, our customers, and our industry. Notably, Version 6 of the standard highlights five priority areas for producers and cluster administrators: 1). Gender equity; 2). Youth participation; 3). Just labor practices; 4). Agroforestry and regenerative agriculture principles; and 5). Farm resilience.

We thank Conservation International for their partnership in creating Version 6 and its accompanying documents. We also thank our Raíz supplier partners who provided feedback throughout the process.

Sincerely,

Brooke Cantrell
Vice President, Sustainability
Westrock Coffee Company



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Intent of this document

The information contained in this Raíz Sustainability™ Guidance Document seeks to achieve the following objectives:

1. Explain the Raíz Sustainability™ Program
2. Provide guidance to coffee suppliers on how to develop and manage a Raíz Sustainability™ cluster.
3. Provide guidance to suppliers on minimum compliance expectations.
4. Provide resources to suppliers for use in addressing challenges that may arise from a cluster.
5. Align requirements for reporting progress across the Raíz Sustainability™ coffee supply chain to ensure transparency, credibility, and accuracy.

The following documents, make up the Raíz Sustainability™ Program materials:

Raíz Sustainability™ Guidance Document

Raíz Sustainability™ Standard

Raíz Sustainability™ Audit Evaluation Tool

Raíz Sustainability™ List of Banned Chemicals

What is Raíz Sustainability™

Westrock Coffee Company developed the Raíz Sustainability™ program in 2014 as a framework for transparency along the supply chain. Raíz Sustainability™ is a leading, robust, reliable, and credible sustainable sourcing platform. It sets out to ensure coffee is produced according to best practices, measures farmers' performance on adoption of practices, and ensures that coffee producers are supported to address industry issues. Raíz Sustainability™'s vision is to deliver transformative impacts to farmers, their families, and the coffee they produce across multiple areas of their lives including productivity, profitability, soil health, water management, forest conservation and fair labor practices.

New to the program this year are Raíz Sustainability™ five additional focus areas.

Gender Equity

Youth Participation

Labor Practices

Regenerative Agriculture and Agroforestry

Farmer Resiliency

Cluster management is highly encouraged to adopt these into their daily activities and practices.



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Why Raíz Sustainability™

Westrock Coffee Company (Westrock) actively engages in the producer communities from which its coffee is purchased, investing in a wide variety of improvements to the coffee production model. This partnership with producers begins with the Sustainable Coffee Premium, a significant Westrock program investment that covers Raíz Sustainability™ program costs, technical assistance, a cash premium for farmers, access to inputs, and/or in-kind investments. In addition, Westrock requires adoption of their Raíz Sustainability™ Standard – a comprehensive list of sustainability best practices and requirements for supplying coffee. Westrock systematically measures performance through periodic tracking of producer operations and annual impact monitoring to understand the conditions and changes registered by its suppliers.

In order to maintain its relevance over time, The Raíz Sustainability™ Standard undergoes a revision every 3 years. A series of live discussions will take place to review feedback and consultations in a global context, keeping the objective to drive impact, measured performance and guarantee assurance, balancing the needs of all stakeholders. The process includes a thorough review of the industry standards and conducting a benchmark against other relevant schemes, producer and exporter voices and feedback, customer goals or needs, any organizational transformation or regulatory change that affect how coffee is traded.

Westrock's Sustainability and Sourcing teams, start a series of discussions about the applicable, fairness, ability to impact, value proposition, scale and consistency of the program, with each of the different stakeholders in Raíz (Producer representatives, Export and Import members of the program are invited to live sessions to discuss the program.

Once the stakeholder review is complete, Westrock engages with Conservation International to define a list of desired outcomes, if changes are required from the initial consultation an update process begins.

A series of 2 or 3 comparable schemes are selected to conduct a benchmark that offers an equivalence. The update process is then led by Conservation International's environmental experts to address any gaps identified. Any draft is shared with stakeholders for validation of clarity, scope and applicability, to allow for adjustments.

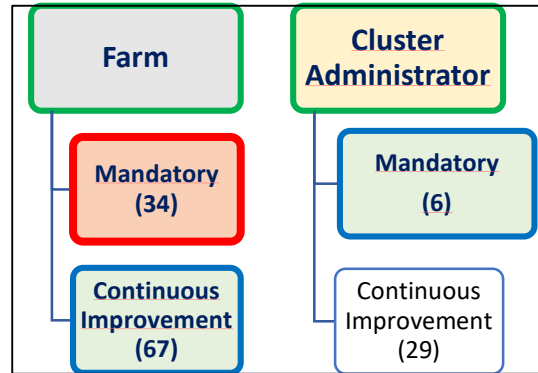
Westrock's VP of Sustainability approves the final version, and the Senior Field Operations manager is responsible to circulate and communicate with stakeholders.

Changes to the Raíz Sustainability™ Standard or the Raíz Sustainability™ Program Guidelines are communicated with at least a full production season. While there may be immediate/ critical changes as well as regular reviews before the 3 year period, all changes will be communicated in advance, including written and/or verbal instructions).

Raíz Sustainability™ Guidelines Overview & Use

Westrock Coffee Company utilizes its standard as a proof of compliance tool, allowing coffee suppliers to demonstrate adoption of best practices in accordance with Westrock requirements. Westrock created the Raíz Sustainability™ Standard in 2015 and has continued to refine the tool since its first years of use. Version 6, released in January 2024, contains improvements based on feedback from stakeholders and benchmarking with other coffee industry initiatives. The Raíz Sustainability™ Standard consist of a two-module scorecard, one for Farms and one for Cluster Administrators, containing 136 total indicators, structured as shown in Figure 1.

Figure 1. Structure of the Raíz Sustainability™ Guidelines in its version 6 (2024).



The Standard responds to social, environmental and economic areas that Westrock deems critical to achieving sustainability in its coffee supply chain. Within each area exists industry concerns and issues defined as principles of the Raíz Sustainability™. Specific themes addressed by the program are then defined as sections. The Raíz Sustainability™ Standard - Farm Module contains 6 principles and 3 sections. Additionally, the Raíz Sustainability™ Standard - Cluster Administrator Module contains 5 principles and 3 sections. Table 1 for details and structure of the described areas, principles and sections for both Modules.

The evaluation criteria is divided into three major “subject areas” that encompass metrics for coffee sustainability – Social, Environmental, Economic- with indicators in each criteria progressing along a spectrum from mandatory practices to continuous improvement practices. Mandatory requirements for program participation address the following: payments that satisfy the legal minimum wage requirements; employment practices prohibiting discrimination, harassment, and the use of child and forced labor; access to education; conversion of natural forest to agricultural production; pesticide use; and product traceability among others. Collectively, the Raíz Sustainability™ Standard that includes both Farm and Cluster Modules include 136 indicators, and of those, 42 are mandatory requirements.

RAIZ SUSTAINABILITY STANDARD - INDICATOR SCORECARD - FARM MODULE V6 2024					
SUBJECT AREA	PRINCIPLE	OBJECTIVE	# OF MANDATORY INDICATORS	# OF CONTINUOUS IMPROVEMENT INDICATORS	# OF TOTAL INDICATORS
Social	Worker protection	Workers rights	16	0	16
		Worker pay	6	8	14
		Worker conditions	1	8	9
		Health and safety training	2	6	8
Social subtotal			25	22	48
Environmental	Sustainable, safe, and profitable agricultural practices	Soil protection	0	6	6
		Forest conservation	1	1	2
		Biodiversity protection	2	9	11
		Chemical usage	3	7	10
		Water protection	0	5	5
		Waste Management	1	3	4
	Climate	Efficient Energy use	0	3	3
		Climate Change	0	2	2
Environmental subtotal			7	36	43
Economic	Assured supply	Assured Quality	0	1	1
		Farm Improvement	0	2	2
	Transparency and traceability	Transparency	0	4	4
		Traceability	2	1	3
Business Integrity	Business integrity	0	1	1	
Economic subtotal			2	9	11
Total			34	67	101

RAIZ SUSTAINABILITY STANDARD - INDICATOR SCORECARD - CLUSTER ADMINISTRATOR MODULE V6 2024					
SUBJECT AREA	PRINCIPLE	OBJECTIVE	# OF MANDATORY INDICATORS	# OF CONTINUOUS IMPROVEMENT INDICATORS	# OF TOTAL INDICATORS
Social	Worker protection	Worker conditions	4	0	4
		Worker Inclusion	0	4	4
		Health and safety training	0	1	1
Social subtotal			4	5	9
Environmental	Sustainable, safe, and profitable agricultural practices	Soil Protection	1	2	3
		Biodiversity Protection	0	2	2
		Waste Management	0	1	1
		Efficient Energy Use	0	1	1
		Climate	0	5	5
	Climate Change	0	5	5	
Environmental subtotal			1	11	12
Economic	Assured supply	Supplier Improvement Plan	0	5	5
		Assured Quality	0	1	1
		Farm Improvement	0	1	1
	Transparency and traceability	Transparency	0	2	2
		Traceability	0	2	2
		Premium Investment	1	2	3
Economic subtotal			1	13	14
Total			6	29	35

Table 1. Structure of the Raiz Sustainability™ Standard and indicator count, version 6 (2024).

The updated version of the Raiz Standard WCC_V6, was a collaborative process lead by Conservation International, where stakeholders from Brazil, Colombia, Mexico and Nicaragua took part in a consultation period of around 8 weeks, where feedback was offered from both the producer perspective and cluster administrator perspective. Raiz producers from Colombia, Nicaragua and Brazil gave feedback and context to requirements. The final version has taken into account all feedback from stakeholders, maintaining industry relevance and preserving Westrock's sustainable sourcing standards. Exporters, agronomists and producers were consulted during the last round of updates.

Program Targets

Clusters are expected to comply with **100% of the mandatory indicators** and demonstrate annual growth on continuous improvement indicators, with a base line of 80% percent compliance of continuous improvement indicators, at the farm and cluster guideline levels. Program targets are an important monitor, beginning at the end of the first three-year cycle (each cluster must be assessed against the start date) in an effort to promote the continuous improvement spirit once the clusters are established and operating.

Farm size guidance

Coffee production and processing vary widely worldwide. Farms range from small family operations with less than one hectare to large estates with hundreds of hectares. Given these differences, a farm sizing approach is needed to enable enough flexibility to work in any situation that auditors may face globally while inspecting the Raíz Sustainability™ program.

Each cluster administrator should categorize farms into the following categories:

- **Small farms:** Any farm with **less than 12 hectares** in coffee production
- **Medium farms:** Any farm with **12 to 35 hectares** in coffee production
- **Large farms:** Any farm **larger than 35 hectares** in coffee production.
- **Other Large Farms:** In the **context of Brazil**, large farms in this location are categorized as **any farm with 50 hectares or more** in coffee production.

Categorization by size is accounted for in area planted in coffee rather than total farm area.

Frequency and timing of verification:

The verification process is **conducted once annually, ideally during harvest season**. The first verification per cluster provides a baseline, which provides an understanding of the current condition of the sustainability program and helps to define targets for improvement. In the event an audit takes place outside of a harvest season, the direct supplier could be asked for supplemental reports on issues related to farm activities.

Raíz Sustainability™ Program Verification Process

Cluster Registration

The verification process begins once producers decide to participate in a Cluster and register the group with Westrock's Raíz Sustainability™ Program. According to the Raíz Sustainability's™ Cluster rules (See Appendix A), the cluster administrator manages the group of farms, prepares them for participation with the Raíz Sustainability™ Standard, and coordinates the third-party audit to demonstrate compliance with program requirements.

Participant farms are selected from the latest activity and traceability report. The auditor must be able to provide the following information in the file:

- Farmer and farm name
- Farm size (area in coffee)



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Raíz Sustainability™ Program Audit process

The cluster administrator is responsible for selecting an audit firm that complies with the McCafé SIP Auditor Requirements to implement the third-party verification process. Any auditor performing the verification of the Raíz Sustainability™ Standard must be in compliance with the McCafé SIP Auditor Requirements and should be in direct communication with a member of Westrock Coffee Company's sustainability team. The verification body must be accredited to certify Rainforest Alliance or Fair Trade, must follow ISO/IEC 17065:2012 standard or be a member of APSCA (Association of Professional Social Compliance Auditors). All audit firms associated with evaluating compliance criteria for sourced ingredients demonstrate adherence to the Association of Professional Social Compliance Auditors (APSCA) Competency Framework and Code of Professional Conduct.

The audit team works with the Westrock provided farm and cluster administrator modules. These modules cannot be altered and must remain unchanged during the entire process.

Westrock reserves the right to select auditors on the cluster's behalf, contract them directly, and remove any relevant audit costs from cluster payments.

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 behavior 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.

Sample Selection

Based on ISEAL Alliance recommendations, square root sampling of producer groups is the industry norm and considered best practice. Additional criteria to consider is the size of the farm (small, medium, large). The requested criteria are the following:

Square root of the small farms | Square root * 1.5 for medium and large farms

For the second and third years, the sample must include at least 20% of the same farmers from the previous year.

Audit samples should be shared with the cluster administrator 5 business days prior to the field inspection to allow for planning and communication with all stakeholders, unless the cluster administrator can prove that the situation requires additional logistics planning.

Delivering Verification Results

The auditor then conducts the verification based on the guidance provided in this document, utilizing the Westrock Raíz Audit Evaluation Tool (provided by Westrock representative).



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Compliance reports: Based on the scope of the audit, one compliance report will serve for the cluster administrator and multiple farm compliance reports at the farm level, corresponding to the sample size. Reports are to be submitted to the Westrock representative using the template provided. The auditor can then offer an opinion of compliance (options include: comply, does not comply, or N/A) along with providing comments for justification.

Written reports: There will be a template for reporting on the process and adding evidence. The template for reporting is added as Appendix B to this document.

Report Review: Approval / Rejection

When the report is submitted to the Westrock representative, the cluster will have access to review and approve or suggest reviews if required. The sub-steps for report review are as follows:

- Cluster pre-approves report submission: If approved, Cluster creates a group of audited farms (suppliers) and shares group and data up to Westrock.
- Alternatively, cluster rejects report & unsubmitted all rejected farm scorecards back to auditor.
 - If rejected, the auditor edits and re-submits reports.
 - Cluster pre-approves report submission: If approved, Cluster creates a group of audited suppliers and shares the group and the data up to Westrock.

Score Assignment

Based on the auditor reports, the auditor assigns a score for the cluster on the following items:

- Percentage of compliance on Farm level – Mandatory indicators
- Percentage of compliance on Farm level – Continuous improvement indicators
- Percentage of compliance on Cluster administrator level – Mandatory indicators
- Percentage of compliance on Cluster administrator level – Continuous improvement indicators

Only the indicators answered as “Comply” and “Does Not Comply” are considered when calculating the compliance rate. “Not Applicable (N/A) is omitted in the compliance calculation.

Required annual trainings are held with Raíz auditors. Prior to the training, the standardized checklist/audit form is agreed with the firm representing individual auditors and the auditors are provided the Raíz Audit Evaluation Tool, which they are required to review before the training. The purpose of the training is to clarify the purpose of any indicator that and auditor considers open for interpretation.

Suppliers who wish to make a complaint about an auditor should follow the Raiz Sustainability Grievance Mechanism (pg. 11 and 12 of In Westrock Coffee Company's Raiz Sustainability Program Guidelines V6 Oct 24 GCP working V). Review and remediation of such complaints by Westrock follow the Raiz Sustainability Grievance Mechanism (pg. 11 and 12 of In Westrock Coffee Company's Raiz Sustainability Program Guidelines V6 Oct 24 GCP

Annual Status Assigned



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The Westrock representative will send an annual status notification to the cluster within 30 days after the audit is completed. This notification includes the following information:

Annual status

- Cluster name: _____
- Current cycle-year:
 - 1/3
 - 2/3
 - 3/3
- Status assigned:
 - Verified
 - Not in compliance

Remediation Process for Non-Compliance in Mandatory Indicators

If verification results do not demonstrate minimum compliance with:

- Meeting 100% of the mandatory indicators, or
- Showing progress on continuous improvement indicators from the previous year

The cluster enters a 60-day time frame to take corrective actions. The cluster must submit a work plan along with a timeline to address all areas of non-compliance. Evidence of the corrective measures must be well documented with a report and/or photos. Depending on the severity of non-compliance, Westrock will either issue a desk review of the corrective actions or require the verification process to be completed again.

Assurance Remediation Process:

The following Raíz Sustainability™ Assurance Protocol aims to ensure all farm and cluster level activities are in line with Westrock's standards. Safeguarding the well-being of farmers, their families, and the natural environment is of the highest concern. When mistakes, however, are identified in the assurance process, Westrock may take various actions based on the severity and extent of the problem(s).

Remediation steps may include the following:

- *Improve Internal Systems:* Cluster programs might be asked to enhance their internal operational or administrative systems to ensure more accurate data reporting to Raíz Sustainability™.
- *Lower Purchasing Preference:* If clusters don't show efforts or success in making improvements, they may receive lower preference in purchasing.
- *Suspension from Raíz Sustainability™:* If non-compliance, especially with high-risk issues, is found, cluster programs may be temporarily suspended from Raíz Sustainability™. They can rejoin after taking sufficient actions to address non-compliance on all farms, verified by another round of audits.

Legal Action for Suspected Wrongdoing:

In cases where wrongdoing is suspected, Westrock may pursue legal actions

Raiz Sustainability™ Grievance Mechanism

The Raiz Sustainability™ Grievance Mechanism Protocol is designed to provide a fair and effective process for addressing concerns within the coffee supply chain. Regular assessments and updates will be conducted to enhance its effectiveness and responsiveness to the evolving needs of coffee producers.

Objective:

Ensure the prompt and equitable resolution of grievances, promote trust among stakeholders, and uphold ethical and sustainable practices in coffee production.

Scope:

- **Applicability:** This mechanism applies to all individuals and entities engaged in coffee production, including farmers, cooperative members, and other stakeholders within the supply chain.
- **Types of Grievances:** Cover a broad spectrum of grievances, including issues related to pricing, fair trade practices, labor conditions, environmental concerns, and adherence to established standards.

Principles:

- **Confidentiality:** All information related to grievances will be treated confidentially to protect the privacy and identity of the individuals involved.
- **Impartiality:** An impartial Grievance Committee will be appointed to investigate and resolve grievances, ensuring objectivity and fairness.
- **Transparency:** Ensure transparency throughout the grievance process, providing clear information on procedures, timelines, and outcomes to all parties involved. Process should also be available in all languages including native or local languages.

Grievance Submission:

- **Channels:** Producers may submit grievances through various context appropriate channels, may include but are not limited to:
 - Recorded anonymous submissions.
 - Dedicated online portal.
 - Anonymous email submissions
 - Dedicated grievance hotline
- **Anonymous Reporting:** Allow for anonymous submission of grievances to encourage open communication, particularly in cases where individuals fear reprisals.
- **Documentation:** A standardized form will be provided for documenting grievances, capturing essential details such as the nature of the grievance, parties involved, and any supporting evidence.

Grievance Handling Process:

- **Receipt and Acknowledgment:** Upon receipt of a grievance, an acknowledgment will be sent to the producer within [2] days.

- Preliminary Assessment: A preliminary assessment will be conducted to determine the validity and severity of the grievance.
- Formal Investigation: If the grievance is deemed valid, a formal investigation will be initiated, involving relevant stakeholders and parties.
- Resolution and Action: Based on the investigation findings, appropriate actions will be taken to address the grievance. This may include corrective measures, policy changes, or additional support.
- Communication of Outcomes: The outcomes of the grievance resolution process will be communicated to the concerned producer, including the actions taken and any changes implemented.

Appeal Process:

- Appeal Submission: Producers dissatisfied with the resolution may submit an appeal within [7] days of receiving the outcome.
- Appeal Review: An independent body will be appointed to review appeals, considering information from the initial grievance process and any new evidence presented.
- Final Decision: A final decision will be communicated to the appellant, providing clear reasons for the decision.

Continuous Improvement:

- Periodic Review: Conduct annual reviews of the grievance mechanism to identify areas for improvement and ensure alignment with industry best practices.
- Feedback Loop: Establish a feedback mechanism to collect input from coffee producers on the grievance process, allowing for continuous improvement.

Reporting:

- Annual Report: Publish an annual report summarizing the grievances received, actions taken, and outcomes. This report will be made available to all stakeholders to maintain transparency and accountability.

Raíz Sustainability™ Impartiality and Conflict of Interest Policy

The Impartiality and Conflict of Interest Policy aims to uphold the highest standards of integrity and objectivity within the assurance processes of Westrock. Regular reviews and continuous improvement will be essential to adapt to changing circumstances and industry dynamics.

Overview:

This Impartiality and Conflict of Interest Policy is designed to ensure transparency, objectivity, and fairness within the assurance system of Westrock and Raíz Sustainability®

Objective:

Identify and manage impartiality and conflicts of interest to maintain the integrity of the assurance processes, fostering trust among stakeholders.

Scope:

- **Applicability:** This policy applies to all individuals involved in the assurance system, including employees, auditors, and stakeholders.

Impartiality Assurance Committee:

- **Formation:** Establish an Impartiality Assurance Committee (IAC) composed of individuals with no direct involvement in the processes being assured. This committee will oversee impartiality and conflicts of interest.
- **Roles and Responsibilities:** The IAC is responsible for regularly assessing and ensuring impartiality within the assurance system, addressing conflicts of interest, and making recommendations for improvement.

Identification and Management:

- **Disclosure:** Individuals involved in the assurance system must disclose any potential conflicts of interest, whether personal, financial, or professional.
- **Impartiality Risk Assessment:** Conduct regular impartiality risk assessments to identify and evaluate potential sources of bias or conflicts of interest within the assurance processes.
- **Evaluation and Decision-Making:** The IAC will evaluate disclosed interests and make decisions on whether they pose a risk to impartiality. This may involve adjusting roles or responsibilities to mitigate potential risks.

Mitigation Strategies:

- **Action Plans:** Develop and implement action plans to address identified conflicts of interest. This may include additional oversight, role adjustments, or other measures to mitigate risks.
- **Communication:** Communicate decisions regarding conflicts of interest to the relevant individuals, ensuring transparency in the mitigation process.

Record Keeping:

- **Documentation:** Maintain detailed records of all disclosed interests, risk assessments, decisions, and actions taken to address conflicts of interest.

Training and Awareness:

- **Education:** Provide training to individuals within the assurance system on the importance of impartiality, the identification of conflicts of interest, and the procedures for disclosure.
- **Regular Communication:** Regularly communicate the Impartiality and Conflict of Interest Policy to all stakeholders involved in the assurance system.

Continuous Monitoring:

- **Ongoing Review:** Conduct continuous monitoring of potential conflicts of interest and impartiality risks, adjusting the policy and procedures as needed.

Whistleblower Protection:

- **Anonymous Reporting:** Establish a mechanism for individuals to report potential conflicts of interest or impartiality concerns anonymously, ensuring protection against retaliation.



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Periodic Audits:

- Internal and External Audits: Conduct periodic internal and external audits to assess the effectiveness of the policy and overall management of conflicts of interest and impartiality.

Review and Improvement:

- Policy Review: Regularly review the Impartiality and Conflict of Interest Policy, taking into account lessons learned, changes in the assurance system, and evolving industry standards.
- Continuous Improvement: Make necessary improvements to enhance the effectiveness of the policy in identifying and managing conflicts of interest and ensuring impartiality within the assurance system.

Appendix A: Cluster rules

The following rules have been developed to define a cluster, its related parameters and determine the regulations that affect the cluster. This document provides an overview on cluster elements such as cluster size, cluster administration, expected performance against the Raíz Sustainability™ Guidelines, and procedures for implementation of changes in the cluster, among others. These rules should be taken into consideration by all suppliers when managing producer clusters for Westrock.

Elements of a cluster

- **What is a Cluster?** Group of farmers in a similar geographic location, under common group administration and selling to Westrock through the same commercial entity.
- **Who administers a cluster?** The cluster could be administered by an exporter or a cooperative, farmer association and other entities. The administrator is responsible for the implementation of the Westrock sustainable sourcing program, which includes the management of farmers, the verification of participating farmers' performance against the Raíz Sustainability™ Guidelines, the provision of technical assistance or related services and data management & reporting.
- **How large or small can a cluster be?** Each cluster must not exceed the size of 600 farmers, however the minimum size can be defined in agreement with Westrock's sourcing and sustainability team and will include consideration of minimum volume needs.
- **What are the geographic constraints of a cluster (what makes it a manageable unit)?** A cluster must contain farmers that are geographically unified in order to be considered as a commercial cluster for Westrock. Farmers that are dispersed due to lack of roads, deficiency of means of communication, or long distances, must be considered for an independent cluster unless there is a clear reasoning behind the inclusion of those farmers into an existing cluster.

Cluster Priority Areas:

Cluster administrators must ensure the effective implementation and monitoring of the program with a specific focus on five key areas: **Gender Equity, Youth Participation, Labor Practices, Farm resiliency and Agroforestry and/or Regenerative Agriculture.**

1. **Gender Equity:** Gender equity is a critical component for building a sustainable and resilient Raíz Sustainability™ program. It contributes to economic development, community well-being, and the overall success of the program by ensuring that the benefits of the industry are shared equitably among all members of the community. Because of this, clusters are encouraged to implement the following protocol:
 - Cluster conducts a gender analysis to understand current gender representation on member farms, within Raíz-related activities, and in farms' production roles, coffee sales, and business management.
 - Cluster develops and implements targeted initiatives to promote gender equity, including training programs, resource allocation, and capacity-building for women in the coffee sector.
 - Cluster must regularly assess and report on gender-related metrics, including but not limited to access to Raíz services, participation in and benefit from Raíz services, and relevant farm impacts, ensuring transparency and accountability.
 - Raíz cluster management is required to complete Equal Origins' Gender Equity Index or a comparable exercise, which identifies inequities in program services access, farmer and farm worker equal opportunity and inclusion in farm and program activities. The index's questionnaire can also be applied

- to cultural and ethnic diversity. Cluster management uses the results of this index to develop plans at the cluster management and farm levels to secure equity and inclusion for all participants.
2. **Youth Participation:** Youth participation ensures the transmission of knowledge, fosters innovation, creates economic opportunities, and contributes to the overall well-being of coffee-producing communities. By actively involving the youth, it can build a foundation for a resilient and thriving future for the industry. Thus, clusters are encouraged to implement the following protocol or other initiatives that are industry relevant:
 - Facilitate outreach programs to engage and attract youth to the coffee sector, emphasizing training opportunities and career paths.
 - Establish mentorship programs connecting experienced individuals with aspiring youth in the coffee industry.
 - Monitor and evaluate the participation of youth in the cluster regularly, adapting strategies based on feedback and evolving needs.
 3. **Labor Practices:** Focusing on labor practices contributes to social justice, economic stability, and community well-being while also enhancing the quality and resilience of the coffee supply chain. Raíz Sustainability™ prioritizes ethical labor practices fostering a positive impact on both people and the environment.
 - Develop and enforce a code of conduct for labor practices within the cluster, ensuring compliance with international labor standards.
 - Provide regular training on fair labor practices, health and safety, and workers' rights to all stakeholders, including workers.
 - Implement mechanisms for transparent reporting and grievance procedures to address any labor-related concerns promptly.
 - In addition to social requirements listed in the standard and to maintain alignment with ILO convention 98, all worker trainings on access to freedom of association must be accompanied by information on nationally available resources and rights for convening and collective bargaining, worker benefits, duties, and rights, including but not limited to regular consultations between employers and workers' representatives concerning worker rights and working conditions, demonstration by farm owner that worker rights are applied to employees, and contractual agreements are respected by employer and employee.
 - Farmer associations and producer groups have access to capacity building on good management practices including good corporate governance and understanding of their legal duties.
 4. **Regenerative Agriculture and Agroforestry:** Integrating regenerative agriculture practices such as agroforestry promotes environmental stewardship and enhances resilience to climate change by improving soil health, promoting biodiversity, sequestering carbon, and supporting the well-being and livelihoods of coffee-producing communities. These practices align with the broader goals of Raíz Sustainability®, ensuring the long-term viability of coffee production while minimizing its environmental impact. Clusters are encouraged to:
 - Promote and incentivize the adoption of agroforestry and regenerative agricultural practices among coffee farmers.

- Draw upon local and international resources to develop sustainable farming guidelines that focus on soil health, biodiversity, and carbon sequestration.
- Monitor the implementation and impacts of agroforestry and regenerative agriculture practices, providing support and resources to farmers as needed.

Raiz supplier partners must provide independent information to Raiz producers that allows them to access a variety of information for the purposes of advancing their coffee farming and market knowledge.

Environmental-

Implementation and Monitoring:

- Establish a cluster administrator team responsible for overseeing the execution of the four priority areas (listed above).
- Conduct regular assessments and audits to evaluate the impact of sustainability programs on the five pillars: 1) Human Rights, 2) Environmental Conservation 3) Environmental Regeneration, 4) Optimal Farm Economics, 5) Transparency.
- Maintain open communication channels with stakeholders, including farmers, local communities, and industry partners.
- Collaborate with external organizations and certification bodies to validate and verify the sustainability efforts.

Documentation and Reporting:

- Maintain comprehensive records of sustainability activities, including data on gender representation, youth engagement, labor practices, and agricultural practices.
- Prepare regular reports summarizing the achievements, challenges, and future goals related to each pillar.
- Ensure transparency by making relevant information accessible to all stakeholders and the public.

Continuous Improvement:

- Regularly review and update the cluster administrator protocol based on emerging best practices and industry standards.
- Encourage feedback from stakeholders to identify areas for improvement and innovation.
- Foster a culture of continuous learning and adaptation within the cluster to enhance overall sustainability efforts.
- Annual Review: Comprehensive review at the end of each year to evaluate overall performance, reassess KPIs, and make necessary adjustments to the improvement plan.

Data Protection

- Data collected as part of the continuous monitoring and annual reporting, is stored in a Westrock database (repository database), hosted internally following Westrock's security protocols:
 - Security Assertion Mark-up Language-based Single sign-on
 - Multi-Factor Authentication
 - IP address restrictions
 - Security profiles
 - Personalized data permissions, allows for row level data security based on identified attributes (i.e. farm country of origin).

- Logging and audits feature allows us to search and report on all user activity in database.
- All transfers of data are supported by a non-disclosure agreement, all farm and personal data is stored securely, using second authentication protocols, all data reported is anonymized (unless specific consent is obtained in writing by each party).

Requirements of a Cluster / Cluster rules

- **Commitment to Westrock Coffee Company's Raíz Sustainability™ program.** Each farmer in the cluster must sign a letter annually, committing to the implementation and satisfactory performance against the Raíz Sustainability™ Guidelines. The letter should provide an overview of the philosophy of the **Westrock Coffee Company's Raíz Sustainability™** and explain the expectation for performance.
 - **Commitment letter to Westrock Coffee Company's Raíz Sustainability®.** Each cluster administrator must sign a commitment letter that provides an overview of the Raíz Sustainability™ program platform and the requirement to adhere to its policies and procedures. The letter must also mention the right of the farmer to decide whether or not to participate in this program. See **Appendix A** for the template of the commitment letter.
- **Sanction process.** A clear process with documented proof must exist when a farmer is not in compliance with the program policies due to low performance against required practices, quality issues or insufficient volume produced or delivered to the program. The cluster administrator must provide a document that informs the farmer of non-compliance with the program requirements.
- **Approved list of farmers.** Each cluster administrator must provide a current, updated list of farmers to Westrock twice a year and shall be part of the reports due to Westrock during I semester and II semester. Westrock reserves the right to require updates from the cluster regarding farmer commitment forms (code of conduct or commitment to the program)
- **Avoided duplicity of farmers.** Duplicity is not allowed in Westrock Coffee Company's Raíz Sustainability™ clusters. If a farmer is found in two different clusters, a measure must be taken immediately to avoid having duplicity issues. This topic can be discussed with Westrock to find an adequate solution.
- **Notification of cluster changes.** If there is a change in the cluster composition (number of farmers or producers' substitution) of more than 10% of the farmers, the cluster administrator must send an updated list immediately to Westrock notifying the modification.
 - **Cluster size reduction.** If the cluster reduces its size, this process must be properly documented with the following information:
 - Rationale for reduction, and
 - A signed letter stating voluntary withdrawal from the program, or
 - A dismissal form due to nonconformity with Westrock's Raíz Sustainability™ requirements. This case must be accompanied by sanction process documentation according to the partner procedures.
 - **Cluster size increase.** If the cluster size increases, this process must be properly documented with the following information:
 - Rationale for growth, and
 - Action plan for incorporating new farmers into the current cycle stage.

Any growth in farm numbers should be discussed and approved by Westrock

Participating farms in Raíz Sustainability™ shall not use genetically modified or transgenic organisms for coffee production (including varieties



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No use of genetically modified (transgenic) organisms (GMO), this includes coffee varieties, flavorings and additives in coffee production.



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Annex A.1: Letter template for farmer commitment to Raíz Sustainability™ cluster rules.

Name:

ID:

Reference in cluster:

Farm:

I commit to comply with the Raíz Sustainability™ Standard in order to be part of the as cluster [cluster name] supplying sustainable verified coffees to Westrock Coffee Company in [country].

I understand the Raíz Sustainability™ Standard requirements which include mandatory and continuous improvement indicators on the Social, Environmental and Economic dimensions. The specific approach on the Social component seeks to guarantee and improve workers' rights, workers pay, workers conditions, and health and safety training. Environmental indicators focus on soil protection, forest conservation, biodiversity protection, chemical usage, water protection, waste management, efficient energy use, and climate change. Economic indicators seek progress in the continuous improvement plan, quality assurance, farm improvement, transparency, traceability, and business ethics.

I certify that I have access to the Raíz Sustainability™ Standard and the list of banned chemicals, as well receiving support from the cluster administrator for the successful implementation of the program.

Farm name: _____

Farmer name: _____



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Appendix B: Audit evaluation tool

To access the Raiz Sustainability™ Program Audit Evaluation Tool for audits please request the latest template.

Appendix C: Glossary

Raíz Sustainability™ Standard is the abbreviated name for the Raíz Sustainability™ Program; a continuous improvement program set out to promote best practices within the supply chain.

Cluster administrator module is the section of the Raíz Sustainability™ Standard that oversees the management skills for the cluster administrator according to the Raíz Sustainability™ program.

Farm module is the section of the Raíz Sustainability™ Standard that oversees farms actions and conditions according to the Raíz Sustainability™ program.

Farm Resilience is a farm's ability to remain viable through unexpected weather events, market conditions, and changing climate patterns due to ecosystem maintenance, stable supply chain partnerships, long-term business planning, and profitable coffee sales.

Subject Area represents the three dimensions that are covered by the Raíz Sustainability™ Standard. The areas are social, environmental and economic.

Pillars refer to the five key social, environmental and economic beliefs outlined in the Raíz Sustainability™ Program. All sections and indicators are derivatives from these pillars.

Principles: A fundamental guideline or value that underpins the Ethical, Social, Environmental, and Economic considerations within a sustainable coffee supply chain.

Objectives are the seventeen categories in which the principles are broken down into.

Indicators refer to the social, environmental or economic actions that should occur on farms or administrative unit and relate back to the sections.

Mandatory indicators refer to the sub-set of indicators that Westrock requires farms to meet in order to sell their coffee through the Westrock supply chain.

Continuous improvement indicators refer to the indicators that are considered important farm practices and cluster administrator management skills to be met over time.

N/A indicators are those indicators that do not apply to a certain farm or group of farms. An example of an N/A indicator would be one that related to wet mill infrastructure when the farm or group of farms does not have a wet mill on site.

Implementing partner/supplier refers to the entity who sells coffee to Westrock. In the context of the Westrock supply chain, it is assumed that in most cases the direct supplier will also act as the entity that coordinates and manages the group to be verified. However, this could differ should there be an already organized body (such as a cooperative) who would act as the group administrator on behalf of the direct supplier.

Cluster administrator refers to the entity facilitating/coordinating the implementation of the Raíz Sustainability™ Standard across the group of farmers. The cluster administrator should make all documentation related to the sustainability program, staff and member farms of the program, in addition to administrative, productive, processing and storing facilities available for verification. Infrastructure managed by the group administrator is also subject to verification.

Farm refers to the entire property area including agricultural land (coffee and other crops), conservation areas, infrastructure within the property and also any infrastructure of the farm located offsite but directly related to the activity in the sustainability program being verified. Farm employees and communities next to the farm are also subject interviews as part of the verification process. Farm management documentation may be checked for verification.



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Farm size refers to the farm profile. Each cluster administrator should categorize farms into small (<12 ha), medium (12ha-35ha) and large (>35ha). These are suggested criteria, but it can be adapted depending on local context. Due to the large nature of farm size in Brazil, large farms are categorized as farms larger than 50ha.

Impartiality refers to the absence of bias or favoritism in decision-making processes within the assurance system.

Conflict of Interest: A conflict of interest arises when an individual or entity's personal, financial, or professional interests could compromise their ability to act objectively within the assurance system.



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Appendix D: List of Banned Chemicals and Phase-Out pesticides list from the Global Coffee Platform

To access the Raiz Sustainability™ Program List of Banned Chemicals and the Phase-Out pesticides list from the Global Coffee Platform for audits please request the latest list (*COFFEE SUSTAINABILITY REFERENCE CODE ANNEX: PESTICIDES LISTS*)

<https://www.globalcoffeeplatform.org/latest/2023/gcps-updated-list-of-prohibited-and-phase-out-pesticides-is-now-available/>



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Appendix E: Additional documents and references

1. Raiz Sustainability™ Complaint Mechanism_V1_2024
2. Raiz Sustainability™ Assurance Methodology_V1_2024
3. Exceptions Policy Raiz Sustainability™ Standard_V1
4. Raiz Sustainability™ Good agricultural Practices_Reference_V1
5. Raiz Sustainability™ Chain of Custody_V1_2024
6. FAO_GAP Training Manual V2