



**GLOBAL COFFEE
PLATFORM**
for a sustainable coffee world

CONCEPT OF THE EQUIVALENCE MECHANISM

GCP_Doc_Equivalence Mechanism_v1.2_en



Document history

Version	Effective date as of	Details of Change
V1.0	September 2016	First Version of the Concept of the Equivalence Mechanism
V1.1	December 2016	Second Version of the Concept of the Equivalence Mechanism
V1.2	October 2020	Third Version as Interim Equivalence Mechanism until further review for V2.0 in 2021

ACRONYMS

BCC	Baseline Coffee Code
EM	Equivalence Mechanism
GCP	Global Coffee Platform
IE	Independent Evaluator
SDG	Sustainable Development Goals
SO	Scheme Owner
TC	Technical Committee
UAP	Unacceptable Practices

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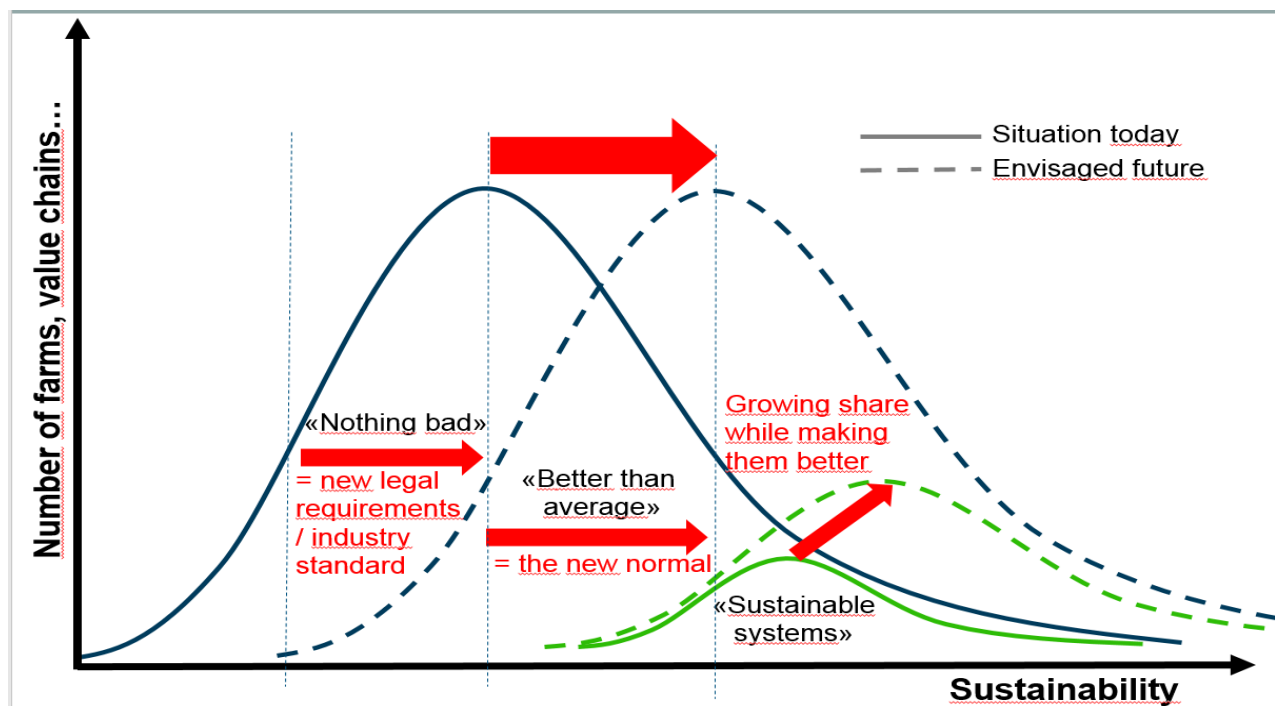
1. BACKGROUND

The Challenge

The vision of the Global Coffee Platform (GCP) is a thriving, sustainable coffee sector for generations to come, contributing to the achievement of the UN Sustainable Development Goals (SDGs).

One of GCP's assets to drive collective impact is the Baseline Coffee Code (BCC), a global reference code for baseline sustainability practices of coffee production.

If producers are distributed in a normal curve¹ in relation to their sustainability practices (or performance), most producers would be in an average situation; leading farmers would be ahead and certified, or multiple certified, to a recognized standard; and a remaining large group of farmers would be behind and not yet being addressed nor supported by any known sustainability initiative or program.



Graph designed and kindly provided by Frank Eyhorn (IFOAM /Helvetas), based on Jason Clay, presented at ISEAL conference in 2016. Normal distribution of producers of a certain sector in relation to sustainability (either implementation of practices or in relation to performance).

GCP wants to move the normal distribution curve of the coffee community in relation to their sustainable practices to reach a defined baseline level of sustainability practices. Driving uptake of at least baseline coffee sustainability practices and encouraging increasing sustainable sourcing from diverse origins – alongside

¹ In the lower end of the performance curve 25% of producers are found, producing 50% of the negative impact and 10% of the product. A strategy that can increase productivity most and reduce environmental impact most is to move the bottom, not the top". Jason Clay of WWF, Keynote speech at Global Sustainability Standards Conference 2015.



complementary strategies such as improving the enabling environment for sustainable, profitable coffee production - contributes to farmer prosperity, improved livelihoods and conserved nature.

The Response – the GCP Equivalency Mechanism (EM)

GCP's aim is that sustainability schemes, initiatives or programs take up the minimum sustainability practices defined in the GCP BCC, and by that reach more and more coffee farmers. To facilitate this, GCP developed an Equivalence Mechanism (EM) with a set of **Sustainability** (performance) and **Operational** (system) **Criteria** described in this document. Sustainability schemes can be recognized for their contribution as part of a wider community moving together towards sustainability. The whole coffee sector gains in efficiency and potential synergies with a harmonized approach to baseline sustainability if all actors have the same understanding about baseline sustainability and efforts to meet this level of sustainability converge.

The EM allows different types of sustainability schemes, including voluntary standard systems, initiatives, programs, national curricula, company sustainability programs, company sourcing requirements and others² to be recognized as contributing to overall sustainability. Encouraging and recognizing a baseline sustainability performance of the entire sector, not just a few leaders, will move the entire curve.

In the five years since its publication, there has been an urgency for sector wide transformation. Innovations in approaches include outcome based and continuous improvement models, in addition to compliance schemes. These approaches encourage inclusivity and a level playing field, key principles of GCP. At the same time, there has been an increase in common measurement frameworks, recognizing individual and collective action, therefore aligned progress measurement is needed to drive sector wide transformation. To this end, GCP launched recently its reporting on “sustainable purchasing” for the Roaster & Retailer membership as a collective response to the coffee price crisis.

In 2016 several schemes were assessed against the BCC, using the GCP EM 1.0. For the first GCP Roaster & Retailer Reporting on 2018 Sustainable Coffee Purchases the following schemes were recognized: 4C, Certifica Minas, Fairtrade, Rainforest/UTZ, C.A.F.E Practices and Nespresso AAA. Additional sustainability schemes are foreseen to be recognized in the future, using the GCP Baseline Coffee Code as reference.

Being an active member of the Global Coffee Platform is an opportunity for companies and organizations to show their commitment to sustainability of the coffee sector, to develop synergies, to measure progress in an aligned way, to learn and achieve better impact with their investments. The Equivalence Mechanism is designed to provide a means for advancing sustainable production and sourcing as it enables recognition of sustainable purchases from diverse sources. Improvement of sustainability practices and performance of all coffee farmers can be scaled not only through increasing purchases of certified/verified sustainable coffee, but also through recognizing private or public schemes which are equivalent at least to the GCP BCC.

This next version of the Equivalence Mechanism (EM 1.2) is designed to accommodate a wider range of sustainability schemes, both private and public sector as GCP recognized for GCP's Roaster & Retailer reporting. This interim version outlined in this document was developed based on a yearlong process that

² The EM aims to recognize programs that have a long-term relation with the farmers and are meant to create systemic change, rather than short-term projects.



included research of our changing landscape, best practices and interviews with schemes and stakeholders. A two-month beta testing phase with four (4) private schemes refined the approach and is the basis for this version EM 1.2 presented here.

Key changes from EM 1.1 and EM 1.2

There are no changes in the Sustainability (performance) Criteria in EM 1.2 from the previous version. The existing BCC criteria “yellow” requirements are used as the baseline for the **Sustainability** Criteria. However, the EM 1.2 allows for both continuous improvement and outcome-based approaches.

There are key changes in the **Operational** (system) Criteria to recognize changes in the context and innovations in approaches. These include adjusted criteria around data, traceability, performance, as well as recognizing different assurance models next to/beyond third-party certification that are fit for purpose.

The Equivalence Mechanism follows these principles:

- **Inclusiveness** – acknowledge other approaches and innovations especially those which recognize the different starting points along the sustainability journey
- **Transparency** for stakeholders on minimally acceptable practices and operational requirements
- Recognizing **leadership** standards and tools and not dilute value of certification
- **Level playing field** for different approaches focusing on baseline criteria (with no exceptions) to create a common entry point on the sustainability journey
- **Continuous improvement** recognizing different starting points to drive progress and impact
- Ensure **credibility of claims and contribution** to baseline sustainability by schemes or programs

Only new sustainability schemes will be assessed using this version, however, **all schemes** (current and potential new ones) will be subject to a full re-assessment using the updated EM 2.0 once the BCC revision is complete. This is projected to be the second half of 2021.

The following sections document the criteria and procedures for the EM 1.2.



2. WHAT IS EQUIVALENCE? WHAT ARE THE CRITERIA?

The baseline principles and unacceptable practices in the GCP BCC are a tangible expression of what baseline sustainability in the coffee sector looks like. **Equivalence** refers to the recognition of **schemes** that at least include the defined equivalence criteria and their required minimum compliance level.

What's a Scheme?

For purposes of this report the term **Scheme** is used to generically refer to a wider variety of initiatives: voluntary sustainability standard (systems) or VSS, initiatives, programs, national curricula, company sustainability programs, company sourcing requirements among others.

This means that schemes may be more comprehensive than the GCP BCC, but not less.

As a baseline, ALL criteria are considered essential/mandatory to achieve GCP recognition. The Technical Committee considered partial equivalencies but noting that these are all **baseline** criteria, opted for a streamlined, level playing field approach.

Two schemes may look identical on paper but support different sustainability outcomes depending on how they are implemented in practice. For this reason, it is critical that the GCP EM process looks at *both* the expected **Sustainability** (performance) Criteria, as well as the **Operational** (system) Criteria that support their uptake.

Overview of EM 1.2 Criteria	
A. Sustainability (performance) Criteria = BCC	
i.	27 coffee specific baseline principles
ii.	10 unacceptable practices or UAP
B. Operational (system) Criteria	
iii.	8 Data criteria
iv.	14 Assurance criteria
v.	4 Claims criteria

A. Sustainability (performance) Criteria: These criteria define the expected sustainability performance. It includes:

- i. 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. The baseline for the EM 1.2 is the yellow level of the GCP BCC which describes the minimum sustainability practices for baseline sustainability.



- **Acceptable** as equivalent:
 - Continuous improvement approaches which specify the yellow baseline as a minimum practice, require time bound action plans and monitoring of progress and/or
 - Schemes which measure and report on the actual outcomes of the specific criteria.
- **Acceptable** as equivalent: A *justified* rationale that a principle is not applicable (versus just not covered). As this is a baseline, there will only be rare exceptions to this. These must be documented and accepted by the GCP Secretariat. Future versions of the EM will include guidance on these instances.
- **Not acceptable as equivalent**: no mention of any individual minimum practices because it is not in the schemes' objectives or scope, e.g. no requirements on workers because the scheme focuses on environmental aspects. In other words – “not covered” does not equal “not applicable”. For exceptions see previous point.

ii. Exclusion of 10 Unacceptable Practices (UAPs): These are the worst practices to be eliminated from the coffee supply chain. All of these criteria are required and must be explicit in the scheme documents.

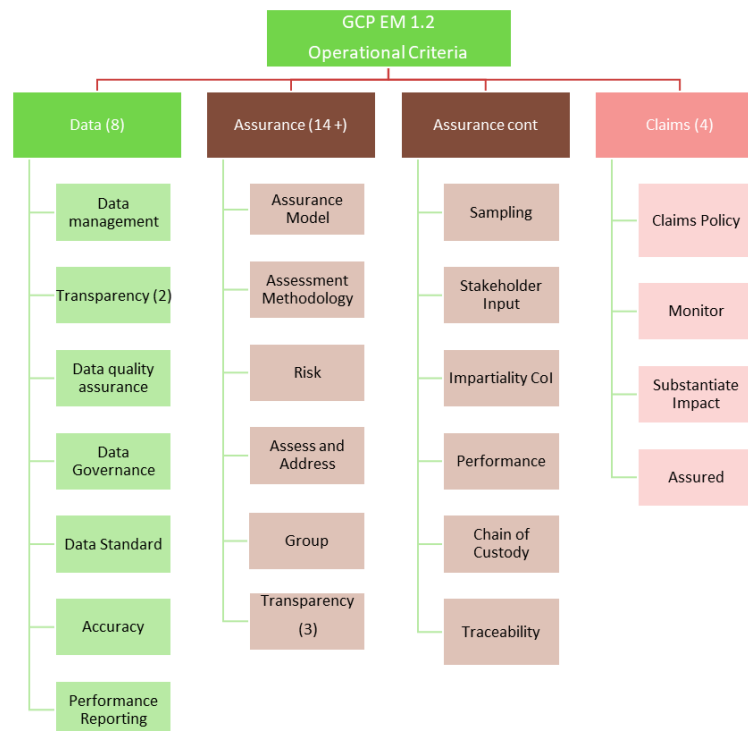
- **Acceptable** as equivalent: Continuous improvement approaches which specify explicitly the exclusion of each of these practices, require a time bound plan for remedy and have a system for verifying follow up.
- **Not acceptable** as equivalent: Schemes which do not specify exclusion of all or any single one of these practices, nor require time bound plans for remedy with follow up and/or only *recommend* that they be eliminated.

For the details on the actual BCC requirements, see the latest version of the Sustainability Criteria in GCP BCC version 2.1³.

B. Operational (system) Criteria: These criteria define the core operating practices that schemes should have in place to be considered credible and effective. There are minimum criteria for each of the dimensions while also recognizing that different models can be effective for different purposes. Thus, not all of the operational system criteria are prescriptive but require **transparency** on the system. Transparency does not necessarily equate to documents being publicly accessible. Transparency for the EM 1.2 means, at a minimum that stakeholders, including producers and partners, have access or can request any of the documentation.

It is recognized that there will be some value judgements and interpretations as many requirements are not simply tick boxes. For this reason, the EM process envisions at least 2 independent reviewers of any assessment. Areas of interpretation will continue to be identified and will be integrated for EM 2.0.

³ See link in https://archive.globalcoffeeplatform.org/assets/files/GCP_Doc_01_Baseline-Common-Code_v2.1_en.pdf



iii. Data: Equivalent scheme manages data to ensure it is relevant and accurate for monitoring the performance and impact of the scheme.

- Scheme Owner (SO) has documented **procedures** that describe how data is collected, compiled and updated. It is defined who collects the data and there is **transparency** for stakeholders.
- SO has adequate **data control protocols** and sufficient capacity to ensure data consistency and integrity for the data it manages.
- SO has a **data governance** policy. Covers assurance data and what data is available to whom and under what conditions.
- SO uses and reports on common or **standardised indicators** recommended by sector specific reporting initiatives, whenever applicable.
- SO **keeps data** of farmers and farmer groups.
- SO ensures that the **data management system** incorporates as a minimum scope and participants in scheme.
- SO makes **annual performance monitoring** reports available to stakeholders at a minimum.

iv. Assurance system: Equivalent scheme has a defined way by which it knows (can assure) if farmers have excluded unacceptable practices and implemented the 27 baseline practices.

- Scheme Owner (SO) has available information on its **assurance model** including: who, activities, type of data collected. **Transparency** for stakeholders.
- SO has a defined **assessment methodology** to ensure consistent compliance with the scheme requirements (e.g. checklists, guidance...). **Transparency** for stakeholders.
- SO has a procedure to identify risks, create plan to address and act on the plan (**Assess and Remedy**) or pass/fail compliance approach. In the case of continuous improvement approach, documented methodology of how progress is monitored and verified.



- SO has a **remediation policy/protocol** in the case a non-conformity is found. There is engagement and improvement, rather than immediate disengagement whenever a violation is identified. There is a clear system for identifying coffee from those farms with violations. There is monitoring (verification that plan is implemented, and issues being addressed).
- SO has a documented **risk management protocol** to assess the risk level of clients or assurance providers and the resulting assessment frequency and intensity.
- In the case of Producer Groups, the SO specifies requirements for assurance providers to consistently evaluate the effectiveness of a **group's internal management system** in identifying and resolving non-conformities within the group.
- If there is an audit, SO has defined requirements for **sampling methodology** and frequency that assurance providers are required to follow during the audit.
- SO makes available **assessed/verified/audited data** to stakeholders at a minimum.
- SO provides **public** access data in an anonymous or aggregate report and/or a summary of key findings (linked to annual performance monitoring in Data).
- SO ensures stakeholders have the ability to **review audit reports** to ensure the scheme is reliable.
- SO defines and documents potential **risks to impartiality and conflicts of interest** within its assurance system and how these potential risks and conflicts should be avoided or mitigated. A mechanism exists for monitoring efforts to manage these risks and conflicts.
- SO provides **performance insights to producers** (added value).
- SO ensures **producers are aware** of their participation in the scheme.
- SO has a documented description of the required chain of custody model and of the mechanisms to ensure credible claims.
- If any **claims** are associated with the scheme, SO has a **documented system for traceability**⁴ to verify the history, location of assured product throughout the supply chain in order to protect and monitor the integrity of claims. Link to next section v. Sustainability Claims.

v. Sustainability Claims: Claims can be on or off product, for B2B or B2C or for various forms of reporting (e.g. GCP sustainable purchasing). As per the ISEAL code: Claims of the scheme must be consistent with its objectives, scope and assurance of the implementation of the requirements. In this respect, the equivalent program or scheme defines how and which claims can be made by producers and downstream actors in their program. EM1.2 criteria include:

- The Scheme Owner (SO) has a policy governing **use of symbols, logos and claims**. The policy includes monitoring use and rules for use linked to the assurance and Chain of Custody model.
- SO has a system to **monitor** the adequate use of sustainability claims.
- SO has data to **substantiate claims** about meeting its scheme objectives, e.g. with impacts data or monitoring and evaluation results. Link to DATA - annual performance monitoring report.
- Claims related to compliance with the scheme **correspond to level of assurance**.

The dimensions of **Scheme Governance** and **Standard Setting** are considered important and will be taken up in the revision process of the BCC and EM 2.0.

⁴ Traceability is also covered in the BCC Economic Dimension 1.8

3. EQUIVALENCE PROCESS FOR EM 1.2

The Equivalence assessment process will be kept as simple as possible and will build on existing credibility mechanisms (e.g. ISEAL membership, accredited ISO 17065). The following outlines the process for EM 1.2.

The BCC revision and EM update process will consider alternatives to ensure credibility, transparency, independence and sustainability (cost effectiveness) of the EM process. This includes potential partnership with the UN ITC as the independent verifier leveraging the StandardsMap⁵ and defining a clear business model.

For the interim EM 1.2 there are 2 tracks – fast track and regular track. Both tracks require an independent evaluator and a second neutral reviewer of the assessment for completeness and accuracy. The neutral reviewer needs to be technically proficient, familiar with the EM tool and have no conflicts of interest (e.g. managing/consulting with a scheme).

For credibility and independence, GCP governance body members (TC or Board) who have a scheme, or consulting with a scheme that is currently recognized or considering recognition, cannot have a role in the EM process. In other words, to avoid a potential conflict of interest, there can be no decision-making regarding approval of recognized schemes by the TC or Board.

Fast track: This applies to all of the schemes which participated in the beta testing process. These schemes have already undertaken an initial review with an independent evaluator (IE).

GCP EM Fast Track



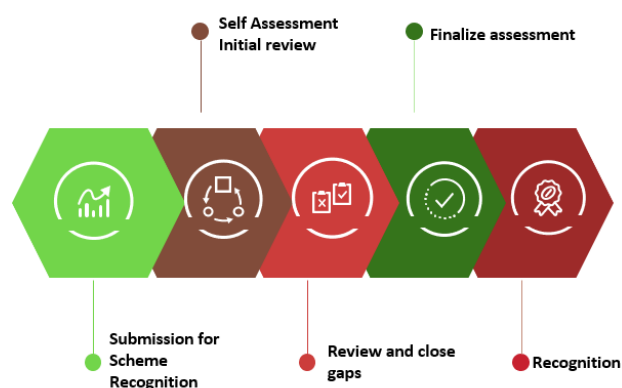
1. Communication to beta testing scheme on any updates, changes or agreements of the Board approved EM 1.2. If they agree to proceed:

⁵ Currently used by several other benchmarking and equivalency mechanisms including the SAI Platform and FEFAC (<https://www.standardsmap.org/fefac>)

2. Submission for scheme recognition by interested Scheme Owner covering confidentiality, data reporting requirements, claims and any other terms. Confidentiality includes to not to disclose outside of the assessment team any results. Scheme name will only be revealed once Equivalence is achieved.
3. Scheme Owner updates any gaps or provides additional documentation as identified in the beta testing or as a result of the Board approved EM 1.2 changes.
4. Desktop evaluation update by Independent Evaluator (IE).
5. Review by GCP Secretariat staff.
6. Request for any additional information/documentation from scheme to close gaps.
7. Finalize assessment with agreement between IE and GCP Secretariat. Possible results are Equivalent or Not Equivalent. Feedback is provided in relation to areas which are strengths as well as opportunities for improvement.
8. Recognition and publication on GCP website, inclusion in the reporting tool for the GCP Roaster & Retailer Reporting on Sustainable Coffee Purchases, and (if applicable) in the GCP Snapshot publication.

Regular track: Priority will be given to the beta testing participants, but in the case of other schemes interested in being recognized through the GCP EM 1.2, the following outlines the general steps. If the scheme has undertaken a third-party benchmark and provides the results with details of supporting documents they may be fast tracked and prioritized. Full detailed assessment results (e.g. detailed checklist) would need to be provided with a random check of source documents.

GCP EM Regular Track



1. Submission for scheme recognition by interested Scheme Owner covering confidentiality, data reporting requirements, claims and any other terms. Confidentiality includes to not to disclose outside



of the assessment team any results. Scheme name and results will only be revealed once Equivalence is achieved.

2. GCP appoints an IE with introductory webinar including overview of the assessment tools.
3. Scheme Owner submits to GCP Secretariat a self-assessment with details of scheme and supporting documents. If the Scheme Owner has an existing third-party benchmark of the BCC, this can be submitted as a proxy for review and will shorten the time needed.
4. IE reviews and conducts a preliminary assessment.
5. Exchange between Scheme Owner and IE on assessment aimed to reach preliminary agreement on results.
6. A summary evaluation report is submitted to the GCP Secretariat for review.
7. Potential second round of exchange with Scheme Owner, based on GCP review, to close gaps.
8. Finalize assessment with agreement between IE and GCP Secretariat. Possible results are Equivalent or Not Equivalent. Feedback is provided in relation to areas which are strengths as well as opportunities for improvement.
9. Recognition and publication on GCP website, inclusion in the reporting tool for the GCP Roaster & Retailer Reporting on Sustainable Coffee Purchases, and (if applicable) in the GCP Snapshot publication.

Changes to the EM or Scheme

In June 2020, GCP launched a year long process for the revision of the BCC and EM 2.0. When GCP publishes an updated version of the EM 2.0, all existing GCP recognized schemes will be required to apply for re-assessment for all their scopes of recognition against the new version within nine months of the date of publication if they wish to continue to be considered equivalent to the BCC by GCP. The GCP TC may extend this period under special circumstances.

The Scheme Owner of a GCP recognized scheme is required to inform the GCP Secretariat in writing about the significant change or updates to its scheme. Significant changes include changes to its governance or ownership, management system, standard, or normative documents, which could compromise the scheme's recognition by GCP. GCP will assess if the changes are substantive and require a re-assessment.



4. CLAIMS ABOUT RECOGNITION

GCP will add on its website the list of recognized schemes, include all recognized schemes in the reporting tool for the GCP Roaster & Retailer Reporting on Sustainable Coffee Purchases, and (if applicable) in the GCP Snapshot publication.

No claims regarding GCP or Equivalence to BCC can be made by the scheme on products in any form.

The Scheme Owner can make reference to its scheme supporting GCP’s mission and vision, and to the fact that its scheme has been recognized by GCP if the scope and level of assurance as per the approved EM 1.2 assessment (Assurance section⁶) is clearly described, in line with ISO 9001/ISO/IEC 17000 Conformity Assessment and ISEAL “Sustainability Claims Good Practice Guide” v1.0 May 2015.

Examples:

- “Scheme Owner X supports a thriving, sustainable coffee sector for generations to come and works as GCP Member/ works with GCP towards sustainability together with other leading organizations. GCP has recognized the X- Scheme as BCC equivalent 3rd party” if the EM recognized assessment defines the scheme as using a third-party assurance provider with independent oversight.
- “Scheme Owner X supports a thriving, sustainable coffee sector for generations to come and works as GCP Member/ works with GCP towards sustainability together with other leading organizations. GCP has recognized the X- Scheme as BCC equivalent 2nd party” if the EM recognized assessment defines the scheme as using a second party assurance model (e.g. supplier, Scheme owner or other non-independent party).
- “Scheme Owner X supports a thriving, sustainable coffee sector for generations to come works as GCP Member/ works with GCP towards sustainability together with other leading organizations. GCP has recognized the X- Scheme as BCC equivalent 1st party” if the EM recognized assessment defines the scheme as using a self-assessment assurance model.

GCP Claim allowed	ISO/ISEAL reference (adapted for accessibility)
GCP recognized as Baseline Coffee Code equivalent 3 rd party	<p>Third party assurance</p> <p>An independent person or organization assures the compliance with the scheme requirements.</p> <p>There is an independent body that oversees the assurance provider in relation to their assurance activities.</p> <p>Sometimes referred to as Certification</p>
GCP recognized as Baseline Coffee Code equivalent 2 nd party	Second party assurance

⁶ International references and normative documents are used to define the different levels of assurance. As per the ISEAL Assurance Code, it is important that claims are clearly linked to the assurance model used.

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	<p>A related or interested party (e.g. buyer, scheme owner or field staff) assures compliance with the scheme requirements.</p> <p>Sometimes referred to as Verification</p>
<p>GCP recognized as Baseline Coffee Code Equivalent 1st party</p>	<p>First party assurance</p> <p>Not independently verified</p> <p>Growers report their compliance against the scheme requirements</p>

Statements/claims regarding the recognition need to be neutral and approved by the GCP Secretariat.



5. WHAT IS THE BENEFIT OF THE EM?

Members of GCP believe in sustainability and may choose to demonstrate their commitment and contribute to sector wide adoption of at least basic sustainability practices (as defined in the GCP Baseline Coffee Code) by visibly including baseline sustainability into their operations over time either through buying certified/verified coffee or through other options which are then recognized via the EM. Other benefits of the EM:

- Assesses and establishes the level of equivalence with the common reference, ie the GCP BCC.
- Provides gap analysis for schemes to identify areas for strengthening and “raising the bar”
- Provides the sector with the knowledge of where a sustainability scheme, standard system or program is with regards to the baseline sustainability practices as set out in the GCP BCC and therefore provides the necessary transparency to foster synergies in working together.
- Provides confidence that there is a common and comparable way of measuring progress towards the sustainability goals of the coffee sector, and to be able to communicate these in a credible way.
- Provides a measure of the continuous improvement which is sought in the sustainability journey all along the value chain in coffee.
- Allows to make credible claims and support a healthy collaboration.
- Contributes to exchange and learnings among different initiatives on ways they approach specific practices. Harmonization may be a secondary effect that could benefit farmers participating in several supply chains and facing similar but different practices on the same topic.

GCP may use aggregated data to give a picture that describes in time and location how many farmers have reached the baseline level as well as where there are Unacceptable Practices or where farmers are at risk of falling back into them.

GCP encourages companies and organizations to join and track together progress on elimination of unacceptable and implementation of baseline sustainability practices. Schemes and programs identifying their level of equivalence against the Baseline Coffee Code will benefit from synergies and from being known for their contribution to baseline sustainability, as reflected in the GCP Roaster & Retailer Reporting on Sustainable Coffee Purchases.



DEFINITIONS

Assurance: Demonstrable evidence that specified requirements relating to a product, process, system, person or body are fulfilled (adapted from ISO 17000) (ISEAL Assurance Code). Three levels of assurance

- Third party assurance - an independent person or organization assures the compliance with the scheme requirements and there is an independent body that oversees the assurance provider in relation to their assurance activities, sometimes referred to as Certification
- Second party assurance - a related or interested party e.g. buyer, scheme owner or field staff assures compliance with the scheme requirements. Sometimes referred to as Verification
- First party assurance – Self assessment. Growers report their compliance against the scheme requirements. Not independently verified

Benchmarking is a comparison of one standard or benchmark against another to determine the extent of overlap and where the standard being compared exceeds or is lower than the benchmark standard. (ISEAL).

Company sourcing program refers to a program developed by a company in order to source coffee in line with defined specifications. The program involves investments within the coffee community aiming to support its sustainability. A sourcing program includes internal requirements (GCP own definition).

Equivalence: in the context of the Global Coffee Platform and the GCP Baseline Coffee Code refers to the recognition of schemes or programs that at least include the defined equivalence criteria. This does not preclude schemes and programs being more comprehensive. GCP recognized sustainability schemes are included in the GCP Roaster & Retailer Reporting on Sustainable Coffee Purchases.

National Sustainability Curriculum for coffee (NSC): refers to agreed guidelines on Good Agricultural and Sustainability Practices, and respective material used by extension services of a national or regional or sectoral group to support coffee farmers and train them (GCP own definition).

Recognition is a process of deeming one standard partially or fully equivalent to another standard. Recognition can be unilateral or mutual, depending on whether the recognition goes both ways. (ISEAL).

Sustainability claims: a message used to set apart and promote a product, process, business or service, including a project, with reference to one or more of the three pillars of sustainability: economic, social or environmental (ISEAL Sustainability Claims – good practice guide).

Sustainability Scheme/Scheme: term used to generically refer to a wider variety of initiatives: voluntary sustainability standard (systems) or VSS, initiatives, programs, national curricula, company sustainability programs, company sourcing requirements among others (GCP own definition).

Standard System: The collective of organizations responsible for the activities involved in the implementation of a standard, including standard-setting, capacity building, assurance, labelling, and monitoring. (ISEAL Credibility Principles: 2013).



ANNEX 1 - BACKGROUND AND CONTEXT OF EM 1.2

Recently, GCP launched its sustainable purchasing reporting for the Roaster & Retailer membership as a collective response to the coffee price crisis. This raised the questions:

What constitutes sustainable purchasing?

Currently, for the first round of GCP reporting on sustainable purchases, only the following schemes are recognized: 4C, Certifica Minas, Fairtrade, Rainforest/UTZ, C.A.F.E Practices and Nespresso AAA. This new reporting request triggered interest, some concerns, as well as discussions about the need for GCP to update and expand its EM in a way that also other schemes, including private sustainable sourcing schemes and programs could be assessed and recognized. Limiting the “sustainable coffee” and “sustainable coffee purchase” definitions to only certification schemes is outdated and may not reflect the GCP objectives.

However, concerns and questions arose around having a flexible EM that also ensures rigor in the implementation. How to ensure credibility without independent verification? How to efficiently assess very distinct models, many developed in-house without stakeholder scrutiny or input? Where to draw the lines and how to incorporate new, innovative approaches into a next version of the EM needs to be assessed and decided.

In this context, GCP commissioned a **quick scan** to get a better overview of the context, market potential, options and recommendations, also considering new developments in the area of measurement and benchmarking in the coffee sector and beyond. Using this as an input, the Technical Committee (TC) made recommendations to the GCP Board. The Board **reprioritized the EM** as a key strategy to drive collective action across actors by recognizing different and innovative approaches and tools of sustainability.

Subsequently the TC reviewed the operational requirements to acknowledge the changes in the landscape covering the topics of Data, Assurance, Claims, Governance, Standard Setting. A **beta testing phase** was designed to test the range of responses in these areas with 4 -5 private schemes during July and August 2020. GCP reached out with an invitation to six (6) private schemes based on interest, variety of approaches and geographies to participate in the beta testing phase. It was made clear that this is a beta testing phase, not an assessment, nor would result in any recognition. All work was conducted by a neutral independent evaluator with GCP and the TC only receiving the anonymized analysis.

The key **incentives** included the ability to shape and influence the process, as well as an option to be fast tracked during the formal recognition process anticipated to take place in the last quarter. An initial webinar was held for all interested participants to get an overview of the process, what would be expected, the outputs and the ambitious timeline based on the need to get input to the TC and for a Board decision in September/October.

Four schemes opted to move forward on the beta testing and calls were set up with the individual schemes for the same week to address questions, concerns, determine the ways of working and any times they would not be available in the tight timeframe. Excel checklists were used for both Sustainability and Operational criteria. Review and comments/questions were passed back and forth per email, with several check in calls to clarify questions and discuss rationale. Three schemes **completed the testing** of both the Sustainability and Operational criteria, providing **valuable input and feedback**. These reports will serve as the basis for the fast track benchmarking in the last quarter of 2020.

The initial anonymized findings and key questions from the beta testing were presented to the TC in late August. Based on this, a final Recommendations Report was prepared for the TC on internal learning, and **the updated EM 1.2**. The approved tool can then be used for recognizing sustainability schemes for the upcoming rounds of GCP Roaster & Retailer Reporting on Sustainable Purchases.



ANNEX 2. DATA AND REPORTING TO GCP

1. Data provided by the scheme to GCP confidentially for consolidated reports.

The following data points are considered a minimum for GCP and its members to understand how many farmers are meeting baseline Sustainability Criteria as reflecting in the BCC or equivalent practices. These data points will be adjusted and aligned with the data points agreed to for the snapshot reports.

1.1. FARMER BUSINESS DATA

Country	Total number of farmers	Total number small holders (<5 ha. Or <10 ha Br)	Total hectares	Number of Female / Male farmers	Bags (60 kg) / year	Number of permanent workers / year	Number temporary workers / year

2. Data to be kept by the scheme – not shared with GCP.

The following data points are considered a minimum for GCP to do potential spot checks during an equivalency assessment. These will be reviewed and potentially revised in the BCC revision process.

2.1. FARMER BUSINESS DATA

Farmer name	Farm name	Gender farmer	Farm location (Country, region)	Location (ideally GPS)	ha	Bags (60 kg) / year	Number of permanent workers / year	Number temporary workers / year

2.2. FARMER PERFORMANCE DATA

Number of farmers under license or certificate:	
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