



# VERIFICATION REGULATIONS

CAS\_Doc\_31\_4C Verification Regulations\_v2.2



## Document history

Version	Effective date as of	Details of change
V.1.0 May 2009	June 2009	4C Code of Conduct adapted for implementation and verification
V.1.1 October 2011	1 <sup>ST</sup> January 2012	Adaptation to the changes of the new business model
V.2.0 May 2015	1st of July 2015	(1) Upgraded Internal Management System, (2) adapted to version 2.0 - 2015 of 4C Code of Conduct, (3) compliance requirements with the ISEAL <sup>1</sup> Assurance Code and key items from ISO 17065, (3) feedback over the past three years from 4C members, 4C Units and 4C verifier companies and (4) results of system oversight audits and internal audits.
V.2.1 April 2016	1st of July 2015	No content change, only small updates to adjust to the new organisation. The Global Coffee Platform will define and maintain the Baseline Common Code, which is the reference for the verifiable 4C Code of Conduct operated by CAS through its 4C verification system and license decisions. Reference to former 4C Association is replaced by CAS or by Global Coffee Platform depending on function.
V. 2.2 July 2016	1 <sup>st</sup> of July 2016	(1) Adjustments based on end of Transition Period for the new version of the Code, i.e. references to rules specific to this period are deleted as they become obsolete. (2) Clarifications made on some guidance for the Internal Management System in Annex 10.2

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For documents translated into languages other than English, the English language version remains the definitive version and Coffee Assurance Services accept no responsibility for any discrepancies between translated versions.

<sup>1</sup> The former 4C Association (now Global Coffee Platform) as full member of the ISEAL Alliance initially developed this regulations committing to conform to good and credible practices set out in different ISEAL Codes.

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# 1. INTRODUCTION

The Common Code for the Coffee Community (4C) was created through a participatory, extensive, transparent and balanced consultation with coffee stakeholders worldwide, and was owned and operationalized by the 4C Association.

As of April 2016<sup>2</sup>, the 4C Association evolved into the Global Coffee Platform, continuing to own and periodically revise the Baseline Common Code as a global baseline reference for principles and practices that serve to pave the way in the understanding and implementation of sustainability in coffee production and processing.

The 4C Code of Conduct is the operationalized and verifiable version of the Global Coffee Platform's Baseline Common Code against which compliance can be demonstrated through the 4C Verification System and 4C Licensees issued. Their content requirements are identical.

As of April 2016, Coffee Assurance Services (CAS) GmbH & Co. KG is taking responsibility to assure compliance against the 4C Code of Conduct through operating the 4C verification system.

CAS customizes the Baseline Common Code for 4C Units without any changes of the content; more precisely, CAS uses the version 2.0 of the 4C Code of Conduct launched in May 2015, which was the result of a participatory and inclusive multi-stakeholder consultation and agreement. As such, the 4C Code of Conduct cannot be changed by CAS but follows the revision cycle of the Global Coffee Platform's Baseline Common Code.

Contact CAS at [info@veri-cas.com](mailto:info@veri-cas.com) for information in relation to verification and licenses on the 4C Code of Conduct.

The 4C Code of Conduct is an entry-level standard that defines economic, social and environmental principles for baseline sustainable production, processing and trading of green coffee, and is backed up by the 4C Verification system which is described in this document.

Disclaimer: Under no circumstances shall CAS be legally liable for violation by 4C Units of any 4C Verification rule and associated consequence(s).

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<sup>2</sup> Following the strategy decisions by the membership of the 4C Association at the 5<sup>th</sup> Extraordinary General Assembly in March 2016.

## 2. PURPOSE OF THE DOCUMENT

This document describes the 4C Verification System including the requirements of the verification process, requirements for the verifiers, requirements for data management, quality requirements and additional requirements for operators of the 4C Code of Conduct and related concepts. It aims to inform everyone involved in the 4C Verification Process about each party's roles and responsibilities. These verification regulations are further complemented by the internal Quality Management System (QMS) and its respective procedures.

## 3. REFERENCE DOCUMENTS

The following documents are key references for the 4C Verification Regulations:

- The 4C Code of Conduct - [CAS Doc 01 4C Code of Conduct v2.1 en](#)
- Procedure for complaints on verification - [CAS Doc 47 Procedure for complaints and appeals on verification v1.6 en](#)
- Framework contract with 4C verifiers - CAS\_Doc\_25\_Framework contract template\_v2.1\_en
- Accreditation and Assurance Guidelines of the Global Coffee Platform (in preparation)
- [ISEAL Assurance Code Version 1.0](#)
- ISO 19011: 2012 - Guidelines for auditing management systems
- ISO/ IEC 17065: 2012 - Conformity assessment - Requirements for bodies certifying products, processes and services
- ISO 17021: 2011 - Conformity assessment - Requirements for bodies providing audits and certification of management systems

## 4. 4C VERIFICATION GLOSSARY

1	4C License	<p>The official document issued by CAS after a successful 4C verification. It recognises a 4C Unit's efforts to comply with the 4C Code of Conduct and that it has excluded the 10 UAPs, has reached the <u>minimum "average yellow performance"</u> and has a basic IMS (only for the first three years of initial verification; intermediate IMS is required for re-verification).</p> <p>With this License the 4C Unit can sell coffee from its listed business partners as 4C Compliant to supply chain actors holding a license agreement with CAS as laid down in the terms &amp; conditions of CAS.</p> <p>During 2016, these supply chain actors have to be members of the Global Coffee Platform.</p>
2	4C Unit	<p>An <u>operational entity</u> that implements the 4C Code of Conduct in order to be part of a 4C Supply chain.</p> <p>This entity can be established <u>at any level of the coffee supply chain in a producing country</u>. During 2016, only members of the Global Coffee Platform can establish a 4C Unit.</p> <p>A 4C unit can be made up of an estate, a group of producers, an organised cooperative/ association, or a mill, etc. with minimum production capacity of (convertible) 20 tons of green coffee<sup>3</sup>.</p> <p>Within the 4C verification system, 4C Units are subject to third party verification.</p>
3	4C Unit additional requirements	A set of <u>requirements</u> applicable to 4C Units beyond the 4C Code of Conduct described in this document in section 6. These <u>requirements vary</u> depending on the type of 4C verification (initial, re-verification, follow-up, and addendum).
4	4C Verifier	<u>Third party organisation approved by CAS</u> to perform 4C verifications.
5	Addendum verification	Verification carried out at any point in time within a three-year verification cycle to recognize the <u>expansion of a 4C Unit</u> , when it wishes <u>to include new business partners</u> in addition to those who were part of the 4C Unit during previous verifications.
6	Annual Update	A <u>set of documents updated by 4C Units on annual basis</u> after being licensed. These are: (1) the business partner mapping (2) the assessment tool (3) the organizational chart and (4) the improvement plan.
7	Assessment Tool	The assessment tool is a template for 4C units and 4C verifiers that contains the (1) self-assessment of the unit against the 4C Code of Conduct and all relevant requirements, (2) the respective assessment by the 4C verifiers, (3) the list of trainings, (4) the pesticide report and (5) the improvement plan.

<sup>3</sup> This production capacity limit is set due to two main reasons: (1) 20 tons equal one 20" containers, the load unit commonly used in bulk commodities like coffee; (2) this volume is considered to be minimum to achieve economies of scale for a 4C Unit.

8	Business Partner	<p><u>Any actor</u> within the 4C Unit up to the Managing Entity level, who has <u>physical contact</u> with coffee cherries or beans.</p> <p>Those actors are mainly, but not exclusively, coffee producers, collectors, warehouses, mills, chemical sprayers, labor services providers.</p>
9	Business Partner Mapping (BPM)	An internal monitoring <u>tool</u> (as part of the IMS) that allows 4C Units to document <u>their Business Partners' basic data</u> .
10	Continuous Improvement	<p>A process whereby 4C Units <u>gradually improve their performance against the 4C Code of Conduct</u> and other 4C requirements.</p> <p>The aim is to support 4C Units to move at least to yellow level criteria, and to avoid falling or remaining at the red level.</p>
11	Follow-up verification	<p>There are two types of follow-up verifications:</p> <p>(1) <u>A verification</u> that takes place <u>within 180 days</u>, from a “verification failed” decision date.</p> <p>If a 4C Unit fails this follow-up verification, a full verification will take place, provided the 4C Unit still wishes to be verified.</p> <p>(2) An extraordinary verification may take place <u>within the regular 3-year verification cycle</u> in order to monitor continuous compliance with the 4C Code of Conduct and other 4C requirements.</p>
12	Framework contract	<p>A formal, written <u>agreement</u> between 4C Verifier companies and CAS.</p> <p>This contract is signed by both parties and is an indication that 4C <u>Verifier companies have been approved</u> by CAS to carry out 4C Verification. The contract sets out roles and responsibilities of both parties, including <u>a conflict of interest declaration</u> by 4C Verifier Companies.</p>
13	Improvement Plan	A plan developed by 4C Units following verification <u>which addresses findings/ risks/ observations reported</u> , and outlines the activities 4C Units intend to implement in order to avoid that performance of a given principle falls back to red or remains in red, aiming to move at least to yellow criteria.
14	Internal Management System (IMS)	<u>A documented set of procedures and processes</u> that the 4C Unit's Managing Entity implements in order to achieve 4C requirements. An IMS used to achieve 4C requirements may be part of an IMS the Managing Entity also uses for achieving requirements of other schemes.
15	Managing Entity	An individual or group which has the <u>overall responsibility for managing a 4C Unit</u> with regard to implementing the 4C Code of Conduct and trading 4C Compliant Coffee.
16	Non-conformity	<u>Non-fulfilment of an applicable 4C Requirement</u> by any related party (4C Units, 4C Verifier Companies or CAS).



17	Organisational Chart	<u>A tool used by 4C Units to visualize different functions/ actors within their 4C supply chain.</u>
18	Person-day	<u>An eight (8)-hour day spent by a verifier team member on verification activities.</u> If a team is composed of two team members who work two full days on site, the number of person days is: 2 verifiers x 2 days on site = 4 person days.
19	Public information	<u>Information that is accessible to the public via CAS website.</u> In the context of 4C verification, public information includes system documents (i.e. these Verification Regulations, procedure for complaints on verification issues, updated list of approved verifiers, list of licensed 4C Units and a summary of complaints and appeals and their status).
20	Request for Proposal	<u>A form used by 4C Units to request approved 4C Verifiers to submit a proposal for verification.</u>
21	Re-verification	A verification taking place within <u>a maximum of three years</u> from the successful initial verification.  This enables the 4C <u>Unit to maintain its license</u> and remain in the 4C Compliant Coffee chain.
22	Risk (of a non-conformity)	The <u>likelihood and extent</u> that a non-conformity will actually occur. A risk is derived using the risk assessment matrix.
23	Risk based sampling	An activity within the verification process, whereby a 4C Verifier determines the <u>Business Partners to be visited during on-site verification using a risk assessment approach.</u>
24	Risk factor	A situation or condition that poses a <u>threat to 4C Unit's compliance</u> with the 4C Verification requirements and/or with the 4C Code of Conduct.
25	Sanctions	Measures imposed on 4C Units and 4C Verifier Companies, when certain <u>4C requirements are not met.</u>
26	Self-assessment	<u>A 4C Tool used by 4C Units to evaluate their 4C performance as part of the Assessment Tool.</u>
27	System Oversight	A mechanism that aims to <u>ensure overall quality and credibility of the verification system</u> by evaluating and monitoring constantly compliance with the 4C verification requirements of all actors in the 4C Verification system (4C Units, 4C verifiers and CAS). The System oversight includes (1) regular desk audits of CAS; (2) witness audits of 4C Verifiers; (3) office audits to approved 4C Verifier companies; and (4) unannounced visits to 4C Units.

28	Unacceptable Practices (UAP)	10 practices that <u>4C Units have to exclude as a pre-requisite</u> to entering the 4C Verification system.
29	Unannounced visit	As part of the Oversight system it is a visit to a 4C Unit to spot-check its continued compliance with the 4C Code of Conduct, made by an approved 4C verifier hired for this purpose by CAS. This visit is not announced in advance, at the earliest 48 hours before the actual visit takes place.
30	Verification	A <u>series of activities</u> carried out by approved 4C Verifiers to evaluate the result of 4C Units' aggregated self-assessments.  Those activities include on-site assessment, reporting, report review, and decision on a 4C Unit's compliance with the 4C requirements and the 4C Code of Conduct.  If the verification confirms compliance with the necessary requirements, the 4C Unit will receive a license which allows them to sell 4C Compliant Coffee.
31	Verification costs	All the costs incurred during verification, including verifiers fees, transportation fares, accommodation, overhead of 4C Verifiers, per diem, etc. All <u>verifications costs are covered by 4C Units</u> .
32	Verification Plan	A document prepared by 4C Verifiers and shared with 4C Units and CAS prior to actual on-site verification. It lists the <u>major locations and activities</u> to be carried out during verification.
33	Witness Audit	An activity by which observers accompany the verifiers while doing the verification. This activity aims at evaluating a 4C verifier's performance during a particular 4C Verification of a 4C Unit in the field. The witness audit can either be conducted by a representative of CAS, by a verifier company or by an external independent organisation. A witness audit forms part of the system oversight.

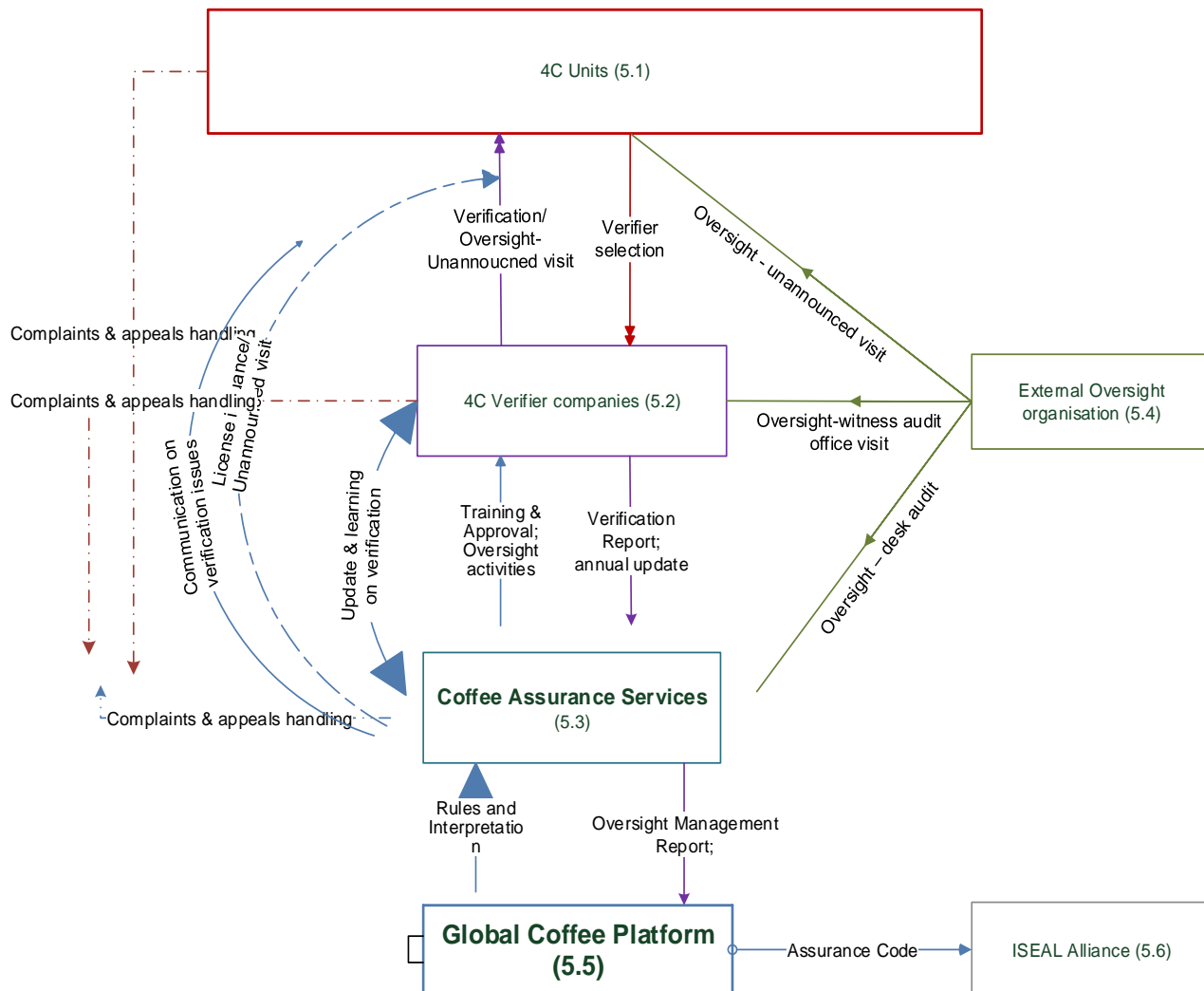
## 5. STRUCTURE OF THE VERIFICATION SYSTEM - ROLES AND RESPONSIBILITIES

CAS' key task is the maintenance and integrity of the 4C Verification system, which mainly includes the (1) approval, management and training of verifier companies and (2) monitoring compliance of 4C Units with the 4C Code of Conduct and other verification requirements - including reviewing verification reports and taking license decisions -, and (3) monitoring data and reporting of final buyers (commercial reporting). Capturing data, field knowledge and information by CAS allows for effective learning processes and provides relevant information regarding commercial activities.

The Global Coffee Platform periodically receives aggregated data through all accredited operators of the Baseline Common Code - including CAS as the operator of the 4C Code of Conduct as well as others - to analyse and evaluate progress and impact of the Baseline Common Code through all its accredited operators.

For 4C verifications CAS collaborates with approved certification bodies operating in coffee producing countries that are ISO/ IEC 17065 (agricultural scope) accredited.

The following sections describe the roles and responsibilities of 4C Units, CAS and Verifier companies, i.e. all parties involved in the 4C Verification system.



## 5.1 MANAGING ENTITIES OF 4C UNITS

The managing entities of 4C Units have the following roles and responsibilities:

- To implement the 4C Code of Conduct and all other relevant requirements and be in compliance with applicable regional, national or international laws
- To implement an Internal Management System (IMS) To organize trainings and/or provide access to trainings and other technical assistance to Business Partners

- To ensure that Business Partners fulfil applicable requirements as defined in the 4C Code of Conduct and relevant requirements of the 4C Verification Regulations
- To complete verification documents and forms, as required by the 4C Verification Regulations
- To prepare for on-site verifications
- To engage 4C Verifier companies in a transparent manner, free from conflicts of interest
- To pay verification costs
- To commit to and implement the 4C Continuous Improvement concept, i.e. eliminating all red practices until first re-verification
- To monitor performance of Business Partners and of the 4C Unit as a whole on a regular basis to ensure that improvements are implemented over time
- To update CAS on their performance every year as part of the annual update
- To give consent to CAS for sharing information on verification status with the public for transparency purposes
- To only sell the produced coffee as 4C Compliant to other members of the Global Coffee Platform<sup>4</sup> when a 4C Unit has a valid license
- To periodically report on sales of 4C Compliant Coffee (commercial reporting)
- To receive unannounced visits when applicable.
- To communicate with CAS and 4C Verifier companies whenever needed or requested

During 2016, 4C Units can only be set up by registered members of the Global Coffee Platform.

## 5.2 4C VERIFIER COMPANIES

4C Verifier companies are independent third party certification bodies (CBs) who are formally trained and approved by CAS. Within the 4C System, their major roles and responsibilities are:

- To verify and evaluate the 4C Units' self-assessment and compliance with other applicable requirements
- To maintain objectivity, impartiality and professionalism
- To be aware of relevant national and international laws and regulations and have them available and up-to-date for use during verification
- To decide on verification samples using a risk-based approach
- To report the results of verifications to CAS as part of the verification report
- To maintain their own 4C qualification by participating in physical and/or virtual training(s) and calibration workshops organised by CAS

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<sup>4</sup> During transition in 2016

- To comply with the framework contract signed with CAS
- To follow defined working procedures for 4C verifications
- To receive witness visits and/ or office audits by both an appointed external Oversight Organisation and/or CAS as part of the Oversight system.

## 5.3 COFFEE ASSURANCE SERVICES (CAS)

CAS is responsible for operating the 4C Verification System. Staff members of CAS are bound to a strict confidentiality agreement as part of their working contracts.

- To operate the 4C Verification System and ensure its credibility
- To take autonomous, impartial and objective licensing decisions, including granting, suspending and withdrawing 4C Licenses
- To maintain adequate qualification of 4C Verifier companies regarding the 4C Verification system
- To approve/ reject 4C Verifier companies based on defined requirements
- To approve/ reject verification reports based on professional judgement and evidence provided by verifiers
- To generate a periodic update on the 4C Units' verification statuses (licensed, suspended, withdrawn, etc.) and share this with their customers
- To periodically provide Global Coffee Platform with the data and information of the 4C Units as described in requirements in this document
- To demonstrate to Global Coffee Platform compliance with the oversight mechanism of the 4C verification system
- To ensure that the 4C Verification System meets the Accreditation and Assurance Rules of the Global Coffee Platform
- To prepare for periodic management reviews of the 4C Verification system through the oversight mechanism and propose and implement corrective actions based on oversight results
- To handle complaints and appeals from 4C Units and/or verifier companies on verification issues
- To contribute to Global Coffee Platform with technical input from a verification perspective to processes such as standard development and/or revision and interpretation.
- To ensure that the verification team is competent and qualified to carry out its role.

## 5.4 EXTERNAL OVERSIGHT ORGANISATION

An external organisation is contracted by CAS to review the 4C Verification System on a periodic basis as part of the 4C Verification System Oversight mechanism.

Within this task, the External Oversight Organisation reviews the performance of CAS with regards to the 4C Verification System as well as the compliance of 4C Verifiers (witness and office audits) and 4C Units (unannounced audits) with the 4C Verification system rules and regulations. The main purpose of this System Oversight is to ensure overall quality and credibility of the Verification system by evaluating and monitoring compliance with the Accreditation and Assurance Guidelines of the Global Coffee Platform (document in preparation) of all actors in the 4C Verification system (4C Units, 4C Verifier companies and CAS).

## 5.5 GLOBAL COFFEE PLATFORM

As custodian of the Baseline Common Code, the following roles are with the Global Coffee Platform and its

multi-stakeholder membership:

- To define, adjust and revise as and when required Accreditation and Assurance guidelines for accrediting operators to provide Baseline Common Code equivalency services or - in the case of CAS - operate the 4C Code of Conduct and the 4C verification system regulations
- To ensure that accredited operators meets ISEAL Assurance Code requirements as laid out in the Accreditation and Assurance guidelines.
- To authorize an external organisation to review the performance of CAS and other accredited operators.

## 5.6 ISEAL ALLIANCE

The ISEAL Alliance<sup>5</sup> is the global membership association for sustainability standards. Working with voluntary standard systems, ISEAL develops guidance and helps strengthening the effectiveness and impacts of these standards. ISEAL also works with companies, non-profit organisations and governments to support the referencing and use of voluntary standards.

As a full member of ISEAL and custodian of the Baseline Common Code, the Global Coffee Platform has to comply with different ISEAL Codes of good practices, including the ISEAL Assurance Code, which is applicable to the 4C Verification system operated by CAS.

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<sup>5</sup> <http://www.isealliance.org/about-us>

## 6. REQUIREMENTS FOR 4C UNITS

4C Units are the object of 4C Verifications. In addition to the 4C Code of Conduct, this chapter describes other requirements that are applicable to 4C Units.

The following general requirements need to be met in order to receive a 4C license:

- To implement an Internal Management System (IMS) (at least basic for initial verification and the first three years, and at least intermediate for re-verification),
- To complete an up-to-date Business Partner Mapping (BPM),
- To complete an up-to-date self-assessment Tool,
- To exclude unacceptable practices,
- To have an average yellow performance within each of the three dimensions of the 4C Code of Conduct,
- To grant verifiers access to information during the verification in the field.

Once the license is granted, the following requirements apply:

- To commit to continuous improvement (provide IP, eliminate red practices),
- To ensure periodic monitoring (via Annual Update on BPM, SA, IP, Pesticide use report and Commercial Reporting),
- To comply with rules for trading 4C Compliant Coffee.

Each requirement is presented in three parts:

- Requirement: what is expected from the 4C Units;
- Guidance: how to understand and implement the requirement; and
- Verification: how the requirement is verified and consequences of failing compliance.

### 6.1. INTERNAL MANAGEMENT SYSTEM (IMS) BY 4C UNITS

#### Requirement:

4C Units MUST implement an Internal Management System which ensures that the 4C Code of Conduct and other requirements are properly put into practice by the Managing Entity and all Business Partners within the 4C Unit. During the initial verification a basic level IMS MUST be implemented. By the end of the first 3-year cycle, at the time of re-verification, an upgrade to the Intermediate level IMS MUST have been achieved and be functional.

#### Guidance:

The 4C Unit concept is unique in many aspects. It allows 4C Members to include as many Business Partners within their supply chain as their management capacity can cover, therefore, an IMS is an absolute requirement.

As many 4C Units implement the 4C Code of Conduct alongside other sustainability schemes like the UTZ Certified Code, C.A.F.E Practices, SAN or Fairtrade standards, having one IMS/ICS system covering the requirements of different schemes is a big advantage for 4C Units.

Not achieving the basic level of the required IMS means that no 4C License will be issued except for 4C Units being single estates or plantations.

There are three levels of an IMS - basic, intermediate and advanced - as illustrated in the table below. Each higher level adds to the level(s) beneath it. For each level, there are elements and indicators which help 4C Units and 4C Verifier companies to determine the actual level of the 4C Unit's IMS. The specific elements and indicators of the IMS at levels basic and intermediate are described with specific guidance on Annex 10.2.

#### Verification:

During verification, 4C Verifiers use the elements and indicators provided in the IMS Matrix as a guidance.



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IMS Matrix	4C Unit Managing Entity (ME)	List of Business Partners (BPs) and their data	4C Unit structure and key functions of BPs	Self -Assessment	Improvement Plan	IMS documentation and communication	Implementation plan	Sanction measures
Basic	1. Name and contact details of the Managing Entity, major role and responsibility within the 4C Unit	3. Completed and up-to-date Business Partner Mapping (BPM) listing all BP and their basic data	4. An organisational chart of 4C Unit including clear product flow with key functions of each type of BP within the 4C Unit	5. An aggregate Self -Assessment before verification	8. An Improvement Plan is developed after each verification and being implemented	9. Evidence of communicating the IMS and its requirements to BP: this includes what is required of them and that they should allow for internal or external assessments		12. Implementation of a documented Procedure for sanctions and appeals.
	2. Appointed person(s) taking care of the IMS and 4C Code implementation, their roles, responsibilities and competences			6. Up-to-date Assessments of individual BPs at the ME office		10. Mutual commitment by the ME and BPs in implementing the 4C requirements		
				7. Implementation of a documented Procedure for annual decision making on conformity assessment status both at individual BP level and at aggregate level.		11. Implementation of a documented procedure for obtaining agreement with all BP to be part of the 4C Unit, including approval and removal criteria and process, requirements for the ME and BP on record keeping.		
Intermediate	13. Training is provided to appointed person taking care of IMS and Code implementation			14. Training is provided to those who conduct Self -Assessment within the 4C Unit on the 4C requirements (Code of Conduct, IMS and others)			17. A plan prepared by the ME on implementing the 4C Code, including verification, within the 4C Unit over a defined time	
				15. Records of site evaluations of a representative sample of BP at ME level		16. A document describing the 4C Unit's IMS		
Advanced	Other scheme's ICS requirements encompassing ISEAL P035_ Common requirements for producer group certification.							

## 6.2. BUSINESS PARTNER MAPPING (BPM) AND ORGANISATIONAL CHART BY 4C UNITS

### Requirement:

4C Units MUST complete the BPM and create an organisational chart before contacting CAS and 4C Verifiers for verification. The BPM MUST be updated on an annual basis regarding ALL Business Partners. The Organisational chart MUST be updated in the event of any changes within the 4C Unit.

### Guidance:

The Business Partner Mapping and Organisational chart are tools that enable 4C Units to manage the data and performance of individual Business Partners. The BPM is a form that 4C Units fill out with the basic data of Business Partners in several steps:

- List all Business Partners with their full names,
- Fill out their addresses/ locations and other relevant details as given in the template,
- Fill out their basic business data (function within the 4C Supply chain, number of workers, production size, yield, actual production, etc.),
- Assess their performance against the 4C Code of Conduct and fill out the average result of each dimension of individual Business Partners,
- Identify areas for improvement of individual Business Partners according to the 4C Code of Conduct.

The BPM is supported by an organisational chart which illustrates the different functions along the 4C Supply chain of 4C Units and reflects the coffee flow within the unit. The 4C Unit's Managing Entity must make sure that the required organisational chart covers the entire 4C Unit, NOT just the Managing Entity.

4C Units must complete the BPM and Organisational chart before contacting 4C Verifiers for their proposal for verification. 4C Verifiers will assess the risks of Business Partners for verification sampling using the BPM.

The basic data and performance of Business Partners are reviewed and updated annually following verification.

### Verification:

This requirement is checked during the verification process and through unannounced visits and is monitored by CAS. 4C Verifiers will check sampled Business Partners' basic data and compare it with the data entered in the BPM and organisational chart. Any discrepancy will be reported in the verification report.

## 6.3. SELF-ASSESSMENT BY 4C UNITS BASED ON THE 4C CODE OF CONDUCT AND APPLICABLE REQUIREMENTS

### Requirement:

As a minimum, 4C Units MUST conduct an aggregated self-assessment before applying for verification AND on an annual basis after verification.

### Guidance:

The self-assessment serves multiple purposes:

- To make sure that 4C Units have understood the verification requirements,
- To check internally if compliance with 4C requirements is achieved,
- To reduce the risk of failing the upcoming verification.

The 4C Unit's self-assessment is made up of three major steps:

- Defining the 4C Unit's Internal Management System (IMS) level – see section 6.1 – Internal Management System (IMS),
- Self-assessing (all or sampled) individual Business Partners and the Managing Entity against the applicable principles of the 4C Code of Conduct,
- Consolidating the results of the above individual self-assessments, if applicable.

4C Verification is conducted using a risk-based approach, in which 4C Verifiers select a sample of Business Partners who may have a greater risk of not complying with the 4C Code of Conduct and additional requirements. 4C Units can use the same risk-based approach for their self-assessment, although it is recommended to conduct a self-assessment of all Business Partners to lower the risk of failing the verification. Details of risk-based sampling are set out in section 7.3 – Preparation for verification by verifiers.

Within a verification cycle, 4C Units must make sure that the self-assessment of individual Business Partners and the Managing Entity is done at least once during harvest time.

To maintain their licensed status after verification, 4C Units must carry out a self-assessment on an annual basis. The same process with the three major steps is repeated. If the self-assessment is done of 100% of Business Partners, the 4C Unit's Managing Entity can use the results of the initial verification and improvement progress as risk factors to decide on the sample for the annual self-assessment.

The aggregated results are then sent to CAS together with other required documents. See section 6.8 – Periodic monitoring.

The self-assessment is part of the Assessment Tool.

### Verification:

The aggregated self-assessment of the entire 4C Unit will be used by Verifiers during verification and for concluding any findings, observations or risks. Where available, Verifiers will ask for and use the self-assessment of individual Business Partners when visiting them and verifying their practices. Verifiers use the same sets of indicators (for UAPs, Code principles and IMS) to determine the accuracy of the aggregated self-assessment.

## 6.4. EXCLUSION OF 10 UNACCEPTABLE PRACTICES (UAP) BY 4C UNITS

### Requirement:

The 4C Code of Conduct outlines ten Unacceptable Practices (UAPs). To apply for verification, 4C Units MUST exclude all ten UAPs at the level of all individual Business Partners and at the level of the Managing Entity.

### Guidance:

An individual self-assessment by all Business Partners as well as by the Managing Entity of the 4C Unit is strongly recommended to ensure that the UAPs are excluded. The self-assessment should be conducted by technical personnel from the Managing Entity. In case other schemes such as the Rainforest Alliance, UTZ Certified or Fairtrade are implemented, 4C Units can also make use of the results of respective internal or external audits.

4C Units are required to use the table of indicators for Unacceptable Practices to measure their performance. The table applies to the performance of the Business Partners and the Managing Entity of the 4C Unit.

### Verification:

4C Verifiers use the same set of indicators as defined in the Code, to verify that all Business Partners and the Managing Entity of the 4C Unit have excluded all 10 UAPs.

## 6.5. AVERAGE YELLOW PERFORMANCE BY 4C UNITS

### Requirement:

After excluding the 10 UAPs, 4C Units MUST reach the minimum average yellow performance in each of the three dimensions<sup>6</sup> of the 4C Code of Conduct on an aggregated level. Only then can they undergo the initial verification.

### Guidance:

This requirement applies to the initial verification. For re-verification, specific requirements are set in section 6.7 – Continuous Improvement by 4C Units.

The average yellow performance indicates that 4C Units have implemented the 4C Code of Conduct and related requirements and are now prepared for verification.

For each principle in the 4C Code, there are indicators for 4C Units to determine how they perform in each principle – green, yellow or red. Indicators for each level of performance (criterion) are grouped by “AND” or “OR” at the end of each indicator. If a criterion has indicators grouped together by “AND”, to achieve the performance level of that criterion, 4C Units must achieve all indicators within that criterion.

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<sup>6</sup> Average yellow must be reached per dimension. In the self-assessment, some principles may be rated red within each of the 3 dimensions. In these cases, these red practices need to be compensated by green principles in order for each dimension to reach an average yellow rating. At the aggregated results level, red practices can be compensated by green and/or yellow principles. An aggregated yellow rating in each dimension is a minimum prerequisite for license eligibility.

If the 4C Unit does not achieve all the indicators of that criterion, the next lower performance level will be considered. For criterion with indicators grouped together by “OR”, either one or the other of the indicators must be met.

Verification:

4C Verifiers check and evaluate the accuracy of the aggregated self-assessment provided by 4C Units. They verify the self-assessment rating of each 4C Code principle in the same way as they verify the UAPs. At the end of the verification, the verifiers aggregate the overall result based on the results of each visited Business Partner in the verification sample and of the Managing Entity. The 4C Verifiers then confirm (or not) the average yellow performance of the 4C Unit in each dimension.

A successful verification with confirmation of an average yellow performance and of the additional requirements as set out in section 6. will result in a recommendation to issue a 4C license.

## 6.6. GRANTING VERIFIERS ACCESS TO INFORMATION BY 4C UNITS

Requirement:

4C Units MUST provide verifiers with full access to all information necessary for their work during a verification.

Guidance:

Receiving access to all information relevant for the evaluation of a 4C Unit against the 4C Code and other requirements is a key component of verifications. All 4C Verifiers commit to full confidentiality of the information received as a requirement, which is reflected in a framework contract between the 4C Verifiers and CAS. In addition to this contract, verifiers are accredited against a standard (ISO/ IEC 17065) that strictly requires confidentiality. If necessary, 4C Units may also request that the verifier they select signs an additional confidentiality agreement.

If any document, record or other information is not available at the time of request by verifiers, 4C Units must ensure it is made available before the end of the verification.

If one or more sampled Business partners or the Managing Entity refuse to receive verifiers or give access to their records and/or facilities, the verification cannot be concluded. In such cases, the verification is only accepted as completed if the verifiers receive access to the requested information, or if another additional visit is conducted in order to have access to all necessary information. In case the verifiers do not get access to the information at all (be it in the same verification or during an additional visit), respective sanctions apply (Section 7.5.2 on sanctions).

During a verification, verifiers can request representatives of the Managing Entity or farm owners to not participate in interviews (e.g. with producers or workers being employed by producers/the Managing Entity or other business partners). This enables the verifier to receive objective and uninfluenced information regarding compliance with the 4C Code and other applicable requirements.

Verification:

Verifiers need full access to all relevant information, including documents, records, interviews and/or any other medium during their visits to anyone included in the verification sample or beyond that.

## 6.7. CONTINUOUS IMPROVEMENT (CI) BY 4C UNITS

### Requirement:

Within six weeks after being licensed, 4C Units MUST develop an Improvement Plan based on the verification result, which addresses verification findings, risks and observations with the aim to eliminate all remaining red practices, if applicable, until the next re-verification (within 3 years). Any red practice as concluded following the previous verification MUST be eliminated within three years before undergoing re-verification. Any derogation to this rule will be made by CAS on a case-by-case basis in consultation with the 4C Verifier and other sources as deemed necessary. Derogations will be limited in time and a Unit should not be granted derogations on a continuous basis. Derogations are only possible due to force majeure, i.e. 4C Units being located in conflict zones or because of a natural disaster, or where the outbreak of a disease or pest is considered as an epidemic event as declared by recognized sources such as national authorities.

The 4C Unit MUST update its improvement progress on an annual basis together with the self-assessment and other documents.

### Guidance:

The 4C System sets a basic entry threshold for coffee actors to encourage them to start making sustainability efforts. Nevertheless, a prerequisite for joining the 4C Association is that 4C Units commit to continuous improvement. Initial verification is considered as the starting point for this continuous improvement journey.

After verification, 4C Units with principles in red or with (risk of) any other non-compliance regarding other requirements, must develop an Improvement Plan. The Improvement Plan (IP) states the activities aimed at addressing the red principles and bringing them to the yellow level. During re-verification, the verifier does an evaluation of the status and thus (dis)confirms, if the 4C Unit is in compliance with the Continuous Improvement concept. A standardized template for the Improvement Plan is part of the Assessment Tool which is provided in Annex 10.3 part 1.2.7.

The 4C Concept of Continuous Improvement embraces several aspects. On the one side and as a requirement, it covers the obligatory elimination of red practices and the improvement of a basic internal management system. On the other side, moving from yellow practices to green over time, and stepping up to more demanding sustainability schemes is encouraged, but not obligatory.

The requirements for initial verification of the Internal Management System (IMS) are basic. 4C Units are expected to have incorporated more elements of a more effective IMS after three years, i.e. have implemented an intermediate level of the IMS. Requirements and guidance on the IMS are set out in section 6.1 – Internal Management System (IMS) and in Annex 10.2.

### Verification:

Continuous Improvement (CI) is verified during addendum verifications and re-verifications. However, due to the different scope and objectives of the two types of verification, non-conformity or findings on continuous improvement will only be issued during re-verification. Nevertheless, observations and risks on CI may be noted during addendum verifications.

To verify improvement activities, 4C Verifiers use the following documents and records that are shared by 4C Units before addendum/ re-verification:

- The previous verification report as provided by CAS
- The Improvement Plan shared by 4C Units after the previous verification and its annual updates
- The 4C Unit's updated self-assessment
- The 4C Unit's IMS documents and records
- Other available relevant documents and records from the 4C Unit.

CI progress is monitored based on the Improvement Plan prepared and implemented by the 4C Unit and based on the verifiers' evaluation during re-verification.

## 6.8. PERIODIC MONITORING BY 4C UNITS

### Requirement:

4C Units MUST update CAS on their improvement of remaining red practices towards yellow annually, as well as on the overall performance of the 4C Unit against the 4C Code and respective basic data and information, as reflected in the BPM and organisational chart and in report on pesticides. In addition, 4C Units MUST report on the previous coffee year's commercial activities (Commercial Reporting).

### Guidance:

To keep the 4C implementation for 4C Units cost-effective, the approach is to have a 3-year field verification cycle without regular annual verification visits by third-party verifiers. On the other hand, for system credibility, improvement of remaining red practices to yellow practices of 4C Units needs to be monitored, as well as the overall performance of the 4C Unit. Therefore, an annual update by 4C Units is required.

The annual update package consists of the following:

1. Updated aggregated self-assessment as part of the Assessment Tool (Annex 10.3 - 1.2.2)
2. Updated Improvement Plan with progress as part of the Assessment Tool (Annex 10.3 - 1.2.7)
3. Revised/ upgraded IMS to intermediate (obligatory for re-verification) as part of the Assessment Tool (Annex 10.2 and Annex 10.3 - 1.2.1)
4. Updated Business Partner Mapping (Annex 10.3 - 1.1)
5. Updated organisational chart (if there has been any change to the 4C Unit structure over the past year)

4C Units send these updated documents to CAS 12 months after the previous verification, or the latest update round.

Up-to-date and accurate data from 4C Units play a key role in facilitating commercial activities within the 4C Compliant Coffee chain, as final buyers prepare purchasing plans and make purchasing decisions based on information from the supply chain. At least once a year or on an ongoing basis 4C Units must, therefore, report on their commercial activities via the 4C Online Platform each year.

Basic data provided by 4C Units through the annual update will be used for public information (refer to 5.1, 9.5 and 9.6 sections of this document).

4C Units are held responsible for data accuracy, truthfulness and correctness of information that they provide in annual updates and commercial reporting. There are different mechanisms that help to find out whether this requirement is properly implemented, including, but not limited to, crosschecking along the supply chain, unannounced visits to 4C Units or crosschecking with different sources of information that are available.

#### Verification:

This requirement is monitored by CAS, and verified in the field every three years. This is part of the 4C compliance mechanism and failing to fulfil this requirement will result in a non-conformity (see section 7.5.2).

## 6.9 TRADING OF 4C COMPLIANT COFFEE BY 4C UNITS<sup>7</sup>

#### Requirement:

4C Units MUST only trade coffee from registered Business Partners of the 4C Unit as 4C Compliant Coffee. When accepting a bid from buyers or making an offer to sell 4C Compliant Coffee, 4C Units MUST make reference to its valid license number and license validity period. Each and every delivery of 4C Compliant Coffee MUST include a copy of the 4C Unit's license as part of the shipment documentation (e.g. Bill of Lading). 4C Compliant Coffee must ONLY be physically delivered by the 4C Unit to the first buyers under a valid license. Shipping 4C Compliant Coffee stock<sup>8</sup> from 4C Business Partners is ONLY possible when the 4C Unit has a traceability mechanism in place equivalent to the practice described under traceability principle number. 1.8 (economic dimension) at the YELLOW level.

#### Guidance:

The purpose of this requirement is to make sure that 4C Compliant Coffee is sold and shipped by 4C Units under a valid license. The 4C Unit's license validity status is shared with 4C Members as a key information for commercial purposes, i.e. to inform members, if sellers (4C Units) have a valid license when the buyer wants to purchase 4C coffee.

This requirement refers to Unacceptable Practice number 10 – “Immoral transactions in business relations according to international covenants, national law and practices” – and is verified during the verification process.

At the end of a successful verification, CAS issues a 4C License to the 4C Unit, containing a unique license number. The license includes the start and end dates of validity. Only coffee from the unit's Business Partners can be traded as 4C Compliant under that particular license by the respective Managing Entity<sup>9</sup>. As a consequence, Business Partners of a particular 4C Unit who want to sell their coffee as 4C Compliant can only do this through the Managing Entity of their Unit. Business Partners

<sup>7</sup> This only applies to delivery by 4C Units of its own 4C Compliant Coffee. 4C Units and Trade Members, who buy and sell 4C Compliant Coffee of other 4C Units, are requested to refer to the 4C Commercial Guidelines for further guidance.

<sup>8</sup> See Commercial Guidelines

<sup>9</sup> In case the 4C Unit wishes to trade coffee from producers, who are not yet part of the 4C Unit, as 4C Compliant Coffee, it must apply for an addendum verification and only after the license has been granted can this coffee be traded as 4C compliant.



can also sell their coffee to other 4C Units/Managing Entities or any other buyer, but in that case this coffee is not considered as 4C Compliant anymore.

4C Buyers, who buy 4C Compliant Coffee directly from licensed 4C Units, must be aware of these requirements and guidance in order to avoid any future conflicts.

#### Verification:

Verifiers carry out random checks on commercial contracts and copies of shipping documents to ensure that this requirement is complied with. The verification result of this requirement relates to the rating of Unacceptable Practice number 10 - "Immoral transactions in business relations according to international covenants, national law and practices".

## 7. VERIFICATION PROCESS

### 7.1 INTRODUCTION AND OVERVIEW OF THE VERIFICATION PROCESS

This chapter describes the entire process of a verification, from initial contact between 4C Units, CAS and 4C Verifiers up to the acceptance of an Improvement Plan after licensing. It provides guidance and requirements for the major steps in the process. All parties involved (4C Units, 4C Verifiers and CAS) are expected to implement and comply with the respective requirements.

### 7.2 APPLICATION FOR VERIFICATION BY 4C UNITS AND VERIFIER SELECTION/ ENGAGEMENT

#### Requirements:

After implementing the 4C Code of Conduct and its requirements, the Managing Entity of existing 4C Units or new ones must apply for verification. This application consists of sending to CAS a set of updated application documents. The documents required for each type of verification are described in the table below.

TYPE OF VERIFICATION	TIMELINE	DOCUMENTS TO BE SUBMITTED TO CAS BEFORE VERIFICATION	VERIFICATION REQUIREMENTS
Initial	After the implementation of the 4C Code of Conduct and other additional requirements	<ul style="list-style-type: none"> <li>- Complete 4C Assessment Tool (everything apart from the Improvement Plan needs to be filled)</li> <li>- Proof of 4C Unit registration number</li> <li>- Business Partner Mapping</li> <li>- Organisational Chart</li> </ul>	<ul style="list-style-type: none"> <li>- The 4C Code of Conduct, including Unacceptable practices, the 4C list of pesticides and the IMS.</li> <li>- 4C Verification Regulations</li> </ul>

TYPE OF VERIFICATION	TIMELINE	DOCUMENTS TO BE SUBMITTED TO CAS BEFORE VERIFICATION	VERIFICATION REQUIREMENTS
Follow-up	Either within 180 days, from a “failed verification” decision date or Any time within the regular 3-year verification cycle	<ul style="list-style-type: none"> <li>- 4C Assessment Tool of the failed verification including an Improvement Plan (and documentation on progress over the last months)</li> <li>- New 4C Assessment Tool including the updated aggregated self-assessment)</li> <li>- Updated Business Partner Mapping</li> <li>- Updated organisational chart (if applicable)</li> </ul>	<ul style="list-style-type: none"> <li>- The 4C Code of Conduct, including Unacceptable practices, the 4C list of pesticides and the IMS</li> <li>- 4C Verification Regulations</li> </ul>
Addendum	At any time within a verification cycle	<ul style="list-style-type: none"> <li>- New 4C Assessment Tool including the updated aggregated self-assessment (taking into account the performance of the new Business Partners)</li> <li>- Updated Business Partner Mapping</li> <li>- Updated Organisational Chart reflecting newly included Business Partners</li> <li>- Previous verification report</li> <li>- Assessment Tools from previous year(s) in case the addendum is scheduled for more than 1 year after the previous verification.</li> </ul>	<ul style="list-style-type: none"> <li>- The 4C Code of Conduct, including Unacceptable practices, the 4C list of pesticides and the IMS</li> <li>- 4C Verification Regulations</li> </ul>
Re-verification	Maximum three years after initial verification or at any point after a first re-verification	<ul style="list-style-type: none"> <li>- New 4C Assessment Tool including the updated aggregated self-assessment</li> <li>- Updated Business Partner Mapping</li> <li>- Updated Organisational Chart</li> <li>- Previous verification report(s)</li> <li>- Assessment Tools from previous years</li> </ul>	<ul style="list-style-type: none"> <li>- The 4C Code of Conduct, including Unacceptable practices, the 4C list of pesticides and the IMS</li> <li>- 4C Verification Regulations</li> </ul>

The application documents must be sent to CAS for analysis. The time required for this analysis depends on how complete the documents and information provided by the 4C Unit are. If the documents are not complete, CAS will need to spend more time interacting with 4C Units to obtain sufficiently adequate documents.

Each application for initial verification generates a unit's registration number in the database of CAS. This number will be communicated to the unit during this step. The registration number is unique for each 4C Unit and will be included in the 4C Unit's license at a later stage and remain valid as long as the 4C Unit exists.

When the application documents are all in order, the unit will receive an approval from CAS to go on to the next step, which is the selection of a verifier company.

4C Units MUST send requests for proposals only to 4C approved verifier companies. An updated list of approved 4C verifier companies is available in the website of CAS. The verifier selection process must be transparent and completely free from any potential conflict of interest. 4C Units may use the below criteria as guidance to select a verifier company in an objective and free of conflict of interest way. These criteria are as follows:

- Availability of verifiers (closest to the preferred timeline for verification by 4C Units),
- Geographical location (the distance between the verifier's location and the 4C Unit - the further away the verifiers are, the greater the travelling costs),
- Language proficiency (in order to communicate with the 4C Unit's Business Partners in their own language),
- Daily rate,
- Estimated time needed for verification.
- It is recommended that the verification team is gender mixed (both male and female verifiers available for verification) (see also section 8.1.5).

The 4C Unit is then free to choose the most suitable verifier based on proposals received.

To avoid confusion, the 4C Unit should clearly state in the requests for proposals whether or not it will make logistical arrangements (e.g. transportation, accommodation) for the verifiers. In some cases, costs of logistics can make up a significant amount of the total value of the contract.

It is also important to include information on the major locations of business partners to enable verifiers to estimate the time needed to travel from one business partner to another.

To avoid conflicts of interest, 4C Units must not send requests for proposals to 4C verifier companies who have provided them with training and consultancy services for four years after those services have been delivered.

Once an approved verifier company has been selected by the 4C Unit, the 4C Unit MUST inform CAS about the name of the selected company. CAS will then supply the selected verifier company with the documents which were approved by CAS, and any other possible relevant documents from previous verifications, if it is the case. With these documents, the verifier company will prepare itself for verification and apply a risk assessment for the definition of a sample. If 4C verifier companies need more relevant information other than the ones supplied by in the application documents, they are responsible to contact 4C Units and request relevant information from the 4C Unit requesting a verification proposal. This is to make sure that their proposal will be relevant and realistic in terms of time and resources needed for an adequate verification.

Any type of verification must not occur without the prior consent and approval of CAS, which is sent both to the unit and to the verifier company, in order to be a valid 4C verification. Organisation Records MUST be retained for at least six years (two verification cycles) by the 4C Unit's Managing Entity and 4C Verifier companies.

Guidance:

This requirement applies to 4C Units and 4C Verifiers, and for any type of verification within the 4C Verification System. The process of selection and engagement of verifiers is mainly relevant for initial and re-verifications. For addendum verifications, CAS recommends that 4C Units engage the same verifier company that was engaged in the last verification. For follow-up verifications, the same individual verifier as the previous verification (either lead verifier or verifier) MUST be engaged.

If the unit has specific reasons not to receive the same individual verifier during a follow-up verification, a request should be sent to CAS describing the reasons, in order for CAS to take the final decision.

In case a 4C Unit implements different schemes, such as the Rainforest Alliance, UTZ Certified, Fairtrade or C.A.F.E Practices or any other, combined audits can be arranged in order to save time and resources, as long as the sample for the 4C Verification meets the requirements of a risk-based sample as described in 7.3

Within a verification cycle (maximum three years), verification must take place at least once during harvest time. 4C Units must therefore schedule a verification during the harvest season or a follow-up verification during the harvest season will be decided by Coffee Assurance Services.

Any complaint from a 4C Unit against the 4C Verifier regarding the verification process should be communicated both to the 4C Verifier Company and to CAS.

## 7.3 PREPARATION FOR VERIFICATION BY 4C VERIFIER COMPANIES

Requirement:

Verification MUST ONLY take place after receiving the approved 4C Unit's application documents from CAS.

Verification sampling must be risk-based. Names of Business Partners in the verification sample MUST ONLY be announced to the 4C Unit a maximum of 2 working days before the verification takes place. Verification sampling MUST NOT be influenced in any way by the 4C Unit. The verification plan must be shared with the 4C Unit and CAS prior to actual verification. The verification team must be composed by verifiers approved by CAS. The presence of observers shall be agreed to by the 4C Verifier and the 4C Unit prior to the audit. All records MUST be retained for at least six years (two verification cycles) by the parties involved.

Guidance:

This requirement applies to 4C Verifier companies.

Verification requirements are defined depending on the type of verification. Applicable national/international legislation always forms part of any type of verification.

Documents<sup>10</sup> required for different types of verifications include:

### 7.3.1 Risk factor identification

The completed application documents help verifiers to identify any risks of non-conformities within 4C Units that may prevent them from being licensed. A multitude of risk factors for non-conformities can exist within a 4C Unit. Below is a non-exhaustive list of conditions that may put a 4C Unit at risk to comply. These risk factors are categorised according to the different levels of the supply chain within a 4C Unit, i.e. the 4C Unit as such, the Managing Entity, producers, collectors and mills/ processors. Verifiers may need to crosscheck or obtain additional information from 4C Units in order to decide on an adequate verification sample. Verifier's local knowledge and experience play a crucial role in this step of the process. Additional information from different sources (e.g. media, available reports, local legislation, etc.) should also be sought after and taken into consideration when assessing risk factors for the sample.

- General risk factors at the 4C Unit level for consideration of verifiers include, but are not limited to:
  - Large size of the 4C Unit (i.e. many Business Partners)
  - Heterogeneity among Business Partners (e.g. farm size, production methods, access to technology, etc.)
  - Vast geographical dispersion of Business Partners
  - Long supply chain
  - Poor infrastructure within the 4C Unit's catchment area
  - Located in conflict or disaster zones
  - 4C System only has been implemented for a short period of time
  - No experience with other sustainability schemes
- Risk factors at the Managing Entity level include, but are not limited to:
  - Inexperienced personnel
  - Inadequate Internal Management System
  - Human resource shortages
  - No direct communication with producers (e.g. only through collectors).
- Risk factors at the producer level include, but are not limited to:
  - Located at long distance from the Managing Entity
  - No experience with other sustainability schemes
  - No training provided on 4C Code implementation and other related topics
  - Illiteracy
  - Not having any other sustainability scheme experience

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<sup>10</sup> It is the responsibility of 4C Units to provide the 4C verifiers with the required documents and information completed and up-to-date. No verification can take place without the completed and updated set of documents.

- Large/ small farm sizes (the larger the size, the more requirements apply to the farm, the more exposure to other risk factors; on the other hand, the smaller the size, the more negligence or ignorance of good practices may occur. 4C Verifiers will need to use their knowledge of the local context to judge this risk factor of a particular 4C Unit).
- Large number of employees
- Intensive production practices
- Proximity to natural conservation areas (watershed, forest, natural parks, etc.)
- Recently joining the 4C Unit
- Not being assessed by the Managing Entity during the self-assessment/preparation for verification of the 4C Unit
- Poor self-assessment results
- Not being verified/ audited during previous verification/ other scheme audit
- Location in sloppy areas (soil erosion)
  
- Risk factors at the collectors' / warehouse's level include, but are not limited to:
  - Buying/ storing coffee from different sources (4C vs. non-4C producers)
  - Distance to 4C producers and to the Managing Entity (the further away the collector from producers and the Managing Entity, the more likely it is that communication with them and traceability of the coffee may be difficult)
  - No training provided on 4C Code implementation and other related topics
  - Large number of employees
  - Poor self-assessment results
  - No experience with other sustainability schemes
  
- Risk factors at processor (wet mill, dry mill) level include, but are not limited to:
  - Large number of employees
  - Potential water pollution (for wet mills)
  - Distance to the Managing Entity and to the authorities supervising the implementation of local labour and environmental laws
  - Processing different types of coffee (4C Compliant and others)
  - No experience with other sustainability schemes
  - Not being verified/ audited during previous verification/ other scheme audits
  - Poor self-assessment results
  - High energy usage for processing

## 7.3.2 Risk factor evaluation (Risk identification)

4C Verifiers shall use risk factors at the aggregated level of the 4C Unit and at the level of the individual Business Partners to identify the sample.

Risk factors are evaluated using the following risk assessment matrix:

Severity: If it occurs, how severe will its effect be on the 4C Unit's overall performance?	Probability: How likely is the occurrence of this risk factor?				
	Almost certain (Occurs often or happens with most of BPs)	Likely (Occurs several times or happens with several BPs)	Occasional (Occurs sporadically or with not so many BPs)	Seldom (Could occur with very few BPs)	Unlikely (Hardly ever or never occurs.)
Significant (The Managing Entity is unable to control the situation, verification fails.)	High	High	High	Medium	Medium
Moderate (The Managing Entity can handle the situation with difficulty, but minimum requirements to be licensed are met.)	High	High	Medium	Medium	Low
Minor (The Managing Entity can manage the situation with ease. Minimum requirements to be licensed are met.)	High	Medium	Medium	Low	Low
Insignificant (The situation has nearly zero effect on the overall performance of 4C Units. Requirements are met.)	Medium	Low	Low	Low	Low

In principle, the evaluation of risk factors is carried out during the preparation stage prior to the verification. However, this may need to be adjusted at the verifier's discretion, based on further information provided to verifiers during the opening meeting, the interview with the Managing Entity and/or an inspection of the facilities.

### 7.3.3 Sample size

As a baseline system, 4C Verification uses a universal sampling formula for a verification which is:

As a minimum 50% of the square root of the total number of Business Partners (BP) of a 4C Unit + the Managing Entity (ME).

This above formula is used for initial and re-verifications, regardless of the size of 4C Units. If 50% of the square root result in a decimal, the figure is rounded up to the nearest whole number.

Example:

A 4C Unit has in total 1325 BPs.

$50\% \times \sqrt{1325} = 18.2$  (to be rounded up to 19).

Verification sample = 19 (BPs) + 1 (ME) => 20 in total.

The sample size for addendum verifications is:

As a minimum 50% of the square root of the total number of NEW Business Partners (BP) of a 4C Unit + 1 to 3 BPs of the sample of initial verification + the Managing Entity (ME).

Example:

The above 4C Unit has 1325 BPs. Now it intends to include 357 new BPs and requests an addendum verification. The sample size for the addendum verification is:

$50\% \times \sqrt{357} = 9.4$  (to be rounded up to 10)

= 10 (new BPs) + 2 (BPs of the initial verification sample) + 1 (ME) => 13 in total

The addendum verification sample must always include some Business Partners of the initial verification sample to verify continuous improvement results of the 4C Unit. The number of "old" Business Partners to be included in the addendum verification sample varies (between 1 and 3) depending on the sample size of the initial verification. 4C Verifiers justify their decision and document their justification in the addendum verification report.

As stated above, the sample size formula for re-verifications is the same as for initial verifications:

As a minimum 50% of the square root of the total number of Business Partners (BP) of a 4C Unit + the Managing Entity (ME).

However, the re-verification sample must always include some Business Partners who were previously sampled in order to verify their improvement progress. The exact number of previously sampled Business Partners in the re-verification sample is up to the professional judgement of the lead verifier, and a justification for this should be documented in the verification report. The recommended rule of



thumb is to select the weakest performing (e.g. based on number of red practices) or riskiest Business Partners. Besides, if there are new Business Partners included in the 4C Unit during re-verification, the re-verification sample must also include some new Business Partners.

#### Example:

The above example 4C Unit had 1325 BPs during the initial verification. They have then included 357 new BPs and received an addendum verification. After nearly 3 years, they are now applying for re-verification. But at the same time, they also want to additionally include 200 new BPs during the upcoming re-verification.

The re-verification sample would be:

$$50\% \sqrt{1882 (1325+357+200)} + 1ME$$

= 22 + 1ME (for example: 6 BPs from the initial sample + 8 BPs from the initial group but not sampled + 2 BPs from the addendum sample + 2 BPs from the addendum group but not sampled + 4 BPs from the completely new group).

The sample size for follow-up verifications depends on the reason(s) of failure/suspension or need for monitoring. This is normally communicated to both the 4C Unit and the 4C Verifier company when the licensing decision is taken. Nonetheless, the 4C verifier company must contact CAS prior to follow-up verifications to receive additional relevant information.

### 7.3.4 Sampling

The general approach for a 4C Verifications is that “the chain is only as strong as its weakest link”. It is particularly important to take this into account during sampling due to the small sample size that the 4C Baseline system adopts. Verifiers must thus ensure they include high-risk BPs into the verification sample.

On the other hand, the verification sample must include different types of Business Partners of the 4C Unit (producers, cooperatives/associations, collectors, processors, mills, etc.). As a minimum, one Business Partner of each type, must be part of the sample.

Depending on the size of the 4C Unit, verifiers may divide the total number of BPs into clusters first. In this case, the identified general risk factors at the 4C Unit level, such as geographical dispersion, heterogeneity, etc. are used for clustering. The sample size in each cluster is proportional to the size of the cluster in relation to the total number of BPs.

Example:

The above 4C Unit has 1325 BPs (in total). The sample size as defined above is 19 (BPs) +1 (ME).

According to geographical locations and heterogeneity in terms of coffee production practices, the total number of Business Partners can be divided into three clusters.

Cluster 1 has 376 BPs= 28% of the total number of BPs = 28% of the sample = 5.32 BPs

= 5 BPs

Cluster 2 has 702 BPs = 53% of the total number of BPs = 53% of the sample = 10.07 BPs

= 10 BPs

Cluster 3 has 247 BPs = 19% of the total number of BPs = 19% of the sample = 3.61 BPs

= 4 BPs

Then, within each cluster, the same risk assessment approach is used to identify and select Business Partners for the verifications. When Business Partners fall under the high-risk areas highlighted in red in the matrix, verifiers should make sure that at least 80% of the sample is dedicated to verify them. The remaining 20% of the sample is divided into Business Partners with medium risk (in yellow) and low risk (in green).

Example:

In cluster 2 above, a sample of 10 BPs shall be visited. Many Business Partners in this cluster are assessed as high-risk. Therefore, the 4C Verifiers should pay eight (8) visits to high-risk BPs and two (2) visits to medium/ low-risk BPs.

Verifiers must ensure that the re-verification sample includes also some weaker-performing Business Partners of the previous verification sample. This is especially important in verifying improvements implemented for those Business Partners.

### 7.3.5 Verification Plan

Once the verification sample is established, 4C Verifiers prepare a Verification Plan and share it with 4C Units and CAS in advance. Verifiers can use their own template for the Verification Plan; however, they are required to include the following information as a minimum:

- Start and end date and location(s) of the verification
- Names, roles and responsibilities of each verifier in this verification
- Time allocation for each activity during verification
- Who is going to attend which part of the verification

4C Verifier companies must only send verifiers that are approved by CAS and listed on its website to conduct a 4C Verification (see 8.2 below and respective sanctions).

The Verification Plan can be combined with a sample plan that gives information about the areas or regions the verifiers are going to visit. Nevertheless, NO name of any business partner may be included in the initial Verification Plan. The initial Verification Plan should be sent to 4C Units as soon as it is prepared to allow them sufficient time to allocate the necessary resources for the verification.

Names of the sampled Business Partners must only be announced to 4C Units a maximum of two working days prior to the date of verification allowing the 4C Unit's Managing Entity to contact and inform its Business Partners about the upcoming visits.

In case of justifiable absence of the sampled Business Partner (illness, travelling, force majeure, etc.), verifiers must use the same risk-based approach to find a replacement. The sample as such as well as any modifications of the sample during verification need to be documented in the respective section of the verification report.

4C Units cannot influence the verifier's decision on verification samples and/or replacements in any way. If verifiers are found to be influenced by 4C Units in sampling, necessary sanction measures will apply, which may include to not accept the verification result and remove the verifier from the list of 4C approved verifiers. If the verifier wishes to appeal this decision, the complaint mechanism in section 9.3 - Complaint Mechanism will be used.

#### Verification:

This requirement is verified by the External Oversight Organisation and/or CAS during periodic oversight activities (witness audit, office visit). Verifiers' offices are visited and records are checked to confirm that verifiers strictly implement this requirement. Failure to meet this requirement will result in a non-conformity.

## 7.4 ON-SITE VERIFICATION BY 4C VERIFIERS

4C Verifications are made up of several parts that entail different activities. This section provides a brief introduction to on-site verifications for 4C Units that have never been verified. It does not aim to instruct verifiers on how to conduct verifications, but provides an introductory overview.

In principle, all the major steps described below are the same for all different types of verifications. The only difference is the focus of the verification - (for example, during re-verifications, more emphasis is put on verifying improvement) - and the amount of time spent on different activities in the field.

### 7.4.1 Opening meeting

The opening meeting is the entry point for any on-site verifications. 4C Verifiers and representatives of the Managing Entity participate in this meeting. The purpose of the opening meeting is to confirm the verification objectives and requirements, to confirm or adjust verification and sampling plans, and to explain to the Managing Entity how the verification will be carried out.

This meeting usually takes around 15 to 30 minutes, and is normally held at the office of the Managing Entity. The Managing Entity is required to attend this meeting. If the Managing Entity wishes, more participants from the 4C Units can be invited to attend this opening meeting. All verifier team members

must attend the opening meeting. All participants in this meeting should also take part in the closing meeting at the end of the verification, but at least the verifier team and the respective representatives of the Managing Entity.

### 7.4.2 Interviews, inspections, document checks

Once the opening meeting is finalized, the management interview starts. Here, the verifiers interview the managing entity, i.e. the persons in charge of the 4C Unit's management and implementation of the 4C System. The purpose of the management interview is that the Managing Entity gives an overview of the 4C Unit as well as of the Internal Management System (IMS). Information gained from the management interview may imply that the verifier changes the initial verification and sampling plans. Therefore, it is important to hold this management interview right after the opening meeting and on day one of the verification. Only in extreme cases is the order of this event allowed to be altered.

Following the management interview, the verifiers check documents and records and carry out interviews with other relevant employees of the Managing Entity. Which activity is conducted first is at the verifiers' discretion based on the actual situation. If the Managing Entity has a factory within its premises, all of the above activities can normally be carried out on the first day of the on-site verification.

Afterwards, 4C Verifiers visit the sampled Business Partners at their premises, offices and farms. Should more than one verifier conduct the verification, the verifier team usually splits up into groups in order to visit different Business Partners in parallel. The 4C Unit's Managing Entity is expected to assign an escort to accompany each verifier group and introduce them to the Business Partners. The escort must not answer the questions that verifiers ask to the Business Partners. In order to receive objective and uninfluenced information from interviewees, verifiers may request representatives of the Managing Entity or employers in case of interviews with workers to not participate in the respective interview.

The main verification activities carried out at the level of the Business Partners are: an interview with the respective Business Partner and their workers; a physical farm/facility inspection; and a review of documents and records.

Interviews with workers, be it at the level of the Managing Entity or at the level of the Business Partners, are a critical part of 4C verifications. 4C Verifiers shall make all efforts to ensure confidentiality and anonymity of their identities as well as of their statements.

The number of workers interviewed during a verification is up to the verifier's professional judgement. Depending on the period of the year when the verification takes place, there may be no workers or very few workers available (e.g. off-harvest season). The general rule is that workers must be interviewed when they are available. If both female and male workers are present, both should be interviewed. The number of worker interviews of each business partner should be proportional to the number of workers hired by a business partner (producer, mill, collector, etc.) or the Managing Entity. A higher number of interviews with workers is only needed in case more evidence needs to be established for a definite conclusion of the situation.

Verifiers may judge that it is necessary to obtain information from other sources through interviews with other local stakeholders, e.g. teachers in nearby schools, union representatives outside the 4C Units, input providers, representatives/stores or local NGOs to confirm or refute certain information.

In addition to that and depending on the situation, laboratory tests of coffee leaves, coffee cherries and/or parchment, soil, water and / or others may be requested by CAS before taking a final license decision. This decision is entirely at the discretion of Coffee Assurance Services. The verifier must check in all cases with CAS before any samples are collected onsite. For those cases, the Verifier and CAS are in direct contact to agree on next steps for such measures and the 4C Unit will be informed.

When reviewing documents and records during an initial verification, a period up to six months prior to the date of verification will be considered. During other types of verifications, a period up to the previous verification will be considered.

At the end of the on-site verification, verifiers may need to extend the sample in order to obtain corroborating evidence to draw conclusions on the 4C Unit's performance. 4C Units are entitled to receive an appropriate explanation for this sample extension. The additional visit(s) to Business Partners must also be risk-based and are limited to a maximum of two extra person-days.

### 7.4.3 Closing meeting

When the on-site verification is completed, the verifier team members discuss the findings, risks and observations and consolidate the final results, before presenting it to the 4C Unit's Managing Entity. The lead verifier is responsible for finalizing all conclusions of the visit.

All participants in the opening meeting or at least the verifier team and the respective representatives of the Managing Entity should attend the closing meeting, which normally takes place at the Managing Entity's office.

Both parties may use this meeting for final clarifications and/or submission of further corroborating evidence related to any unresolved issues.

The lead verifier must steer the closing meeting and must report on and explain the preliminary result of the verification, including the overall rating, findings, risks and observations and give the Managing Entity a chance to respond. Responses by the Managing Entity are noted and included in the final report.

Ideally both sides sign a mutual agreement regarding the preliminary results of the verification at the end of the closing meeting. If a 4C Verifier company skips or conducts this closing meeting in an inappropriate manner, the Verifier Company will receive a warning from CAS and the verification process will be put on hold.

However, the result presented at the closing meeting is preliminary, as the final license decision will be taken in any case by CAS.

## 7.5 EVALUATION BY 4C VERIFIERS

There are several levels of an evaluation of a verification. The verifier should carry out this evaluation before the closing meeting to conclude on the preliminary results of the verification and to present

them to the Managing Entity. Details of the evidence supporting the conclusions may be outlined and documented later in the verification report.

Requirement: 4C Verifiers MUST follow these instructions when making verification conclusions in the verification report.

Guidance:

The verifier evaluates:

- the accuracy of the 4C Unit's self-assessment by aggregating the results of the visits to the sampled Business Partners, including the principles of the Code of Conduct, the exclusion of the 10 Unacceptable Practices and the evaluation of the Internal Management System (IMS);
- the 4C Unit's compliance with other 4C Verification requirements as specified in this document.

This chapter provides guidance on how to aggregate the verification results and how to classify non-conformities.

### 7.5.1 Aggregating verification results

Aggregating results is one of the most critical parts of the verification process as input is required from all verification activities conducted in the field (interviews, document check, etc.).

The overall result is aggregated in several steps:

Step 1: All sampled Business Partners and the Managing Entity are evaluated against each principle of the 4C Code and rated according to the indicators of the respective principle. Values are assigned to different levels of performance.

Step 2: The average value per principle of the sample is calculated by adding together the rating values of all sampled Business Partners and the Managing Entity per principle and then dividing the result by the sample size, including the Managing Entity. In case a particular principle is not applicable to one or more Business Partners, the respective principle in the Assessment tool will not be evaluated, i.e. left blank. If there is a principle that may not apply to any BP and the ME, the same rule applies for the calculation of the average value per dimension.

Example:

The sample size of the case in the table below is 9 (BPs) +1 (ME) = 10 in total. Therefore, in this case, the sum of the rating values of all sampled Business Partners and the Managing Entity is divided by 10 to find the average value.

The average value of each principle and dimension of the sample is between 1 (green) and 3 (red).

If the verifier's average rating (red/ yellow/ green) of a principle differs from the 4C Unit's self-assessment, a finding is issued by the verifier. The difference may be an up-rating (from red to yellow

or from yellow to green), or a down-rating (from green to yellow or from yellow to red). 4C Units must address all down-rating findings from yellow to red in the Improvement Plan (See section 6.7 – Continuous Improvement).

Step 3: The preliminary average value per dimension for the sample is calculated by dividing the sum of all of the average values per principle by the total number of principles within the dimension.

Example:

In the Economic dimension of the 4C Code of Conduct, there are 8 principles in total. The average of all of the average values per principle in the Table below is 2.01. This is the preliminary average value per dimension for the sample.

Note: An aggregated yellow rating across all dimensions is a minimum prerequisite for license eligibility.

Step3:

Average Value per Dimension	4C Code Principle Rating
≤1.25	Green
≥1.251 ≤2.25	Yellow
≥2.251	Red

Step2:

Average Value per Principle	4C Code Principle Rating
≤1.25	Green
≥1.251 ≤2.25	Yellow
≥2.251	Red

Step 1:

4C Code Principle Rating	Values
Green	1
Yellow	2
Red	3

Average rating		Individual rating of ME and each BP of sample									
		ME	BP 1	BP 2	BP 3	BP 4	BP 5	BP 6	BP 7	BP 8	BP 9
Please evaluate on a scale from (1=green, 2=yellow, 3=red) using the drop-down menu											
Economic dimension											
1.1	2.20	2	2	2	2	2	2	3	2	3	2
1.2	2.00	2	2	2	2	2	2	2	2	2	2
1.3	1.20	1	1	1	1	2	1	2	1	1	1
1.4	2.10	3	3	3	3	1	1	1	1	3	2
1.5	2.80	3	3	3	3	3	3	3	3	3	1
1.6	1.50	1	1	1	1	2	2	3	2	1	1
1.7	2.20	2	2	2	2	2	2	2	3	3	2
1.8	2.10	3	2	2	1	1	1	3	3	3	2
	2.01										

## Rating – Findings, Risks and Observations

Verifiers are requested to evaluate the self-assessment conducted by 4C Units regarding all three pillars of the 4C Code of Conduct, i.e. the 27 principles, the Unacceptable Practices (UAPs) and the Internal Management System (IMS). Findings, risks and observations can be made in any of these pillars as per the below description.

Finding:

A finding is any repetitive (as opposed to one-off) deviation in a rating of any principle at the aggregated level in the self-assessment with sound, clear and verifiable evidence. A finding can be both up-rating and down-rating a principle against the self-assessment. At the level of the UAPs, a finding is any non-compliance with one or more UAPs at the individual level of one or more Business



Partners or at the level of the Managing Entity. A finding in relation to the IMS is any deviating evaluation by the verifier as opposed to the unit's assessment (e.g. from an intermediate to a basic IMS).

#### Observation:

At the level of the principles, an observation is a one-off instance or a case having insufficient evidence to be concluded as a finding against these principles. In that sense, observations do not apply to the UAPs or the IMS.

#### Risk:

A risk is the likelihood and extent that a non-conformity will actually occur. A risk is derived using the risk assessment matrix and refers to any practice observed during verification (at the level of the principles, the UAPs or the IMS), which is still in the rating range, but that is threatened to become a finding in the near future, if no action is taken (e.g. a principle rated yellow at the time of verification, but, if it is continued that way, it will be downgraded to red).

## 7.5.2 Non-conformities (NC) and sanction measures

4C Units are judged to have a non-conformity when they fail to fulfil one or more of the following requirements, in accordance with section 6 of the present document:

- To Implement an Internal Management System
- To provide an up-to-date Business Partner Mapping (BPM)
- To provide an up-to-date self-assessment
- To exclude unacceptable practices
- To have an average yellow performance within each of the three dimensions
- To grant verifiers access to information during the verification in the field
- To commit to Continuous improvement
- To ensure periodic monitoring of 4C Unit (Annual Update on BPM, SA, IP)

The following table describes the non-conformities and respective sanctions for all types of verifications.

REQUIREMENT	DESCRIPTION OF NON-CONFORMITY	SANCTION MEASURES PER TYPE OF VERIFICATION
6.1 Basic IMS	- There is no basic IMS in place	- Initial: license is not issued; follow-up verification, if required, takes place, within 180 days, from a "failed verification" decision date; license only issued after confirmation that NC has been cleared - Addendum and re-verification: license is not renewed/existing license is suspended; follow-up verification takes place within 180 days, from a "failed verification" decision date; license only issued after confirmation that NC has been cleared



REQUIREMENT	DESCRIPTION OF NON-CONFORMITY	SANCTION MEASURES PER TYPE OF VERIFICATION
6.2 Business Partner Mapping	- Business Partner Mapping is not available or incomplete or not up-to-date during the time of verification	- Initial: license is not issued; follow-up verification, if required, takes place within 180 days, from a “failed verification” decision date; license only issued after confirmation that NC has been cleared - Addendum and re-verification: license is not renewed/ existing license is suspended; follow-up verification, if required, takes place within 180 days, from a “failed verification” decision date; license only issued after confirmation that NC has been cleared
6.3 Self-assessment	- self-assessment is not available or incomplete or not up-to-date during the time of verification	- Initial: license is not issued; follow-up verification, if required, takes place within 180 days, from a “failed verification” decision date; license only issued after confirmation that NC has been cleared - Addendum and re-verification: license is not renewed/ existing license is suspended; follow-up verification, if required, takes place within 180 days, from a “failed verification” decision date; license only issued after confirmation that NC has been cleared
6.4 Exclusion of UAPs	- One or more Unacceptable practices have not been excluded	- Initial: license is not issued; follow-up verification takes place within 180 days, from a “failed verification” decision date; license only issued after confirmation that NC has been cleared - Addendum and re-verification: license is not renewed/ existing license is suspended; follow-up verification takes place within 180 days, from a “failed verification” decision date; license only issued after confirmation that NC has been cleared
6.5 Average yellow in any of the three dimensions	- One or more of any of the three dimensions are average red	- Initial: license is not issued; follow-up verification takes place within 180 days, from a “failed verification” decision date; license only issued after confirmation that NC has been cleared - Addendum and re-verification: license is not renewed/ existing license is suspended; follow-up verification takes place within 180 days, from a “failed verification” decision date; license only issued after confirmation that NC has been cleared
6.6. Granting verifiers access	- The 4C Unit or any of its Business Partners do not grant verifiers access to the facilities or to any other information relevant for the verification	- Initial: license is not issued - Addendum and re-verification: license is not renewed/ existing license is suspended - Licensing issuance may be considered upon submission of required information to verifiers and CAS. Depending on the nature and extent of the information, another physical visit by a Verifier may be requested.
6.7 Continuous improvement (provide IP, eliminate red practices)	- No Improvement Plan is sent 6 weeks after the license has been issued	- All types of verifications: license suspension after two unsuccessful reminders (i.e. within 4 weeks after the submission deadline); the suspension is lifted upon submission of complete Improvement Plan
	- Continuous improvement as defined in 6.7 is not complied with and red practices are not eliminated / Intermediate IMS requirements not reached in the defined timeframe	- Initial: not applicable - Re-verification: license is not renewed/ existing license is suspended; follow-up verification takes place within 180 days, from a “failed verification” decision date; license only issued after confirmation that NC has been cleared

REQUIREMENT	DESCRIPTION OF NON-CONFORMITY	SANCTION MEASURES PER TYPE OF VERIFICATION
6.8 Periodic monitoring (annual update)	- Commercial report is not submitted	- License suspension after two unsuccessful reminders following the official deadline; Suspension is lifted upon receipt of the required information
	- Annual update (including all documents as mentioned in section 6.8) is not sent to CAS	- All types of verifications: License suspension after two unsuccessful reminders (i.e. within 4 weeks after the submission deadline); the suspension is lifted upon submission of complete Annual update
6.9 Trading of 4C Compliant Coffee	- The 4C Unit trades 4C Compliant Coffee without a valid license or the coffee traded as 4C Compliant does not come from registered Business Partners	- Initial: no license is issued and the 4C unit can only re-apply for another full initial verification 3 months after the date of first application - Addendum or re-verification: license is not renewed/ issued and the unit can only re-apply for a follow-up visit earliest 3 months and latest 6 months after previous application - Any time during the cycle: suspend the license.

If no follow-up verification takes place within 180 days, from a “failed verification” decision date, the 4C unit will need to receive a full verification at its own cost, in case it wishes to stay in the 4C System.

In case of a failed follow-up verification, a new application will only possible after 90 days, from the license decision date.

In cases where, although the average yellow performance of the 4C Unit is confirmed, the 4C Verifiers have objective reasons to consider the 4C unit’s overall compliance as unsteady (e.g. risk(s) identified, off-harvest season verifications, etc.), they may recommend a follow-up verification to be conducted within the 3-year cycle. This recommendation will need to be clearly justified in the verification report. The final decision will be taken by CAS.

Verification: This requirement applies to 4C Verifiers. It will be verified by the External Oversight Organisation and/or CAS during periodic verification oversight activities (witness audit, office visit).

## 7.6 REPORTING BY 4C VERIFIERS

### Requirement:

4C Verifiers MUST send their final verification report to the 4C Unit’s Managing Entity within fifteen working days from the date of the closing meeting. The Verification report MUST be kept for a minimum of six years by all involved parties, i.e. the 4C Unit’s Managing Entity, the 4C Verifiers and CAS. During the evaluation of the report, CAS may request explanations from 4C Verifiers related to the content of the report. Verifiers are requested to send their respective feedback to CAS in a timely manner.

### Guidance:

This requirement applies mainly to 4C Verifiers. A verification report template is available for verifiers. Verifiers complete all required information in the template and report on any findings with verifiable evidence in the Assessment Tool. Evidence can include pictures, copies of documents, etc.

Verifiers have maximum fifteen working days, to finalize and send the report to the 4C Unit's Managing Entity and CAS.

The 4C Unit's Managing Entity has five working days (one week) to review, sign and send it back to the Verifiers and CAS. Any delay by the 4C Units in performing this task will result in a delay in the license decision.

If 4C Units disagree with the final conclusions in the report, they may be requested to provide additional evidence to back up their claims. If the 4C Unit and Verifiers are unable to reach an agreement or consensus, the 4C Unit can contact CAS to initiate a complaint procedure.

CAS accepts verification reports prepared in a language other than English within a deadline of fifteen working days. 4C Verifiers must then send an English translation of the report within the next two working weeks.

#### Verification:

Compliance with this requirement is primarily monitored by CAS. Verification reports are used later in periodic evaluations of the Verifier's performance. It might as well be crosschecked by the External Oversight Organisation at both the level of CAS and the level of the 4C Verifier Company during a periodic oversight desk audit or office visit. Failure to meet this requirement will result in a non-conformity.

## 7.7 LICENSING DECISIONS BY COFFEE ASSURANCE SERVICES (CAS)

#### Requirement:

Licensing decisions MUST be objective, impartial and transparent. Individuals who take licensing decisions MUST be competent to perform this task. Licensing decisions MUST be timely in order to facilitate the commercial activities of the 4CUnits.

#### Guidance:

This requirement is crucial to the credibility of the 4C System. The persons taking licensing decisions must be free from any influence and remain independent throughout this process.

Competence of the person in charge is built on knowledge of the 4C system and its mission, auditing training, practical audit experience and problem-solving common sense.

Licensing decisions include the issuance of a 4C License and all other sanction measures described previously in section 7.5.2 (Non-conformity and sanction measures).

Under normal conditions, licensing decisions must be taken within no longer than ten (10) working days (two calendar weeks), from the receipt of the final verification report signed by both the Verifier and the 4C Unit.

In case the above timeline cannot be met due to external factors (e.g. holiday season, responsiveness by verifiers, etc.) AND 4C Units applied for verification timely (i.e. around 3 months before the existing license expires), the license may be dated back to the original due date, in case of a positive result.

The final license decision is in all cases taken by CAS. Following the report evaluation, CAS may also amend (parts of) the verifiers' final evaluation, which might have an impact on the final license decision.

In case of disagreement, all actions taken from the moment a disagreement takes place must be recorded by CAS. If the disagreement remains, parties may initiate the complaint and appeal procedure. The respective 4C Unit must be informed in a timely manner about the case and updated on its progress.

#### Verification:

This requirement applies mainly to CAS. The External Oversight Organisation verifies compliance with this requirement during periodic oversight desk audits/office visits.

## 8. 4C VERIFIERS APPROVAL/DISAPPROVAL BY COFFEE ASSURANCE SERVICES

4C Verifiers play a crucial role in the 4C Verification system. They are the main bridge between the 4C Units and CAS. The objective of 4C Verifications is to confirm the 4C Units' performance, enable them to participate or remain in the 4C Compliant Coffee chain and also provide them with greater knowledge to enable them to improve their efficiency and reduce long-term negative impacts on the environment and local society. To achieve these goals, CAS works with independent third-party organisations, who are trained and approved and share these values.

It is CAS' policy to work with local or locally operating companies, as they understand the local context and bring local perspectives to CAS' learning process.

Furthermore, in order to comply with quality requirements, Verifier companies that aim to conduct 4C verifications need to be accredited against ISO 17065 (agricultural scope).

Thus, any organisation / company can become a 4C Verifier company, as long as the applicable requirements specified below are met.

### 8.1 REQUIREMENTS FOR 4C VERIFIER ORGANISATIONS/ COMPANIES

#### 8.1.1 Legal entity

##### Requirement:

4C Verifiers MUST be registered as legal entities or as a subsidiary of a larger legal entity.

##### Guidance:

Legality of 4C Verifier companies is important in the verification process, where liability is at stake. Local branches of multinational certification companies, who may not be officially registered, may be accepted as long as the main contact remains within the company's headquarters and the local branch acts as a subcontractor.

If the local branches are locally and legally registered, they may also become an independent (from headquarters) 4C Verifiers.

In either case, accreditation to ISO/ IEC 17065 must cover the activities of the local branch(es) with regard to 4C Verification.

Verification:

This requirement will be verified by CAS before it signs the framework contract with the potential Verifier Company and is regularly monitored following validity dates of the accreditations. This requirement will also be verified by the External Oversight Organisation during periodic oversight desk audits/ office audits.

## 8.1.2 ISO/ IEC 17065 Accreditation

Requirement:

4C Verifiers MUST be ISO/ IEC 17065 accredited (for agricultural scope).

Guidance:

Potential verifiers need to be ISO/ IEC 17065 accredited to any agricultural scope and need to conduct 4C Verifications in a similar process and with similar rigour as for the scope of the accreditation. Documentation to cover 4C Verifications can either be (i) in separate location from documentation of the scope of accreditation; or (ii) 4C Verification is covered in the documentation (internal management system) of the accredited scope, though it does not need to be covered by the accreditation itself. A copy of a valid accreditation certificate will form part of the verifier approval documentation, which will be reviewed and regularly monitored by CAS.

In case potential verifiers are multinationals with local branches, who wish to sign a framework contract between their headquarters and CAS, they must ensure that compliance with/ accreditation to ISO/ IEC 17065 covers those local branches. This must be mentioned in the scope of the accreditation certificate.

An ISO/IEC 17065 accreditation from an official national accreditation body or authority is accepted even when the accreditation body or authority is not yet a member of the International Accreditation Forum (IAF) or Pacific Accreditation Council (PAC) as long as they have a proper system in place to accredit certification bodies according to internationally accepted practices.

The main purpose of ISO/IEC 17065 accreditation alongside with the technical competence is to ensure that potential verifiers have a credible management system in place to secure the quality and credibility of 4C Verifications.

Verification:

This requirement is checked by CAS before approving potential Verifier companies and it is verified at both CAS and the 4C Verifier Company's office by the External Oversight Organisation during periodic oversight desk audits/ office audits. Failing to meet this requirement will result in a non-conformity for the 4C Verifier and CAS.

## 8.1.3 Impartiality and Conflict of Interest

Requirement:

4C Verifiers MUST be free from any potential conflict of interest and/or situation which may affect their impartiality and objectivity in their respective tasks within the 4C Verification process. They commit to this by signing the framework contracts where this provision is set forth.

#### Guidance:

Although impartiality and conflict of interest aspects are part of the ISO/ IEC 17065, CAS believes that it is necessary to place additional emphasis on this regulation.

Approved 4C Verifiers must commit to not providing any technical assistance services to 4C Units. In case Verifiers provided technical assistance to coffee producer groups or to 4C Units in the past, they are not allowed to bid for conducting a 4C verification for the same groups within four (4) years after the technical assistance services were ended.

Before sending a proposal to the 4C Unit requesting for verification, 4C Verifiers must ensure that they have no conflict of interest in that particular verification.

Conflict of interest may arise when:

- The 4C Verifier(s) provide(s) services to the 4C Unit to implement the 4C System (within the last four years) and prepare them for the currently requested verification
- The same verifiers within a 4C Verifier Company have been appointed for verification of the same 4C Unit for more than three (03) consecutive verifications (all types of verifications, excluding follow-up and unannounced visits) prior to the currently requested verification.
- The 4C Verifier Company and/ or its approved verifiers have interest in the business of the 4C Unit requesting for verification, including client retention.

4C Verifier companies must review verification applications from 4C Units and allocate resources to ensure that there is no potential conflict of interest involved.

However, during verification 4C Verifiers may provide 4C Units with useful information on various issues, which are NOT related to complying with the requirements of the 4C system. In this case, 4C Verifiers must make it clear to 4C Units that:

- The suggestions given are not binding requirements;
- The 4C Units themselves remain responsible for implementing the 4C Code and related requirements;
- Useful information provided to the 4C Unit during verification is recorded in the final report.

CAS may receive requests from 4C Units or other customers to provide information about the 4C System and/or (extra-) services. As long as information provided is of general nature and not specific to the situation/challenges of the 4C Units, the risk of a potential conflict of interest is manageable. Nevertheless, it has to be made clear to 4C Units or other customers that the information provided by CAS must not be used as a basis to dispute with verifiers regarding verification results or with CAS regarding licensing decisions.

#### Verification:

This requirement applies to 4C Verifier companies and CAS. Compliance is monitored by CAS on an on-going basis, it is checked by the External Oversight Organisation and/ or CAS during periodic oversight desk audits/ witness audits/ office visits. Failure to meet this requirement will result in a non-conformity of the 4C Verifier and CAS.

## 8.1.4 Geographic scope of approved 4C Verifier CBs

### Requirement:

4C Verifier Companies MUST only conduct verifications in those regions and countries where they are approved for.

### Guidance:

One aspect of effective verification is the verifiers' knowledge and experience with the local context and legislation. Therefore, Verifier companies are normally approved to perform 4C verifications in the country where they are legally based. However, CAS acknowledges the fact that the number of 4C Units and thus verifications in some countries is insufficiently encouraging for local verifier companies to become approved 4C Verifier companies. At the same time, there are existing approved 4C Verifiers who have knowledge and experience in the sector and national legislation of other (neighbouring) countries. Therefore, CAS also approves Verifier companies to perform verification in countries other than their legally registered location, provided the following conditions are met:

- Legally registered branch(s) and/ or
- Approved Lead verifiers must have had experience in auditing against any other standard for coffee in those countries and
- The verifiers must be familiar with applicable local legislation and sectorial context and
- The verifiers must speak the local language. Only in exceptional cases, independent interpreter(s) can conduct the interpretation services.

In all cases, the 4C Verifier Company needs to request approval by CAS for conducting verifications in other countries prior to conducting any verification outside of the country of registration.

Verifications conducted in unregistered countries will not be accepted and the Verifier Company assumes full responsibility of handling the situation with the 4C Unit.

### Verification:

This requirement applies to both 4C Verifier companies and CAS and is monitored by CAS on an on-going basis. It is also checked by the External Oversight Organisation and/ or CAS during periodic oversight desk audits/ witness audits/ office visits.

## 8.1.5 Gender balance of the Verifier team - recommendation

### Recommendation:

It is recommended that 4C Verifier companies have a gender balanced team during on-site visits of 4C Verifications.

### Guidance:

The gender balance of a verifier team is important to 4C Verification. A high number of women work in the coffee sector. In many cases, due to socio-cultural reasons, male verifiers are not always able to conduct in-depth interviews with female producers or workers and verify their living conditions effectively.



When the verifier team is gender-balanced and splits up (normally after the interview with the Managing Entity), the task division should take the gender aspect into account in order to ensure that the female verifier has the possibility to interview as many female producers and workers as possible.

In case of absence of female auditors, male auditors should follow good practices of gender sensitive interviewing.

## 8.2 REQUIREMENTS FOR VERIFIERS' COMPETENCE

Requirement: 4C Verifier companies MUST ensure that any individual Verifier selected to conduct a 4C Verification is competent to deliver the expected results according to the Verification Regulations and related procedures of the Quality Management System of CAS. 4C Verifier companies MUST keep records of team competence for a minimum of six years.

Guidance: CAS operates in most coffee producing regions, where there is a large cultural and contextual diversity.

Every Verifier team must have a Lead Verifier as a team leader. Competence requirements for the Lead Verifier are different from other team members.

Any observer participating as part of the Verification team is only observing the verification and has no competency in the Verification. The observer does not conduct any interviews or document check or any other related activity and does mainly observe the Lead verifier or the Verifier conducting the verification.

Verifier companies must refer to ISO 19011: 2012 for general guidance on competence. Additional, 4C-specific requirements are listed below and are divided into two parts: (1) trainings and (2) requirements on knowledge, skills, competencies and experience.

### 8.2.1 Training

There are two levels of qualification of the verifiers: lead verifier and verifier. Trainings on 4C Code of Conduct and 4C Verification System procedures and related documents are required for lead verifiers and verifiers. There are two options for the trainings:

1<sup>st</sup> Option: Provided by CAS (external training). For this option, the applicant must successfully participate and pass the final examination to receive a lead verifier certificate or a verifier certificate, according to the requirements for knowledge, skills, competencies and experience (section 8.2.2).

2<sup>nd</sup> Option: Provided by an experienced and approved 4C lead verifier (internal training). The internal training includes the theoretical and practical activities described in the table below. The training material must be approved by CAS.

The internal training is also an option, however is not sufficient to qualify or approve the applicant as verifier or lead verifier. The table below describes the additional training requirements for both levels of qualification.



The table below describes the preconditions for each step of the internal training and their corresponding activities.

Internal training activities	Observer	Provisional Verifier <sup>(2)</sup>	Verifier <sup>(1)</sup>	Provisional Lead Verifier <sup>(2)</sup>	Lead Verifier <sup>(1)</sup>
4C verifier internal theoretical training	✓	✓	✓	✓	✓
Participate in at least three complete verifications as an observer <sup>(3)</sup>		✓	✓	✓	✓
Conduct at least two complete verifications as a provisional verifier <sup>(3, 4)</sup>			✓	✓	✓
Conduct at least two complete verifications as a verifier <sup>(4)</sup>				✓	✓
Conduct at least one verification as a provisional lead verifier <sup>(3)</sup>					✓

**Important notes:**

<sup>(1)</sup> To be approved as verifier or as lead verifier and to be included in the list of 4C Approved Verifiers, the applicants must be evaluated and approved by:

- The lead verifier; and
- The verifier company; and
- Coffee Assurance Services.

<sup>(2)</sup> Provisional verifiers and provisional lead verifiers statuses are used for training purposes and must be properly recorded in the verification reports. The provisional status is not included in the list of 4C Approved Verifiers.

<sup>(3)</sup> Under the supervision of an approved lead verifier.

<sup>(4)</sup> Under the lead of an approved lead verifier.

In addition to above, trainings on social auditing according to SA 8000, Global G.A.P GRASP module, BSCI or any other social standard are an asset. This is also valid for other good agricultural practices and environmental standards. This is applicable for lead verifiers and verifiers.

## 8.2.2 Requirements for knowledge, skills, competencies and experience

Verifier companies must always make sure that all knowledge, skills and competencies below are present in a team assigned to a particular verification.

- Knowledge of the 4C System and understanding of its mission/ vision,
- Knowledge of applicable local legislation and international conventions and ability to apply them during verification,
- Knowledge of the local context and ability to apply them during verification
- Knowledge of the coffee sector,
- Interviewing skills,
- Analytical skills and ability to take risk-based verification samples and persuasive decisions and recommendations,
- Problem-solving skills (lead verifier) and ability to lead multi-stakeholder discussions,
- Knowledge of the language spoken by the majority of producers of 4C Units. If this knowledge is not available within the team, an independent interpreter may be recruited. To avoid conflicts of interest, verifiers must not accept interpreters who work for any Business Partner within the 4C Unit,
- Past experience (at least 5 audits as an officially approved auditor in any of the schemes or in combination thereof) in auditing other schemes and management systems such as the Rainforest Alliance, UTZ Certified, Fairtrade, Global G.A.P, organic, ISO 9001/ ISO 14001/ SA8000, etc.
- Working experience in the coffee sector.

4C Verifier companies MUST inform CAS of their intention to internally train their auditor(s) to become 4C Verifier(s) prior to starting this training.

Only verifiers and lead verifiers approved (certificated) by CAS, who are listed on the CAS' website are assigned 4C Verifications. Sending non-approved verifiers to a 4C Verification will be considered a non-conformity (see 7.3 Preparing the verification).

His/ her performance and competency are subject to the quality management system evaluation of that particular Verifier Company. Therefore, 4C Verifier companies must notify CAS in time in case it recruits an approved verifier or lead verifier who used to work with another approved 4C Verifier company. Only after having obtained approval of CAS can the 4C Verifier Company assign the newly recruited verifier to a 4C Verification on its behalf. On the other hand, they also have to inform CAS when any approved Lead/-verifiers no longer works with them. Failing to meet this requirement will be considered a non-conformity.

4C Verifier companies are responsible for periodic evaluation of team member competence as specified in ISO/ IEC 17065. Proof of this evaluation must be sent to CAS as part of the annual update.

### Verification:

This requirement applies to 4C Verifier companies and is verified by CAS or the External Oversight Organisation during periodic oversight activities.

The requirement is also verified by the External Oversight Organisation at CAS.

## 8.3. APPROVAL OF 4C VERIFIER COMPANIES

### Requirement:

ONLY potential verifier companies that meet the above-specified requirements (8.1 and 8.2) are approved to carry out 4C Verifications. Approved 4C Verifier companies MUST be publicly listed on CAS website. The list of approved 4C Verifier companies MUST be updated on a regular basis.

### Guidance:

Before approving a potential verifier company, CAS reviews their documentation, including copies of valid accreditation certificates, procedures, training records, etc.

Upon approval, a framework contract is signed between the 4C Verifier Company and CAS. The framework contract also includes a 4C Verifier confidentiality statement.

The contract is valid for a period of three years. After three years, if both parties agree to continue their cooperation and if the relevant requirements for 4C Verifier companies are met, the framework contract will be renewed.

CAS is responsible for monitoring their performance and conformance to relevant requirements. It is also responsible for taking timely decisions to ensure that the system is credible at all times. Those decisions include both the approval of new verifiers and disapproval of non-compliant verifiers.

## 8.4. MAINTAINING APPROVAL STATUS OF 4C VERIFIER COMPANIES

### Requirement:

To maintain their approval status, approved 4C Verifier companies MUST ensure they comply with the specified requirements (8.1.-8.2)).

### Guidance:

Each time Verifier companies renew their accreditation certificate they MUST send a copy to CAS in a timely manner. The grace period is a maximum of three months.

In case of termination of accreditation, 4C Verifier companies must timely inform CAS of their intention. The 3-month notice period is not applicable for this case and Verifier companies will be held responsible if it performs 4C Verifications without a valid accreditation certificate. CAS has the right not to accept the verification report in this case and respective Verifier companies must settle the case with the respective 4C Units.

One year after the framework contract has been signed, 4C Verifier companies must prove their ability to manage the 4C Verification scheme in line with good management practices laid down in ISO/ IEC 17065. Verifier companies may opt to either extend their accreditation scope to cover the 4C Verification scheme (recommended), or to integrate the 4C Verification scheme within their internal procedures officially approved under ISO/IEC 17065. The ISO accreditation for the 4C Verification

scheme would reduce the risk for witness audits and office visits by CAS or an appointed external oversight organisation.

4C Verifier companies are required to send their team members (at least one Lead Verifier) to attend regular verifier calibration/refresher workshops that are organised and hosted by CAS. The workshops are held in different regions or online (webinars) offering an opportunity for verifiers to share their 4C Verification experience and calibrate their knowledge and understanding of the 4C Concepts and System. During these workshops, CAS provides updates on recent developments, including feedback received from 4C Units and 4C Verifiers.

Verifier workshops may be organised online where conditions allow. Verifier companies must organise an internal calibration session led by those who have attended the refresher/ calibration workshop conducted by CAS.

Verifier companies must make sure that each approved verifier in their company must conduct at least two (02) verifications within one year to maintain their 4C approval status. Only initial, addendum and re-verifications are counted for this purpose; follow-up verifications are not accepted here due to their specific focus and nature.

4C Verifier companies must evaluate their team members' performance on a yearly basis as part of the periodic competence evaluation required in section 8.2 - Requirements for verifiers' competence above. Results of this evaluation must be documented and actions must be taken to address any need (e.g. training) to adequately maintain team competence for 4C Verification.

#### Verification:

This requirement applies to 4C Verifier companies. Office audits will be conducted by CAS or by External Oversight Organisations.

## 8.5. SANCTION PROCESS

The table below describes the non-conformities and corresponding sanctions that apply to verifiers:

Verifier Non-conformities	Corrective Actions	Sanctions <sup>11</sup>
Accreditation certificate expired -8.1.2. ISO/ IEC 17065 Accreditation	Send the new valid certificate to CAS within maximum three months after expiry date of the previous certificate	Disapproval of the 4C Verifier company
Conflict of interest is evident - 8.1.3 Conflict of interest	Repeat the verification with another Lead-/ verifiers at the cost of the verifier company. Arrangements to be made with 4C Units and CAS	

<sup>11</sup> Sanctions are imposed to 4C Verifiers if the corrective actions are not applied.

Verifier Non-conformities	Corrective Actions	Sanctions <sup>11</sup>
Performing verification in a country/ region for which it is not approved - 8.1.4 Approved regions/ countries for verification	Repeat the verification with another Lead-/ verifiers at the cost of the verifier company. Arrangements to be made with 4C Units and CAS	- First time: warning letter to verifier - Second time: immediate disapproval, plus report/results are not accepted.
Sending unapproved lead/- verifiers to verification - 8.2 <i>Requirements for Verifiers' competence</i>	Repeat the verification with another Lead-/ verifiers at the cost of the verifier company. Arrangements to be made with 4C Units and CAS	
No participation in refresher/ calibration verifier workshops and trainings	Individual coaching with CAS at the cost of the verifier company and subject to availability of CAS for such service	Disapproval of status in the list of approved 4C Verifiers for one year
Late reporting - 7.6. Reporting by 4C Verifiers	Future reports need to be submitted in time	Warning of disapproval, if the next consecutive report is not sent in on time. Disapproval of status in the List of approved 4C Verifiers, if the upcoming report is not sent in on time.
Conducting verification without receiving completed application documents from CAS - 7.3. Preparation for Verification	Repeat the verification with the same verifier company at the cost of the verifier company. Arrangements to be made with 4C Units and CAS	Warning of disapproval, if the non-conformity repeats itself by the same verifier company. Disapproval of status in the List of approved 4C Verifiers if the same non-conformity repeats itself by the same verifier company.
Late feedback by verifiers after first version of report was sent to CAS		Warning of disapproval for first two late responses. Third delayed response leads to disapproval.

A regularly updated list of approved 4C Verifier companies and their contact details is available on the website of CAS.

#### Verification:

This requirement applies to CAS. The External Oversight Organisation verifies this during oversight desk audits/ office visits.

## 9. FURTHER QUALITY MANAGEMENT PRACTICES FOR THE 4C VERIFICATION SYSTEM

To ensure that the 4C Verification system is effective and efficient, quality management practices must be followed. Many elements of a good quality management system are already incorporated into this document. Any elements that have not been sufficiently addressed earlier are described in this chapter as well as in a separate documentation of Coffee Assurance Services Quality Management System.

### 9.1 VERIFICATION DATA AND DOCUMENT MANAGEMENT BY 4C VERIFIERS AND COFFEE ASSURANCE SERVICES

#### Requirement:

Verification data and records **MUST** be retained for a minimum of six years. Verification-related documents **MUST** be managed in such a way that only approved and valid versions are in use.

#### Guidance:

Verification data and documents mainly concern the activities of 4C Verifier companies and CAS. Required documents and records at the 4C Unit level are covered under the 4C Code of Conduct and Internal Management System requirements. Several additional documents and records required by the present Verification Regulations are specified under their respective clauses.

Verification data, records and documents can take any form (hard copy or electronic) as long as there is a mechanism in place to ensure they are properly managed.

More details on oversight activities are described in the 4C Data, Documents and Records management procedure.

#### Verification:

This requirement applies mainly to 4C Verifier companies and CAS. It is verified by the External Oversight Organisation during oversight desk audits / office visits.

### 9.2 MAINTENANCE AND MONITORING OF THE 4C VERIFICATION SYSTEM BY COFFEE ASSURANCE SERVICES (OVERSIGHT MECHANISM)

#### Requirement:

The 4C Verification system **MUST** be regularly reviewed and monitored to ensure its effectiveness and efficiency.

Guidance:

On a periodic basis, the Managing Director of CAS reports to its future Advisory Board on relevant issues of the 4C Verification system. Any discrepancy in implementing the 4C Verification Regulations is reported in a timely manner and corrective actions are proposed and implemented.

As part of the system oversight, field visits are necessary. The oversight activities look into the consistency and competency of the 4C Verification system as well as into compliance with relevant Global Coffee Platform requirements and the requirements as laid down in this document.

Oversight activities include (i) desk audits at CAS implemented by an External Oversight Organisation, (ii) witness audits of verifiers by either CAS or an appointed independent organisation, (iii) office audits at 4C Verifier companies by either CAS or an appointed independent organisation, and (iv) unannounced visits to 4C Units by CAS, appointed 4C Verifiers or an independent organisation.

In order to confirm the effectiveness and consistency of the system, documentation and records will be reviewed at CAS on an annual basis, while witness audits, office audits and unannounced visits will be conducted according to a risk-based approach and according to the respective procedure for the Oversight mechanism of the 4C Verification system.

Verification:

This requirement applies to CAS. It is verified by the External Oversight Organisation during oversight desk audits. Failure to comply with this requirement will result in a non-conformity of CAS.

## 9.3 COMPLAINT AND APPEAL MECHANISM AND ITS MONITORING BY COFFEE ASSURANCE SERVICES

Requirement:

A transparent and accessible mechanism **MUST** be made available for complaints and appeals related to 4C verifications. The complaint and appeals procedure applies to 4C Units, to 4C Verifiers and interested parties.

Guidance:

A procedure for complaints and appeals related to the Verification system is available on CAS' website.

CAS is responsible for recording all complaints, including a summary, the status of each complaint and the respective resolution. This summary is made publicly available on the website of CAS on an annual basis.

Verification:

This requirement applies to CAS and is verified by the External Oversight Organisation during periodic oversight desk audits.

## 9.4 COMMUNICATING CHANGES TO VERIFICATION REQUIREMENTS

### Requirement:

Any change to the verification requirements MUST be communicated to the affected parties (mainly 4C Units and 4C Verifiers) in a timely manner to allow for proper preparation and smooth transition.

### Guidance:

Changes to the verification requirements will affect 4C Units and 4C Verifiers, implementing organisations offering services such as training and consultancy to 4C Units, the External Oversight Organisation and CAS itself.

Depending on the nature of changes, the affected parties must receive at least a 2-month notice for any change. Some changes may necessitate a longer transition period. Any decision made with regard to changing verification requirements must take this transition period into consideration.

### Verification:

This requirement applies mainly to CAS. If the Global Coffee Platform decides to change one or more verification requirements, CAS is responsible for reflecting these changes in the present 4C verification regulations and for communicating the changes to all affected parties. Verification of compliance with this requirement will be carried out by the External Oversight Organisation during oversight desk audits.

## 9.5 PUBLIC INFORMATION ON VERIFICATION SYSTEM PROVIDED BY COFFEE ASSURANCE SERVICES

### Requirement:

To foster transparency, relevant information MUST be made publicly available.

### Guidance:

It is important that all parties involved in the 4C Verification system have adequate access to relevant information without compromising confidentiality.

In order to do so, the following information may be shared publicly, if applicable with everyone on the website:

- 4C Verification Regulations
- Procedure for complaints and appeals on verification issues
- Code implementation guidance
- Up-to-date list of approved 4C Verifiers and their contact details
- Up-to-date list of licensed 4C Units and their country.
- Summary of complaints & appeals and their status. The summary is updated on an annual basis.



### Verification:

This requirement applies to CAS and is verified by the External Oversight Organisation during oversight desk audits.

## 9.6 DATA ACCESS

### Requirement:

By participating in the 4C Verification system, the Managing Entity, on behalf of its Business Partners, MUST grant CAS and the Global Coffee Platform access to a minimum set of predefined producer data, which is relevant for verification. The Managing Entity is accountable to its Business Partners, and to CAS and the Global Coffee Platform on the rights and quality of the information provided.

### Guidance:

Defined data collected by CAS when operating the 4C Verification System is shared with the Global Coffee Platform in order to enable monitoring and evaluation of progress towards its vision<sup>12</sup>. Producer data covers all data described in the Verification Regulations.

### 9.6.1 Initial producer data setting

The Managing entity grants access of the producer data listed below to the respective data access groups. The below represents the minimum data access setting.

✓ marks that this producer data is visible to users assigned to the respective data access group.

	Member Data access groups and public					
	Global Coffee Platform	Coffee Assurance Services	4C Verifier companies	Managing Entity	Member	Public
Unit						
Unit name	✓	✓	✓		✓ <sup>1)</sup>	✓ <sup>1)</sup>
Unit address <sup>2)</sup>	✓	✓	✓		✓ <sup>1)</sup>	✓ <sup>1)</sup>
Unit contact information <sup>3)</sup>	✓	✓	✓	✓	✓	✓
Unit website	✓	✓	✓	✓	✓	✓
Type of 4C Unit	✓	✓	✓	✓	✓	

<sup>12</sup> The ultimate objective of the Global Coffee Platform is that, over time, all coffee producers around the world, and therefore all coffee production, will achieve a baseline level of social, environmental and economic sustainability. To achieve this fundamental change, all stakeholders in the coffee sector need to get involved and work closely together.

	Member Data access groups and public					
	Global Coffee Platform	Coffee Assurance Services	4C Verifier companies	Managing Entity	Member	Public
Number of Business Partners	✓	✓	✓	✓	✓	
Names and details of individual Business Partners	✓	✓	✓	✓	✓	
Farmer unique identifier	✓	✓	✓	✓		
Parent Member name	✓	✓	✓	✓	✓	✓
Membership number	✓	✓	✓	✓	✓	✓
Unit registration number	✓	✓	✓	✓	✓	✓
Legal registration per country	✓	✓	✓	✓	✓	✓
Location <sup>4)</sup>	✓	✓	✓	✓	✓	✓
Contact person (responsible for managing entity)						
Contact name <sup>5)</sup>	✓	✓	✓	✓	✓	
Contact address <sup>2)</sup>	✓	✓	✓	✓	✓	
Contact information <sup>3)</sup>	✓	✓	✓	✓	✓	

<sup>1</sup> For every license holder, data access of the unit name and address is granted to members. On request by a license holder, CAS can block the access to a unit's name and address to one or more individual organisations. To make use of this service, the unit is asked to contact CAS via [info@cas-veri.com](mailto:info@cas-veri.com).

<sup>2</sup> Address includes: Street address, postal address, postal code, city, department or state, country.

<sup>3</sup> Contact information includes: Phone no., fax no., email.

<sup>4</sup> Location includes: Northern/Southern + Western/Eastern latitude.

<sup>5</sup> Contact name includes: Title, first name, last name.

## 9.6.2 Product data and verifier data

Product data covers all data described in the Verification Regulations.

Initial product data setting

By participating in 4C Verifications, the producer grants access to the product data listed below to the respective data access groups. This setting represents the minimum data access setting. The Managing Entity or designated implementer can extend the access via CAS Database application at any time.

✓ Marks that this product data is visible to users assigned to the respective data access group.

Product Data access group						
	Global Coffee Platform	Coffee Assurance Services	Verification Body	Managing Entity	Member	Public
Self-assessment result <sup>(1)</sup>	✓	✓	✓	✓		
Verification status and result	✓	✓	✓	✓	✓	
Quantity data	✓	✓	✓	✓	✓	✓
De-registration	✓	✓	✓	✓	✓	✓
Summary of complaints & appeals and their status	✓	✓	✓	✓	✓	✓
Verifier Data						
List of approved 4C Verifiers	✓	✓	✓	✓	✓	✓
Verifier contact details	✓	✓	✓	✓	✓	✓
Verifier sanction status (if any).	✓	✓	✓	✓	✓	
Verifier geographical approval	✓	✓	✓	✓	✓	✓

<sup>(1)</sup> These data access setting applies as soon as the functionality is implemented.

#### Utilization of data

CAS and the verifier company with which the producer or managing entity is working with, may use data provided in CAS Database for internal administrative processes, according to the Verification Regulations.

Global Coffee Platform may use producer, product and verifier data in an anonymous fashion for statistical surveys, member and public reports on Code performance, impact and research, credibility and compliance reports to umbrella organisations, System External Oversight Organisations and publications.

Utilization of the producer, product or verifier data other than what is mentioned above is strictly prohibited.

Verification:

This requirement applies mainly to the Managing Entity, Business Partners, the 4C Verifier companies and CAS, also on behalf of the Global Coffee Platform. It is verified by the External Oversight Organisation during oversight desk audits / office audits.

## 10. ANNEXES

### 10.1 OVERVIEW OF DOCUMENTS TO BE USED BY INVOLVED PARTIES WITHIN THE 4C VERIFICATION SYSTEM

#	Major 4C Verification documents	Users	Main use
1	4C Code of Conduct	4C Unit	Guidance for reaching a minimum average yellow performance level and for further improvement
		4C Verifier	To confirm the 4C Unit's self-assessment result
		Coffee Assurance Services	To confirm 4C Verifier conclusions from verification
2	4C Assessment Tool	4C Unit	To conduct the self-assessment and indicate (progress of) improvement activities in the Improvement Plan
		4C Verifier	To (dis)confirm the self-assessment of the 4C Unit and the respective completion of activities described in the improvement plan
		Coffee Assurance Services	To take license decisions and monitor annual improvements
3	4C Business Partner Mapping	4C Unit	To reflect all necessary data of all business partners of the 4C Unit at the individual level
		4C Verifier	To have a basis for calculating verification time and costs and for drawing the sample for verification
		Coffee Assurance Services	To have all relevant 4C Unit data in the 4C System
4	4C Verification Regulations	4C Members/ Unit	Guidance on other requirements of the 4C System and how to implement them
		4C Verifier	<ul style="list-style-type: none"> <li>- Guide to applicable requirements and how to comply with them</li> <li>- Confirms conformance of 4C Units with relevant system requirements</li> </ul>
		External Oversight Organisation	<ul style="list-style-type: none"> <li>- Guide to 4C System requirements for different parties</li> <li>- Confirms conformance by different parties to relevant requirements</li> </ul>
		Global Coffee Platform	To ensure that 4C Verification Regulations defined and operated by CAS are complying with the Global Coffee Platform's Accreditation and Assurance Guidelines through external accreditation and oversight
		Coffee Assurance Services	<ul style="list-style-type: none"> <li>- Guide to applicable requirements and how to implement them</li> <li>- To monitor 4C Units and 4C Verifier performance and make relevant decisions</li> </ul>
5	Code implementation guidance	4C Members/ Units	<ul style="list-style-type: none"> <li>- Guide to the 4C Verification process</li> <li>- Guide to implementing the 4C Code of Conduct</li> </ul>
		4C Verifier	Guide to the 4C Verification process

#	Major 4C Verification documents	Users	Main use
6	Framework Contract	4C Verifier	Binding document with the 4C Association for conducting 4C Verification
		Coffee Assurance Services	Binding document with 4C Verifier companies
7	Procedure for complaints and appeals relating to verification	4C Members/ 4C Units	Guide to the verification-related complaint process
		4C Verifier	
		Coffee Assurance Services	
8	4C procedure for System Oversight	4C Verifier	Guide to carrying out different oversight activities at different levels – 4C Verifier, CAS and 4C Units
		Coffee Assurance Services	
		4C Unit	
		Global Coffee Platform	
10	4C procedure for managing pool of verifiers	Coffee Assurance Services	Guide to training, dis-/approving Verifier companies and Verifiers & maintaining their approval status
		4C Verifier	

## 10.2 4C INTERNAL MANAGEMENT SYSTEM - IMS (V.2015)

This document describes the requirements of the 4C Internal Management System - IMS, Basic and Intermediate level. It provides Guidance for interpretation for each requirement and suggested evidence as guidance for implementers and verifiers.

### Basic Level

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#### 4C Unit Managing Entity (ME)

1. REQUIREMENT: Name and contact details of the Managing Entity, main role and responsibility within the 4C Unit.  
GUIDANCE: Contact details include name and the physical address of the ME.  
EVIDENCE: Document describing the role of the ME
2. REQUIREMENT: Appointed person(s) taking care of the IMS and 4C Code implementation, their roles, responsibilities and competencies.  
GUIDANCE: Name, employed by whom (as part of understanding responsibilities). At the ME's level there is a documented description of the role of the person(s), their responsibility within the unit and a description of the competence required for this role, as defined by the ME. Competencies: Training on the 4C Code of Conduct, IMS and other 4C requirements, is a MUST after 3 years (re-verification). Normally the appointed person belongs to the Managing Entity, but there may be situations in which this task can be outsourced to a different entity.  
EVIDENCE: A document stating the names, roles and responsibilities of the person(s) responsible for the implementation of the IMS and 4C Code implementation.

#### List of Business Partners (BPs) and their data

3. REQUIREMENT: Completed and up-to-date Business Partner Mapping (BPM) listing all BPs and their basic data.  
GUIDANCE: BPM template is up to date and information in it reflects the current structure of the 4C Unit.  
EVIDENCE: BPM

#### 4C Unit structure and key functions of BPs

4. REQUIREMENT: An organisational chart, including product flow with key functions of each type of BP within the 4C Unit. Information must be consistent with the BPM.  
GUIDANCE: Sketch or chart of the supply chain roles/functions within the 4C Unit, e.g. storage, local collecting store, farmer, mill.... Main focus is on the understanding of the coffee flow within the 4C Unit. The organisational chart must show the clear limits of who is and who is not within the 4C Unit.  
EVIDENCE: Organisational Chart or tool to visualize different functions of actors within the supply chain.

## Self -Assessment

5. **REQUIREMENT:** An aggregated self-assessment before verification.  
**GUIDANCE:** An aggregated self-assessment refers to a performance evaluation at the aggregated level of all BPs of the 4C Unit against the 4C Code of Conduct (principles and UAPs). The main intention is to have an average rating per principle that reflects the average performance of all BPs in each principle.  
**EVIDENCE:** self-assessment
6. **REQUIREMENT:** Up to date assessment of individual BPs available at the ME office before verification  
**GUIDANCE:** Assessment of individual BPs refers to the performance evaluation of all individual BPs of the 4C Unit against all applicable principles and UAP in the 4C Code of Conduct. This can be obtained through an assessment made by the Managing Entity based on its knowledge of its BP, which may be accompanied by sample visits to BP following the logic of samples that auditors use in 4C including risk assessment criteria. The information can also be collected through farm leaders.  
**EVIDENCE:** Documented evidence may vary: either a document with a general description of how BP perform against the Code, e.g. focused on risks, or by listing the topics, or even the regions or farmers associated with the risks. Or a set of checklists of a sample of BP. Sample can be based e.g. on a predefined minimum percentage or based on risks assessment.
7. **REQUIREMENT:** Implementation of a documented Procedure for annual decision making on conformity assessment status both at individual BP level and at aggregate level.  
**GUIDANCE:** The Managing Entity has a general understanding of how the BP perform in relation to the requirements of the 4C Code of Conduct and may have visited some of them.  
The procedure describes how the ME defines the assessment for individual BP, number of BP visited, who performs the visits, how information of not visited BP is gathered and assessed, how the information is aggregated.  
**EVIDENCE:** There is written evidence at the ME's level that describes the way in which the ME obtains or makes a judgement on the individual assessments of its BP and on the aggregated level.

## Improvement Plan

8. **REQUIREMENT:** Improvement Plan is developed after each verification and implemented.  
**GUIDANCE:** An Improvement Plan has been elaborated and is being implemented, meaning that activities have been either finalized or are in process according to defined deadlines (does not apply for initial verification).  
**EVIDENCE:** Improvement Plan. Verification of activities on the ground (not applicable at initial verification).

## IMS documentation and communication

9. **REQUIREMENT:** Evidence of communicating the IMS and its requirements to all BP. This includes what is required from them and that they should allow for internal or external assessments.  
**GUIDANCE:** There is evidence that ME informs all BP on the content of the 4C requirements: the Internal Management System and the 4C Code, and on the sanctions for non-compliance with the requirements among others.  
**EVIDENCE:** Evidence can vary between the ways of communication used, e.g. posters, radio broadcasts, meetings, trainings. This will depend on the method used by the ME as defined by them.



10. REQUIREMENT: Mutual commitment by the ME and BPs in implementing the 4C requirements.

GUIDANCE: This refers to the BP being aware of the 4C requirements, especially from its relation with the Managing Entity, e.g. in relation to IMS, Code, allowing internal or external assessments. Commitment can be verbal.

EVIDENCE: BP know the specifications required by the ME, quality in terms of social, environmental, economic, duties and benefits of the agreement to work with the ME. Examples: members of cooperative, already implies contact and knowledge of expected specifications. For exporters: there might be a contract at the level of farmer group."

11. REQUIREMENT: Implementation of a documented Procedure for obtaining agreement with all BPs to be part of the 4C Unit, including approval and removal criteria and process, requirements for the ME and BPs on record keeping

GUIDANCE: The ME puts in writing the way in which it engages with BP, how both sides commit and the type of and responsibilities for record keeping required.

EVIDENCE: Document written by the ME explaining how agreement is obtained, and which criteria exist regarding approval and removal. Interviews allow to confirm that the procedure is implemented.

### Sanction measures

12. REQUIREMENT: Implementation of a documented Procedure for sanctions and appeals.

GUIDANCE: The ME puts in writing the sanctions applicable to BPs, who do not meet the agreed commitments, how the BP can appeal, and how to record the sanctions and appeals.

EVIDENCE: Document written by the ME explaining how and when sanctions are applicable and how to appeal, in case of disagreement. Interviews allow to confirm that the procedure is implemented.

## INTERMEDIATE Level (v.2015)

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### 4C Unit Managing Entity (ME)

13. REQUIREMENT: Training is provided to the appointed person(s) that take care of the IMS and Code Implementation.

GUIDANCE: The person(s) in charge of the IMS and Code Implementation was formally trained before re-verification.

EVIDENCE: Evidence of training.

### Self -Assessment

14. REQUIREMENT: Training is provided to those who conduct the self-assessment within the 4C Unit on 4C requirements (Code of Conduct, IMS and others).

GUIDANCE: The person(s) conducting the self-assessments was (were) formally trained on 4C requirements before re-verification.

EVIDENCE: Evidence of training.

15. REQUIREMENT: Records of site evaluations of a representative sample of BPs at ME level

GUIDANCE: Does not require visits to every single BP, but at least a sample of the BPs has been visited and records of their individual evaluation are present at the ME's level. The sample needs to be representative by using the same formula as for 4C verifications (half square root), and considers all risks as defined by a risk assessment.

### IMS documentation and communication

16. REQUIREMENT: A document describing the 4C Unit's IMS

GUIDANCE: A document defining procedures that describes how the IMS functions, including related documents/records of self-assessment.

EVIDENCE: IMS procedures, documents, and records.

### Implementation Plan

17. REQUIREMENT: A plan prepared by the ME on implementing the 4C Code, including verification, within the 4C Unit over a defined time

GUIDANCE: The implementation plan describes the resources and activities required to comply with the Code, to prepare for the verifications and to train the BP. Hence, it is a plan not to address principles in red per se, but to continuously improve the performance of the 4C Unit against the Code.

EVIDENCE: Documented Improvement Plan includes activities required to implement the Code, including development of the IMS, trainings, assessment of BP, maintaining records, implementing improvement actions in social, economic and environmental dimension.

## 10.3 TEMPLATES

### 1. Annual Update

#### 1.1 BPM

#### 1.2 Assessment Tool

##### 1.2.1 Primary Data & IMS - self-assessment

##### 1.2.2 UAPs & Code Principles (self-assessment)

##### 1.2.3 List of trainings

##### 1.2.4 Pesticide Report

##### 1.2.5 Code Principles Rating (Verifier Assessment)

##### 1.2.6 Performance Summary (Verifier Rating)

##### 1.2.7 Improvement Plan

### 2. Verification report