Sustainable Coconut Charter – Origin Standard

Sustainable Coconut Charter (SCC)

SCHEME RULES

THE SUPPLY CHAIN STANDARD

CHAIN OF CUSTODY MODULE

X ORIGIN STANDARD

Document name:	Document code:	Version:
Sustainable Coconut Charter - Origin Standard	SCC-OS-01	1.1

Date of Publication:	Date of revision:	Valid from:
01/11/2025	01-10-2025	01/11/2025

Contents

1. Origin Standard Background

Preamble

- Sustainable Coconut Partnership (SCP): the organization that develops the Sustainable Coconut Charter and runs the Sustainable Coconut Assurance System.
- Sustainable Coconut Charter: the name of the normative requirements. It is divided into 4 main normative documents, see below.
- Sustainable Coconut Assurance System: the general name of this verification scheme.

In Sustainable Coconut Charter the term "shall" indicates a mandatory requirement that must be fulfilled for the organization to claim compliance with the document. Failure to meet a requirement using "shall" means the organization does not conform to the standard.

The Sustainable Coconut Partnership (SCP) has developed and own the Sustainable Coconut Assurance System aiming to provide a mechanism to substantiate sustainability claims and champion companies as agents of change and sustainable trade partners. Its framework is designed to verify and ensure compliance with the Sustainable Coconut Charter across the supply chain, fostering transparency, accountability, and sustainable practices. It is pragmatic, progressive, and aligned with the needs of the sector and meant to be.

Sector-wide consultations have highlighted the limited appeal of traditional certification tools, particularly those based on conventional pass/fail systems, which have led to minimal participation across the sector. While there has been some growth in niche markets and higher-value consumer-facing coconut products, the impact of certification has largely been restricted to localized supply chains with limited volumes and a small number of operators.
The majority of coconut production and supply chains operate in lower-value markets, such as oil, desiccated coconut, and husk and shell products. These markets have remained largely disengaged, citing overly stringent criteria and standards that are poorly adapted to the unique challenges of the coconut sector, where there is little market pull or consumer demand for certification.
To address these challenges, the new Sustainable Coconut Assurance System adopts a tiered approach that emphasizes performance and continuous improvement

By providing a framework for progress at scale, the Sustainable Coconut Partnership aim to foster alignment and common ground among buyers, processors, cooperatives, and farmers alike to improve farmers' livelihoods, protect the natural environment, and build climate resilience — ensuring a **responsible** and **resilient** sector for all.

The Sustainable Coconut Assurance System development involved leading experts in coconut production and standard-setting. A voluntary taskforce comprising companies

within the SCP—some of the industry's top processors and buyers—brought practical, on-the-ground experience. It benefited from extensive consultations outside the partnership, looking for alignment with international standards such as Accountability Framework and ISEAL standards to ensure robustness and completeness and best practices to overcome gaps in certification while tackling the unique challenges of the coconut sector. Expert consultants from Peterson Solutions also supported the system's development.

Purpose	Verification	Scope
A production and processing level verification for "sustainable coconut production" verifying volumes of product compliant with the Sustainable Coconut Charter (SCC).	This standard recognizes and controls levels of performance and continuous improvement of Core Principles and Ambitions of the SCC for sustainable production of coconut products.	It includes the production, harvest, transportation and processing of the coconuts. Therefore, it includes individual farmers, farmer groups, collectors, traders and first industrial processing companies. It may only include traders of processed materials, processors beyond the first processing site, brand manufacturers of the final consumer products in a supporting facility as part of the Group Management Entity The standard may be applied at the local/jurisdictional/landscape/island levels.

The first industrial processing company is referring to those processing plants -beyond initial processing that sometimes takes place on-farm- where the coconut is processed to large scale traded industrial commodities (e.g. coconut oil, coconut flour, coconut sugar).

A Progressive Approach

The Sustainable Coconut Assurance System adopts a grading approach with three claim levels. By design, this system promotes a culture of continuous improvement rather than enforcing rigid step-by-step progress or striving for perfection in coconuts' long and complex supply chain.

This progressive framework empowers businesses to drive market transformation and gradually provide essential support across the supply chain, addressing the ongoing global challenges of traceability and transparency.

Integrated Verification

Responsibility for applying the Sustainable Coconut Assurance System is distributed across the supply chain. The application of the system is designed to encourage upstream stakeholders—farmers, cooperatives/traders, first points of processing, and other actors—

to work collaboratively, rather than placing a disproportionate burden on farm groups to meet requirements.
By addressing this often-overlooked aspect of supply chain management in smallholder systems, we aim to create better pathways for investments to reach farmers, who are the backbone of the supply chain.
Our system focuses on a tailored set of practices for each actor in the chain. It ensures that assurance reports provide clear insights into the performance of each stakeholder within the system.

Coconut-Specific Strategy
In order to establish transparent, reliable metrics that are industry aligned, and focus on coconut specific issues, we conducted extensive research and consultations with experienced operators. This pointed to the need to go beyond a sole focus on agricultural practices and farm boundaries to solve systemic issues in the coconut sector.
Our system includes focusing on: replanting programmes, youth engagement, market prices transparency and key aspects of supply chain management and transparency in smallholder supply chains.

Designed with operational profitability and economic sustainability in mind
To make the system more cost-effective and efficient, we considered how better-designed interventions, operational efficiency, and improved break-even projections could help operators maintain their verification status.
Our system incorporates features such as a grading approach, a lean and fit-for-purpose standard, and allowances for additional scopes like supply chain management and jurisdictional approaches. These elements aim to share responsibility for sustainability more equitably across the chain.
Active management of the standard by the Sustainable Coconut Partnership ensures that it remains adaptive and calibrated for operational profitability and economic sustainability. At the same time, it delivers credible, data-driven, and verified insights.

Volume and Performance Claims
Our system will verify both volume claims and assess companies' sustainability performance, recognizing verified companies as sustainable trade partners and agents of change. We are aligning our practices with leading sustainability standards to ensure robust performance recognition.

2. Introduction

The Origin standard is part of the Sustainable Coconut Charter (SCC) developed in 2023 as a result of stakeholder discussions. Through multi-stakeholder process the current Origin standard has been conceived. This has resulted in a standard with 12 principles and 139 progressive indicators / practices. Figure 1. provides an schematic overview of the standard.

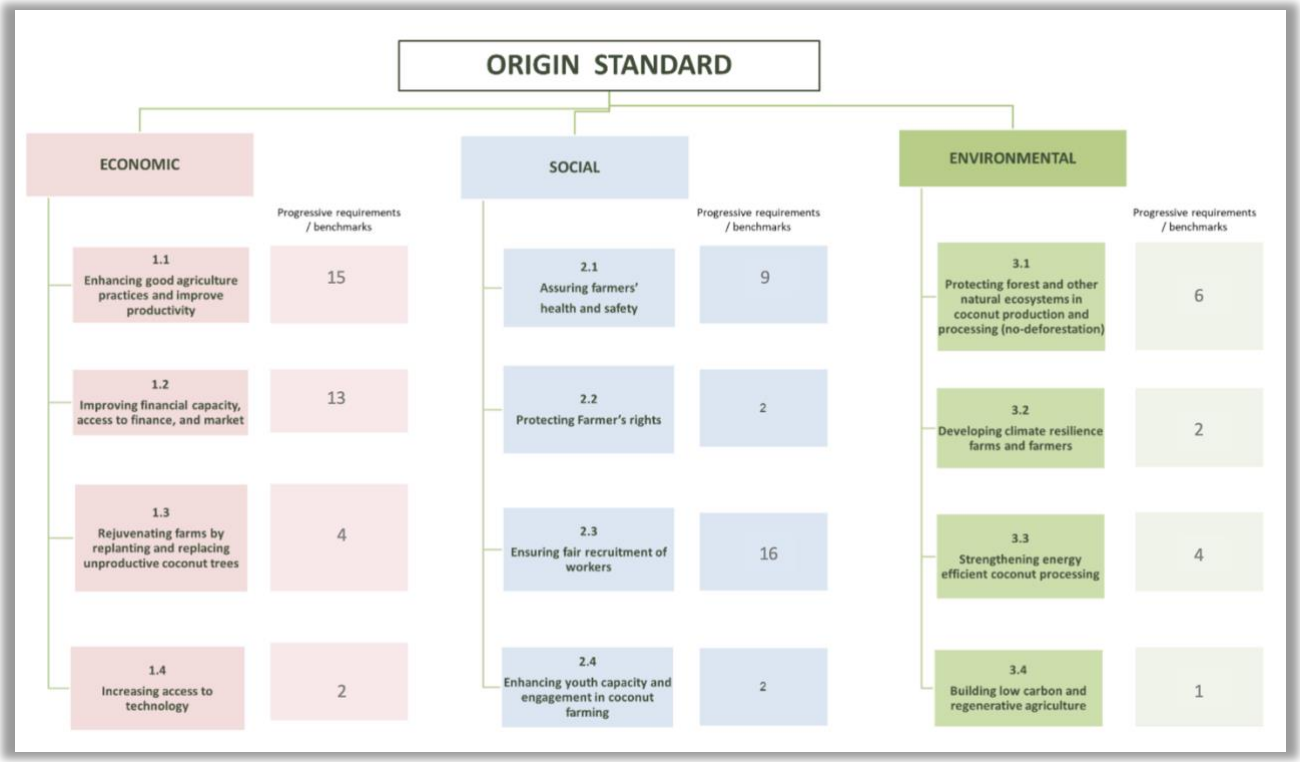

Figure 1, schematic overview of the Origin Standard showing its principles and the number of indicators.

This document is part of the Sustainable Coconut Assurance System of the Sustainable Coconut Partnership. This Assurance System consists of 4 key documents:

- The **Scheme Rules**, outlining the management of the assurance scheme.
- The **Supply Chain Standard**, outlining requirements for supply chain members.
- The **Origin Standard**, outlining requirement upstream supply chain actors. This is also the standard described in this document.
- The **Chain of Custody Module** is for traders of processed goods. It focuses on traceability, segregation and mass-balance. It is needed to protect claims made as a result of the Origin standard across the supply chain. In order to make sustainability claims related to the origin standard, a Chain-of-Custody Module is mandatory.

The purpose of the Origin Standard is to provide a production and processing level assurance scheme for “sustainable farming projects” where actors work and support farmers in line with the “Core principles and ambitions of the charter”.

This standard recognizes and controls the level of performance based on continuous improvement and allowing operators to progressively include all principle and ambitions. This is enabled by the grading system this standard employs.

The scope of the origin standard includes the upstream actors working and supporting farmers in their coconut production efforts to achieve sustainability inline with the origin standard. The SCC facilitates standard implementation in the context of a supply chain through its conventional implementation approach. The SCC also supports the use of a jurisdictional approach where initiative for implementation is taken by a government entity and stakeholders which are not perse part of the supply chain. This is further detailed in the Scheme Rules document.

2.1 Claims and scoring

Through implementation of this standard, different types of **claims** can be made based on achieved scores determined by a third-party verification (refer to the scheme rules chapter **3.6** for detailed guidance on this). Figure **2.** depicts the relationship between the score achieved and the claim that can be made.

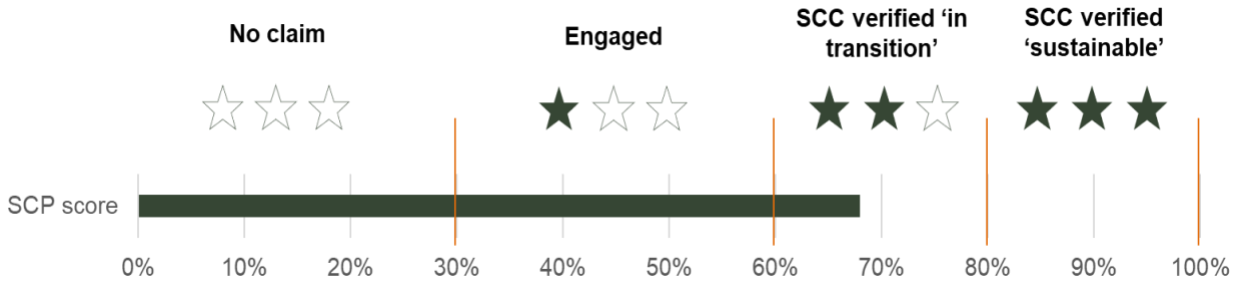

Figure 2. An example of the grading system and its relation to claims that can be made.

The grade percentage is calculated based on the score associated with each practice described.

The Verification Body shall calculate the score of each audit (initial, surveillance or main verification). The overall score shall be based on the verification result of the sampled Group Management Entity (GME) members and therefore represent the performance of the entire GME. The calculation of the overall score is based on the average score of each requirement per each sampled entity.

During the audit, the scores of all the sampled entities will be recorded in one single report/spreadsheet (i.e. no separate report or checklist per audited farms). Some requirements (practices) are applicable only to farms (see: ''Participation''), some to traders and cooperatives and some for the mills (see: ''GME'' and CoC module). The score for each requirement is the average score of all actors (i.e. GME or participants) for that given requirement. For example, if there are 10 farmers, the score of a specific requirement (practice) applicable to farmers (e.g. protective equipment) will be the average score of the 10 different results of the 10 farmers. The final score of the whole verification is the sum of all scores in that checklist, representing the outcome of the verification.

Formula:

S_1 = score of the requirement #1

S_1= (Score of entity 1 + Score of entity 2+ Score of entity 2) ÷ number of entities

Final Score Origin Standard: $S_1 + S_2 + S_n$

Example:

An example of the calculation for 3 requirements (practices) in a case where 2 farms are sampled.

Practice	Farm #1 score	Farm #2 score	GME (Group Management Entity)	Average score
1.1.1 (Farmer receive GAP training…)	2	1	N/A	1.5
1.1.2 (Productivity is tracked…)	N/A	N/A	1	1
1.1.3 Demonstration farms or plots shall be established…)	N/A	N/A	1	1
Total score				**3.5**

Critical Requirements (CR)

Some requirements (practices) are marked with ''CR'' i.e. critical requirements. If these requirements are not complied with, the certificates cannot be issued regardless of the achieved overall score.

Table 1. indicates the logos and claims that can be made based on the verification conducted. In case of group compliance the owner of the verification statement is the organization that has paid for the verification to take place and has applied for verification with the Verification Body.

The Origin Standard consists of three stages of performance (Engaged, Verified in Transition, Verified Sustainable), verified by a third-party Verification Body (VB). The claim and its performance level can be displayed on company websites, commercial documents, provided the chain of custody – mass balance or segregated – is maintained.

Logo:*	Description:
 	**Sustainable Coconut Charter - Verified Sustainable ™** Score: >80% Whether Mass Balance or Segregated is added to the logo depends on the result of the Chain-of-Custody compliance. Claim: *'Coconut [material name] issued from an origin/jurisdiction creating a responsible and resilient coconut sector' following the Sustainable Coconut Charter'*
 	**Sustainable Coconut Charter - Verified in transition ™** Score: >60% to ≤80% Whether Mass Balance or Segregated is added to the logo depends on the result of the Chain-of-Custody compliance. Claim: *'Coconut [material name] issued from an origin/jurisdiction in transition towards sustainability following the sustainable coconut charter'*
 	**Sustainable Coconut Charter - Engaged ™** Score: ≥30% to ≤60% Whether Mass Balance or Segregated is added to the logo depends on the result of the Chain-of-Custody compliance. Claim: *'Coconut [material name] issued from an origin/jurisdiction that engaged in transition towards sustainability following the sustainable coconut charter.'*

Table 1. the Sustainable Coconut Charter verification status logo's and claims that can be made based on the achieved scoring as a result of the verification.

The Sustainable Coconut Charter verification status logo and any accompanying text shall follow the specifications by SCP. Please also see the relevant points- especially the chapter 3- of the Scheme Rules document.

The Sustainable Coconut Charter verification status logo may only be used in business-to-business communication and shall not appear on the product, product packaging or on any accompanying material visible to the final consumer. Companies interested in on-product claim may reach out to info@coconutpartnership.org and request this evaluation.

Only those companies (including cooperatives, first industrial processors, etc.) may use the Sustainable Coconut Charter verification status claim and the logo that are authorized to do so by the SCP approved VB, taking into consideration the outcome of the continuous verification result.

2.2 Stakeholder involvement

The origin standard is unique in the fact that it not only focuses on sustainability at the farm level, but also includes the upstream actors within the coconut supply chain, with the aim of fostering cooperation. It also ensures that smallholder farmers which may struggle to implement the practices are supported. It is for this reason that the standard identifies 2 different stakeholder groups:

- **Participation:** requirements related to producers (i.e. farmers, cooperative members and traders).
- **GME:** requirements related to the Group Management Entity. These requirements shall be implemented by all members of the GME, including collectors, traders, processors and also producers.

The relevant actors are indicated using ‘’Participation’’ or ‘’GME’’ against each practice. The goal is to support farmers in their quest towards more sustainable and resilient farming practices, which cannot be done without the support and change of the supply chain actors themselves as well.

2.2.1 Group Management Entity (GME)

A Group Management Entity (GME) is the legal or functional organization or group of organizations responsible for managing, coordinating, and ensuring compliance with the SCC Origin Standard through an established Internal Management System (IMS) and is responsible for ensuring that all members comply with the requirements of the standard. Where a group is composed of several legal entities (e.g. cooperatives, associations, or companies), the group members may collectively designate one organization to hold the certificate or verification on behalf of the group.

Regardless of which entity legally holds the certificate, the GME remains responsible for the

overall compliance, integrity, and governance of the Internal Management System, ensuring that all participating entities and individual producers comply with the standard's requirements.

The GME is a group of farmers, dealers (traders)/cooperatives/collectors, first processors and millers and depends on the structure of the upstream supply chain. Identification of this group is essential since the Origin standard includes practices relevant for all upstream actors to foster collaboration. The Actor Database (member list of the group) needs to be updated every year to account for potential stakeholders entering or leaving the supply chain.

2.2.2 Producer Loyalty and Progression

SCC want to recognize commercial flexibility (i.e., not all farmer's output must be sold into the verified supply chain), but still require demonstrated progress over time. The auditor shall verify loyalty and increasing share of volumes entering the verified supply chain. i.e. no less than 50% of volumes of a given farm shall be sold through the certified supply chain. This approach ensures farmer autonomy and market flexibility while promoting measurable, increasing inclusion of producers' volumes into the verified, traceable supply chain over time.
See Scheme Rules for more details.

3. Definitions

A set of definitions is included in the table below to help navigate the SCC standard.

Assurance	Demonstration that specified requirements relating to a product, process, system, person, or entity are fulfilled.
Buyer	An individual, company or entity that purchases raw materials, processed materials, or finished products from a supply chain actor.
Chain of Custody	The process by which inputs, outputs, and associated information are transferred, monitored and controlled as they move through each step in the relevant supply chain.
Claim	An intended message to describe or promote a product, process in the supply chain, business, or service with respect to its sustainability attributes or credentials.
Child Labor	Work that deprives children of their childhood, their potential, and their dignity, and that is harmful to their physical and mental development. International standards set the general minimum age for admission to employment or work at 15 years (13 for light work) and the minimum age for hazardous work at 18 (16 under certain strict conditions). They provide for the possibility of initially setting the general minimum age at 14 (12 for light work) where the economy and educational facilities are insufficiently developed. Hazardous work is work which, by its nature or the circumstances in which it is carried out, is likely to jeopardise the health, safety, or morals of young persons. Children between the ages of 13 and 15 years old may do light work, as long as it does not harm their health or development, or hinder their attendance at school or participation in vocational orientation and training.
Collective Bargaining	All negotiations that take place between an employer, a group of employers, or one or more employers' organisations, on the one hand, and one or more workers' organisations, on the other, for: (i) determining working conditions and terms of employment; and/or (ii) regulating relations between employers and workers; and/or (iii) regulating relations between employers or their organisations and a workers' organisation or workers' organisations.
Trader	A business that purchases and sells raw or primary processed agricultural or forestry materials. Traders commonly also provide transport services for these goods. Trading companies may also engage in primary or secondary processing.

Deforestation	Loss of natural forest as a result of i) conversion to agriculture or other non-forest land use; ii) conversion to a tree plantation; or iii) severe and sustained degradation.
Degradation	Changes within a natural ecosystem that significantly and negatively affect its species composition, structure and/or function, reduce the ecosystem's capacity to supply products, support biodiversity, and/or deliver ecosystem services.
Direct Supplier	Supplier having direct contractual agreements with a supply chain buyer further downstream.
Downstream	A position in the supply chain further from raw material origin and closer to the stage of final sale and consumption.
Due Diligence	A risk management process implemented by a company to identify, prevent, mitigate, and account for how it addresses environmental and social risks and impacts in its operations, supply chains, and investments.
Farm Group	A producer group whose membership is composed of smallholder producers.
First Processing Plant	A business, cooperative, or other entity that conducts the first stage of processing after an agricultural or forestry raw material is harvested.
Forced Labour	All work or service that is exacted from any person under the menace of any penalty and for which the said person has not offered themselves voluntarily, including all forms of debt bondage and human trafficking for the purpose of forced labour.
Grievance Mechanism	Any routinised process through which grievances concerning business-related negative impacts to human rights or the environment can be raised and remedy can be sought. Grievance mechanisms may be state-based or non-state-based and they may be judicial or non-judicial.
Jurisdictional Initiative	A type of landscape initiative that is delineated by administrative boundaries and implemented with a high level of government involvement.
Livelihood	A person's or a group's way of making a living, from the environment or in the economy — including provisions for basic needs and assurance of access to food, clean water, health, education, housing, and the materials needed for their life and comfort — either through their own direct use of natural resources or through exchange, barter, trade, or engagement in the market. It encompasses the capabilities, assets, and activities required to secure the necessities of life.
Plot of land	Land within a single real-estate property, as recognised by the law of the country of production, which enjoys sufficiently homogeneous conditions to allow an evaluation of the aggregate level of risk of deforestation and forest degradation associated with relevant commodities produced on that land.

Management System	A set of policies, processes, procedures and resources used by an organization to ensure it can fulfil the tasks required to achieve its objectives.
Mass Balance	A supply chain model for administratively monitoring the inputs and outputs of certified/verified material throughout the supply chain. It allows for the mixing of these materials at any stage in the supply chain.
Non-compliance (NC)	The state of not complying with or fulfilling (or only partially complying with or fulfilling) a given law, standard, commitment, or target.
Producer	The owner or manager of a production unit (a farmer). This includes smallholders and other individual owners/managers, corporate entities, and communities that own or manage production systems.
Segregation	A supply chain model where coconut material is sourced from two or more verified sources and kept separate from any other coconut material throughout the supply chain.
Smallholder	A person who farms a plot of land to support his or her household. A plot of land is a smallholding up to 25 acres (10.12 hectares) of land or is defined to be a smallholder farm by the national government or partnership organization.
Supplier	A producer or company that supplies raw materials, processed materials, or finished products to a buyer.
Traceability	The ability to follow a material or product or its components through each of the supply chain stages (e.g. production, processing, manufacturing, and distribution).
Third-Party	A person or organization performing or providing a specific service to an SCA, other than the SCA itself.
Upstream	A position in the supply chain closer to the raw material origin
Verification Body (VB)	An independent body selected by an SCP to perform the independent verification assessment.

4. Origin Standard Criteria

Economic impact area 1

Goal of this impact area: Achieving increased smallholder farmers' economic opportunities, income and subsequently improving their livelihoods.

Principle 1.1: Enhancing good agriculture practices and improve productivity

Coconut yields in recent years have declined. This has been attributed to factors such as the use of suboptimal planting materials, challenges in agronomic practices, climate pressures, extreme weather events, and biotic stresses. It is essential to support farmers to increase productivity and re-invest in their farms to break poverty traps without compromising the environment.

TOPICS	REQUIREMENTS V 1.1	PRACTICES	ACTORS	SCORE v1.1	CR
GAP training	Farmers must receive regular, coconut-specific training on Good Agricultural Practices (GAP). This training should cover all practices outlined in this standard and be designed to help farmers effectively implement these practices on their farms.	1.1.1	Participation	0-2	
Productivity	Productivity is tracked by the GME (Group Management Entity) to measure improvements achieved with the implementation of the SCC standard. This could include number of nuts per tree or nuts per ha. Estimates can be made based on a representative sample of the farm population included in the verification scope.	1.1.2	GME	1	

Demonstration Farms	Demonstration farms or plots shall be established by the GME within a reasonable distance from farmer communities to showcase a range of sustainable practices, including good agricultural practices (GAP), environmental protection, and social responsibility. These demonstration sites may be hosted by one or several farms, each focusing on specific practices. Farmers shall be encouraged and supported to visit these sites to promote learning and peer exchange.	1.1.3	GME	1	
Agrochemicals and Waste	Farmers shall only use agrochemicals that are permitted under national legislation. If any agrochemicals prohibited under international agreements (such as the Stockholm or Rotterdam Conventions) are still in use, they must be identified and phased out. Farmers shall be provided with a clear and understandable list of banned and approved agrochemicals based on national and international regulations.	1.1.4	Participation	0-1.5	
	Farmers store agrochemicals, including pesticides, fertilisers and herbicides, in their original, clearly labelled/recognizable containers in a secure, and lockable storage area or container that is inaccessible to children and unauthorized persons. The storage must be away from living areas, water sources and food. Any equipment used for mixing, applying, or handling agrochemicals must be cleaned after use and stored separately in a dedicated area to prevent contamination and ensure safe access.	1.1.5	Participation	2	
	Farmers handle and dispose of agrochemical waste, including empty containers and leftover chemicals, in line with local government regulations. Empty containers (such as those for pesticides, herbicides, or nutrients) must be triple-rinsed with water and punctured or pierced to prevent reuse. Rinsing water should be applied to the crops, not discarded. Hazardous waste must be clearly identified and stored separately from other types of waste. If no official disposal system is available, containers and waste must be safely	1.1.6	Participation	2	

	stored on the farm in a secure, labeled area until proper disposal becomes possible.				
	The use of agrochemicals is managed to minimize potential negative environmental impacts. Practices are in place to reduce runoff, leaching, and overapplication, especially for substances classified as hazardous to soil, water, or biodiversity. Alternatives and mitigation measures are promoted where feasible, in line with good agricultural practices and environmental protection goals.	1.1.7	Participation	1	
Nutrient management	The Group Management Entity (GME) shall develop a basic fertilizer schedule that reflects the general nutrient needs of coconut production adapted to the local context.	1.1.8	GME	1	
	Farmers shall be aware of the fertilizer schedule and be able to explain their nutrient application choices, including any adjustments made based on crop conditions or other factors.	1.1.9	Participation	0-2	
	Regular soil tests are conducted to assess plant conditions and support more precise fertilizer applications by the GME.	1.1.10	GME	2	
Integrated Pest Management (IPM)	Farmers and the group progressively monitor pests and diseases to support appropriate pest and disease management strategies.	1.1.11	Participation	0-2	
Soil Management	The GME team develops a basic soil management plan for the farmers in the verification group, aimed at preventing soil erosion and degradation and promoting long-term soil health.	1.1.12	GME	1	

	Farmers are aware of the soil management plan and apply basic practices to reduce erosion and soil degradation, adjusting them where needed to suit their field conditions.	1.1.13	Participation	0-2	
Product quality	Trainings on post-harvest practices that affect product quality and contamination are provided to farmers and cooperatives or traders. Trainings relate to quality parameters relevant for the mill depending on the final product produced.	1.1.14	Participation	0-2	
	Product quality is regularly monitored through visual checks of key product characteristics. Findings are used to guide improvements in post-harvest practices to improve product quality.	1.1.15	Participation	0-2	

Principle 1.2: Improving financial capacity, access to finance, and market

Coconut business contributes to social and economic well-being of local farmers by providing food, and employment opportunities. However, with the reduced yields, livelihoods are at risk. For example, Danida Green Business Partnerships (DGBP) reports that the coconut farmers are usually poor and about 50% of 3.5 million farmers in some countries have been living below the poverty line (<$2 per day). Most of these farmers are smallholders who cultivate less than four hectares of land. A lack of funds to invest back into the farm; knowledge to maximize farm productivity, coconut yield and quality; strength to collectively bargain; access to markets; and suitable financial service contribute to poor agriculture practices,

TOPICS	REQUIREMENTS V 1.1	PRACTICES	ACTORS	SCORE v1.1	CR
Income diversification	A simple farm business plan is developed at the group level by the GME, covering typical coconut income patterns and identifying strategies for income diversification (e.g., intercrops, livestock, or off-farm activities) to support farmers in improving and stabilizing their livelihoods.	1.2.1	GME	1	
	Farmers receive training on basic farm business management, including cost tracking, income planning, and identifying opportunities for alternative income from intercrops or livestock.	1.2.2	Participation	0-1.5	
Farmer & Cooperatives/Trader representation	Farmers are meaningfully represented in the leadership and decision-making structures.	1.2.3	GME	1	
	A development plan (aligned with the IMS format) is created together with farmers, cooperatives, and other relevant stakeholders to identify priority services and actions that support SCC implementation and contribute to strengthened farmer livelihoods.	1.2.4	GME	1	
Transparent pricing	Farmers understand the price-setting process and what they are paid for and payment schedules are clear, reliable, and respected.	1.2.5	Participation	1	
	Mills or buyers communicate clear and updated prices for different product grades to cooperatives/traders in advance. This includes publicly posting prices in an understandable local language.	1.2.6	GME	1.5	

	Farmers are informed in advance about the prices and grading criteria used to determine payments. These criteria are made visible (e.g. through posted grading guidelines), and payments are supported with receipts or payment slips showing deductions and quality grades.	1.2.7	GME	1.5	
	The mill and cooperative take measures to avoid unfair competition and conflicts of interest in their operations.	1.2.8	GME	1	
Fair pricing	The GME incentivises farmers for the implementation of the SCC standard practices.	1.2.9	GME	0-1.5	
	The cooperative/traders registered in the programme provide smallholder farmers with access to formal and transparent financing mechanisms such as cash advances or harvest-linked financing, enabling them to pay hired workers on time.	1.2.10	GME	1	
	The cooperative/traders registered in the programme have set up a financial infrastructure with records allowing them to manage transparent pricing, financing and farmer payments.	1.2.11	Participation	1	

Transparency	The cooperatives or traders have a clear system and internal processes in place to align with the Chain of Custody (CoC) module. This includes maintaining clear and auditable documentation of product volumes received, processed, and sold, and ensuring traceability between farmer deliveries and outgoing products. Where the mill is responsible for CoC compliance, the cooperative must support traceability efforts by maintaining basic records of farmer deliveries and transactions.	1.2.12	GME	1	
	The GME publishes an annual summary of the support provided to farmers to strengthen sustainable production and livelihoods. This may include in-kind contributions, trainings, services, or other activities. The summary should be aligned with the IMS action plan and describe how these activities contribute to SCC implementation and improved farmer outcomes.	1.2.13	GME	1	

Principle 1.3: Rejuvenating farms by replanting and replacing unproductive coconut trees, and improving farm health and safety

It is estimated that up half the world's coconut trees are senile, and up to 80% of coconut trees are over 32 years old in Southeast Asia leading to low yields and incomes. Some replanting is done with poorly selected materials, without cutting down the old trees.

TOPICS	REQUIREMENTS V 1.1	PRACTICES	ACTORS	SCORE v1.1	CR
Replanting and quality planting materials	A regular (once every 3 years) census of bearing and senile trees is conducted across the farms in the group or cooperative. Based on the findings, a phased replanting or rejuvenation plan is developed at the group/cooperative level, taking into account which farmers require more urgent replacement. The plan may extend over multiple years and reflects available resources and farmer needs.	1.3.1	GME	1	
	Farmers are trained to identify and select appropriate seednuts based on variety, maturity, and physical quality. The training equips them to make informed choices on viable seednuts suited to local conditions and production needs.	1.3.2	Participation	0-1.5	
	The group or cooperative identifies a reputable nursery that provides quality coconut seedlings. Farmers have reliable access to this nursery as a source of planting materials for replanting and rejuvenation.	1.3.3	GME	1	
	A simple, group-level monitoring system is established to track replanting and rejuvenation activities on member farms within the sourcing region. This system records progress and evaluates effectiveness over time, supporting adjustments to a management plan that guides sustainable coconut production and improves smallholder livelihoods.	1.3.4	GME	1	

Principle 1.4: Increasing access to technology

In many rural areas, poor infrastructure and access to technology (for planting, inputs management, monitoring insects and pests, harvesting, market information or even processing), are factors that limit farmers to create value and farm as a business . In addition, farmers do no have easy access to market information and outreach, and the online marketing of products at farmers level is still inadequate. In absence of these, farmers have not been fully engaged with buyers as well as extension services to benefit them, and maximize benefits.

TOPICS	REQUIREMENTS V 1.1	PRACTICES	ACTORS	SCORE v1.1	CR
Online tools	Digital tools (e.g apps, social media, etc) are used to improve accessibility to agricultural advice, trainings and general updates for the farm group.	1.4.1	Participation	0-1.5	
	Digital tools are used to help ensure a traceable supply chain down to farm level.	1.4.2	GME	1	

Social impact area 2.

Protecting fundamental human rights, preventing child labor and forced labor in coconut production and processing.

Principle 2.1: Assuring farmers health and safety.

International Labor Organization of United Nations outlines agriculture as one of the most hazardous occupations worldwide with harvesters and farm processors with the highest frequency and fatality rates of injury. With dangerous harvest and dehusking processes observed all across coconut supply chain mixed with exposure to pesticides and other agrochemicals constitutes a major occupational risk which may result in poisoning and death and, in certain cases, work-related cancer and reproductive impairments.

TOPICS	REQUIREMENTS V 1.1	PRACTICES	ACTORS	SCORE v1.1	CR
Legal & Ethical Conduct	Compliance with all applicable national and local laws and regulations is required. This includes but is not limited to laws related to land use, business operations, labor rights, environmental protections.	2.1.1	GME	3	CR
	There is a zero-tolerance policy in place towards corruption, fraud, and bribery. The mill and cooperative ensure that all operations are conducted ethically and in line with applicable legal and sustainability requirements.	2.1.2	GME	1	
	Personal data of farmers, workers, and other stakeholders is collected, stored, and used in accordance with applicable national legislation. Data is only used for legitimate purposes, with appropriate consent where required, and is protected against unauthorized access or misuse.	2.1.3	GME	1	
Use of safety equipment	All persons working on the farm should be trained on the safe and proper handling of agricultural inputs, especially crop protection products. This	2.1.4	Participation	0-2	

	includes the safe use of tools for the application of those products and the use of PPEs for personal protection.				
	All persons working on the farm, including those involved in the first processing step, use appropriate personal protective equipment (PPE) to ensure their safety during work activities.	2.1.5	Participation	0-2	
	A system is in place for safe storage and cleaning of personal protective equipment (PPEs).	2.1.6	Participation	1	
	Pregnant women and nursing mothers shall not be assigned tasks that involve handling, applying, or being exposed to crop protection products (CPPs) or areas contaminated by CPPs. Work assignments must prioritize their health and safety by preventing any direct or indirect exposure.	2.1.7	Participation	1	
	Farmers and its workers should have access to medical treatment in case of emergencies.	2.1.8	Participation	0-1.5	

Principle 2.2: Farmer protection and land right.

In many countries, coconut farmers are smallholders. Livelihoods Funds report that 80% of coconut farmers in some countries are smallholders with less than 2 hectares of land.. Moreover, the small holder farmers' land rights is contested in some countries, where farmers face challenges to own, occupy, use and administer formal and customary rights.

TOPICS	REQUIREMENTS V 1.1	PRACTICES	ACTORS	SCORE v1.1	CR
Farmer rights	Farmers have demonstrable rights to use the land, supported by national or customary systems.	2.2.1	Participation	0-1.5	
	Women farmers have equal access to training, leadership opportunities, decision-making processes, and payments. Any barriers to women's participation are identified and actively addressed.	2.2.2	GME	1	

2.3 Ensuring fair recruitment of workers

Coconut farmers face shortage of workers and the wage rate is usually high. There is usually a considerable wage difference between men and women, with women being paid less than men. Child labor also occurs, as a means to meet family's economic needs..

TOPICS	REQUIREMENTS V 1.1	PRACTICES	ACTORS	SCORE v1.1	CR
Child labour	The minimum age for employment is 15 years or higher if defined by the national legislation.	2.3.1	GME	3	CR
	For young workers between 15 and 18 years of age, they can only perform non-hazardous and age appropriate work, inline with the ILO conventions 138 and 182.	2.3.2	Participation	0-2	

	Family labor is only permitted when children under the age of 15 are accompanied and supervised by an adult, the work does not endanger their physical health, safety, or moral well-being, does not interfere with their education or personal development, and is carried out with the informed consent of a parent or legal guardian, in line with the UN Convention on the Rights of the Child.	2.3.3	Participation	0-1.5	CR
Discrimination	No worker is subject to discrimination during recruitment, hiring, or while performing their work.	2.3.4	GME	1	
Working hours	Total weekly working hours are set based on mutual agreement with the worker.	2.3.5	GME	1	
No forced labour	Not any form of forced labor is permitted, including slavery, servitude, coercion, threats, violence, intimidation, or any other form of domination or oppression in the workplace.	2.3.6	GME	3	CR
Grievance mechanism	Workers and farmers have access to effective grievance mechanisms to raise and resolve concerns related to working conditions, rights, or practices on the farm or within the supply chain. These mechanisms ensure confidentiality, protect whistleblowers from retaliation, and allow concerns to be reported anonymously where needed.	2.3.7	GME	0-2	
Fair compensation	Workers are paid at least the applicable legal or industry minimum wage in cash, or collective bargaining agreements (where applicable), whichever is higher. This may include in-kind benefits provided their value is fair, customary, and does not undermine the worker's ability to meet basic needs in line with ILO convention 95.	2.3.8	GME	0-1.5	
	Workers understand how their wages are calculated and are able to verify that their pay meets the legal minimum.	2.3.9	GME	1	

Working conditions	A hygienic, safe, and healthy working environment is provided to prevent work-related accidents, injuries, and illnesses. The same standard applies to any housing provided to workers.	2.3.10	GME	1	
	Workers have adequate access to free and safe drinking water, sanitation, and hygiene (WASH) facilities at the workplace, and in any housing that is provided.	2.3.11	GME	1	
	Clear and fair agreements are in place with farmers and workers, even if informal. These agreements should be communicated in a language and format that is understandable, and should outline key terms such as pricing, responsibilities, and timelines. In case of informal agreements, the farmer or worker can explain the key terms verbally.	2.3.12	GME	1	
Worker dignity	No worker is subjected to any form of abuse or harassment, including psychological, physical, sexual, or verbal mistreatment, coercion, or intimidation in the workplace, in line with ILO Convention 190 and the ILO Declaration on Fundamental Principles and Rights at Work.	2.3.13	GME	1	
Freedom of association	Employers do not withhold identity documents or personal papers of workers. Workers must have free access to their personal identification at all times, and possession of such documents must remain voluntary and uncoerced.	2.3.14	GME	1	
	Reasonable measures are taken to respect the privacy of workers and clients. Personal or sensitive information shared in the context of employment, service provision, or grievance processes is handled with care, and only shared when necessary and appropriate. Efforts are made to maintain confidentiality, especially in cases where disclosure could lead to harm or retaliation.	2.3.15	GME	1	

	Workers have the right to freely associate, form or join organizations of their choice, and participate in collective bargaining without interference, intimidation, or retaliation, in line with ILO Conventions 87 (Freedom of Association) and 98 (Right to Organise and Collective Bargaining), and the ILO Declaration on Fundamental Principles and Rights at Work.	2.3.16	GME	1	

2.4 Enhancing Young/Upcoming Farmers' capacity and engagement in coconut farming

Youths are gradually moving out of coconut farming, they are demotivated to work in the coconut production fearing their lives to be trapped in vicious circles of poverty. Decades long public authorities surveys, consultations and research are documenting youth exile while showing that farmers need not be poor with sufficient level of education and awareness to opportunities on coconut farms.

TOPICS	REQUIREMENTS V 1.1	PRACTICES	ACTORS	SCORE v1.1	CR
Youth Awareness	Youth involvement is promoted in farming and supports generational succession, especially by encouraging children of farming households to see agriculture as a viable and dignified livelihood.	2.4.1	GME	1	
	Financial incentives are provided that enable young people to start or sustain coconut farming. These may include the provision of seedlings or planting materials, agricultural inputs, or transitional support to cover the non-productive early years of coconut cultivation.	2.4.2	GME	1	

Environmental impact area 3.

Protecting ecosystems, soils and biodiversity in coconut plantations and mitigating climate change impacts for coconut farmers.

3.1 Protecting forest and other natural ecosystems in coconut production and processing (no-deforestation)

Deforestation in coconut landscapes has been reported in high-biodiversity lowland coastal forests where coconut cultivation is a key land use. A study conducted in Sumatra reports three major drivers of deforestation and forest degradation i.e., land clearing for agriculture, coconut plantation, and aquaculture. The deforestation has contributed to degraded biodiversity and reduced wild life and birds.

TOPICS	REQUIREMENTS V 1.1	PRACTICES	ACTORS	SCORE v1.1	CR
No deforestation	There is no expansion or production on areas converted from natural forests and natural ecosystems from 31 December 2019 onwards.	3.1.1	GME	3	CR
Natural Ecosystems	Environmentally sensitive areas and key biodiversity areas, including government-designated zones and areas of indigenous or conservation significance, are identified, demarcated, and protected by the organization. Encroachment into these areas is prohibited.	3.1.2	GME	1	
	Farmers implement at least one on-farm practice that enhances biodiversity by protecting or restoring natural vegetation along riparian zones, field margins, or uncultivated areas.	3.1.3	Participation	0-2	

	The use of landfills for non-organic agricultural / household waste must be avoided by prioritizing reuse, recycling, or other responsible disposal methods.	3.1.4	GME	1	
	Water bodies such as rivers, streams, ponds, and canals must not be used for dumping waste.	3.1.5	GME	1	
	The disposal of agricultural waste by open burning or burial of non-organic materials (e.g., plastics, synthetic packaging) in soil is not permitted. The use of fire is only allowed when no alternative is feasible, must be legally permitted, and carried out under controlled conditions that minimize environmental and health risks. Organic waste may be composted or left to decompose naturally, provided it does not create hygiene, pest, or pollution issues.	3.1.6	Participation	0-2	

3.2 Developing climate resilient farms and farmers

Climate change has already started impacting coconut farming. A study projects that about 127,000 ha of current coconut farms are likely to be affected by changes in precipitation and longer dry seasons in insular part of Southeast Asia, reducing coconut yields and displacement of cultivation areas in the region. This, in turn, will add pressure on biodiversity conservation. Good agricultural techniques, enhanced irrigation coupled with replanting with more adequate varieties is a good way to improve climate resilience.

TOPICS	REQUIREMENTS V 1.1	PRACTICES	ACTORS	SCORE v1.1	CR
Practices	The group or cooperative reviews existing climate data, local knowledge, and published literature to assess key climate risks (e.g., drought, cyclones, pest outbreaks) affecting coconut production in the area. Based on this assessment, suitable and locally relevant adaptation practices are identified and prioritized for implementation at farm level.	3.2.1	GME	1	

	Based on a climate risk assessment conducted by the group, farmers receive guidance and implement at least one climate-resilient practice relevant to their farm conditions. The risk assessment identifies local climate-related challenges (e.g. drought, storms, shifting pests, irregular rainfall) and is used to tailor practical advice. The group supports implementation, monitors farmer adoption, and adjusts guidance over time based on results and farmer feedback.	3.2.2	Participation	0-1.5	

3.3 Strengthening energy efficient coconut processing

Usage of fossil fuel such as coal, oil, natural gas and biomass in coconut processing for machinery and plants produce greenhouse gas emissions. Replacing such energy sources with improved biomass or other renewable energies can yield significant emissions reduction, savings and energy efficiency at processing level.

TOPICS	REQUIREMENTS V 1.1	PRACTICES	ACTORS	SCORE v1.1	CR
GHG	All energy intensive processes at the processing facility are identified and listed.	3.3.1	GME	1	
	Measures are taken to improve the energy efficiency at the processing facility to reduce emissions.	3.3.2	GME	1	
	Energy use and other sources of emissions that affect air quality at the processing facility are tracked and recorded. This information is used to monitor and manage the effectiveness of measures aimed at improving energy efficiency and reducing air pollution, such as smoke, dust, or fumes from processing activities.	3.3.3	GME	1	
	Measures are taken to prevent or reduce air pollution from processing activities, in line with applicable national and local legislation.	3.3.4	GME	1	

3.4 Building low carbon and regenerative agriculture

With increasingly senile trees and inadequate agricultural practices, soil health and farm ecosystem are degrading resulting low yield and depletion of soil carbon. In addition, on-farm residue is one of the sources of carbon emissions in coconut production. Moreover, the farmers use coal and fossil fuel. Regenerative agriculture principles like intercropping, crop rotation, increasing use of biological amendments, and reduced use of persistent chemical pesticides and fertilizers are supporting both low carbon, soil health and biodiversity while increasing yields.

TOPICS	REQUIREMENTS V 1.1	PRACTICES	ACTORS	SCORE v1.1	CR
Regenerative Agriculture	Key environmental functions within the farm base that may require strengthening or regeneration (e.g., soil health, water retention, nutrient cycling, biodiversity support) are assessed. This assessment may include local knowledge, farmer observations, and/or available environmental data. Existing farm practices that already contribute to restoring or maintaining these functions are recognized and acknowledged.	3.4.1	Participation	0-1	


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