



Brazil National Contact Point

MINISTRY OF DEVELOPMENT, INDUSTRY, TRADE AND SERVICES
Executive Secretary of the Foreign Trade Chamber
Brazil National Contact Point



MINISTRY OF DEVELOPMENT,
INDUSTRY, TRADE AND SERVICES

FINAL STATEMENT

SPECIFIC INSTANCE No. 02/2018¹

ADERE-MG, Conectas Human Rights and Dunkin'

As noted in the Implementation Procedures of the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, the NCP, upon completion of the proceedings and after consultation with the parties involved, should make the results publicly available by issuing a final statement.

In cases where no agreement is reached by the parties, this statement should, at a minimum, describe the issues raised, the positions of each party, as appropriate, the reasons why the NCP decided that the issues raised warranted detailed consideration, and the procedures initiated by the NCP to assist the parties, including information on the parties' involvement in the proceedings. The NCP should also include recommendations on the implementation of the Guidelines, where relevant. Where appropriate, the statement may also include the reasons why an agreement could not be reached.

It should be noted that, since the specific instances are not court cases and NCPs are not adjudicatory bodies, NCPs cannot directly request compensation or compel the parties to participate in a conciliation or mediation process.

Brazil National Contact Point for the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct - NCP Brazil

November 2024

¹ Specific Instance No. 02/2018 is an extension of Non-Compliance Claim No. 02/2018, related to 6 (six) multinational companies. This Final Statement refers only to Dunkin'.



Sumário

1. Overview of the NCP and its role	2
2. Executive Summary.....	3
3. NCP Procedures	5
4. Content of the submission and the company's response.....	6
5. Initial assessment.....	12
6. Result of good offices.....	14
7. Analysis and conclusions.....	15
8. Recommendations	16
9. Follow-up	17



1. Overview of the NCP and its role

1. The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (Guidelines) are recommendations issued by governments to multinational enterprises operating in or from adhering countries. To date, 51 countries, including Brazil, have signed up to the Guidelines, committing to implement them and encourage their use.
2. Updated in 2023, the Guidelines are the only multilaterally accepted and comprehensive code of responsible business conduct (RBC). National Contact Points (NCPs) operate as a central forum for issues related to the Guidelines, providing a dedicated mechanism for support, promotion and implementation.
3. The Brazilian NCP was established in 2003 and its structure was revised by Decree No. 11,105 of June 27, 2022, as amended by Decree No. 11,523 of May 10, 2023. The Brazilian NCP is currently an Interministerial Working Group (IWG-NCP) coordinated by the Executive Secretariat of the Foreign Trade Chamber of the Ministry of Development, Industry, Commerce and Services, and is composed of representatives from different agencies.
4. The main objective of the NCPs is to help companies, groups, associations, unions and other interested parties take appropriate measures to implement the Guidelines. In this context, the NCPs have two main functions: to raise awareness and promote compliance with the Guidelines; and to contribute to the resolution of issues that arise in relation to the implementation of the OECD Guidelines, through the so-called specific instances (SIs).
5. The Brazilian NCP contributes to the resolution of the issues raised by offering good offices, which are usually carried out in the form of mediation between the alleging party (submitter) and the alleged company (respondent). In addition, the NCP may issue recommendations on how to improve the implementation of the Guidelines in specific cases and monitor such recommendations. The handling of specific instances by the Brazilian NCP is carried out in accordance with its case-handling procedures and the Guidelines Implementation Procedures.



2. Executive Summary

6. On August 21, 2018, the Specific Instance No. 02/2018 (SEI 9506970) was submitted to the NCP Brazil by the Articulação dos Empregados Rurais do Estado de Minas Gerais (ADERE-MG), an organization that brings together several rural employee unions, together with the non-governmental organization Conectas Direitos Humanos.
7. The submission alleged that the multinationals Dunkin'², Illy, Jacobs Douwe Egberts, McDonald's, Nestlé and Starbucks failed to comply with the OECD Guidelines on Human and Labor Rights in Coffee Plantations in Southern Minas Gerais due to failures in due diligence in their supply chains.
8. On September 12, 2018, the NCP Brazil concluded that the claim met the criteria for admissibility and acceptance. In a letter dated January 18, 2019, Dunkin' presented its counter-allegations (SEI No. 9507051).
9. With the restructuring of the Interministerial Working Group of the NCP Brazil (IWG-NCP), the case was resumed in August 2019, with the IWG-NCP accepting the recommendations of the Rapporteur, representing the Ministry of Women, Family and Human Rights (MMFDH), to separate the case, given the complexity and specificities involving the allegations of each of the companies (SEI 9507056). The individual submission took place on September 9, 2019 (SEI 9664749).
10. On March 11, 2020, the IWG-NCP Brazil approved the acceptance report of Specific Instance 02/2018 (SEI 9667262) and the recommendations of the rapporteur - representative of the MMFDH, requesting additional documentation for analysis by the rapporteur (SEI 9667285).
11. On August 3, 2020, Dunkin' submitted its response (SEI 9685784) to the request for additional information to the NCP, having forwarded a supplement on December 11, 2020 (SEI 12757763), at the request of the NCP.
12. On February 5, 2021, the IWG-NCP approved the Rapporteur's opinion offering good offices to the parties. Good offices are the main stage of the specific instances, in which

² The name Dunkin' Donuts was changed to Dunkin', and today the multinational is part of the holding company Inspire Brands.



the NCP seeks to contribute to the resolution of the issues raised, through dialogue between the parties, aiming at a constructive engagement between them and the strengthening of the company's RBC practices and the implementation of the Guidelines.

13. After the IWG-NCP approved the offer of good offices and communicated it to the parties, meetings were held with each of the parties to explain the procedure. Both parties expressed their interest in the good offices stage. The Submitters, on May 21, 2021 (SEI 19446216), and Dunkin', on July 12, 2021 (SEI 17350489).
14. After the good offices were accepted by the parties, the NCP Brazil, with the support of the Ministry of Labor, prepared a preliminary version of the Mediation Work Plan, in accordance with item 6.9 of the case-handling procedures³ in force at the time. Also after the good offices were exchanged, the Ministry of Labor offered support to carry out the mediation; however, the company chose to hire a mediator, which was also approved by the Submitters. The hired mediator began meetings with each of the parties separately, in order to reach a consensus on what would be discussed, consolidating the Work Plan, which was approved and signed on April 8, 2022.
15. Three mediation meetings were held between the parties, with the support of the mediator and the support of the NCP. In these opportunities, the parties were able to present their points of view, propose solutions and seek alternatives to the issues presented in this specific instance. The meetings took place on the following dates:
 - a) 1st mediation meeting on 06/07/2022
 - b) 2nd mediation meeting on 10/31/2022
 - c) 3rd mediation meeting on 12/12/2022
16. Between the mediation meetings, as well as after the last mediation meeting, there was interaction and meetings between the mediator and each of the parties, without the intervention of the NCP, in order to try to advance the dialogue and reach some consensus.

³ It is important to note that during the good offices offering phase, the procedures of this specific instance were regulated by NCP Resolution No. 01, of March 3, 2020, which established the then case-handling procedures.



17. Once the mediation process was concluded, this Statement aims to present an overview of the case, the description of the process conducted by the NCP Brazil and the recommendations for the company. All documentation that supports the analysis of this case was entered into the Electronic Information System of the Ministry of Development, Industry, Commerce and Services (SEI), SEI Process No. 19971.100646/2020-99.
18. This Final Declaration follows the Manual of Procedures for Specific Instances of the National Contact Point, the revision of which was published in 2024 on the NCP Brazil website, as can be seen at [PCN Brasil — Ministério do Desenvolvimento, Indústria, Comércio e Serviços \(www.gov.br\)](https://www.gov.br/pcn-brasil)..

3. NCP Procedures

19. Since receiving the submission, the NCP has taken the following actions:

Date	Action taken
	Receipt and initial assessment
08/21/2018	Receipt of the submission covering 06 multinationals
09/12/2018	Admission of allegations and recommendation for dismemberment
01/18/2019	Receipt of the counter-allegations of the Alleged
09/09/2019	Receipt of the individualized submission
03/11/2020	Acceptance of the Specific Instance by the IWG-NCP
08/03/2020	Receipt of the requested information for the Alleged
11/12/2020	Receipt of the additional requested information
02/05/2021	Decision on the proposal of good offices by the IWG-NCP
	Good offices and mediation actions
02/17/2021	Offer of good offices to the Alleged
03/23/2021	Offer of good offices to the Allegants
05/21/2021	Acceptance of the offer of good offices by the Allegants
07/12/2021	Acceptance of the offer of good offices by the Alleged
04/08/2022	Approval of the Work Plan by both parties
06/07/2022	First mediation meeting
10/31/2022	Second mediation meeting
12/12/2022	Third mediation meeting
	Conclusion
03/27/2024	Presentation of the draft Final Statement by the rapporteur
08/07/2024	Approval of the draft Final Declaration by the IWG-NCP
08/09/2024	Forwarding of the draft Final Declaration for analysis and input from the parties
11/25/2024	Approval of the Final Declaration by the IWG-NCP
02/21/2025	Publication of the Final Declaration



4. Content of the submission and the company's response

20. On August 21, 2018, the Articulação dos Empregados Rurais do Estado de Minas Gerais (ADERE-MG), together with the non-governmental organization Conectas Direitos Humanos, submitted an allegation of non-compliance with the OECD Guidelines for Multinational Enterprises to the National Contact Point of Brazil. Initially, the allegation was presented against the multinational companies Nestlé, Jacobs Douwe Egberts, McDonald's, Dunkin', Starbucks and Illy.
21. After the preliminary analysis and considering that the allegation met the requirements of items I, II and IV of Article 10 of Resolution NCP nº 01/2016⁴, of November 16, 2016, but did not have a sufficiently limited focus, as required by section III of the same provision, a request was made for the company to present an allegation of non-compliance, with a delimited purpose, in order to enable appropriate mediation or conciliation to be carried out.
22. In September 2019, the allegation against the company Dunkin' was presented. The attached documents reported violations of rights that occurred between 2015 and July 2018. However, according to the Allegant, the problems pointed out were ongoing, suggesting systemic problems in the coffee harvest in the region, as well as a routine purchasing procedure without due diligence in the coffee production chain, with the company refusing to make information available to interested parties.
23. The submitters claim, in short, that the alleged company has violated labor and human rights in the exercise of its business activities related to coffee production in the south of Minas Gerais, which would ultimately be related to cases of contemporary slavery. They base their claims on the possible ineffectiveness of the alleged company's supply chain due diligence mechanisms, related to human and labor rights, which would be inadequate to the size, nature and risk of its operations.
24. The claim begins with a description of a situation that would be widespread in the south of the state of Minas Gerais. The account taken from thirty-seven people rescued from

⁴ During the Preliminary Analysis and Initial Assessment phases of this specific instance, the treatment of specific instances was regulated by NCP Resolution No. 01/2016. Subsequently, NCP Resolution No. 01/2016 was revoked and replaced by Resolution No. 1, of March 3, 2020, which in turn was revoked and replaced by NCP Resolution No. 2, of September 16, 2024, which updated the Manual of Procedures for Specific Instances of the National Contact Point.



farms, victims of serious violations of labor and human rights, including circumstances characterized by Brazilian law as labor analogous to slavery, together with inspection reports and administrative infraction notices, drawn up by the Federal Labor Inspectorate, would prove this claim.

25. The workers were allegedly recruited from Bahia during the dry season to work on the coffee harvest in Minas Gerais, through irregular labor intermediation. The fraudulent job offers would constitute human trafficking.
26. The accommodations provided for the workers were said to be inadequate, lacking basic furniture or, in some cases, even running water, electricity or a bathroom. There were reports of serious safety issues, such as the risk of electric shock or fire. In other cases, employees had their food supplies illegally discounted or even had their access to food restricted. Similarly, there were reports of exhausting work hours and insufficient provision of personal protective equipment, in addition to reports of illnesses caused by the pesticides used.
27. There was evidence of fraud in the weighing of the harvested coffee, with the aim of reducing the payment due to the employees. The fraud was said to be facilitated by the lack of formal employment contracts or even by the retention of the workers' Employment and Social Security Cards.
28. The allegation continues with a general contextualization of Minas Gerais' position as a major national coffee producer, followed by a brief overview of national and international legislation dealing with slave labor, as well as the basic organization of the national policy to combat violations.
29. The document then provides a brief explanation of causal, contributory and direct relationships, according to the Guidelines, and then a summary of the ordinary functioning of the coffee supply chain.
30. Then, based on the report by the organization Danwatch, Bitter Coffee, published in March 2016, the allegation points to Dunkin's relationship with violations in the south of Minas Gerais. According to the report, the company purchased coffee from the Canadian distributor Mother Parkers, which had the Cooxupé cooperative as one of its suppliers.
31. Cooxupé, in turn, allegedly stated that it was not possible to inform whether it had acquired coffee produced through labor analogous to slavery, although it had purchased



the product from the Cocatrel cooperative, which maintained commercial relations with the producer Eduardo Barbosa de Mello, even after its name was included in the so-called “Dirty List”. The direct relationship of the respondent would be due to having commercial relations with companies that assume the risk of acquiring coffee produced through labor in conditions analogous to slavery.

32. The allegation states that the situation described violates the following provisions of the Guidelines⁵:

II. General Policies

Companies must fully take into account the policies in force in the countries where they carry out their activities, and take into account the points of view of other stakeholders. In this sense: Companies must: (...)

2. Respect the internationally recognized human rights of those affected by their activities.

(...)

10. Conduct risk-based due diligence, for example by incorporating risk management systems into your business, to identify, avoid and mitigate actual and potential adverse impacts, as described in paragraphs 11 and 12, and explain how these impacts are addressed. The nature and scope of due diligence will depend on the circumstances of a particular situation.

11. Avoid causing or contributing to adverse impacts on the matters covered by the Guidelines through your own activities, and address such impacts when they occur.

12. Seek to avoid or mitigate an adverse impact, if you have not contributed to it, where the impact is, however, directly linked to your operations, goods or services through a business relationship. This is not intended to shift liability from the entity causing an adverse impact to the company with which you have a business relationship. 13. In addition to addressing adverse impacts in relation to the matters covered by the Guidelines, encourage, wherever possible, business partners, including suppliers and subcontractors, to apply principles of responsible business conduct consistent with the Guidelines.

IV. Human Rights

⁵ At the time of submission of the claim, the version of the Guidelines in force was that published in 2011, the text of which is reproduced here.



States have a duty to protect human rights. Businesses should, in the context of internationally recognized human rights, the international human rights obligations of the countries in which they operate, and domestic laws and regulations:

- 1. Respect human rights, which means that they should avoid violating the human rights of others and should address adverse human rights impacts with which they are involved.*
- 2. Within the context of their own activities, avoid causing or contributing to adverse human rights impacts and address such impacts when they occur.*
- 3. Seek ways to avoid or mitigate adverse human rights impacts that are directly linked to their business operations, products or services through a business relationship, even if they do not contribute to such impacts. (...)*
- 5. Conduct human rights due diligence appropriate to their size, nature and scope of operations and the severity of the risks of adverse human rights impacts.*
- 6. Anticipate or cooperate through legitimate processes in remediating adverse human rights impacts where they identify that they have caused or contributed to such impacts.*

V. Employment and Business Relations

1. (...)

d) Contribute to the elimination of all forms of forced or compulsory labour and take appropriate measures to ensure that forced or compulsory labour does not exist in their operations.

33. Finally, they request that the company:

- 1. Reinforce its commitment to human rights by committing to comply with Brazilian labor, criminal, and international human rights standards, especially with regard to working conditions on coffee farms in southern Minas Gerais;*
- 2. Develop and implement a plan to mitigate risks in the supply chain in southern Minas Gerais, in accordance with the OECD Guidelines for Multinational Companies and the UN Guiding Principles on Human Rights and Business, in addition to good practices in the sector.*

The plan may involve improving its own monitoring methods, partnering with local unions, consulting with the Labor Prosecutor's Office, and establishing an effective communication channel for reporting complaints;



- 3. Adopt effective measures to identify farms in its supply chain, and subsequently make this information available to stakeholders in the region and the public. Transparency and traceability of suppliers allow local stakeholders, including workers themselves, to know who their products are destined for and what corporate standards apply;*
- 4. Provide reporting and complaint mechanisms that are accessible to stakeholders in the southern region of Minas Gerais, in accordance with internationally recognized effectiveness criteria; and*
- 5. Seek to influence companies with which it has business relationships, especially those that contribute to or cause human rights violations on coffee farms in the south of Minas Gerais, so that they adopt measures to prevent situations of labor analogous to slavery and other violations of human and labor rights.*
34. On January 18, 2019, Dunkin' filed a response to the allegation of non-compliance. Later, in 2020, the company supplemented its initial response, at the request of the NCP. In its counter-claim, the company emphasized that it does not make any sales of products to consumers, as it only licenses companies and individuals as franchisees.
35. The company reported that the coffee that supplies the entire Dunkin' chain is purchased from producers through a cooperative called National DCP, owned and managed by the franchisees. However, the company has contracts with both suppliers and the NDCP to ensure the standard of supply. Mother Parkers has been one of the suppliers for over 20 years.
36. Mother Parkers and the NDCP work together to determine the timing and quantity of coffee to be purchased. Subsequently, the first step is to ensure that your network of importers guarantees supply to your exporters.
37. The respondent reported that quality certification is carried out by third parties in the producing countries, before the product is shipped, when, among other things, its batch and origin are identified. After roasting, the coffee is analyzed by a third-party laboratory in the United States, and is subsequently sold to the NDCP, and only then is it distributed to franchisees.
38. company reported that it has a Code of Conduct for its suppliers, based on the main ILO conventions, as well as the UN Guiding Principles on Business and Human Rights. Its suppliers are required to: appoint a person in the organization responsible for its



implementation; disseminate the Code within the company and to its subcontractors; deliver a signed copy of the code; keep records of their compliance actions; and notify Dunkin' of any irregularities, together with a correction schedule.

39. The respondent reported that suppliers must require compliance with the code at the next levels of the supply chain. Failure to comply would result in corrective action or discontinuation of the relationship. The respondent mentioned that it may carry out, directly or through third parties, periodic inspections and audits in its supply chain, as well as conduct private interviews with its employees.
40. The respondent highlighted that, among other actions, it may terminate relations with suppliers who repeatedly fail to comply with its code of conduct, which has specific provisions on abuses in labor relations.
41. The Company stated that it uses independent certifications, such as that of the Rainforest Alliance, with the aim of ensuring conditions of social, environmental and economic sustainability in the chain.
42. Dunkin reported that upon receiving the allegation of non-compliance with the OECD Guidelines, Mother Parkers conducted its own investigation into its supply chain and concluded that its entire supply chain has adequate codes of conduct. It reported that in 2018, it conducted its own analysis of coffee purchases through the quality laboratory in Brazil, which confirmed that Dunkin' coffee was not purchased from farms on the Dirty List of Slave Labor. He reported that since then, Dunkin' requires the quality laboratory to exercise the same due diligence with exporters each time a new Slave Labor Blacklist is published.
43. The respondent reported that Cooxupé, which supplied most of the beans to the company, stated that all of its inventory would be routinely cross-checked with the blacklist, resulting in a shipment block as soon as any positive correlation occurred. Furthermore, the cooperative allegedly stated that, in a review of the supply made between 2016 and 2018, no supplier was on the blacklist. Similar responses were given by suppliers Nutrade and Café Três Corações.
44. company emphasized that in addition to the Code of Conduct for all of its direct and indirect suppliers, it established a Responsible Purchasing Policy, and that Dunkin' suppliers (e.g. Mother Parkers) would also have their own codes of conduct.



45. Dunkin' reported that it participates in and sponsors actions of organizations that seek to benefit communities and ensure the supply of coffee in a sustainable manner in the long term, as well as incorporating certified products into its portfolio. Such is the case of World Coffee Research, Sustainable Coffee Challenge, One Tree Planted, Olam, Louis Dreyfus and Rainforest Alliance.
46. In this regard, the company reported that in 2018, it joined the Sustainable Coffee Challenge (SCC) Labor Action Network Initiative in Brazil. The goal of this project is to ensure that cases of forced labor or other exploitative labor practices are properly detected during audits, inspections, and other forms of visits to coffee farms, and that these cases are handled appropriately.
47. Finally, the company stated that it is interested in continuing to influence its supply chain to improve its working conditions.

5. Initial assessment

48. The initial assessment process aims to determine whether the issues raised in the specific instance merit further analysis. If so, the NCP offers the parties or facilitates access to consensual and non-adversarial procedures, such as dialogue, mediation or conciliation. Thus, the purpose of this section is to provide transparency on the reasons why the NCP decided to offer good offices to the parties involved in IE 02/2018.
49. As previously indicated, it is worth noting that when the initial assessment of this specific instance was carried out, the procedures were regulated in NCP Resolution No. 1/2016, which was replaced by NCP Resolution No. 1/2020, which established the Manual of Procedures for Specific Instances of the National Contact Point (Manual). Recently, NCP Resolution No. 1/2020 was replaced by NCP Resolution No. 2/2024, which updated the aforementioned Manual of Procedures in accordance with the 2023 Guidelines update.
50. Considering the provisions of the former NCP Resolution No. 1/2016, it was found that its Article 4 was complied with, which contained the minimum information that the Allegations of Non-Compliance should contain.⁶

⁶ Art. 4. Allegations of Non-Compliance must contain the following information:

I - identification of the alleging party, specifying the names, physical and electronic mailing addresses, telephone numbers and, if applicable, facsimile of the person responsible for contacting the NCP; II - identification of the multinational company that is the subject of the Allegation, specifying the name of the representative in Brazil with physical and electronic mailing



51. In this sense, the claim identifies the parties and cites the articles of the Guidelines that were allegedly not being observed, in this case, Chapter II, items 2, 10, 11, 12 and 13; Chapter IV, items 1, 2, 3, 5 and 6; and Chapter V, item I, d.
52. Furthermore, since the facts described directly affect the rights of rural workers who work in the State of Minas Gerais, ADERE was found to have the legitimacy to file the Claim of Non-Compliance assessed herein, in accordance with art. 4, IV, and art. 10, I, of NCP Resolution No. 1/2016. Likewise, the NGO Conectas worked directly with the alleged company in an attempt to seek information about its integrity procedures in the supply chains, in addition to having as its objective the defense of human rights.
53. The claim states that:

In 2018, Conectas contacted McDonald's and Dunkin' Donuts, asking whether their policies and practices had been adapted to prevent the companies from continuing to buy coffee that was possibly harvested through serious human and labor rights violations.⁸⁵ Conectas also sent a list of farms in the southern region of Minas Gerais that were included in the Dirty List of Slave Labor, and asked whether the company could (i) publish its list of suppliers, in a transparent manner; or (ii) at least guarantee that the farms listed by Conectas are not part of the company's supply chain.(...)

54. It is clear that the efforts made to resolve the issues raised were described, in order to comply with the provisions of Article 4, V, of NCP Resolution No. 1/2016.
55. Documents 1 to 7 are attached to the petition, demonstrating the efforts made to directly resolve the case, thus complying with the provisions of Article 4, VI, of the Resolution.
56. Therefore, in addition to meeting the minimum requirements for accepting an allegation of non-compliance with the Guidelines, when assessing the content of the documentation presented by the parties, it was understood that given the relevance and seriousness of the issue addressed, it would be important to facilitate the achievement of a solution through dialogue between those involved, in order to contribute to the advancement of

address, telephone number and, if applicable, facsimile; III - specification of the article(s) of the Guidelines that were not or are not being observed by the multinational company; IV - indication of how the alleged non-compliance with the Guidelines affects, even potentially, the alleging party or persons represented by him/her; V - description, if applicable, of the efforts undertaken by the alleging party to have the multinational company resolve the alleged non-compliance with the Guidelines and the results of these efforts; VI - copy of a document or information that may serve to understand the facts or circumstances that would characterize the alleged non-compliance with the Guidelines, as well as the efforts referred to in item V.



responsible business conduct in this important agricultural sector, with repercussions for the supply chain.

57. Thus, considering that the NCP does not have the authority to make a judgment of legality or value, but rather to facilitate and bring the parties together for dialogue and promotion of a consensual solution, in view of the information presented, good offices were offered, which evolved as per the following item.

6. Result of good offices

58. The purpose of this section is to present the results of the good offices phase, which, as already stated, involved a series of meetings between the parties, NCP and mediators, where the aim was to discuss alternatives, solutions, clarifications in a consensual manner and eventually a mutual agreement on the resolution of the problems raised.

59. As is known, the parties have the prerogative to voluntarily accept the offer of good offices, and their participation is an opportunity to demonstrate good faith and commitment to responsible business conduct (RBC) practices and the Guidelines that comprise it.

60. As already stated, after the parties accepted the good offices, the Mediation Work Plan was prepared, approved and signed, in accordance with the then current Procedures Manual.

61. First, the mediator began meetings with each of the parties separately, in order to reach a consensus on what would be discussed.

62. The first mediation meeting took place on June 7, 2022, virtually, and included simultaneous interpretation (Portuguese-English), as representatives of ADERE, Conectas, representatives of the Veirano Advogados law firm (legal representatives of Dunkin') and representatives of Dunkin''s technical staff who did not speak Portuguese were present.

63. The second mediation meeting took place on October 31, 2022, in a hybrid format, in person in São Paulo, with virtual monitoring by the NCP. At the time, Dunkin' was represented by Veirano Advogados.

64. The third mediation meeting took place on December 12, 2022, also in a hybrid format, in person in São Paulo, with virtual monitoring by some participants.

65. Between the mediation meetings, as well as after the third and final mediation meeting, there was interaction and meetings between the mediator and each of the parties,



without the intervention of the NCP, a technique used by the mediator that aimed to generate alternatives, solutions with common interests, in order to try to advance the dialogue and reach some consensus regarding the allegations in this instance.

66. Despite attempts to move towards a consensus, the parties were unable to reach an agreement. In the Submitters' understanding, the alternative proposed by Dunkin' would not contribute significantly to improving due diligence in Dunkin's production chain, and would be similar to the work already carried out by Certifiers.
67. In contrast, the respondent understands that it complies with national and international legal requirements, since its supply chain is monitored by certifying bodies that guarantee supply in accordance with current regulations.
68. Considering Mediation Law No. 13,140 of June 26, 2015 and as provided for in the Procedures Manual, the information indicated by the parties as confidential will not be publicly disclosed by NCP Brasil. Therefore, in compliance with the request made by the alleged party, the proposals discussed by the parties during the good offices stage of this specific instance are not the subject of this Final Statement.

7. Analysis and conclusions

69. Despite the discussions, dialogues and negotiations, the parties were unable to reach a consensus on the positions and interests that are the subject of the allegations and counter-allegations in this instance.
70. As verified, in the understanding of the Submitters, the proposal presented by Dunkin' would not contribute significantly to the improvement of due diligence in Dunkin's production chain, resembling the work already carried out by the Certifiers.
71. The respondent understands that it complies with national and international legal requirements, since its supply chain is accompanied by certifying bodies that guarantee supply in accordance with current regulations.
72. Therefore, it is clear that the good offices phase allowed the parties to present and discuss possible solutions to the issues presented in IE 02/2018. And although the parties did not reach a consensus, it is believed that the company can continue to advance in the implementation of good practices related to responsible business conduct, since there will always be points that can be matured and improved with regard to the RBC.



8. Recommendations

73. Since the NCP may issue recommendations, the purpose of this item is to identify actions that the company in question can implement to increase adherence to the content of the Guidelines. Therefore, the Respondent is recommended to:

- a) Invest in actions related to the promotion of social dialogue, such as encouraging ongoing awareness-raising and awareness-raising about labor rights, human rights, and safety and environmental regulations relevant to the different agents in the production chain. These actions foster an environment that is favorable to strengthening respect for workers' rights. This recommendation is aligned with item B of Chapter II. General Policies, which states that companies are encouraged to:

“1. As appropriate, support or participate in private or multi-stakeholder initiatives and establish a social dialogue on responsible business conduct, while ensuring that such initiatives take into account their social and economic impacts on developing countries and existing internationally recognized standards.”

- b) continually improve due diligence mechanisms, including encouraging transparency and traceability in the supply chain.
- c) respect human rights.
- d) in the context of its own activities, avoid causing or contributing to adverse impacts on human rights and address such impacts when they occur.
- e) seek ways to prevent or mitigate adverse impacts on human rights that are directly linked to its business operations, products or services through a business relationship, even if the company has not contributed to such impacts.
- f) have a commitment to a publicly available policy of respect for human rights.
- g) conduct due diligence in relation to human rights, in accordance with the scale, nature and context of operations, as well as the severity of the risks of adverse impacts on human rights. h) act or cooperate, through legitimate processes, in the remediation of adverse impacts on human rights, when they identify that, through their own activities, they have caused or contributed to such impacts, regardless of the involvement of third parties, in accordance with the Guidelines.



- h) evaluate the results obtained in verification programs, considering their contribution to due diligence.
 - i) evaluate the relevance and feasibility of Dunkin' representatives, after dialogue with supply chain employees, carrying out unscheduled visits or visits scheduled close to the day of the visit, to coffee producers, aiming at possible improvements in due diligence.
 - j) evaluate the feasibility of creating a bonus/points policy for the purchase of coffee from farms that demonstrate alignment with responsible business conduct practices and a willingness to dialogue.
 - k) promote the implementation of a reporting channel for non-compliance with labor rights on farms that are part of its coffee supply chain. This channel would be built together with workers.
74. It is important to remember that these recommendations are in line with the demands of an increasingly demanding domestic and foreign consumer market, where customers are more aware of the products they are consuming, seeking to be involved with brands that have a clear positioning and are connected to sustainability pillars.
75. In paragraphs 23, 24 and 25 of the General Policy Comments of the Guidelines, it is acknowledged that there are practical limitations to the ability of companies to make changes in the behavior of entities with which they have business relationships. However, the comments also mention that companies can influence suppliers through contractual arrangements, such as management contracts and pre-qualification requirements for potential suppliers.
76. Regarding the alternative proposed by Dunkin', the verification program to be carried out by Enveritas, it is recommended that the results obtained be evaluated by the company considering their contribution to due diligence and responsible business conduct.

9. Follow-up

77. As an important part of the non-judicial role of the NCP, monitoring the recommendations supports the effectiveness of the specific instance process. In particular, it can promote the effectiveness of the Guidelines by encouraging parties to remain engaged with the issues and companies to implement the recommendations in line with the Guidelines.



78. Therefore, monitoring of this specific instance by NCP Brazil will take place for a period of at least one year, after the publication of this Final Declaration. Should any of the parties deem it necessary, the NCP will be available for meetings to provide further clarification.
79. Once the reports are in hand, the NCP will issue a monitoring report that will include the efforts to comply with the proposed recommendations.
80. It is important to emphasize that constructive interaction between the parties, regardless of the NCP, is seen as positive and tends to speed up the process of continuous improvement of responsible business conduct.
81. Therefore, considering all of the above, the Final Declaration of Specific Instance 02/2018 is hereby concluded. Once this stage is complete, it will be up to the NCP to monitor compliance with the recommendations and provide any support, if necessary.