coffee legality

Legality Due Diligence Tool for Coffee

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HONDURAS
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NIRAS

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1. Background

The European Union Deforestation Regulation

On 31 May 2023, the European Union (EU) adopted Regulation 2023/1115 on the placing on the Union market and export from the Union of certain commodities and products associated with deforestation and forest degradation (EUDR). This regulation requires operators and traders who place products from supply chains associated with deforestation or forest degradation on the EU market to demonstrate that these products are traceable, deforestation-free and legal. The scope covers seven commodities: coffee, cocoa, rubber, palm oil, soy, cattle and timber, as well as derived products such as chocolate and cocoa paste. The entry into application is scheduled for 31 December 2026 (and 30 June 2027 for micro and small enterprises established as such before 31 December 2020). Businesses affected by the regulation (operators and traders) will be required to carry out due diligence before exporting or trading their products, in order to gather sufficient information to demonstrate that the product presents no or negligible risk of non-compliance.

Consequently, operators placing coffee or derived products on the EU market must ensure that these have been produced in accordance with the relevant legislation of the country of production (Article 3), which is defined as that relating to the legal status of the production area. The EUDR takes a flexible approach, listing various areas of law without specifying specific legal instruments, as these differ from country to country and may be subject to change. These areas are [for agricultural commodities]:

a) Land-use rights
b) Environmental protection
c) Third parties' rights
d) Labour rights
e) Human rights protected by international law
f) The principle of free, prior and informed consent, as set out in the United Nations Declaration on the Rights of Indigenous Peoples;
g) Tax, anti-corruption, trade and customs regulations

In this context, understanding the legislative framework of the country of origin, identifying the relevant legal requirements relevant to the product in question and determining the means of verifying compliance with these requirements is a challenge not only for operators responsible for due diligence, but also for the competent authorities of the EU Member States responsible for controls, as well as for the various stakeholders.

Cooperation between Honduras and the European Union

In 2025, Honduras and the EU launched a collaboration aimed at supporting national objectives for the economic, environmental and social sustainability of cocoa, coffee and palm oil, and facilitating their access to the European market. This collaboration is being implemented through several technical partners, including the Interinstitutional Technical Committee for EUDR Compliance (Comité Técnico Interinstitucional de apoyo para el cumplimiento del EUDR, CTI), the European Forest Institute (EFI) and the NIRAS team, which are supporting Honduras in developing a framework for facilitation of access to the European market for its commodities and promoting transparency in supply chains.

In this context, the development of this tool by the State of Honduras, with technical support from the EU (EFI and NIRAS), began in March 2025 with the aim of supporting due diligence by operators wishing to place Honduran products (coffee, cocoa and palm oil) or their derivatives on the EU market.

Support for due diligence by operators in the coffee sector in Honduras

EFI led the development of this tool, through its Technical Facility on Deforestation-free Value Chains, a programme financed by the EU and steered by the European Commission's Directorate General for International Partnerships (DG INTPA).

The development of the tool received technical support from legal and due diligence experts hired by NIRAS, as well as from representatives of government institutions linked to the Inter-institutional Technical Committee for support in compliance with the EUDR and the value chains affected by the Regulation.

Objectives and general approach

The objectives of this tool are to promote a national and consensual vision of the Honduran legal requirements applicable to coffee production and trade relevant to the EUDR; and to provide recommendations for verifying coffee regulatory compliance and risk management, to support operators' due diligence.

The tool was developed with the aim of:

- supporting the harmonisation of operators' due diligence approaches;
- encouraging the simplification of procedures for actors in the supply chain who are likely to have to provide data to their customers;
- facilitating a better understanding of national contexts by the competent authorities of EU Member States responsible for controls;
- ensuring equitable access to information, reducing perceived risks and positioning Honduran origin with a competitive advantage.

It is important to note that the results presented are not legally binding, do not impose any obligations on the relevant parties, and do not constitute legal advice.

It is the responsibility of operators placing coffee or derived products on the EU market to identify the relevant Honduran legal requirements, within the meaning of Article 2(40) of the EUDR, and to adapt their due diligence to the risks identified. This tool provides guidance that may assist operators and other stakeholders in the sector in this regard. It should be noted that this guidance is likely to evolve over time and be updated due to various factors: legal reforms in the country, developments in public or private certification systems, lessons learnt from the practical implementation of due diligence recommendations, additional guidance provided by the European Commission or competent authorities, integration of best practices and technological developments, etc.

2. Methodology for developing the tool

The tool was developed in two steps:

- Step 1: Mapping of the relevant national legal requirements applicable to the production and trade of Honduran coffee in the context of the EUDR, supplemented with relevant information from the actors involved. The results of this step are captured in Annex 1 of the tool.
- Step 2: Development of due diligence recommendations for operators based on an analysis of the level of compliance with relevant legal requirements and existing means of verification. The results of this step are detailed below.

Mapping of relevant national requirements

Based on various analyses of the applicable legal framework in the country, the EFI team, together with a legal expert, consolidated and supplemented all the relevant legal requirements for the oil palm, coffee and cocoa sectors in a first step, organised comprehensively according to the areas of law listed in the EUDR. These were structured into subcategories under a legal taxonomy developed by EFI in collaboration with Preferred by Nature in order to facilitate their analysis (see https://legalitynavigator.efi.int/).

For each subcategory, a legal requirement was drafted in clear and non-technical language, which was validated through multistakeholder consultations. Similarly, the relevance of each requirement for the sectors involved was determined collectively and by consensus, thus concluding the first stage of the process.

Development of due diligence recommendations

The second step, focused on developing a risk pre-assessment, began with the work of sectoral expert groups. For each relevant legal requirement, a search for information and analysis of existing data was carried out to establish the level of implementation and the associated risk. This level was agreed upon based on evidence, with the purpose of formulating recommendations for due diligence actions to guide operators. These recommendations, based on sectoral risk per requirement, serve as guidance for operators to conduct their own risk analysis in their supply chain.

The tool is based on technical consultations with various national and international actors involved in coffee, cocoa and palm oil, including Honduran government entities, producers, exporters and traders, certifiers and civil society (see Annex 3).

Scope of the recommendations

Who are these recommendations aimed at?

These recommendations are aimed at the various stakeholders concerned with verifying the compliance of coffee and derived products with the EUDR. They may be useful for:

- Operators within the meaning of the EUDR: any natural or legal person who, in the course of a commercial activity, places coffee or derived products on the EU market or exports them.
- Traders within the meaning of the EUDR: any natural or legal person in the supply chain, other than the operator, who makes the products concerned available on the EU market.
- Competent authorities of the EU: authorities designated by the Member States to ensure compliance with the obligations of the EUDR.
- Supply chain actors in Honduras: producers, cooperatives, traders, exporters and other stakeholders involved in the production and trade of coffee, from whom operators may request information, data and documents necessary to carry out their due diligence.

What are these recommendations for?

These recommendations can be used in different ways and at different times, depending on the actors involved.

Operators and traders can rely on these recommendations to set up and document their due diligence system, ensuring that the coffee they trade complies with the EUDR requirements on legality. They can use them to identify the documents and information to be collected or other actions to be carried out with their suppliers in Honduras, and to assess the risks associated with their supply chain.

The competent authorities of the EU can use these recommendations as a standard for assessing the compliance of products placed on the market with the EUDR. They can also rely on these recommendations to harmonise their controls and interpret documents from Honduras.

Actors in the supply chain in Honduras can use these recommendations to understand the implications of the EUDR requirements for Honduran coffee and the expectations of European operators and traders subject to it. These recommendations can be used to structure and document the information to be provided. They can also help them anticipate the risks of non-compliance and adapt their agricultural and commercial practices.

How to use these due diligence recommendations?

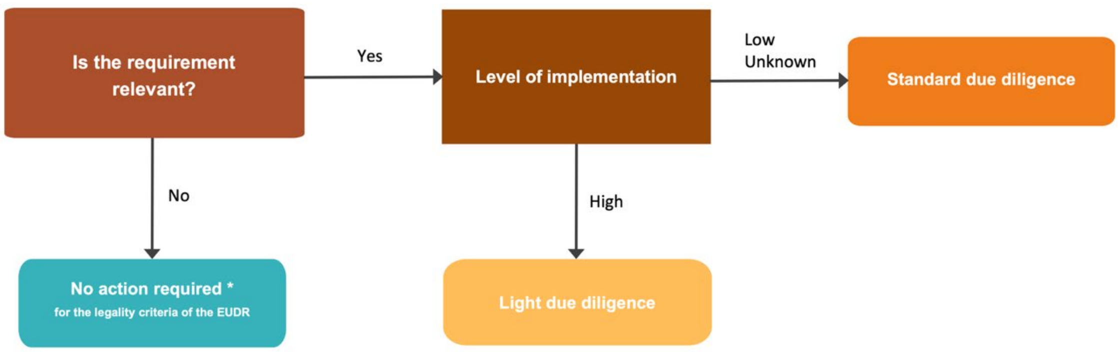
The recommendations presented in this tool aim to address all relevant legal requirements identified by stakeholders during the first step of its development. They cover, in particular, all legal areas listed in Article 2.40 of the EUDR, in line with the precautionary approach adopted by the tool (see Annex 1).

This flexible approach allows users of the recommendations to adapt their due diligence actions based on their interpretation of the scope of the EUDR.

Light or standard due diligence

This tool takes a pragmatic approach that seeks to identify risk-proportionate due diligence actions in order to limit the burden on those involved in the sector. For each requirement considered relevant to coffee production and trade in Honduras, its level of implementation has been assessed. The level of implementation adopted by the tool is based on: relevant literature, expert knowledge of the sector, field surveys, and bilateral and multistakeholder consultations organised within the framework of the tool's development.

When the level of implementation assessed for a requirement is high, the risk of non-compliance is considered negligible. Consequently, light due diligence actions are recommended. On the other hand, when the level of implementation of a requirement is low or unknown, the risk of non-compliance is considered non-negligible. Therefore, standard due diligence is recommended.



However, this analysis is indicative and has been carried out at country level only. It is the responsibility of operators to carry out a legal risk analysis of their products for each shipment. Within this framework, these recommendations offer a range of due diligence options. These actions are not prescriptive and are not presented in any specific order. It is up to operators to choose from these options based on the context, their knowledge of their supply chains, and the risks identified for coffee and its derived products.

Role of certification in due diligence

Coffee certification systems are voluntary, public or private mechanisms that seek to ensure that coffee production and trade comply with certain environmental, social and economic requirements. They can be established by governments, international organisations, NGOs or private companies.

The EUDR and certification

Third-party certification and verification systems can play an important role in promoting sustainable agricultural and forestry practices and responsible sourcing. There are different types of certifications, which can be implemented at national level on a mandatory basis or be private and voluntary (e.g. Fairtrade or Rainforest Alliance).

According to the EUDR, for the purposes of risk assessment, operators may take into account information from certification schemes or other third-party verified schemes. However, the European Commission's guidance of 2 October 2024 indicates that self-declaration schemes that are not based on third-party certification procedures are, by definition, less robust due to a lack of independence and impartiality.

The European Commission also specifies that certification systems should not replace the operator's responsibility for due diligence. In other words, private certification can help European operators carry out due diligence to comply with legality, deforestation and traceability criteria.

Operators must be able to justify why and how certification schemes are aligned with EUDR requirements. To do so, three elements must be taken into account:

- The certification system's coverage of the relevant legal requirements for the EUDR.
- The robustness of the certification system: in particular, the scope of certification (applicable to which actors in the value chain? to which products?), governance (management of internal procedures and updates, for example), accreditation processes for control bodies; auditor qualifications and audit frequency; non-compliance management, impartiality and conflict of interest management, etc. This information must be periodically reassessed by the operator, particularly in relation to the requirements of the EUDR.
- Traceability and absence of mixing with non-certified products.

3. Recommendations for legality due diligence in the context of national coffee production

The tables below, organised by areas of law, set out the due diligence recommendations agreed upon by the stakeholders consulted regarding the legality of coffee produced in Honduras.

Land-use rights

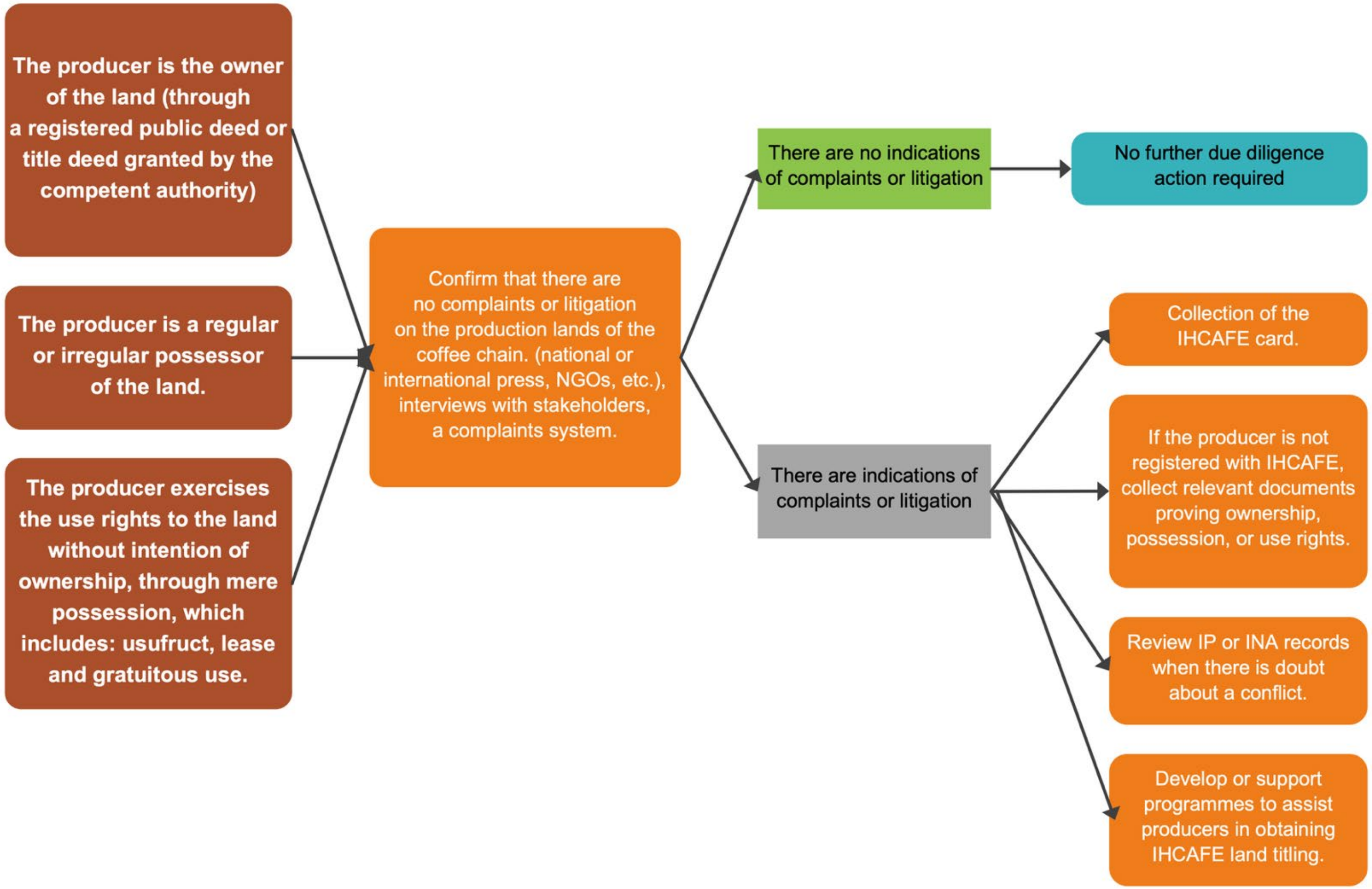
In Honduras, agricultural land can be privately owned, nationally owned or communal, with full title deeds granted by the Property Institute (IP) or the National Agrarian Institute (INA). In addition, the law recognises regular or irregular possession, with production under informal possession being common in the coffee sector, although this does not constitute illegality. Producers can also cultivate land without owning it through legal forms of mere tenure, such as usufruct, right of use or lease. However, these often lack formal documentation and depend on the tolerance of the owner and/or their verbal agreement in good faith.

The State of Honduras, through the Registry of Abandoned Property (RBA), guarantees forcibly displaced persons the right to legal protection, restitution of land, housing and property, and access to justice, preventing the dispossession or misuse of abandoned property. In terms of land-use planning, only 65 of the 298 municipalities nationwide have a Municipal Land Use Plan (PMOT) in force, drawn up by the municipalities in coordination with the Secretariat of State for Natural Resources and the Environment (SERNA) and supervised by the National Institute for Forest Conservation and Development, Protected Areas and Wildlife (ICF) in forest areas. These plans guide land use, identify productive areas and warn against overexploitation, without specifying permitted crops, and only become mandatory if approved in open council.

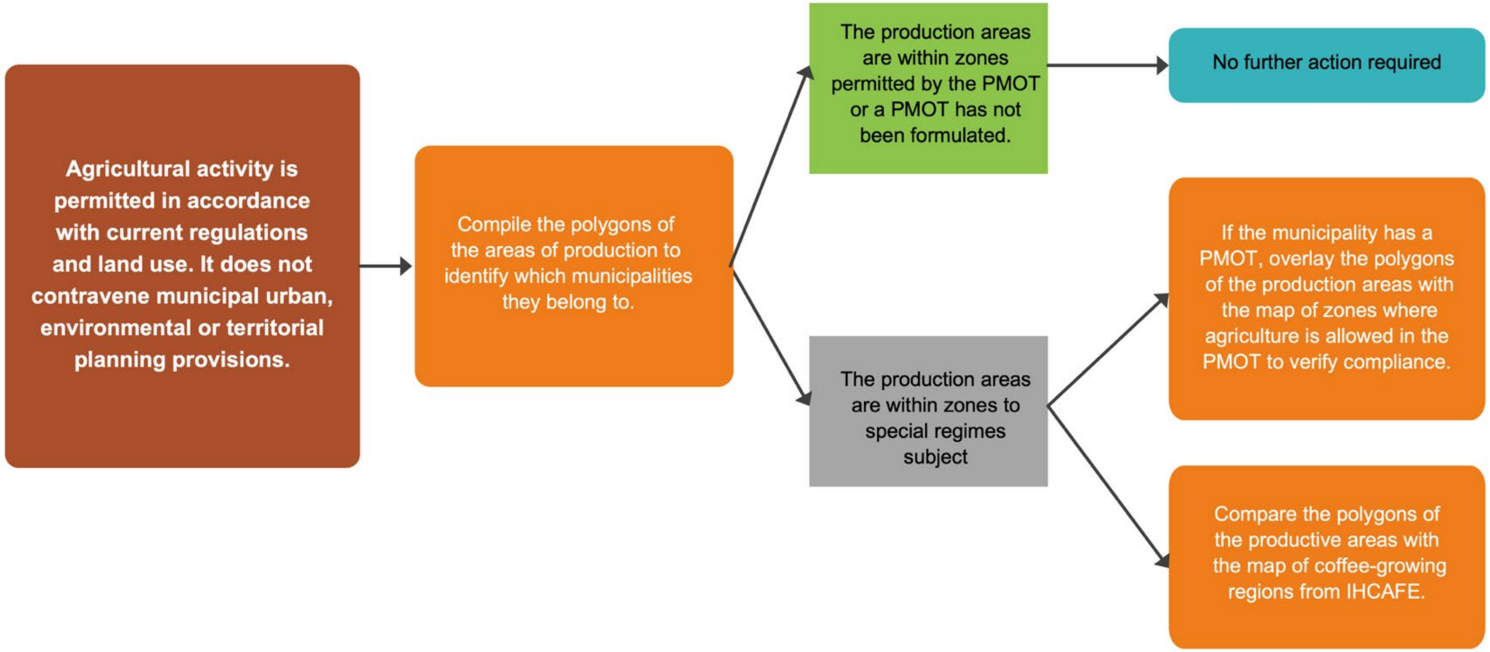
Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations
1. Land-use rights			
1.1.1 The producer is the owner of the land (through a registered public deed or title deed granted by the competent authority). **OR** **The producer is the regular or irregular possessor of the land.** **OR** **The producer exercises the use rights over the land without intention of ownership, through mere tenure, which includes usufruct, lease and gratuitous use.**	In Honduras, rights over land for cultivation range from private ownership to collective rights and community use, regulated by a legal framework that seeks to balance economic, social and environmental interests. Agricultural land can be private, national or communal, each with different laws governing its use and titling. The legal regulation covers concepts such as private property, which grants full rights through a registered title; possession, which is physical control over a plot, can be regular (documented and peaceful) or irregular (without legal title), and can give rise to acquisitive prescription; and the right of use, which allows a plot to be used for specific purposes without being the owner. In the coffee sector, there are small producers who do not have formal titles but cultivate under irregular or informal possession. However, cultivating without a formal title is not illegal. There are few conflicts over land tenure in production areas, and when they do arise, they are effectively resolved at the local level. Producers can cultivate land without owning it through legal arrangements such as mere tenure, usufruct or leasing. These arrangements allow them to use someone else's land under certain conditions, without having full ownership. Formal documentation is often lacking, and many small coffee growers work under informal or	**High** **Light due diligence**	**Consultations with stakeholders** • Confirm that there are no complaints or litigation regarding the land where coffee is produced (national or international press, NGOs, among others), interviews with stakeholders, but also a complaints system. If there are indications of complaints or litigation, then the following actions could be taken: **Compilation and verification of documents** • Honduran Coffee Institute (IHCAFE) card. If the producer is not registered with IHCAFE, as applicable, collect any of the following permitted by law: • Title deed duly registered with the competent authority. • Full certification of registration issued by the Directorate General of Registries of the IP. ○ Full title deed ○ Title of Useful Ownership ○ Lease agreement ○ Loan agreement ○ Public deed of constitution of usufruct ○ Registered possession ○ Review of cadastral registration number ○ Land dispute resolution documents (where applicable) ○ Private deed of sale ○ Permits granted by local authorities supporting the existence and use of the plot **Implementation of procedures and processes** • Review IP or INA records when there is doubt about conflict

Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations
	verbal agreements, i.e. without a written contract. To strengthen tenure and promote the economic development of the sector, decree 37-2016 was issued in 2016, allowing owners of coffee-growing plots to apply to the National Agrarian Institute (INA) for full ownership, with accreditation of their status as coffee growers.		• Develop or support programmes to assist producers with IHCAFE land titling.
1.1.2 Agricultural activity is permitted in accordance with current regulations and land use. It does not contravene municipal urban, environmental or territorial planning provisions.	In Honduras, only 65 of the 298 municipalities have a Municipal Land Use Plan (PMOT) in force, which regulates land use and its compatibility with agricultural production and environmental protection. These plans identify productive areas and warn against overexploitation, but do not specify permitted crops. They are advisory in nature, unless approved in open council, which gives them binding force. The ICF estimates that **373,000 hectares** were devoted to coffee cultivation in Honduras in 2020. There is no official figure or consolidated study that accurately serves as an indicator of how many hectares of coffee in Honduras are located within protected areas, but there are evidence and partial estimates documented in cases such as Pico Pijol, Cusuco and Celaque, although without exact figures.	**High** **Light due diligence**	**Geospatial analysis** • Compile the polygons of the areas of production to identify which municipalities they belong to. **Consultations with stakeholders** • Consult the municipalities where the areas of production are located to find out if they have a valid Municipal Land Use Plan (PMOT). • If there is a PMOT, analyse it to identify the areas where agricultural activity is permitted. **Second geospatial analysis** • If the municipality has a PMOT, overlay the polygons of the areas of production with the map of areas where agriculture is permitted in the PMOT to verify compliance. • Overlay the polygons of the areas of production with the IHCAFE map of coffee-growing regions. • Map of coffee-growing regions in the country (IHCAFE). This map shows all areas of the country where coffee growing is permitted.

1.1.1 Land tenure is well-defined and respected



1.1.2 Agriculture is permitted on the plot.



Environmental protection

In Honduras, environmental legislation establishes that national forests, protected areas and parks are subject to special regimes allowing agricultural activities such as coffee only in buffer zones and under authorisation from the ICF through management plans. The use of agrochemicals requires authorisation from the Secretariat of Agriculture and Livestock (SAG) and control by the National Agricultural Health Service (SENASA), with proper management of packaging and waste being mandatory to prevent contamination. The protection of water resources is a priority, with specific plans for micro-basins and technical standards for waste discharge. Soil conservation must be rational and compatible with its natural vocation, favouring agroforestry. Low-impact agricultural projects do not require a full environmental impact assessment, although they may require a licence, while larger-scale projects must comply with the relevant procedures.

Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations
2. Environmental requirements for agricultural activities			
2.1.1 Agricultural activity is not carried out in areas subject to special protection regimes, such as protected areas, declared micro-basins, national forests, and national parks, except when located in buffer zones of protected areas and in accordance with the area's management plan.	In Honduras, national forests, protected areas and national parks are subject to special regimes. Agricultural activities, including coffee cultivation, may only be carried out in buffer zones and with the express authorisation of the Forest Conservation Institute (ICF), through approved Management or Operational Plans. In core areas, any new settlements are prohibited and existing ones must be relocated. Coffee production is subject to special regulations (Decree 56-2007) that facilitate the obtaining of licences within protected areas, but under strict compliance with technical and legal conditions.	**Low** **Standard due diligence**	**Geospatial analysis** • Overlay the polygons of the farms with the layers published on the ICF's GEOPORTAL and GEOFORESTAL websites to identify whether the area of production is within zones subject to special regimes. If the areas of production are within zones subject to special regimes, a range of possible due diligence actions is recommended: **Compilation and verification of documents** • Obtain management plans for protected areas in implementation and verify that farms are in buffer zones and not in core zones.

Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations
	The ICF estimates that 373,000 hectares were devoted to coffee cultivation in Honduras in 2020. There is no official figure or consolidated study that accurately serves as an indicator of how many hectares of coffee in Honduras are located within protected areas, but there are evidence and partial estimates documented in cases such as Pico Pijol, Cusuco and Celaque, although without exact figures.		**Implementation of procedures and processes** • Where relevant, support producers in obtaining formal permits for their agricultural activities. • Adoption of policies or procedures implemented by companies prohibiting agriculture in core zones of protected areas or areas of cultural interest. **Consultations with stakeholders** • Confirm the correct implementation of the provisions of the Management Plan for the protected area or area of cultural interest through interviews with community representatives, local NGOs, local authorities, and other local stakeholders. **Field verifications** • Conduct field visits to confirm the correct implementation of the provisions of the Management Plan for the protected area or area of cultural interest, through: (1) interviews with community forest managers and coffee producers in the forest; and (2) direct observations in the forest and on coffee plots.
2.1.2 The producer uses only agrochemicals authorised for agricultural production.	In Honduras, herbicides, insecticides, fertilisers and fungicides require authorisation from the Secretariat of Agriculture and Livestock (SAG). However, producers do not need specific authorisation to apply them, provided they respect the dosages indicated on the label. SENASA is responsible for regulatory control of these products and for certifying the phytosanitary quality of exports. Because the list of authorised products is extremely extensive and changes periodically, there is no single static list available to the public, but rather a dynamic registry. Although prior permission is not required for application, if producers use	**Low** **Standard due diligence**	**Compilation and verification of documents** • Consult the Register of Pesticides and Related Substances, which is the platform for verifying whether the pesticides and fertilisers used in the production area are authorised by SENASA and ARSA. ○ Public consultation on fertilisers and pesticides http://profitofer.senasa.gob.hn:9000/#/consulta-publica or: Tramites.diger.gob.hn **Implementation of procedures and processes** • Systematic collection of information from producers, if available, on: (1) the method of implementation of herbicides, insecticides, fertilisers and fungicides (directly or through subcontracting); (2) the types of herbicides, insecticides,

Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations
	unauthorised products, in improper doses or without adequate labelling, they would be engaging in illegal practices. In practice, 70% of coffee in Honduras is conventional. According to an article published by the Honduran forensic science journal. Very little education on the risks associated with pesticides can be seen in Honduras, despite being a country with an agricultural sector that represents 12.9% of its gross domestic product, and where agricultural production represents 35.6% of the total value of its exports, employing 35% of the economically active population. It is essential to educate and train farmers, applicators and users on the proper use, application and handling of pesticides.		fertilisers and fungicides used (check that they are included in the updated list of products authorised by SENASA); and (3) the treatment of packaging. This information can be collected, for example, by periodically filling out a control sheet on the implementation of fertilisers and pesticides and a control sheet on packaging, or by periodically filling out a questionnaire. • Provide producers with the updated list of authorised/unauthorised herbicides, insecticides, fertilisers and fungicides at the cooperative level. • Provide producers with tools to monitor the implementation of fertilisers and pesticides and the treatment of packaging, e.g. monitoring sheets to collect information. • Support producers on authorised/unauthorised pesticides and fertilisers and on packaging treatment, e.g. through training, communication campaigns, etc. **Consultations with stakeholders** Consult possible reports from NGOs, cooperatives and the administration on possible cases of soil degradation in the sourcing area. **Compilation and verification of documents** • Plan for the management of pesticides or crop protection products, including biological products, during implementation. • Plan or procedure for managing empty chemical containers • Occupational health and contingency plan or procedure • Training plan for employees in chemical management (include logs or attendance lists) in integrated chemical management. • Solid waste management plan • Company policies on the non-use of red-label products. • Procedure for the proper use of pesticides and fertilisers.
2.1.3 Producers who use agrochemicals must treat the containers and waste to prevent alterations in soil and water bodies.	In Honduras, coffee producers who use chemical pesticides must triple wash containers after use and return them to temporary or authorised collection centres. It is prohibited to throw away, burn, bury, reuse or transform these containers for other uses. Any disposal outside the authorised channel constitutes a serious offence. Solid and organic waste generated in agriculture must be treated technically to avoid contamination of soil and water bodies. There are official programmes such as Campo Limpio (SENASA) and regulatory frameworks managed by SERNA (DECA) that monitor compliance. IHCAFE has produced a guidance document on good agricultural practices and research for the coffee sector.	**Low** **Standard due diligence**	

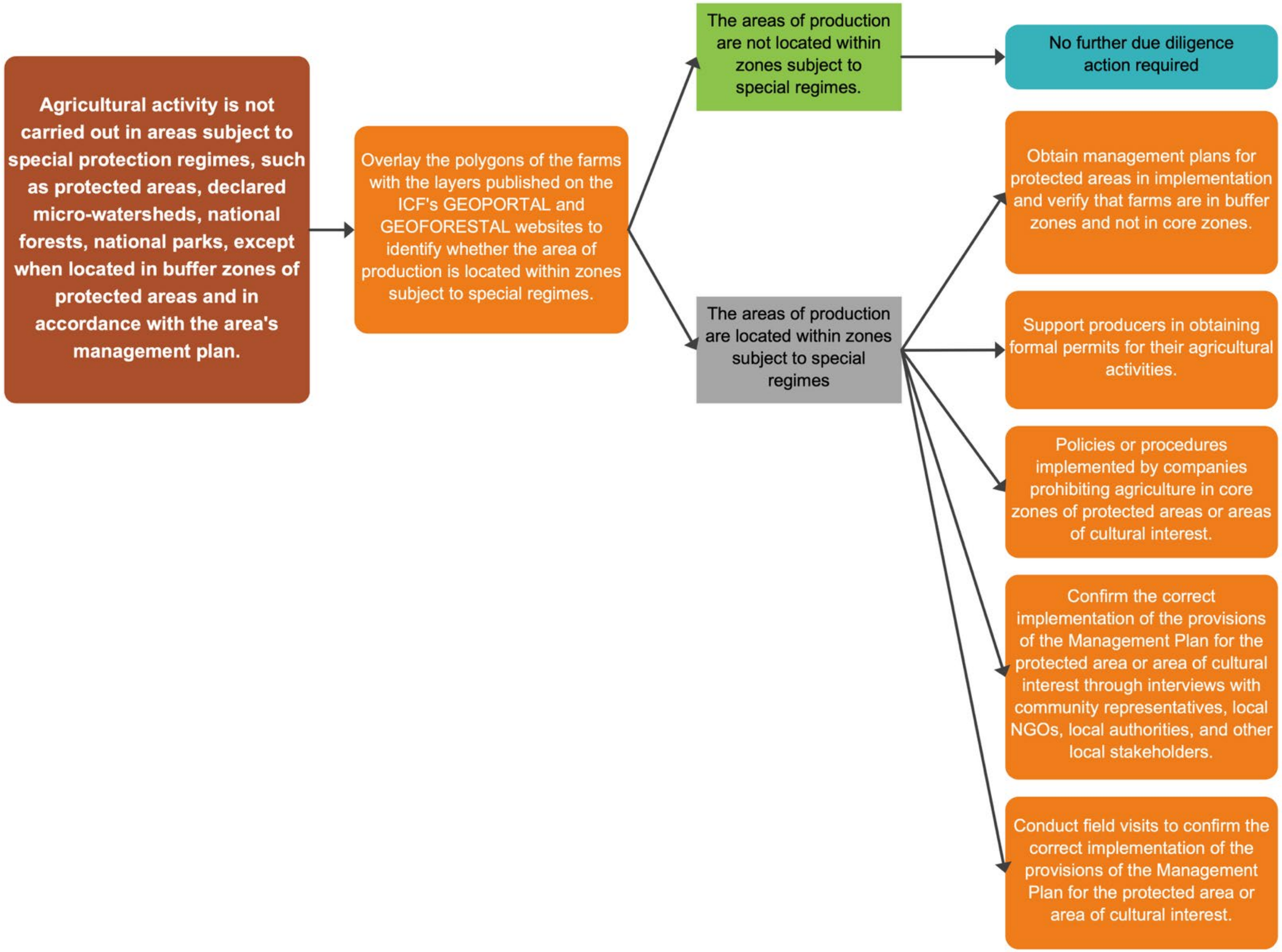
Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations
	BPA and coffee research documents – IHCAFE Honduras Producers who use agrochemicals must properly manage waste and packaging to avoid environmental damage.		• Log of chemical and biological product implementations on farms. • Plan for the management and use of personal protective equipment • External audit reports • Follow-up visit report by agronomists • Laboratory analysis results to verify the presence of chemicals in coffee products, such as beans or cherries.
2.1.4 Agricultural activity is carried out in compliance with the minimum authorised distances from watercourses, ensuring the protection of riparian margins, wetlands and water recharge areas in accordance with current national regulations.	The protection of water resources is a priority for the Honduran government. There are specific management plans for water-producing micro-watersheds, and agricultural activities in these areas are only permitted if they are sustainable and included in these plans. The ICF maintains an official map of micro-watersheds declared as water supply areas. There is also a technical standard for wastewater discharges, with implementation for companies but not directly for individual producers. There is a technical standard for wastewater discharges into receiving bodies and sanitary sewers that applies to both urban and rural areas. In practice, this has been interpreted as 30 metres on each side of main watercourses and 10 metres in small streams, in line with environmental regulations. Although the regulations exist, compliance and enforcement are limited in agricultural areas.	**Low** **Standard due diligence**	**Geospatial analysis** • Overlay the polygons of the farms with the map of micro-watershed and watercourses. • Overlay the polygons with the ICF's maps of declared micro-watersheds and watercourses. https://sigmof.icf.gob.hn/reportes/cuencas/ https://geoportal.icf.gob.hn/ If the production areas are 30 meters or less from watercourses and micro-watersheds, the following due diligence actions are recommended **Compilation and verification of documents** • Environmental measures compliance report (ICMA) • External audit reports • Certification seals for certified products • Follow-up visit report by agronomists • Reports on the initiation of environmental licensing procedures

Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations
2.1.4 The productive activity does not generate spills into water sources or, if it does, it has the respective spill permits	There is a technical standard for wastewater discharges into receiving bodies and sanitary sewers, with implementation to all natural or legal persons, public or private, who carry out activities that generate discharges. However, the competent authority (SERNA, Public Health) only carries out inspections on industrial activities, not on the agricultural activities of producers. There are no studies that allow for the precise characterisation and measurement of spill volumes.	**Low** **Standard due diligence**	**Compilation and verification of documents** • Laboratory analysis of the quality of wastewater on plantations larger than 40 hectares that benefit the plot. • Environmental compliance report (ICMA) **Field verifications** • Verification at the producer level and environmental audits, on a periodic and sampling basis, to evaluate the treatment of spills where applicable.
2.1.5 Producers implement appropriate techniques to conserve soil fertility and prevent degradation.	Honduran regulations establish that land use must be rational and in accordance with its natural vocation, maintaining a balance between agricultural production and ecosystem conservation. The development of land-use plans is the responsibility of the municipalities, in coordination with SERNA, while the ICF regulates and supervises agricultural activity in forest areas. In many regions of Honduras, coffee is grown under agroforestry (shade) systems, which is compatible with soil and biodiversity conservation. There is some evidence in Honduras that unshaded coffee plantations on steep slopes increase soil erosion. However, as the plantation matures and generates foliage, erosion decreases. Clear conservation and mitigation recommendations have been identified that should be implemented, but these are	**High** **Light due diligence**	**In the sourcing area:** **Compilation and verification of documents** • Consult any reports from NGOs, cooperatives and the administration related to possible cases of soil degradation in the sourcing area. **Consultations with stakeholders** • Confirm the absence of soil degradation cases in the sourcing area through interviews with cooperatives, NGOs, local authorities and other local actors. **With producers and intermediaries in the supply chain:** **Implementation of procedures and processes:** • Support producers in the implementation of best practices for the management of soil at risk of erosion, soil conservation and biodiversity loss, for example through training, communication campaigns, etc.

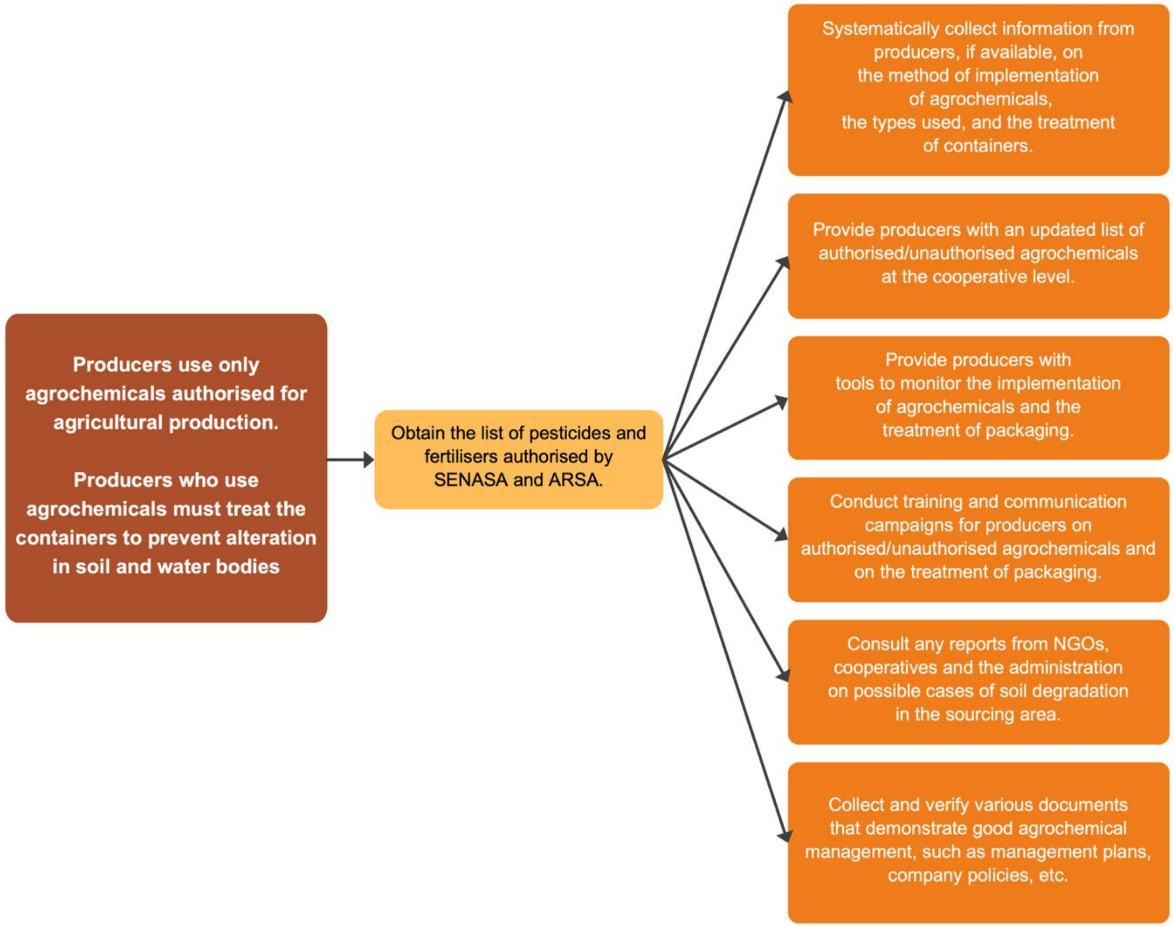
Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations
	not yet widespread on many Honduran farms.		**Collection of relevant data** • Obtain, if possible, details on the possible training of producers (training organisations, date, participants, content, etc.) in good agricultural practices. **Compilation and verification of documents** • Soil management and use plan • Good agricultural practices manual • Integrated pest management plan or agrochemical molecule rotation plan • Follow-up visit report by agronomists • Report on regenerative agriculture
2.2.1 Commercial forestry activities carried out within the agricultural plot (as part of an agroforestry system) have a certificate of use, management plan, conservation or restoration plan approved by the competent authority.	Producers engaged in commercial forestry or agroforestry comply with the provisions of the Forestry, Protected Areas and Wildlife Act. **A report by IICA/OPSAA indicates that by 2021, 3.73% of Honduras' land cover corresponded to agroforests in coffee and fruit plantations, equivalent to some 419,902 hectares.** Some local indigenous or community populations have managed to organise themselves for the rational exploitation of private community forests or national forests through community forest management contracts, derived from the National Community Forestry Strategy.	**High** **Light due diligence**	**As a first step, establish whether the agricultural activity is carried out within a forest area:** **Geospatial analysis** • Overlay the polygons of the farms with: satellite imagery or georeferenced maps showing previous and current land use; and with ICF forest cover data. **If the area of production is within a forest area, the following steps are recommended:** **Compilation and verification of documents** • Where relevant, a community forest management contract, a management plan, or a Special Plan for Agroforests. • Forest use permit or management plan issued by the ICF. • Forest use certificates issued by the ICF.
2.2.3 Threatened or endangered species of flora and fauna are respected and protected in productive activities.	The hunting or capture of threatened or endangered species in productive areas is prohibited and subject to the relevant legal standards.	**High** **Light due diligence**	**Compilation and verification of documents** • Compile and analyse the Public Ministry's record of infringements through the Environmental Prosecutor's Office, including complaints against the impact on wildlife

Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations
	The exploitation, hunting, capture, commercialisation or destruction of flora and fauna that are subject to special protection due to their rarity, condition in the ecosystem or the danger of extinction they face is prohibited. Specifically in coffee, studies show that agroforests in Honduras and other Central American countries benefit local biodiversity. Furthermore, there is also evidence that more intensive systems without shade represent a loss of species. This is confirmed by the study Tree Diversity in a Tropical Agricultural-Forest Mosaic Landscape in Honduras.		on coffee farms, to verify whether the producer has been involved in infringements related to the preservation of ecosystems, fauna and flora. • Where relevant, present information from those who have conducted fauna studies on their farms (list of birds on coffee farms, etc.). **Consultations with stakeholders** • Confirm the correct implementation of biodiversity protection standards through interviews with community representatives, local NGOs, and local authorities. **Implementation of procedures and processes** • Conduct awareness campaigns for producers on the importance and protection of flora and fauna in sourcing areas. • Conduct awareness campaigns for producers on the importance and protection of flora and fauna in sourcing areas. **Field verifications** • If other due diligence actions have detected signs of risk of non-compliance with this requirement, field visits may be conducted to confirm the correct implementation of biodiversity protection standards through: (1) interviews with producers (level of knowledge of regulations, illegal hunting activities, protected species of fauna and flora, etc.); and (2) direct observations on coffee plots (presence or absence of sensitive ecosystems, such as watercourses and wetlands, as well as protected flora and fauna).

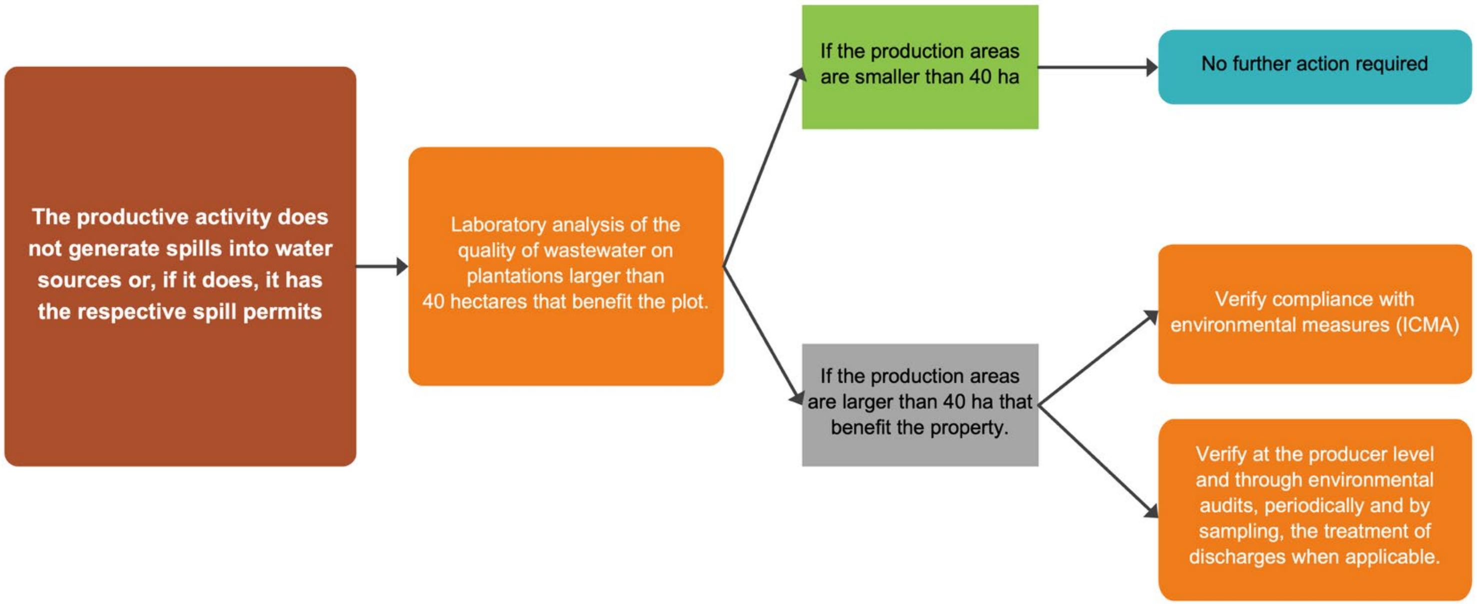
2.1.1 Agriculture standards in restricted areas or areas of legal exclusion are respected



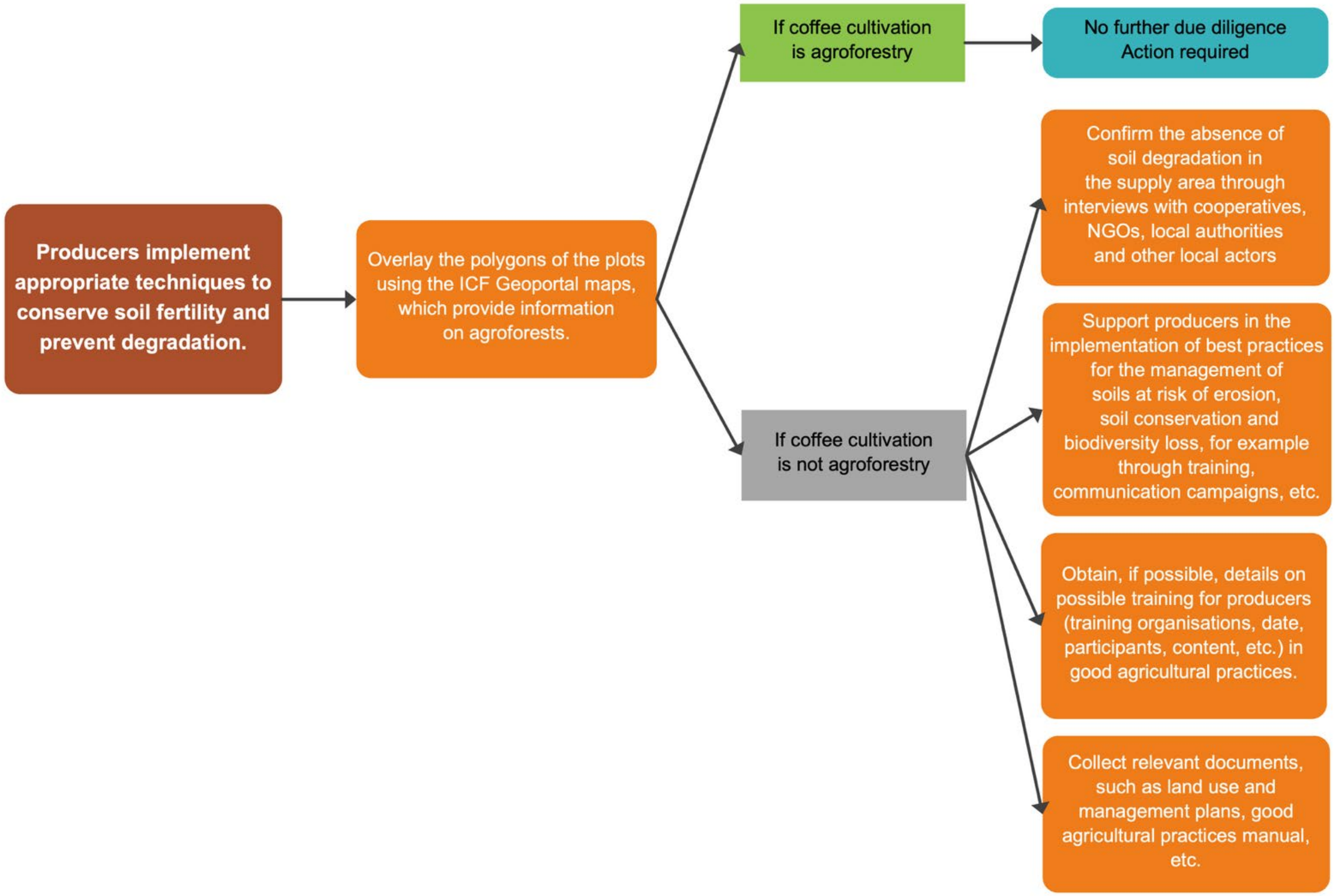
2.1.2 and 2.1.4 Only pesticides, herbicides, fertilisers and fungicides authorised by SENASA are used, and waste management is carried out



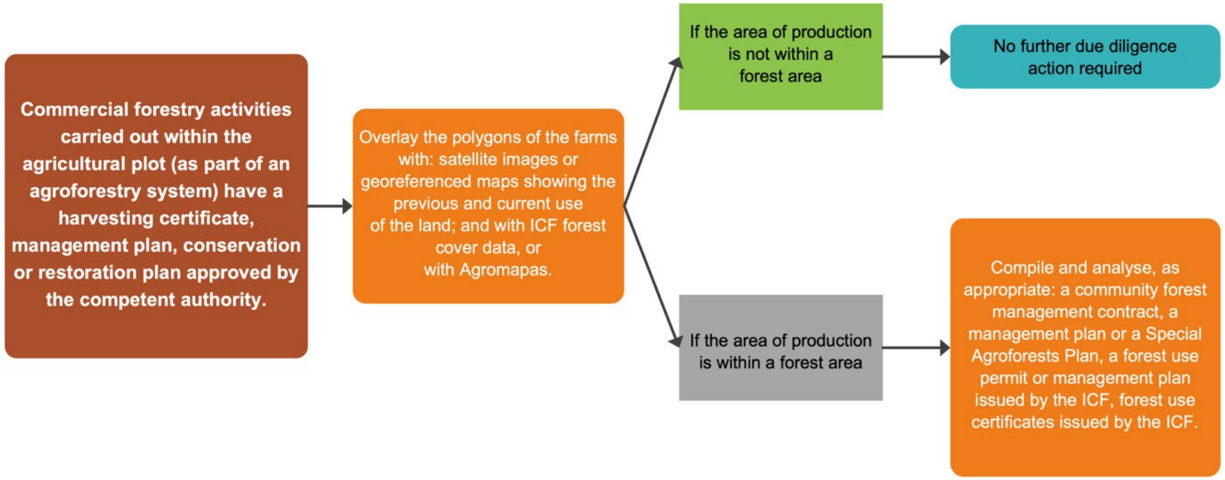
2.1.3 Water resources are protected and used in accordance with the law


The productive activity does not generate spills into water sources or, if it does, it has the respective spill permits
Laboratory analysis of the quality of wastewater on plantations larger than 40 hectares that benefit the plot.
If the production areas are smaller than 40 ha
No further action required
If the production areas are larger than 40 ha that benefit the property.
Verify compliance with environmental measures (ICMA)
Verify at the producer level and through environmental audits, periodically and by sampling, the treatment of discharges when applicable.

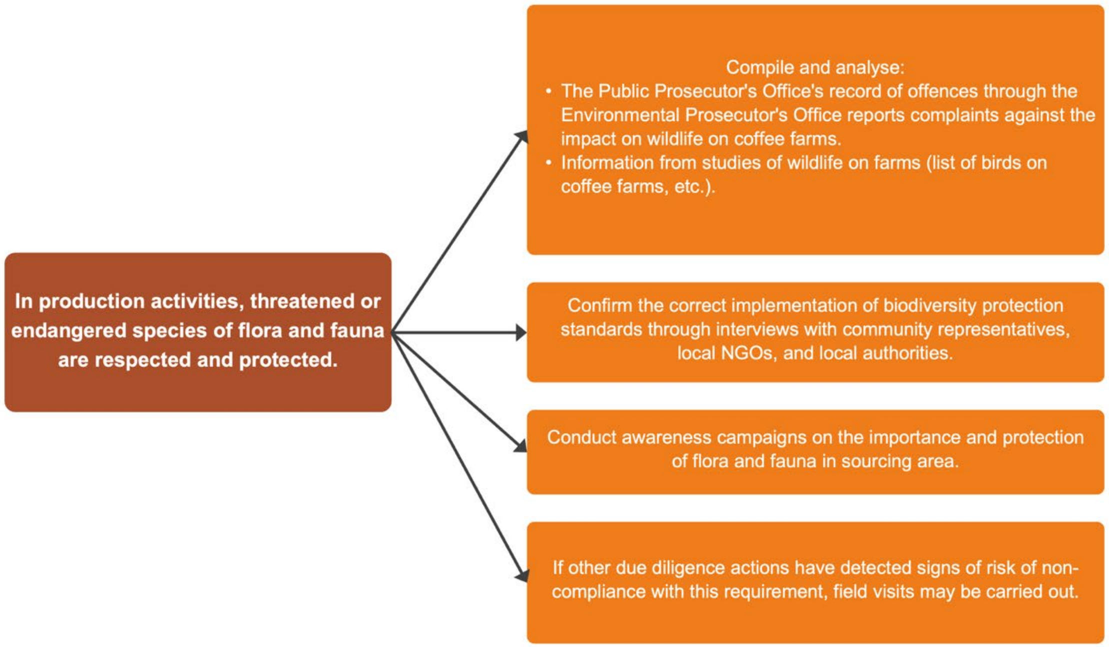
2.1.5 Soils are managed in accordance with the law



2.2.1 Forest conversion complies with legal requirements



2.2.3 Legal requirements for biodiversity conservation and the protection of endangered or protected species are met



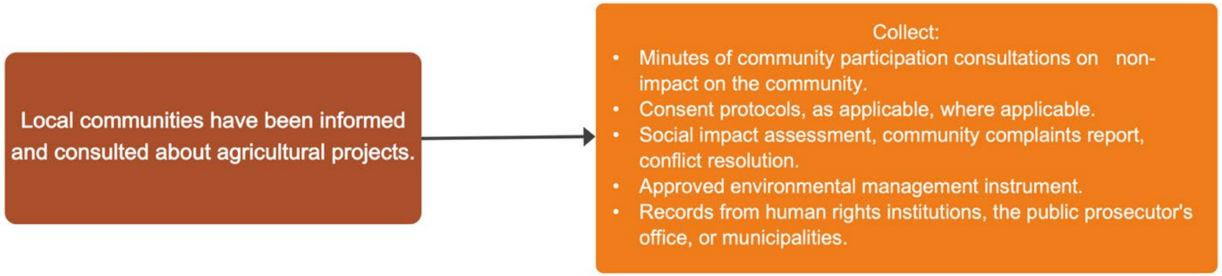
Third parties' rights

In Honduras, the right of local communities to a healthy environment is guaranteed through compliance with legal environmental requirements related to the use of agrochemicals and the protection of soil and water resources. If compliance with these standards is verified, this right is considered to be respected, and in the event of proven damage caused by production systems, the producer is legally obliged to compensate for the damage in accordance with the General Environmental Law and by order of the competent authority.

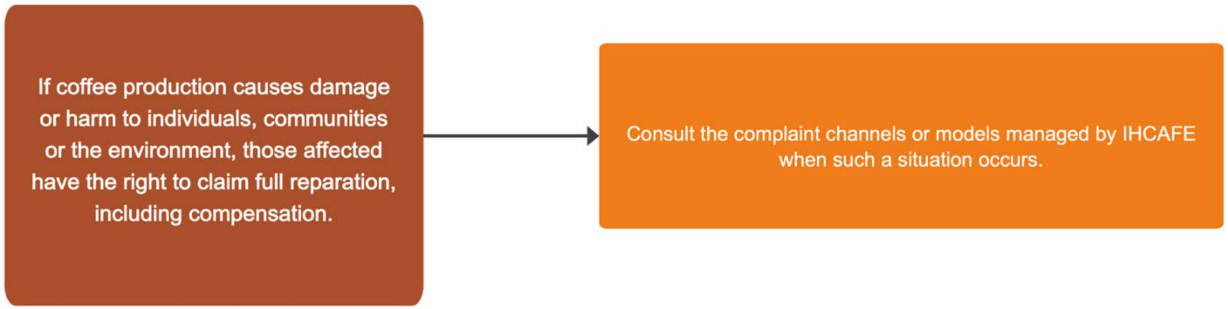
Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations
3. Third parties' rights			
3.1.1 Local communities have been informed and consulted about agricultural projects.	Specifically for coffee, there are no major conflicts; however, there are very specific cases where the **lack of legal recognition of territories** and the **lack of prior consultation/state facilitation** are structural factors, especially when seeking new sustainable methods such as shade-grown coffee in traditionally protected or communally managed areas. This is corroborated by the Inter-American Commission on Human Rights, Oxfam and the Honduran Centre for the Promotion of Community Development, which serve as indicators that the absence of this specific regulatory framework can lead to partial titling: some communities have community titles issued by the INA, but without full legal certainty. There are also emblematic cases of territorial conflict: **Garifuna peoples (Honduran Black Fraternal Organisation) and Lenca communities (Civic Council of Popular and Indigenous Organisations of Honduras)** face land invasions by tourism, energy and agricultural projects.	**High** **Light due diligence**	**Collection and verification of data** By sampling, collect: • Minutes of community consultations, where applicable. • Consent protocols, as applicable, where applicable. • Social impact assessment, community complaints report, conflict resolution, where applicable. • Approved environmental management instrument, where applicable. • Records from human rights institutions, the public prosecutor's office, or municipalities.

Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations
3.1.2 If coffee production causes damage or harm to individuals, communities or the environment, those affected have the right to claim full reparation, including compensation.	When a production system causes proven damage, the producer is obliged to compensate for the environmental damage in accordance with the general environmental law and by order of the competent authority. The effective protection of citizens' legitimate rights and interests in environmental matters is guaranteed through the implementation of procedural principles such as due process, adversarial proceedings, procedural economy, contribution of the parties, evaluation of evidence, oral proceedings, immediacy, concentration and publicity.	**High** **Light due diligence**	**Implementation of procedures and processes** • Consult the channels or complaints mechanisms managed by IHCAFE when such a situation occurs.
3.2.2 Productive activities are not carried out in areas of cultural significance or are possibly established in undiscovered archaeological areas.	Coffee production systems are preferably established outside the boundaries of areas designated as cultural heritage sites, as well as sites of archaeological importance. In the case of production in areas of public interest, they are subject to management standards, farm plans and land-use rights. The Institute of Anthropology and History maintains an inventory of the nation's cultural heritage for its proper protection.	**High** **Light due diligence**	**Implementation of procedures** • Conduct initial social and cultural mapping of the plot, where relevant. • Verify with the Honduran Institute of Anthropology and History (IHAH) that there are no ongoing proceedings related to cultural heritage conflicts in the area of the plot .

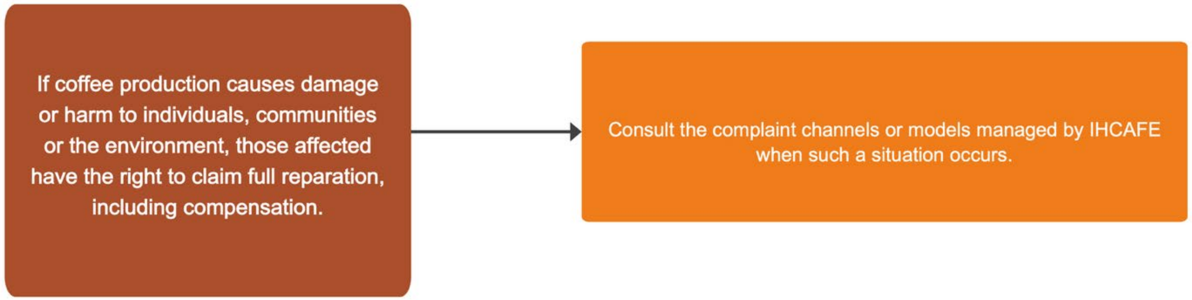
3.1.1 The rights of local communities are respected.



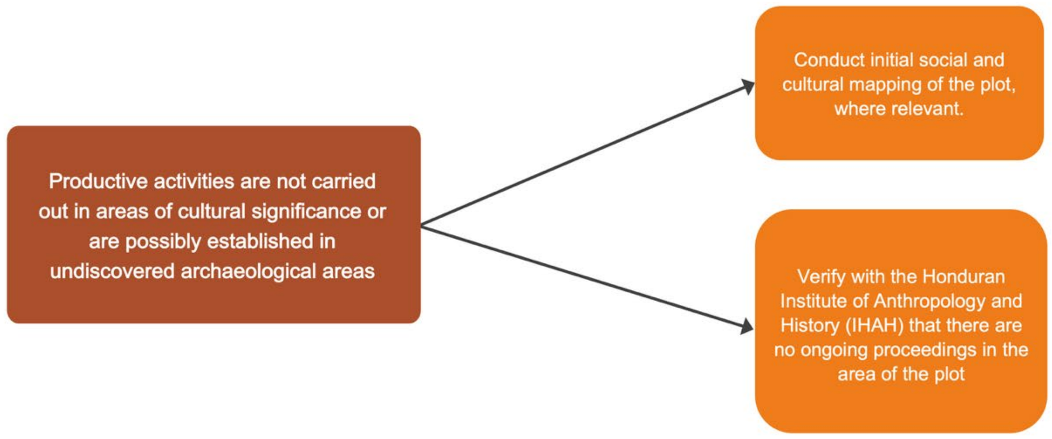
3.1.2 Right to claim compensation in the event of damage or injury



3.2.1 Derecho a reclamar una indemnización en caso de daños y perjuicios



3.2.2 Productive activities are not carried out in areas of cultural significance

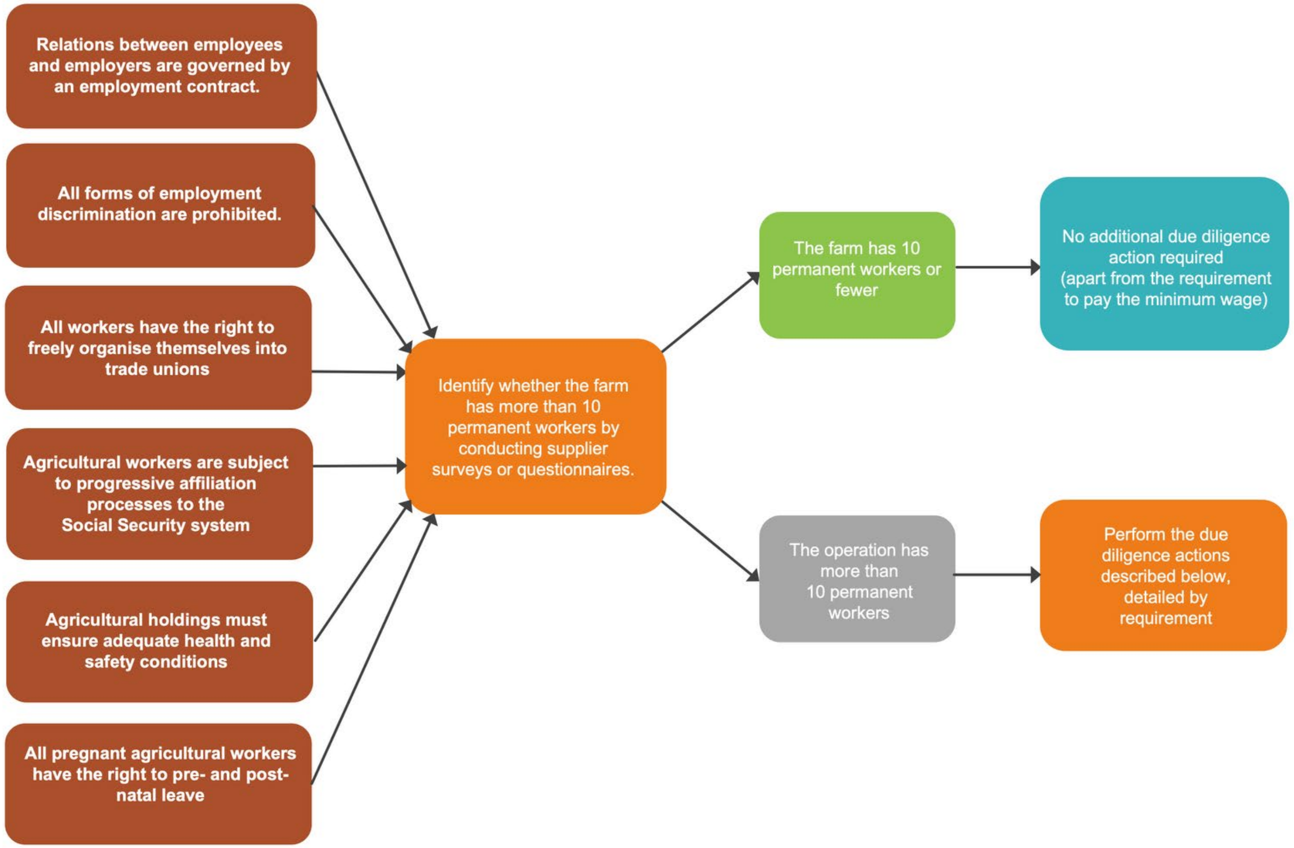


Labour law*

In Honduras, labour legislation in the agricultural sector requires written contracts, except in specific cases, regulates the maximum working day to 12 hours, prohibits discrimination in the workplace, and guarantees rights such as the minimum wage, social security, and maternity leave. In addition, employers must adopt health and safety measures, provide personal protective equipment, and comply with the General Regulations on Preventive Measures. Furthermore, agro-industrial companies and cooperatives are subject to supervision by the Labour Inspectorate and specific regulations according to their type and size.

According to the Labour Code, agricultural or livestock farms that do not permanently employ more than 10 workers are exempt from its provisions, except those relating to the minimum wage. On the other hand, agricultural operations that permanently employ more than 10 workers must ensure compliance with the provisions of the Labour Code, including employer registration, internal regulations, affiliation to the social security system, and others. Therefore, the first step in due diligence is to verify whether more than 10 permanent workers are employed on the area of production. This information can be obtained through supplier surveys or questionnaires.

If the farm does not exceed this threshold, no further action is required in terms of labour law, except for compliance with the minimum wage, which continues to implement both to farms with fewer than 10 workers and to non-permanent workers.


Relations between employees and employers are governed by an employment contract.
All forms of employment discrimination are prohibited.
All workers have the right to freely organise themselves into trade unions
Agricultural workers are subject to progressive affiliation processes to the Social Security system
Agricultural holdings must ensure adequate health and safety conditions
All pregnant agricultural workers have the right to pre- and post-natal leave
Identify whether the farm has more than 10 permanent workers by conducting supplier surveys or questionnaires.
The farm has 10 permanent workers or fewer
No additional due diligence action required (apart from the requirement to pay the minimum wage)
The operation has more than 10 permanent workers
Perform the due diligence actions described below, detailed by requirement

Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations
4. Labour rights			
4.1.1 Relations between workers employed on the plot and employers are governed by a written or oral employment contract.	The laws governing relations between employers and workers are public policy, and any acts, stipulations or agreements that involve waiving, diminishing, restricting or misrepresenting workers' guarantees are null and void. Employment contracts in the agricultural sector can be agreed verbally in accordance with labour legislation, and most workers in the coffee sector at the primary production level do not have written contracts (International Labour Organization (ILO) 2020). Agro-industrial companies are supervised by the Labour Inspectorate; producer cooperatives and farmers' associations are regulated under the Social Economy umbrella; and the wages paid by small and medium-sized producers are also regulated by the Labour Inspectorate. Coffee production in Honduras is dominated by small producers. Data indicate that there are currently around 120,000 coffee producers in Honduras. However, the actual number is likely to be higher (IHCAFE 2022). Estimates suggest that around 80 to 90 % of producers are small family units or individuals. Therefore, the vast majority of farms employ fewer than 10 permanent workers (ILO, Mapping the coffee value chain in Honduras, Geneva: International Labour Office, 204 (p. vii).	**High** **Light due diligence**	As a first step, establish whether the farm employs more than 10 permanent workers. **If so, additional due diligence actions are recommended.** **Compilation and verification of documents** Collect samples of: • Employment contracts • Employer registration • Internal regulations

Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations

4.1.2 All permanent or temporary workers on agricultural holdings, including those hired on a per-job, per-day or per-shift basis, under oral or written contracts, shall not work more than 12 hours per day and shall have 10 hours of uninterrupted rest.	No worker may be required to work for more than 12 hours in any 24-hour period. In practice, post-harvest handling and fruit picking activities are carried out during daylight hours without exceeding the working hours established by law.
	
	The 1959 Labour Code (last amended in 2003), which regulates employment and working conditions, excludes the agricultural farms that do not permanently employ more than ten workers, with the exception of the Code's provisions on working hours and wages. However, given that most workers involved in coffee production are informal, it is noted that they are not protected by the Labour Code (US Department of State 2022).
	
	The article by **Carpio & Von der Lieth** (Journal 25, Issue 16, SCA) does not provide a fixed number of **hours worked per day**, but it does address **how labour dynamics work in the Honduran coffee industry.**
	
	Work in the sector is seasonal and intensive. Payment is linked to performance rather than time worked. There is a mismatch with national labour regulations.
		High
		
		Light due diligence
			At the sourcing area level
			
			Collection and verification of relevant data
			
			• Consult official data from the labour secretary on working conditions in productive sectors (coffee).
			• Consult public reports from organisations specialising in these issues and from Human Rights Watch, ILO (reports on human rights in various sectors, including coffee, highlighting working conditions), as well as any reports produced by national and local NGOs, including the coffee barometer; for information on working conditions and any cases of non-compliance with working hours or remuneration below the legal minimum.
			• Ensure that the sourcing area does not present a particularly high risk of non-compliance with working hours or remuneration below the legal minimum.
			
			At the level of production plots:
			
			Collection and verification of documents
			
			Collect samples, if there are workers employed on the plantation:
			
			• Employment contracts (check that they mention working hours and wage that comply with legal requirements)
			• Documents relating to the remuneration paid to workers and working hours
			    ○ Logbook of hours worked on the farm (shift schedules)
			    ○ Pay slip

4.1.3 Workers in agricultural activities receive at least the minimum wage, and where applicable, the wage will be agreed with the employer, per job or service provided,	All workers are entitled to earn a minimum wage sufficient to cover the normal needs of their household (applies to permanent employees). The following are exempt from the minimum wage and according to the Labour Code: Agricultural or livestock farms that do not permanently employ more than ten (10)	**High** **Light due diligence**	

Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations
depending on the area of the country.	workers; however, the implementation of Title IV, Chapter IV of the Labour Code relating to wages shall apply. Art. 364. The calculation of remuneration for the purpose of payment may be agreed upon: a) Per unit of time (month, fortnight, week, day, and hour); b) Per unit of work (piece, task, fixed price or piecework); and c) By share in the profits, sales or collections made by the employer Although an ILO report mentions a possible risk of non-compliance with the requirement to pay the minimum wage for immigrant workers from neighbouring countries, consultations carried out during the development of this tool serve as an indicator that these practices are not widespread in the sector and that this risk of illegality is low. **According to the article by Carlos Carpio, piecework payment (by production, not by the hour):** The wage of pickers is usually calculated **by the volume of coffee picked (cans, quintals, sacks**) and not by time worked. This means that **income depends on skill, physical endurance and hours worked**. In many documented cases, workers **do not reach the** current **legal minimum daily wage**, especially when growing conditions (slopes, plant density, condition of the coffee plantations) make picking difficult.		

Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations
4.3.1 All forms of employment discrimination on the grounds of race, ethnicity, gender, political or religious orientation, economic status or membership of indigenous or Afro-Honduran peoples are prohibited on agricultural holdings.	Discrimination on the basis of race, religion, political beliefs, membership of indigenous peoples or Afro-Honduran peoples, or economic status is prohibited in establishments that operate for the general use of companies or workplaces. The social position or access that workers may have to these establishments may not be conditioned on the amount of their wages or the importance of the position they hold (Article 12 of the Labour Code). An ILO report indicates that there is possible exploitation of harvest workers, particularly immigrant workers from neighbouring countries (ILO, Mapping the coffee value chain in Honduras, Geneva: International Labour Office, 2024.) Consultations carried out for the development of this tool have indicated that this risk exists in the country's border areas. In terms of gender, Carpio's article points out, in a more qualitative than quantitative way, that women in the coffee sector tend to receive fewer opportunities for stable employment and are more concentrated in support activities on the farm (feeding, sorting, cleaning beans) than in harvesting. Also, when they participate in the harvest, they receive the same pay per can/quintal harvested, but tend to have less access to permanent or technical positions.	**High** **Light due diligence**	**Geospatial analysis** • Overlay the geolocation of the production plots with the map of Honduras to identify whether the area of production is located close to a border. • If located in border areas, the following additional due diligence actions are recommended: **Collection and verification of data** • Consult public reports from organisations specialising in these issues, in particular the Coffee Barometer (detailed analysis of the supply chain, including discussions on labour law) and Human Rights Watch (reports on human rights in various sectors, highlighting working conditions), as well as any reports produced by national and local NGOs. • Consult IHCAFE's Social Compliance System **Compilation and verification of documents** • If there are permanent or long-term employees on the farm who are migrant workers, members of indigenous or Afro-Honduran populations, and/or women, collect samples of: ○ List of workers/employer register ○ Employment contracts (as an indicator of salary) ○ Non-discrimination policy or statement **Implementation of procedures and processes** • Establish equal opportunity policies on farms or in companies. • Train staff on human rights and labour law. • Create confidential channels for complaints or reports.

Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations
4.4.1 Agricultural operations must guarantee adequate health and safety conditions in the workplace and workers have the right to be protected from risks arising from the use of chemicals (agrochemicals, fertilisers, pesticides) and the operation of agricultural machinery.	In addition to the general provisions of the Labour Code on health and safety in the workplace, the provisions of the General Regulations on Preventive Measures for Occupational Accidents and Diseases must be complied with. (Agreement STSS-007-02 and its amendments). All employers must adopt preventive measures, provide personal protective equipment (PPE), train workers on occupational hazards, and ensure healthy and safe working environments. According to the ILO, poor health and safety conditions affect workers in primary coffee production. Lack of knowledge about risks, as well as personal protective equipment (PPE), exposes field workers to insect bites, pesticides, noise and heavy loads (Mapping the coffee value chain in Honduras, Gineva, International Labour Office, page X). According to the Pan American Health Organisation, in the seven countries of the Central American subregion (Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama), there has been a steady increase in the use of pesticides, reaching approximately 45 million kg per year of active ingredient in recent years, imported and formulated in 42 plants located in these countries. Unfortunately, this increase is accompanied by the inappropriate use of products, poor storage and production conditions, ignorance of the effects on health because they do not generate specific symptoms, lack of research on the long-term effects of the use of these products on the health of the population and environmental deterioration.	**Low** **Standard due diligence**	**At the sourcing area level**: **Data collection and verification** • Consult public reports from organisations specialising in these issues, in particular the Coffee Barometer and Human Rights Watch (reports on human rights in various sectors, including coffee, highlighting working conditions), as well as any reports produced by national and local NGOs. • Consult the list of maximum residue limits (MRLs) Database • Ensure that the sourcing area does not present a particularly high risk of damage to workers' health and safety, lack of adequate provisions for handling chemicals, or non-compliance by employers to provide adequate equipment. • Collect reports from labour inspectors, if available. **Consultations with stakeholders** • Consult local organisations working to promote labour law to obtain information on working conditions and possible cases of non-compliance with worker health and safety, lack of adequate provisions for handling chemicals, or failure by employers to provide adequate equipment. **At the production site level:** **Compilation and verification of documents** • Procedure manuals related to worker health and safety • Procedure manuals related to chemical handling • Procedure manuals related to workers' equipment • Health and safety equipment delivery log • List of plant protection products approved by SENASA

Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations
	According to a 2020 study on pesticides, there is limited availability of information and access to adequate personal protective equipment (PPE) for those who handle pesticides. Furthermore, the promotion of integrated pest management alternatives and agroecological practices is very limited, which perpetuates an excessive dependence on chemical pesticides, even with inadequate practices.		**Implementation of procedures and processes** • Adopt an occupational health and safety policy • Establish a system for reporting workplace accidents • Conduct and document training for farm workers on the use of personal protective equipment and the handling of chemicals

4.1.1 Type of employment relationship

4.1.2 and 4.1.3 Working hours are respected and remuneration complies with legal requirements

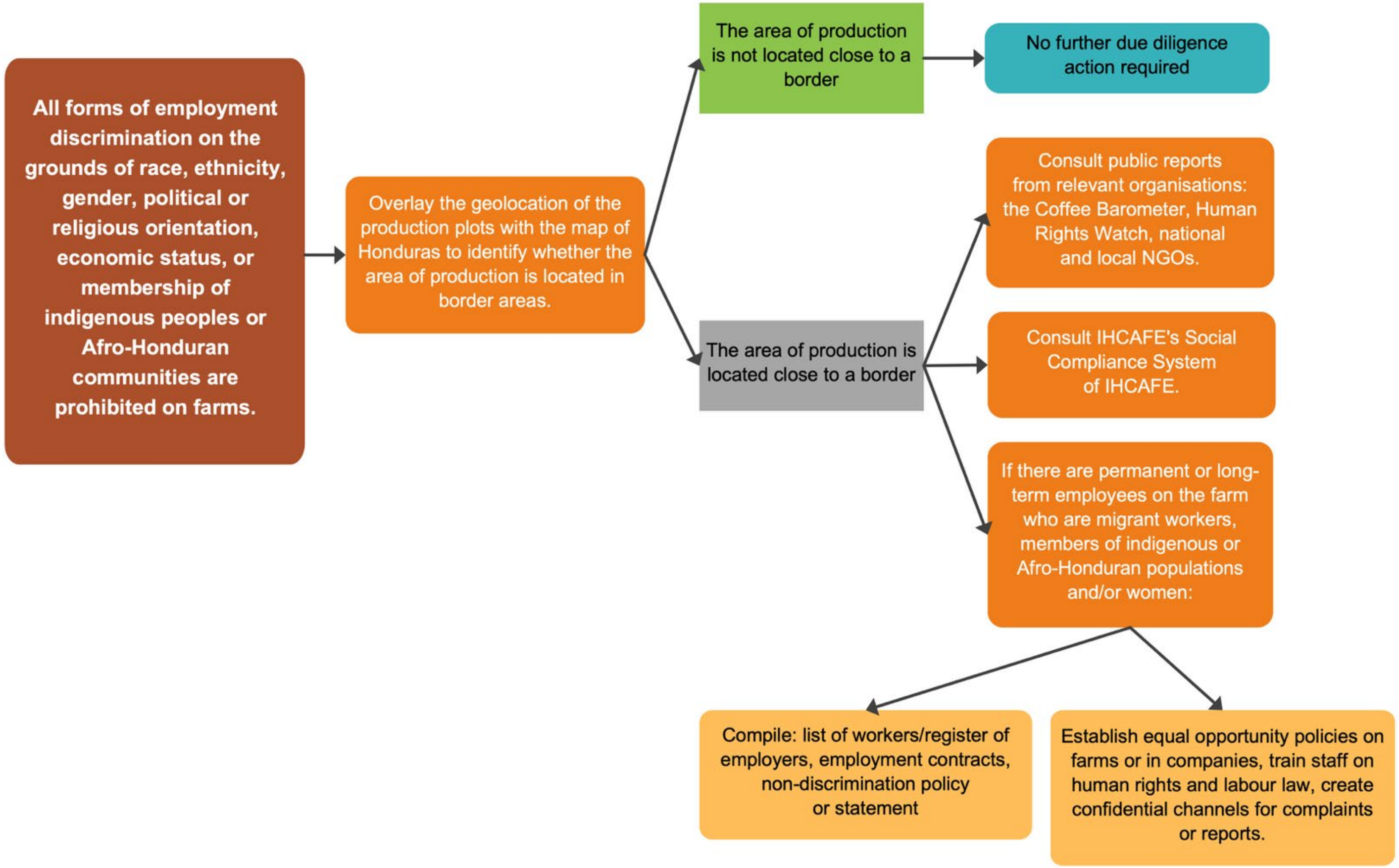
All permanent or temporary workers, including those hired on a per-job, per-day or per-shift basis, under oral or written contracts, shall not work more than 12 hours per day and shall have 10 hours of uninterrupted rest.

Workers in agricultural activities receive the minimum wage, and where implementation is applicable, the wage shall be agreed with the employer, per job or service provided, depending on the area of the country.

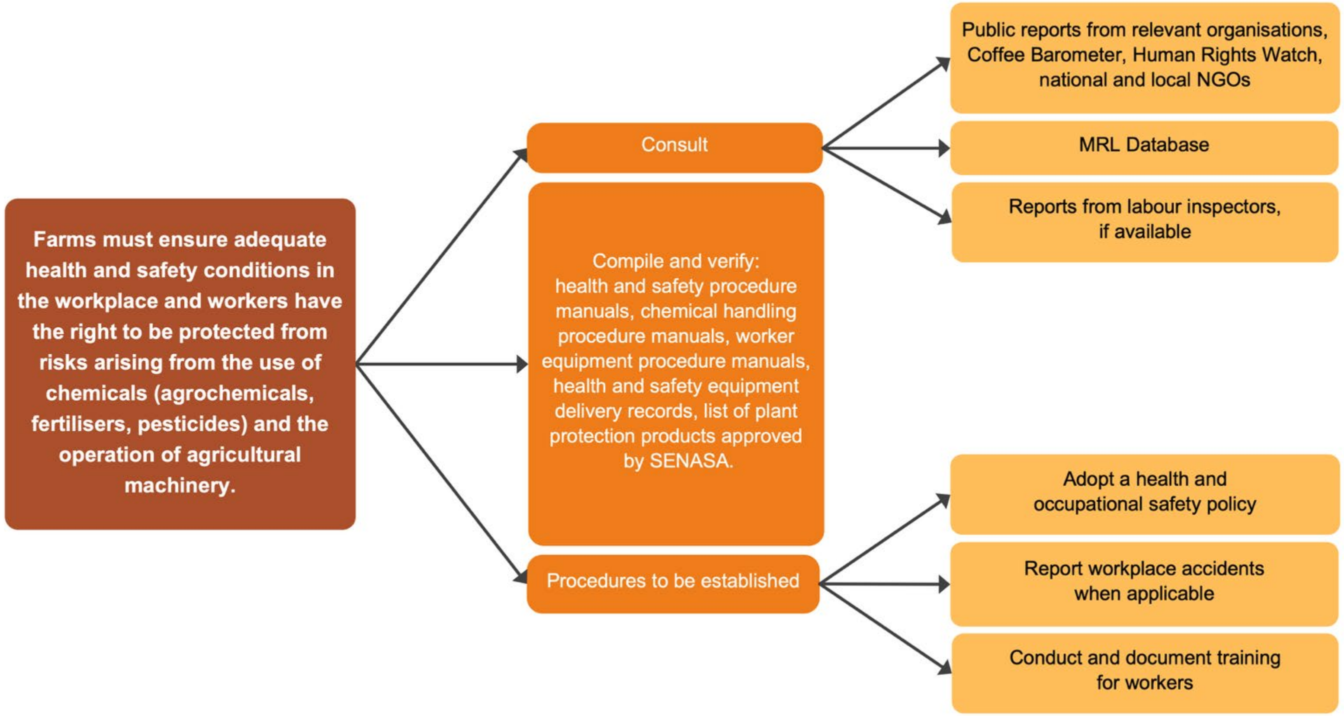
Compilation of relevant data: official data from the Ministry of Labour on working conditions in the coffee sector, public reports from organisations specialising in these issues and from Human Rights Watch, the ILO, national and local NGOs, and the coffee barometer.

Collect samples, if there are workers employed on the plot: employment contracts, documents related to remuneration paid to workers or work hours, log of hours worked on the farm (shift schedules), payment receipts.

4.1.3 No discrimination on the basis of sex or race, or against migrant workers



4.4.1 Legal requirements regarding health and safety in the workplace are met



Human rights*

In Honduras, human rights in agricultural work include protecting children and adolescents. Dangerous work is prohibited, and conditions must be compatible with their education. Decent working conditions are promoted, especially for temporary rural workers, with remuneration agreed per task. Gender equality is supported through public policies and institutional mechanisms, such as the coffee subsector gender roundtable and the Secretariat in the Office of Women (SEMUJER). Efforts also combat human trafficking through the Inter-institutional Commission against Commercial Sexual Exploitation and Human Trafficking, the National Information System on Human Trafficking, and specialised units of the Public Prosecutor's Office. These measures ensure support for victims and punishment for those responsible.

Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations
5. Human rights			
5.1.1 In Honduras, young people between the ages of 14 and 18 are permitted to work with the authorisation of their parents or guardians.	In Honduras, the rights of children and adolescents are recognised in the Constitution of the Republic, international treaties on the rights of the child, the Children and Adolescents Code, and the Labour Code. The law prohibits minors under the age of 18 from performing dangerous work or work that affects their health, safety or development, and stipulates that agricultural work permitted for adolescents must be light, non-hazardous and compatible with their schooling. However, ILO studies indicate that child labour remains prevalent in the coffee sector, mainly in the form of unpaid family work during the harvest, which coincides with school holidays (ILO, 2024, Mapping the coffee value chain in Honduras). Children participate in tasks such as harvesting and weeding, and even in some stages of processing, both on family farms and on third-party farms, sometimes during school	**Low** **Standard due diligence**	**Compilation and verification of documents** • Consult public reports from organisations specialising in these issues, in particular complaints lodged with the ILO, the Secretariat for Children, Adolescents and Families, the Secretariat of State for Labour and Social Security, the database on child labour, or local municipal authorities. https://www.trabajo.gob.hn/entih-al-fin-contamos-con-datos-sobre-el-trabajo-infantil/, and Human Rights Watch (reports on human rights in various sectors, including coffee), as well as any reports produced by national and local NGOs. • Compile school maps of primary schools in the districts of the sourcing area to assess whether there is good school coverage or whether the lack of schools increases the risk. **Consultations with stakeholders** Consult local organisations working on labour law to obtain information on the risk of child labour under the age of 14 and work that poses a risk to their health in the sourcing area.

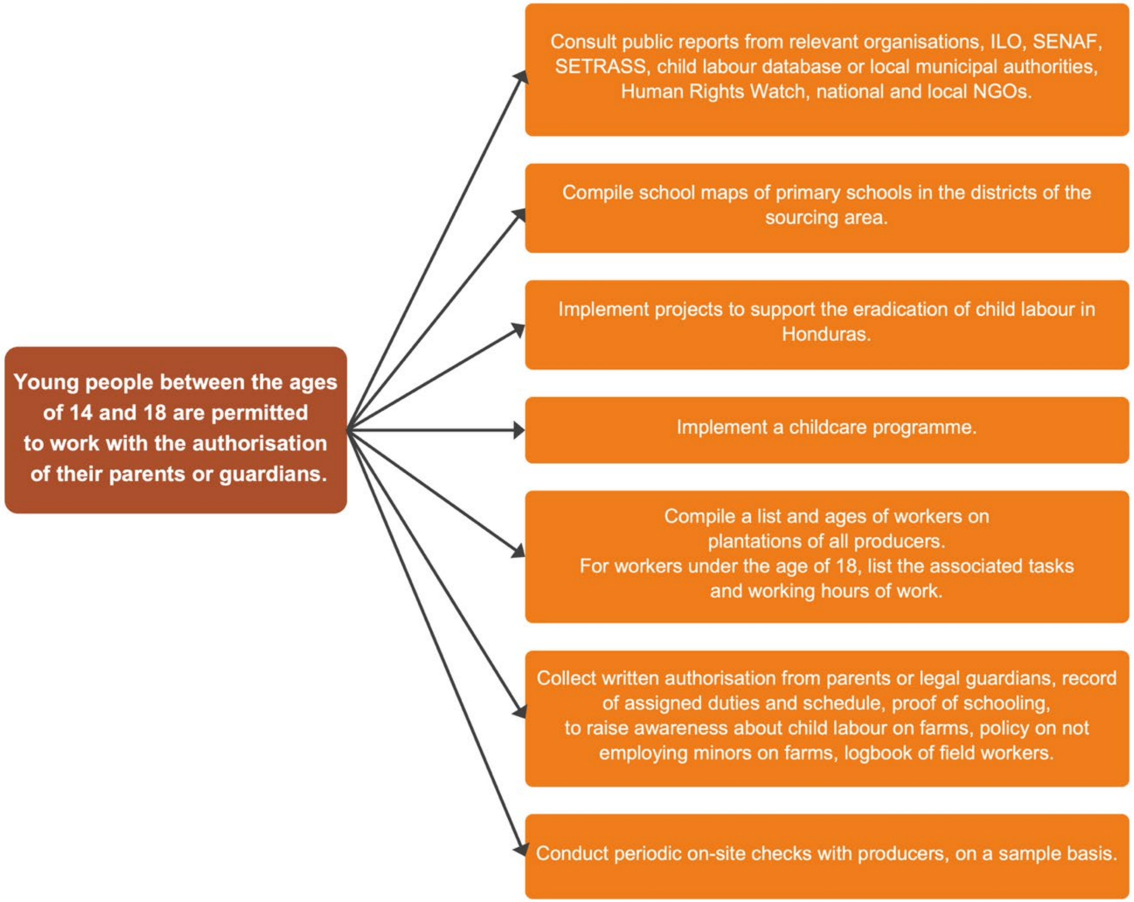
Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations
	hours and in hazardous conditions. Among the causes are low family income, lack of childcare and schooling options, shortage of adult labour, and a cultural acceptance of child labour in coffee-growing areas, which is more pronounced in indigenous communities. The implementation of the law is limited and social programmes are unable to address the scale of the problem. In response to this situation, various initiatives have been launched. The project "El café de Honduras sí cumple" (Honduran coffee does comply) has documented success stories in eradicating child labour and improving working conditions in the sector (ILO, 2023). The Honduran Coffee Institute (IHCAFE) promotes awareness-raising and training campaigns aimed at producers to prevent child labour in coffee farming (Campaña contra el trabajo infantil, IHCAFE, 2024). Similarly, research by the Regional Cooperative Programme for Technological Development and Modernisation of Coffee Growing (PROMECAFE)) (Abordando el trabajo infantil en la cadena de suministro del cafe de Honduras, Meneses, 2021) and the National Child Labour Survey have provided data and recommendations to guide public policies and sectoral actions.		**Implementation of procedures and processes** • Implement projects to support the eradication of child labour in Honduras • Implement a childcare programme **At the plot level, determine the profile of farm workers:** **Collection and verification of data** Compile a list of the names and ages of plantation workers for all producers. For workers under the age of 18, list the tasks they perform and their working hours. This can be done, for example, through systematic surveys or by collecting geolocation data from the plots. Intermediaries can support this collection of data on producers and their employees. • Written authorisation from parents or legal guardians. • Record of assigned duties and working hours. • Proof of schooling. • Awareness plan on no child labour on farms. • Policy of not employing minors on farms • Logbook of field workers. **Field check** • Conduct periodic on-site verifications with producers, on a sample basis. Ensure that no child under the age of 14 works on the farm and that the tasks performed by children over the age of 14 do not pose a risk to their health, in particular through interviews with the workers concerned.
5.2.1 All workers have the right to voluntarily terminate their employment relationship, without coercion and with prior notice.	In the case of permanent work (more than 10 workers on the farm), workers give advance notice. No formalities are required for the drafting and delivery of the notice other than the name and identity of the employee, the job position held, the date on which the	**High** **Light due diligence**	**Collection and verification of data** **For example, collect:** • Employment contracts with an indicator of working hours and a clause for terminating the contract.

Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations
	notice period begins and the date on which it ends; nor is the assistance of the administrative or judicial labour authorities required. However, most workers in the productive systems are temporary and are not economically dependent on their employer. They can terminate their employment relationship whenever they decide to do so. In practice, in the west (6,500 producers) and east (7,500 producers) of the country, there have been reports of the retention of documents belonging to migrants who offer their labour in these areas of the country. According to the Origin Issue Assessment: Honduras Coffee, Rainforest Alliance ((2021), coffee is not on the USDOL list of goods produced by forced labour in Honduras. However, forced labour is often reported to occur in agriculture (Freedom House, 2020). The Rainforest Alliance (RA, 2020) risk map attached an average score for forced labour in coffee, with no non-conformities found.		• Payroll records • Payment record book • External audit report
5.2.2 The employer does not withhold wages, employment benefits, identity documents, personal property or other economic or administrative rights for the purpose of coercing, restricting or conditioning the freedom of workers.	Due to the socio-economic nature of the rural sector, most workers are temporary employees who work during each harvest cycle, receiving remuneration for work or tasks previously agreed upon. An ILO document is an indicator that no recent reports of forced labour have been identified in the sector (page X). Although there are no specific complaints in the coffee sector about "withholding wages as a way of retaining workers," general evidence in the country suggests that this practice does exist in precarious work contexts.	**High** **Light due diligence**	**Collection and verification of data** **For example, collect:** • Policies on non-slavery and non-forced labour • Voluntary declaration by producers • Spreadsheets • Audit reports **Implementation of procedures and processes** • Implement confidential complaint mechanisms and whistleblower protection.

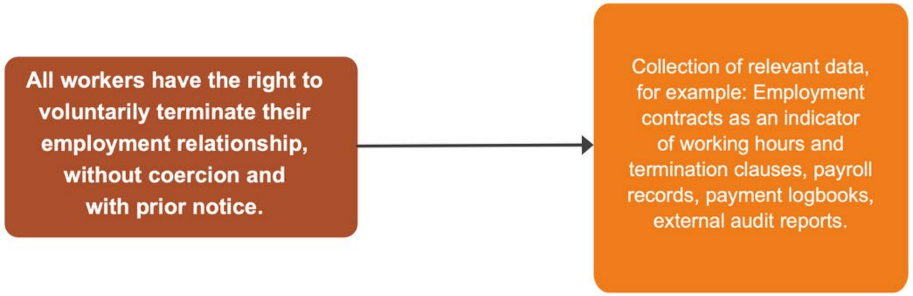
Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations
5.2.3 All forms of slavery, servitude, forced or compulsory labour in agricultural and forestry activities are prohibited.	The State of Honduras has put in place institutional mechanisms to combat these forms of exploitation through the Inter-institutional Commission against Commercial Sexual Exploitation and Trafficking in Persons (CICESCT). Investigations into human trafficking are carried out by the Unit against Trafficking, Sexual Exploitation, Commercial Exploitation and Smuggling of Persons and the Prosecutor's Office against Organised Crime, both of which are part of the Public Prosecutor's Office. Due to the socio-economic nature of the rural sector, most workers are temporary employees who work during each harvest cycle, receiving remuneration for work or tasks agreed upon in advance. Efforts and initiatives are underway to prevent forced labour in Honduran coffee farming, particularly through codes of conduct and institutional compliance. Although there is not a wealth of academic research on this topic, there is practical evidence of how the public-private sector is seeking mitigation of this risk.	**High** **Light due diligence**	• Train staff on the risks of forced labour, especially on remote farms or in rural areas. • Conduct awareness campaigns and document them.
5.3.1 Rural women workers do not suffer gender discrimination or sexual harassment in the workplace.	In Honduras, the Constitution of the Republic and national legislation prohibit all forms of discrimination and harassment, including sexual harassment, and guarantee rural women workers access to protection and reporting mechanisms. These cases can be reported through the 911 and 114 hotlines, the Special Prosecutor's Office for the Protection of Women of the Public Ministry, and the Municipal Women's Offices. The Secretariat in the Office of Women (SEMUJER) is the governing institution for public policies on gender equality, with a	**High** **Light due diligence**	**Collection and verification of data** • Consult public reports from organisations specialising in these issues, in particular Human Rights Watch (reports on human rights in various sectors, including coffee, highlighting working conditions), as well as any reports produced by national and local NGOs, to ensure that the sourcing area does not present a particularly high risk of sexual harassment.

Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations
	mandate to promote gender justice in all productive sectors. In 2021, the coffee industry reaffirmed its commitment to the Gender Policy for the Coffee Subsector in Honduras, and the Gender Roundtable was established as a coordination space for its implementation (United Nations Development Programme, 2021). This policy seeks to eradicate discrimination against women, prevent harassment, and promote their participation and leadership throughout the coffee value chain. However, the ILO report on the coffee value chain in Honduras identifies that some gender gaps and situations of harassment and discrimination persist, especially in contexts of informal employment and low female presence in decision-making spaces (ILO, 2024). In response to this, organisations such as the Alliance of Women in Coffee (AMUCAFE) and the Network of Women Cocoa and Chocolate Producers of Honduras (REDMUCH) are promoting projects to improve the quality of life of women coffee producers and workers, strengthening their economic autonomy and leadership skills (AMUCAFE–REDMUCH, 2024		**Consultation with stakeholders** • Consult local organisations working to promote labour law to obtain information on working conditions and possible cases of sexual harassment. **Implementation of procedures and processes** • Conduct sexual harassment prevention campaigns • Establish reporting channels **Compilation and verification of documents** • Non-sexual and non-workplace harassment policy • Gender policy • Records of training on sexual and workplace harassment prevention and human rights.

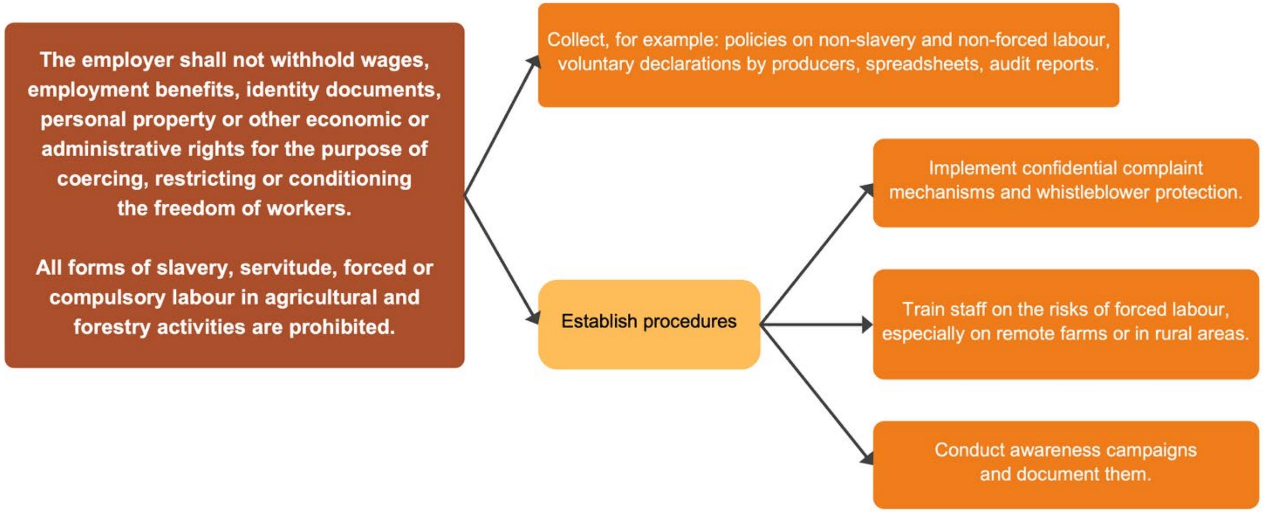
5.1.1 Children are not employed below the legal age



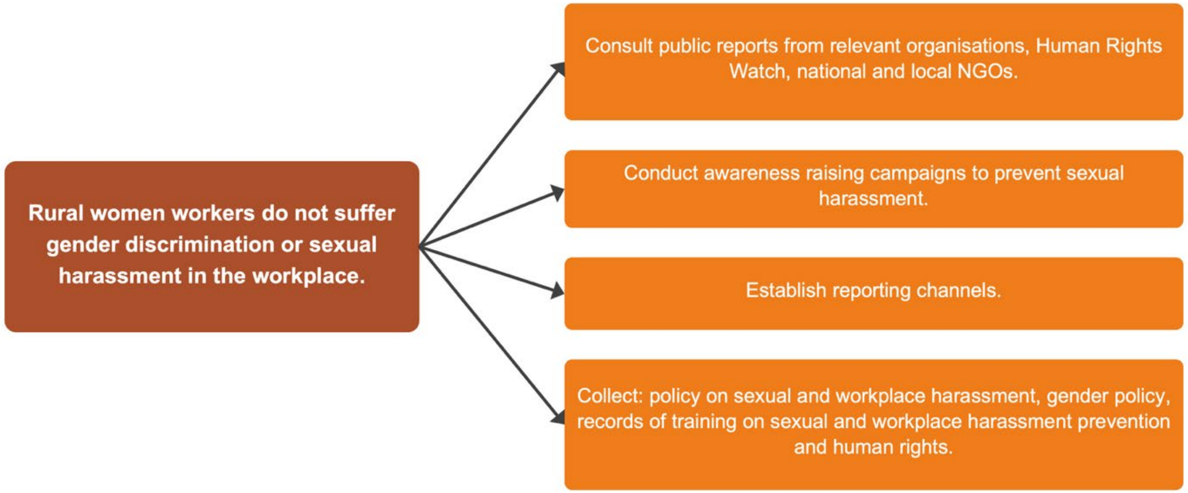
5.2.1 Workers are free to terminate their employment relationship with prior notice



5.2.2 No wages, benefits, documents or property are withheld from workers, and no one is subjected to slavery or forced labour



5.3.1 There is no sexual harassment or gender discrimination

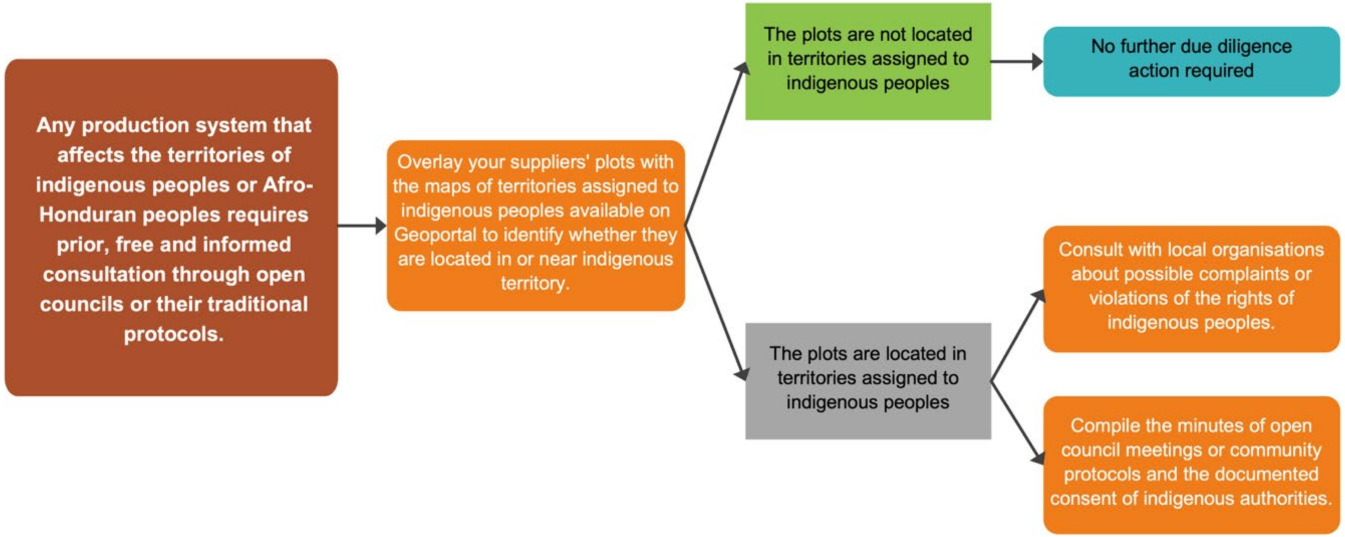


Free, Prior and Informed Consent

The FPIC process is implemented through open community meetings and/or protocols as instruments for obtaining the consent of indigenous and Afro-Honduran peoples regarding the implementation of projects that may affect them, including productive projects. These instruments are recognised, where appropriate, as fulfilling the consultation requirements set out in ILO Convention No. 169, provided that they are carried out in accordance with that Convention.

Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations
6. Free, Prior and Informed Consent (FPIC)			
Any productive system that affects the territories of indigenous or Afro-Honduran peoples requires prior, free and informed consent through open councils or their traditional protocols.	In order to obtain the consent of the affected communities, the consultation process is carried out through protocols or open councils using mechanisms such as: 1. The type of consultation approved by the community organisation. 2. The type of organisation existing in the community. 3. The size of the project to be developed and its link to the SERNA environmental categorisation. Standards to implement this right are currently under discussion. In Honduras, cases of Free, Prior and Informed Consent with indigenous communities for coffee are exceptional; reports generally focus more on infrastructure or energy projects.	**High** **Light due diligence**	**Geospatial analysis** • Overlay your suppliers' plots with the maps of territories assigned to indigenous peoples available on Geoportal to identify whether they are located in or near indigenous territory. If this is the case, additional due diligence actions are recommended: **Consultations with stakeholders** • Consult with local organisations about possible complaints or violations of the rights of indigenous peoples. **Compilation and verification of documents** • Minutes of open council meetings or community protocols. • Documented consent from indigenous authorities.

FPIC is obtained when the rights of indigenous peoples or local communities are affected



Tax, customs and anti-corruption standards

N.B. This category is the only category in the EUDR that potentially affects entities throughout the supply chain, and not just at the level of coffee production.

In Honduras, to date, trade and export formalities and taxes paid by exporters are generally well respected and documented. However, withholding tax per quintal of coffee remains difficult to enforce due to the informal nature of the coffee sector.

Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations
7. Commercial, tax and customs obligations			
7.1.1 The producer has an IHCAFE card and pays withholding obligations in accordance with the law.	Producers who register their harvest with IHCAFE are legally constituted with their own national tax registration. By law, in order to export and market coffee, producers must be affiliated with IHCAFE. IHCAFE issues them a card with a unique code for each producer. With this document, the exporter issues them a withholding slip for each quintal of coffee marketed, and it is the exporter who pays the corresponding taxes. The requirements for registering with IHCAFE are: • National identity card • Land ownership document • Polygon or map of the plot • Farm inspection by IHCAFE	**High** **Light due diligence**	**Data collection and verification** **Collect, for example:** • IHCAFE card • Copy of IHCAFE withholding slip • Tax returns, where applicable

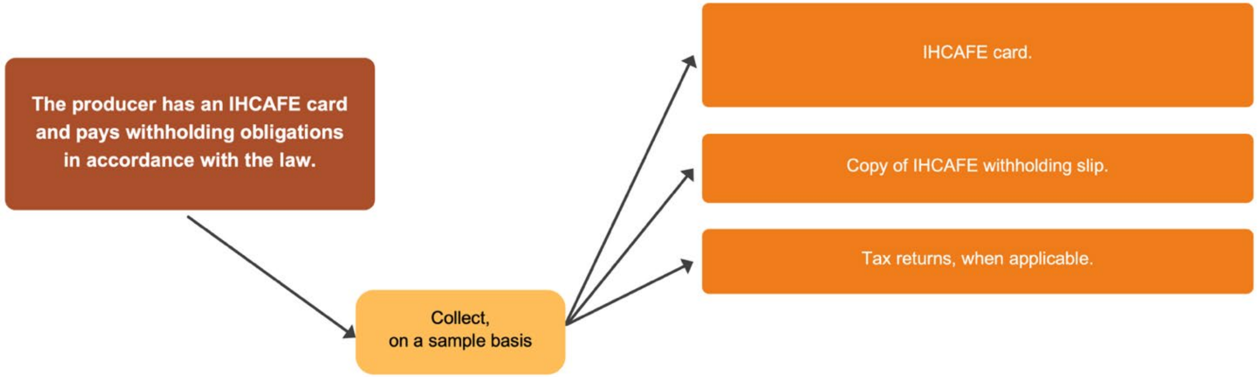
Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations
	The coffee sector is made up of small producers, associations, federations, cooperatives, and export companies. In order to operate legally and properly for tax purposes, they must obtain their National Tax Registration (RTN), which is requested from the tax administration agency known as the Revenue Administration Service (SAR). Through the RTN, each participant in the coffee value chain must request the necessary tax documents to record income, costs, and/or expenses. Each document and tax receipt duly authorised in accordance with the Regulations on Invoicing, Other Tax Documents, and Tax Registration of Printing Companies can be validated using the tool made available by the tax authorities. With regard to internal taxes, associations and cooperatives are exempt from paying income tax and certain collateral taxes. However, they are subject to reduced rates (15%) on their profits, known as the Social Contribution of the Social Sector of the Economy and the Cooperative Sector Contribution, as applicable. Exporters, on the other hand, are subject to the general rate of 25% and collateral taxes. It should be noted that some companies with revenues exceeding one billion lempiras may be subject to a 1% or 0.75% tax on gross revenues, comparable to the general income tax rate of 25% determined against declared net taxable income. Some companies associated with the coffee sector have tax exemptions, which are processed by the Secretary of State in the Office of Finance (SEFIN) in the Directorate		

Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations
	General of Tax Exemptions and Customs Franchises. Note: • There are a number of other tax obligations related to the collection and/or withholding of direct and indirect taxes. • It is recommended that you check with the municipality to find out which municipal taxes the coffee sector must comply with, as this tax is not administered by the tax authorities (SAR).		
7.2.1 All exports must be carried out in accordance with current customs regulations, including special regimes where applicable. .	The Customs Service is responsible for demanding and verifying the payment of taxes. In Honduras, agricultural, forestry and agro-industrial export activities are regulated by the Central American Uniform Customs Code (CAUCA) and its Regulations (RECAUCA), the Honduran Customs Law and the provisions for the implementation of special export regimes such as the Temporary Importation Regime (RIT) and Free Trade Zones (ZOLI). In order to export, companies must have the certificates, licences and permits required by law. The Single Central American Declaration (DUCA) is a single document covering goods imported and exported between Central America and the European Union. Electronic transmission of the DUCA is mandatory for the correct implementation of customs procedures. This procedure significantly reduces the risk of non-compliance.	**High** **Light due diligence**	**Collection and verification of documents: ·** • Collect, by sampling, single customs declaration (SCD, declaración única aduanera (DUCA in Spanish) documents.

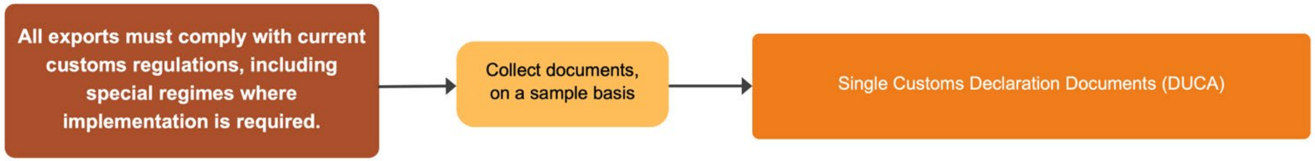
Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations
7.2.2 Companies must be legally constituted and comply with regulatory laws for exports.	In Honduras, economic activities are the responsibility of private individuals; however, the State may intervene for reasons of public order and social interest, and may enact economic, fiscal and public safety laws to channel, stimulate, supervise, guide and supplement private initiative in certain basic industries, which do not include coffee. The CAI (Clave de Autorización de Impresión, in Spanish) or 'Print Authorisation Code' is an alphanumeric code generated by the tax administration to authorise the printing of invoices and other tax receipts, ensuring their legal validity. To obtain the CAI, companies must submit their legal incorporation documents to the administration. Consequently, if a company has the CAI, it means that it complies with the requirement of being legally incorporated.	**High** **Light due diligence**	**Collection and verification of data** **Collect for example:** • CAI • CAI invoicing where relevant • IHCAFE withholding slip
7.3.1 In Honduras, corrupt and fraudulent practices are punished through special procedures established in national legislation.	The country has specialised mechanisms and institutions to combat corruption. The fight against corruption is part of the State's commitment to transparency, accountability and respect for the rule of law, which are fundamental elements in ensuring the legality of productive activities. Honduras has developed measures such as the code of conduct for the coffee supply chain: • With the support of the ILO and the Honduran Council of Private Enterprise, a binding Code of Conduct was authorised for IHCAFE and	**High** **Light due diligence**	**Collection and verification of data** Consult the OABI Transparency Portal (seized assets) **Implementation of procedures and processes** • Implement integrity and anti-corruption policies. • Train staff on ethics and legal compliance. • Establish due diligence systems, including verification of the authenticity of documents (deeds, permits, titles, declarations, etc.) and blacklists. • Establish confidential and secure reporting channels. • Establish batch traceability systems.

Legal requirement	Context	Level of implementation and due diligence	Due diligence recommendations
	voluntary adherence for the rest of the actors in the coffee supply chain. • The issues regulated in this Code of Conduct include compliance with laws and regulations, compensation and benefits, child labour, non-discrimination, no harassment or forced labour, freedom of association and collective bargaining, occupational health and safety, the environment, social security and trade requirements. If the coffee beans, their production, or the farms from which they originate are declared as assets subject to seizure by the State, the coffee could be seized in Honduras and administered by the Seized Assets Administration Office (OABI).		**Collection and verification of documents** • Company code of conduct • Supplier code of conduct • No fraud and no speculation policy

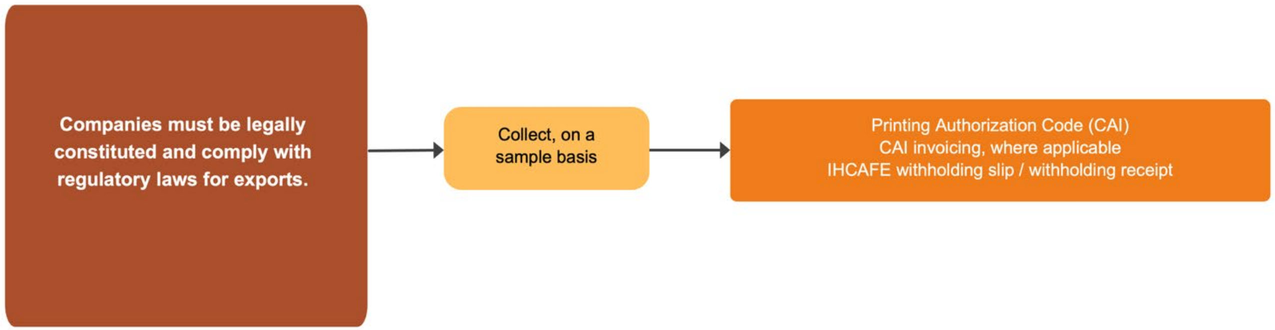
7.1.1 Property taxes, value-added taxes, corporate and export taxes, royalties and duties are paid



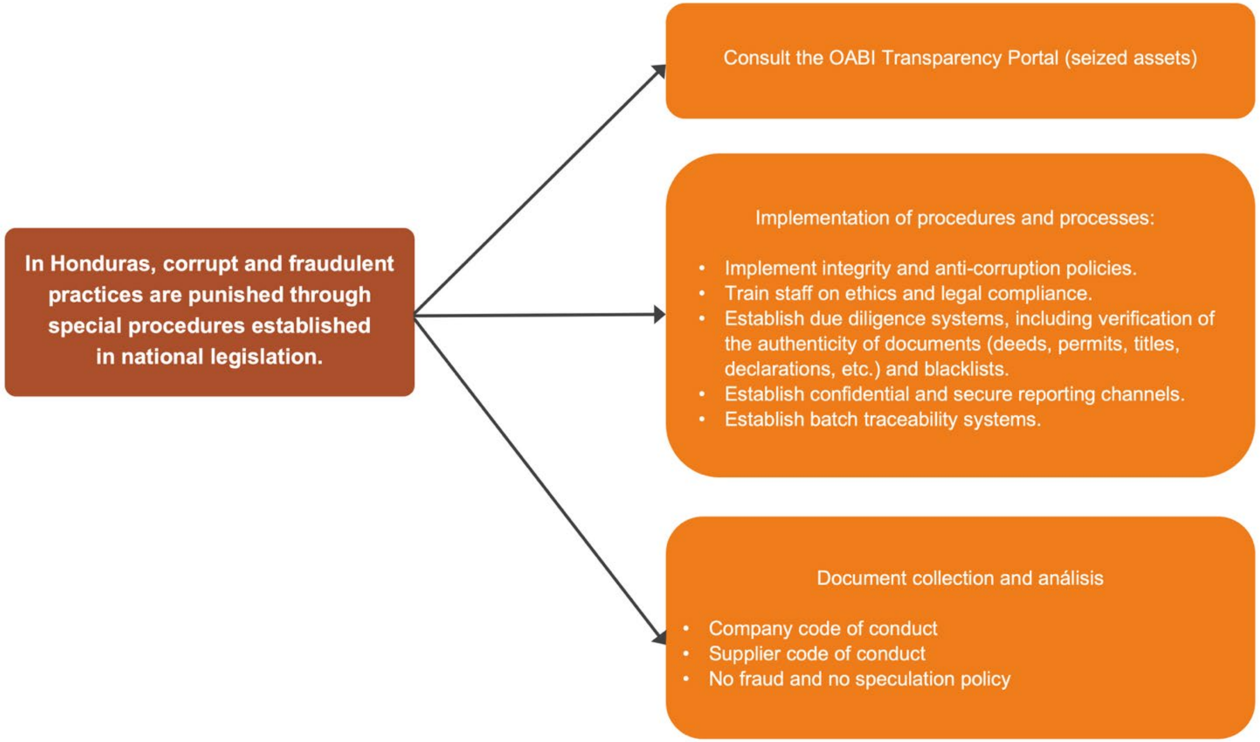
7.2.1 Customs duties are paid, trade quotas and regulations are complied with



7.2.2 Companies must be legally constituted.



7.3.1 Absence of corrupt practices


In Honduras, corrupt and fraudulent practices are punished through special procedures established in national legislation.
Consult the OABI Transparency Portal (seized assets)
Implementation of procedures and processes:
• Implement integrity and anti-corruption policies.
• Train staff on ethics and legal compliance.
• Establish due diligence systems, including verification of the authenticity of documents (deeds, permits, titles, declarations, etc.) and blacklists.
• Establish confidential and secure reporting channels.
• Establish batch traceability systems.
Document collection and análisis
• Company code of conduct
• Supplier code of conduct
• No fraud and no speculation policy

Annex 1 Mapping methodology

The development of this tool for legality due diligence involves two key steps:

The first step is to identify the relevant national legal requirements under the EUDR for coffee production in Honduras.

The EUDR defines the legality of commodities in light of two criteria:

- National legal requirements must refer to the legal status of the production area
- There are seven legal areas [for agricultural products]: 1) land-use rights; 2) environmental protection; 3) third parties' rights; 4) labour law; (5) human rights protected under international law; 6) the principle of free, prior and informed consent, as set out in the United Nations Declaration on the Rights of Indigenous Peoples; and 7) tax, anti-corruption, trade and customs regulations.

On 2 October 2024 (with an update in April 2025), the European Commission published a guidance document for the implementation of the EUDR, which interprets the provisions of the Regulation on legality criteria. This document proposes to address the relevance of legal requirements through the following criteria:

- The requirements have a specific impact on the legal status of the area of production of the commodities [with the exception of tax, trade and customs standards];
- The requirements must be linked to the objectives of the Regulation to halt deforestation and forest degradation as part of the EU's commitment to addressing climate change and biodiversity loss.

Since not all labour requirements, nor some human rights and third parties' rights, are directly related to the objectives of the EUDR, there is debate over whether they fall within the scope of the Regulation.

In addition, the guidance document would extend the scope of tax and anti-corruption regulations to steps in the value chain beyond the area of production. It should be noted that the European Commission's guidance document is not legally binding. As specified in the guidance document itself, it does not replace, add to or modify the provisions of the EUDR, which sets out the legal obligations. Its purpose is to harmonise EUDR implementation across EU Member States. Each EU Member State will adopt its own approach to monitoring operators' compliance with the EUDR. Ultimately, only national courts in each EU country have the power to interpret EU regulations in a binding manner and determine the scope of the legality test.

In this context, **this tool takes a precautionary approach**. It takes into account all the areas of law listed in Article 2(40) and includes all the requirements deemed relevant in these seven areas. However, Annex 2 lists all legal requirements, whether or not they are directly linked to the objectives of the EUDR.

This comprehensive approach will allow end users to choose the scope of their due diligence based on their reading of the EUDR and the guidance provided.

How the relevance of the requirements has been determined

Under the EUDR, the operator is solely responsible for carrying out due diligence to ensure that the products it places on the market present a negligible risk of illegality. However, the EU has recognised that producing countries can facilitate the work of operators and competent authorities (see question 1(30) of the FAQs), in particular by providing information that allows for a better understanding of the applicable national laws.[1] This is precisely the objective of Annex 2, which contains the mapping of relevant legal requirements relevant to coffee produced in Honduras.

All existing legal texts and requirements in Honduras that fall within the scope of the seven legal areas specified above have been identified. Coffee sector stakeholders gathered at consultation workshops and bilateral meetings (see Annex 3) assessed the relevance of each legal requirement to determine compliance with the EUDR legality criteria.

All identified legal requirements were considered a priori relevant for assessing the compliance of coffee or its derived products with the EUDR legality criteria, unless it can be clearly identified that:

- The legal requirement does not apply to the coffee plot or to the workers and third parties involved in the plot [with the exception of tax, trade and customs standards],
- The legal requirement is not relevant because the conditions for its implementation are not found in the context of coffee production,
- The legal requirement is of general implementation, is not subject to implementation texts, which prevents its implementation or compliance monitoring, and/or is covered by other more specific requirements.

This analysis includes all relevant legal requirements in the country. However, it is important to mention that some legal requirements, due to the specific conditions of rural areas and the characteristics of the sector, cannot be implemented by producers, especially small ones. Nevertheless, this tool mentions these requirements, recognising that they are binding, but that the legal and technical conditions for their proper enforcement in rural and productive areas of Honduras do not exist.

1 https://circabc.europa.eu/ui/group/34861680-e799-4d7c-bbad-da83c45da458/library/e126f816-844b-41a9-89ef-cb2a33b6aa56/details

The next step is to assess the level of implementation of the relevant legal requirements defined in step 1, and subsequently to develop due diligence recommendations along two tracks: a streamlined approach for high levels of implementation, and a standard approach for those aspects where the implementation of the law reveals greater weaknesses or gaps in compliance. As mentioned above, this step was carried out through intensive analysis sessions and multi-stakeholder participatory workshops, as described in Annex 3 of this document.

Annex 2 Mapping of relevant legal requirements

The tables below, presented by area of law, show the 34 requirements identified, 29 of which were considered relevant and 5 irrelevant, and the justifications provided by the stakeholders consulted for coffee produced in Honduras.

Land-use rights

Subcategory	Legal requirement	Details	Legal basis	Relevance
1.1 Land-use rights are guaranteed 1.1.1 Land tenure is well-defined and respected	**The producer is the owner of the land (through a registered public deed or title deed granted by the competent authority)** **OR** **The producer is a regular or irregular possessor of the land.** **OR** **The producer exercises the use rights to the land without intention of ownership, through mere tenure, which includes: usufruct, lease and gratuitous use.**	In Honduras, rights over land for cultivation range from private ownership to collective rights and community use, regulated by a legal framework that seeks to balance economic, social and environmental interests. Agricultural land can be private, national or communal, each with different laws governing its use and titling. The legal regulation covers concepts such as private property, which grants full rights through a registered title; possession, which is physical control over a plot and can be regular (documented and peaceful) or irregular (without legal title), and can give rise to acquisitive prescription; and the right of use, which allows a plot to be used for specific	CONSTITUTION OF THE REPUBLIC: Articles 103, 104 Article 106 Article 107 CIVIL CODE Ownership: Articles 613 to 616 Possession: Articles 717 to 744 Usufruct: Articles 745 to 789 Use rights and habitation: Art. 790 to 798 Easements: Art. 799 to 867 Reclamation: Art. 868 to 894 Lease: Art. 1681 to 1682 Lease of rural plots: Articles 1744 to 1752 Prescription: Art. 2272 PROPERTY LAW: Purpose and objectives of the registry: Articles 25 to 28. Registration entries: Art. 37. Real Estate Cadastre: Art. 54 to 68.	**Relevant**

Subcategory	Legal requirement	Details	Legal basis	Relevance
		purposes without being the owner. In the coffee sector, there are small producers who do not have formal titles but cultivate under irregular or informal possession. However, cultivating without a formal title is not illegal. Producers can cultivate land without being owners through legal arrangements such as mere tenure, usufruct, or leasing. These arrangements allow them to use someone else's land under certain conditions, without having full ownership. Formal documentation is often lacking, and many small coffee growers work under informal or verbal agreements, i.e., without a written contract. To strengthen tenure and promote the economic development of the sector, Decree 37-2016 was issued in 2016, allowing owners of coffee-growing plots to apply to the National Agrarian Institute (INA) for full ownership, with accreditation of their status as coffee growers. In general, there are few conflicts over land tenure in production areas, and when they do arise, they are effectively resolved at the local level.	Regularisation: Articles 69 to 109. Regularisation of property for indigenous peoples and Afro-Honduran peoples: Art. 93 to 102. Art. 125. MUNICIPALITIES LAW: Art. 13, paragraph 2) and 68, paragraphs 1) and 3)) LAW FOR THE MODERNISATION AND DEVELOPMENT OF THE AGRICULTURAL SECTOR: Articles 23 to 36 Article 55 LAND-USE PLANNING LAW: Art. 92 LAW FOR THE PROTECTION OF COFFEE AND COCOA GROWING ACTIVITIES REGULATIONS OF THE PROPERTY LAW Art. 76 to 81. Property Registry. Art. 178 to 207. Real Estate Cadastre Art. 218 to 271. Regularisation REGULATIONS ON COFFEE TRADING CONCORDANCE CONACAFE S.O. No. 136/2015: Art. 7. Documents required to register as a producer.	

Subcategory	Legal requirement	Details	Legal basis	Relevance
	The community has acquired the right to use the land collectively through the INA and the IP. **OR** **The community has acquired the land-use rights through the Agrarian Reform.**	National, communal, and privately owned lands dedicated to coffee cultivation, in any region of the country and regardless of their vocation, are declared unaffected by agrarian reform. Plots dedicated to coffee cultivation cannot be expropriated, regardless of their location, size, vocation, and condition, whether they are national, communal, or privately owned. With regard to coffee cultivation, no maximum or minimum limit shall be placed on the production unit that would allow it to be classified as a large estate or smallholding under Articles 25 of the Agrarian Reform Law and 34 of the Law for the Modernisation and Development of the Agricultural Sector. In practice, there is no collectively owned land registered for coffee cultivation.	AGRICULTURAL REFORM LAW Articles 12 to 22 Articles 23 to 36 LAW ON THE PROTECTION OF COFFEE AND COCOA GROWING Art. 1 Art. 4	**Not relevant** because agrarian reform does not apply to land used for coffee cultivation. Furthermore, in practice, there is no collectively owned land registered for coffee cultivation.
1.1 Land-use rights are guaranteed 1.1.2 Absence of abandonment or forced expulsion from the plot	**Land used for agricultural production must not have been subject to forced abandonment or violent expulsion of its previous occupants.**	The Honduran State, through the Registry of Abandoned Property (RBA), recognises the rights of forcibly displaced persons to legal protection, restitution of land, housing and property, and access to justice. These measures seek to prevent the dispossession or misuse of property abandoned during displacement.	CONSTITUTION OF THE REPUBLIC: Art. 103 LAW FOR THE PREVENTION, CARE AND PROTECTION OF INTERNALLY DISPLACED PERSONS: Art. 5, paragraphs 3, 7 and 12. Art. 33 Art. 35, paragraphs 8), 12)	**Not relevant** No forced displacement has been recorded due to coffee cultivation

Subcategory	Legal requirement	Details	Legal basis	Relevance
		Data from the Observatory of Socio-Territorial Conflict in Honduras	and 19) Art. 52 Art. 53	
1.2 Legal requirements for land use are met 1.2.1. Agriculture is permitted on the plot	**Agricultural activity is permitted in accordance with current regulations and land use. It does not contravene municipal urban planning, environmental or territorial planning provisions.**	In Honduras, only 65 of the 298 municipalities have a Municipal Land Use Plan (PMOT) in force, which regulates land use and its compatibility with agricultural production and environmental protection. The development of land use plans is the responsibility of the municipalities, in coordination with SERNA, while the ICF regulates and supervises agricultural activity in national forest areas and protected areas. These plans identify productive areas and warn against overexploitation, but do not specify permitted crops. They are advisory in nature, unless they are approved in open council, which gives them binding force.	LAND-USE PLANNING LAW: Art. 27 numeral 2) subsection a) GENERAL REGULATIONS OF THE LAND USE PLANNING LAW: Art. 56 Art. 91	**Relevant** when PMOTs exist

Environmental protection

Subcategory	Legal requirement	Details	Legal basis	Relevance
2.1 Environmental requirements for agricultural activities 2.1.1. Agriculture standards in restricted areas or areas subject to legal exclusion are respected.	**Agricultural activity is not carried out in areas subject to special protection regimes, such as protected areas, declared micro-basins, national forests, and national parks, except when located in buffer zones of protected areas and in accordance with the area's management plan.**	In Honduras, national forests, protected areas and national parks are subject to special regimes. Agricultural activity, including coffee cultivation, may only be carried out in buffer zones and with the express authorisation of the Forest Conservation Institute (ICF), through approved Management or Operational Plans. In core areas, any new settlements are prohibited and existing ones must be relocated. Coffee production is subject to special regulations (Decree 56-2007) that facilitate the obtaining of licences within protected areas, but under strict compliance with technical and legal conditions.	GENERAL ENVIRONMENTAL LAW Art. 35, 39, 40, 50 FOREST LAW, PROTECTED AREAS AND WILDLIFE Articles 6 and 109 PROPERTY LAW Art. 70 and 71	**Relevant**
2.1 Environmental requirements for agricultural activities 2.1.2. Only pesticides, herbicides, fertilisers and fungicides authorised by SENASA are used	**Producers shall only use agrochemicals authorised for agricultural production.**	In Honduras, herbicides, insecticides, fertilisers and fungicides require authorisation from the Secretariat of Agriculture and Livestock (SAG). SENASA is responsible for regulatory control of these products and for certifying the phytosanitary quality of exports. However, producers do not need specific authorisation to implement them, provided they respect the dosage indicated as an indicator on the label.	CONSTITUTION OF THE REPUBLIC: Art. 146 HEALTH CODE: Art. 128 GENERAL ENVIRONMENTAL LAW: Art. 68 REGULATIONS ON THE REGISTRATION, USE AND CONTROL OF PLANT PROTECTION PRODUCTS: Art. 6 and 24, 51, 54	**Relevant**

Subcategory	Legal requirement	Details	Legal basis	Relevance
		Although prior permission is not required for implementation, if producers use unauthorised products, in inappropriate doses or without adequate labelling, they would be engaging in illegal practices.		
2.1 Environmental requirements for agricultural activities 2.1.3 Waste is reduced and managed in accordance with the law	**Producers who use agrochemicals must take measures to prevent alterations to soil and water bodies.**	In Honduras, those who use pesticides must wash the containers three times before returning them to temporary or authorised collection centres. It is prohibited to throw away, burn, bury, reuse or transform these containers for other uses. Any disposal outside the authorised channel constitutes a serious offence. Solid and organic waste generated in agriculture must be treated technically to avoid contamination of soil and water bodies. There are official programmes such as Campo Limpio (SENASA) and regulatory frameworks managed by SERNA (DECA) that monitor compliance. IHCAFE has produced a guidance document on good agricultural practices and research for the coffee sector. BPA and coffee research documents – IHCAFE Honduras	GENERAL ENVIRONMENTAL LAW: Art. 67, 104, 455, 462 HEALTH CODE Art. 127 REGULATIONS ON THE REGISTRATION, USE AND CONTROL OF PLANT PROTECTION PRODUCTS: Art. 99, 101, 102 and 104 GENERAL REGULATIONS ON PREVENTIVE MEASURES FOR ACCIDENTS AT WORK AND OCCUPATIONAL DISEASES Art. 443 GENERAL REGULATIONS ON ENVIRONMENTAL HEALTH Art. 130	**Relevant**
2.1 Environmental requirements for agricultural activities	**Agricultural activity is carried out in compliance with the minimum authorised distances from watercourses,**	The protection of water resources is a priority for the Honduran State. There are specific management plans for water-producing micro-basins,	GENERAL ENVIRONMENTAL LAW: Art. 30, 31, 33 FOREST, PROTECTED AREAS AND WILDLIFE LAW ARTICLE	**Relevant**

Subcategory	Legal requirement	Details	Legal basis	Relevance
2.1.3 Water resources are protected and used in accordance with the law	**ensuring the protection of riverbanks, wetlands and water recharge areas in accordance with current national regulations.**	and agricultural activities in these areas are only permitted if they are sustainable and included in these plans. The ICF maintains an official map of micro-basins declared as water supply areas.	123.-PROTECTION OF WATER SOURCES AND WATERCOURSES. (Chapter 4) NATIONAL REGULATIONS ON WASTEWATER DISCHARGE AND REUSE Art. 3	
	The productive activity does not generate spills into water sources or, if it does, it has the respective spill permits.	There is a technical standard for wastewater discharges into receiving bodies and sanitary sewers, with its implementation extending to all natural or legal persons, public or private, who carry out activities that generate discharges. However, the competent authority (SERNA, Public Health) only carries out inspections on the industrial side, not on the field activities of producers. There are no studies that allow for the precise characterisation and measurement of spill volumes.	TECHNICAL STANDARDS FOR WASTEWATER DISCHARGES INTO RECEIVING BODIES AND SANITARY SEWERS CHAPTER III SCOPE OF IMPLEMENTATION Art. 3 and 4	**Relevant**
2.1 Environmental requirements for agricultural activities 2.1.5 Soils are managed in accordance with the law	**Producers implement appropriate techniques to conserve soil fertility and prevent degradation.**	Honduran regulations establish that land use must be rational and in accordance with its natural vocation, maintaining a balance between agricultural production and ecosystem conservation. The development of land use plans is the responsibility of the municipalities, in coordination with SERNA, while the ICF regulates and supervises agricultural activity in forest areas (see legality criteria 1.2).	GENERAL ENVIRONMENTAL LAW: Art. 49 FOREST LAW, PROTECTED AREAS AND WILDLIFE Art. 93 and 94	**Relevant**

Subcategory	Legal requirement	Details	Legal basis	Relevance
		In many regions of Honduras, coffee is grown in agroforestry systems (under shade), which is considered compatible with soil and biodiversity conservation.		
2.2 Protection of forest ecosystems and wild fauna and flora 2.2.1 Forest conversion complies with legal requirements	**Commercial forestry activities carried out within the agricultural plot (as part of an agroforestry system) have a harvesting certificate and a management plan, conservation or restoration plan approved by the competent authority.**	Producers engaged in commercial forestry or agroforests activities comply with the provisions of the Forestry, Protected Areas and Wildlife Act. There are local indigenous or community populations that have managed to organise themselves for the rational exploitation of private community forests or national forests through community forest management contracts, derived from the National Community Forestry Strategy.	FOREST, PROTECTED AREAS AND WILDLIFE LAW: Art. 11, paragraphs 15 and 16. SOCIAL FORESTRY SYSTEM. Art. 126 to 132.	**Relevant**
2.2 Protection of forest ecosystems and wild fauna and flora 2.2.2 An environmental impact assessment has been carried out when required by law	**When the area of production exceeds 10 hectares, the producer must have an environmental management tool appropriate to the size and nature of the project, which may consist of an environmental management plan, an environmental technical report or an environmental summary table, as established by SERNA within the framework of SINEIA.**	The aim is to achieve sustainable development in the country, seeking a balance between the development of the project, work or activity and the care and preservation of the environment. Projects, works or activities that, due to their nature, fall under Category 1 and are classified as having a very low environmental impact or risk, as such, will not be subject to environmental licensing procedures. However, at the request of a stakeholder, a certificate of non-requirement for the corresponding	REGULATIONS OF THE GENERAL ENVIRONMENTAL LAW: Article 88 Article 90 Article 103 REGULATIONS OF THE NATIONAL ENVIRONMENTAL IMPACT ASSESSMENT SYSTEM Article 30 Current categorisation table (2021)	**Not relevant** This requirement is neither implemented nor enforced in the coffee sector. Consult SERNA Transparency Portal, where you can see that no environmental licences have been issued for coffee farms: Licences from the Secretariat

Subcategory	Legal requirement	Details	Legal basis	Relevance
		environmental licence will be issued. Based on the current categorisation table (2021) - SERNA Coffee: Less than 10 ha: certificate of non-requirement of a licence upon request. Greater than 10 ha - category 1: technical report required Between 20 and 40 ha - category 2: technical report plus summary table Greater than 40 ha - category 3: environmental management plan		of State for Natural Resources and the Environment (SERNA) on the SINGLE TRANSPARENCY PORTAL Stakeholders recommend that SERNA update the environmental categorisation table to align it with the reality of the coffee sector.
2.2 Protection of forest ecosystems and wild fauna and flora 2.2.3 Legal requirements for biodiversity conservation and the protection of endangered or protected species are met.	**Threatened or endangered species of flora and fauna are respected and protected in productive activities.**	The hunting or capture of endangered or threatened species is prohibited in productive areas, which are subject to the relevant legal standards. The exploitation, hunting, capture, commercialisation or destruction of flora and fauna that are subject to special protection due to their rarity, condition in the ecosystem or the danger of extinction they face is prohibited.	GENERAL ENVIRONMENTAL LAW: Art. 41, 44 FOREST, PROTECTED AREAS AND WILDLIFE LAW: Art. 117, 118	**Relevant**

Third parties' rights

Subcategory	Legal requirement	Details	Legal basis	Relevance
3.1 Procedural rights 3.1.1 Right of local communities to be informed	**Local communities have been informed and consulted about agricultural projects.**	In Honduras, regulations on citizen participation establish that citizens must be included in the formulation, implementation and evaluation of policies, and they are recognised as having the right to intervene through mechanisms such as legislative initiatives and public consultations. At the local level, the Municipalities Act requires authorities to guarantee opportunities for participation and to convene open councils to inform and consult the population on relevant decisions.	CITIZEN PARTICIPATION LAW: Articles 2 and 3 LAW ON CITIZEN PARTICIPATION MECHANISMS: Art. 28 MUNICIPALITIES LAW: Art. 14 numeral 2, Art. 24 numeral 8	**Relevant**
3.1.2 Right to claim compensation in the event of damage and harm	**If productive activity causes damage to individuals, communities or the environment, those affected have the right to claim full reparation, including compensation.**	When a productive system causes proven damages, the producer is obliged to compensate for the environmental damage based on implementation of the general environmental law and by order of the competent authority. The effective protection of citizens' legitimate rights and interests in environmental matters is guaranteed through the implementation of procedural principles such as due process, adversarial proceedings, procedural economy, contribution of the	CIVIL CODE: Art. 1360 Art. 1365 GENERAL ENVIRONMENTAL LAW: Art. 120	**Relevant**

Subcategory	Legal requirement	Details	Legal basis	Relevance
		parties, assessment of evidence, oral proceedings, immediacy, concentration and publicity.		
3.2 Substantive rights 3.2.1 The rights of local communities to a healthy environment are respected	**Agricultural production does not generate environmental or other impacts that affect the right of local communities to enjoy a healthy environment.**	The right of local communities to enjoy a healthy environment for human health is operationalised by various legal requirements in the category of environmental protection (the use of agrochemicals, the protection of soils and water resources). Verifying implementation of these environmental requirements could be considered to mean that the right to enjoy a healthy environment has been respected.	CONSTITUTION OF THE REPUBLIC: Art. 145 GENERAL ENVIRONMENTAL LAW: Art. 75	Not relevant because it is covered by other more detailed requirements in the tool (use of agrochemicals, protection of watercourses and micro-basins, protection of soils, etc.).
3.2.2 Sites, resources and habitats of cultural, archaeological or historical importance, or of religious or sacred importance to the traditional cultures of the communities affected by the operations, are identified and protected in accordance with the law.	**Productive activities are not carried out in areas of cultural importance or are possibly established in undiscovered archaeological areas.**	Cocoa production systems are preferably established outside the boundaries of areas designated as cultural heritage sites, as well as sites of archaeological importance. In the case of production in areas of public interest, they are subject to management standards, farm plans and land-use rights. The Institute of Anthropology and History manages an inventory of the nation's cultural heritage for its proper defence.	CONSTITUTION OF THE REPUBLIC: Article 172 LAW FOR THE PROTECTION OF THE NATION'S CULTURAL HERITAGE	**Relevant**

Labour rights*

Subcategory	Legal requirement	Details	Legal basis	Relevance
4.1 Workers' rights are respected 4.1.1 Type of employment relationship, legal contractual relationship	**Relations between workers employed on the farm and employers are governed by a written or verbal employment contract (when not exceeding 60 days).** **Agricultural operations that permanently employ more than 10 workers must comply with the provisions of the Labour Code, including employer registration, internal regulations, affiliation to the Social Security system, and other obligations.**	The laws governing relations between employers and workers are of public order, and any acts, stipulations or agreements that imply a waiver, reduction, restriction or distortion of workers' guarantees are null and void. All employment contracts, as well as any amendments or extensions thereto, must be in writing, except for temporary work not exceeding sixty (60) days or agricultural or livestock work, unless it involves agro-industrial companies that permanently employ more than 10 workers. Employment contracts in the agricultural sector may be agreed verbally in accordance with labour legislation, and most workers in the coffee sector at the primary production level do not have written contracts (ILO 2020). Agro-industrial companies are supervised by the Labour Inspectorate; producer cooperatives and farmers' associations are regulated under the Social Economy umbrella; and the wages paid by small and medium-sized producers are also regulated by the Labour Inspectorate.	CONSTITUTION OF THE REPUBLIC: Art. 132, 138 and 141 LABOUR CODE: Art. 20, 21, 25, 39 and 46	**Relevant**
4.1 Workers' rights are respected	**All permanent or temporary workers on agricultural holdings, including those hired on a**	No worker may be required to work for more than twelve hours in any 24-hour period. In practice, post-harvest handling and fruit picking	LABOUR CODE: Art. 325, paragraph e, Art. 327, 338 and 340	**Relevant**

4.1.2 Working hours, rest periods, overtime and weekly rest periods are respected	**project, daily or hourly basis, through oral or written contracts, do not work more than 12 hours per day and rest for 10 hours without interruption.**	activities are carried out during daytime hours without exceeding the working hours established by law.	LAW ON THE SEVENTH DAY AND THIRTEENTH MONTH IN CONCEPT OF BONUS Art. 1, 4 and 16	
4.1 Workers' rights are respected 4.1.3 No discrimination on the basis of sex or race, or against migrant workers	**All forms of employment discrimination on the grounds of race, ethnicity, gender, political or religious orientation, economic status or membership of indigenous or Afro-Honduran peoples are prohibited on agricultural holdings.**	Article 12 Labour Code: Discrimination on the grounds of race, religion, political beliefs, membership of indigenous or Afro-Honduran peoples, or economic status is prohibited in establishments that operate for the general use of companies or workplaces. The social position or access that workers may have to these establishments may not be conditioned on the amount of their wages or the importance of the position they hold.	CONSTITUTION OF THE REPUBLIC: Art. 60 LABOUR CODE Art. 12 CRIMINAL CODE: Art. 295 EQUAL OPPORTUNITIES FOR WOMEN ACT: Sections 49, 55 and 64	**Relevant**
4.1 Workers' rights are respected 4.1.4 Social security rights are respected	**Agricultural workers are subject to special regimes and progressive affiliation processes to the social security system, considering the geographical location and the possibilities of the Honduran Social Security Institute (IHSS), where applicable.**	In Honduras, the right to social security has constitutional status, and related services are provided by the Honduran Social Security Institute. Since 1959, it has been agreed that agricultural workers would be incorporated into the social security system in a gradual and progressive manner. In practice, temporary agricultural workers and small and medium-sized producers are served by the Public Health System, and not by the Honduran Social Security Institute, as the latter does not have offices to serve beneficiaries in all departments of the country.	CONSTITUTION OF THE REPUBLIC: Art. 142, 143 LABOUR CODE: Art. 95, paragraph 10 Social security law: Art. 3, paragraph d) Art. 4, paragraphs f) and g) SOCIAL SECTOR OF THE ECONOMY LAW: Art. 7	**Not relevant** In practice, the IHSS does not provide coverage throughout the country, so temporary agricultural workers and small and medium-sized producers are served by the Public Health System, rather than the Honduran Social Security Institute.

4.2 Equality between men and women is maintained 4.2.1 Legal provisions on maternity and paternity leave are complied with	**All pregnant agricultural workers are entitled to pre- and post-natal leave, as established by law.**	In Honduras, women are entitled to compulsory pre- and post-natal leave. Pregnant workers are entitled to 10 weeks of maternity leave and cannot be dismissed on the grounds of their pregnancy or leave.	CONSTITUTION OF THE REPUBLIC Art. 111, Art. 142 LABOUR CODE: Art. 135, 140 and 144 REGULATIONS FOR THE APPLICATION OF THE SOCIAL SECURITY LAW: Art. 68	**Not relevant** to female workers in agricultural enterprises with fewer than 10 permanent employees (not subject to the provisions of the Labour Code except as indicated in Title IV, Chapter IV) Relevant to all other workers. In practice, farm workers are temporary, so they are not subject to the provisions of the Labour Code relating to maternity.
4.3 Workers' remuneration is legal 4.3.1 Remuneration complies with legal requirements	**Workers in agricultural activities receive at least the minimum wage, and where applicable, the wage will be agreed with the employer, per job or service provided, depending on the area of the country.**	All workers are entitled to earn at least the minimum wage, sufficient to cover the normal needs of their household (applies to permanent employees). According to the Labour Code, agricultural or livestock farms that do not permanently employ more than ten (10) workers are exempt from the minimum wage; however, the provisions of Title IV, Chapter IV of the Labour Code relating to wages shall be implemented.	CONSTITUTION OF THE REPUBLIC: Art. 128, paragraph 5 LABOUR CODE: Art. 2, paragraph 1 Articles 340, 364, 382 and 389 LAW ON THE SEVENTH DAY AND THIRTEENTH MONTH IN CONCEPT OF BONUS: Art. 1, 4 and 330 MINIMUM WAGE LAW Art. 20 and 39	**Relevant**

4.3 Operations and activities are safe 4.3.2 Legal requirements regarding health and safety in the workplace are met, including the handling of agrochemicals and machinery	**Agricultural operations must ensure adequate health and safety conditions in the workplace and have the right to be protected from the risks arising from the use of chemicals (agrochemicals, fertilisers, pesticides) and the operation of agricultural machinery.**	In addition to the general provisions of the Labour Code on health and safety in the workplace, the provisions of the General Regulations on Preventive Measures for Occupational Accidents and Diseases must be complied with. (Agreement STSS-007-02 and its amendments). All employers must adopt preventive measures, provide personal protective equipment (PPE), train workers on occupational hazards, and ensure healthy and safe working environments.	CONSTITUTION OF THE REPUBLIC: Art. 128, paragraph 6 LABOUR CODE: Art. 391, 397, 402, 413 and 430 LABOUR INSPECTION LAW Art. 59 GENERAL REGULATIONS ON PREVENTIVE MEASURES FOR WORKPLACE ACCIDENTS AND OCCUPATIONAL DISEASES: Art. 4, 101, 103, 433 and 456	**Relevant**

Human rights*

Subcategory	Legal requirement	Details	Legal basis	Relevance
5.1 Human rights are respected in accordance with national and international law 5.1.1 Children are not employed below the legal age, do not work at night or more than required, and are not exposed to forced labour	**In Honduras, young people between the ages of 14 and 18 are permitted to work with the authorisation of their parents or guardians.**	The human rights of children and adolescents are enshrined in the Honduran Constitution, international treaties on the rights of the child, the Children and Adolescents Code and the Labour Code. Adolescents are prohibited from working in conditions that jeopardise their health, safety or physical, mental or emotional development. Agricultural work for children under the age of 18 must be light, non-hazardous and compatible with their schooling. On coffee plots of less than 4 hectares considered to be family subsistence crops, the father and his family may carry out farm management and harvesting activities.	CONSTITUTION OF THE REPUBLIC: Art. 124 Art. 128, paragraph 7 LABOUR INSPECTION LAW Art. 83 CHILD AND ADOLESCENT CODE: Art. 114 and 115 LABOUR CODE: Art. 32 REGULATIONS ON CHILD LABOUR IN HONDURAS Art. 7 REGULATIONS ON PROTECTED ADOLESCENT LABOUR: Art. 11	**Relevant**
5.2 Absence of modern slavery and forced labour 5.2.1 Workers are free to terminate their employment relationship with prior notice	**All workers have the right to voluntarily terminate their employment relationship, without coercion and with prior notice.**	In the case of permanent work on a farm/in a company with more than 10 workers, workers give notice. No formalities are required for the drafting and delivery of the notice other than the name and identity of the employee, the job position they hold, the date on which the notice period begins and the date on which it ends; likewise, the assistance of the administrative or judicial labour authorities is not required.	CONSTITUTION OF THE REPUBLIC: Art. 127 LABOUR CODE: Articles 111, 117 and 118	**Relevant**

Subcategory	Legal requirement	Details	Legal basis	Relevance
		However, most workers in production systems are temporary and are not economically dependent on their employer, meaning they can terminate their employment relationship whenever they choose.		
5.2 Absence of modern slavery and forced labour 5.2.2 Wages, benefits, documents or property are not withheld to restrict workers' freedom	**Employers do not withhold wages, employment benefits, identity documents, personal property or other economic or administrative rights for the purpose of coercing, restricting or conditioning the freedom of workers.**	Due to the socio-economic nature of the rural sector, the vast majority of workers are temporary employees who work during each harvest cycle, receiving remuneration for work or tasks previously agreed upon.	LABOUR CODE: Art. 96 numeral 5 Art. 114 subsection f	**Relevant**
5.2 Absence of modern slavery and forced labour 5.2.3 No one shall be subjected to slavery or forced labour	**All forms of slavery, servitude, forced or compulsory labour in agricultural and forestry activities are prohibited.**	The State of Honduras has put in place institutional mechanisms to combat these forms of exploitation through the Inter-institutional Commission against Commercial Sexual Exploitation and Trafficking in Persons (CICESCT) and records information on internal and external trafficking in Honduras in the National Information System on Trafficking in Persons (SNITdP). Investigations into human trafficking are carried out by the Unit against Trafficking, Sexual Exploitation, Commercial Exploitation and Smuggling of Persons and the Prosecutor's Office against Organised Crime, both of which are part of the Public Prosecutor's Office. Due to the socio-economic nature of the rural sector, the vast	CONSTITUTION OF THE REPUBLIC: Art. 60, 61, and 69 HONDURAN CRIMINAL CODE: Art. 221 LAW AGAINST HUMAN TRAFFICKING: Art. 41 and 42	**Relevant**

Subcategory	Legal requirement	Details	Legal basis	Relevance
		majority of workers are temporary employees who work during each harvest cycle, receiving remuneration for work or tasks agreed upon in advance.		
5.3 Women's rights are respected in accordance with international and national law 5.3.1 There is no sexual harassment or gender discrimination	**Rural women workers do not suffer gender discrimination or sexual harassment in the workplace.**	The Secretariat in the Office of Women (SEMUJER) is a governing institution for public policies in favour of women, created with the aim of ensuring that true gender equality and justice are achieved in Honduras. In 2021, the coffee industry ratified its commitment to the Gender Policy for the Coffee Subsector in Honduras. To implement the gender policy for the coffee subsector in Honduras, a gender roundtable for the subsector has been established. Complaints of sexual harassment can be made to 911, line 114, the Special Prosecutor's Office for the Protection of Women of the Public Prosecutor's Office, and the Municipal Women's Offices. Rural women workers are included in all State Policies and national legislation that prevents and punishes discriminatory activities such as sexual harassment, guaranteeing access to institutions that combat this behaviour.	LABOUR CODE Art. 96, paragraph 5 Art. 114, paragraph b LAW ON EQUAL OPPORTUNITIES FOR WOMEN Art. 60 CRIMINAL CODE Art. 256 Art. 294	**Relevant**

FPIC

Subcategory	Legal requirement	Details	Legal basis	Relevance
6.1. FPIC is required when the rights of indigenous peoples or local communities are affected	**Any productive system that affects the territories of indigenous peoples or Afro-Honduran peoples requires prior, free and informed consultation through open councils or their traditional protocols.**	The implementation of FPIC is carried out through open councils and/or protocols as instruments to obtain the consent of indigenous peoples and Afro-Honduran peoples in the execution of projects that may affect them, including productive projects. These instruments are recognised, as appropriate, as valid consultations established in Convention 169, provided that they are carried out in accordance with that Convention. In order to obtain the consent of the affected communities, the consultation process is carried out through protocols or open councils using mechanisms such as: 1. The type of consultation approved by the community organisation. 2. The type of organisation existing in the community. 3. The size of the project to be developed and its link to the SERNA environmental categorisation. Standards to implement this right are currently under discussion.	CONSTITUTION OF THE REPUBLIC: Art. 346 ILO CONVENTION 169: Art. 6 CITIZEN PARTICIPATION LAW: Arts. 2 and 3 CIVIC PARTICIPATION MECHANISMS ACT: Art. 28 MUNICIPALITIES LAW Art. 14, paragraph 2 Art. 24, paragraph 8	**Relevant**

Tax, customs and anti-corruption standards

Subcategory	Legal requirement	Details	Legal basis	Relevance
7.1 Taxes and duties are paid 7.1.1 Property taxes, value-added taxes, corporate and export taxes, royalties and duties are paid	**Producers have IHCAFE cards and pay withholding obligations in accordance with the law.**	Producers who register their harvest with IHCAFE are legally constituted with their own national tax registration. By law, in order to export and market coffee, producers must be affiliated with IHCAFE. IHCAFE issues them a card with a unique code for each producer. With this document, the exporter issues them a withholding slip for each quintal of coffee marketed, and it is the exporter who pays the corresponding taxes. The requirements for registering with IHCAFE are: • National identity card • Land ownership document • Polygon or map of the plot • Farm inspection by IHCAFE The coffee sector is made up of small producers, associations, federations, cooperatives, and export companies. In order to operate legally and properly for tax purposes, they must obtain their National Tax Registration (RTN), which is requested from the tax administration agency known as the Revenue Administration Service (SAR). Through the RTN, each participant in the coffee value chain must request the necessary tax documents to record income, costs and/or expenses.	CONSTITUTION OF THE REPUBLIC Article 351. TAX CODE, DECREE 170-2016. Art. 1, numeral 2. SALES TAX LAW DECREE LAW No. 24-1963 Art. 1 Art. 6 Art. 15, paragraph e) LAW ON EFFICIENCY IN PUBLIC REVENUE AND EXPENDITURE: Article 30. decree No. 119-2016 Art. 2 DECREE No. 59-2022: Article 2, paragraph 18 Executive Agreement No. 352.2022, DECREE No. 56-2007: Art. 1 Art. 2 REGULATIONS FOR THE LAW ON FINANCIAL REACTIVATION OF THE COFFEE PRODUCTION SECTOR: Art. 3 Art. 12	**Relevant**

Subcategory	Legal requirement	Details	Legal basis	Relevance
		Each document and tax receipt duly authorised in accordance with the Regulations on Invoicing, Other Tax Documents and Tax Registration of Printing Companies can be validated using the tool made available by the tax authorities. With regard to internal taxes, associations and cooperatives are exempt from paying income tax and certain collateral taxes. However, they are subject to reduced rates (15%) on their profits, known as the Social Contribution of the Social Sector of the Economy and the Cooperative Sector Contribution, as applicable. Exporters, on the other hand, are subject to the general rate of 25% and collateral taxes. It should be noted that some companies with revenues exceeding one billion lempiras may be subject to a 1% or 0.75% tax on gross revenues, comparable to the general income tax rate of 25% determined against declared net taxable income. Some companies associated with the coffee sector have tax exemptions, which are processed by the Ministry of Finance (SEFIN) in the Directorate General of Tax Exemptions and Customs Franchises. Note: There are a number of other tax obligations related to the		

Subcategory	Legal requirement	Details	Legal basis	Relevance
		collection and/or withholding of direct and indirect taxes. It is recommended that you check with the municipality to find out which municipal taxes the coffee sector must comply with, as this tax is not administered by the tax authorities (SAR).		
	Compliance with the payment of industry and commerce tax; property tax and other municipal taxes	Municipal taxes must be taken into account, including: property tax and the industry, commerce and services tax stipulated in the law.	MUNICIPALITIES LAW: Art. 77 Art. 78	**Not relevant** These taxes are not related to the objectives of the EUDR and are not specific to the coffee sector.
7.2 Customs and Trade 7.2.1 Customs duties are paid, trade quotas and regulations are complied with	**All exports must be carried out in accordance with current customs regulations, including special regimes if applicable.**	The Customs Service is responsible for demanding and verifying the payment of taxes. In Honduras, agricultural, forestry, and agro-industrial export activities are regulated by CAUCA and its RECAUCA regulations, the Honduran Customs Law, and the provisions for the implementation of special export regimes such as the Temporary Import Regime (RIT) and Free Trade Zones (ZOLI). In order to export, companies must have the certificates, licences and permits required by law. The Single Central American Declaration (DUCA) is a single document covering goods imported and exported between Central America and the European Union. Electronic transmission of the DUCA is mandatory for the correct implementation of customs	CENTRAL AMERICAN UNIFORM CUSTOMS CODE (CAUCA): Art. 9 REGULATIONS OF THE CENTRAL AMERICAN UNIFORM CUSTOMS CODE (RECAUCA): Art. 5, paragraph b REGULATIONS FOR THE TRADING OF COFFEE: Art. 61. DECREE No. 297-2002: Art. 13 DECREE No. 143-2008: Art. 2 LAW ON AGRICULTURAL EXPORT ZONES (ZADE) Art. 6	**Relevant**

Subcategory	Legal requirement	Details	Legal basis	Relevance
		regimes. This procedure significantly reduces the risk of non-compliance.	FREE ZONE LAW: Art. 1 and 5 DECREE No. 37 OF 20 DECEMBER 1984 (AMENDED BY DECREE No. 190 OF 31 OCTOBER 1986): Art. 1 REGULATIONS FOR THE TRADING OF COFFEE: Art. 12	
7.2 Customs and trade 7.2.2 Compliance with legal requirements related to trade restrictions	**In Honduras, free competition is guaranteed through freedom of investment, occupation, trade, industry, and enterprise.**	In Honduras, economic activities are the responsibility of private individuals; however, the State may intervene for reasons of public order and social interest, and may enact economic, fiscal and public safety laws to channel, stimulate, supervise, guide and supplement private initiative in certain basic industries, which do not include coffee. State intervention to limit competition occurs with large producers, as economic concentrations that could manipulate the market are avoided.	CONSTITUTION OF THE REPUBLIC: Art. 331, 332 and 339 LAW FOR THE DEFENCE AND PROMOTION OF COMPETITION: Art. 1, 5, 7 and 12	**Not relevant** Free competition is not specific to the coffee sector nor related to the objectives of the EUDR.
	Companies must be legally constituted and comply with regulatory laws for exports.	The CAI or "Clave de Autorización de Impresión" is an alphanumeric code generated by the tax administration to authorise the printing of invoices and other tax receipts, ensuring their legal validity. To obtain the CAI, companies must submit their legal incorporation documents to the administration. Consequently, if a	REGULATIONS ON COFFEE TRADING: Art. 77 and 91	**Relevant**

Subcategory	Legal requirement	Details	Legal basis	Relevance
		company has the CAI, it means that it complies with the requirement of being legally incorporated.		
7.3 Corruption is avoided 7.3.1 Absence of corrupt practices, including corruption, fraud and conflicts of interest	**In Honduras, corrupt and fraudulent practices are punished through special procedures established in national legislation.**	The country has specialised mechanisms and institutions to combat corruption. The fight against corruption is part of the State's commitment to transparency, accountability and respect for the rule of law, which are fundamental elements in ensuring the legality of productive activities. Honduras has developed measures such as the code of conduct for the coffee supply chain: With the support of the ILO and the Honduran Council of Private Enterprise, a binding Code of Conduct was authorised for IHCAFE and voluntary adherence for the rest of the actors in the coffee supply chain. 2. The issues regulated in this Code of Conduct include compliance with laws and regulations, compensation and benefits, child labour, non-discrimination, no harassment or forced labour, freedom of association and collective bargaining, occupational health and safety, the environment, social security and trade requirements.	LAW ON TRANSPARENCY AND ACCESS TO PUBLIC INFORMATION: Article 6 NATIONAL ANTI-CORRUPTION COUNCIL ACT: Articles 1 and 8 CRIMINAL CODE: Art. 484 and 488 SPECIAL LAW AGAINST MONEY LAUNDERING Articles 6, 18, 47, 63, 69 and 90	**Relevant**

Annex 3: Consultations carried out

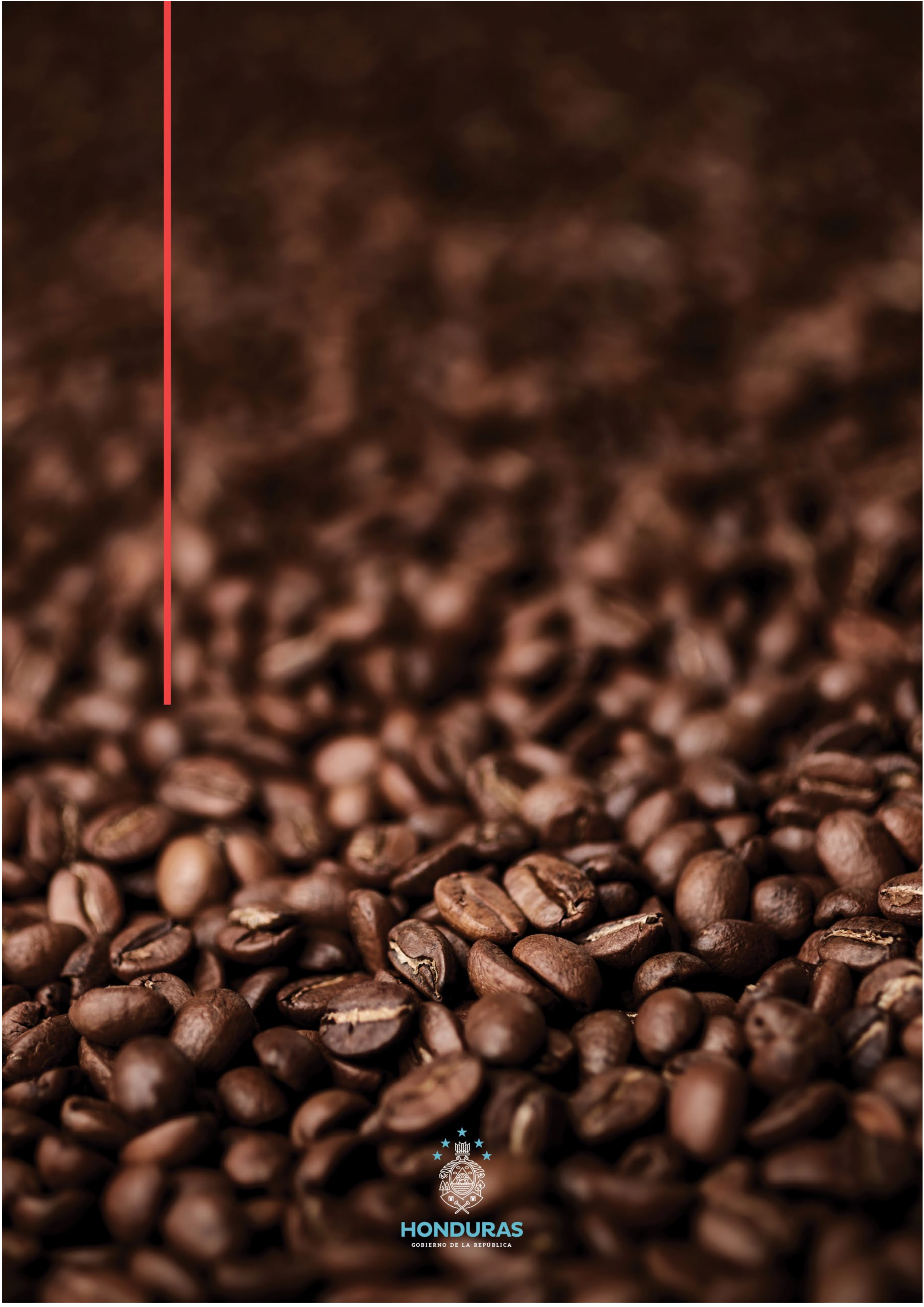
This tool was developed through a participatory and consultative process led by the Inter-institutional Technical Committee for EUDR Compliance, chaired by the National Institute for Forest Conservation and Development, Protected Areas and Wildlife (ICF). The process was developed in coordination with the Secretariat of Agriculture and Livestock (SAG) and the Secretariat of Economic Development (SDE) and with the participation of 14 State Secretariats and Executive Directorates of the Government of Honduras, together with key actors from the agricultural, forestry and environmental sectors in Honduras. Approximately 18 working meetings were held, involving relevant state institutions linked to agricultural legality, production associations and actors in the coffee value chain (producers, cooperatives, intermediaries, exporters), formed through working subgroups led by IHCAFE. Finally, a workshop was held to review, provide feedback and validate the results, which was attended by representatives of civil society, NGOs, projects and certifiers.

In addition to the collective workshops held at different stages, various bilateral meetings were held with representative organisations and strategic actors to gather specific input and ensure the technical and social validity of the instruments.

Noteworthy among the consultations were the meetings with **IHCAFE, ADECAFEH, and UNECAFEH**, where regulatory aspects and the particular conditions of the coffee sector were reviewed. Likewise, bilateral meetings were held with **producers, cooperatives**, **and intermediary marketers** in their territories in order to incorporate their practical vision of legal compliance in the field.

Dialogues were held with **civil society organisations and non-governmental groups**, whose role was fundamental in strengthening the social and environmental perspective of the tool, ensuring the inclusion of elements of sustainability and human rights. Similarly, **third-party certification bodies**, such as **Rainforest Alliance**, participated and shared their experience in international standards and voluntary certifications.

This comprehensive consultation process not only validated the tool's content but also strengthened its legitimacy by gathering a diversity of voices from the productive, institutional, social and environmental sectors, with a view to facilitating its future implementation and acceptance at the national and international levels.


HONDURAS
GOBIERNO DE LA REPUBLICA