



## **INTRODUCTION**

Many companies have their own supplier codes of conduct that address labor practices within their supply chains. The purpose of this document is not to replace those codes, but to set forth a “model” that compiles the elements typically found in such codes that would form the basis for the “checklist” for companies with codes in place; it can also be adopted wholesale or adapted for use.

The intention of this document, therefore, is not to achieve uniform adoption of this Sample Code, but to support the work of companies with their suppliers and customers to develop, implement, and agree to common ethical and practical business standards and work processes, within the

context of their own operations and unique circumstances.

The model consists of a purpose statement, the scope of its application and specific code elements that lay out the specific requirements and expectations of suppliers. The final section on policy implementation puts forth the process by which the code would be implemented. We encourage all companies working in coffee to review this document and update their codes and to engage in active, meaningful dialogue with suppliers about good labor practices as a first step towards improving labor conditions on coffee farms and in coffee processing facilities.

# SUPPLIER CODE OF CONDUCT

[Supplier's Legal Name] and [Customer's Legal Name] are mutually committed to combating forced or child labor. We whole-heartedly agree to abide by the Responsible Sourcing Code of Conduct and agree to proactively follow the steps outlined below to promote good social and environmental practices throughout the supply chain.

## *PURPOSE*

[The Supplier] and [The Customer] are committed to high standards of social and environmental responsibility and ethical conduct. We have created this Code as an extension of our own Corporate Code of Conduct to form the cornerstone of our commitment to responsibly source our products. This Code defines the universal standards that we require our suppliers to adhere to when conducting business with us. The requirements laid out in the Code are based on internationally recognized standards, including the UN Guiding Principles on Business and Human Rights, the UN Global Compact Principles and the International Labour Organisation (ILO) Declaration on Fundamental Rights and Principles at Work.

## *SCOPE*

The term "Supplier" or "Suppliers" means any person or entity that is the source for goods or services, back to the primary production level. The Code is applicable to all workers and employees of any of those suppliers (including permanent, temporary, contract agency and migrant workers). This includes all workers providing work at a supplier location, such as under an employment agency or service provider. It also applies to any subcontractors and third-party labor agencies. We expect our direct Suppliers to support our commitment to full compliance with this Code via the development and implementation of a similar policy and risk-based due diligence process over their own supply chains.

By agreeing to adhere to this Code, Suppliers agree to adhere to any corresponding Product-Specific Standards, where applicable. If no product-specific standard is applicable, Suppliers shall follow this Code or propose an auditable standard for review.

We reserve the right to regularly ask Suppliers to confirm adherence to this Code.

## **1. BUSINESS ETHICS**

**Compliance with Law:** Suppliers' business activities shall comply with applicable laws and regulations in the countries and jurisdictions in which they operate. They shall also comply with all other applicable international laws and regulations, including those relating to international trade, sanctions, export controls, antitrust/competition and data protection. Where local law and this Code address the same topic, the supplier shall meet the requirement which affords greater protection.

**Bribery/Corruption:** All forms of bribery, kickbacks, corruption, extortion, embezzlement and unethical practices are prohibited, and Suppliers must have a zero-tolerance policy to prohibit any such behavior. Suppliers shall not take any action that would violate, or cause us to violate, any applicable anti-bribery law or regulation, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act.

**Gifts/hospitality:** Any business entertainment or hospitality with our staff, auditors or other third parties must be reasonable in nature and not intended to influence in any way our business decisions.

**Conflicts of interest:** Suppliers will declare any conflict of interest in any business dealings with us and will actively seek to avoid such conflicts.

**Intellectual Property:** Our confidential information and intellectual property must be safeguarded and must not be shared with any third party unless expressly permitted by us. Suppliers will not divulge to us any information about its competitors that is not in the public domain. Any authorized transfer of confidential information is to be done in a way that protects intellectual property rights.

**Traceability, materials and facility disclosure:** Suppliers shall be able to disclose the country of origin for the primary materials for all deliveries made. We reserve the right to ask suppliers for a full supply chain map in order to facilitate risk assessment and gauge compliance in the upstream supply chain. Suppliers shall be transparent about all known facilities used to produce products or services for us and provide such information upon request. At our request, suppliers are expected to provide to us reports on the occurrence of substances in any materials supplied to us that may be restricted by, or require disclosure to, governmental bodies, customers and/or recyclers.

## 2. LABOR AND HUMAN RIGHTS

**Freely Chosen Employment:** All forms of involuntary labor – including forced, coerced, bonded (including debt bondage), involuntary or exploitative prison, slavery, trafficked or indentured or other forms – are prohibited.

- All work must be voluntary, or at-will, and workers shall be free to leave work at any time or terminate their contract or terms of employment.
- There shall be no unreasonable restrictions on workers' freedom of movement at the workplace or at company- or agent-provided housing. Workers are working without being coerced, duped, misled and are not being held hostage.
- To minimize isolation, workers will not have mobile phones confiscated.
- Employment agreements shall comply with local laws and regulations, inform workers of their legal rights and employment conditions in a language understood by the worker, and be concluded before work has commenced. If employment contracts are not legally required, workers shall at the very least be informed of the terms and conditions of employment, in a language understood by them, prior to starting work.
- Employers and agents may not hold or otherwise deny access by employees to their identity or immigration documents unless such holdings are required by law.
- Workers shall not pay recruitment fees or other related expenses for their employment. If it is discovered that workers have paid fees, the supplier shall ensure that the workers are repaid in full.

**Child Labor and Young Workers:** Child labor shall not be used. The term "child" refers to any person under the age of 15, or under the minimum age for employment in the country, whichever is greatest.

- All employment of young workers, including apprentices or vocational students, must comply with laws and regulations on the minimum working age and the compulsory age for schooling. In any case, apprenticeship or vocation arrangements must be of educational benefit and be consistent with Article

6 of ILO Minimum Age Convention No. 138, or light work consistent with Article 7 of ILO Minimum Age Convention No. 138.

- Young worker protections are in place, where applicable (including for the children of farmers), so that young workers under the age of 18 do not experience conditions in relation to their work that are mentally, physically, socially or morally dangerous or harmful, or that interfere with their schooling.
- A child may help at their family's business only if they perform light work and meet the requirements above.

**Freedom of Association and Collective Bargaining:** Suppliers shall respect workers' legal rights to freedom of association and collective bargaining.

- Suppliers shall respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities. Suppliers shall permit workers to carry out such activities without fear of discrimination, intimidation, or reprisal as specified in ILO Conventions 87 and 98.

**Regular Employment Status:** Work performed must be on the basis of a recognized employment relationship. Obligations to employees under labor or social security laws and regulations arising from a regular employment relationship shall not be avoided, such as through sub-contracting, excessive use of fixed-term employment contracts, or through apprenticeship schemes with no real intent to impart skills or provide regular employment.

**Wages and Benefits:** Suppliers shall ensure workers receive wages and benefits that meet, at a minimum, national legal standards.

- We encourage our suppliers to go beyond legal minimum standards and to ensure wages are sufficient to meet basic needs and provide discretionary income.
- All overtime work must be paid at the legally mandated overtime rate, or in the absence of this, a premium wage.
- Equal work shall be compensated with equal pay.
- Disciplinary pay deductions are prohibited.
- For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed.
- Workers should be charged fair prices, where applicable, for job uniforms, protective gear, food, toiletries and other essential items and transportation. The collective cost of living expenses and transportation costs shall not exceed the amount paid for the duration/term length of employment (e.g. avoiding debt bondage).

**Working Hours:** Regular and overtime working hours must comply with the law and not be excessive.

- Regular working hours shall not exceed the legal limit or 48 hours per week, whichever is lower.
- Rest days shall comply with legal requirements or, in the absence of such a requirement, workers shall be provided one day off in seven. This may be amended in unusual or emergency circumstances.

- All overtime shall be voluntary.

**Humane Treatment:** All workers are to be treated with respect and dignity.

There is to be no harsh and inhumane treatment including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers; nor is there to be the threat of any such treatment.

**Discrimination:** Suppliers shall commit to a workforce free of discrimination.

- All employment decisions (including hiring, termination, compensation, promotion and discipline) must be based exclusively on ability and willingness to do the job.
- There shall be no discrimination on the basis of race, color, sex, national or social origin, religion, age, disability, sexual orientation, gender identity, marital status, political affiliation, pregnancy status, or past or present union affiliation.
- Supplier shall not require pregnancy or medical tests, except where required by applicable laws or regulations or prudent for workplace safety, and shall not improperly discriminate based on test results.

**Respect for Community Rights to Land:** Suppliers shall respect the rights and titles to property and land of individuals, indigenous peoples and local communities. Negotiations regarding property and land shall adhere to principles of free, prior and informed consent, as well as contract transparency and disclosure.

### **3. HEALTH AND SAFETY**

**Working conditions:** Suppliers shall provide a safe and hygienic work environment, as appropriate for the industry, geography and workforce.

- Adequate steps shall be taken to prevent accidents and injuries to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonable and practicable, the causes of hazards inherent in the work environment.
- Workers shall receive regular health and safety training.
- Where needed, workers are to be provided free of charge with appropriate, well-maintained, personal protective equipment and educational materials about risks to them associated with these hazards.
- Suppliers shall respect workers' right to refuse unsafe work and to report unhealthy working conditions.
- Workers shall have access to basic social services such as basic medical care and social services. If these services are not immediately available within the local area, then there is accommodation available for transportation to access such services, as needed.

**Emergency Preparedness:** Potential emergency situations and events (such as fires, earthquakes, and chemical exposures) are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures. In buildings, emergency exits must be unlocked and unblocked at all times.

**Basic services:** Workers shall have access to potable drinking water and clean toilet facilities at all times at the workplace and at any company - or third party - provided housing, as well as sanitary food preparation, storage and consumption areas.

**Accommodation:** Accommodation, where provided, is clean, safe, affordable, meets the basic needs of workers, and conforms to the country's laws. Accommodation should meet or exceed the basic levels afforded in the local community. Workers shall have freedom to enter and leave at will.

#### **4. ENVIRONMENTAL SUSTAINABILITY**

**Resource consumption, pollution prevention and waste minimization:** Business is conducted in a manner which proactively embraces sustainability. Suppliers shall optimize their consumption of natural resources, including energy and water.

**Environmental impact management:** Business is conducted in a manner which reduces environmental impact. As such, suppliers will measure and minimize the environmental impact of their facilities and operations, including air and greenhouse gas emissions, water (whether in a production process, for irrigation, or for other uses), contamination and waste.

**Hazardous materials and product safety:** Suppliers shall identify and reduce the use of hazardous materials, chemicals and substances. Suppliers will also ensure their safe handling, storage and disposal. All applicable employees shall be aware of and trained in related safety procedures.

#### **5. POLICY IMPLEMENTATION**

**Management Systems:** Suppliers will develop and enforce policies and procedures to ensure compliance with all aspects of this Code. This includes ensuring transparent and accurate record-keeping to demonstrate compliance with applicable laws and this Policy.

**Grievance mechanisms:** Suppliers shall have systems in place to enable fair, confidential and anonymous grievance reporting and follow-up without fear of reprisal. This includes worker whistleblower protections.

**Audits and Corrective Action Process:** We reserve the right to verify compliance with the Code through internal or third-party assessments and to require implementation of corrective actions toward meeting the Policy.

**Continuous Improvement:** We also recognize that achieving the requirements of this Code is a dynamic process and encourages continuous improvement within its supply chain. In cases where improvement is required, we will support the supplier to establish clear milestones and processes to support their achievement. Suppliers who ultimately fail to comply may be subject to consequences up to and including termination of business.

We are hereby committed to preventing child, forced, or involuntary labor and agree to abide by the responsible sourcing practices and Code of Conduct principles described in this document. By signing and dating this document, you attest to having read, understood, and will follow the terms set forth as long as a contractual supply or trade obligation / commitment is in effect between both parties.

Signed and Executed on the \_\_\_\_\_ (Day) of \_\_\_\_\_ (Month), 20\_\_\_\_ (Year).

**Supplier:**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print First & Last Name / Surname)

\_\_\_\_\_  
(Title / Position)

\_\_\_\_\_  
(Company Name)

**Supplier - Mailing Address:**

\_\_\_\_\_  
(First & Last Name / Surname)

\_\_\_\_\_  
(Company Name)

\_\_\_\_\_  
(House Number & Street Name)

\_\_\_\_\_  
(Apt / Suite)

\_\_\_\_\_  
(City / Town) (State / Province)

\_\_\_\_\_  
(Country) (Postal Code)

\_\_\_\_\_  
(Telephone Number, incl. country code)

\_\_\_\_\_  
(E-Mail Address)

**Customer:**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print First & Name / Surname)

\_\_\_\_\_  
(Title / Position)

\_\_\_\_\_  
(Company Name)

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\_\_\_\_\_  
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