

Ethical Sourcing Policy



Every day, thousands of farmers and workers around the globe are involved in producing coffee. Trabocca is a part of Tradin Organic a global company in the organic food industry and with that, takes responsibility of its impact on the stakeholders involved in our supply chains. We believe in an ethical and transparent way of doing business, which is also crucial for a stable, long-term, and sustainable access to our ingredients.

This **Ethical Sourcing Policy** (ESP) outlines the measures in place to protect farmers and workers throughout our own entities and supply chains. This Policy is also incorporated into our **Supplier Code of Conduct** (SCoC), which every supplier of Trabocca has to sign, and re-sign every 3 years. These documents are part of our overall **Due Diligence System**, which also includes a **grievance mechanism** (read more on our [website](#)).

OUR COMMITMENT

Trabocca wants to ensure that throughout the value chains – from farm to factory to office – **everyone works under fair conditions**. We commit to the [UN Guiding Principles on Business and Human Rights](#) and strive to: Maintain and promote fundamental human rights; respect freedom of association and collective bargaining; provide safe and healthy working conditions; prohibit child labour; treat employees fairly with respect to wages, working hours and benefits; encourage a diverse workforce and provide a workplace free from discriminations, harassment or any other form of abuse.

We want to set the highest standards in our own entities and sourcing operations. We also believe that enabling and empowering farmers and local entrepreneurship is the best way towards ethical and fair supply chains up to the field level. Contributions to this include paying organic, Fairtrade and other additional certification premiums where possible, and conducting research on topics like true and living income (reference) pricing. By offering options such as pre-financing and unlocking funding for local producers, we help set up safe, fair and sustainable processing in countries of origin.

OUR APPROACH

Our sister company, Tradin Organic employs an extensive international team of locally stationed field scouts and agronomists who work directly with farmers and processors. This local presence has enabled us to build several successful sourcing projects and strong partnerships that provide us with a steady and secure supply of a wide range of organic ingredients. Tradin Organic’s sourcing, quality, and commercial teams aim to jointly ensure both organic and ethical integrity along with the highest traceability of our products. We want to guarantee that all products that we source, supply and produce are free from negative impacts, and work together with our sourcing communities and suppliers to do so.

We see social **certification** (or external auditing) as providing the best assurance of ethical conduct. Such independently conducted social audits establish the status quo and provide guidance in how to improve processes and build capacity. We also recognize it is not always possible to arrange a formal audit, and in such cases, we seek insight into practices and performance, to perform **verification** to the best possible extent.

For raw materials **with inherent risk** (A), Trabocca requires transparency and assurance in a way that we deem appropriate to the situation:

Direct

- Where we work with **suppliers directly**, we organize social certification where possible and/or monitor social circumstances through our Internal Control System and internal inspections.

Indirect

- When we source through a **supplier/processor** with inherent risk (A), as part of our Vendor Approval Process (VAP), we require them to
 - 1) Either have a social certificate in place, recognized social standards can are listed below (B)
 - 2) Be on the Sedex platform. If they are already a member of the platform, we ask to link with us so we can access their Self-Assessment Questionnaire (SAQ) and SMETA audit reports. If they are not yet a member, we request they join the platform and fill out the SAQ. If based on the SAQ, Radar still indicates residual risk, we require the supplier to undergo a SMETA audit with performance requirement detailed below (A). If the provided certification or audit report does not include **farmers** (e.g., if only a SMETA report for the processing facility is provided), we also ask for additional insight into the social circumstances in the field. Recognized social standards and certifications are listed below (B). We cannot visit or verify every farmer but see active information gathering as a first crucial step in due diligence up to field level.
- In case the Sustainability Team cannot verify a sufficient level of transparency and assurance of compliance by a supplier, and the supplier is not willing to engage in an improvement plan, the **consequences will include ceasing the business relation.**

We commit to **publicly report** progress on the certified or verified share of our supply chain on an annual basis. Where required for compliancy, more detailed data and information will be shared with clients and/or government institutions.

A: Classification of risk

We use [Sedex Radar](#) to assess and monitor risks in our supply chain. Radar creates a risk score per supplier based on inherent risks (determined by a multitude of information sources) and site characteristics (based on SAQs and SMETA audit reports). We do not accept suppliers that have any business critical non-conformities, or over 5 major non-conformities. It is also expected that suppliers, even with minor non-conformities, show proactivity in addressing these and closing the option actions with SMETA auditors.

B: Recognized standards

We accept the list of social standards and methodologies mentioned below. All of these include the ethical conduct principles of focus. The audit interval should not exceed three years.

- amforiBSCI*
- BonSucro
- Fair for Life
- Fair Trade Certified
- Fair Trade IBD
- Fairtrade USA
- FairTSA
- FLO Fairtrade
- Global GAP IF and/or GRASP
- ISCC
- KRAV
- Naturland
- ProTerra
- Rainforest Alliance / UTZ
- Regenerative Organic Certification (ROC)
- RTRS
- RSPO
- SA8000
- SMETA**
- Sustainably Grown Sustainability Initiative of South Africa (SIZA)
- 4C***

* BSCI: the audit reports are analyzed by our Sustainability Team. Only companies with an A, B or C score are recognized as compliant.

** SMETA: we do not accept suppliers with any critical non-conformities identified, or over 5 major non-conformities.

*** 4C: Only applicable to **coffee** producers and processors.

For questions and comments, please contact us at info@trabocca.com or sustainability@tradinorganic.com