

CODE OF CONDUCT

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Introduction

Cocoasource SA wants to be known for being a **responsible, ethical & transparent corporation** in each region it operates in. Our Code of Conduct sets out the core principles we must comply with.

Where shortcomings with any of the areas of the Code of Conduct are identified, we will work to implement a time-bound program of improvement (remediation) leading to conformance.

If the local or national law requires a higher standard than the one outlined in the Code of Conduct, the higher one will be applicable.

All the described requirements in this Code of Conduct apply to suppliers and Cocoasource SA.

Legal requirement

Cocoasource SA is committed to full compliance with the local, national, and international laws and regulations in each procurement location where Cocoasource SA conducts business and will not knowingly operate in violation of any such law or regulation. Cocoasource SA will not knowingly use suppliers who violate applicable laws and regulations.

Rights of indigenous people and local communities

The company adhere to the principle of free, prior and informed consent of local communities and indigenous peoples when acquiring land. The rights of communities and traditional peoples to maintain access to land and natural resources shall be recognised and respected. This includes:

Carrying out operations in accordance with the UN Declaration on the Rights of Indigenous Peoples (UNDRIP):

- Ensuring ongoing land tenure and access rights
- Upholding traditional rights of access for hunting and gathering of animals and plants for the purpose of subsistence and indigenous cultural and religious traditions, customs and ceremonies

Cocoasource will ensure that prior to any activity that might affect IP/LC rights to their lands, territories, and resources, their Free, Prior, and Informed Consent (FPIC) is secured. This includes when planning, establishing, restoring, or transforming corporate plantations and/or industrial sites, as well as associated infrastructure.

The Cocoasource FPIC process is based on the FAO manual (Food Agricultural Organisation of the UN).

It is a tool made as a six-step procedure to facilitate the FPIC process while showing its benefits, as well as providing the regulatory framework to be used when mainstreaming Indigenous Peoples' rights within organisations' policies and standards:

1. Identify the Indigenous Peoples' concerns and their representatives
2. Document geographic and demographic information through participatory mapping
3. Design a participatory communication plan and carry out iterative discussions through which project information will be disclosed in a transparent way
4. Reach consent, document Indigenous Peoples' needs that are to be included in the project, and agree on a feedback and complaints mechanism
5. Conduct participatory monitoring and evaluation of the agreement
6. Document lessons learned and disclosed information about project achievements

IP/LC have the right to give or withhold their consent to any activity that is subject to the FPIC process.

Where operations impinge on IP/LC rights, compensating or accommodating IP/LC through appropriate, mutually agreed on measures reflecting and described in the “Remedy” section of the FPIC process, page 29.

Adopting measures to provide remedy through mutually agreed procedures in cases where the company previously has caused or contributed to the appropriation of or harm to the lands, territories, or resources of IP/LC without securing FPIC. Implementation is jointly monitored by the community, the GPSNR member, and/or by a mutually agreed third party(ies). The methodology to be followed by Cocosource and its stakeholders, partners, suppliers and subsidiaries for the FPIC process is “FAO (2015) Free, Prior and Informed Consent Manual”.

Cocosource and its suppliers will establish ongoing, effective, culturally appropriate channels of dialogue with indigenous people and local communities.

Human rights

Cocosource commits to respect and protect internationally recognised human rights, including upholding the UN Guiding Principles on Business and Human Rights (UNGPR) by avoiding causing or contributing to adverse human rights impacts and preventing or mitigating any harm linked to company operations.

All the necessary documentation regarding the UN Guiding Principles on Business and Human Rights (UNGPR) are available for all Cocosource employees and stakeholders.

Business enterprises should respect human rights. This means that they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved.

The responsibility of business enterprises to respect human rights refers to internationally recognised human rights – understood, at a minimum, as those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work.

Comment: Because business enterprises can impact virtually the entire spectrum of internationally recognised human rights, their responsibility to respect applies to all such rights. In practice, some human rights may be at greater risk than others in particular industries or contexts and therefore will be the focus of heightened attention.

The responsibility to respect human rights requires that business enterprises:

- a) Avoid causing or contributing to adverse human rights impacts through their own activities and address such impacts when they occur.
- b) Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products, or services by their business relationships, even if they have not contributed to those impacts.

Upholding applicable labour rights and labour laws in the jurisdictions where operating, the UN Guiding Principles on Business and Human Rights, and the intent of the International Labor Organization's eight core conventions. This includes the following that are also detailed further below:

- Freedom of association and collective bargaining (ILO Convention No. 87 and No. 98)
- No forced labour (ILO Convention No. 29 and its 2014 Protocol)
- No child labour (ILO Convention No. 138 and No. 182)
- Decent living wages
- No discrimination (ILO Convention No. 111 and No. 100)
- Legal working hours
- Safe and healthy workplace
- No abusive practices (ILO Convention No. 105)

- Gender equity
- Safeguards apply to all workers, including contract, temporary and migrant workers.

Freedom of association

Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.

The employer adopts an open attitude towards the activities of trade unions and their organisational activities.

Worker's representatives are not discriminated against and have access to carry out their representative functions in the workplace.

Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates and does not hinder, the development of parallel means for independent and free association and bargaining.

Forced labour

There is absolutely no place for forced or compulsory labour in any form, including bonded, trafficked or prison labour.

Employees are not required to lodge "deposits" or their identity papers with their employer or agent and are free to leave their employer after reasonable notice.

Child labour

There shall be no recruitment of a child or a young person under the age of 18.

The companies shall develop and participate in and contribute to policies and programs which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child or young person under the age of 18.

These policies and procedures shall conform to the provisions of the relevant ILO standards.

A process to identify, prevent, and remediate any case of child labour is available.

Living wages

Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher, in any event, wages should always be enough to meet basic needs and to provide some discretionary income.

All workers shall be provided with written and understandable information about their employment condition in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

Deductions from wages as a disciplinary measure shall not be permitted, nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

Discrimination

There is no discrimination in hiring, compensation, access to training, promotion, termination, or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

Working hours

Working hours must comply with national laws, collective agreements. Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.

All overtime shall be voluntary. Overtime shall be used responsibly, considering all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace the regular employment.

The total hours worked in any seven days period shall not exceed 60 hours, working hours may exceed 60 hours in any seven days period only in exceptional circumstances where all the following are met:

- This is allowed by national law
- This is allowed by a collective agreement freely negotiated with a workers' organization representing a significant portion of the workforce.
- Appropriate safeguards are taken to protect the workers' health and safety.
- The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents, or emergencies. Workers shall be provided with at least one day off in every seven days period or, where allowed by national law, 2 days off in every fourteen days period.

Health and Safety

A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing the causes hazards inherent in the working environment.

Workers shall receive regular and recorded health and safety training and such training shall be repeated for new or reassigned workers.

Access to clean toilet facilities and to potable water, and if appropriate, sanitary facilities for food storage shall be provided.

Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

Harsh or inhumane treatment

Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

Gender Equity

Cocoasource commits to promote gender equity and has its own gender policy regarding this objective. We encourage all stakeholders to read and commit to this policy.

Regular employment

To every extent possible work performed must be based on recognized employment relationships established through national law and practice.

Obligations to employees under labor or social security laws and regulations arising from the regular employment relationship shall not be avoided using labor-only contracting, subcontracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

And safeguards apply to all workers, including contract, temporary and migrant workers.

Bribery or corruption

The offering, paying, soliciting, or accepting of bribes or kickbacks, including facilitation payments, is strictly prohibited. Cocoasource is therefore committed to working against corruption in all its forms and will also condemn other dishonest practices such as embezzlement, fraud, nepotism, collusion, and abuse of power more generally.

Environmental requirement

Cocoasource commits to support the long-term protection of Nature and its biodiversity, thus encompassing the protection of natural forests and other ecosystems and their conservation values. Alongside our various commodities value chains, we always seek to facilitate or implement projects of restoring or supporting the restoration of deforested and degraded landscapes should be implemented.

All Cocoasource suppliers should be aware of and able to demonstrate compliance with all current legislation that may affect their activities regarding environmental protection.

All stakeholders should be able to provide a report on identification of environmental risks and possible impacts associated with the enterprise and its supplier activities. In response to that, a continuous improvement plan should be implemented.

Cocoasource sources its products in a way that does not contribute to deforestation or degrade High Conservation Values (HCVs). Identification and management of areas for development and conservation follow the methodology and guidance consistent with the HCV Approach and with the High Carbon Stock Approach (HCSA).

A dedicated procedure is in place at Cocoasource: "CCS Deforestation and HCV degradation procedure".

Cocoasource keep updated records of classified forests, national parks, and their polygonal mapping, to perform regularly checks of the mapped farms. A farm plot should not be inside or in the 2km buffer zone of such protected areas.

We align our vision to the Rainforest Alliance standard, as mentioned in their Annex 12 – Additional detail on requirements for no conversion: "To uphold the standard's strict requirements on no-deforestation and no-conversion The cut- off date (January 1, 2014) is fixed with no exceptions. Any deforestation or conversion which occurred after this date renders a given area or production unit as non-compliant with the Rainforest Alliance standard and will generally be cause for decertification."

Regarding the Natural rubber, we apply the cutoff date communicated in the Accountability framework documentation. Natural rubber from areas deforested or where HCVs have been degraded after the cutoff date of 1 April 2019 is non-conforming with Cocoasource policy and code of conduct.

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Cocoasource and its partners also commit to:

- Not be using open burning/fire in new or ongoing operations for land preparation, land management, waste management, or any other reason other than in justified and documented cases of fire break establishment, waste management for sanitary reasons where public garbage collection is not available, phytosanitary, and other emergencies.
- Protecting wildlife, including rare, threatened, endangered and critically endangered species from poaching, over-hunting, and habitat loss in areas under company management and supporting wildlife protection activities in areas of influence.
- Protecting water quantity and quality, preventing water contamination from agricultural and industrial chemicals, and preventing erosion and sedimentation
- Protecting soil quality, preventing erosion, nutrient degradation, subsidence, and contamination.
- Preventing the development of or sourcing from natural rubber plantations on peat, regardless of depth, extent, or status (wet, drained, or dry).

Productivity

One way to protect the environment is to promote good agricultural practices. The objective is to increase Production Efficiency. Better yields mean better revenues and less agricultural land and less deforestation for that purpose. For that purpose, Cocoasource commit to support training for producers at the base of the shared value chain, including smallholders, to improve yield and quality.

Encouraging productivity is also committed to having everyone involved in the supply chain to minimize rate of energy usage, maximize natural resource efficiency, and calculating, minimizing, and mitigating carbon emissions.

Cocoasource calculate its Scope 1 and Scope 3 emission for each calendar year to report and promote its diminution in the supply chain.

Supply Chain Assessment, Traceability, and Management Applicability

Cocoasource commit to conduct supply chain mapping and assessing suppliers for social and environmental risk to prioritize risk mitigation actions. The objective is to have a 100% of farms mapped. In 2022, it has already been initiated in the cocoa supply chain. Identification of members started, and mapping should follow in the cashew, rubber, and other commodity supply chains.

We Support traceability of natural rubber, at a minimum of national and regional level, to know or control the compliance of purchased materials with GPSNR Policy Framework.

We will keep the traceability documented with the justification for why the targeted level of traceability may not be reached.

Cocoasource will also communicate to all suppliers of natural rubber that material produced and processed in accordance and conformance with the GPSNR Policy Framework will be preferred. Providing time bound requirements for meeting the policy requirements, and ensuring that supplier codes and contracts, engagement activities, and other mechanisms reflect these supplier expectations.

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Cocoasource is engaging the supply chain to support their conformance with company commitments through effective incentives, support mechanisms, and purchase monitoring systems. In instances of supplier non-compliance with the GPSNR policy framework, Cocoasource commits to develop time-bound implementation plans to comply and/or remediate past or current harm.

Multi-stakeholder approach to sustainability

At Cocoasource we believe that some of our industries challenges can only be solve via landscape programs and mutual approaches. Therefore, Cocoasource is involved in several initiatives such as Beyond Chocolate, Swiss Cocoa Platform (SwissCo), World Cocoa Foundation (WCF) and the Global Platform for Sustainable Natural Rubber (GPSNR).

Participating in/supporting multi-stakeholder planning and policy efforts that uphold the various initiatives principles at a landscape, jurisdictional or other spatial level.

Cocoasource count on every stakeholder to facilitate this commitment. Cocoasource will commit to maintain an active, regular stakeholder dialogue to provide relevant information, and to afford opportunities for feedback and suggestions related to fulfilment of the company's commitments.

All documents are made available in the common languages used in Cocoasource geographical scope: English and French. We encourage all stakeholders to adopt the same practices with common languages used by their own direct stakeholders. We recommend getting in contact with Cocoasource if one of the documents needed was not made available in French or English.

Grievance Mechanism

Suppliers must provide workers with transparent, fair, and confidential procedures that result in swift, unbiased, and fair resolution of difficulties which may arise as part of their working relationship. Suppliers must review these reporting procedures periodically.

Cocoasource can share its own internal grievance mechanism to introduce unfamiliar parties with this practice.

The grievance procedures provided must be accessible, culturally appropriate, and include the option to report anonymously where appropriate. Workers who speak up in good faith are protected from retribution, retaliation, and reprisal. Cocoasource is notified if any concerns or violations are reported through the grievance mechanism that are in direct violation of this Supplier Code of Conduct.

Cocoasource established and is maintaining a company grievance mechanism (consistent with UNGP effectiveness criteria and based and adapted from the Accountability Framework) to receive complaints and remedy adverse impacts they have caused due to production and sourcing.

Targets

Cocoasource is willing to set public, timebound and geographic-specific targets and milestones with their associated indicators/metrics for applying its commitments.

Commitments	Details KPIs	by end of 2025	by end of 2030	by end of 2035
Legal Compliance	being up to date regarding latest national regulations in origins we are operating directly or indirectly.			
Healthy, Functioning Ecosystems	Having 100% of traceable product at least to a regional level by end of 2030. Complete traceability to farm gate level by end of 2035.			
Commitment Respecting all Human Rights	Having a CLMRS in place for all supplying group of farmers by end of 2035.			
Commitment Community Livelihoods	Having a yearly report on community projects facilitated and implemented in our supply chain.			
Increased Production Efficiency	Having 100% of farmers trained on Good Agricultural practices in our supply chain by end of 2030.			
Supply Chain Assessment, Traceability, and Management Applicability:	Having all farm plots and plantations mapped by end of 2035.			

Note: As being a trading company, these milestones are highly dependent on market conjuncture and customers' willingness.

Above targets will be embedded into decision-making processes, systems, and performance metrics of corporate management, relevant business units, joint ventures, and company affiliates and subsidiaries.

Date, Revision, and contact

This Code of Conduct has been created in 2019.

Last update on: 17/05/2022

Cocoasource will set annual meeting to monitor progress and respect long-term objectives. Concerned local stakeholders and external parties may be invited if relevant. Cocoasource is publicly reporting on implementation of policy-related commitments on a yearly basis.

For any question, please feel free to contact our sustainability department at: sustainability@cocoasource.ch

Signature and acknowledgement

By signing this document, you are attesting that you have acknowledge, understand, and agreed to work towards compliance with the Cocosource code of conduct.

COMPANY	FULL NAME	POSITION	DATE	SIGNATURE
Cocoasource SA	Martin Rossi	Sustainability Manager	20/01/2023	 COCOASOURCE SA CH-6513 Crêta 80 1618 Châtel-St-Denis Switzerland

References and further reading

Suppliers are encouraged to follow the below references to further enhance compliance with related frameworks. The following references do not constitute additional obligations beyond principles laid out in the above Cocosource Code of Business Conduct.

General

International Labour Organization (ILO): <http://www.ilo.org>

UN Global Compact: The Ten Principles of the Human Global Compact: <https://www.unglobalcompact.org/what-is-gc/mission/principles>

UN Universal Declaration of Human Rights
<https://www.un.org/en/about-us/universal-declaration-of-human-rights>

UN Guiding Principles on Business and Human Rights: [Guiding Principles for Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework | UN Global Compact](#)

Accountability Framework: [Home Accountability Framework \(accountability-framework.org\)](#)

International Finance Cooperation (IFC) Performance standards: [Performance Standards \(ifc.org\)](#)

Ethical Trade Initiative (ETI) base code: [ETI Base Code | Ethical Trading Initiative \(ethicaltrade.org\)](#)

Responsible sourcing tool: <https://www.responsiblesourcingtool.org/>

Verité: <http://www.verite.org/>

Child Safeguarding and Protection

UNICEF:

Child Safeguarding toolkit for business
https://www.unicef.org/csr/files/UNICEF_ChildSafeguardingToolkit_FINAL.PDF

Children’s Rights and business principles (UNICEF/Save the Children/ UN Global Compact)
https://sites.unicef.org/csr/css/PRINCIPLES_23_02_12_FINAL_FOR_PRINTER.pdf

ETI:

Base code clause 4: Child labour shall not be used | Ethical Trading Initiative
https://www.ethicaltrade.org/sites/default/files/shared_resources/eti_base_code_guidance_-_child_labour_web_0.pdf

ILO: No child labour (ILO Convention No. 138 and No. 182)
<https://www.ilo.org/ipecc/facts/ILOconventionsonchildlabour/lang--en/index.htm>

Discrimination

ILO: No discrimination (ILO Convention No. 111 and No. 100)
<https://www.ilo.org/global/topics/equality-and-discrimination/lang--en/index.htm>

ETI: Gender equity in global supply chains
<https://www.ethicaltrade.org/issues/hiv-work>

UN Global Compact:
[Principle 6 | UN Global Compact](#)
[The Labour Principles of the UN Global Compact – A Guide for Business | UN Global Compact](#)

Due Diligence

OECD-FAO Guidance on responsible Agricultural Supply chains
<https://www.oecd.org/daf/inv/investment-policy/rbc-agriculture-supply-chains.htm>

OECD Due Diligence Guidance for Responsible Supply Chains:
<https://www.oecd.org/investment/duo-diligence-guidance-for-responsible-business-conduct.htm>

USDOL Comply Chain: <https://www.dol.gov/ilab/complychain/>

Environment

UN Declaration on the Rights of Indigenous Peoples
<https://www.un.org/development/desa/indigenouspeoples/declaration-on-the-rights-of-indigenous-peoples.html>

Accountability Framework:

[Land management and long-term protection](#)
[Protection of forests and other natural ecosystems](#)
[Land acquisition, land use planning, and site development](#)
[Access to remedy and environmental restoration](#)

Ethics

UN Global Compact: [Anti-Corruption](#)

OECD: DRAFT OUTLINE: [ANTI-CORRUPTION COMPLIANCE HANDBOOK FOR BUSINESS](#)

Forced Labor

ILO:

[No forced labour \(ILO Convention No. 29 and its 2014 Protocol\)](#)
[Forced labour, modern slavery and human trafficking \(Forced labour, modern slavery, and human trafficking\)](#)
[Business and Forced Labour \(ilo.org\)](#)

UN Global Compact: <https://www.unglobalcompact.org/what-is-gc/mission/principles/principle-4>

USDOL: [List of Goods Produced by Child Labor or Forced Labor | U.S. Department of Labor \(dol.gov\)](#)

UK Modern Slavery Act: [Modern Slavery Act 2015 \(legislation.gov.uk\)](#)

US Customs Border Patrol - Trade Facilitation and Trade Enforcement act:
[CBP and the Trade Facilitation and Trade Enforcement Act of 2015 \(TFTEA\) | U.S. Customs and Border](#)

Protection

Verité:

[Forced Labor E-Learning Course \(Free\) \(verite.org\)](#)
[Addressing Forced Labor in the Cocoa Sector in Cote D'Ivoire - Verité \(verite.org\)](#)

Freedom of association

ILO: [Freedom of association and collective bargaining \(ILO Convention No. 87 and No. 98\)](#)

Grievance Mechanisms

ILO: [Factsheet No. 5 – Grievance Handling](#)

ETI: [Access to remedy–Operational Grievance Mechanisms](#)

Health and Safety

ILO: [Occupational Safety and Health \(Occupational Safety and Health\)](#)

IFC: [Environmental, Health, and Safety Guidelines](#)

Rights of Indigenous Peoples and Communities

[UN Declaration on the Rights of Indigenous Peoples](#)