

CAFEA



Supplier Code of Conduct



The CAFEA Code of Conduct for Suppliers (CAFEA Code) establishes standards and guidelines to ensure responsible, sustainable and transparent supply chains. The CAFEA Group is a strong association of traditional companies. CAFEA's subsidiaries are mainly based in Germany (Deutsche Extrakt Kaffee, DEK), but also in Poland, the UK and Belgium. The CAFEA Code defines the social, environmental and economic conditions under which **green coffee, soluble coffee and cocoa powder** is purchased. The aim is to promote fair working conditions, minimise environmental impact and build long-term partnerships with suppliers.

Introduction and general expectations

CAFEA Group is committed to eliminating deforestation and to safeguarding human rights in its supply chains. To achieve these goals, we count on our network of suppliers across the globe to share these commitments and work closely to support our suppliers for them to succeed.

From our company's perspective, a supplier is any natural or legal person who supplies us with green coffee, soluble coffee or cocoa powder– regardless of whether they are direct suppliers, intermediaries or service providers. Suppliers are **key partners** in our value chain and make a significant contribution to the quality, sustainability, reliability and legal certainty of our products and processes.

The CAFEA Supplier code of conduct outlines the minimum requirements of how we expect our suppliers to fulfil sustainability commitments. Our suppliers are expected to commit to and act accordingly. The CAFEA Code is oriented towards the requirements of the Global Coffee Platform's Reference Code for Sustainability and the Accountability Framework Initiative.

We actively seek to select and source from suppliers that comply with these commitments as well as implement their own responsible sourcing policies. Some of our commitments must be managed directly by suppliers that own and control commodity production. When sourcing coffee from intermediaries, those intermediaries are expected to have their own purchase control and supplier management systems to ensure that these commitments are respected by the intermediaries' own direct and indirect suppliers, all the way back to the product's origins.

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We expect our suppliers to communicate the CAFEA Code to affiliates within their corporate group, to employees and to subcontractors. We expect our suppliers to cascade the CAFEA code within their supply chains. Changes to the CAFEA Code will be communicated by the CAFEA group and may result in changes in your documents.

By cooperating in a partnership and accepting orders from the CAFEA Group or one of its subsidiaries, the supplier agrees to comply with this Code.

Supplier requirements

1 Operate according to applicable law and high ethical standards

We require our suppliers to comply with all applicable international, national, state and local laws and regulations in the locations where they operate.

Where applicable law differs from the CAFEA Code, we expect our suppliers to comply with the more stringent requirements.

We also expect suppliers to meet the highest standards of moral and ethical conduct in their businesses. All forms of bribery, extortion, corruption, and fraud are prohibited. Suppliers should disclose to us any existing or potential conflicts of interest.

2 Human rights, prohibition of forced labour and slavery

The supplier undertakes to respect and protect internationally recognised human rights. Any form of slavery forced labour, debt bondage, human trafficking and other slave-like or involuntary working conditions is strictly rejected. This is based in particular on the core labour standards of the International Labour Organisation (ILO), including the prohibition of forced and compulsory labour (ILO Conventions Nos. 29 and 105), the prohibition of child labour (ILO Conventions Nos. 138 and 182), equal treatment and non-discrimination in employment and occupation (ILO Conventions No. 100 and No. 111), and freedom of association and the right to collective bargaining (ILO Conventions No. 87 and No. 98).

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3 No-deforestation

The CAFEA Group is committed to relevant commodity supply chains that are free of deforestation according to the EU Deforestation Regulation EU 2023/1115 (EUDR).

Suppliers shall not conduct, participate in, finance, or otherwise contribute to deforestation or conversion in their own operations or through other business activities. We expect suppliers to have their own policy commitments and effective implementation systems to avoid that coffee or cocoa is linked to deforestation or conversion whatever.

Any deforestation activity will be considered a non-compliance with this code as of the cutoff day 31 December 2020 according to EUDR.

We expect suppliers to conduct or support restoration or compensation to remedy deforestation, conversion, and/or any associated human rights abuse that occurred in their operations or supply chains after this cutoff date 31 December 2020.

4 Site selection and land management

To ensure that forests, other natural ecosystems and cultural values are protected both at the time of establishment of production facilities and during ongoing operations, the CAFEA Group expects its suppliers to comply with the following practices.

- **Site selection:** Prior to acquiring new land for the development or expansion of production or processing facilities, effective due diligence, an environmental impact assessment, participatory land use mapping, stakeholder consultation and site planning must be carried out. If indigenous peoples and local communities may be affected, a free, prior and informed consent (FPIC) process must be carried out.
- **Site management:** Implementation or support of management measures necessary to ensure the long-term protection of forests, natural and cultural values. This applies to production sites within the supplier's control.

As with the entire Code, we expect our suppliers to consider the above elements in their supply chains. Direct and, where possible, indirect suppliers up to the origin of the coffee should be aware of the requirements.

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5 Respect the rights of Indigenous Peoples and local communities

The CAFEA group is committed to respecting the rights of Indigenous Peoples and local communities and to ensuring that any actions potentially affecting these groups are done only with their **free, prior, and informed consent** (FPIC). Therefore, we expect our suppliers to adhere to the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) and to the following.

- Suppliers ensure that prior to acquiring new rights to land or resources and prior to developing or expanding production or processing operations, identify whether, which, and how Indigenous Peoples and local communities have property or use rights in the area.
- Our suppliers see to that prior to any activity that may affect Indigenous Peoples' and local communities' land and resource rights, FPIC is secured. The right of Indigenous Peoples and local communities to give or withhold consent shall be respected. The supplier is responsible for ensuring that the affected Indigenous Peoples and local communities are compensated according to the negotiated outcomes of the FPIC process if activities will impinge on their rights.
- Our supplier provides effective remedy where Indigenous Peoples' and local communities' rights have been adversely impaired. Suppliers that own or manage production areas shall have effective policies and procedures to respect Indigenous Peoples' and local communities' rights, including the above-listed points, and shall develop and implement plans at the operational level that adequately addresses all issues that may arise.

6 Respect workers' rights

The CAFEA group is committed to respecting the rights of all workers in its supply chain, including those employed, contracted, or otherwise engaged directly or indirectly by our suppliers. Suppliers shall manage their operations and supply chains consistent with the Universal Declaration on Human Rights, the ILO fundamental conventions, and all applicable laws.

The obligations resulting from specific workers' rights are outlined below. We request that all these provisions be considered in manuals and employment contracts.

We also encourage suppliers to publish their own workers' rights commitments that mirror the requirements stated here. They can also become **SEDEX members** and demonstrate compliance with human rights standards in their supply chains through regular audits.

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a) NO CHILD LABOUR

Suppliers are responsible for ensuring that workers younger than the legal minimum age (15 in most countries) do not work. When young workers are employed (children above the legal minimum age and under 18 years of age), they must not be required to perform work that is harmful to their mental, physical, social or moral well-being, and the work must not interfere with their school attendance. Child labour does not include children helping their parents on their own farm (ILO 182 and 138).

b) NO FORCED OR COMPULSORY LABOUR; RESPONSIBLE RECRUITMENT

Suppliers are responsible for ensuring they do not directly or indirectly employ forced labour or contribute to forced labour, including human trafficking or debt bondage. CAFEA Group requires that all labour in its supply chain is voluntary and that workers are allowed freedom of movement. Suppliers shall provide all workers with written contracts that describe the terms of employment. Wages shall be paid on time, and personal documents such as passports must not be withheld from workers. These provisions also apply to labour procured through service providers, agents, or other third parties.

c) FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Suppliers are responsible for ensuring that workers can exercise their rights to form, join, or not join trade unions of their own choice, and to collectively bargain without fear of any retaliatory action. In cases where freedom of association is restricted by law, we advocate that alternative forms of worker association and collective bargaining be made possible.

d) NO ABUSIVE PRACTICES and USE OF SECURITY SERVICES

Suppliers may use only legitimate disciplinary actions, and these shall not be applied in a discriminatory manner. Worker performance that triggers disciplinary action, and the actions taken in such cases, shall be detailed in employment contracts and worker handbooks. Security services must not commit human rights violations. They must be selected and deployed in such a way that inappropriate violence, intimidation or inhumane treatment is ruled out and physical integrity is preserved.

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e) NO DISCRIMINATION OR HARASSMENT

All workers must be treated with respect, dignity, and without any form of discrimination or harassment. Workers must not be subject to any physical, sexual, psychological, verbal harassment, abuse, or other forms of intimidation. There should be no discrimination in employment, including hiring, compensation, advancement, discipline, termination, or retirement. Discrimination based on race, ethnicity, age, role, gender, gender identity, colour, religion, country of origin, sexual orientation, marital status, pregnancy, dependents, disability, social class, union membership, or political views is also prohibited. Suppliers should pay particular attention to protecting the rights of workers in vulnerable groups.

f) DECENT WORKING HOURS

Suppliers are expected to, at a minimum, adhere to ILO conventions for working hours (even if these are not specifically for agriculture), which generally require that the regular working schedule consists of no more than an eight-hour workday for no more than six days a week, for a maximum of 48 regular hours per week. With overtime, this may be increased to up to 60 hours per week for limited durations. Workers should have a 30-minute break after six consecutive hours of work, and one day off after six consecutive days of work. All overtime shall be voluntary and remunerated.

g) LIVING WAGE, FAIR BENEFITS, AND LIVING INCOME

Suppliers shall pay at least the legally required minimum wage to all workers. If workers do not currently receive a living wage, suppliers should follow the guidelines provided by the Global Living Wage Coalition to progress towards the payment of a living wage. When sourcing from smallholders or other independent producers, suppliers should pay a living income that is sufficient to afford a decent standard of living for the producers and their families.

h) SAFE AND HEALTHY WORKPLACES

All workers must be provided with safe and healthy working conditions, including use of personal protective equipment, tools, and machinery that are well maintained and fit for purpose, availability of first aid, and access to potable water and clean toilet

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facilities.

7 Pest and Weed Management

The supplier shall implement an integrated pest and weed management in its supply chain that minimises the use of pesticides and thereby protects human and animal health as well as the environment in a sustainable manner. The use of agrochemicals meets all relevant legal requirements, including national and international treaties on highly hazardous and banned pesticides. Prohibited pesticides must not be used. Pesticides mentioned in the Prohibited List are not used. This includes:

- Listed pesticides under the Stockholm Convention, Rotterdam Convention or Montreal Protocol, or pesticides meeting the criteria of the above Conventions and are recommended for inclusion by the Conventions respective Chemical Review Committee.

8 Climate Change

Suppliers should draw up a greenhouse gas balance sheet to systematically record the emissions generated in coffee or cocoa cultivation and create a sound basis for measures to reduce emissions. Suppliers are required to identify measures to adapt climate change in their supply chain. They should promote Good Agriculture Practice, on-farm shade management, increased tree cover, agroforestry, irrigation, new plant varieties and diversification.

9 Pollution

The supplier undertakes to avoid harmful environmental pollution. This includes harmful soil changes, water and air pollution, and harmful noise emissions, insofar as these significantly impair human health or natural resources. In addition, the following international environmental agreements must be complied with:

- **Minamata Convention** (mercury): Prohibition of the manufacture, use, import and export of mercury-containing products, as well as the safe handling and environmentally sound disposal of mercury.
- **Stockholm Convention** (POP Convention): Prohibition or restriction of the production and use of persistent organic pollutants and their environmentally sound disposal.

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- **Basel Convention** (hazardous waste): Prohibition of the illegal import and export of hazardous waste and its proper treatment and disposal. Waste, emissions and hazardous substances must be handled professionally, and natural resources must be used sparingly.

10 Grievance mechanism and protection for environmental and human rights defenders

The CAFEA Group expects suppliers to provide grievance mechanisms that are transparent, responsive, anonymous, unbiased, and confidential to workers and other parties across the supply chain. Grievance mechanisms should be established and operated in accordance with the Effectiveness Criteria of the UN Guiding Principles on Business and Human Rights.

The CAFEA Group shall be notified when any grievances are filed that raise concerns or problems that could possibly violate this Code.

Workers may also report violations and concerns directly to the CAFEA Group through our own grievance mechanism, accessible via our website [SPEAK UP.](#)

11 Management systems

Suppliers are expected to develop and implement adequate and effective management systems, policies, procedures, and training to ensure ongoing compliance with the Code regarding their own operations and supply base.

This includes:

- risk assessments and traceability measures if the supplier sources from other suppliers
- due diligence on their own operations, on tier one suppliers, and if possible, on sub-suppliers to verify compliance with this Code
- training for workers on all aspects of this Code that are relevant to each worker's job
- procedures for identifying non-compliance with this Code, also by examining filed grievances
- monitoring, verification, and reporting systems covering the supplier's own operations and third-party supply, as necessary to ensure adherence to the Code
- identification of tools, methodologies, or partnerships used by the supplier to help

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fulfil the Code such as the use of certification

12 Monitoring and information provision

We expect suppliers to provide us with the information we need to monitor compliance and demonstrate progress towards meeting our deforestation-free and ethical supply chain commitments. This includes:

- Information on the origin of the products provided by the supplier, including maps and information on the origin of purchased supplies based on sufficiently detailed mapping of the supply chain and traceability in accordance with the requirements of the EUDR
- Risk assessments identifying the risk of non-compliance with the environmental, human rights and legality requirements of this Code, broken down by origin, direct or indirect supplier or other relevant factors, whether precise or not

13 Quality assurance, non-compliance, and response

CAFEA Group will monitor compliance by reviewing the sources of information described above as well as through:

- supplier self-assessments.
- announced and unannounced audits.
- Complaints that have been submitted through the supplier's complaint procedure or our grievance mechanism [SPEAK UP via Ear4U](#).

If there are known breaches to this Code, then the supplier is expected to share them with the CAFEA Group grievance mechanism [SPEAK UP](#). The cases will be handled confidentially.

In the event of such self-reported violations or if CAFEA GROUP identifies violations in any other way, the supplier will be requested to take immediate corrective action and, if necessary, develop and implement longer-term improvement plans to address more complex or deep-rooted issues. If suppliers fail to implement the necessary corrective measures and comply with the improvement plans, CAFEA Group reserves the right to suspend purchases.

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14 Support to suppliers

CAFEA Group will work with suppliers to ensure that they fully understand the intent and requirements of the Code. CAFEA Group also works proactively with peer companies, NGOs, and government stakeholders to support the capacity of our suppliers to meet our responsible supply chain commitments.

Declaration of commitment

By accepting this document, the supplier confirms that they have read, understood and taken note of the contents of the CAFEA Code of Conduct. They undertake to comply with the requirements contained herein and to ensure that their own subcontractors also act accordingly.

The supplier also agrees to disclose information requested by CAFEA and to cooperate with CAFEA to ensure compliance with the CAFEA Supplier Code of Conduct.