

# Ethical Sourcing Policy



Every day, thousands of farmers and workers around the globe are involved in producing organic ingredients. Tradin Organic is a global company in the organic food industry and with that, takes responsibility for 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 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 Tradin Organic must 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

Tradin Organic wants to ensure that throughout the value chains – from farm to factory to office – **everyone works under fair conditions**. We commit to the [ILO Declaration on Fundamental Principles and Rights at Work](#) and [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 pricing, living wage and living income (reference) pricing. Through technical assistance projects, like our Child Protection Program in Sierra Leone, we build awareness, support systems and mechanisms to protect the rights of the communities we source from. By pre-financing and unlocking funding for local producers, we help set up safe, fair and sustainable processing in countries of origin.

By 2030, Tradin Organic aims to ensure that 100% of its high-risk Tier-1 suppliers are audited against human rights and environmental management requirements.

## OUR APPROACH

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 suppliers **with inherent risk** (A), Tradin Organic requires transparency and assurance in a way that we deem appropriate to the situation:

#### Direct

- **Tradin-owned processing facilities** with inherent risk (A) are third-party certified or audited (B) on ethical conduct. We openly share certification and audit reports with interested stakeholders and are member of the SEDEX platform, where we exchange Self-Assessment Questionnaires for all processing sites (also with low-risk) and audit reports with clients.
- Where we work with **farmers directly**, we support them on social certification where possible and/or monitor social circumstances through our Internal Control System and internal inspections.

#### Indirect

- All our suppliers (Tier 1) fill out our Sustainability Questionnaire through our Vendor Approval Process. If they are already a member of the Sedex platform, we request a link with us so we can access their Self-Assessment Questionnaire (SAQ) and, if performed, SMETA audit reports. If after assessing these various information sources we identify remaining risk, we require additional assurance. This assurance can either be provided in the form of a recognized third party **certification** (B), or achieved by allowing Tradin Organic trained staff to perform a **verification** check.
- 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 **publicly report** progress on the audited 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 the [Sedex Platform](#) to continuously assess social and environmental risks and impacts in our supply chains. We use the Pre-assessment, Country/region and sector risk to identify the inherent risks per supplier (determined by a multitude of information sources) and where available the site-specific risks (based on a supplier's SAQs and SMETA audit reports, if they are active on the Sedex Platform. We do not accept suppliers that have any business critical non-conformities, or over 5 critical and 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). We supplement these insights with our Sustainability Questionnaire, part of our mandator Vendor Approval Process and observations from our (local) staff.

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

\* 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 [sustainability@tradinorganic.com](mailto:sustainability@tradinorganic.com)