

HOW TO

# Write a strong ethical supply chain policy

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This user guide explains how companies can apply the Accountability Framework to develop or refresh an ethical supply chain policy to protect natural ecosystems and respect human rights. It also includes a sample company policy and a sample supplier code, which companies may reference or adapt as they develop their own policies and codes.



Accountability  
Framework

Delivering on  
ethical supply chain  
commitments

Find out more here:  
[Set or strengthen supply chain goals](#)

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DISCLAIMER: This work product is intended to be advisory only and is not intended to serve as a legal opinion or legal advice on the matters treated. The reader is encouraged to engage counsel to the extent required.

This user guide is provided by the Accountability Framework initiative (AFi) to help companies and other users apply the Accountability Framework. Its contents are based on the full Accountability Framework version 1.0 (released in June 2019), which was created through a consultative process following applicable good practices for multi-stakeholder initiatives and which represents the consensus of the AFi Steering Group members that participated in its development. Current AFi Steering Group members (as of the publication date) include:

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### Steering Group

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For more information on the AFi's governance and a full list of partners, please visit [www.accountability-framework.org](http://www.accountability-framework.org).

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# Overview

When developing an ethical supply chain policy, companies are faced with an array of considerations and are often asked to address a wide range of stakeholder interests. The Accountability Framework helps cut through this complexity by providing a single integrated source of information that is applicable to all agricultural and forestry commodities. The Framework's norms, guidance, and definitions reflect the consensus of diverse NGOs and incorporate key international norms as well as stakeholder and market expectations.

All companies that produce, source, or finance agricultural or forestry commodities will find value in having written policy commitments in place – no matter where the company stands on its journey toward ethical supply chains. A published policy serves to:

- clearly articulate sustainability goals to the company's business partners, investors, lenders, and stakeholders;
- clarify the company's expectations for its suppliers;
- support accountability and tracking of progress toward goals; and
- support constructive engagement with stakeholders.

Policies can include present ways of doing business as well as forward-looking goals. In this regard, it is to be expected that some policy commitments or goals will take time to fully achieve. Rather than feel overwhelmed by today's challenges, it is important for companies to identify end-goals that reflect the full sustainability ambitions of their own organizations, business partners, and stakeholders. Once a company has established its supply chain policies, the mechanisms to fulfill them can be elaborated in greater detail. The Accountability Framework provides guidance on all key aspects of implementation, monitoring, and reporting for ethical supply chains.

# This guide lays out five steps for developing an ethical supply chain policy rooted in the Accountability Framework:

- 1 → Learn and assess
- 2 → Frame the policy in its context
- 3 → Specify the scope of the policy
- 4 → State supply chain commitments, targets, and milestones
- 5 → Describe implementation mechanisms

While the Framework provides a common set of elements to include in an ethical supply chain policy, it does not prescribe a specific structure or format. For illustrative purposes, Annex 1 provides a sample policy that is based on the five-step process and incorporates the elements of the Accountability Framework. Users of this guide should feel free to follow or adapt the structure of this sample policy, or to use a different structure that is suited to the nature and context of their business.

Along with using this guide, to develop tailored policies based on detailed analysis of their business and its context, companies may wish to seek the support of a service provider whose approach and advice are aligned with the Accountability Framework.

# Step 1:

## Learn and assess

Prior to developing or refreshing supply chain policies, it is important to understand the starting point, context, and objectives for the company's efforts to address issues of deforestation, conversion, and human rights in its supply chains. This initial step should include a compilation and analysis of key **existing conditions**, **internal perspectives**, and **external perspectives** relevant to the policy.

### Self-assessment Tool



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### Existing conditions

- Gather and review all existing, related company commitments, policies, position statements, procedures, and other material related to responsible commodity production and sourcing commitments.
- If the company already has supply chain policies on deforestation, conversion, and/or human rights, use the AFi [self-assessment tool](#) to benchmark these policies against Accountability Framework Core Principles 1-3.
- Document key characteristics of the company's supply chain (including commodities sourced, volumes purchased, countries of origins, and major suppliers) and conduct an initial assessment of the actual or potential risks of deforestation, conversion, and human rights abuses associated with these product origins. At this initial stage, even a country-level risk assessment can be useful, although more detailed information is preferable, if available.

### Internal perspectives

- Internal SWOT: assess internal strengths, weaknesses, opportunities, and threats that might affect the company's ability to successfully implement a policy on deforestation, conversion, and human rights for its own operations and supply chains.
- Identify key company values, goals, and initiatives that might inform the company's supply chain policies for agricultural and forestry commodities.
- Consult company employees from different departments (e.g., procurement, sustainability, health and safety, compliance, and external relations) and management levels to gain input and build support for the policy and its implementation.

### **External perspectives**

- Identify key external norms, standards, and regulatory requirements that affect the company's obligations related to deforestation, conversion, and human rights.
- Consult external stakeholders and business partners.
- Review the Accountability Framework's Core Principles 1-3 and associated guidance related to setting commitments (see references under Step 4, below).
- Read about what peer companies are doing and review the content and structure of their policies.

# Step 2:

## Frame the policy in its context

Based on the initial scoping in Step 1, the company should use the most relevant information from this scoping process to frame the context for its policy. This should typically include:

- A summary of the key environmental and social risks and/or impacts related to the commodity supply chains that the policy aims to address
- An overview of the company's core values, ambitions, and desired outcomes related to ethical supply chains; these may be framed in terms of key safeguards (e.g., no forced labor) and/or broader and more holistic aims (e.g., net positive impact on forest conservation) that communicate the societal value the company seeks to deliver
- Identification of the external norms (e.g., international conventions, laws, standards, frameworks, and other instruments) that the policy aligns with or incorporates

The AFi encourages companies to include a reference to the Accountability Framework when the Framework has been used to guide policy development or supply chain practices. The AFi policy on communications and [claims](#) provides guidelines for referencing the Framework in policies and other materials; companies can also [contact the AFi](#) for additional support.



**Box 1****Credibly referencing external norms in your policy**

Companies are encouraged to identify the external norms and obligations that their policies incorporate, reference, and seek to implement. To align with the Accountability Framework, companies should carry out operations consistent with several international instruments, including the UN Guiding Principles for Business and Human Rights (UNGPs), the UN Declaration on the Rights of Indigenous Peoples (UNDRIP), the Universal Declaration on Human Rights, the International Bill on Human Rights, and the ILO fundamental conventions.

The policy document should clearly present the relationship between the company's policy and each external reference. For example:

- **In compliance** or **in conformance** means that the company intends to adhere fully to the requirements or specifications of the referenced initiative
- **Follows** or **aligns** means that the policy is consistent with the intent of the referenced initiative
- **Builds off** or **uses as a foundation** means that the policy was informed by the referenced initiative

# Step 3:

## Specify the scope of the policy

The policy should clearly specify the scope to which it applies.

### Related Core Principle



3

Specification of Commitments

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The AFi advocates for companies to have commitments and policies that:

- apply across all segments of the company's business for which agricultural and forestry commodities pose environmental or social risks, including all sourcing origins that pose risks (see Core Principle 3.1)
- apply to all supplies, including those produced in the company's own operations and those sourced from direct and indirect suppliers
- apply to all activities that finance or support commodity production, processing, and associated infrastructure

If the policy does not cover this full scope, then it should clearly specify which business units, markets, commodities, and sourcing regions are covered and which are excluded. Rationale for the exclusions should also be provided.

Companies that produce or source multiple commodities may wish to have a company-wide ("umbrella") policy that covers the full scope of raw material production and sourcing. This can provide consistency and clarity for the purposes of implementation, reporting, and stakeholder communication. Umbrella policies can be complemented with context-specific policies or action plans (with commitments, targets, and milestones) that provide additional detail for specific commodities or origins.

# Step 4:

## State supply chain commitments, targets, and milestones

Policies should include specific commitments or goals to address the environmental and social risks associated with the company's operations, supply chains, and financing activities.

The Accountability Framework's Core Principles 1-3 specify commitment elements that should be included to address deforestation, conversion, and human rights. These principles apply to all companies, regardless of their role(s) in the supply chain. To be fully aligned with the Framework, policies must incorporate all elements from these three Core Principles, which are summarized below. Companies also can use the AFI's [self-assessment tool](#) as an element-by-element guide to benchmark existing policies against the Accountability Framework or as a reference to design new policies.

In addition to specifying the company's commitment(s) or end-goal(s) for each topic, the policy should also include time-bound targets and milestones, to the extent that commitments are not already fully met at the time the policy is issued.<sup>1</sup> Targets and milestones should be specific and able to be objectively verified, which supports clear accountability and stakeholder communication about progress. Specification of targets and milestones should consider the following points:

- Different targets and milestones can be elaborated for different commodities and/or sourcing regions. Companies may therefore choose to specify these in commodity-specific policies rather than in a company-wide umbrella policy.

<sup>1</sup> A target date is the date by which a company intends to have fully implemented or achieved its commitment (or a particular aspect of it). Milestones are dates prior to the target date by which specific levels of progress toward the commitment are expected to be achieved.

- Targets and milestones may need to be informed by more detailed supply chain mapping, risk assessment, and prioritization of action, which is sometimes initiated after high-level policy goals are established. In this scenario, the company can publish its end-goals and broad targets as part of its high-level policy and add more context-specific targets and interim milestones once the analysis needed to develop these has been carried out.
- Targets are typically quantitative measures of performance or compliance (e.g., 100% of palm oil is verified to be deforestation-free) whereas milestones can be either quantitative progress levels toward these targets (e.g., 80% of palm oil is verified to be deforestation-free within two years) or qualitative indicators of systems or practices enacted to help meet the target (e.g., traceability system established for all Indonesia-sourced palm oil).

### Related Core Principle



Protection of forests and other natural ecosystems

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## Commitment to no-deforestation

Core Principles [1.1](#) and [3.2](#)

The policy should include a no-deforestation commitment specifying that the company’s production, sourcing, and financial investments will not cause or contribute to the loss of natural forests. This commitment should include the following five features.

1. **Clearly specify the intended outcome of no-deforestation.** The commitment should clearly state the outcome that will signify its fulfilment. Acceptable examples include “eliminate deforestation,” “achieve no-deforestation across all our supply chains,” or “production and sourcing does not contribute to deforestation.” Avoid language that is aspirational or unspecific (e.g., “we will strive to eliminate deforestation”) or that suggests an improvement process without a specific outcome or end-goal (e.g., “we will progressively reduce deforestation”). Details on improvement processes are usually better placed in the company’s action plans, which serve to elaborate the means to fulfill the commitment.
2. **Include the definition of no-deforestation.** The definition should be aligned with the Accountability Framework’s definition of no-deforestation and incorporate the associated definitions of deforestation and natural forest. This means that the company can adopt the Framework’s definitions directly or use ones that are comparable and aligned. See the [Operational Guidance on Applying the Definitions Related to Deforestation, Conversion, and Protection of Ecosystems](#) for more information. The relevant definitions can be included in the body of the policy or in a footnote, glossary, or elsewhere, as long as it is evident that these definitions are part of the policy and that this information is clear and readily accessible to company personnel, suppliers and business partners, and other stakeholders.

3. **Set and state a cutoff date.** The policy should clearly state the cutoff date<sup>2</sup> (or dates, if it is necessary to have different dates for different commodities or contexts). Guidance on selecting suitable cutoff dates is provided in the [Operational Guidance on Cutoff Dates](#).
4. **Include a commitment to long-term protection.** The policy should commit to taking appropriate measures to support the long-term protection of natural forests in the company's operations or area of influence, including protection of these forests' conservation and cultural values.
5. **Include a commitment to restoration/compensation where necessary.** The policy should commit to conducting or supporting restoration or compensation in cases where the company has caused or contributed to deforestation after the cutoff date.

## Commitment to no-conversion

Core Principles [1.2](#) and [3.2](#)

The policy should include a no-conversion commitment specifying that the company's production, sourcing, and financial investments will not cause or contribute to the loss of other natural ecosystems, as defined in the Accountability Framework (this includes savannahs, wetlands, peatlands, grasslands, etc.). The commitment should include the same five features described above for the no-deforestation commitment.

Companies may wish to establish separate no-deforestation and no-conversion commitments. Alternatively, if the company has a robust no-conversion commitment that addresses natural forests (which are a subset of all natural ecosystems), then a separate no-deforestation commitment may not be necessary.

<sup>2</sup>The cutoff date is the date after which deforestation or conversion renders a given area or production unit non-compliant with a no-deforestation or no-conversion commitment.

## Related Core Principle



2

Respect for human rights

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## Commitment to respect human rights

Core Principles [2.1](#) and [3.2](#)

The policy should clearly state a commitment to respect human rights in all the company's production, sourcing, and financial investments. This commitment should align with the international human rights instruments listed in Box 1.

Some companies choose to address human rights (and particularly labor rights) in a separate human rights policy that is distinct from policies on deforestation, conversion, or other topics. While this is generally acceptable, it is recommended to include at least land rights in the same policy that includes commitments to no-deforestation and no-conversion. Because land-use change for commodity production often affects both ecosystems and land rights, it is important to address these issues in an integrative manner.

Human rights policies should also include a commitment to the following specific processes and elements, which are generally considered important, if not essential, to ensure respect for human rights in a business context:

- human rights due diligence
- stakeholder engagement
- company grievance mechanism
- remediation in cases when the company has caused or contributed to negative impacts to human rights
- protection for whistleblowers and environmental and human rights defenders

While human rights are considered inalienable for all persons at all times, in some cases it may not be possible for a company to fully comply with its human rights commitments immediately across its entire business. When it is necessary to achieve human rights commitments over time (e.g., when the company is not the cause of the violation, is not fully in control of it, and therefore cannot immediately stop it), it may be appropriate for the human rights policy or its associated action plans to specify time-bound targets and milestones for fully achieving human rights commitments. If these targets and milestones are associated with specific commodities or contexts, companies may choose to include them in commodity-specific policies or action plans rather than in a company-wide umbrella policy.

In addition to a general commitment to respect human rights, the company's policy or policies should elaborate specific commitments related to the rights of indigenous peoples and local communities (IP/LC) and workers.

### **Commitment to respect IP/LC rights**

Core Principle **2.2**

The policy should clearly state a commitment to respect the rights of indigenous peoples and local communities. This policy should:

- be consistent with the UN Declaration on the Rights of Indigenous Peoples
- include a commitment to secure free, prior and informed consent (FPIC) prior to any activity that may affect IP/LC rights, land, resources, territories, livelihoods, or food security
- commit to remediation in cases where the company has caused or contributed to adverse impacts to IP/LC rights

### **Commitment to respect workers' rights**

Core Principle **2.3**

The policy should clearly state a commitment to respect the internationally-recognized rights of all workers.<sup>3</sup> The policy should specify at least the eight workers' rights identified in Core Principle 2.3 and further defined in the [AFi Definitions](#):

- no child labour
- no forced or compulsory labour
- freedom of association and collective bargaining
- no discrimination
- no abusive practices or undue disciplinary procedures
- legal and decent working hours
- safe and healthy workplaces
- living wages and fair benefits

<sup>3</sup>This includes employees, contractors, temporary, seasonal, part-time, and other workers throughout all levels of the supply chain, and must apply equally for all persons regardless of gender or other characteristics.

## Commitments to other sustainability goals

In addition to the protection of forests, other natural ecosystems, and human rights, there are often other important sustainability issues related to the production and trade of agricultural and forestry commodities. While such additional issues are beyond the scope of the Accountability Framework, companies are encouraged to analyze the need to incorporate additional topics into their commitments and policies. Some topics may be material for all of commodities in a company's supply chain while others may be most relevant for specific commodities or contexts. Other key sustainability issues linked to agriculture and forestry may include:

- greenhouse gas emissions<sup>4</sup>
- biodiversity<sup>5</sup>
- use of toxic chemicals
- stewardship of water or soil resources
- gender equity
- poverty alleviation and livelihood improvement
- use of virgin materials vs. recycled materials or waste feedstocks (e.g., for paper or biofuel manufacture)

<sup>4</sup>GHG emissions related to land-use change (i.e., deforestation and conversion) can usually be effectively addressed through commitments to no-deforestation and no-conversion. The AFi is developing further guidance on how companies can incorporate progress toward or fulfillment of no-deforestation and no-conversion supply chains into their reporting about GHG footprint related to land-use change.

<sup>5</sup> A key component of biodiversity-friendly business is no-deforestation and no-conversion supply chains, as well as effective land management and restoration (when needed), as elaborated in the Accountability Framework's Core Principles 8 and 9. Some companies may wish to go beyond these measures to address specific biodiversity conservation risks and opportunities related to their business.



# Step 5:

## Describe implementation mechanisms

Strong commitments to protect natural ecosystems and safeguard human rights sometimes fall short in achieving their goals because they are not complemented by effective systems and practices to effectively implement and monitor these commitments. Companies should therefore publicly identify the main mechanisms that they intend to use to fulfill their commitments.

Implementation mechanisms can be specified within the company's high-level policies and commitments, in more detailed action plans (e.g., for specific commodities) and/or through the company's reporting and disclosure documentation. For instance, some companies choose to include commitments to specific implementation mechanisms (e.g., certification) in their high-level policies while others elaborate such detail elsewhere. Either approach is acceptable as long as the company's implementation systems and practices are presented clearly, publicly, and in adequate detail for the company's stakeholders and business partners. Sources of information on implementation mechanisms should be referenced from the company's supply chain policies.

### Company implementation systems and practices

Accountability Framework Core Principles 4-12 outline key systems and practices for implementing commitments and monitoring and reporting progress toward them. These include:

- Assessment of risk and traceability to known sources, with time-bound targets for achieving specific levels of traceability
- Supplier engagement strategies and policies for addressing non-compliant suppliers
- Responsible practice for site establishment and operation of farms, plantations, and concessions
- Independent verification, including the role of third-party verification

- Transparency in public disclosure of information related to supply base, suppliers, grievances, and non-compliances
- Public reporting, including the frequency and type of information and how it will be disclosed

For a more detailed checklist of potential implementation systems and practices, see Table 1 of the [Operational Guidance on Reporting, Disclosure, and Claims](#).

### External tools, partnerships, or initiatives

Companies may also include details on the specific external tools, partnerships, or initiatives that they intend to use, or in which they intend to participate, to help fulfill their commitments. These may include, for instance:

- certification systems
- specific implementation methodologies such as the High Carbon Stock Approach (HCSA) and High Conservation Value (HCV) approach
- collaboration with specific service providers or implementation-focused NGOs
- participation in sector-focused sustainability initiatives or roundtables
- participation in landscape or jurisdictional initiatives in areas where the company has operations or suppliers

The company should clearly distinguish its normative commitments to no-deforestation, no-conversion, and human rights (which are expected to be long-lasting) from its specific implementation mechanisms (which the company might choose to adjust over time as needs and conditions dictate). This facilitates comparability and standardization across different companies and supply chains. It also helps the company communicate its deep-seated commitments to achieving key environmental and human rights outcomes while retaining flexibility to adjust implementation mechanisms over time.

# Annex 1:

## Sample company-wide “umbrella” policy

This annex provides a sample of a company-wide policy on deforestation, conversion, and human rights that aligns with the Accountability Framework and is based on the policy-setting process outlined in this guide.

The sample policy itself is in the left column while the right column contains explanatory notes.

### AmazingCompany’s Ethical Supply Chain Policy

Protection of forests and other natural ecosystems is critical for maintaining biodiversity, combating climate change, and sustaining livelihoods. The raw materials that AmazingCompany sources – including palm oil, soy, and cocoa – can pose risks for deforestation and human rights violations. As part of our overall sustainability goals, AmazingCompany is committed to eliminating deforestation and ecosystem conversion from our supply chains and to safeguarding human rights across all our operations and suppliers. This policy outlines our commitment to achieve ethical supply chains across all our production and sourcing.

This policy aligns with the principles and guidelines laid out in the UN Global Compact, the UN Guiding Principles for Business and Human Rights, the International Bill on Human Rights, and the ILO fundamental conventions. The policy also follows the Accountability Framework and incorporates many of its terms and definitions to help clarify the intentions of these commitments and promote alignment in sustainability practices across the sectors where we operate.

This introduction frames the policy in its context according to Step 2.

This paragraph cites the key external norms that the policy aligns with or incorporates.

## Scope

The provisions in this policy apply to:

- all commodities that AmazingCompany produces or sources that pose a material risk for deforestation, conversion, or human rights violations, namely palm oil, soy, and cocoa
- all AmazingCompany operations globally, including those of our subsidiaries, mills, and plantations we own or manage
- all suppliers, including direct and indirect suppliers
- This company-wide policy is supplemented by the following policies, which include time-bound milestones and action plans for achieving the commitments stated in this policy.
- Policy on responsible soy
- Policy on responsible palm oil
- Policy on responsible cocoa
- Policy on human rights (workers' rights)

To fulfill this policy across our entire business, we require our suppliers to adhere to our Supplier Code, which serves as the basis for how we evaluate and help our suppliers progress toward, and comply with, the commitments stated in this policy. We will only source from suppliers that adhere to this code.

## Policy commitments

AmazingCompany is committed to eliminating deforestation and conversion of other natural ecosystems, and to safeguarding human rights, in all our supply chains. We will work within our own operations and through our suppliers to achieve the following results.

### Protection of forests and natural ecosystems

This includes:

- No deforestation of natural forests, including High Carbon Stock forests
- No conversion of other natural ecosystems, including peatlands of any depth
- Protection of natural forests and ecosystems within our area of influence

These commitments are based on the Accountability Framework definitions of deforestation, natural forest, conversion, and natural ecosystem. Additionally:

This section specifies the scope of the policy according to Step 3. Since AmazingCompany has also developed specific policies for each of its commodities and for workers' rights, this section also references these complementary policies.

This reference to the Supplier Code emphasizes that the company intends to fulfill its commitments across its entire supply base, not just in its own operations.

Following Step 4, this section states the company's policy commitments to no-deforestation, no-conversion, and human rights, in accordance with good practice detailed in the Accountability Framework.

Clear definitions are provided and aligned with the Accountability Framework.

- The cutoff date after which deforestation or conversion is considered non-compliant with this policy is January 1, 2018.
- Target dates for the fulfillment of this commitment are specified per commodity in our Soy Action Plan, Palm Oil Action Plan, and Cocoa Action Plan.
- Where applicable, we will use the High Carbon Stock Approach (HCSA) to guide site planning that protects natural forests and other natural ecosystems.

### Respect for human rights

We commit to operate our business consistent with the UN Guiding Principles on Business and Human Rights (UNGPs) and the Universal Declaration on Human Rights, particularly regarding avoidance, prevention, and mitigation of human rights impacts. We conduct human rights due diligence on an ongoing basis to identify, address, and monitor actual or potential human rights impacts in our operations and supply chains.

### Respect for the rights of indigenous peoples and local communities

To respect the rights of indigenous peoples and local communities (IP/LC), the following approach will be implemented directly in our own operations and through our Supplier Code for materials that we purchase:

- Carry out operations consistent with the UN Declaration on the Rights of Indigenous Peoples (UNDRIP)
- Respect the rights of IP/LC
- Conduct a process of free, prior, and informed consent (FPIC) prior to any activities that might affect the rights of IP/LC, and adhere to the outcomes of this process
- Provide remediation to IP/LC when activities have negatively impacted their rights

### Respect for workers' rights

AmazingCompany commits to full respect for workers' rights in conformance with the fundamental conventions of the International Labour Organization (ILO) and applicable law on workers' rights. This includes:

- a. no child labour
- b. no forced or compulsory labour
- c. freedom of association and collective bargaining
- d. no discrimination
- e. no abusive practices or undue disciplinary procedures
- f. legal and decent working hours
- g. safe and healthy workplaces
- h. living wages and fair benefits

The company chooses to identify a specific implementation tool that it plans to use routinely (HCSA). This is appropriately mentioned in addition to (not in lieu of) the company's normative commitment to no-deforestation.

To clarify the intention of this section of the policy, the Accountability Framework definitions are referenced. These definitions are based on widely-accepted international norms. It would also be acceptable to reference similar definitions from other sources that are clear, specific, and aligned with the Framework and its underlying normative references, such as the ILO fundamental conventions.

We adopt the Accountability Framework Definitions of each of these eight commitments and provide further detail in our Policy on Human Rights and our Supplier Code.

### **Stakeholder engagement**

AmazingCompany is committed to active and meaningful stakeholder engagement, and to participating in multi-stakeholder forums that advance shared goals for sustainable supply chains.

Our Stakeholder Advisory Committee has been established to provide guidance on the development and implementation of the environmental and human rights commitments stated in this policy, including our handling of complaints and grievances.

### **Grievance mechanisms**

AmazingCompany operates a transparent, responsive company grievance mechanism for all stakeholders (including employees, suppliers, communities, and others) to report concerns, complaints, grievances, and breaches to this policy. The grievance mechanism follows the Effectiveness Criteria of the UN Guiding Principles on Business and Human Rights. Our grievance mechanism is accessible on our website [\[link\]](#), along with a dashboard of grievances and their status.

### **Protection for whistleblowers and environmental and human rights defenders**

Protection of environmental and human rights defenders, whistleblowers, complainants, and community representatives is a core value that we follow in all our operations. Our Policy on Environmental and Human Rights Defenders (EHRD) details the procedures in place to accept complaints and protect EHRDs against threats, intimidation, and reprisal. The EHRD policy follows the guidance of the Accountability Framework and is aligned with the UN Declaration on Human Rights Defenders, the Universal Declaration of Human Rights, and other relevant conventions and frameworks.

### **Remediation**

AmazingCompany commits to remediation in cases where we have caused or contributed to deforestation, conversion of other natural ecosystems, or human rights abuses as defined in this policy. Resolution will be based on mutually agreed, open, transparent and consultative processes.

Consistent with Step 4, the policy includes a commitment to four key elements that are generally considered important to ensure respect for human rights in a business context.

## Implementation

To implement and demonstrate progress toward our commitments, AmazingCompany further commits to:

- **Traceability:** We will map our supply chain to trace raw material to a point where compliance can be known.
- **Risk assessment:** We will assess deforestation, conversion, and human rights risks within supply chains and prioritize interventions in areas or with suppliers that are not low-risk.
- **Supplier engagement:** We will work with our suppliers to address, prevent, mitigate, and where necessary remedy, environmental and social harms that violate this policy. Through our Supplier Engagement Program, we will provide trainings, technical assistance, and other incentives to support compliance while at the same time improving local livelihoods.
- **Monitoring:** We will establish a monitoring mechanism to track implementation and results.
- **Reporting and communication:** On an annual basis, we will transparently share progress toward meeting our policy commitments following the reporting guidance of the Accountability Framework.

More information on implementation mechanisms specific to each of our main supply chains is provided in AmazingCompany's actions plans for soy, palm oil, and cocoa.

In addition to our company-level systems and practices, we partner with others to increase the effectiveness of our actions and accelerate progress toward achieving our goals of halting deforestation and conversion and protecting human rights. We participate in:

- The New York Declaration on Forests (NYDF)
- The Consumer Goods Forum Forest Positive Coalition of Action
- The Cocoa & Forests Initiative
- The Cerrado Working Group (GTC)

As described in Step 5, it is important for companies to publicly identify the main mechanisms that they intend to use to fulfill their commitments. In this case, the company has chosen to provide an overview of several key implementation processes and partnerships within the umbrella policy while referring stakeholders to commodity-specific action plans for further detail.

According to Step 5, the company cites its affiliations and partnerships as implementation mechanisms in support of its normative commitments.

# Annex 2:

## Sample supplier code

This annex provides a sample of a supplier code for a commodity-buying company to manage compliance of its suppliers with the supply chain policy presented in Annex 1. Note that this sample code addresses only the topics and sourcing practices covered by the sample supply chain policy. It does not include other elements that would often be found in a supplier code, such as no-corruption, bribery, or money laundering; avoidance of conflicts of interest; no anti-trust violations; and confidentiality of proprietary information.

The sample code itself is in the left column while the right column contains explanatory notes.

### AmazingCompany’s Supplier Code

AmazingCompany is committed to eliminating deforestation and conversion and to safeguarding human rights in all its supply chains. To advance these goals, we count on our network of suppliers across the globe to share in these commitments, and we work closely with our suppliers to achieve them. This Supplier Code outlines how we expect our suppliers to fulfill the commitments stated in our Ethical Supply Chain Policy and in our policies on responsible soy, palm oil, and cocoa.

We define “supplier” as any third party that provides agricultural or forest commodities (either as raw material, semi-finished, or finished product) to AmazingCompany for compensation. This includes, but is not limited to, our direct and indirect suppliers, co-manufacturers and co-packers, labor providers (including third-party recruiters), and sub-contractors. Some of our commitments – including protection of forests, other natural ecosystems, and rights of indigenous peoples and local communities – must be implemented most directly by suppliers that own, control, or manage raw material production. When we purchase materials from intermediaries, those intermediaries are expected to have their own purchase control and supplier management systems to ensure that these commitments are implemented by the intermediaries’ own direct and indirect suppliers, all the way back to raw material production.

Introductory material may be helpful to orient suppliers to the purpose and context for the Supplier Code.



We expect our suppliers to keep abreast of updates to this Supplier Code and to other additions or changes in our position statements, policies, action plans, and other materials that affect supplier performance on the topics covered in this Supplier Code. AmazingCompany will communicate these to suppliers and make them available on our website [link].

By accepting purchase orders from AmazingCompany, the supplier agrees to comply with this Supplier Code.

## Supplier Requirements

### 1. Operate according to applicable law

We require our suppliers to abide by all applicable international, national, state and local laws and regulations in the places where they operate. Where applicable law differs from this Supplier Code, we expect our suppliers to comply with the more stringent requirements.

### 2. No deforestation and no conversion of other natural ecosystems

AmazingCompany is committed to no-deforestation and no-conversion supply chains, as specified in our Ethical Supply Chain Policy. Suppliers shall not conduct, participate in, or otherwise contribute to deforestation or conversion in their production, sourcing, or financing. Suppliers should also engage their own suppliers proactively to help ensure that they are not involved in deforestation or conversion to establish future production areas, which could imperil future compliance with AmazingCompany's commitments.

The cutoff date after which deforestation or conversion is considered non-compliant is January 1, 2018. Suppliers are expected to conduct or support restoration or compensation when they caused, contributed to, or assumed responsibility for deforestation or conversion after this cutoff date. Where it is required, restoration or compensation activities should be designed, implemented, and monitored in accordance with the Accountability Framework [Operational Guidance on Environmental Restoration and Compensation](#).

### 3. Site establishment and land management

To ensure that forests, other natural ecosystems, and their conservation and cultural values are protected both at the time that production sites are established and on an ongoing basis during site operation, AmazingCompany expects suppliers to adhere to the following practices:

It is also important to state a clear expectation that adherence to the Supplier Code (including active progress toward full compliance) is a condition of doing business with the company.

Requirements in the supplier code should typically go into greater detail than the corresponding elements of the umbrella policy. For example, whereas in the policy it may be sufficient to state 'no child labour' and reference a suitable definition, the Supplier Code should provide specifics that indicate what types of work for what age workers are considered acceptable and not acceptable. Guidance for elaborating details related to the policy commitments in the sample policy are available in the Accountability Framework's Operational Guidance documents and in various other laws, standards, and norms that they reference. Companies may wish to incorporate some such guidance by reference into their supplier code. This can help clarify additional details in accordance with accepted good practice.

- **Site establishment:** Carry out effective due diligence, environmental impact assessment, participatory land use mapping, stakeholder consultation, and site planning prior to acquiring new rights to land or resources and prior to developing or expanding production or processing operations. We recommend that suppliers use structured and integrative site planning methodologies such as the [High Carbon Stock Approach](#) to help ensure protection of forests and human rights in the site establishment process. Where indigenous peoples and local communities might be affected, FPIC processes must be conducted (see #4).
- **Site management:** Conduct or support management activities necessary to ensure long-term protection of conservation and cultural values associated with the land within your control (e.g., owned or managed land or concessions) or directly affected by your operations, including forests, natural ecosystems, and High Conservation Values.

#### 4. Land rights and respect for the rights of indigenous peoples and local communities

AmazingCompany is committed to respecting the rights of indigenous peoples and local communities (IP/LC) and to ensuring that actions potentially affecting these groups are done only with their free, prior, and informed consent (FPIC). We therefore expect our suppliers to adhere to the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) and to the following:

- Prior to acquiring new rights to land or resources and prior to developing or expanding production or processing operations, identify whether, which, and how IP/LC have property or use rights in the area.
- Ensure that, prior to any activity that may affect IP/LC land and resource rights, FPIC is secured. The right of IP/LC to give or withhold consent shall be honored.
- Compensate IP/LC according to the negotiated outcomes of an FPIC process if activities will impinge on their rights, resources, livelihoods, or food security.
- Provide effective remedy where IP/LC rights have been adversely impact.

Suppliers that own or manage production areas shall have effective policies and procedures to respect IP/LC rights, including the above-listed points, and shall develop and implement plans at the operational level that adequately address all issues that may arise. For further detail on meeting these requirements, see the Accountability Framework [Operational Guidance on Respecting the Rights of Indigenous Peoples and Local Communities](#), [Operational Guidance on Free, Prior and Informed Consent](#), and [Operational Guidance on Remediation and Access to Remedy](#).

## 5. Protect workers' rights

AmazingCompany 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 Universal Declaration on Human Rights, the ILO fundamental conventions, and all applicable law. Specifically:

### 5a. No child labour

Suppliers are responsible for ensuring that workers below the legal minimum age (15 in most countries) are not working. If young workers are employed (children above the minimum age and below age 18), they must not do work that is mentally, physically, socially, or morally harmful, and work must not interfere with their school attendance.

AmazingCompany's Guidelines on Child and Forced Labour provide additional detail on how to identify child labour, remediation, and other actions that suppliers should take to eliminate child labour in a systemic manner that helps address root causes.

### 5b. No forced or compulsory labour

Suppliers are responsible for ensuring that they do not directly or indirectly employ forced laborers or contribute to forced labor, including human trafficking or debt bondage. 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 labor procured through service providers, agents, or other third parties.

AmazingCompany's Guidelines on Child and Forced Labour provide additional detail on actions that suppliers should take to identify, eliminate, and remediate forced labour.

### 5c. Freedom of association and collective bargaining

Workers have the right to form, join, or not join trade unions of their choosing, and to collectively bargain without fear of any retaliatory action. In cases where freedom of association is restricted by law, alternative means of worker association and collective bargaining should be supported.

### 5d. No discrimination or harassment

All workers must be treated with respect and dignity, and without any form of discrimination or harassment. Workers must not be subject to any physical, sexual, psychological or verbal harassment, abuse or other form 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.

The details in this sub-section on workers' rights follow the Accountability Framework.

Especially for challenging and multi-dimensional issues such as child labour, it is often advisable for the company to provide additional guidance, and in some cases support, to its suppliers. This can be guidance developed by the company in consultation with experts and stakeholders (as in this sample policy, which refers to a separate guideline on child and forced labour), or it can be credible and practical guidance developed by others.

#### **5e. No abusive practices**

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.

#### **5f. 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 consist 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.

#### **5g. Living wage and fair benefits**

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 toward the payment of a living wage.

#### **5h. 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 facilities.

All the above provisions shall be detailed in worker handbooks and worker contracts. We also encourage suppliers to publish their own workers' rights commitments that mirror the requirements stated here.

## 6. Grievance mechanism and protection for environmental and human rights defenders

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

AmazingCompany shall be notified if and when any grievances are filed that raise concerns or allege problems that would constitute violations of this Supplier Code.

Workers may also report violations and concerns directly to AmazingCompany through our own grievance mechanism, accessible via our website [link].

The supplier shall also have a policy and effective procedures to protect environmental and human rights defenders. See our website [link] for an example of such a policy.

## 7. Supplier management systems

Suppliers are expected to develop and implement adequate and effective management systems, policies, procedures, and training in order to ensure ongoing compliance with the Supplier Code. This includes:

- Risk assessments and traceability measures if the supplier sources from other supplies
- Training for workers on all aspects of this Supplier Code that are relevant to each worker's job
- Procedures for identifying non-compliance with this Code, including through filed grievances
- Monitoring, verification, and reporting systems covering the supplier's own operations and purchased supply, as necessary to ensure adherence to the Supplier Code
- Identification of tools, methodologies, or partnerships that the supplier uses to help fulfill the Supplier Code, such as the use of certification

## 8. Provision of information

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

- Information on traceability and risk assessments
- Implementation plans for adhering to this Code
- An inventory of grievances and their status and/or resolution
- A summary of FPIC processes and their resolution
- Summary results of monitoring and verification
- Procedures for stakeholder engagement

This information is requested primarily through AmazingCompany's supplier questionnaire. We reserve the right to request other information (for ourselves or for auditors who we may commission), including information on the origins of the raw materials being produced or sourced and other information needed to determine compliance with this Supplier Code.

### Quality assurance and breaches to this Supplier Code

AmazingCompany will monitor compliance by reviewing the sources of information described above as well as through: 1) supplier self-assessments; 2) announced and unannounced audits; 3) worker surveys; 4) grievances lodged in the supplier's or our own grievance mechanism; and 5) other methods, as needed.

If non-compliances are detected, the supplier will be asked to take prompt corrective actions and, if necessary, to develop and implement longer-term improvement plans to address more complex or entrenched challenges. If suppliers fail to implement the necessary corrective actions and follow the improvement plans – or if they do not cease and remedy any acts of non-compliance in a timely manner – AmazingCompany reserves the right to suspend purchases or terminate contracts. AmazingCompany's course of action in the case of non-compliance is detailed in our Policy on Supplier Non-Compliance.

Information shared by the company's suppliers is essential for the company to monitor and manage for the fulfillment of its commitments at a company-wide level. Many companies (as in this example) systematize this process by developing supplier questionnaires that collect information on practices and performance relative to the supplier code.

See the Accountable Framework [Operational Guidance on Supply Chain Management](#) (Section 4) for further guidance on appropriate courses of action in the case of supplier non-compliance.

## Support to suppliers

AmazingCompany will work with suppliers to ensure that they fully understand the intent and requirements of the Supplier Code. Several guidance materials are referenced throughout this Code to provide suppliers with further information on how to meet the Code's requirements. AmazingCompany also works proactively with peer companies, NGOs, and government stakeholders to support the capacity of our suppliers to meet our ethical supply chain commitments, including through direct support to programs in our places of origin. If you have questions about the requirements of this code or suggestions about how they can be implemented more effectively, please contact us via our supplier sustainability portal [[link](#)].



Accountability  
Framework

Delivering on  
ethical supply chain  
commitments

Find out more here:  
[Set or strengthen supply chain goals](#)