



NR CSR supplier code of conduct

TROPICORE SA

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1. Introduction

Through its activities, TROPICORE SA commits to purchase and sell natural rubber which has been produced responsibly and sustainably, throughout its value chain, in accordance with the 12 Principles of the Global Platform for Sustainable Natural Rubber (GPSNR)¹.

Our commitments are described in our Natural Rubber CSR Policy².

Each player on the natural rubber global market, from the small holder to the car manufacturer, has a role to play, in this constantly evolving market which has many environmental, social and economic challenges, in order to achieve this sustainability goal.

As a sales agent, positioned right in the middle of the value chain, precisely between the NR producers and the tire manufacturers and other natural gum users, we commit to continuously improve the environmental and social performances in our products production processes.

We will focus our efforts on the following principles:

- **The respect and alignment to the national and international applicable regulations.**
- **The respect and protection of Human Rights.**
- **The protection and conservation of natural resources.**
- **The improvement of agriculture practices and support to the communities.**

Our suppliers' commitment to respect these principles as well as to implement them in the field is key to our approach.

This document describes our expectations towards our suppliers with regards to our commitments.

It is requested to all our suppliers to read carefully the whole document, as well as our NR CSR Policy, and to sign and send us the commitment statement in Annex 2.

¹ See Annex 3

²<https://static1.squarespace.com/static/60a3ad4c58099d6160d0b4ce/t/614b2de5edde0b456100ceac/1632316902422/TROPICORE+SA+-+politique+RSE+NR+EN.pdf>



2. Principles

The following describe the main principles on which we set our CSR commitments. Our principles uphold and comply with the GPSNR principles, the UN Guiding Principles for Business and Human Rights, the UN Declaration on the Rights of Indigenous Peoples as well as the ILO Core Conventions and other relevant legislation.

We expect our suppliers to communicate to their supply chain partners their commitment in the same way and to promote such practices.

I. The respect and alignment to the national and international applicable regulations

TROPICORE SA requires from its employees and its suppliers that they act ethically and respect all national and international laws and regulations relevant to their operations.

TROPICORE SA will not tolerate any form of corruption, active or passive, of any type, whatever the jurisdiction, even where such practices are practically accepted, tolerated or exempted of judicial proceedings.

For any act of corruption which will be reported to TROPICORE SA, a corrective action will be taken towards the employee, the supplier or the client.

II. The respect and protection of Human Rights

TROPICORE SA expect from its suppliers that they respect not only the social and wages regulations in the country where they operate but also the principles described in the following paragraphs. This is applicable to all type of workers, employees, temporary workers, seasonal workers, sub-contractors, migrants, etc.

a) Workers' rights

- i) Freedom of association and collective bargaining (ILO Convention No. 87 and No. 98)

A constructive and effective dialogue between workers and management must be put in place. All workers, regardless of rank or job grade, must have the right to form and join trade unions of their choice, and to bargain collectively.



- ii) No forced labour (ILO Convention No. 29 and its 2014 Protocol), No abusive practices (ILO Convention No. 105)

Workers must be employed of their own free will and all workers must have a signed contract and must understand the terms and conditions of their contract. These conditions must comply with basic labour standards such as minimum wage and standard working hours. The right to freedom of movement is not restricted in any way. Where advances and loans are used these must be legal, transparent and written, in the interests of workers and the repayment terms are fair.

- iii) No child labour (ILO Convention No. 138 and No. 182)

Child labour is not tolerated and must be prohibited. Where there is family work, i.e. when children, traditionally, culturally or actually, support the work of their family, appropriate measures shall be put in place to safeguard the wellbeing and best interests of children (access to education, health, mental and physical development, etc.). Where young workers (below 18 years old) are engaged or employed appropriate measures are taken to safeguard them.

- iv) No discrimination linked to gender, civil status, sexual preference, religion, ethnic group, nationality, age, origin, social status, mental or physical disability, political opinion or affiliation to a trade union, or any other characteristic (ILO Convention No. 111 and No. 100) and support for equal opportunities.

Diversity is respected. There are equal opportunities for employment, promotion, access to services or benefits, etc. No violence, abuse and harassment, mental or physical, shall occur in the workplace.

- v) Decent living wages and the respect of legal working hours.

All minimum national legal requirements are met with regard to wages, overtime premiums, working hours, overtime hours and benefits. Where a decent living wage has been defined³, and is higher than legal requirements or current employment agreements, an action plan shall be developed in order to achieve this standard in a reasonable and viable timing. Overtime is operated on a voluntary basis only. Workers' rights with regard to rest and leave are observed.

- vi) Safe and healthy workplaces

Measures are implemented in order to protect workers from exposure to occupational health and safety hazards that pose a risk of injury, illness or death. Provision is made in case of accident and injury. All workers have access to accident insurance. There is access to potable water and sanitation facilities for all workers.

³ Defined by a recognised structure and with a methodology approved by a multi-stakeholder initiative (RSPO, FSC, FLO, etc.)



When provided by the employer, living conditions are safe and hygienic and workers' health is protected. Segregated accommodation for families, single women and single men is provided.

b) Local communities' rights

We expect from our suppliers that they recognise the formal and customary rights of indigenous people and local communities as defined by the UN Declaration on the Rights of Indigenous Peoples (UNDRIP)⁴, including land tenure rights.

Our suppliers shall not contribute, directly or indirectly, to actions leading to land grabbing of local communities or indigenous people. Land acquisition shall respect the national legislations as well as ensure that the communities have had the right to give or withhold their Free, Prior and Informed Consent (FPIC⁵) to any activity which could affect their rights.

Our suppliers shall maintain ongoing, effective, transparent, open and culturally appropriate channels of dialogue with indigenous people and local communities.

c) Grievance management

Our suppliers must have in place a grievance management mechanism, to address any claim, which ensures that any party can claim anonymously its grievance, with no fear of reprisal, recrimination or dismissal.

III. The protection and conservation of natural resources

Natural rubber production and transformation activities may lead to a number of environmental impacts, when developing new rubber trees' plantations, through the management of these plantations, during the transformation of the products or through its transportation.

We require our suppliers to put in place measures to avoid those negative impacts.

It is particularly important that:

⁴ UN Declaration on the Rights of Indigenous Peoples – UNDRIP

⁵ Our suppliers shall observe the RSPO FPIC methodology (2015): Free, Prior and Informed Consent for RSPO Members.

- i) There is no deforestation or destruction of High Conservation Values (HCV), of High Carbon Stock (HCS) forests or peat areas, whatever are their specificities (depth; drained, dried or flooded; planted or unplanted)⁶. To ensure this, when new plantations are developed, relevant studies shall be carried out.
- ii) Measures are taken to prevent sourcing from natural rubber plantations on peat areas, whatever are their specificities.
- iii) There is support to the protection of natural forests or other ecosystems, or rare, threatened or endangered habitats or species (according to the IUCN Red List). Relevant studies must be carried out, and adequate measures shall be put in place to protect wildlife and restore protected areas, deforested and degraded rubber landscapes.
- iv) Measures shall be implemented to protect the soil and water resources (both in quality and quantity), including:
 - (1) The management and reduction to the minimum of the volume of water used,
 - (2) The treatment of the waste water and, where possible, the recycling of the water in order to work in closed loop,
 - (3) The management and reduction to the minimum of the chemicals used (fertilisers, pesticides, etc.),
 - (4) The implementation of procedures for chemicals management in order to avoid soil or water contamination,
 - (5) The respect of the best practices to avoid soil erosion.
- v) The use of fire is prohibited except in well documented cases where specific threats or other risks prevent from doing so.
- vi) Measures are implemented in order to minimise the use of energy and, to minimize and mitigate the green house gazes' emissions, through for example, improving transportation efficiency, reducing the use of chemical fertilisers, using composting sites, etc.
- vii) The waste management is implemented in order to reduce the waste quantity and to ensure an adequate treatment process (handling of industrial or toxic waste by specialised companies, composting or recycling where possible, etc.),
- viii) Measures are implemented in order to maximize natural resource efficiency.

IV. The improvement of agriculture practices and support to the communities

⁶ TROPICORE SA uses April the 1st, 2019 cut-off date, as defined by the GPSNR, as the date from which any new plantation development or existing plantation shall meet the requirements set in the integrated HVC-HCSA toolkit.



TROPICORE SA expects and will support its suppliers to positively contribute to the improvement of the livelihood of the communities living from NR production and sales or living around rubber trees' plantations.

This contribution shall on one hand contribute to improve the communities' livelihood and on the other hand shall lead to decrease the area needed for the NR production.

This can be actions to maximise the quality and the yield of the production (plantation technic, seedlings quality, harvesting technic, storage, transformation, etc.), actions to enhance access to basic needs (food, drinking water, health, education, housing etc.) and actions to support the economic, social and cultural rights and the rights to food security. Therefore, TROPICORE SA will ensure that its supply chain partners will assist these communities in supporting and enhancing their livelihood, with a goal of enabling decent living conditions for local communities.



3. Implementation

TROPICORE SA will favour the procurement of NR which production and transformation meet our Policy (it-self aligned to the GPSNR Principles and Policy Framework).

Any supplier willing to be included in our set of preferred suppliers must commit to:

- Respect the principles set in our NR CSR Policy as well as this code of conduct.
- Map its supply chain and share transparently to TROPICORE SA any information required.
- Cooperate with TROPICORE SA, in a transparent manner, in order to carry out an environmental and social assessment of its supply chain and to develop an action plan with precise objectives and timelines to improve its performances.
- Prioritize risk mitigation actions and put in place time-bound actions in order to continuously improve its environmental and social performances with regards to our NR CSR policy.
- Communicate to TROPICORE SA any information which could impact its environmental and social performances.

In order to ensure the monitoring and progresses of our policy implementation, TROPICORE SA will closely monitor the actions undertaken by our partners, and develop time-bound implementation plans to move towards conformance.

The supplier will maintain an active stakeholder dialogue to provide relevant information, and to afford opportunities for feedback and suggestions related to the fulfilment of its commitments.

Any partner lacking to one of its obligations, either by voluntary negligence, by lack of transparency, or by failure of improving its environmental or social performances, will be re-evaluated to define whether it will remain in our set of preferred suppliers or not.

NOTE: If one or more exceptional circumstances (weather, local laws, health or sanitary issues, pest outbreak, etc.) prevent the full implementation of our policy or of this code of conduct, the supplier shall immediately contact TROPICORE SA in order to share the non-conform measures which are used in order to address the issue, these measures must be temporary. The supplier will have to provide to TROPICORE SA the following information: anticipated duration of the non-conform practices, type of technic or product used, extent of the use (area, quantity, etc.).



TROPICORE SA encourages its suppliers to look for conform alternatives, and can, if needed, support them in these researches.



ANNEXES

1. References

- GPSNR Policy Framework:
<https://sustainablenaturalrubber.org/documents/>
- UN Guiding Principles for Business and Human Rights:
https://www.ohchr.org/documents/publications/guidingprinciplesbusinessshr_en.pdf
- ILO Fundamental Conventions
<https://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm#:~:text=The%20ILO%20Governing%20Body%20has,forced%20or%20compulsory%20labour%3B%20the>
- UN Declaration on the Rights of Indigenous Peoples:
https://www.un.org/development/desa/indigenouspeoples/wp-content/uploads/sites/19/2018/11/UNDRIP_E_web.pdf
- Workers Rights
https://www.earthworm.org/uploads/files/Respect_WorkersPrinciples_ENG.pdf
- Free Prior Informed Consent
<http://www.fao.org/indigenous-peoples/our-pillars/fpic/fr/>
- HCV : <https://hcvnetwork.org/>
- HCS : <http://highcarbonstock.org/>
- IUCN red list : <https://www.iucnredlist.org/resources>



2. Supplier's commitment

(To print, date, sign and send back to TROPICORE SA – ideally in numeric format)

As a natural rubber producer, (company name)

.....,

located in (address):

.....,

.....,

represented by Mrs/Mr (Name and surname):

.....,

acting as (role/position):

.....,

commits to:

- Have read and understood the principles described in the Natural Rubber CSR Policy of TROPICORE SA as well as the commitments which are expected from me in this code of conduct,
- Respect the commitments set in the suppliers' code of conduct of TROPICORE SA,
- Be transparent to TROPICORE SA with regards to their policy implementation and to provide any information required (within the limits of business confidentiality).

I understand the consequences of not respecting this commitment, i.e. being downgraded from the set of "preferred suppliers" of TROPICORE SA.

Date:

Place:

(Sign here, adding the words "Read and approved")



3. GPSNR Principles⁷

1. To advance natural rubber production and processing that protects peatlands, and avoids ecosystem conversion, deforestation and forest degradation based on identification and management of forests and other natural ecosystems as outlined in the guidelines of the High Conservation Value Resource Network, the High Carbon Stock Approach, or other applicable regulatory frameworks.
2. To appropriately manage water along the natural rubber value chain.
3. To recognize, promote, and protect the rights of indigenous peoples and local communities; to not engage in “land grabbing”; to obtain Free Prior and Informed Consent (FPIC), as defined by the UN-REDD Programme from existing land users; and to promote adequate compensation where land use is granted.
4. To comply with applicable labour laws for employees and contractors and fulfil the intent of the International Labor Organization’s eight core conventions.
5. To recognize and promote human rights within the natural rubber value chain, including alleviating poverty by promoting programs that improve smallholders’ livelihoods.
6. To promote principles of equity throughout the supply chain.
7. To establish and implement protocols for rubber traceability from farm to end-user, working towards full traceability for industrial plantations and applying a risk-based approach for smallholder farms.
8. To support transparent reporting along the entire natural rubber supply chain.
9. To not engage in corruption and to take a zero-tolerance approach on corruption within the value chain.
10. To establish an open, transparent, and independent process to ensure that the members of the GPSNR are respecting, protecting, and contributing to the eventual standards and the reputation of the GPSNR.

⁷ Sources: Global Platform for Sustainable Natural Rubber Founding Members Statement.



11. To develop auditing protocols that allow those interested in these principles to learn which members of the natural rubber value chain are following these best practices.
12. To support training and educational efforts to raise awareness and build capacity for the implementation of these principles, including improvement of production practices by focusing on vertical (improved yield and quality) rather than horizontal (increased planted area) expansion.