

Code of Conduct for upstream business partners

GrowGrounds aims at globally converting monoculture coffee farms to dynamic agroforestry systems. This Code of Conduct is directed to:

1. farmers, cooperatives, and farmer groups that are joining the projects, thereby providing land, labour and climate impact;
2. suppliers of technology, seeds, seedlings, and planting equipment;
3. NGOs, consultancies, and individuals that implement our activities locally, i.e. onboarding farmers, conducting training and collecting data;
4. Knowledge partners such as universities, NGOs, and consultancies;
5. Gold Standard, auditors, and VBBs for verifying and certifying the climate impact, thus producing Planned and later Verified Emission Reductions (PERs and VERs respectively).

In the following all above mentioned categories is referred to as Partners.

Compliance will be considered in our Partner evaluations.

Introduction

GrowGrounds is an impact-driven start-up that grows nature and improves livelihoods with concrete and impactful climate action, founded in 2023. The founders realised that the key to decarbonizing the coffee value chain lies with the coffee farmers and for that transformation to happen, coffee farmers need to be rewarded. GrowGrounds supports coffee farmers to transition to agroforestry and other regenerative practices, while giving them access to the carbon market. GrowGrounds connects the loose ends of the value chain: coffee brands and other companies with ambitious scope 3 reduction targets, and the farmers that want to innovate their coffee fields. The founding partners bring extensive experience and a global network from the coffee industry.

Our ambition is to emphasize the importance of responsible business conduct and its commercial framework, which is why we have drawn up this binding document: a Code of Conduct that describes the ethical and environmental guidelines we require when working with partners.

This Code of Conduct aligns with the OECD's due diligence guidelines for responsible business conduct and draws its foundation from the International Labour Organization's (ILO) fundamental conventions (87, 98, 29, 105, 138, 182, 100, 111) along with associated declarations and recommendations. Additionally, it adheres to the United Nations' Global Compact labor principles (1-10), ensuring comprehensive coverage of essential ethical standards and practices.

Commitment

GrowGrounds holds an expectation that all Partners align with the Code of Conduct and adhere to both national and international laws. By affixing your signature to the Code of Conduct document, you pledge, as our valued Partners, to uphold the outlined guidelines and demonstrate a steadfast dedication to continual enhancement and compliance.

The commitment entails:

- **Compliance:** Adhere to all applicable laws and regulations concerning working conditions, child labor, and environmental protection. In the absence of relevant legislation, ensure compliance with our outlined guidelines within your own operations and those of your sub-suppliers. Implement necessary actions to secure sustainable production, safeguarding the rights of all staff, including permanent, temporary, seasonal employees, personnel employed via intermediaries, and students. These guidelines are minimum requirements.
- **Communication:** Effectively disseminate the guidelines specified in our Code of Conduct to all relevant employees and sub-suppliers within the supply chain.
- **Access and Transparency:** Grant our inspectors (assigned and/or internal) access to your facilities, and facilitate inspections during working hours.
- **Reporting Violations:** Notify GrowGrounds immediately if any violations of these guidelines are detected.

Support and Inspection

Our operations team is responsible for supporting and monitoring our Partners to ensure sustainable business practices. We will regularly assess adherence to our standards through visits to project areas, inspecting environmental, social, and financial conditions on-site via supplier reviews. Additionally, we reserve the right to conduct unannounced on-site visits and reviews with the assistance of an independent inspection body.

We value long-term business relationships and will not terminate contracts due to minor deviations from our requirements if the Partner demonstrates a clear commitment to continuous improvement through an agreed-upon corrective action plan.

GrowGrounds must have the ability to review conditions at its Partners and all underlying elements. If a supplier refuses to work towards fulfilling our Code of Conduct, we may terminate our business relationship. Termination will be effective from the date specified in the written notice.

Requirements – Labour Conditions

Child labour

Child labor, as defined by the UN and ILO, is strictly prohibited. Children under the age of eighteen (18) must not perform hazardous work or any tasks that pose a risk to their health, development, or safety, nor should they work at night. Partners and their subcontractors must not employ or exploit children below the nationally legislated minimum age. If no such legislation exists, the minimum age is fifteen (15) or the age at which mandatory schooling is completed, whichever is higher.

Exceptions to these age limits may be made during transitional periods in countries with less developed economic and educational systems, where the minimum age may be set at fourteen (14) years and twelve (12) years for "light work."

If children participate in family work on small-scale plantations, it must not interfere with their education, play, or rest. Partners must always prioritize the best interests of the child in all actions.

Forced labour

All forms of forced labor and restrictions on free movement are strictly prohibited. Work or services performed under coercion, threat of punishment, or involuntary conditions are not allowed. Workers must not be compelled to hand in their identity documents or pay deposits to secure employment. Additionally, they must not be subjected to debt bondage to repay their own debts or inherited debts.

Freedom of association and right to collective bargaining

Workers must have the full freedom to form and join independent trade unions and other labor organizations. The right to engage in collective bargaining, as outlined in ILO conventions, must be respected. Workers should be free to express their opinions in accordance with these guidelines without fear of retaliation or job loss.

Working conditions

Employers should promote the development of a safe, hygienic, and healthy working environment. Workers exposed to hazardous conditions, such as chemicals, electricity, heights, or dangerous equipment, must receive proper safety training and be provided with appropriate protective gear. All conditions and equipment must comply with national laws and regulations regarding workplace safety and hygiene. Employers must also ensure access to clean drinking water and facilities for personal hygiene.

Minimum wage

All workers shall receive fair compensation for their work. Payments must be timely and sufficient to cover essential needs, including water, food, shelter, clothing, and basic education for children. Compensation, including minimum wage and overtime, must comply with national laws or industry agreements. Employers must clearly and comprehensibly communicate wage information to employees.

Discrimination

All workers must be treated with equality and respect. Discrimination based on skin color, ethnic origin, language, gender, nationality, religion, political views, or sexual orientation is strictly prohibited. Partners must be particularly mindful of and respect the rights of indigenous peoples and groups in vulnerable and marginalized situations, including children, women, people with disabilities, migrants, minorities, and refugees.

Employees' welfare and training

Recognize that employees are the greatest asset, Partners shall foster a workplace environment that prioritizes their health, safety, well-being, and professional growth. By prioritizing employee welfare and investing in their training and education, Partners aim to build a motivated, skilled, and engaged workforce.

Requirements – Human Rights

Universal Human Rights

Businesses should support and respect internationally recognized human rights and ensure that their operations do not contribute to human rights abuses.

Rights of Indigenous Peoples

This code adheres to the principles of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and other applicable laws and conventions regarding Indigenous rights.

Partners must respect the rights of Indigenous Peoples, including their right to self-determination, cultural preservation, and access to their traditional lands and resources.

Requirements – Business Ethics

Anti-Corruption and Money Laundering

Partners should work against all types of corruption and money laundering, including methods that can be considered as bribes, both giving and taking, illegal provisions, pricing deals and the like, in both business contexts and contacts with the authorities.

Free, Prior and Informed Consent

Partners must respect and uphold the right of communities to Free, Prior, and Informed Consent (FPIC) regarding activities that impact their land, resources, culture, and livelihoods.

Requirements – Environment

Protecting the Environment

Partners should embrace their pivotal role in combatting climate change and protecting the environment. Partners should strive to be leaders in environmental stewardship, fostering a culture of sustainability and continuous improvement.

Compliance and Beyond

1. **Legal and Regulatory Compliance:** Partners comply with all applicable environmental laws, regulations, and standards in the countries where they operate. This includes, but is not limited to, regulations on air and water quality, waste management, and chemical handling.
2. **Proactive Environmental Management:** Partners proactively assess and manage the environmental impacts of our operations. Prior to initiating any new projects or processes, Partners conduct thorough EIAs to understand and mitigate potential environmental impacts.
3. **Transparency and Reporting:** Partners maintain transparency in their environmental practices and performance. They regularly report on our environmental initiatives, progress, and challenges through sustainability reports or equivalent disclosures.

Reducing Environmental Footprint

3. **Resource Efficiency:** Partners are committed to reducing our environmental footprint by optimizing resource use. This includes:
 - **Energy Efficiency:** Implementing energy-saving technologies and practices to reduce greenhouse gas emissions.

- **Water Conservation:** Employing strategies to minimize water usage and prevent water pollution.
 - **Waste Reduction:** Adopting waste minimization techniques, promoting recycling, and ensuring responsible disposal of hazardous materials.
4. **Sustainable Sourcing and Production:** Partners source raw materials responsibly, prioritizing suppliers who adhere to similar environmental standards. Partners also focus on sustainable production practices, including the use of renewable energy sources and eco-friendly materials.
 5. **Biodiversity Protection:** We commit to protecting biodiversity and natural habitats. This involves assessing our operations' impact on ecosystems and taking measures to preserve and restore biodiversity.

Innovation and Continuous Improvement

5. **Green Innovation (*if possible*):** Partners invest in research and development to create environmentally friendly products and services. Partners encourage innovation that leads to sustainable solutions, reducing environmental impacts across our value chain.
6. **Continuous Improvement:** Partners set ambitious environmental goals and regularly review and improve our environmental performance. This includes setting and monitoring key performance indicators (KPIs) related to their environmental impact and striving for continual improvement.