

CODE OF CONDUCT - IMPLEMENTATION GUIDELINES

1. VISION AND OBJECTIVES

- A. Bonsucro recognises that sugarcane production, processing and sourcing provides an opportunity to create lasting value for the people, communities, businesses, economies and eco-systems in all cane-growing origins in line with the Sustainable Development Goals but also has the potential for adverse environment and social impacts.
- B. The Code of Conduct Implementation Guidelines ("**Implementation Guidelines**") is intended to provide guidance to Members on how they may meet their commitments under the Code of Conduct ("**Code**"). Members may be able to demonstrate compliance with the Code by equivalent or improved processes (which are designed to achieve the same and/or greater actions) to those set out in these Implementation Guidelines. Should a Member consider that they are operating equivalent processes, they should be ready to explain the equivalence of their own measures and why they are more suitable for the Members' own operations, if and when required.
- C. Bonsucro's objective is to create a platform to accelerate change and support Members with the continuous improvement of producer communities and sugarcane supply chains. The fact of cause, contribution or direct linkage to adverse environmental and social impacts alone will not constitute a breach of the Code where Members are able to demonstrate compliance with relevant standards and continuous improvement to address those impacts.
- D. The Code and Implementation Guidelines will be reviewed at least every 5 years by Bonsucro and may be updated from time to time. Members will be notified of any suggested changes to the Code and Implementation Guidelines and will be given an opportunity to contribute.

2. SCOPE

- A. Where a number of related entities have chosen to take membership as a group or cohort of members ("**Member Cohort**"), the name of each entity forming part of that Member Cohort (together with other identifying information, for example, a company number) must be specified on application for membership. Where one entity in a Member Cohort is found to be in breach of the Code, any consequences apply to the membership of the entire Member Cohort. For the avoidance of doubt, "group" or "cohort" in this context does not refer to a corporate group.
- B. Members are split into the following broad categories as further specified on the Bonsucro website (<http://www.bonsucro.com/join-the-network/>):
 - i. Farmers;
 - ii. Farmer Associations and Cooperatives;
 - iii. Industrial;
 - iv. Intermediaries;

- v. End Users; and
 - vi. Civil Society.
- C. Bonsucro recognises that the roles and responsibilities set out in the Code will apply differently to different categories of Members, including to account for their size, operational context, ownership and structure and other relevant factors affecting the nature and context of their operations. Illustrative guidance on how it is expected to apply to individual members is set out in below.
- D. Candidate Members, and existing Members on the coming into force of the Code, will need to complete the Code of Conduct Self-Assessment ("**Self-Assessment**") to identify where specific actions are required to bring its sugarcane production, processing and sourcing in line with the Code. For Candidate Members, this will be part of the Member on-boarding process and they will need to provide a copy of the completed Self-Assessment and any specific actions to Bonsucro. Existing members will have 12 months from the coming into force of the Code to complete the Self-Assessment and start implementing any specific actions. The Self-Assessment template will be reviewed from time to time with any material changes being notified to Members for comment.
- E. Any specific actions referred to at paragraph 2D above should include time-limited commitments which will ensure that they reach compliance with the Code within a reasonable period. Members will report to Bonsucro the status of any material changes to their actions or their compliance with the Code of Conduct by confirming that they have updated the Self-Assessment yearly. What is reasonable and material will depend on the individual circumstances of the Member.
- F. Members may update their actions at any time to account for relevant circumstances and should review them at reasonable intervals, and otherwise, as relevant circumstances require. Relevant circumstances might include, for example, if a complaint is made or other issue is identified.
- G. Where any genuine complaint or issues are raised in good faith in relation to a Candidate Member during the 30-day membership candidacy period and which are not submitted as complaints to Bonsucro's Grievance Mechanism, Candidate Members must commit to addressing these issues.
- H. Notwithstanding the period to work towards compliance contained within the Implementation Guidelines, should any existing non-compliance (or other issue which may bring the reputation of Bonsucro into disrepute) mean that Bonsucro considers (in its sole discretion) that the Member's conduct is incompatible with continued membership, Bonsucro reserves the right to suspend or cancel membership of any Member (or place conditions on that membership) whilst the Member implements corrective or remedial actions or for such other period as specified by Bonsucro (acting in its sole discretion).

ROLES AND RESPONSIBILITIES

3. COMMIT & ACT

- A. Members' obligations under the Code are not a substitute for, nor should they be considered to override compliance with, applicable domestic laws and regulation.

The Code is not intended to put Members in situations where they face conflicting requirements. However, where applicable domestic laws and regulation conflict with the obligations under the Code, Members should seek ways to honour their obligations to the fullest extent which does not place them in violation of domestic law. Compliance with national law also includes complying with court orders.

Continuous improvement

- B. Members can demonstrate continuous improvement by, for example:
- i. for Farmers: making a time-limited commitment to achieve and maintain certification, over an increasing percentage of a Member's production;
 - ii. Farmer Associations and Cooperatives and Industrials (Mills and Mill Association):
 - a) promoting sustainable sugarcane and supply chain policies and processes, including as set out in the Code;
 - b) making a time-limited commitment to producing and/or sourcing an increasing percentage of Bonsucro certified sugarcane and sugarcane-derived materials; and/or
 - c) investing in improvement projects to demonstrate tangible economic, social and environmental benefits;
 - iii. for Intermediaries and End Users:
 - a) promoting sustainable sugarcane and supply chain policies and processes, including as set out in the Code;
 - b) making a time-limited commitment to source an increasing percentage of Bonsucro certified sugarcane-derived material using Mass Balance certification or Bonsucro Credits; and/or
 - c) investing in improvement projects to demonstrate tangible economic, social and environmental benefits;

More specific, non-exhaustive and non-prescriptive examples of projects and initiatives that may demonstrate tangible economic, social and environmental benefits can be found at Schedule 1 to the Implementation Guidelines.

- C. Bonsucro recognises that there will be other commercial and practical factors which will interplay with Member' commitments set out above. Any time-limited commitment to achieve, maintain or source Bonsucro certified sugarcane and/or sugarcane-derived material shall be developed to be achievable within any constraints a Member considers itself to be under and can be updated to respond to relevant circumstances: small steps are still important steps to achieving Bonsucro's vision.
- D. Where certification is not possible because of a Members' specific circumstances, for example, because of the physical characteristics of the production area or for

commercial reasons, Members may demonstrate continuous improvement in other ways and be ready to explain how they are demonstrating this commitment. All Members should be able to demonstrate respect for human rights and support the protection of forests and other natural ecosystems.

- E. Any time-limited commitment to achieve, maintain or source Bonsucro certified sugarcane and/or sugarcane-derived material shall be developed to ensure that Members' existing contractual commitments upon joining or upon the coming into force of this Code can be honoured. "Time-limited" means that any commitments should include the time-period over which a Member is aiming to achieve its commitment. This can be updated as required.
- F. Civil society organisations play an important role in supporting Bonsucro's objectives and the continuous improvement of Members' sugarcane production, processing and sourcing activities. Bonsucro encourages both member and non-member civil society organisations to support its objectives and Members' continuous improvement. Illustrative examples of the types of initiatives that civil society can develop and/or support are included in Schedule 2.

Respect for Human Rights

- G. A responsibility to respect human rights refers to internationally recognized human rights – understood, at a minimum, as those expressed in the International Bill of Human Rights ([Universal Declaration of Human Rights](#), the [International Covenant on Civil and Political Rights](#) and the [International Covenant on Economic, Social and Cultural Rights](#)) and the principles concerning fundamental rights set out in the [International Labour Organization's Declaration on Fundamental Principles and Rights at Work](#).
- H. Members can demonstrate respect for human rights and support for the protection of forests and other natural ecosystems by addressing salient environmental and social impacts in sugarcane production, processing and sourcing in line with the OECD-FAO Guidance for Responsible Agricultural Supply Chains, the UN Guiding Principles on Business and Human Rights, and the Bonsucro Production Standards
- I. Members' efforts to demonstrate respect for human rights and support for the protection of forests and other natural ecosystems will vary in complexity with the size of the Member, the risk of involvement in adverse environmental and social impacts, and the nature and context of its operations and/or supply chain as they relate to sugarcane production, processing and/or sourcing. This means Members' responses will be appropriate to the size, sector, operational context, ownership and structure of the Member.
- J. Members should provide for or cooperate in remediation of adverse human rights impacts through legitimate processes in line with the UNGP. This might include having in place or participating in effective operational-level grievance mechanisms or remediation processes formulated with reference to the Effectiveness Criteria in the UN Guiding Principles on Business and Human Rights to enable affected individuals and other stakeholders to raise concerns of non-compliance with their policy commitments.

Membership Fee Payment Terms

- K. Members will pay an annual membership fee within 30 days of the receipt of a membership invoice issued by Bonsucro, unless otherwise agreed between the Member and Bonsucro.
- L. Any Member who joins after 1st May in any calendar year will pay a pro-rated proportion of the annual membership fee (to the nearest whole calendar month).
- M. Annual membership fees may be reviewed by the Board from time to time.
- N. Any failure to pay membership fees in full for 1) a period of nine months or longer since the beginning of the membership year in the case of renewals, or 2) six months after the invoice date in the case of new memberships, may result in the suspension and/or termination of membership. In the case of unpaid renewals, a decision to suspend and/or terminate membership will be taken by Bonsucro's Board (acting in its sole discretion). New membership applications for which the initial invoice remains unpaid six months after the invoice date shall be terminated and prospective member required to begin the application process again.
- O. Where a Member is suspended for non-payment of its membership fees it will remain liable for the period of suspension, subject to any conditions placed on the suspension of membership by Bonsucro's Board.
- P. A Member may withdraw its membership at any time by giving Bonsucro thirty days written notice, after which time they will not be liable for any future membership fees.

4. COMMUNICATE

- A. Guidance on what Members will be required to report on, and whether or not this will be published, will be contained in the Reporting Guidelines.

1. SCHEDULE 1: EXAMPLES OF IMPROVEMENT PROJECTS THAT DEMONSTRATE TANGIBLE ECONOMIC, SOCIAL AND ENVIRONMENTAL BENEFITS

Below is a non-exhaustive and non-prescriptive list of examples of projects and initiatives that may demonstrate tangible economic, social and environmental benefits. Improvement projects will depend on a Members' specific circumstances. Additional examples will be provided as guidance when Bonsucro issues the reporting template in due course.

All members

- Develop and/or participate in multi-stakeholder educational programmes aimed at improving social and environmental impacts in sugarcane production, processing and sourcing.
- Develop action plans that include quantitative improvements for communities in areas of influence around sugarcane growing areas.
- Develop alliances and action plans with explicit social and environmental themes with local or national authorities, for example, welfare programmes for employees, health and safety programmes, medical assistance, funding and support to schools, recycling programmes, energy-saving programmes, water consumption reduction programmes, etc.
- Implement Code of Conduct commitments with progressive improvements.
- Develop and/or participate in training and capacity building on sustainable development, improving social and environmental impacts in sugarcane production, processing and sourcing or other related technical matters.
- Engage with governments on proposed legislative or other reforms.
- Data collection and sharing to capture improvements over time, using metrics aligned with the Bonsucro Production Standard.
- Support better employment benefits for workers.

Farmer and Farmer Association

- Increase the sugarcane area under Bonsucro certification
- Create protocols for sustainable development and continuous improvement to be shared with farmers.
- Technical assistance on optimisation of resources and inputs, for example, by improved property management and training of producers.

Industrials

- Invest in increasing efficiencies and reducing carbon emissions.

- Support promotion of sustainable sugarcane to clients.
- Increase volume of certified sugarcane
- Invest in potable water projects, building schools, improving PPE, planting trees.
- Support projects to restore ecosystems around sugarcane fields.
- Develop water reduction projects.
- Engage with suppliers to move them towards certification.
- Work with customers and encourage them to join Bonsucro.

End users

- Engage with suppliers to move them towards certification.
- Work with customers and suppliers and encourage them to join Bonsucro.
- Support training and capacity building on thematic issues with suppliers e.g. labour rights training programmes and improvement processes with real time monitoring to demonstrate improved adherence to ILO conventions to use a common baseline.
- Map risks associated with natural habitats and work with suppliers to demonstrate and assure forest protection.
- Increase demand for certified sugarcane-derived products.

2. SCHEDULE 2: EXAMPLES OF ROLES THAT CIVIL SOCIETY ORGANISATIONS CAN PLAY IN SUPPORTING CONTINUOUS IMPROVEMENT OF SUGARCANE PRODUCTION, PROCESSING AND SOURCING

Below is a list of non-exhaustive and non-prescriptive examples of projects and initiatives which civil society may consider implementing to support continuous improvement of Members' sugarcane production, processing and sourcing activities.

Technical assistance and support

- Provide support, research and advice to Bonsucro and its Members on the sustainable production and sourcing of sugarcane and its derivatives, for example, by supporting members to put together time-limited action plans.
- Participate in the Grievance Support Group to support individuals and communities with complaints to Bonsucro's Grievance Mechanism.
- Develop impact indicators.
- Identify local and regional human rights risk areas and share this information with Members.
- Support with independent impact assessments.
- Support companies to exercise leverage to mitigate risks and address impacts, for example, co-ordination of End Users coming together to support a mill to improve performance.

Promotion, training and capacity building

- Play a role in supporting Members' compliance with the Code and the monitoring of commitments.
- Promote consumption of certified sugarcane and create demand for increasing sourcing of certified sugarcane.
- Support training and capacity building programmes on local and thematic issues.
- Support producers with local issue and stakeholder engagement.
- Conduct research on geographic and/or thematic issues to support businesses.
- Train workers and local communities on the Bonsucro standards and Grievance Mechanism.
- Provide training for improvement projects, especially where infrastructure does not exist.
- Provide training on business models that result in a more equal share of benefits going to smallholders.

Campaigning and awareness raising

- Promote Bonsucro through their networks.

- Create consumer and business awareness of risks and opportunities in the sugarcane sector.
- Increase consumer demand for certified sugar.
- Promote engagement with governments.
- Drive smallholder farmer inclusion.
- Encourage collaborative action around thematic issues.
- Advocate for improvements in government policy and legislative frameworks.
- Convene multi-stakeholder workshops to bring in diverse perspectives.
- Act as an interlocutor between workers and employers, to improve social dialogue.
- Consult with vulnerable groups and communities to support company stakeholder engagement.