



## Chaya CSR Strategy

### Corporate Social Responsibility

In Chaya is the work with corporate social responsibility an integral part of our values and supports our way of doing business. Work with corporate social responsibility is an essential part of the development of the company's brands and maintaining good relationships with its main stakeholders.

Chayas work with CSR takes its starting point in our values and the ten principles of the UN Global Compact on human rights, labour standards, environment and anti-corruption. Chaya has identified a set of ethical guidelines, which provide the overarching framework for work with social responsibility.

The main elements of Chayas work with CSR are as follows:

- Chayas products and production must live up to consumer expectations and customer requirements, and at all times comply with the national rules in force for quality, food safety, environment, work environment and human rights.
- Chayas suppliers focus on efforts to improve quality as well as their general work with corporate social responsibility.

A part of Chayas work with CSR is to protect the company's brand, since consumers must to be sure that Chayas products are produced safely and with the use of materials from suppliers who follow our ethical guidelines. Chaya focuses continually on vendors ' efforts to improve the quality and environment as well as their general work with corporate social responsibility.

### The UNITED NATIONS Global Compact – 10 principles

#### Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

#### Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

#### Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

## Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Work with corporate social responsibility also supports a good dialogue with consumers and suppliers, as well as helping to reduce non-financial risks and strengthen the company's identity and culture.

## Human and labour rights

In the area of human and labour rights Chaya has chosen to focus on the following areas:

- Health at work
- Competence Development
- Values and ethical guidelines
- Child Labour

### Health at work

Chaya strives to create a safe and healthy working environment for employees in the company. Chaya's health policy is focused on a preventive effort to avoid attrition and injuries to employees as well as on actively promoting well-being and efficiency.

In order to further improve the working environment and professionalize we offer the employees in Chaya to enter an optional health system, encompassing health treatments.

What do we do in concrete terms:

- In our stores where we mix and repack tea, this is done with relatively high dust development to follow. This dust can for some bother breathing and give asthma-like symptoms. That is why we have installed efficient point in 2012 and 2013 dust filter at the workplace, which virtually removed all dust problems.
- Many items come home in relatively heavy units, which must be handled by the employees. When we renewed our shops we designed a storage rack for tea that holds 5 kg bags of tea - in the past all tea came in 15 kg bags. This has reduced the number of heavy lifting both in our stores and at our warehouse.
- All full-time employees will after 6 month enter a pension plan with optional health insurance.
- Health at work is also about the personal sense of security that occurs through knowing what is expected of them, and where Chaya as a company is heading. This is ensured partly through the daily contact, but more formalized through sessions with employees monthly, where all current topics are addressed.

### Competence Development

Chaya has a high focus on strengthen the competencies of the employees. It is important for Chaya, that all employees are able to provide a qualified service to clients, and that they can demonstrate a great knowledge of the products.

What do we do in concrete terms:

- When a new employee starts they attend Chaya's tea Academy – a thorough education in the world of tea
- Chaya has through the years made a lot of materials about our different groups of products for which employees should familiarize
- New employees will start as a trainee and learn from an experienced employee, before they 'are let loose' on their own. No one stands alone in a store or at the warehouse before they have expressed that they are comfortable with it, and that we have the same feeling.
- Strengthening employees' professional and social skills through participation in trade shows and supplier visits and/or further education at Chaya's Tea-Academy.

### Values and ethical guidelines

The company's values and the ethical guidelines are included as an integral part of the employment relationship for Chaya's employees. The ethical guidelines mean, among other things, that Chaya does not tolerate discrimination, with regard to the employee's sex, race or religion. Mutual respectful behavior between employees, as well as in the relationship with suppliers and customers.

Chaya follows internationally accepted principles of human and labour rights. Chaya strives also to suppliers and partners follow the ethical guidelines, and these are incorporated in the company's trading conditions with major vendors as well as customers.

What do we do in concrete terms:

- Accident rate among Chaya's staff has for many years been 0 per million working hours. This, we are trying to maintain, on the one hand, to focus on ergonomic and safe new layout of the workplace, and, on the other hand, by listening to and responding to all suggestions from employees for the improvement of existing conditions.
- We use only vendors who to us demonstrate that they support the UN Global Compact's 10 principles on.
- Implementation of audits of ethical guidelines with strategic suppliers.

### **Child Labour (Chaya)**

Chaya hires in its stores young labourers from 13-years of age. They have various tasks such as packing of tea, tea brewing, waste management, etc.

What do we do in concrete terms:

- We shall ensure that the applicable rules for young people-work adhered regarding to working hours, breaks, etc.
- We are very flexible regarding timetabling of the working time of young people, so that the work does not interfere with their school
- We talk frequently with young people and are making sure that work with Chaya does not affect their ability to do homework, have recreational interests, and grow their social networks.
- Too many of our young laborers their work with Chaya is their first contact with the labour market, and we aim to give young people an understanding of the needs of an employer for responsible employees (meeting on time, sickness absence, presentable appearance, efficiency, etc.), so that they provide the best possible for their future working life.
- If young people have an interest in it and has achieved the necessary product knowledge, they can from they are 15-years of age get direct customer contact, which for some are very motivating. We ensure that there is always an adult in the business at the same time.

### **Child labour (suppliers/sub-contractors)**

Chaya is in a business with categories (tea, coffee and chocolate), of which from time to time we hear about problems with child labor. This we condemn, and we deal only with suppliers who guarantee that they have a focus on this problem with their subcontractors.

What do we do in concrete terms:

- As mentioned earlier we act exclusively with vendors, who are supporting the UN Global Compact's 10 principles.
- When we visit our suppliers, we are discussing this issue with them, and ask for their control measures for tackling this problem.

### **Environment**

On all Chaya's production sites the focus is on continuing to limit the environmental impact of the company's activities. The result of the different approaches (e.g. switching to LED lighting in all stores) have in recent years resulted in positive developments within significant areas.

Efforts in the field of environment are particularly aimed at:

- Food safety and quality

### **Food safety and quality**

The work of food safety is according to principles of HACCP (Hazard Analysis and Critical Control Points), and put in place systems that ensures full traceability in all stages of production. Chaya is thus, as required, capable at very short notice to implement a full withdrawal, if this should become necessary.

Chayas business insurance contains a product liability insurance.

#### Anti-corruption

Chaya works against all forms of corruption, including extortion and bribery, and the company's business practices should always be in full accordance with the law.

Chayas ethical guidelines require that employees must not give or receive bribes or improper payment for private or corporate gain. It has disciplinary consequences, if employees are involved in bribery.

What do we do in concrete terms:

- We reject all calls for the conclusion of unethical business practices regardless of the consequences – this applies in relation to suppliers as well as customers.
- We refrain from encouraging the conclusion of agreements, including bribes and similar unethical
- Attitudes to the anti corruption included in cooperation with Chayas customers and suppliers.