



August 27th, 2020

Communication of Progress (COP) of the UN Global Compact's Ten Principles 2020

CEO Statement of support

AeraVida offers handcrafted jewelry from small independent artisans as well as fair trade organizations from various countries all over the world. One of our primary goals as a company is to operate with responsibility and integrity. At the core of our company philosophy is Fair Trade/Fair Wage and fostering a sustainable future for the artisans and partners we work alongside with. Being a signatory to the UN Global Compact enables us to demonstrate to all stakeholders our commitment to being a sustainable business so that we continue to be a trusted and valued company in the eyes of our people, customer base, and partners.

One way of accomplishing this is by ensuring that the UN Global Compact's 10 principles are embedded into how we operate wholly as a company. We strive to incorporate these principles into how we operate our business, how we treat our staff and partners, the way we manage our impact to the environment and the way we give back to the communities we are involved with. Working in this manner is something that we have always believed in at AeraVida but over the past year we have attempted a more structured approach to help manage our performance on sustainability issues

We affirm our on-going support for and commitment to the UN Global Compact. The following report provides a summary of the activities of AeraVida in relation to and progress in implementing the UN Global Compact's 10 principles.

Nida Y. Boonjue

Managing Director
AeraVida
August 27th, 2020



At AeraVida we are committed to the highest standards of corporate responsibility and ethical conduct. We believe that upholding the principles of the UN Global Compact creates a positive impact on economies, societies, and eco-systems. This is an on-going journey, and we believe that everyone within the company plays an integral role.

Human Rights Principles

Principle 1: Business should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Business should make sure they are not complicit in human rights abuses

All business operations are managed and operated with high ethical standards. These standards protect and support the rights and interests of all human beings. All employee, contract, and partner working conditions are required to be compliant with national legislation along with relevant International Labor Organization (ILO) standards. AeraVida adheres to systems that ensure that the Articles of the United Nations Universal Declaration of Human Rights are evaluated, highlighted, and executed as they apply to our industry. Inhumane treatment of employees is unacceptable including any form of forced labor, physical punishment or other abuse.

A practical example of this is our active partner screening process which has been in practice since 2007. Managers schedule regular visits to each partner and their workplace. This ensures that those working with us also comply with our high standards and principles. We also invite partners to visit our satellite offices and places of business to reinforce a sense of community and kinship.

Our company Code of Ethics is another demonstration of our commitments and is presented to every AeraVida employee in their New Hire package. We provide a suggestion box in each office which is reviewed by management bi-monthly. There is also an internal company hotline where employees can anonymously file grievances or report abuse. Starting in 2014, each employee is required to take an annual Code of Ethics training course which is offered through our company.

Labor Principles

Principle 3: Business should uphold the freedom of association and the effective recognition of the rights to collective bargaining

AeraVida respects the right of all employees, contractors, and partners to be involved in collective bargaining agreements and trade unions. We as a business and also our suppliers uphold the freedom of association, thought, and action while recognizing the business framework in which AeraVida operates. The company Code of Ethics ensures this right.

Principle 4: Businesses should support the elimination of all forms of forced and compulsory labor.

AeraVida is committed to ensuring that all business operations do not contribute directly or indirectly to human rights abuses. We will not work with any organization that fails to uphold basic human rights and dignities and includes any form of physical punishment, forced labor or abuse. We are fully committed to reporting any complaints or concerns regarding human rights abuse immediately. Our internal company hotline will allow any employee to report any direct violation. We have an on-going supplier screening process, which includes regular site visitations of our supplier workplace, office, or factory. This process verifies that those working or partnered with us do not commit such violations.

Principle 5: Businesses should support the effective abolition of child labor.

AeraVida company policy upholds the international conventions of labor standards, including those on child labor. We do not employ anyone below the age of 16 or the local legal minimum employment age if operating in a different country. AeraVida will also enforce all suppliers to follow the same child labor standards. This is one of the areas of concern during the on-going supplier screening process.

Principle 6: Businesses should support the elimination of discrimination in respect of employment and occupation

At AeraVida any form of discrimination based on race, nationality, religion, age, disability, gender, marital status, sexual orientation, pregnancy, union membership or political affiliation is strictly prohibited. The commitment to eliminate these and all forms of discrimination is set out in the company Code of Ethics. Through the anonymous hotline, our people are encouraged to raise questions and offer criticism regarding any form of unfair discrimination in the workplace. The annual Code of Ethics training course that each employee is required to complete emphasizes this principle.

We value creating work environments in which everyone feels valued and can be heard. Diversity in the workplace promotes innovation and a more extensive solution base. Our diversity encompasses differences in nationalities, ethnic background, gender, language, age and experience. AeraVida fosters a culture of open dialogue with our people using newsletter emails, database, workshops, and company gatherings.

Starting in 2015, a new training course for senior management staff was implemented to provide additional training on the various forms of discrimination in the workplace. This



training course helps identify the many of forms of Discrimination in the workplace and provides effective measures of resolution. During semi-annual and annual reviews, senior management are required to report any issues of discrimination in their department and how these issues were resolved.

Environment Principles

Principle 7: Businesses should support a precautionary approach to environmental challenges

AeraVida endeavors to make a positive impact on the environment by implementing responsible practices for the conservation of energy and natural resources and the reduction of waste. In order to achieve this we apply a precautionary approach to our decision-making and integrate environmental principles into our business strategies.

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility;

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies

AeraVida has adopted a Green Mission Statement as part of the company culture and philosophy. Our company wide Reduce, Reuse, and Recycle program engages and motivates employees to adopt cost neutral or cost-saving measures to prevent pollution and minimize our overall environmental impact. We also recognize that reducing the environmental impact of our products and operations is an important part of the value we deliver to our customers. We seek to educate our employees, our customers and our community on environmental responsibility, and to foster an understanding of the importance of making environmentally responsible decisions.

We are green business certified with the Green Business Bureau and have maintained Platinum Member status, which is the highest tier rating, since 2013. Through the GBB program our environmental footprint is routinely evaluated and managed. In 2020 our green business strategic program saved approximately 13,673 trees.

The AeraVida satellite office in Thailand is partnered with the Recycle for Trees program. This program takes revenue from recycled paper goods and plastics to plant trees in deforested areas in the northern region of the country.



Also, during our supplier screening process, we encourage our suppliers to adhere to our environmental principles and standards.

In 2017, an office wide recycling initiative was put into place in all of our offices. The initiative focuses on sorting all recyclable material prior to collection. Different containers for various packaging and printed paper were put in place for all employees to use throughout the day. Employees are instructed on sorting tips such as ensuring all packaging and containers are emptied, cleaned, and flattened. These extra steps will save time and money for our local Multi-Material recycling programs. In addition, wooden pallets that were used for ocean freight shipments are broken down and re-used in our warehouse or donated to local suppliers.

Anti-Corruption Principles

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

AeraVida has a zero-tolerance policy towards corruption, bribery, collusion, extortion, fraud, and other forms of improper actions for corporate or personal financial gain. Such activities are also prohibited by our employees and partners. The annual Code of Ethics training course that each employee is required to complete emphasizes this principle.

We also encourage employees, contractors, and partners to bring up any genuine concern regarding suspected misconduct or malpractice, unethical behavior, and any infringement of their rights via internal hotline. Any concerns will be thoroughly investigated in a fair and effective manner and we will ensure that no form of retaliation or reprisal for reporting suspected transgressions takes place as an outcome of a raised concern.

How do you intend to make this COP available to your stakeholders?

Our COP is integrated into our overall communication strategy with stakeholders delivered principally through an annual report to the stakeholders. The COP will also be made available to all employees through our company's internal database system. We also provide an internal e-newsletter to all of our employees discussing corporate responsibility.