



Chaya

Sustainability in Chaya

Communication on progress 2020 – and actions for 2021



About Chaya

Chaya is run by three generations of women; Bente Valbak, Kirstine Laurents and Sofie Laurents.

The Chaya universe consists of two tea shops selling more than 80 different varieties of tea, sweets and accessories. Online sales is available as well as company gifts.

In addition to this Chaya has in 2018 taken over the full time management of Queen Louise's Tea House and the greenhouse Paradehuset in Bernstorffsparken. Afternoon Tea, brunch, tapas and events are amongst the services being offered in the Tea house. Paradehuset is beeing rented out for private parties and events.

CSR and SDG attention in Chaya

Corporate Social Responsibility

In Chaya the work with corporate social responsibility and sustainability is an integral part of our values. We have integrated CSR principles in a range of our business processes and will continue to seek to comply with demands from the UNGC and Sustainable Development Goals (SDGs).

Chayas work with CSR supports the ten principles of the UN Global Compact and focus is particular 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. These can be found below.

EXTRACT of concrete examples of our work with sustainability in 2020:

Assortment

We strive to have a more organic and sustainable profil in which our product assortment is the key-words. In 2020 we have replaced some of our non organic teas with organic varieties. Our assortment of biodegradable and plant-based teabags has grown in 2020 – only with new organic varieties as well.

We have taking in local supplies and products from etc Bagsværd Lakrids, Kolsvart, Hattesen. Our production of jam has changed from being produced in Belgium to a small place in Southen Sweden, where all the ingrediens are organic and local.

Futhermore we have started a collaboration with a local bakery, who bakes biscuits and cakes to our shops and Tea House, which has replaced some of our importation from other contries in Europe.

Product packeging

We have made small changes in our packaging, but we experience some challenges with finding the most sustainable choises, which are still suitable for food packaging.

- We have changed our cellophan bags into a biodefradable sort.
- We havde changed our bags for packeging of loose leaf tea into a sort without aluminium.

In 2020 we have kept on producing all of our marketing material in Cradle to Cradle.

- We have added a Cradle to Cradle solution for giftpackaging in form of a giftbag, which is easy to reuse many times.

Waste sorting

Chaya has in relation to our successfully implemented waste sorting system in 2019 in 2020 provided both of the shops, the warehouse and Queen Louise's Tea House with even more containers. This has made it easier for our employees to waste sort nearby without driving to a recycling space.

In order to inform our customers of how to sort our packaging we have designed a "post-in" which goes in all our tea boxes and explains how to waste sort it.

Green choices

We still have the certification *Green Key* in our Tea House where we meet the requirements but at the same time keep challenge ourselves and go beyond what is expected of us. In 2020 we decreased our menu which resulted in less food waste. We added more vegetarian and vegan choices and had a minimum of meat on the menu. Like in 2019 we started offering our guests in the Tea House to get a doggy bag, if they have food left. In 2020 we used only biodegradable tea cups, plates etc. for to-go and doggy bags.

We continue to educate and communicate on CSR and SDGs

In 2019 we made a commitment in the Management team to educate our employees in relation to the link between our CSR policy and the SDG's. We have continued to do so in 2020, and also made an effort to inform our customers through our newsletter, social media and webpage.

We will continue to work with our customers, partnerships, suppliers and organisations on ensuring that the principles are adhered to. Where relevant we will inform and guide on our SDG's efforts. Our progress with CSR and SDGs will be communicated externally (e.g. website, newsletter) during 2021.

Statement of continued support by the Chief Executive Officer Kirstine Laurents

For all the above priorities e.g., redesign of products and procedures we confirm that Chaya reaffirms its support to the ten principles of the UNGC, in particular the areas of Human Rights, Labour, Environment and Anti-Corruption.

www.chaya.dk

www.dronninglouisestehus.dk

Accomplishments and goals

Accomplishments in 2020 (summary)

- Our assortment of organic teas has grown.
- Our assortment of biodegradable and plant-based teabags has grown.
- Our assortment of products from small and local suppliers has grown.
- Our assortment of our own jam has changed to being 100% organic.
- We have produced cradle to cradle solutions for giftpackaging.
- We have changed our cellophan bags into a biodegradable sort.
- We have changed our bags for packaging of loose leaf tea into a sort without aluminium.
- We have produced a cradle to cradle information "post-it" with knowledge of how to waste sort our tea-packaging.
- We have provided more waste sorting options.
- We have decreased and changed our menu in Queen Louise's Teahouse for less food waste.
- We still have elite-smilies in our shops, warehouse and Tea House.

Goals for 2021

- We strive to introduce even more organic teas. We are looking to replace some of our current non-organic teas with organic versions.
- There is a clear goal not to have plastic bags – we are looking for alternatives and solution that work for our business.
- We wish to introduce more local and organic suppliers.
- We wish to give better information to our customers of how to waste sort all our products.
- We will take in more vegan products in our shops and more vegan choices in our Tea House.
- Chaya is looking to maintain a high standard regarding our sustainable actions and certifications.

Chaya CSR Strategy

Corporate Social Responsibility

In Chaya the work with corporate social responsibility is 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, labor 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 Chaya's work with CSR are as follows:

- Chaya's 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 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.

Labor

- 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 labor;
- Principle 5: the effective abolition of child labor; 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 labor rights

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

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

We have previously implemented a whistleblower system, so our employees can report any breaches on the human and labor rights anonymously to an external person. If such cases are identified we see no other option but to stop all cooperation if it is not possible to reach an agreement.

We ask suppliers to comply with labor rights, human rights, safety, environment and subcontractors. We revisit current suppliers every 2-3 years and ask for re-confirmation of existing documents.

We enter dialogue with suppliers on above focus areas when we are having meetings.

Our current and future work with suppliers also includes corporation on the SDGs especially the areas Chaya is working with.

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 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 months 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, where all current topics are addressed.

Measurements

Measuring the outcomes makes it easier to decide how we can continue to improve the employees' health and safety. We always work on having an overview of our employees' health, both in the form of working environment, sick leaves and injuries. We have had no incidents of work injuries and our employees have very few sick days. We also have meetings with our managers to make sure everything is as it should be. The managers have regular meetings with the rest of the staff. Several of our employees have been with Chaya for 10-20 years and in general employees stay long with us.

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. We provide all the employees with an employee handbook where all relevant information is listed.

What do we do in concrete terms?

- When a new employee starts, they attend Chayas tea course – through training in the world of tea.
- New employees will start as a trainee and learn form an experienced employee, before they ' are let loose ' on their own.

Values and ethical guidelines

The company's values and the ethical guidelines are included as an integral part of the employment relationship for Chayas 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 labor rights. Chaya strives also that 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 Chayas 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 vendors who demonstrate that they support the UN Global Compact's 10 principles.

Measurements

We expect that our suppliers will provide all their CSR related material and will be evaluating when appropriate.

Child Labor (Chaya)

Chaya employs young people from the age of 13 years. 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.
- Many of our young employees enter their first working place with Chaya. It is their first contact with the labor market, and we aim to give them an understanding of the needs of an employer (meeting on time, sickness absence, presentable appearance, efficiency, etc.), so that they provide the best possible for their future working life and for Chaya.
- If young people have an interest and has achieved the necessary product knowledge, they can from the age of 15-years get direct customer contact, which can be very motivating. We ensure that there is always an adult present in the shop at the same time.

Child labor (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 with suppliers who guarantee that they have a focus on this problem with their subcontractors. At the same time, we collect signatures and statements that support the CSR policy from our suppliers.

What do we do in concrete terms?

- As mentioned earlier we act with vendors, who are supporting the UN Global Compact's 10 principles.
- If we identify any cases where our vendors are not supporting the principles, we see no other option but to stop the cooperation if we can't reach an agreement.
- When we visit our suppliers, we are discussing this issue with them.

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

The work of food safety is according to principles of HACCP (Hazard Analysis and Critical Control Points) and put in place in 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.

Chaya's business insurance contains product liability insurance.

Measurements

Several times a year the Danish Veterinary and Food administration visits our shops and warehouse. We have not had any complaints. On all the reports we have got Smiley¹ which is the best obtainable smiley besides the Elite Smiley.

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.

Chaya's 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 Chaya's customers and suppliers.
- We have implemented a whistleblower system. The employees can report anonymously to an external person if they see any signs of corruption.
- If we identify any cases of corruption, we will see no other way but to stop all cooperation if it is not possible to reach to an agreement – this implies to both employees, suppliers and customers.