

Cafédirect plc

Ethical and Environmental Policy

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Ethical and Environmental Policy

Policy Statement

Cafédirect is a forward thinking social enterprise operating for over 25 years championing ethical trading policies. We are part owned by coffee and tea cooperatives and have two grower representatives on our Board of Directors. Over half of our producer partners own shares in our company, making them direct beneficiaries of our success. Our producer partners are cooperatives based in East Africa, South and Central America.

On top of the Fairtrade social premiums we pay for our crops, we invest 50% of our profits into Producers Direct, a UK charity that works directly with farmers to improve sustainability and livelihoods, right across the coffee growing world. The charity is run by farmers, for farmers, taking leadership and developing innovative solutions to the challenges they face.

To date, our investment has translated into more than £6 million for our farmers, who receive not just funds, but real sustainable support via Producers Direct.

Cafédirect is committed to:

- Building sustainable supply chains;
- Sourcing Fairtrade ingredients, where Fairtrade is available;
- Doing business differently, through our Gold Standard;
- Sourcing FSC packaging where available and reducing our environmental impact;
- Sourcing from BRC accredited suppliers.

Labour Standards

Cafédirect complies with all applicable UK labour law requirements in its operations and expects the same across its supply chain. Cafédirect is also committed to the London Living Wage and to complying with the ETI Base Code (Appendix A: Ethical Trading Initiative Base Code) and expects the same from suppliers and partners.

Environmental Standards

We believe all of our actions need to respect our environment. By weaving environmental and social strategies into our overall strategy, we have created a ridiculously good business which continually strives to reduce its environmental impact through our governing Gold Standard (Appendix B: Cafédirect Gold Standard).

Cafédirect complies with all applicable UK environmental law requirements in its operations and expects the same across its supply chain. Cafédirect also complies with our Environmental Statement (Appendix C: Environmental Statement) and expects the same from suppliers and partners.

Implementation

Responsibilities

Cafédirect's CEO is held accountable.

The Head of Operations will be responsible for the effective implementation of the Ethical and Environmental Policy across the operations of the company and throughout its supply chain. This

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includes facilitating, monitoring and reporting to the Senior Management Team, Board and any other key stakeholders about the performance of the policy implementation.

Where new suppliers are engaged, or as part of a two year review the Head of Operations will be responsible for:

- Conducting a new supplier risk analysis via a Supplier Questionnaire to be completed when appointing new suppliers;
- Every two years conduct risk analysis via the Supplier Questionnaire, from which a supplier's compliance will be measured based on a level of risk, defined as low, medium or high.

Equal Opportunities

[Extract from Employee Handbook v.7.2018]

Statement of Policy

Cafédirect aims to be an equal opportunities employer and to undertake and apply objective criteria to assess capabilities. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of race, colour, national or ethnic origins, gender (including pregnancy and maternity), sexual orientation, marital status, sexuality, disability, membership or non-membership of a Trade Union, 'spent convictions' of ex-offenders, class, age, religion or belief and status as a fixed-term or part-time worker.

Selection criteria and procedures will be reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities.

The Executive Team are responsible for ensuring that this policy is fully implemented but it is the responsibility of Line Managers and all employees ensure that equality of opportunity exists within their own programmes and spheres of responsibility.

Employees should not harass, abuse or intimidate other employees on any grounds including those of disability, race, age, sex or sexual orientation, religion or belief. Employees should co-operate with measures introduced by Cafédirect to make sure there is equal opportunity and no discrimination. Employees must not victimise individuals on the grounds that they have made complaints or provided information about discrimination or harassment.

Cafédirect will take disciplinary action against employees who are found to infringe its' Equal Opportunities Policy.

Modern Slavery Act 2015

Cafédirect operates across two sites in London, United Kingdom, the Head Office and the Speciality Coffee Roastery, employing 24 people. The Senior Management Team are based at the Head Office. Cafédirect is a PLC with over 4,500 shareholders, their interests are represented by an independent Board of Directors. Aside from the Speciality Coffee production (representing approximately 3% of turnover) Cafédirect outsources its manufacturing and distribution to suppliers across the EU. The main activity carried out by Cafédirect is the sale of tea, coffee and drinking chocolate.

The labour supplied to Cafédirect in pursuance of its operation is carried out in the UK.

Definitions

The Organisation considers that modern slavery encompasses:

- Human trafficking;

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- Forced work, through mental or physical threat;
- Being owned or controlled by an employer through mental or physical abuse of the threat of abuse;
- Being dehumanised, treated as a commodity or being bought or sold as property;
- Being physically constrained or to have restriction placed on freedom of movement.

Commitment

Cafédirect acknowledges its responsibilities in relation to tackling modern slavery and commits to complying with the provisions in the Modern Slavery Act 2015. Cafédirect understands that this requires an ongoing review of both its internal practices in relation to its labour force and, additionally, its supply chains.

Cafédirect does not enter into business with any other organisation, in the UK or abroad, which knowingly supports or is found to involve itself in slavery, servitude and forced or compulsory labour.

No labour provided to Cafédirect in the pursuance of the provision of its own services is obtained by means of slavery or human trafficking. Cafédirect strictly adheres to the minimum standards required in relation to its responsibilities under relevant employment legislation in in the UK.

As part of our commitment to the Modern Slavery Act 2015, Cafédirect confirms that:

- Steps have been taken steps to eradicate modern slavery within our business through relevant policies, right to work in the UK pre-employment checks and payment to employees of at least the National Minimum Wage / National Living Wage as appropriate;
- Our suppliers pay their employees any prevailing minimum wage applicable within their country of operation;
- Cafédirect operates a zero-tolerance approach to Modern Slavery within own supply chain, including supplier due-diligence checks and mechanisms for reporting suspected instances of Modern Slavery & Human Trafficking.

Cafédirect’s Principles

Cafédirect is committed to ensuring that internal processes are run with integrity and fairly and as such Cafédirect is expected, as a minimum, to follow the following principles:

Monitoring & Reporting

Cafédirect will use the Supplier Questionnaire risk categories (low, medium, high) to measure a supplier’s performance against the implementation of this policy.

Where a supplier does not comply, Cafédirect is committed to working with the supplier to improve within an agreed time frame. If the conditions still do not improve, this could lead to Cafédirect ceasing to work with the supplier for which Cafédirect reserves the right to enforce in such situations.

Communication

Cafédirect will communicate this policy to all staff, suppliers and key stakeholders.

Review

This policy will be reviewed on an annual basis to ensure its relevance and compliance with labour and environmental laws. Where required the review can take place sooner if triggered by a significant change in the law that requires sooner action than the next review date.

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Appendix A: Ethical Trading Initiative Base Code



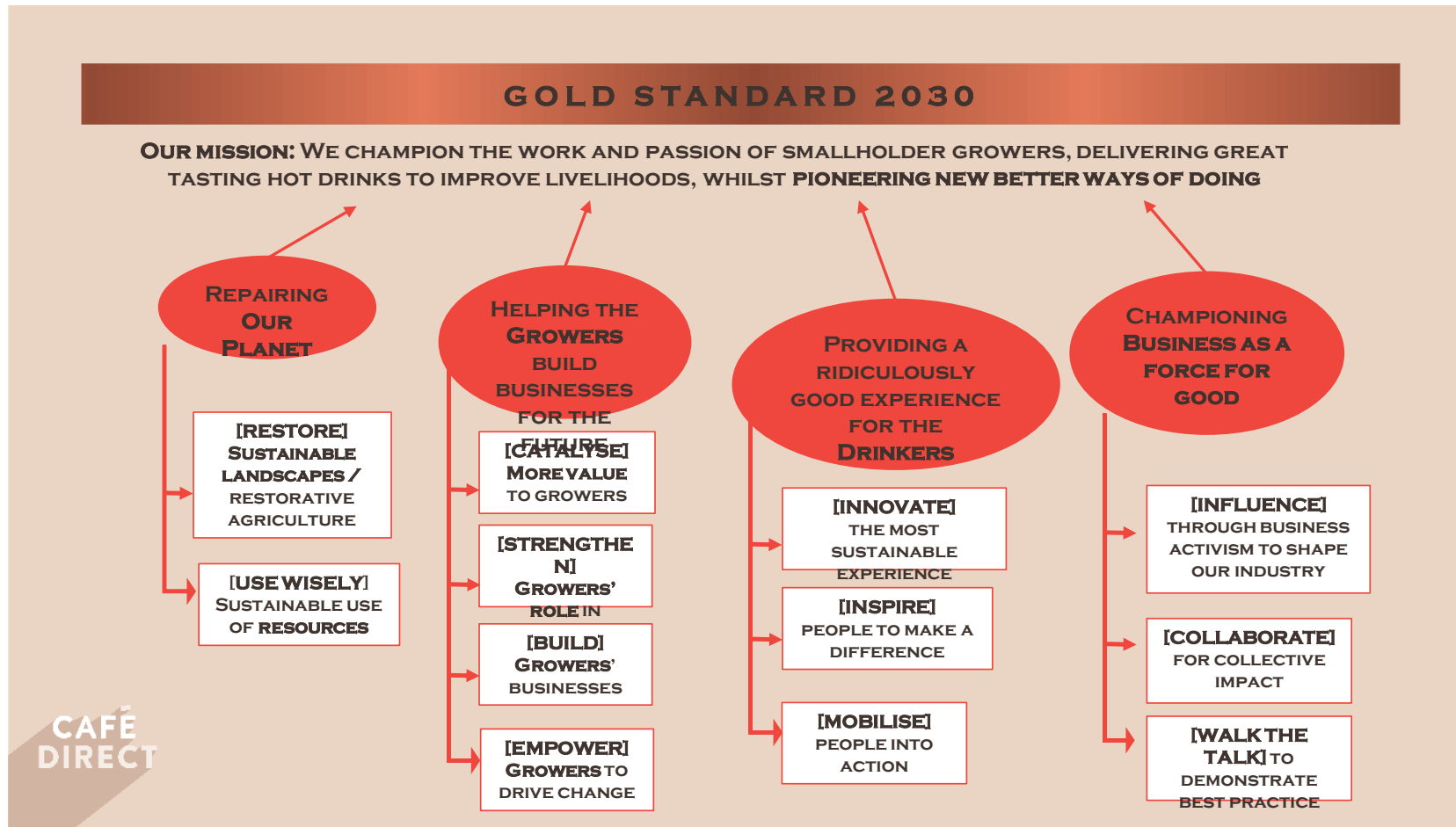
The ETI Base Code

This document was amended 01 April 2014 with revisions to clause 6, Working hours are not excessive.

1. **Employment is freely chosen**
 - 1.1 **There is no forced, bonded or involuntary prison labour.**
 - 1.2 **Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.**
2. **Freedom of association and the right to collective bargaining are respected**
 - 2.1 **Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.**
 - 2.2 **The employer adopts an open attitude towards the activities of trade unions and their organisational activities.**
 - 2.3 **Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.**
 - 2.4 **Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.**
3. **Working conditions are safe and hygienic**
 - 3.1 **A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.**

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Appendix B: Cafédirect Gold Standard



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Appendix C: Environmental Statement

Cafédirect Plc recognises the need for sustainable development and continually aims to improve the environmental effect of its activities. To achieve this we will: -

[NOTE – This policy should be read in conjunction with Cafédirect’s Gold Standard Policy]

Establish sound environmental management by: -

- Meeting or improving upon relevant legislative, regulatory and environmental codes of practice.
- Developing objectives that target environmental improvements and monitor performance by regular review.
- Consider environmental issues in the decision making process.
- Developing a relationship with suppliers and contractors so that we all recognise our environmental responsibilities.
- Educating staff so that they carry out their activities in an environmentally responsible manner.
- Promoting an appreciation of the Company’s environmental performance among customer, employees and the general public.

Providing for the effective use of resources by: -

- Advising customers on the efficient use of energy and other utilities.
- Promoting waste minimisation by recycling or finding other uses of by-products whenever economically viable.
- Promoting the efficient use of resources, energy and fuel throughout the company’s operations.
- Provide information for the Company’s products to be properly used, stored and disposed of so as to avoid unacceptable effects on the environment.

Co-operate with: -

- The communities in which we operate.
- The government, regulatory bodies and other interested parties with the shared vision of being a good and trusted neighbour.
- In conjunction with its partners in the supply chain undertake regular environmental audits to assess progress against these targets.

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