



CORPORATE
SOCIAL RESPONSIBILITY
REPORT 2005
ANNEXES



Comparison of the Paulig 2005 corporate social responsibility report with guidelines of the GRI

GRI guidelines		
Code GRI content	Included	In report on page
5. Performance Indicators		
Economic Performance Indicators		
EC1 Net sales	Yes	5, 10
EC2 Geographic breakdown of markets (incl. Green coffee trading to Norway)	Yes	11
EC3 Cost of goods and materials purchasec (green coffee!!!)	Yes	10
EC5 Total payroll and benefits	EC6	Distributions to
providers of capital broken down by interest on debt and borrowings, and dividends on all classes of shares, with any arrears of preferred dividends to be disclosed. This includes all forms of debt and borrowings, not only long-term debt.	Partly	10
Environmental Performance Indicators		
Materials		
EN1 Total materials use other than water, by type (inc. green coffee)	Yes	14, 15
Energy		
EN3 Direct energy use segmented by primary source		
Electricity		
Natural gas	Yes	16
EN4 Indirect energy use		
Heating energy	Yes	16
Water		
EN5 Total water use	Yes	15
Biodiversity		
EN7 Description of the major impacts on biodiversity associated with activities and /or products and services in terrestrial, freshwater, and marine environments.	Yes	14-21
Emissions, Effluents and Waste		
EN10 NOx, SOx, and other significatn air emissions by type	Yes	14-15
EN11 Total amount of waste by type and destination	Yes	14-15
Suppliers		
E33 Perfornance of suppliers relative to environmental components of programmes and procedures described in response to Governand Structure and Management Systems section (section 3.16)	Yes	16, 17
Transport		
EN34 Significant environmental impacts of transpotation used for logistical purposes	Yes	20

GRI guidelines			
Code	GRI content	Included	In report on page
Social Performance Indicators			
Labour Practices and Decent Work			
LA1	Breakdown of workforce	Yes	27, 28
LA4	Policy and procedures involving information, consultation, and negotiation with employees over changes in the reporting organisation's operations	Yes	28
LA7	Standard injury, lost day and absentee rates and number of work-related fatalities	Yes	27, 31
LA9	Average hours of training per year per employee by category of employee	Yes	27, 28, 29
LA11	Composition of senior management and corporate governance bodies (including the board of directors), including female/male ratio and other indicators of diversity as culturally appropriate.	Partly	28
LA13	Provision for formal worker representation in decision-making of management, including corporate governance	Yes	28
Human Rights			
Strategy and Management			
HR1	Description of policies, guidelines, corporate structure and procedures to deal with all aspects of human rights relevant to operations, including monitoring mechanisms and results.	Yes	6, 9, 23, 25
HR2	Evidence of consideration of human rights impacts as part of investment and procurement decisions, including selection of suppliers/contractors.	Yes	23, 25
HR3	Description of policies and procedures to evaluate and address human rights performance within the supply chain and contractors including monitoring systems and results of monitoring.	Yes	23, 25
Non discrimination			
HR4	Description of global policy and procedures/programmes preventing all forms of discrimination in operations, including monitoring systems and results of monitoring.	Yes	28
Freedom of Association and Collective Bargaining			
HR5	Description of freedom of association policy and extent to which this policy is universally applied independent of local laws, as well as description of procedures/programmes to address this issue.	Yes	28

GRI guidelines			
Code	GRI content	Included	In report on page
Child labour			
HR6	Description of policy excluding child labour as defines by the ILO Convention 138 and extent to which this policy is visibly stated and applied as well as description of procedures/programmes to address this issue, indlucing monitoring systems and results of monitoring.	Yes	23
Forced and compulsory labour			
HR7	Description of policy to prevent forced and compulsory labour and extent to which this policy is visibly stated and applied as well as description of procedures/programmes to addres this issue, indlucing monitoring systems and results of monitoring.	Yes	23
Society			
SO1	Description of policies to manage impacts on communities in areas affected by activities, as well as description of procedures / programmes to address this issue, including monitoring systems and results of monitoring. Include explanation of procedures for identifying and engaging in dialogue with community stakeholders	Yes	6, 19, 33, 34, 35
Product Responsibility			
PR1	Description of policy for preserving customer health and safety during use of products and services, and extent to which this policy is visibly stated and applied as well as descrpition of procedures/programmes to address this issue, including monitoring and results of monitoring.	Yes	32.33
PR2	Description of policy, procedures/management systems, and compliance mechanisms related to product information and labelling.	Yes	32

Involvement in business and sector development

Finnish cooperation

- ECR Finland: The purpose of ECR Finland is to promote cooperation between trade and industry, especially in category management and logistics. Further information available at www.ecr-finland.com
- The Finnish Food and Drink Industries' Federation (FFDIF): The federation promotes the interests of Finland's food and drink companies in business and labour market policy. It also functions as a forum for cooperation between companies in their relations with the authorities, retailers, producers and other stakeholders. Further information available at: www.etl.fi
- Finnish Business & Society: The network seeks to reinforce cooperation between the private and public sectors in order to promote sustainable social and economic development. Further information available at www.businessandsociety.net
- The Association of Finnish Advertisers: The association promotes the interests of advertising purchasers in Finland, provides its members with advice on marketing communications issues, and publishes research. Further information available at www.mainostajat.fi
- The Finnish Coffee Roasters' Association: The roasters' association is a sectoral association of the FFDIF and EUCA (European Federation of Associations of Coffee Roasters), an umbrella organisation for coffee roasters in the European Union. The association develops links with the Finnish research community in order to monitor research into coffee, and it closely monitors research into the sector conducted outside Finland, issues of coffee and health and environmental matters. The roasters' association sets out to provide Finns with topical information about coffee, coffee culture, and the manufacture and processing of coffee. Further information available at www.etl.fi and www.kahvi.net
- The Environmental Register of Packaging PYR Ltd: Finnish legislation requires that companies take responsibility for the reuse of packaging they bring onto the market. By entering into a contract with PYR, companies transfer their recovery obligation to the PYR producer organisations. Having concluded such a contract, Paulig is entitled to use the PYR trademark. Further information available at www.pyr.fi
- The Specialty Coffee Association of Finland (SEKO): A nationwide association for professionals in the field of speciality coffees, which seeks to maintain quality among speciality coffees and to enhance awareness of coffee, as well as to promote Finland's coffee culture. Further information available at www.seko-ry.com
- The Finnish Packaging Association: The association coordinates communications, public relations, publishing and training for the packaging sector. Further information available at www.pakkaus.com
- Finnish Plastics Recycling Ltd: This is an organisation for plastics producers. Further information available at www.suomenuusiomuovi.fi
- The Santa Claus Foundation: The foundation's mission is to promote Finland's image as the home of Santa Claus, and to create ways for companies and associations to benefit from this image. Some of the profits from the foundation's activities are donated to charity. Paulig's Santa Claus coffee is the foundation's official coffee. Further information available at www.santaclausplaza.com

International cooperation

- International Coffee Partners GmbH (ICP): A joint non-profit enterprise established in 2001 by five family-owned European companies operating in the coffee sector. ICP's mission is to promote sustainable development in coffee-producing countries by implementing projects which benefit the environment and families of coffee growers. Further information available at www.coffee-partners.org
- The European Coffee Association (EUCA): The umbrella organisation for associations of European coffee roasters, whose interests it defends at EU level. Further information available at www.kahvi.net
- The Institute for Scientific Information on Coffee (ISIC): Established by Europe's largest coffee companies, ISIC works in cooperation with the International Coffee Organisation (ICO). ISIC is an umbrella organisation for CoSIC and PEC. Further information available at www.cosic.org
- The Coffee Science Information Centre (CoSIC): Based in the UK, CoSIC is a coffee industry information centre that monitors global scientific research into the health effects of coffee, which it then uses to produce reports for use by experts and consumers. Further information available at www.cosic.org
- Physiological Effects of Coffee (PEC): A sub-organisation of ISIC which monitors and finances scientific research into the health effects of coffee.
- The Specialty Coffee Association of America (SCAA): An association focusing on quality coffees, whose members include organisations such as coffee houses, roasting plants, growers, coffee exporters and importers. Further information available at www.scaa.org

Coffee production permits and commitments

- The product safety standard of the British Retail Consortium (BRC), the British interest group for retailers, has been developed to ensure safety for the consumer and compliance with statutory obligations for the company. Paulig's product safety strategy is based on the BRC standard. Further information available at: www.brc.org.uk/defaultnew.asp
- EFSIS standard: A standard guaranteeing product safety and quality. The EFSIS standard meets the British Retail Consortium (BRC) technical standard requirements, which apply to companies supplying foodstuffs to the retail sector. Further information available at www.efsis.com
- European Contract for Coffee (ECC): All Paulig's green coffee purchase agreements conform to ECC regulations. Further information available at www.ecfcoffee.org
- Self-assessment plan: The City of Helsinki Environment Centre issued a decision on self-assessment at Gustav Paulig Ltd in November 1996. The self-assessment is based on HACCP (Hazard Analysis of Critical Control Points). Further information available at www.elintarvikevirasto.fi
- Surveillance of organic products: The entire supply chain for organic products is covered by an official surveillance system. Further information available at www.elintarvikevirasto.fi
- Certificate of Conformity: Paulig products comply with the requirements of the GOST R standard (Gosstandard of Russia), which is imposed on imports to Russia. Further information available at www.kttk.fi
- Environmental auditing: a provisional ISO 14001 standard audit was conducted at Paulig in December 2004. The audit did not bring to light any irregularities. The audit was conducted by independent auditors Det Norske Veritas.
- Environmental permit: The environment committee of Helsinki City Council awarded Paulig a new environment permit in December 2004. The permit replaces the earlier permit, which had been valid since 1996.
- Rescue plan: Created in 2000 and updated in 2002 and 2004, the plan familiarises employees at the production plant with fire control and accident prevention.

Personnel policy at Gustav Paulig Ltd

Personnel policy at Gustav Paulig Ltd is based on the values of the Paulig Group, which are quality, trust and respect for the individual, multicultural awareness, creativity and transparency. The aim is to generate an open company culture in which people both talk to and listen to each other.

Our company offers interesting and target-driven challenges to which employees are keen to commit. For us, this involves:

- ensuring that our employees are competent and motivated.
- looking for solutions which take account of social responsibility.

The company's core competences are the starting point for skills development. We stress individuals' responsibility for their own development and consider it important to raise the skill levels of our personnel as a whole. Skills development includes learning on-the-job and also meetings to discuss objectives, appraisals, skills assessments, task rotation, project work, identifying best practice, and external and internal training courses.

The company aims to provide a safe and healthy working environment. The company's efforts to promote the welfare of its employees include occupational health care, development work based on regular surveys of the working atmosphere and support for leisure activities. The company has a functioning occupational protection organisation. We have made it easier to reconcile family life with working life through working time arrangements and teleworking.

Should the business environment suggest a need to reduce the workforce, we make every effort to transfer employees to new positions within the Paulig Group, providing additional training wherever possible.

Gustav Paulig Ltd complies with international, national and local laws and regulations as well as international agreements. The company does not accept forced labour or child labour. Details of company practice in personnel management are freely available in writing for consultation.

The company promotes equality and impartiality and it respects the right of its employees to have their privacy protected.

Approved by the board of directors of Gustav Paulig Ltd on 7 November 2003

Gustav Paulig's quality policy

- We offer high quality branded products and services to our customers.
- We are a preferred business partner.
- We provide our employees with interesting goals and challenges, which they are willing to commit themselves to.
- We are profitable and long-term investment for our shareholders.

This means that:

- We continually develop our products and operations.
- We combine our many years of experience with the latest expertise, while paying due attention to product safety and legal requirements.
- We ensure that our employees have the right skills and are motivated.
- We seek ethical solutions that are compatible with sustainable development and social responsibility.

Approved by the board of directors of Gustav Paulig Ltd on 27 September 2002

From bean to cup

Mission

Provider of the best taste for enjoyable moments.

Vision

One of the leading coffee companies in Nordic countries and selected East European countries.

Strategic principle

Consistent high quality of performance.

Strategies

1. Market leadership in selected markets
- through acquisitions, alliances and organic growth.
2. Consumer-driven innovation
- to generate added value for our offerings.
3. Empowerment - to encourage action and personal growth.
4. Cross-cultural mindset
- to promote collaboration with our partners.

Values

1. Quality
2. Trust and respect for people
3. Multicultural approach
4. Innovativeness
5. Openness

Behaviours

1. Participate and share knowledge
- we expect outspokenness and we listen.
2. Favour and stand behind empowerment
- we take initiative and provide opportunities.
3. Recognise problems and seek solutions
- we learn from mistakes and failures.
4. We want to grow throughout life
- we are ready constantly to learn new things.

Environment policy at Gustav Paulig Ltd

“High quality in everything we do”

Paulig is a player in a global chain which stretches from the countries where green coffee is produced to the market area for its finished products. The company strives to take environmental issues into account in a responsible manner throughout the chain, as well as actively supporting both measures that promote general well-being and environmentally sustainable solutions.

In purchasing, coffee production methods in the countries of origin are included in the definition of quality. The basic requirements include ensuring that the methods used place the least possible strain on the environment and that the working conditions are safe and responsibly maintained. In transporting green coffee, we aim to use the most efficient and environmentally friendly processes and tools.

In production, we strive to minimise environmental impact as far as possible. We do this by using the Best Available Techniques (BAT) when it comes to new and repair investments and by planning and steering our operations efficiently.

Technical efficiency requires a skilled and professional workforce. Ongoing training ensures that a sufficient level of expertise is maintained and that employees are aware of the environmental dimension of their own work.

In packaging our products, we look for solutions that are as practical as possible for the consumer and take environmental considerations into account.

We have made a commitment to ongoing improvement by systematically setting objectives and implementing programmes of measures that will allow us to reduce environmental impact and to incorporate the principles of sustainable development into the production chain.

We are committed in all our operations to complying with legislation and requirements imposed by the authorities. Our environment policy guides our operations at all levels of the organisation, and each and every member of the Paulig team is responsible for addressing the environmental aspects of their work.

We report openly on environmental issues and our environment policy and is freely available for consultation.

Environmental management at Gustav Paulig Ltd is developed in line with the ISO 14001 standard.

Approved by the board of directors of Gustav Paulig Ltd on 7 November 2003