

FIRSD TEA NORTH AMERICA

OCTOBER 2023

CHINESE TEA SUSTAINABILITY REPORT



PREPARED BY





WHY CHINESE SUSTAINABILITY?

FIRSD TEA & TRANSWORLD CONTRIBUTE TO A CHAIN OF SUSTAINABILITY THAT EXTENDS FROM FARMS AND FACILITIES TO THE BRANDS THAT CONSUMERS KNOW AND TRUST

Firsd Tea and Transworld participate in the sustainability work of the Rainforest Alliance, FLOCERT (Fairtrade International), and Fair Trade USA through our shared commitments to Chinese tea.

Sustainability Is:

- Ethically right.
It is the right approach for our Earth and future generations
- Good economics.
Sustainable tea continues to be an economic driver for millions living in poverty in China
- Smart business.
Consumers seek and trust brands committed to sustainability

Consumers Seek Sustainability

The future of sustainability begins with today's consumer:

- A rising tide of North American consumers are in the process of finding ways to embrace sustainability:
- They are looking to change their consumption habits to reduce their impact on the environment
- Many are willing to pay more for products with environmentally friendly ingredients.

OUR FARMS AND FACILITIES

TEA FARMS, PRIMARY AND SECONDARY PROCESSING FACILITIES



Our network of farms and processing facilities spans across the country, from Zhejiang Province in the east to Yunnan Province in the west. These locations participate to various degrees in Rainforest Alliance, FLOCERT (Fairtrade International), Ethical Tea Partnership (ETP) and Fair Trade USA programs, while complying with traceability standards.

THESE LOCATIONS ACCOUNT FOR:

- +2,000 WORKERS
- +12,000 HA UNDER CULTIVATION
- +15,000 MT OF PRODUCTION CAPACITY

SUSTAINABILITY WITH FIRSD TEA AND TRANSWORLD

**FIRSD TEA AND TRANSWORLD
OF CHINA HAVE DISPLAYED
AN ENDURING HISTORY OF
CONTRIBUTIONS TO
SUSTAINABILITY PROJECTS**

Transworld became China's first USDA certified organic tea producer in 1989, and continues to maintain those high standards to this day, including compliance with EU and USDA food safety regulations

OUR CHINA SUSTAINABILITY INITIATIVES

Many of Transworld's farms and facilities have benefited from the work of the Rainforest Alliance and Fair Trade organizations. Below are a few of the specific locations where successful sustainability initiatives are happening:



WUYI JIULONG MOUNTAIN TEA BASE

RAINFOREST CERTIFIED CHINESE TEA FARM



Wuyi Jiulong Mountain Tea Base is one of Transworld's several Rainforest certified tea farms. It has the capacity to produce over 1.2 million kilograms of tea. Working under Rainforest Alliance's guidelines, Jiulong enhanced their sustainable agriculture practices and pesticide management. The programs included proper use of personal protection equipment (PPE), and responsible agrochemical usage.



RAINFOREST CERTIFIED WUYI
JIULONG MOUNTAIN TEA
BASE BENEFITS FROM BETTER
PESTICIDE MANAGEMENT
PRACTICES

SUSTAINABILITY - ENVIRONMENT



IMPACT

- REDUCED PESTICIDE APPLICATION
- PROTECTION OF THE ECOSYSTEM
- IMPROVED FARMER INCOMES

The drive toward more sustainable Chinese tea has led to further research into reducing pesticide use while also improving farmer incomes. Under the direction of Dr. Chen Zongmao, prominent tea research scientist, a team from The Tea Research Institute and Transworld have initiated a study that includes the use of more eco-friendly bug traps. This project looks at the effects of these traps as related to reduced pesticide usage and improving yields.



SUSTAINABILITY - PEOPLE

PROMOTING PEOPLE & PLANET THROUGH POVERTY ALLEVIATION




In April 2018, Huangdu Village of Anji County (Anhui Province) coordinated with Transworld/Zhejiang Tea Group to donate **15 million green tea seedlings** to poverty stricken areas. Recipients included **34 villages** across Hunan, Sichuan, and Guizhou Provinces. The donation of tea seedlings and the creation of tea farms aims to further the sustainability goals of:

- Increasing incomes of villagers
- Poverty alleviation for 1,800 households
- Development of farms and facilities in accordance with soil and water conservation practices

HUANGDU VILLAGE & TRANSWORLD BRING SUSTAINABILITY, POVERTY ALLEVIATION TO OVER 6,600 PEOPLE

SUSTAINABILITY - PEOPLE

TIMELINE OF THE "WHITE LEAF" SUSTAINABILITY PROJECT



2022: The "White Leaf No. 1" tea donated to the three provinces is yielded 6,000 - 8,000 kg for the year.

Over 6,600 local impoverished individuals lifted out of poverty. All 37 impoverished villages donation recipients have achieved poverty alleviation.

2020: The first batch of "White Leaf No. 1" new tea harvested, covering 2,000 acres in Pu'an County and benefitting 2,577 local impoverished households through land transfer, labor, and dividend-sharing.

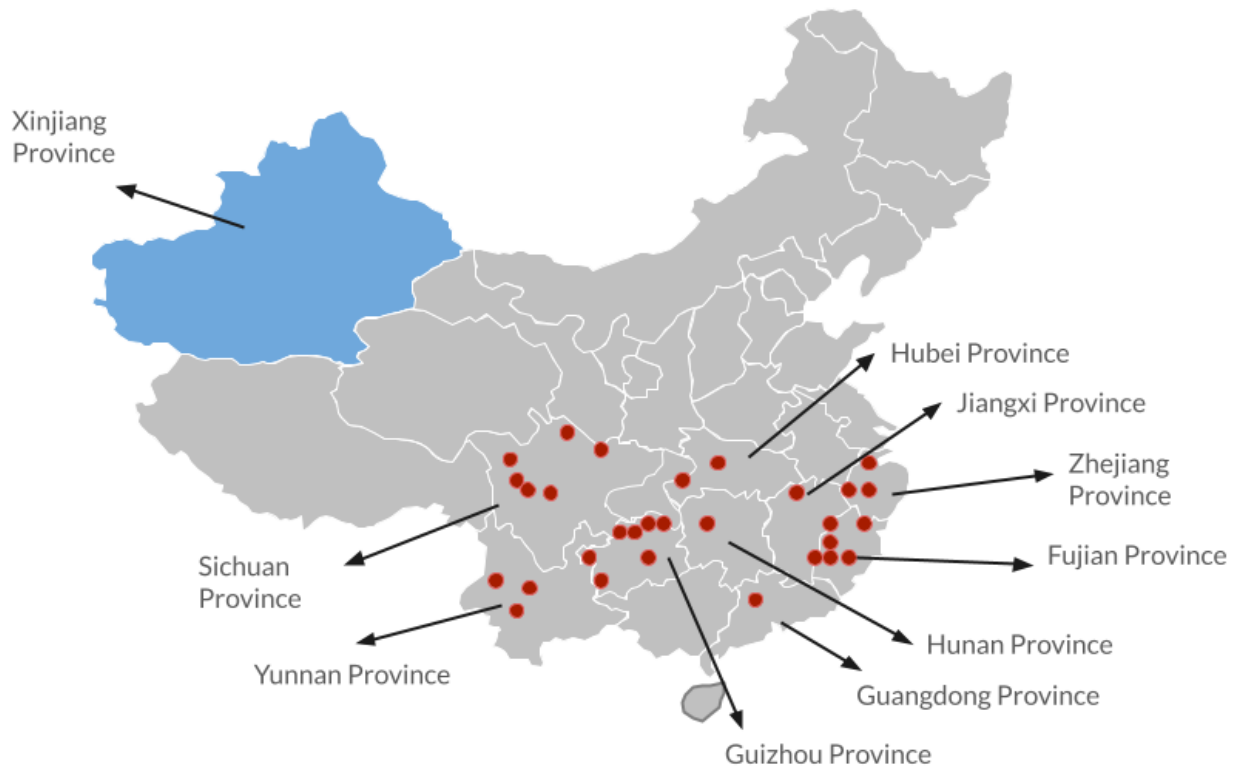
The first phase of a 13,000-square-meter factory building in Pu'an is officially opened.

2019: "White Leaf No. 1" tea seedlings take root and start to sprout successively in three provinces and four counties.

2018: The first donated tea seeds from Anji are delivered. The Pu'an County Project is launched.

SUSTAINABILITY - PEOPLE

STATEMENT ON ANTI-SLAVERY AND HUMAN TRAFFICKING



Transworld tea farms and facility locations in relation to Xinjiang Autonomous Region

ANTI-SLAVERY AND HUMAN TRAFFICKING STATEMENT

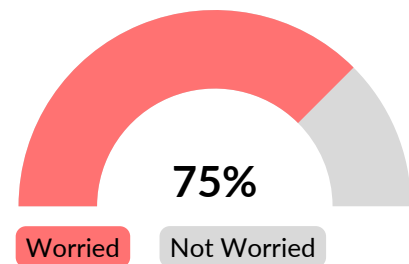
Firsd Tea commits to ensuring that slavery and human trafficking are not taking place in our businesses or supply chains. All items are sourced ethically.

Recent news reports have raised concerns regarding the social welfare of the peoples of the Xinjiang Autonomous Region. In the spirit of transparency, Firsd Tea does not own or operate tea farms or facilities in Xinjiang, and does not engage in labor practices that involve slave labor or human trafficking.

SUSTAINABILITY - RESEARCH

In 2021, Firsd Tea launched the first-of-its-kind sustainability perspectives survey to understand how professionals within tea and related industries perceived sustainability. We discovered overwhelming apprehension about the risk of climate change on operations, cautious hope for the future, and an under-prioritization of sustainability when selecting teas to offer consumers.

How worried are you about climate change's effects on your business operations?



Following up on our initial research, Firsd Tea again partnered with Tea & Coffee Trade Journal to survey professionals in tea and related industries to understand how they currently view sustainability efforts within the sector and their outlooks for the future. This report picks up on our last one to explore the following topics in depth:

Progress on sustainability factors: Most respondents in 2023 viewed tea as performing very well or somewhat well regarding reducing its environmental impact, workers' rights, gender equity, and improving the livelihood of smallholder farmers when compared with coffee and cocoa sectors.

Worries about climate change: Most survey-takers remain worried about the effects of climate change on their business operations. Tea is still considered the most sensitive industry to the effects of climate change by most professionals in tea and related industries.

Organic certification: Most respondents still agree Organic Certification is the most important standard to consumers. However, survey-takers now report Non-GMO Certification as more important to consumers than Fair Trade.

Current state and the future: Most respondents in tea and related industries report improved outlooks on progress made in sustainability from 10 years ago, the current state of sustainability in tea, and the trajectory for the next 10 years.

View the [2023 SUSTAINABILITY PERSPECTIVES REPORT HERE](#)

ACTIVE SUSTAINABILITY IN CHINA

ACTIVE SUSTAINABILITY ORGANIZATIONS

FAIR TRADE USA IN CHINA

Fair Trade USA was founded in 1998 as a nonprofit committed to setting standards and certification for the promotion of sustainable livelihoods and environmental protection. Fair Trade USA has made strides in:

1. Reducing poverty
2. Decreasing child mortality
3. Improving drinking water & sanitation

RAINFOREST ALLIANCE IN CHINA

The Rainforest Alliance is a non-governmental organization founded in 1987 to conserve biodiversity and ensure sustainable livelihoods. In conjunction with the Ethical Tea Partnership, the Rainforest Alliance supports sustainability via:

1. Increasing farm productivity and climate-smart farming
2. Conserving biodiversity, wildlife protection, GMO crop prevention
3. Water and soil conservation and management

FAIRTRADE INTERNATIONAL IN CHINA

Fairtrade International was founded in 1997 as a nonprofit association of producer networks and national Fairtrade organizations. Fairtrade International works in China:

1. Distributing organic fertilizers to tea farmers
2. Providing financial assistance to college students from farmer households
3. Supporting community infrastructure development

FOR MORE INFORMATION

Firsd Tea and Transworld are proud to share in the sustainability work in China of these organizations, and we endeavor to make the stories of Chinese tea sustainability a part of our clients' sustainability message. For more information on how Firsd Tea's sustainable teas can be part of your story of sustainability, please contact:



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