

**MartinBauer**

# GRI-Report

Communication on Progress

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## GRI 2: General Disclosures

### 2-1 Organizational details

Since 1930, MartinBauer has stood for unique expertise in botanical products worldwide. In cooperation with our customers, we develop tailor-made solutions for the tea, beverage, food, pharmaceutical and animal nutrition industries. Our products are based on responsibly sourced, high-quality botanical raw materials from more than 80 countries. Our headquarters is located in Vestenbergsgreuth, where the company was founded. With more than 20 production and distribution sites worldwide, we keep our finger on the pulse of local and global markets, staying abreast of trends and traditions. Thanks to our decades of experience in a wide range of industries, we have a deep understanding of the needs of our customers and of end consumers. Our aim is to pass this knowledge and the creative solutions of our development experts on to our customers. More than 2,400 employees worldwide, many of them with decades of experience, are dedicated to maintaining this competitive edge. This is a key reason why many of our business partners have been placing their trust in us for decades – something we are very proud of.

MartinBauer is part of the nature network, a fourth-generation family business with a long-range, value-driven corporate strategy. MB-Holding directs the group of companies under the nature network umbrella. It offers a globally unique spectrum of botanical-related products and services, including the responsible procurement of high-quality botanical raw materials, their gentle processing using certified methods, the development of innovative products tailored to our customers' product application needs, and laboratory, consulting and distribution services.

### 2-2 Entities included in the organization's sustainability reporting

Our financial reporting is done in the form of a management report for the nature network as a whole and therefore has a different scope than this sustainability report.

As they are not considered materially important, the report does not include locations where no production takes place. With a view to environmental impact, we have determined that our sales-only locations each contribute less than 1% to our CO<sub>2</sub> emissions.

For this sustainability report, MartinBauer includes all its production sites worldwide. Unless otherwise stated, the data presented refers to all the following locations:

- Europe
  - Germany: Vestenbergsgreuth, Kleinostheim, Alveslohe
  - Italy: Nichelino, Rivalta di Torino
  - Poland: Witaszyce
- Asia
  - Turkey: Izmir
  - China: Hangzhou, Wuhu
  - Sri Lanka: Dickoya
- North and South America
  - Argentina: Misiones
  - USA: Reno, Islandia, Bethlehem, Terrebonne

### 2-3 Reporting period, frequency and contact point

The reporting period covered by this sustainability report is January 1, 2022 to December 31, 2022. Our previous report was from 2020 (with data from 2019) and covered only locations in Germany. The present GRI report is the first global report for MartinBauer. As a result, the reports are not directly comparable.

Publication date:  
December 2023

Contact:  
Sustainability Team

### 2-4 Restatements of Information

The previous sustainability report referred exclusively to German locations, while this report includes all production sites worldwide. As a result, the reports are not directly comparable.

### 2-5 External assurance

This report has not been externally assured. As part of our reporting in accordance with the Corporate Sustainability Reporting Directive (CSRD), we will adapt this report in line with the requirements of the new European regulations and have it assured and published accordingly.

We report in accordance with the GRI Standards.

### SDGs

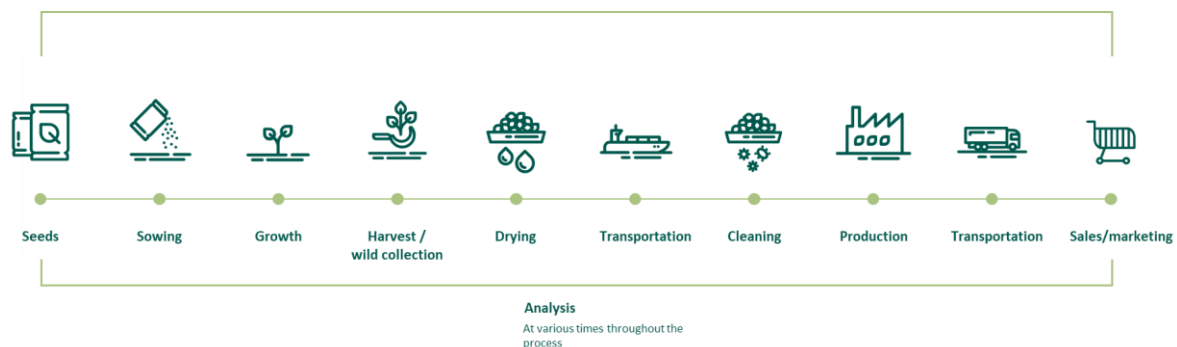
Along our value chains, we contribute to the achievement of the United Nations Sustainable Development Goals (SDGs).

The 17 global goals chart the path toward sustainable development for countries, municipalities, private individuals and companies. They provide the framework for the contribution we can and must make as a company in order to maintain a viable environment over the long term and to continue to thrive as a company in the future. MartinBauer is committed to all the SDGs. However, due to the type of influence exercised by our company, we cannot contribute to all goals equally. Therefore, we have focused on those to which we can make the greatest contribution:



## 2-6 Activities, value chain and other business relationships

Our value chain begins in the rural habitats of 80 countries around the world where we source our more than 200 different botanical raw materials. Supply chains vary in complexity depending on the habitat of origin. We strive for a high level of transparency in order to minimize risk in terms of supply chain security, quantity, quality and responsible dealings with people and the environment. Our quality management therefore starts in the country of origin of our raw materials. For our botanical products, we strive for the highest quality and safety standards – a goal we pursue using an integrated supply chain management concept.





We ensure compliance with local laws and our own Supplier Code of Conduct, and we apply even higher criteria to select products with our own mabagrown® sourcing standard. We are aware that many of the major challenges in the countries of origin cannot be solved alone. That is why we are involved in alliances, such as the Living Income Community of Practice and the Initiative for Sustainable Agriculture and Supply Chains (INA), to take effective action in concert with government organizations and like-minded companies.

We have always relied on cooperation with raw material partners. We enjoy a relationship of mutual trust with them, thanks to our strict quality standards, fair dealings and personal contact. In addition, we give our raw material partners long-term contracts, thus providing them with planning security.

Through our close contact with raw material partners, we identify challenges early on and can address them with targeted projects. Challenges are identified by means of internal and external audits based on established standards (Rainforest Alliance, UTZ Certified, FairForWild, etc.) and our supplier code of conduct. We audit compliance with our mabagrown® criteria on three levels:

1. **Local:** Using a monitoring system, our raw material partner in the region continually assesses whether small farmers and wild harvesters meet the mabagrown® requirements.
2. **Regional:** A specially trained team of auditors regularly monitors our raw material partners in the various growing regions by means of audits lasting several days.
3. **Independent external monitoring:** The mabagrown® standard and its implementation are continually monitored by an independent supervisory body. Beyond the scope of our management system, raw material partners in the habitat of origin are also subject to random inspections.

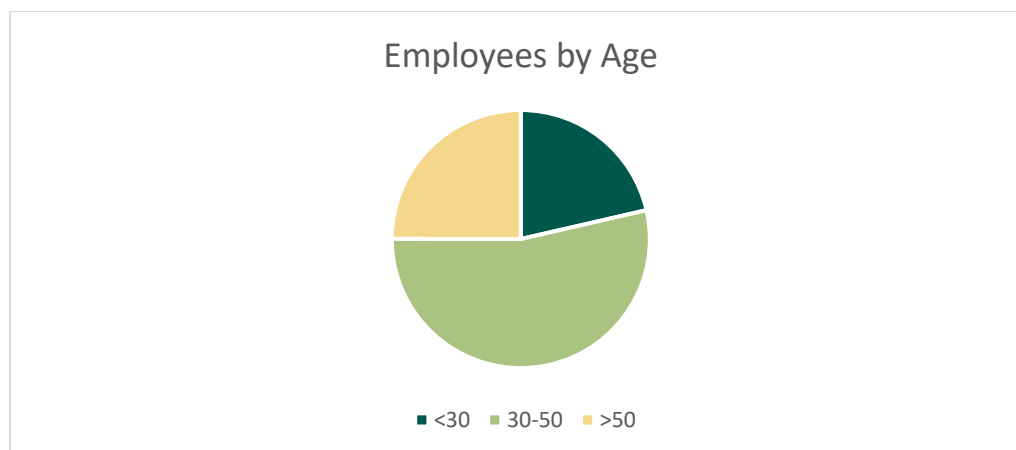
It is our goal to implement mabagrown® with additional raw material partners in consultation with our customers. Due to the high standards and associated costs, this is a long-term process. We must therefore assess whether customers are willing to help shoulder the higher operating costs and investments that are associated with sustainability in the short term. We see sustainability as an investment in the future that is shared by all players along the supply chain.

Regular, good-faith discussions with our raw material partners are also essential if we are to openly discuss problems and identify solutions. The aim of our sustainability projects is to improve environmental, living and working conditions along our supply chains. Hands-on projects are particularly important to us, as we see sustainability as a corporate responsibility.

## 2-7 Employees

At the end of 2022, MartinBauer employed 2,041 people (in FTE) worldwide. It is very important to us to have a stable workforce that supports and develops our company. We see ourselves as a fair employer and, accordingly, want our employees to be able to plan for the long term with us. This also helps us to retain know-how in our company and benefit from many employees with extensive experience. We set great store in the training of new employees and continually enhancing their qualifications. For this reason, we give nearly all of our employees permanent contracts (96.9% of the workforce). Temporary employment (3.1 % of the workforce) is an exception.

In 2022, there was a total of 218.3 new hires (in FTE) worldwide.



The age distribution of our employees is appropriately balanced. There is a slight concentration in middle-age, but we employ people in all age groups and are thus stably positioned for the future. We actively seek to achieve a balanced age distribution. For example, in Germany we take on many apprentices and promote young talent.

The proportion of women in the company is 26%. Men account for 74% of our employees. A majority of our employees at production sites work in production. In some cases, this involves strenuous physical labor and shift work. Work of this kind is sought in greater part by men. We take various measures to be an attractive employer for all genders (e.g., participation in Girls Day, a women's network, recruiting measures, signatory to the Diversity Charter). We raise awareness for diversity in our internal communication, aim to at least maintain the percentage of women in management positions, and increasingly offer specific training opportunities. Where the operational framework permits, we offer our employees flextime and the opportunity to work remotely. For example, employees can return to work flexibly after parental leave and gradually increase their weekly working hours as their personal circumstances permit.

	Women	Men	Total
<b>Employees (FTE)</b>	<b>527.95</b>	<b>1512.71</b>	<b>2040.66</b>

	Women	Men	Total
Permanent employees	499.95	1447.1	1947.05
Temporary employees	13	50.3	63.3
Full-time employees	441.5	1491	1932.5
Part-time employees	86.95	28.4	115.35
<b>Total (FTE)</b>	<b>527.95</b>	<b>1512.71</b>	<b>2040.66</b>

## 2-8 Workers who are not employees

All essential activities are carried out by employees and thus by personnel obligated to work as instructed specifically by the employer. The number of workers not employed directly by MartinBauer amounted to 37 persons in FTE (full-time equivalents) worldwide in 2022, thus accounting for 1.8% of the total workforce.

## 2-9 Governance structure and composition

MartinBauer is divided organizationally into three hubs: Europe, North America and East Asia. Independently of this, MartinBauer consists of various legal entities. The overarching organization is MB-Holding GmbH & Co. KG. It oversees the entire nature network and does the management reporting. The following entities are factored into this GRI report:

- Martin Bauer GmbH & Co. KG
- Martin Bauer Polska Sp.z.o.o.
- Martin Bauer SpA
- MB Med S.r.l.
- Martin Bauer A.S.
- Martin Bauer Argentina S.A.
- Martin Bauer Inc.
- Strong Brews LLC
- Core Botanica Processors & Exports LLC
- Martin Bauer Plant Extracts (China) Co. Ltd.
- Martin Bauer Tea & Botanicals (Wuhu) Co., Ltd.
- Martin Bauer Hayleys (Pvt.) Ltd.

Each individual unit has its own management. Ultimate authority rests at the hub level. MartinBauer's Europe hub is headed by CEO Sebastian Sieben, the North America hub by CEO Ennio Ranaboldo, and the East Asia hub by CEO Liu Zhiming. The general management of MartinBauer is in the hands of Anne Wedel-Klein, Group CEO of MB-Holding.

In recent years, MartinBauer has implemented a role-based framework in Germany to achieve parity between specialist and management roles. Our employees' development paths thus do not depend on leadership within the company but rather allow for specialist careers, which are immensely important for the Group's know-how.

	Level 1			Level 2			Level 3			total
	w	m	total	w	m	total	w	m	total	
Executives and managers (FTE)	0	25	25	17	57	74	53.4	97.6	151	250

As can be seen in the table, all executives at the highest level (Level 1) are male. The proportion of women at Level 2 and Level 3 is significantly higher. The overall proportion of women in management positions is 28% – slightly higher than the proportion of women as employees, which is 26%. We have set ourselves the goal of at least maintaining the percentage of women in management positions and of increasing it in the long term.

## 2-10 Nomination and selection of the highest governance body

In the case of the Management Board, attention is paid to the knowledge, requisite skills and professional experience of its members, as well as to diversity in its composition. This ensures that the body possesses the knowledge, skills and professional experience required to perform its duties properly. Oversight of the Management Board is provided by the partner's meeting.

## 2-11 Chair of the highest governance body

MartinBauer is part of the nature network and is controlled by the latter's parent company MB-Holding. The Group CEO is Anne Wedel-Klein.

## 2-12 Role of the highest governance body in overseeing the management of impacts

The parent company of the group, MB-Holding, is the highest governance body. MB-Holding outlines a strategic framework and overarching goals to which MartinBauer is held accountable. Reporting, including sustainability reporting, is the responsibility of MB-Holding. It centrally controls budgeting, financing and compliance.

## 2-13 Delegation of responsibility for managing impacts

Sustainability is considered an integral part of corporate management. Therefore, each management team is responsible for sustainability goals and the actions taken to achieve them, which are assigned to specific divisions and departments.

Within the divisions and at locations, certain sustainability tasks are performed centrally by departments. For example, social issues are handled by Human Resources, energy efficiency issues by Engineering, and sustainability issues in the supply chain by Procurement.

To manage our climate protection initiative, each location has an employee with the additional function of Climate Representative. The global network of Climate Representatives raises awareness for our climate protection agenda and other sustainability issues. In addition, it pursues strategic, Group-wide goals and promotes targeted initiatives at our locations.

## 2-14 Role of the highest governance body in sustainability reporting

Sustainability reporting is carried out by the Sustainability Department. The sustainability and reporting strategy, including the materiality assessment, is managed by a steering committee consisting of selected managing directors. Approvals in the area of reporting are given by senior management.

## 2-15 Conflicts of interest

Conflicts of interest must be disclosed immediately within the company. No conflicts of interest arose in 2022.

## 2-16 Communication of critical concerns

In the event of misgivings or critical concerns, any employee can contact their direct superior, senior management, or the respective works council. The report will be treated confidentially and will not lead to the employee's suffering any disadvantages. This is part of our Code of Conduct. We did not receive any information on critical concerns in the reporting year.

In July 2023, we introduced an IT tool for anonymous grievances as part of the Whistleblower Protection Act. Starting in 2024, this will also be used for external grievances to meet the requirements of the German Supply Chain Due Diligence Act.

## 2-17 Collective knowledge of the highest governance body

When it comes to the Management Board, attention is paid to the knowledge, requisite skills and professional experience of its members, as well as to diversity in its composition. This ensures that the body possesses the knowledge, skills and professional experience required to perform its duties properly. In the case of specialist questions on the subject of sustainability, the Sustainability Department provides support with its know-how.

## 2-18 Evaluation of the performance of the highest governance body

This is confidential information that we do not publish.

## 2-19 Remuneration policies

This is confidential information that we do not publish.

## 2-20 Process to determine remuneration

This is confidential information that we do not publish.

## 2-21 Annual total compensation ratio

This is confidential information that we do not publish.

## 2-22 Statement on sustainable development strategy

Taking responsibility is in our DNA as a fourth-generation family business and has always been part of our strategy. We are convinced that holistic, sustainable thinking and action is an essential component of our corporate responsibility, as well as the prerequisite for long-term, value-creating growth. We think and act generationally, not quarterly.

We have aligned our strategy with the United Nations Sustainable Development Goals. We are currently focusing on seven goals for which our corporate action has the greatest impact.

Our Code of Conduct and Supplier Code of Conduct are based on the following guidelines: the International Bill of Human Rights, the United Nations Convention on the Rights of the Child, International Labor Organization (ILO) conventions, and the OECD Guidelines for Multinational Enterprises. Other certifications and assurance standards to which we have subscribed include: ISO 50001, UTZ/Rainforest Alliance, Sedex/SMETA, EcoVadis, FSSC 22000.

Our sustainability strategy for the period 2020-2023, based on our materiality analysis, is informed by the following three overarching goals. Further strategic goals can be viewed at the end of the report.

### (1) Significantly reduce our environmental footprint.

By 2030 at the latest, we plan to operate in a climate-neutral manner – both at our operational sites and in our supply chains. As a botanicals company, we are likewise committed to the protection of biodiversity, the sparing use of natural resources, and environmentally compatible agricultural methods.

### (2) Strengthen our supply chains.

In our supply chains, we protect the environment and improve the living conditions of the people who harvest our plants. We are increasing the share of sustainably produced raw materials.

### (3) Be an engaged and attractive employer.

We do everything we can to be the attractive employer of choice.

Our commitment to employees and to a vibrant civil society around our global sites is close to our heart.

“We are profoundly committed to sustainability. It is at the core of our business. We have embarked on the path of ambitious transformation and are helping our customers do the same. Our aim is to be the leader for effective sustainability in our markets,” said Anne Wedel-Klein, who is CEO of MB-Holding, responsible for corporate sustainability, and a fourth-generation family owner.

## 2-23 Policy commitments

Our Code of Conduct applies to all employees worldwide and is based on our values and principles. The Code of Conduct establishes a uniform set of guiding principles for ethically and legally proper actions and behavior. It sets minimum standards and provides orientation for how employees can

work together to ensure compliance. It provides concrete guidance for dealing with conflict situations. Potential violations are analyzed and reviewed with the interests of all employees and the company in mind, and their causes are eliminated. This includes the prosecution of misconduct in line with applicable local law.

MartinBauer Germany is a signatory of the Diversity Charter.

MartinBauer is represented in the UN Global Compact by virtue of the nature network's membership.

In the reporting year, MartinBauer Germany was once again awarded a gold medal by the EcoVadis rating agency, and it improved its position in the overall rating.

#### 2-24 Embedding policy commitments

Our risk management is based on the main features of generally accepted standards and extends across the companies and business units that comprise the Group.

We ask our suppliers to confirm their compliance with the Supplier Code of Conduct. In addition, surveys are issued in some cases to assess risks. We have an audit system for managing our supplier relationships. There is also a separate division for procurement qualification and certification.

Issues of product safety and environmental and social sustainability have always been important to us. That is why – in addition to adopting other standards – we developed our own mabagrown® procurement standard more than a decade ago and have been implementing it step by step with likeminded customers and our raw material partners. Not only does our own team regularly check compliance on site, but our participating partners are also monitored by an independent body.

MartinBauer has a Code of Conduct that is known to all employees and that establishes internal guidelines and rules of conduct.

#### 2-25 Processes to remediate negative impacts

We have set goals and instituted policies that enhance our positive impact on nature and people while at the same time minimizing the negative impact of our operations.

Our risk management system helps us identify risks at an early stage and head off negative consequences with concrete action. What matters most is for our risk management system to identify the right information at the right time. This provides us with a good overview and a high degree of transparency. It enables us to maintain control over processes at all times.

MartinBauer is committed to transparency and positive cooperation. It is always possible to lodge a grievance or make contact via contact details available on the homepage. An anonymous, digital grievance mechanism was instituted at MartinBauer in 2023. Incoming grievances are treated confidentially and taken very seriously. They are forwarded to the appropriate departments so that solutions and remedies can be found or other action taken.

#### 2-26 Mechanisms for seeking advice and raising concerns

There are various outlets for our employees to seek advice or raise concerns, particularly in cases of suspected ethical or legal misconduct. They are described in our Code of Conduct. If employees or third parties believe in good faith that the Code of Conduct has been violated or that activities may not comply with the law, they can report their concerns to their supervisor, senior management or the respective works council. The report will be treated confidentially and will not result in any disadvantages to the reporter.

If the employee is unable to discuss their concerns with their supervisor, for example because the supervisor is involved in the situation, they can contact a personnel officer, the works council, or the supervisor's supervisor or employees in the Legal Department. Cases brought forward are treated in strict confidence and do not result in any disadvantages for the employee.

Anonymous reports can be made in writing at any time. We are currently working on a software-based reporting system that will enable our employees worldwide to remain in contact with the person who made the anonymous report and exchange information with them. A software-based reporting system was introduced in Germany in July 2023 and will gradually be applied worldwide. In addition, starting in 2024 MartinBauer will also make this software available to people outside the company as part of the German Supply Chain Act. This should help to remedy defects both in our own organization and in the supply chain as early and sustainably as possible. Unfortunately, mistakes can happen in any organization. It is important to us to identify and correct them in a timely manner and to learn from them in the interests of continually improving our organization.

### 2-27 Compliance with laws and regulations

For us, compliance with laws, guidelines and our Code of Conduct is the basis for sustainable success. Violations can result in personal liability and reputational damage for the company itself as well as negative consequences for business partners and suppliers. Our Code of Conduct sets out our binding principles; it is a mission statement. It regulates the way we deal with key partners, as well as ethical and legal challenges in the workplace, in business relationships and in the handling of information. It also addresses the topics of the environment and product safety.

We expect our business partners to act in accordance with our Sustainability Code. Our Supplier Code of Conduct is the foundation of every supplier relationship we have. It defines the non-negotiable framework for handling social, environmental and ethical obligations and challenges.

We require compliance with these criteria throughout the entire supply chain. Thus each supplier must also oblige its employees, representatives, subcontractors, etc. to comply with our standards.

Instances of non-compliance with the law, regulations or our Code of Conduct are reviewed in a systematic process. It is important to us to remedy deficiencies in our own organization or in the supply chain as early and sustainably as possible. Unfortunately, mistakes can happen in any organization. It is important to us to identify and correct them in good time and to learn from them in the interests of continually improving our organization. We will therefore introduce a grievance mechanism for people outside the company in 2023.

Integrity and legally compliant behavior are the basis of a company's sustainable success. Violations can result in personal liability and reputational damage for the company itself, as well as negative consequences for business partners and suppliers in the form of price agreements and market imbalances.

In response to the survey for the GRI Report, no compliance incidents were reported for the year 2022.

### 2-28 Membership associations






End consumers increasingly want to know where the ingredients in products come from and according to what criteria they were sourced. Certified sustainable products are increasingly in demand. As a company, we use process certifications both for guidance and as way to confirm the quality of our practices.



We currently have the following product and process certifications:

Certification	Description
Bio Suisse Organic 	The international Bio Suisse Certification is aimed at farmers, processors and traders outside of Switzerland who wish to sell organic products with a Bio Suisse claim in Switzerland. The focal points include animal welfare, careful processing, climate strategy and social requirements.
EU Organic label  DE-ÖKO-006	The EU Organic label stands for certified organic production of food that is produced, processed, imported and traded in accordance with the EU organic regulation. Organic farming is particularly resource-saving and based on the principle of sustainability. It strives for a circular economy with nutrient cycles that are as closed as possible. The use of synthetic chemical pesticides and easily soluble mineral fertilizer is prohibited.
ISO 50001 Energy Management 	ISO 50001 is an international standard designed to help organizations and companies develop systematic energy management. Among other things, it certifies the existence of an energy management system in compliance with the standard.
Fairtrade 	Fairtrade's approach enables farmers and workers to have more control over their lives and to decide how to invest in their future. As a leader in the global movement to make trade fair, Fairtrade supports and challenges businesses and governments while connecting farmers and workers with the people who buy their products. By choosing Fairtrade, people can create change through their everyday actions.
Fair-for-Life 	Fair for Life is a certification program for fair trade within responsible supply chains and corporate social responsibility.
FairWild 	FairWild's vision is to create a world where biodiversity, people and businesses thrive in harmony through sustainable wild harvesting. FairWild works with harvesters, operators, producers and brands in the trade of wild plants to secure a fair and sustainable future for wild habitats and people.









Certification	Description
<p>Fair Trade USA</p>  <p><b>Fair Trade</b> USA™</p>	<p>Fair Trade USA is a global movement made up of a diverse network of producers, businesses, consumers, advocates and organizations that put people and the planet first.</p> <p>Fair Trade USA is a globally recognized certification program for improving livelihoods, sustainable sourcing, protecting the environment, and building resilient and transparent supply chains.</p>
<p>Naturland</p> 	<p>Naturland's certification criteria go beyond the requirements of EU organic regulations:</p> <ul style="list-style-type: none"> <li>• For both crop production and animal husbandry, the entire farm must be converted to organic.</li> <li>• Fertilization and feeding are more strictly regulated.</li> <li>• There are detailed guidelines for all methods and aspects of processing.</li> </ul> <p>Naturland members and partners are subject to high standards. They must meet both organic and social standards and, as of January 2010, can also be certified in accordance with Naturland Fair standards. Independent inspectors regularly monitor compliance and certify that farms operate sustainably in every respect. Only then do their products receive the Naturland seal or the Naturland Fair seal.</p>
<p>NOP (National Organic Program)</p> 	<p>The National Organic Program (NOP) is the national organic regulation of the USDA (United States Department of Agriculture). As with the EU-organic regulation, no synthetic chemical pesticides and mineral fertilizers are used. NOP-certified products can be marketed in the USA.</p>
<p>Rainforest Alliance (RFA)</p> 	<p>The Rainforest Alliance is creating a more sustainable world by using social and market forces to protect nature and improve the lives of agricultural and forestry producers.</p> <p>The alliance includes farmers, forest communities, businesses, governments, civil society and millions of citizens in 70 countries.</p>
<p>Union for Ethical Biobased Trade (UEBT)</p> 	<p>UEBT is a non-profit association that promotes sourcing with respect. It works to regenerate nature and ensure a better future for people through ethical sourcing of ingredients from biodiversity. The goal is to contribute to a world in which all people and biodiversity thrive.</p>

In addition, we are active in the following committees and associations:

Committees/Associations	Description
<p>American Botanical Council (ABC)</p> 	<p>The American Botanical Council is committed to helping people live healthier lives through the responsible use of herbs and medicinal plants. The American Botanical Council is an independent, nonprofit research and education organization dedicated to providing accurate and reliable information for consumers, health care practitioners, researchers, educators, industry and the media.</p>
<p>American Herbal Products Association (AHPA)</p> 	<p>The American Herbal Products Association is the national trade association and voice of the herbal products industry. Founded in 1982, AHPA's mission is to promote responsible and sustainable commerce of herbal products to ensure that consumers have informed access to a wide variety of safe herbal goods.</p>
<p>Assoziation ökologischer Lebensmittelhersteller e.V. (AöL)</p> 	<p>The AöL is an association of almost 130 companies in the food industry. The working group is committed to a high-quality and sustainable nutrition culture. Since its foundation, its work has focused on the further development of European law, in particular organic law, the promotion of food value awareness and the process quality of organic food. Solidarity, cooperation and an open exchange of views among members are the basis for economic and political success.</p>
<p>B.A.U.M. e.V. – Netzwerk für nachhaltiges Wirtschaften</p> 	<p>As a network, B.A.U.M. is committed to advancing its central cause: a viable future via a sustainable economy within planetary limits. Founded in 1984 by Dr. Georg Winter and Prof. Maximilian Gege, today the association has almost 800 members. It is a voice on the national and European stage for sustainably operating companies and a driving force for the eco-social market economy. B.A.U.M. supports its members and other companies interested in transforming themselves to establish and expand sustainability strategies. It connects stakeholders from business, politics, science, media and professional associations. The platform allows members and strategic partners to share practical information and</p>

Committees/Associations	Description
B.A.U.M. e.V. (cont.)	experiences. It is a resource for know-how and impulses for action.
Carbon Disclosure Project (CDP) 	CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. The world's economy looks to CDP as the gold standard of environmental reporting, with the richest and most comprehensive dataset on corporate and city action.
China Beverage Industry Association (CBIA) 	The CBIA was officially registered by the Ministry of Civil Affairs in 1993. CBIA is a transsectoral national professional organization and represents the common interest of all members, who come voluntarily from beverage companies and institutions across the country.
Climate Collaborative 	The Climate Collaborative is a group of manufacturers, retailers, distributors, brokers, suppliers and other concerned businesses from the natural foods industry working collaboratively to take bold action to reverse climate change. This community of businesses has joined forces to create pathways to action, connecting companies to resources and working together to create solutions. It shines a light on success stories and recognizes companies for their great climate work, which in turn inspires more companies to act.
Deutscher Nachhaltigkeitskodex (DNK) 	The Sustainability Code provides support with establishing a sustainable development strategy and provides a path to sustainability reporting. Regular reporting makes the development of the company visible over time. To comply with the Sustainability Code, users create a declaration on twenty Code criteria and the supplementary non-financial performance indicators in the database.
EcoVadis 	EcoVadis is the world's largest provider of business sustainability ratings, creating a global network of more than 100,000 rated companies.
Polski Komitet Zielarski (Polish Herbal Committee) 	The Polish Herbal Committee brings together representatives from the pharmaceutical industry, entities involved in the distribution of herbal medicines, representatives of scientific units, growers of herbal plants, and herbal practice enthusiasts. Since its foundation in 1930, the Polish Herbal Committee has

Committees/Associations	Description
Polski Komitet Zielarski (cont.)	developed into an officially recognized organization which contributes to shaping public opinion and has a significant impact on legislation in the herbal industry.
Science Based Targets initiative (SBTi)  	Science-based targets provide a clearly defined pathway for companies to reduce greenhouse gas emissions, helping to prevent the worst effects of climate change and enabling future-proof business growth. Targets are considered “science-based” if they are in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement – limiting global warming to 1.5°C above pre-industrial levels.
Sedex  	Sedex focuses on building more socially and environmentally sustainable businesses and supply chains. Sedex helps companies to achieve their supply chain goals, gain supply chain visibility, identify, manage, and assess their supply chain risk, report on their supply chain, and comply with sustainability legislation.
Tea and Herbal Association of Canada  	The Tea and Herbal Association of Canada acts on behalf of its members, including producing countries, importers, packers, allied trade, retailers and TAC TEA SOMMELIER® professionals, to promote tea and herbs. Its vision is to be the leading authority and industry voice on all things tea and herbals in Canada.
Tea and Herbal Infusions Europe (THIE)  	THIE is the European association representing the interests of producers and traders of tea (Camellia sinensis) and herbal infusions as well as extracts thereof in the EU. THIE's activities focus on quality assurance and food safety, legislation (especially food law), cooperation with tea growing countries, and nutrition.
Tea Association of the U.S.A. Inc.  	The Tea Association of the USA is the recognized independent authority on tea, acting as the official voice for its members on issues related to the tea industry, particularly in the United States of America.

Committees/Associations	Description
United Nations Global Compact (UNGC)  	<p>The UNGC is a worldwide pact between companies and the UN with the aim of making globalization more socially and environmentally responsible.</p> <p>Participation in the Global Compact is established by a short letter to the UN Secretary General. In it, a company declares its intention to strive in the future to comply with specific minimum social and environmental standards.</p>

## 2-29 Approach to stakeholder engagement

MartinBauer communicates actively with its stakeholders. For we can only develop the best possible solutions if we are attuned to their needs and interests. Stakeholders include customers, employees, management, our ownership family, potential employees, the works council, financiers, experts, consumers, neighbors, politicians, non-governmental organizations (NGOs) and business partners. We address key concerns of our chief stakeholder groups through established processes and clear areas of responsibility at MartinBauer as well as through our reporting.

We are proud of our relationships with our customers, some of which go back many years, and the trust we have built with them. Our customers' complete satisfaction is always important to us.

In regular communication with our employees, e.g. at feedback meetings, we also receive important suggestions for improvement. We encourage our employees to actively contribute their feedback and ideas.

We take the concerns of local residents near our locations of operation seriously and actively work to address them. At our headquarters in Vestenbergsgreuth, for example, we have sponsored an herb trail, we cooperate with social institutions and, as a company with a large training program, we have a connection to regional schools. We not only regularly exchange information with NGOs, but we have also entered into strategic partnerships with them on specific topics (such as biodiversity) in order to generate sustainable value for society and the environment. The expectations of our stakeholders articulated through these pathways inspire us and form the basis for our work.

## 2-30 Collective bargaining agreements

We are strongly committed to freedom of association and the right to join a trade union. For this reason, the legally required collective employee representation bodies are represented at our locations of operation. In addition, we adhere to applicable local collective bargaining agreements at all locations where it is the standard legal and human resources policy.

All employees in Germany are subject to the provisions of collective bargaining agreements (i.e., of the Landesverband Groß- & Außenhandel or the IG Bergbau, Chemie, Energie [IG BCE]).

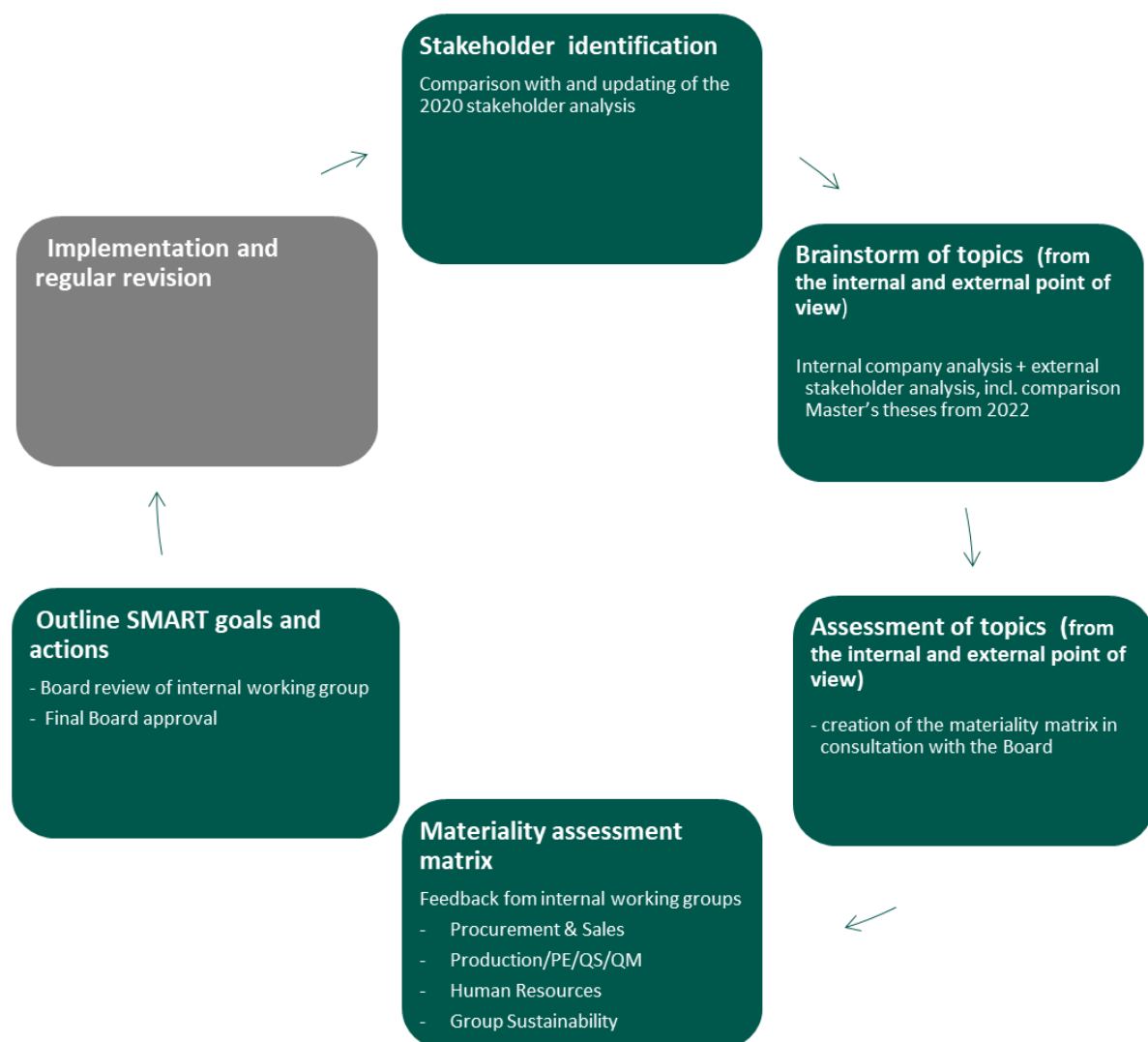
Outside of Germany, 68% of our employees are employed under collective bargaining agreements. It should be noted that there are strong regional differences. For example, 100% of our employees in Europe are covered by collective bargaining agreements. Our employees in the USA, on the other hand, are not covered by collective bargaining agreements.

At most of our locations of operation, employees are represented by a works council. Even where this is not the case, we value open communication with our employees.

## GRI 3: Material Topics

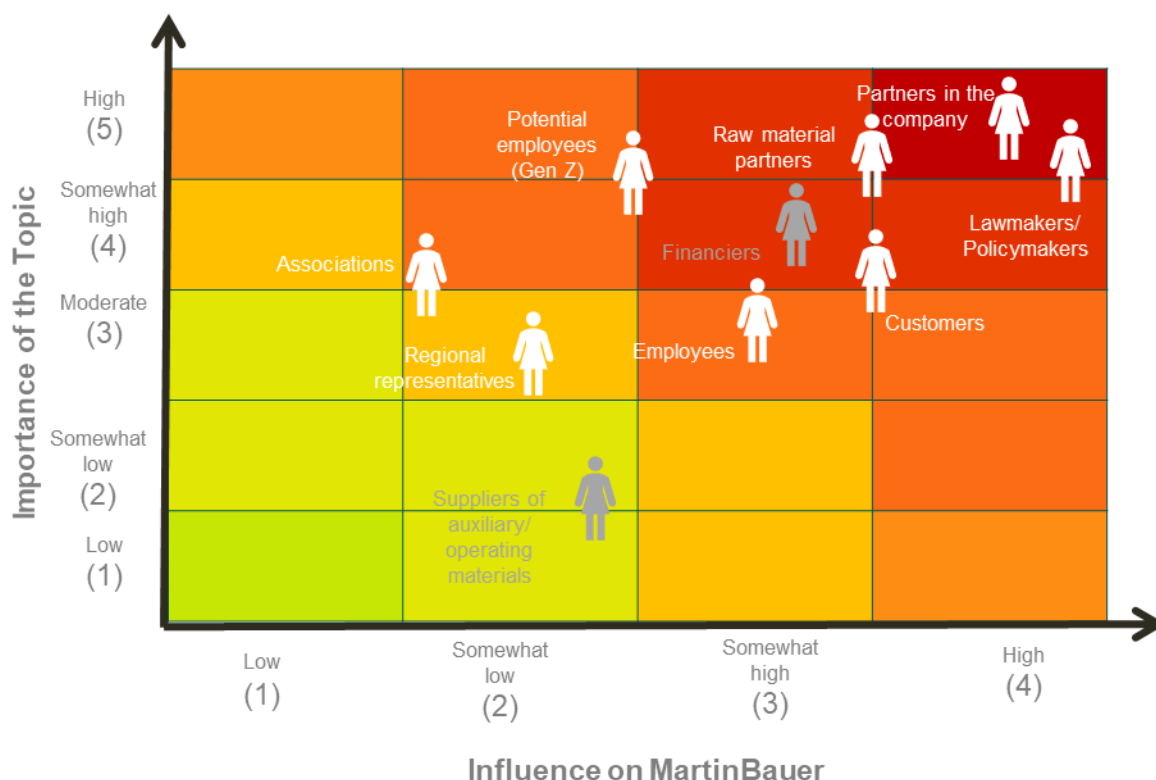
### 3-1 Process to determine material topics

MartinBauer has established a process for determining material topics. It is overseen by the Sustainability Department. Materiality was determined in part on the basis of the materiality matrix from 2020 and preliminary work from 2019. Workshops also contributed to drafting the list of material topics. The following groups were involved in the stakeholder and materiality analysis process: the Sustainability Department, specialist departments, senior management (represented by a steering committee), the ownership family (represented by Anne Wedel-Klein) and external experts. It should be noted that this is not a double materiality analysis, as will be required in the future according to the CSRD. This requirement will be taken into account for subsequent analyses.



In the first step, stakeholders were identified and classified in terms of how they are impacted and/or the importance they attach to the topic, as well as in terms of their influence on the topic and the company. The assessment was carried out on the basis of the stakeholder analysis for the 2020 report, which was reevaluated and updated. In sum, stakeholders rated the importance of sustainability higher than in previous years. This can be attributed primarily to the fact that legislation is becoming

more stringent (Supply Chain Act, Corporate Sustainability Reporting Directive) and that sustainability issues such as climate protection have a higher profile.



In a second step, workshops were held with senior management, the Sustainability Department, Procurement, Purchasing, Human Resources, and Technology and Production. For the analysis, it was also possible to draw on masters' theses written within the company on the subject area. The analysis examined the extent to which the material topics used in the past are still relevant, whether new topics have emerged, and how much weight is attached to each. The basis was provided by the material topics used by the company in the past, a list of the GRI's topic areas, and topics that have been addressed in sustainability reports in the industry. The importance of the topics for both internal and external stakeholders was assessed. Since the workshops were conducted with different groups, it was possible to review and make the assessment from multiple perspectives.

The results of the workshops were discussed with senior management and ultimately used to formulate the list of material topics. For those topics identified as material, SMART goals were developed in consultation with the relevant departments. Some of these are fixed overarching goals of the nature of network, to which MartinBauer contributes as part of the Group. Others are specific goals for MartinBauer, connected with concrete targets, areas of responsibility and actions. The goals of the material topics can be viewed at the end of this report, except for those that may only be communicated internally for operational and competitive reasons.



## Governance

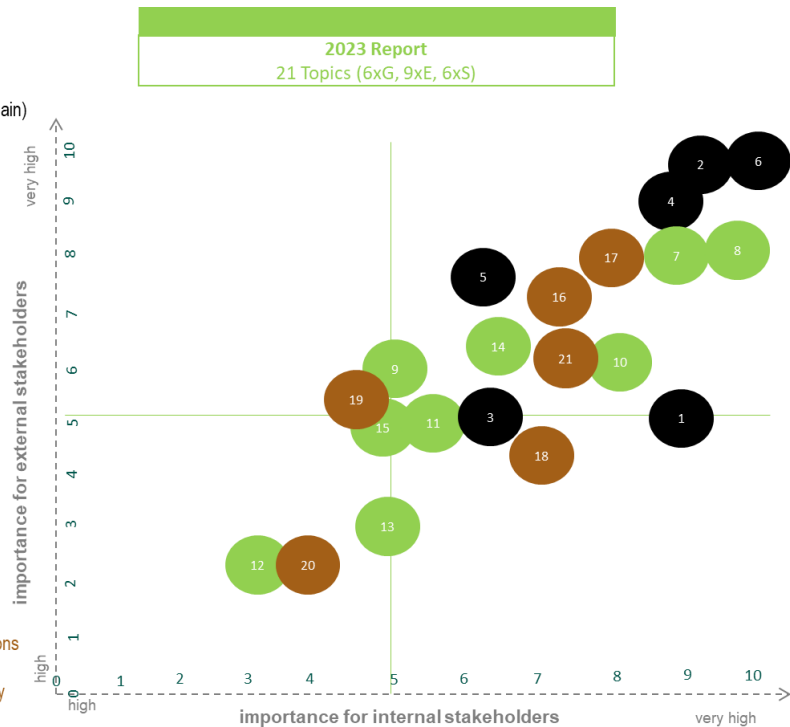
1. Economic performance
2. Product safety
3. Innovation (products, processes, in the supply chain)
4. Delivery capability
5. Supply chain transparency
6. Compliance/due diligence

## Environment

7. Climate protection
8. Procurement from sustainable supply chains
9. Water
10. Biodiversity
11. Waste/recycling
12. Auxiliary and operating materials
13. Packaging/wrappers
14. Pesticides
15. Other emissions

## Social

16. Fair wages & income in our supply chains
17. Occupational safety and health
18. Employee retention and recruitment
19. Diversity
20. Engagement for the common good at our locations of operation
21. Engagement for the common good in our supply chains



The material topics are shown in the graphic above. The graph shows the final result of the materiality assessment. The topics are structured according to the three pillars of sustainability: ESG. All topics in the first quadrant are considered material for MartinBauer and are therefore dealt with in this sustainability report.



### 3-2 List of material topics

The materiality analysis discussed in the preceding section yields a list of MartinBauer's leading material topics.

ESG Pillar	#	Material Topics
Governance	1	Economic performance
	2	Product safety
	3	Innovation (products, processes, in the supply chain)
	4	Delivery capability
	5	Supply chain transparency
	6	Compliance / due diligence
Environment	7	Climate protection
	8	Procurement from sustainable supply chains
	9	Water
	10	Biodiversity
	11	Waste/Recycling
	14	Plant protection
Social	16	Fair wages and income in our supply chains
	17	Occupational safety and health
	19	Employee retention and recruitment
	21	Community engagement in our supply chains

## Good Corporate Governance

### 3-3 Management of material topics

We owe our success to our passion and our love of nature. Be it peppermint, hibiscus, rooibos or mate, our products are based on responsibly sourced, high-quality botanical raw materials that are gently processed using certified methods.

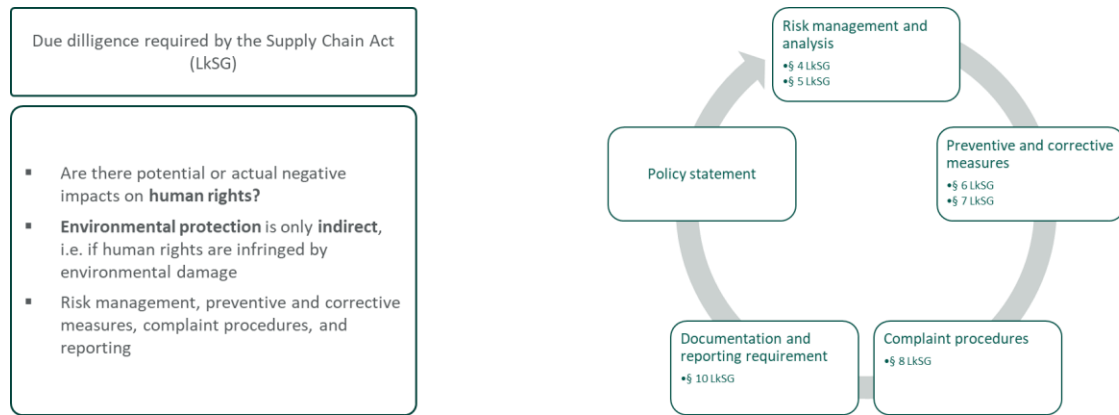
In cooperation with our customers, we develop tailor-made solutions for the tea, beverage, food, animal nutrition and pharmaceutical industries. What we want above all: creations and innovations for the most successful products of tomorrow.

At the same time, strong economic performance is key to continuing to operate successfully in the future and remaining a reliable partner for our customers and suppliers. Profitability enables us to make sustainable investments and promote sustainable projects – whether by expanding our mabagrown® standard or through projects in our supply chain. We have expanded our range of skills and delved into new fields in recent years. Innovation is one of our chief topics for the 2022 reporting year. We never lose sight of the symbiosis of economic success and sustainability, including along our supply chain.

In cooperation with our partners, we run a successful business, developing popular creations and products in line with market needs.

To achieve this, we rely on fair and good-faith cooperation with our employees. They are a cornerstone of our success. We strive to position ourselves as an employer of choice so that we can be attractive to new employees as well, and we actively promote ourselves as an employer and a business that provides apprenticeship training. MartinBauer Germany is a signatory of the Diversity Charter and promotes diversity in its workforce.

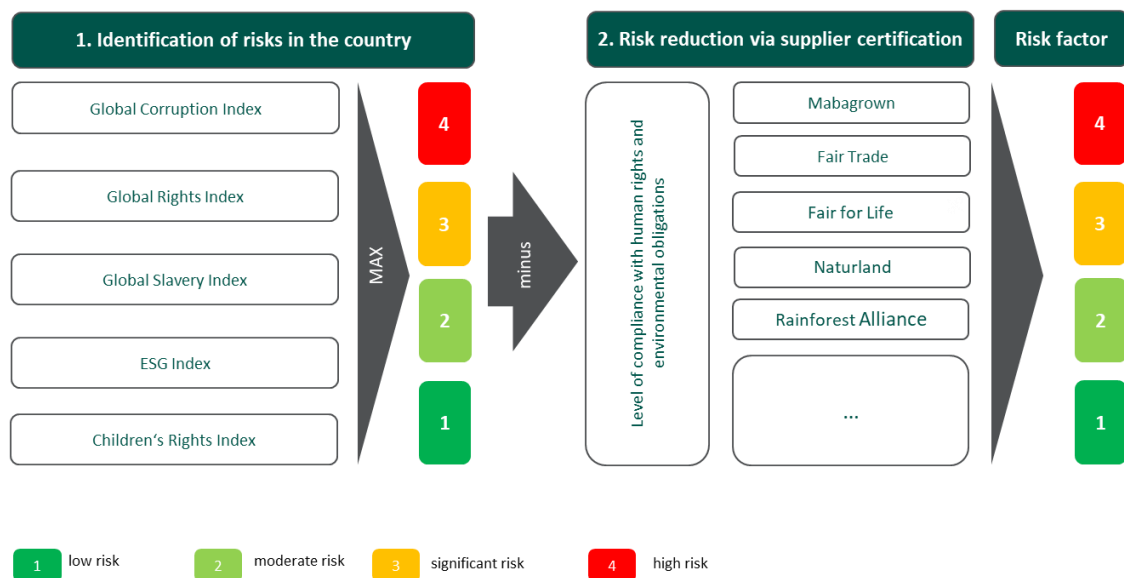
We know that our supply chain is highly complex. The procurement of our numerous raw materials from various countries presents us with challenges that must be mastered. Our Procurement Department is constantly working to expand our information about our raw materials and to further intensify contact with our suppliers. We support our supply chain partners with educational opportunities, social projects and assistance with climate change adaptation. We require our suppliers to protect universal human rights, to refrain from using child or forced labor of any kind, and to comply with legal requirements for health and safety in the workplace. In addition, we expect our suppliers to respect their employees' right to freedom of association and collective bargaining, to comply with legal requirements on working hours and wages, and to take a clear stand against abuse. We also require our suppliers not to tolerate discrimination. We use the contents of the German Supply Chain Due Diligence Act as a guideline for the implementation of our human rights due diligence obligations in the supply chain



The foundation for the voluntary compliance with the Supply Chain Due Diligence Act was laid by a working group. The project to implement the Supply Chain Due Diligence Act on a voluntary basis went through several project phases. From an analysis of the current situation to formulating a plan of action, processes were adapted and optimized. Our Supplier Code of Conducts is currently being revised and will be made available to our suppliers. Thanks to a risk analysis, we know which suppliers are at increased risk of violating human rights and environmental due diligence obligations. Particularly with these suppliers, we make sure that the requirements of our Supplier Code of Conduct are understood and implemented accordingly. Ways to achieve this include targeted training for Code compliance and queries on the status of implementation. In particularly high-risk areas, we conduct on-site audits.

## RISK MANAGEMENT & ANALYSIS

### Risk Analysis Method



We do not tolerate corruption in our company. The guidelines for our employees are laid out in our Code of Conduct, which enumerates our compliance principles. MartinBauer strictly observes applicable local law at its locations of operation. We will update our Code of Conduct and Supplier Code of Conduct to be, among other things, in line with the new requirements of the German Supply Chain Due Diligence Act and the upcoming European guidelines outlined in the Corporate

Sustainability Due Diligence Directive (CSDDD). We will provide our employees with targeted training on the new compliance requirements in their specialist area.

We are implementing a complaint management system to ensure anonymous reporting of any violations that may occur. This software-supported complaint system will be available both to our employees internally and to external persons.

### 201-1 Direct economic value generated and distributed

The financial reporting for MartinBauer is part of the management report of MB-Holding and is publicly available. MartinBauer's total sales in the reporting year 2022 amounted to 626.5 million euros.

### 201-2 Financial implications and other risks and opportunities due to climate change

Climate-related risks affect MartinBauer directly. Since our products come from nature, we feel obliged to protect it. The aim is therefore to identify and evaluate significant risks at an early stage in order to ensure the positive development of MartinBauer's business.

However, climate must also be regarded as an opportunity. The need for low-emission products can open up new areas of business, trigger the development of technologies and products, and thereby create new sales and enhance reputation.

#### OPPORTUNITIES:

- Possibility of cultivating new plant species
- Longer vegetation phases
- Earlier harvests or multiple harvests per year
- Yield increases
- Safeguarding the company through forward-looking climate protection as part of our GoZero project

#### RISKS:

- Declining yield quality
- Harvest reduction or failure
- Arable land becomes infertile
- Competition for arable land as demand for food, feed and energy crops increases
- Rising raw material prices
- Labor shortage due to rural flight
- Social instability in regions supplying raw materials
- Change in water availability at the company's extraction sites as well as in the cultivation process
- Financial burden or questionable feasibility with regard to the required conversion to renewable energies in the supply chain and at the company's locations

As part of the new materiality assessment under the CSRD, we will initiate a financial (outside-in) consideration of opportunities and risks.

### 201-3 Defined benefit plan obligations and other retirement plans

Financial reporting for MartinBauer is carried out as part of the management report of MartinBauer-Holding and is available for public inspection.

### 201-4 Financial assistance received from government

Financial reporting for MartinBauer is carried out as part of the management report of MartinBauer-Holding and is available for public inspection.

## 202-1 Ratios of standard entry level wage by gender compared to local minimum wage

All our employees worldwide earn a salary equal to or above that established by local laws and regulations. Our starting salary is normally above this minimum.

For our German employees covered by collective wage agreements, the salary can be viewed at any time in the remuneration table. The starting salary is also included there. In Germany, salaries are based on the collective wage agreement for wholesale and foreign trade (Landesverband Groß- & Außenhandel) and the collective wage agreement for the chemical industry (IG Bergbau, Chemie, Energie [IG BCE]); they are above statutory minimums.

By adhering to the remuneration table, we ensure that gender differences play no role in determining compensation. As a result, entry-level compensation is generally based on the qualifications of new employees and the functional importance of their role for our company. At all our locations of operation, compensation (especially starting salaries) is not gender-specific. This means that there are no differences in entry-level pay between men and women. We do not collect data on a gender pay gap.

The ratio of our entry-level wage to the minimum wage globally is 1.18. The actual ratio differs from this because, for example, in Germany we have assumed that the entry-level wage corresponds to the minimum wage. In fact, only a small number of people (such as interns) are paid according to minimum wage. The entry-level wage according to the remuneration table significantly exceeds the minimum wage.

## 202-2 Proportion of senior management hired from the local community

We are convinced that we can find highly qualified local employees in every country in which we operate to keep our business moving forward. When foreign assignments are made, it is for the purpose of know-how transfer and developing our employees' international skills.

The majority of our employees and executives come from the respective country or region of our global company locations. In addition, we make a point of ensuring that our management teams at all levels are as international as possible to reflect broad market experience and regional customer preferences. We do not record precise information about the countries of origin of our employees and managers.

MartinBauer operates in three geographic hubs to best address local, market-specific needs: Europe, North America and East Asia.

## 204-1 Proportion of spending on local suppliers

Where possible and appropriate, MartinBauer sources goods and services from local suppliers. A large part of MartinBauer's global procurement runs through the company headquarters in Vestenbergsgreuth, Germany. To ensure our delivery capability and our product diversity, we source our raw materials worldwide. We do not have information regarding the proportion of spending on local suppliers.

## 205-1 Operations assessed for risks related to corruption

Our locations of operation are regularly audited for corruption risks. The locations audited in the reporting year 2022 accounted for 92.7% of our total sales.

### 205-2 Communication and training about anti-corruption policies and procedures

Anti-corruption is part of our Code of Conduct and thus a prerequisite at MartinBauer. The Code of Conduct and further regulations are available on our intranet and therefore can be viewed quickly and easily by all employees. In addition, we have an established training system. To ensure compliance, the need for training is regularly reviewed, and training is provided as required.

An overview is provided below of the percentage of employees that received anti-corruption training or had the policies on this topic communicated to them. The percentages refer to the reporting year 2022 and to communication and training during this period – and not to how many employees in total have received training on the topic. Levels 1-2 correspond to senior management, levels 3 and higher to all remaining employees.

	Policies communicated	Training
Levels 1-2	73,7%	80,8%
Levels 3-x	85,4%	65,4%

### 205-3 Confirmed incidents of corruption and actions taken

According to our internal reporting, no fines or non-monetary penalties were imposed on MartinBauer or managers for non-compliance with laws or regulations relating to corruption in the reporting year.

### 206-1 Legal actions or anti-competitive behavior, anti-trust, and monopoly practices

According to our internal reporting, no fines or non-monetary penalties were imposed on MartinBauer or managers in the reporting year for non-compliance with laws or regulations relating to anti-competitive behavior, anti-trust, and monopoly practices.

## Environmental Protection

### 3-3 Management of material topics

We consider the impacts of our activities on the environment across the entire value chain: from the extraction and processing of raw materials to product development to production and logistics. For example, we use natural resources in the form of raw materials and energy sources for our manufacturing processes. We support our partners in the supply chain on environmental issues. Our goal is to conserve resources, consistently avoid or reduce harmful impacts on the environment, and minimize risks. This applies to both our locations of operation and our upstream supply chain.

MartinBauer and all other companies in the global nature network group are committed to climate neutrality. By 2030 at the latest, we aim to leave no carbon footprint. As part of the nature network, MartinBauer has set itself the goal of being climate neutral by 2030. To achieve this, we have launched our GoZero project, which manages both our supply chain and our locations of operation around the world. “Our pledge covers not only our more than 30 locations worldwide but also our entire value chain,” said Anne Wedel-Klein, great-granddaughter of company founder Martin Bauer and CEO of the nature network. “This means that our climate-neutral operations begin right in the fields where our more than 200 botanical raw materials grow, such as tea, peppermint, hibiscus, chamomile and fennel. In fact, around half of our emissions are already generated there.” With its plan to reduce all environmental impacts to zero, the nature network is making a concrete contribution to the Paris Agreement’s goal of limiting global warming to 1.5° Celsius by the end of this century.

“Climate change is the greatest challenge of our time. But that is not the whole story. Innovative solutions for combating climate change also represent the greatest opportunity of our time. We have taken the decisive step with our climate goal – for our company, our customers, and the people who enjoy our natural products. Together, we are becoming a driving force for urgently needed change,” said Sebastian Sieben, CEO of MartinBauer Europe.

As a first step, the nature network has set itself the goal of achieving climate-neutrality at its more than 30 locations of operation. In its offices, warehouses and production facilities in Germany, the nature network already uses 100% green electricity. In 2022, 47% of the electricity we used internationally was green. By 2025, we want to source 80% green electricity. Each location makes its contribution to the nature network’s common reduction target, for example with energy-saving programs and investment in carbon-friendly technology.

Looking at the environmental impacts of companies holistically, supply chains and upstream products often play a crucial role. the nature network works with over 400 raw material partners worldwide and has set itself the additional goal of reducing greenhouse gas emissions – which the nature network can only influence indirectly – to zero by 2030 at the latest.

For this to succeed, raw material partners need to be convinced, involved and empowered using a step-by-step plan. The nature network helps them to record their emissions for the first time and to identify the biggest opportunities for reduction. A joint strategy is then developed, and implementation is supported to the best of our ability with know-how and best-practice experience. Many of our raw material partners are already well on their way; others are just starting down this path.

Emissions are generated in agricultural supply chains, but there are many opportunities in land management and cultivation methods to reduce carbon emissions. Implementing targeted crop rotation, incorporating plant residues into the soil, using fertilizers more precisely and properly, planting hedges and shade trees, and many other measures contribute to removing greenhouse gases

from the atmosphere, improving biodiversity, and increasing agricultural productivity. “The action we are taking on climate neutrality aims at holistic, sustainable development that benefits the climate and people. This is exactly the kind of change we want to achieve as we develop our business and our supply chains,” said Gisbert Braun, Head of Group Sustainability.

We collect our GHG emissions data at three different levels of detail: detailed data collection, semi-generic data collection, and generic data collection.

**Detailed data collection** is based on real farm data and scientifically sound GHG emissions calculations. Within the nature network, detailed data collection usually relies on the use of the “Cool Farm Tool,” which is regularly updated by the Cool Farm Alliance and works with scientifically recognized emissions factors. Furthermore, GHG emissions calculations collected by other recognized methods, such as product carbon footprinting or life cycle assessments, are included in detailed data collection.

**Semi-generic data collection** is based on a set combination of real operating data and emissions factors derived from technical literature and empirical values. This data collection and processing is carried out with the help of an Excel tool that was created in cooperation with the consulting firm KlimAktiv and that is continuously being improved.

Key processes in the supply chain that contribute to GHG emissions were included in the data collection. The definition of these processes is based on previous experience with the Cool Farm Tool and our own TÜV-certified carbon calculator. As a result, we already have a good overview of the sources of GHG emissions in the supply chain.

**Generic data collection is based on** emission factors derived from technical literature and empirical values. This data collection and processing is carried out with the help of an Excel tool that was created in cooperation with the consulting firm KlimAktiv and that is continuously being improved.

The decision which form of data collection to use for raw material partners is made on the basis of minimum standards set by MartinBauer as well as voluntary criteria defined by purchasing departments. In this way, a minimum level is set for raw material partners, but purchasing departments can opt for detailed levels of data collection.

For **data collection in 2022**, the communicated objective was for at least semi-generic data collection to be carried out for all direct raw material partners, provided that the direct raw material partner is also the producer of the botanical raw materials. For other suppliers, generic data collection was favored. For raw material partners that have mabagrown® certification, the objective was detailed data collection.

All data received about purchasing quantities and GHG emissions are first subjected to a plausibility check. This is done through data triangulation with technical experts from the various purchasing organizations. The aim is to ensure that no incorrect data has been reported on the system side or through manual adjustments, e.g. in the streamlining of plant data. In case of doubt, the purchasing department is asked to verify or rerun the data.

Once our CCF is calculated in this way, we have it certified by TÜV. The 2022 CCF is the third CCF in a row to be certified on the basis of the international GHG Protocol.

For the manufacture of our products, we – and our suppliers – require a certain amount of energy, which is in turn associated with a corresponding amount of greenhouse gas (GHG) emissions. In light of climate change, we feel a duty to constantly make our energy supply more efficient and to



continually reduce our GHG emissions. MartinBauer has a global energy management team that assists its international locations and monitors energy management. The ISO 50001 certification of some locations is also managed by this team. The central team manages and supervises energy-saving measures and identifies optimization potential. The team maintains a close relationship with the Sustainability Department. The energy management team systematically collects data from individual locations to find potential for optimization. Business intelligence is used to summarize and analyze the data and to prepare forecasts.

The precious resource of fresh water is already in short supply in some regions of the world, but the problem will grow much more acute in the coming decades. With a view to water availability within our supply chain, increasing regulation, and the company's reputation, MartinBauer is paying increasing attention to the topic of water management. We are working to use our water as efficiently as possible and to continually reduce our wastewater generation and wastewater load. We have five locations in areas with high water stress, namely in China (Hangzhou, Wuhu), Turkey (Izmir), Sri Lanka (Colombo), and the USA (Islandia); we have not yet carried out an analysis on a regional level. We have set ourselves the goal of carrying out further water analyses in 2024 both at our own locations and in our supply chain.

Natural raw materials are the basis of our products. MartinBauer's wellbeing is therefore directly linked to the diversity, availability and flourishing of plant life. The cultivation and wild harvesting of herbs is an excellent way to create many opportunities to preserve and promote biodiversity. We create biodiversity plans in collaboration with our suppliers, supporting them with know-how.

### 301-1 Materials used by weight or volume

From anise and horehound, to lemon balm and mint, to cinnamon and lemongrass – our portfolio includes around 200 raw materials from over 80 countries.

Omissions: we do not publish the exact weights or volumes of materials we use, as we consider this information confidential.

### 301-2 Recycled input materials used

Both our raw materials and our finished goods are natural botanical substances, which means the use of recycled materials is out of the question. We do not use recycled material to any noteworthy extent in the manufacture of our products.

### 301-3 Reclaimed products and their packaging materials

MartinBauer is aware of and complies with all paper, cardboard and plastic packaging regulations. We encourage our locations of operation to participate in reduction or recycling activities while continuing to ensure the safety of our products and the environment.

As a B2B supplier, we mainly supply our customers in bulk containers (e.g., big bags). We are committed to the longest possible use of packaging. This also applies to recycled materials in packaging, although here we are bound by corresponding food standards in legislation that prescribe certain packaging materials.

As a B2B supplier, we do not supply finished products to end customers. Our natural products are used in the food industry. In that context, our herbal/fruit tea blends, for example, are composted or disposed of as organic waste by the end customer, thus entering the natural cycle of materials. Reusability is not relevant here.

So far, we have not kept figures for the recycling rate in packaging materials, but we intend to include this in future GRI data collection.

### 302-1 Energy consumption within the organization

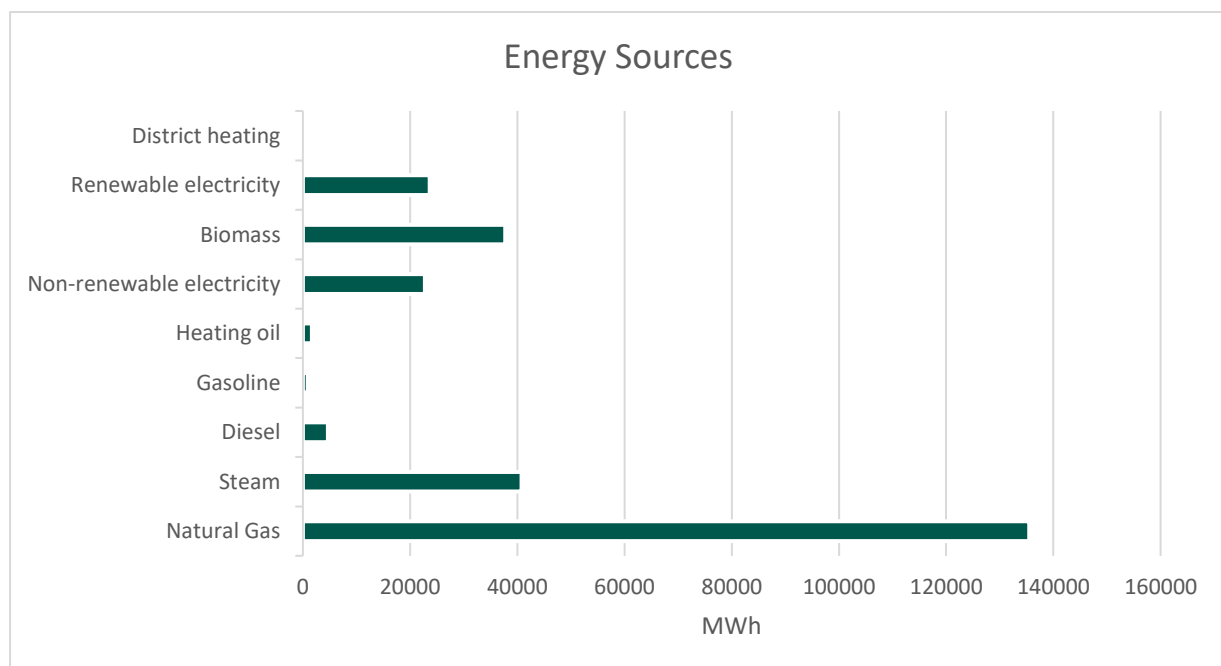
MartinBauer has a global energy management team that supports its international locations and monitors energy management. The ISO 50001 certification of some locations is also supervised by this team. The central team manages and supervises energy-saving measures and identifies optimization potential.

In the 2022 reporting year, MartinBauer's German locations used 100% green electricity. In Italy, Poland and Turkey, we also use green electricity to a certain extent. Biomass in the form of wood residues is used in Argentina and Sri Lanka.

Energy	Total in MWh
Renewable energy	61,680
Non-renewable energy	206,340

The percentage of renewable energy is therefore 23%. Non-renewable energy accounts for 77% of our energy consumption.

Energy consumption by energy source	Total in MWh
Natural gas	135,478.7
Steam	40,807.7
Diesel	4,647.8
Gasoline	908.2
Heating oil	1,652.1
Non-renewable electricity	22,783.8
Biomass	37,731.8
Renewable electricity	23,651.6
District heating (renewable)	297.0



### 302-2 Energy consumption outside the organization

Energy consumption outside MartinBauer, i.e. by significant upstream and downstream activities related to our business operations, is not reported separately. Instead, GHG emissions are considered relevant, as they serve MartinBauer as a control parameter.

### 302-3 Energy intensity

Energy intensity within the organization in 2022 was 427.82 MWh per million euros of value added. We are aware that energy intensity is only of limited value as an indicator of energy efficiency in our processes, as our product portfolio is too diverse.

### 302-4 Reduction of energy consumption

MartinBauer has its own global energy management team that is responsible for monitoring and optimizing energy consumption worldwide. The team provides locations of operation with expertise in energy-saving projects. In a project designed to run until 2025, the energy management team is creating structures and standards at our locations and training local energy officers. In addition, our GoZero project provides the opportunity to have energy-saving projects promoted internally. In this way, we are helping our locations make a decisive contribution to climate neutrality.

For example, the decision was made to build a new spray tower in Germany. The new equipment not only allows us to reduce our dependence on third parties for drying, but it also makes processes more flexible thanks to its modern spray technology and high degree of automation. Thanks to the new spray tower, we are able to reduce energy requirements for drying by around 50%, cut transport costs, and save over 800 metric tons of CO<sub>2</sub>.

To get our employees involved, we also organized global energy-saving weeks in the 2022 reporting year. Employees were able to get practical tips on saving energy in various presentations, learn about what has been done and planned in this area of the company, exchange ideas with one another, and celebrate Earth Hour with the company.

### 302-5 Reductions in energy requirements of products and services

Innovation is one of the key drivers of sustainability. We are continuously working to further optimize the sustainability performance of our products. In that domain, we are working on the IT-based creation of product carbon footprints, through which we aim not only to record but also to reduce the CO<sub>2</sub> value of our products. A significant share of our PCF data is based on energy data, both in our own production operations and in the supply chain.

### 303-1 Interactions with water as a shared resource

We are aware that water is a scarce resource in many regions and that scarcity will become more acute in the future. We identified water as a material issue in the materiality analysis for this GRI report and are continuously working to optimize our water management. Where necessary, we work on wastewater treatment, in some cases with our own wastewater treatment plants.

We are not aware of any significant impacts on water quality or water availability resulting from the withdrawal of water or the disposal of wastewater at our international locations.

We are aware that water is one of the essential resources for our international agricultural supply chain. Within our mabagrown® supply chain, we have set ourselves the goal of implementing further water consumption analysis and optimization measures, including with regard to the impact of climate change on the availability of water for our suppliers.

### 303-2 Management of water discharge-related impacts

Effluent discharge at our sites is regulated by official permits. We are not aware of any deviations or violations in the reporting period.

At our Vestenbergsgreuth location, we have our own wastewater treatment plant for our process wastewater. The treated water meets legal standards and, depending on its quality, is then discharged into a nearby outlet channel/stream.

### 303-3 Water withdrawal

The total amount of water withdrawn for the reporting year is 1,392,468 m<sup>3</sup>.

Water withdrawal by source	Total (m <sup>3</sup> )
Surface water	51,086
Ground water	240,332
Produced water	16,750
Third-party water	1,084,300

### 303-4 Water discharge

The difference of 208,285 m<sup>3</sup> between water withdrawal and water discharge results from distillation processes, other emissions into the atmosphere, and residual moisture in some products.

Water discharge by destination	Total (m <sup>3</sup> )
Surface water	131,529
Groundwater	3,067
Water from third parties	1,049,587

According to the information available to us, the effluent limits stipulated by permits were respected for the reporting year 2022. Specific wastewater load quantities for our locations of operation are not published in this report.

### 303-5 Water consumption

We have production sites in regions with high overall water stress. To determine the level of water stress in regions, we refer to the World Resources Institute, more specifically the Water Risk Atlas. We have assessed the water risk for our locations of operation using the Aqueduct Tool, which is currently available in beta version. Any location with a water risk of at least 2 is considered to be one with water stress. In this assessment, a water use index of more than 20% is reached, thus exceeding the threshold for water stress according to the German Environment Agency (UBA). According to this definition, we have five production sites located in a region with water stress: in China (Hangzhou, Wuhu), in Turkey (Izmir), in Sri Lanka (Colombo) and in the USA (Islandia). Three of these locations are at high risk. The Wuhu site and the Islandia site have a rating of 2-3 (medium to high, water use index 20-40%), while the other sites have a rating of 3-4 (high, water use index 40-80%). We have no locations in regions with extremely high water-stress (4-5, water use index > 80%). The importance of water as a resource is increasing. We identified water as a material topic as part of MartinBauer's materiality analysis and set ourselves the goal of conducting further water consumption analyses in 2024.

	Water consumption (m <sup>3</sup> )
Water consumption at locations with water stress (Turkey, China, Sri Lanka, USA)	488,509
Water consumption at locations without water stress	903,959
Total	1,392,468

### 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

To our knowledge, our international MartinBauer operational sites are not in or in the vicinity of any protected areas (especially water protection areas, nature conservation areas). Our main site, in Vestenbergsgreuth, Germany, is located 800 meters away from the Steigerwald Nature Park, a landscape protection area, and the raw material storage facility in Demantsfürth is directly adjacent to a bird sanctuary and the Aischauen landscape conservation area. The corresponding environmental protection regulations are adhered to and belong to the management of each site.

### 304-2 Significant impacts of activities, products and services on biodiversity

Natural raw materials are the basis of our products. MartinBauer's wellbeing is therefore directly linked to the diversity, availability and flourishing of plant life. The cultivation and wild collection of herbs is an excellent way to create many opportunities to preserve and promote biodiversity.

Our actions impact nature and biodiversity at different levels. The activities of MartinBauer have a direct impact on the environment and biodiversity at our own production sites, for example through soil sealing and air and water emissions. We counteract these by consistently monitoring them as part of our environmental and energy management, and by avoiding or minimizing them as much as possible through suitable technological measures (e.g., our own wastewater treatment plant, increasing energy efficiency, changing energy sources, etc.).

So far, we have not established an overarching program for unsealing surfaces or optimizing the seepage of rainwater. However, this is already an issue at individual locations. We will improve the state of our concrete data; once we have reliable figures, we will define concrete goals along with strategies for achieving them.

A large part of our impact on biodiversity is indirect and can be found in our supply chains, more precisely in the extraction and transport of raw materials by our suppliers. Specifically, there are risks of potential overexploitation of, or adverse effects on, wild populations or ecosystems due to unsustainable wild harvesting or cultivation methods. We have therefore developed procurement guidelines that enjoin our suppliers to pay attention to potential adverse effects on biodiversity and to consistently avoid or minimize them through appropriate methods.

With the introduction of our mabagrown® (MBGR) procurement standard in 2012, we began to monitor the implementation of these requirements in regular on-site audits. We also use independent, external auditors for this purpose. In addition, we advise and assist our MBGR suppliers on various issues, especially environmental sustainability. For example, in cooperation with our supply partners, we develop individualized plans for the protection of biodiversity in wild harvesting (Management Plan) and cultivation (Biodiversity Action Plan). For these conservation concepts, we first assess the situation on-site for potential positive and negative consequences of our partners' current operations on local nature and the environment. The data serve as a basis for planning further action, whose purpose is to minimize any adverse effects on nature and to contribute to the preservation and enhancement of local biodiversity. We support our partners in the implementation of these measures in an advisory capacity, and in some cases also financially through the mabagrown Premium Fund.

Due to the complexity of our global supply chains and the wide variety of ecosystems involved, it is not possible to measure specific individual effects on local biodiversity. However, we do record the

number of management plans and biodiversity action plans initiated and individual projects implemented in this area.

As of 2022, 92 management plans have been initiated; 110 biodiversity action plans have been developed.

### 304-3 Habitats protected or restored

The greatest leverage our company has over the protection and sustainable use of biodiversity is ecologically and ethically responsible procurement practices. We are committed to intact ecosystems both in our supply chains and on our own doorstep. For example, in the reporting year we involved a group of employees in planting an orchard with heirloom apple tree varieties and sowing a meadow with a mix of native flowers at our Alveslohe site. Another group helped set up an information station about native wild herbs on a nature trail in the Aischgrund region of central Franconia near our headquarters in Vestenbergsgreuth. In this way, we also demonstrate our appreciation and care of near-natural habitats to the population at large and to employees at our own production sites.

We support the protection and restoration of natural habitats with projects in our supply chain. In Brazil, for example, we promote the sustainable cultivation of mate. Building on long-term partnerships, we aim to promote the production of mate in sustainable agroforestry systems, thus contributing to the reforestation of lost forest areas. To this end, family farms are encouraged to maintain traditional, sustainable practices and to supplement them with new methods of environmentally friendly pest control and regenerative soil management. To help the farmers, demonstration farms and training centers have been created where they can learn from agronomists and regularly share their experiences. The goal of the project is to modernize mate production in terms of quality, handling and sustainability, while significantly increasing the number of trees on the plantations. This will result in more attractive working and production conditions for the farmers, helping to counteract widespread rural flight in the region and contributing to the protection of the threatened rainforests.

### 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations

As a company involved in the international trade of botanical raw materials, we share responsibility for the lawful handling of these natural resources. We are committed to complying with applicable national (e.g., nature conservation laws) and international (e.g., CITES) legislation and expressly expect the same from those with whom we do business.

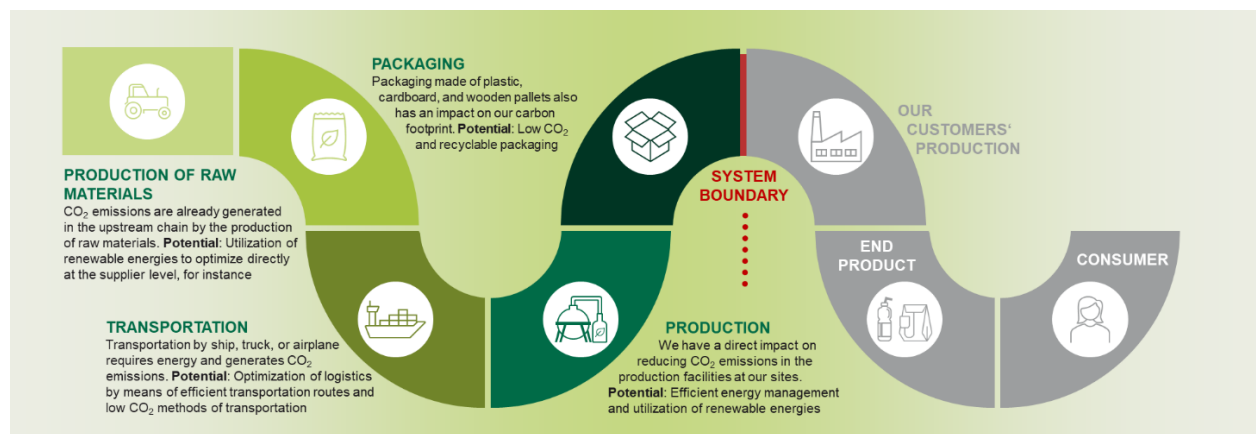
To the best of our ability, we actively check whether articles to be procured have protected status. If we find out that they do, we oblige our suppliers to provide the relevant approvals.

In addition, we strive to transfer items with a known risk status to our mabagrown® procurement standard, or to establish other certifications, in order to gain more insight, oversight, and certainty regarding compliance with required sustainability criteria. However, the additional effort involved always requires a corresponding commitment from our customers.

### 305 GHG accounting according to the GHG Protocol

MartinBauer's corporate carbon footprint (CCF) was determined in collaboration with the consulting firm KlimAktiv, using the KlimAktiv CO<sub>2</sub> calculator, in accordance with the Greenhouse Gas Protocol

and on the basis of all three Scopes. We have our methodology and our CCF certified by TÜV Rheinland.



The CCF analysis includes emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), and the HFC refrigerant gases R22, R134a, and R410a. All greenhouse gas emissions were converted to metric tons of carbon dioxide equivalent (tCO<sub>2</sub>e) based on their 100-year global warming potential (GWP).

The analysis of the carbon footprint includes emissions that fall under Scopes 1, 2 and 3. The following subcategories were excluded because their relevance and/or influenceability for the CCF as a whole was low or non-existent: capital goods, downstream transportation and distribution, processing, use and end-of-life treatment of sold products, upstream and downstream leased assets, franchising, investments.

We use several tools to determine our CCF: the Cool Farm Tool for data collection from mabagrown® suppliers in the botanicals supply chain; KlimAktiv software for data aggregation and footprint calculation; databases such as Ecolnvent for emission factors; and other sources such as the Food and Agriculture Organization (FAO) for certain statistics. The carbon footprint was calculated in collaboration with our partner KlimAktiv, a consulting firm that provides carbon accounting systems and services related to carbon footprints and climate neutrality.

### 305-1 Direct (Scope 1) GHG emissions

THG emissions	2020	2021	2022
Scope 1	29,312	30,707	30,598

Emissions in tCO<sub>2</sub>e

80% of the emissions in Scope 1 are caused by the combustion of natural gas, followed by coolant losses at around 12% and diesel consumption by the company's vehicles at around 4%. Reduction options and efforts are focused on the first two categories in order to achieve the greatest possible effect.

### 305-2 Energy indirect (Scope 2) GHG emissions

THG emissions	2020	2021	2022
Scope 2	52,29	50,747	35,948

Emissions in tCO<sub>2</sub>e

51 % of the emissions in Scope 2 are in the electricity consumption category. 49 % result from the provision of directly sourced steam. Emissions from purchased electricity are to be reduced by sourcing 100% green electricity by 2030 and 80% by 2025.



### 305-3 Other indirect (Scope 3) GHG emissions

THG emissions	2020	2021	2022
Scope 3	184,257	166,329	165,436

Emissions in tCO<sub>2</sub>e

91% of Scope 3 emissions are attributable to upstream category 1 (purchased goods and services). 44% of the emissions result from purchased botanicals, another 36% from the purchase of tea. 5% result from the purchase of flavors and ingredients, and 4% from the purchase of packaging. Upstream category 3 (fuel- and energy-related activities) represents just under 4% of emissions.

The main focus of the reduction is on botanicals, as they account for the largest share of emissions.

### 305-4 GHG emissions intensity

The intensity of GHG emissions in the reporting year 2022 was 370.28 tCO<sub>2</sub>e per million euros. Our intensity ratio is provided for GHG emissions per value added in millions of euros.

### 305-5 Reduction of GHG emissions

In 2022, our GHG emissions decreased by 6.38% compared to the previous year.

This shows that our efforts have been successful. We monitor our greenhouse gas emissions as part of our GoZero climate protection project, using this information to undertake numerous measures to reduce our emissions and achieve our goal of climate neutrality by 2030.

By the terms of GoZero, MartinBauer and all other companies in the global nature network group have committed to achieving climate neutrality by 2030 at the latest. Our promise covers not only our more than 30 operational sites worldwide but also our entire value chain. This means that our climate-neutral business activities start right in the fields.

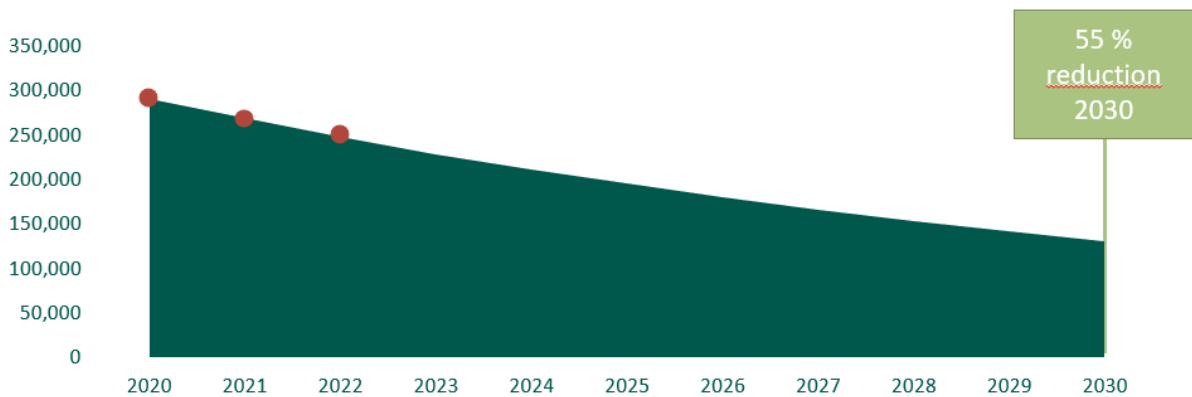


Our approach is divided into three steps.

- **Measure:** in the first step, we determine and evaluate our carbon footprint.
- **Reduce:** in the second step, we reduce our CO<sub>2</sub> emissions as much as possible.
- **Compensate:** in the third step, we compensate for the CO<sub>2</sub> emissions that cannot be reduced despite all our efforts.

MartinBauer has a reduction plan with regard to CO<sub>2</sub>-eq. The reduction plan provides for continuously reducing CO<sub>2</sub>-eq both at our operational sites and in the supply chain.





The reduction path shown describes our target up to 2030. In 2022, MartinBauer already achieved a 12.7% reduction with respect to 2020 and is thus on track to reach its goal.

From 2020 to 2021, we achieved this reduction primarily in the areas of electricity, botanicals purchasing, and tea purchasing. In contrast, our emissions in the areas of natural gas/biogas, steam (from coal), and packaging purchasing increased slightly over the same period. In 2022, emissions in botanicals & tea decreased by around 1,000 tCO<sub>2</sub>e. The main savings resulted from a significantly lower consumption of steam (about 10,000 tCO<sub>2</sub>e).

To achieve our reduction target, we have analyzed our reduction potential and identified key actions we can take. For example, we set up a GoZero Fund for the supply chain to support projects and investments to reduce CO<sub>2</sub> in our supply chain. Jointly with the University of Hohenheim, we also launched a pilot study on drying techniques in Croatia to promote emissions reduction through optimized drying methods.

For our headquarters in Vestenbergsgreuth, we have drawn up a development concept that focuses primarily on our reduction goals in the area of energy efficiency and the use of natural gas.

### 305-6 Emissions of ozone-depleting substances (ODS)

Data on this topic are not yet being collected centrally as part of the international GRI survey. The data are available at the individual locations of operation and are monitored locally.

### 305-7 Nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>x</sub>), and other significant air emissions

Carbon dioxide accounts for the largest share of our emissions. Other greenhouse gases such as nitrogen oxides, sulfur oxides, ammonia, methane and volatile organic compounds are only produced in small, insignificant amounts during the manufacture of our products at our operational sites. In our supply chain, GHG emissions (CO<sub>2</sub>-eq) are produced in the following processes: fertilizer use and the management of waste and recycling materials. NO<sub>x</sub> and SO<sub>x</sub> emissions via combustion processes at our sites mainly result from the firing of natural gas and are monitored at each site to make sure they do not exceed legally prescribed limits. In the supply chain, these emissions mainly result from drying processes and the use of fossil fuels. They are currently not part of our GRI reporting.

### 306-1 Waste generation and significant waste-related impacts

Our operations are associated with various waste-related impacts, which we monitor. We review available options for avoiding waste and reusing packaging wherever possible. If material cannot be reused, we check whether another use for it can be found or if it can be recycled.

Plant-based waste from agricultural activities at our operational sites has a very useful function: it is a natural fertilizer for our plants. Our residual waste is disposed of by certified companies.

### 306-2 Management of significant waste-related impacts

MartinBauer's waste management is decentralized, managed individually by each location. MartinBauer Germany consigns its waste to certified waste management companies that are able to verify the proper disposal of the waste using electronic procedures.

### 306-3 Waste generated

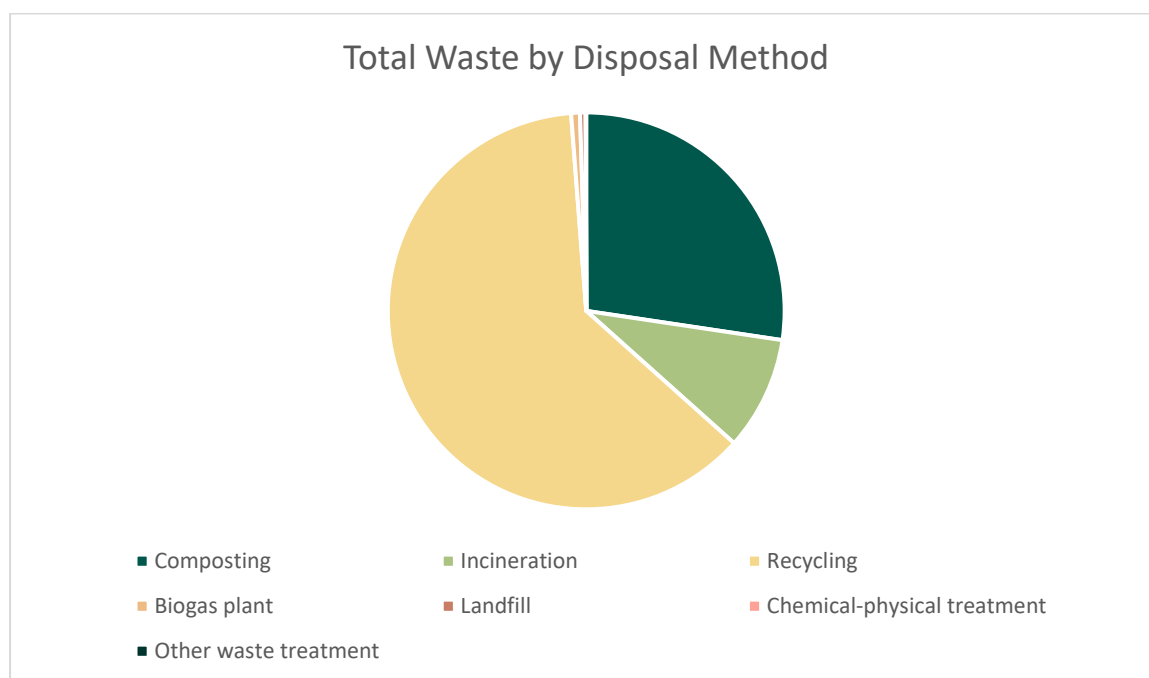
Type of waste	Total (t)
Hazardous waste	6,599.85
Non-hazardous waste	47,061.91

Of the waste generated, 88% was non-hazardous. Only 12% was hazardous.

### 306-4 Waste diverted from disposal

Total waste by disposal method	Total (t)
Composting	8800.69
Incineration	2978.26
Recycling	19995.35
Biogas plant	231
Landfill	139.82
Chemical-physical treatment	0.81
Other waste treatment	10.95

The high share of waste for composting is mainly due to the generation of agricultural waste from tea production. Recycling and composting account for 90% of the total.



### 306-5 Waste directed to disposal

Not relevant. Otherwise see 306-3 & 306-4 for waste data.

### 308-1 New suppliers that were screened using environmental criteria

As a precondition to doing business together, we expect our raw material partners, our indirect suppliers, and generally all business partners to accept our Supplier Code of Conduct. New or alternative suppliers first undergo an internal evaluation process. In the reporting year, 49.6% of all new suppliers worldwide were audited or assessed explicitly with regard to environmental criteria. Those suppliers were selected on the basis of risk assessments. With the German Supply Chain Due Diligence Act in mind, we are working to further optimize the assessment process as part of our risk management system.

Jointly with the Nuremberg Institute of Technology, we have created an evaluation matrix for the risk assessment of suppliers. It is applied to new suppliers, thus determining the next steps to be taken. If the risk classification is high, annual personal audits are mandatory; if the risk classification is low enough, auditing is done on a self-assessment basis. For existing suppliers, risk classification is performed annually. In addition to country indices (e.g., corruption indices, environmental indices), individual suppliers' certifications are also taken into account.

### 308-2 Negative environmental impacts in the supply chain and actions taken

In the case of suppliers with particularly pronounced risks, critical raw materials, or problems that become apparent during assessment, we make sure to conduct on-site audits. In 2022, we identified no significant negative environmental impacts among our audited suppliers.

We occasionally noted increased energy consumption for irrigation, drying and field cultivation.

We advise our suppliers on how they can minimize these risks and impacts.

## Employees & Society

### 3-3 Management of material topics

#### **Locations of Operation**

Globalization and digitalization are transforming working environments worldwide, and we also face the challenge of demographic change. We seek to be a long-term and reliable partner for our employees. To this end, our HR development program helps our employees to realize their full potential. The training of new employees is very important to us. On the one hand, it enables us to recruit qualified young people and train them in line with the needs of our business. On the other hand, it is a way of fulfilling our social responsibility to the next generation. In addition, we empower our employees through our efforts in the areas of professional and career development. For example, we offer additional training at “the nature network Campus.” To ensure that our employees know more than just their own area of expertise, we offer insight into the various aspects of MartinBauer’s business in our Insider Live lecture series. We support our employees in lifelong learning, helping them to meet dynamic challenges.

Discrimination is not tolerated at MartinBauer. MartinBauer is committed to equal opportunity and diversity and has signed the Diversity Charter in Germany.

In Germany, our “tea&she” women’s network is aimed at empowering women in the workplace and offering them a platform for dialogue and networking.

At our locations with collective bargaining agreements, remuneration tables can be viewed by all employees at all times.

MartinBauer strictly observes local labor legislation.

Our Code of Conduct applies to all employees and can be viewed at any time. It is also published on our website. This Code of Conduct sets out the principles of behavior to which MartinBauer is committed.

The health of our employees is very important to us. Occupational health and safety is regulated at MartinBauer via the Code of Conduct, which applies worldwide. In addition, the collective bargaining agreements valid in Germany contain regulations on health protection. We take measures to protect our employees at all our locations.

We offer our employees in Germany the opportunity to participate in health weeks and bike leasing.

To support the compatibility of family and career, we offer our employees the option of remote working when suitable, a childcare subsidy in Germany, and flexible working hours.

Regular training and continuing education on the topic of health are important to us, as is the promotion of workforce diversity and work-life balance. We complement these preventive measures with education on healthy nutrition, free fruit in the cafeteria at our Vestenbergsgreuth site, and a company sports program. We support our employees by raising awareness about health in this way.

MartinBauer locations in Germany and Turkey are certified via a SEDEX / SMETA audit.

#### **Supply Chain**

The United Nations Guiding Principles on Business and Human Rights explicitly highlight corporate responsibility. This is because the activities of companies can also have unintended negative impacts on human rights. This is particularly true for global companies with complex supply chains. Particularly

at risk of human rights violations in supply chains are population groups that are already marginalized in the country of operation and are thus especially vulnerable, such as children, women and religious or ethnic minorities. MartinBauer is currently preparing to comply with the German Supply Chain Due Diligence Act, which will go into effect in 2025. Jointly with the Nuremberg Institute of Technology, we have established a project to help us optimally meet our due diligence obligations. One aspect is the creation of a tool for annual risk assessment based on various recognized indices, supplemented with certifications and our own mabagrown® standard. We require our suppliers and partners to respect universal human rights and require them to adhere to the Supplier Code of Conduct we have developed. In addition, we conduct supplier audits.

We offer our suppliers and supply chain partners assistance on environmental issues, and we also support them with social projects. Our projects are intended to benefit the people who produce our raw materials and to have a positive impact on their lives. We focus on projects with our direct suppliers, on topics including health, youth development and women's empowerment. Examples of our projects are described in more detail under 413-1.

#### 401-1 New employee hires and employee turnover

We have not identified any gender-specific or age-specific peculiarities in employee turnover. A detailed analysis of the turnover rate by age and gender has not yet been undertaken for MartinBauer. Age and gender are not decisive selection criteria when hiring new employees. Accordingly, information on newly hired employees' region of origin, gender and age is considered immaterial and is not recorded.

New hires (FTE)	Turnover rate
218.3	11.9 %

The country with the highest turnover rate is Argentina (19.8%). The country with the lowest turnover rate is Sri Lanka (0.9%). The global turnover rate of 11.9% is within a healthy range compared to other companies in our industry.

#### 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

Benefits, if any, are granted in accordance with applicable collective bargaining agreements or local regulations. In general, this ensures that there is no discrimination.

Health insurance, retirement benefits and parental leave are offered at all production sites. 80% of our sites offer disability (including occupational disability) insurance as well as life insurance.

#### 401-3 Parental leave

Parental leave is available to our employees worldwide. The exact conditions depend on applicable local regulations. It should be noted that we only include persons in this overview who have informed us about their pregnancy. It is possible that other employees have become parents but have not informed the company. Although it can be assumed that the number of such employees is small, a slight inaccuracy in the statistics cannot be ruled out.

Percentage of eligible women who took parental leave	Percentage of eligible men who took parental leave
100 %	91.7 %

As a family-friendly employer, we are committed to making it easy for employees to return to work after taking parental leave. Where possible, we therefore offer flexible working hours and the

opportunity to gradually increase hours when returning to work. In addition, we offer the option of working remotely if the job permits.

#### 403-1 Occupational health and safety management system

We are aware that work-related illnesses can arise, such as strain on the back or skeleton or psychological strain due to stress. We work very hard to minimize these risks and to take targeted action to counteract them.

All of our operational sites have their own occupational health and safety management systems, complying with applicable local law. Our production site in Sri Lanka has a certified occupational health and safety management system in accordance with ISO 45001.

The handling of hazardous materials is regulated at our locations of operation as part of occupational health and safety and in accordance with statutory regulations. Since we work in the food sector, we are subject to stricter requirements regarding the handling of dangerous materials and maintaining hygiene standards. In addition, we are mindful that it is not permitted for employees suffering from cold symptoms (such as coughs and sneezes) to work in production areas in the food industry. If there is no way to avoid the use of hazardous substances, technical or personal protective measures are always taken. Regular training sessions on these topics are provided, as are legally required medical examinations.

The effectiveness of occupational health and safety measures in Germany is reviewed in regular audits. Comprehensive safety briefings are carried out and instructions provided.

In Germany, we offer health weeks as part of our health management program, during which employees can undergo thorough checkups and receive advice. There is also a company sports program, which affords opportunities to keep fit and counteract health problems. We offer our employees free vaccinations, such as an annual flu shot. We promote healthy eating in our cafeterias, for example by giving out free fruit.

#### 403-2 Hazard identification, risk assessment, and incident investigation

Independent of our own additional efforts, our surveys show that country-specific legislation is complied with. We strive to protect our employees via risk identification and assessment.

In addition to site- and country-specific risk analyses, we adhere to different occupational health and safety systems at our various operational sites. These include GB/T33000-2016 (China), ISO 45001 (Sri Lanka), and OSHA (USA).

Every incident is investigated so that managers, works councils and employees know how to prevent accidents.

Our sites assess their occupational health and safety risks independently. In some cases, this task is performed by external consultants who carry out a weekly risk assessment. At other production sites, this task is performed by dedicated internal safety officers. If risks are identified in the risk assessment process, standards and procedures are optimized and appropriate training provided.

In Germany, risk assessments are systematically carried out for all tasks in accordance with occupational health and safety laws. Supervisors are responsible for making sure assessments are performed and documented within their area of authority, in order to ensure a safe workplace and prevent work-related health hazards. They are equally responsible for ensuring that applicable safety standards are monitored and complied with. Occupational safety specialists and medical experts are

consulted when assessing hazards. The risk assessment process is rounded out by an effectiveness audit.

#### 403-3 Occupational health services

Our goal is to ensure that all potential sources of danger to our employees are identified and eliminated (or mitigated). This applies to MartinBauer employees and to workers who are not employees but whose work and/or workplace are supervised by MartinBauer. In the event of injuries, it is also in our interest to contribute to a quick and complete recovery.

Every incident is reported internally and analyzed, after which corrective measures are outlined. The responsible occupational health services respect our employees' right to privacy. The confidentiality of workers' personal health-related information is ensured in accordance with applicable local regulations.

#### 403-4 Worker participation, consultation, and communication on occupational health and safety

Health and safety issues are regulated via our Code of Conduct and occupational safety protocols. We comply with occupational health and safety regulations to protect our employees from work-related accidents. We maintain and update our approvals, permits and registrations, as well as our on-the-job know-how. All employees are required to report potential dangers immediately and are also expected to watch out for the safety of their colleagues. To increase our employees' safety awareness, we regularly conduct safety trainings and briefings, and we monitor and evaluate safety in the workplace.

#### 403-5 Worker training on occupational health and safety

Occupational safety and health training is offered to all employees. All MartinBauer employees are entitled to a safe and ergonomic workplace. Regular occupational safety and health training courses are held at all locations worldwide in line with local workplace conditions. Separate training courses are held for employees working in specific areas of high risk. Training for employees in offices or administrative areas in Germany is mainly conducted online. The knowledge imparted is subsequently reviewed with mandatory tests.

Training is provided in the local language or in a language easily understood by the participants.

In the 2022 reporting year, employees completed an average of 20.5 hours of training, the majority of which was related to health and occupational safety.

#### 403-6 Promotion of worker health

We help our employees to consciously manage their physical and mental health. This includes offering flextime models.

As part of our health management initiative, "health weeks" are held for employees in Germany to raise awareness and inform them about health issues. Health week offerings include lectures, personal counseling appointments, and preventive medical checkups. We offer free vaccinations, such as an annual flu shot. To promote mindful interaction and prevent psychological stress situations, we regularly hold presentations and provide information as part of our Insider Live program. In Germany, we held training sessions on mindfulness, burnout prevention, and other topics in 2022. In addition, in Germany we offer yoga courses as well as other company sports, such as soccer, jogging, and tennis. We also offer Insider Live training courses on conscious nutrition. For example, in the reporting year we focused on plant-based and sustainable nutrition. The cafeteria at our headquarters in

Vestenbergsgreuth participates in a reusable packaging system (Vytal) and offers employees free fruit. We also provide tea to our employees free of charge in our kitchenettes.

In Germany, we started a bike leasing program for employees in 2020. On the one hand, we want to help them keep fit and healthy. On the other hand, by encouraging them to commute by bike rather than by car, we protect the environment and reduce CO<sub>2</sub> emissions. Bike leasing offers flexibility, both for personal use and on the way to and from work. Our employees also benefit financially from low payments, favorable taxation, no fuel costs and the provision of free green electricity. To support cycling in general, we take part in the Germany-wide “Stadtradeln.de” (city cycling) campaign, in which teams compete over several weeks for the most kilometers cycled. In the end, the total CO<sub>2</sub> reduction is calculated.

#### 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

For each specific situation, we take a targeted approach to avoiding or mitigating significant negative impacts on occupational safety. For example, in the case of transporting samples, fire protection, or handling hazardous materials, there are specific guidelines on areas of responsibility, the labeling of hazards, and precautionary measures to be observed in order to eliminate potential hazards for all parties involved to the greatest extent possible. There are specially trained employees for this, e.g. hazmat officers for relevant areas such as logistics.

#### 403-8 Workers covered by an occupational health and safety management system

80.9% of MartinBauer employees are covered by an occupational health and safety management system worldwide. There is no single uniform system for occupational health and safety management around the globe; rather, each location of operation has its own regulations. In Sri Lanka, for example, we have a certified management system in accordance with ISO 45001, and in China in accordance with GB/T33000-2016. Independent of this, local law is complied with at all locations.

#### 403-9 Work-related injuries

The total number of workplace incidents worldwide per 1,000,000 hours worked is shown in the following table.

Type	Office jobs		Production jobs		Total
	Women	Men	Women	Men	
Workplace incident	2.93	3.42	4.40	74.83	85.59
Commuting incident	0.49	0.98	0.98	4.89	5.87

There were no work-related fatalities at MartinBauer in the reporting year.

As a manufacturing company, our workforce generally has a higher percentage of men. The percentage of men in the company is 74%, and 91% of our incidents involved men. Employees in production are affected much more frequently by incidents at work. The percentage of incidents involving production employees was 92%. Only 8% of incidents involved employees with office jobs.

Incidents are monitored and evaluated as part of occupational health and safety. Wherever possible, measures are taken to ensure that such incidents are avoided in the future. Our employees receive annual training on occupational safety and protocols to follow for the area they work in.



#### 403-10 Work-related ill health

We are aware that work-related illnesses can arise, such as strain on the back or skeleton or psychological strain due to stress. We work very hard to minimize these risks and to take targeted action to counteract them.

MartinBauer does not currently record the number and types of work-related illnesses internationally. This information is available at each individual location, but for data protection reasons it is not part of this GRI report. There were no fatalities at MartinBauer in the reporting year.

#### 404-1 Average hours of training per year per employee

We want lifelong learning to be a constant companion for our employees throughout their careers. This begins with our commitment to our apprentices and continues through to retirement. Our aim is to provide our employees with extensive training to qualify them for their daily tasks.

To this end, we have introduced the nature network Campus to promote learning opportunities. We also offer online and in-person lectures on various topics. As part of our Insider Live lectures, MartinBauer employees introduce their colleagues to their area of expertise, their activities, or exciting projects. This program gives our employees insight into other areas of operation within the company. In addition, experts outside the company provide us with fresh ideas on various topics as part of our “Gedanken Tanken” series.

Many of our training and education programs take place in the form of eLearning. This allows employees to receive training flexibly, at their own pace, and it makes it easier to test what they have learned.

On average, our employees around the world spent 20.5 hours on training in the 2022 reporting year. The reported average of training hours per employee is lower than the actual number of hours. In Germany, for example, only time spent on mandatory employee training and development is recorded, but not participation in our Insider Live and “Gedanken Tanken” formats or in external training courses.

Our German locations of operation have apprenticeship programs, thus supplying our need for well-trained specialists. Sustainability is an integral part of in-company training. Jointly with the Central Franconia Chamber of Industry and Commerce (IHK Mittelfranken), we have piloted a trainer program to bolster such sustainability. Furthermore, our apprentices have the opportunity to train as Scouts for SDGs in Germany. As part of their in-company training, our apprentices work on their own sustainability projects in groups. The projects are developed independently and carried out with specialist support from the relevant departments. The apprentices then present their results to senior management.

#### 404-2 Programs for upgrading employee skills and transition assistance programs

MartinBauer consistently aligns the qualification of employees with job- and work-related skills.

In Germany, we have introduced the nature network Campus as a training/development platform to strengthen the skills of our employees. We also offer online and in-person lectures on various topics. As part of our Insider Live lectures, MartinBauer employees introduce their colleagues to their area of expertise, their activities, or exciting projects. This program gives our employees insight into other areas of operation within the company. In addition, experts outside the company provide us with fresh ideas on various topics as part of our “Gedanken Tanken” series.

#### 404-3 Percentage of employees receiving regular performance and career development reviews

As a family business, personal interaction is especially important to us. MartinBauer maintains an open and honest dialogue with its employees around the world. We do not currently keep statistics on how many employees had a performance review and a development interview in the reporting year. However, we encourage our managers to give feedback to employees and to accept it from them.

Employees who receive variable remuneration (primarily levels 1-2, for the precise number see section 2-9), regardless of their gender, have an annual interview with their supervisor in which personal professional development, performance, and other issues are reflected upon.

#### 406-1 Incidents of discrimination and corrective actions taken

As stipulated in our Code of Conduct, discrimination against individuals on the basis of personal characteristics is not tolerated at MartinBauer. No incidents of proven discrimination came to light in the reporting year. Two incidents were investigated in the reporting year; the outcome is still pending.

#### 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

We are strongly committed to freedom of association and the right to join a trade union. For this reason, the legally required collective employee representation bodies are represented at our locations of operation. In addition, we adhere to the applicable local collective bargaining agreement at all locations where it is the standard legal and human resources policy.

In 2022, there were no strikes in the nature network directed against MartinBauer.

In the reporting year, there were no MartinBauer locations at which the right to freedom of association and collective bargaining was violated or at risk. Therefore, no additional measures had to be taken to ensure alternative forms of employee participation or to remedy discrimination against trade unions.

Our supply chain extends worldwide and includes many different suppliers. Our Supplier Code of Conduct requires freedom of association as well as the right to organize employee associations or trade unions. Even though we monitor our suppliers in detail, there remains a residual risk of non-compliance with these requirements. We are not aware of any clear violations of the right to freedom of association and collective bargaining. Due to the complexity and international nature of our supply chain, we are aware that 100% compliance with these obligations cannot be guaranteed. However, we endeavor to minimize the risk of a violation through discussions with our suppliers, audits and guidelines such as the Supplier Code of Conduct.

#### 408-1 Operations and suppliers at significant risk for incidents of child labor

MartinBauer does not permit any form of child labor at its own locations of operation or on the part of its suppliers. Our Supplier Code of Conduct explicitly prohibits child labor. By signing the Supplier Code of Conduct, our suppliers confirm that no persons younger than 15 years of age are employed – unless permitted by ILO convention or local law. In countries that fall under the developing country exception to ILO Convention 138, the age limit is 14. Suppliers also certify that they will not allow work to be performed that is likely to be harmful to the health, safety or morals of children (ILO Convention 182).

No risks were identified at the MartinBauer sites investigated in the reporting year by SEDEX/SMETA. According to reports from our other sites, this applies to MartinBauer as a whole.

With a view to our supply chain and in preparation for the German Supply Chain Due Diligence Act, we restructured and optimized our risk management system. As a result, we identified a generally increased risk of child labor in certain regions, primarily in Africa and Asia. Suppliers with identified higher risks are subjected to an expanded review in the form of audits or assessments. As part of our mabagrown® supply chain and its special commitment to sustainability, we have established an expanded review of our suppliers and are in close dialogue with them about improvements and programs to support young people and families.

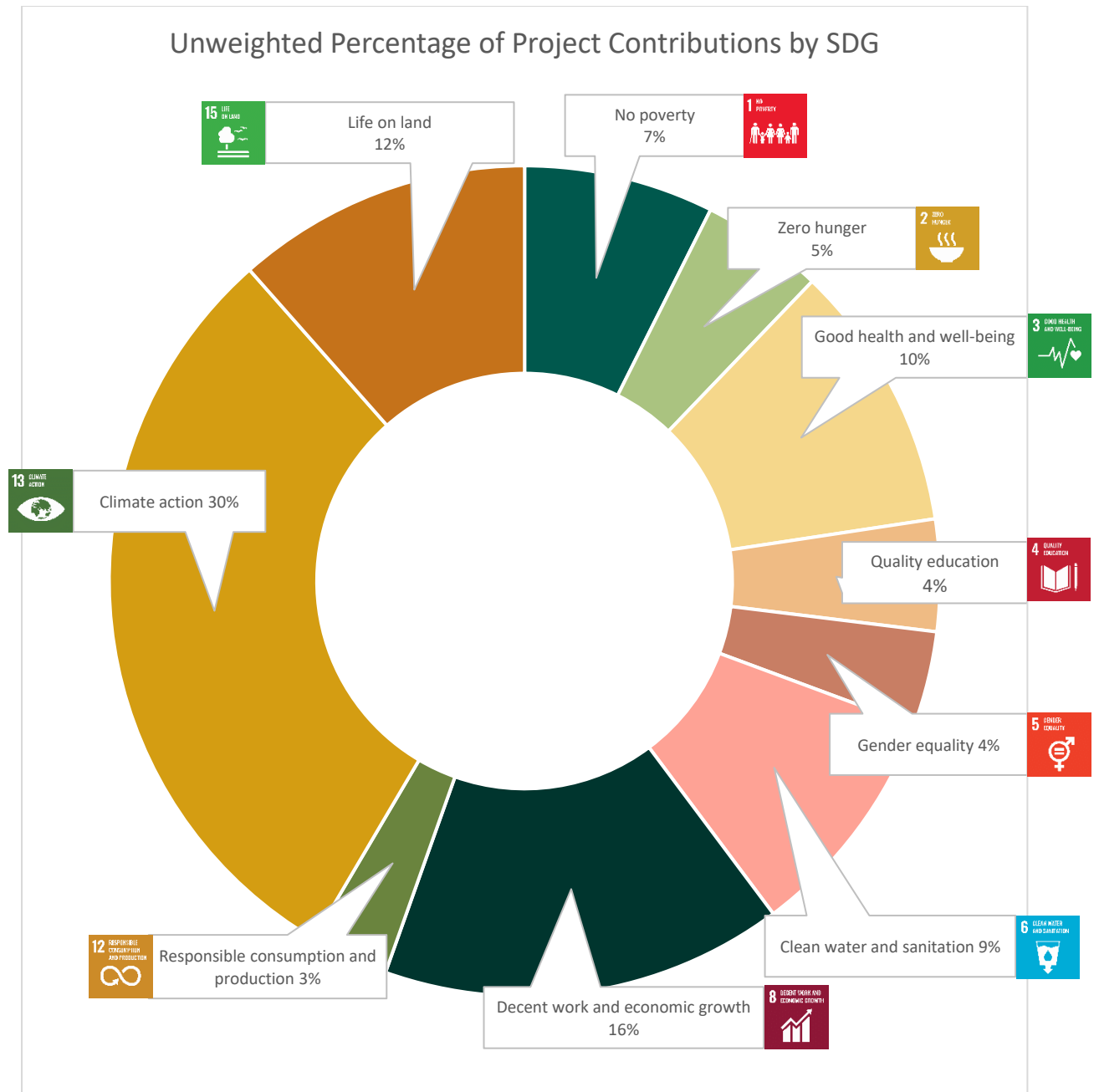
#### 409-1 Operation and suppliers at significant risk for incidents of forced or compulsory labor

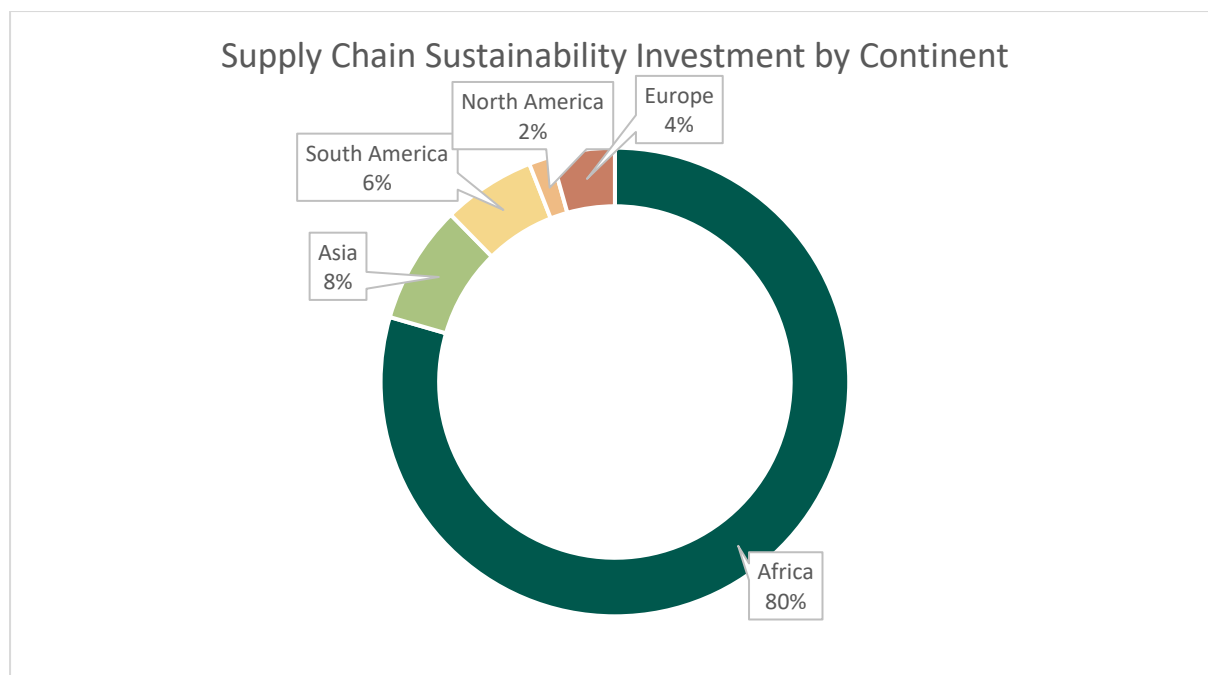
MartinBauer does not permit any form of forced or compulsory labor at its own business locations or on the part of its suppliers. Our Supplier Code of Conduct explicitly prohibits all forms of forced or compulsory labor in the supply chain (including upstream suppliers). We have no information on instances of forced, compulsory or slave labor for the reporting year.

#### 413-1 Operations with local community engagement, impact assessments, and development programs

We are in dialogue with the communities and residents at our locations of operation. In doing so, we strive to be a good neighbor and to avoid causing negative impacts as a result of our business activities, while at the same time generating added value for society. We are engaged in the regions where we operate. We have no information about complaints for the 2022 reporting year.

We are particularly proud of our engagement in our supply chains and our good collaboration with local communities. Since 2015, we have benefited over 90,000 people through more than 100 sustainability projects in 26 countries. Our impact will continue to grow through future projects. In the reporting year, our supply chain projects contributed to the following SDGs:

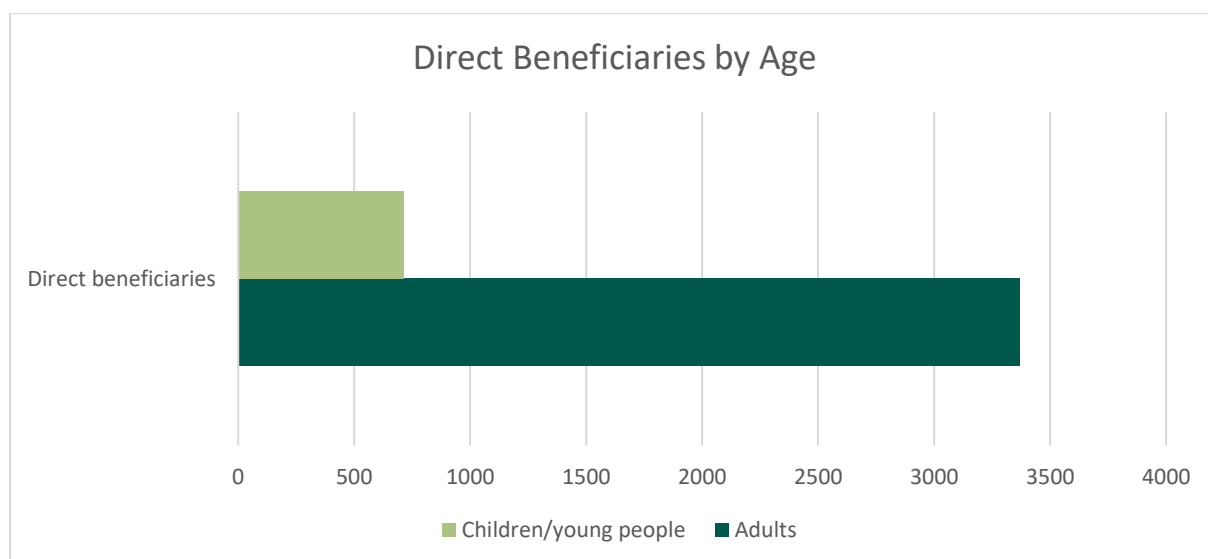




The majority of our budget for supply chain projects is deployed in Africa.

With our mabagrown® standard, we have created not just a certification but a procurement philosophy. We aim for long-term cooperation with our raw material partners. Mabagrown® includes holistic, controlled supply chain management for both cultivation and wild harvesting, as well as on-site cultivation consulting from our experts.

In addition, we carry out a large number of projects to improve the living standards of the local population and work to conserve biodiversity. Four ongoing projects from our portfolio are presented below as examples. In total, we benefited around 4,000 people with our supply chain projects in the reporting year. The composition of the people benefited reflects our efforts to help young people and women, as well as our focus on farmers.





### Drinking water project in Zimbabwe

In Zimbabwe, we are implementing a clean drinking-water access project in Mushumbi, one of the driest regions in the country and part of our hibiscus supply chain. In doing so, we are addressing the ongoing challenge of waterborne diseases, particularly for children and the elderly. Between April 2020 and April 2022, we drilled 20 wells, providing 10,000 people with access to safe drinking water. The communities manage the wells themselves through water management committees and make sure that they are regularly maintained.

### Sustainable mate cultivation project in Brazil

To strengthen local communities, we promote sustainable mate cultivation in Brazil. We aim to prevent rural flight in the region, promote biodiversity and form long-term partnerships. To do this, family farms are encouraged to maintain existing sustainable practices and learn new methods from agronomists, such as soil quality management and pest control. Demonstration farms and training centers have been created where farmers can learn together and regularly discuss their experiences.

We help to improve farm management and productivity through the creation of a farm management plan. We work with 70 families, benefiting approximately 200 people. Smallholder farmers take active responsibility for planning, including developing and implementing specific strategies and monitoring their budget. Involving young people in the families in intergenerational farm planning is important to us. We encourage young adults, with the support of agricultural advisors, to develop their own farm concepts and sources of income. The project has been running since 2021 and will continue until 2024.

### **Women's Empowerment Project in Egypt**

In Egypt, we work to support women's empowerment in our supply chain. The first phase involves providing health services and training on healthy eating. In the long term, this is a very effective aspect of the women's empowerment initiative. Phase two of the project is about increasing access to development opportunities, literacy classes and microcredits. Reading, writing, and numeracy courses are offered. This training helps women formulate goals and develop business plans to launch microenterprises and small businesses. Furthermore, we offer educational courses for women on the health of mothers and children. The project has been running since 2020 and will end in 2023.

### **SDG Compact project in Africa (BMZ)**

In November 2019, MartinBauer and the German Federal Ministry for Economic Cooperation and Development (BMZ) laid the foundation for a long-term collaborative project to strengthen ecological and sustainable agriculture in Africa within the framework of an SDG Compact. The project aims to establish demonstration farms for ecological and sustainable agriculture in several African countries and to improve the living conditions of local smallholder farmers, wild harvesters and agricultural workers. These undertakings support the UN Sustainable Development Goals 2 ("No Hunger") and 15 ("Life on Land"). In the coming years, MartinBauer will look for locations to grow organic crops, from Morocco in northern Africa to Namibia in the south. Demonstration farms will be set up, providing work for up to 1,600 people. Training centers are being built to train a total of up to 10,000 smallholder farmers, wild harvesters and farm workers in the basics of organic agriculture and sustainable wild harvesting. In total, up to 70,000 people will benefit from the effects of the training. The project has been running since 2020 and will continue until the end of 2029.

### 413-2 Operations with significant actual and potential negative impacts on local communities

As far as we know, none of our business activities have significant negative impacts on local communities. As part of our sustainability agenda, we pursue the goal of improving local living conditions and contributing to the enhancement of local communities. In doing so, we actively support the achievement of the United Nations Sustainable Development Goals. MartinBauer sees itself as a partner in the regions where it does business.

### 414-1 New suppliers that were screened using social criteria

As a prerequisite to doing business, we expect our direct suppliers and business partners to sign our Supplier Code of Conduct. New or alternative suppliers first go through an internal evaluation process.

In the reporting year, 36.0% of new suppliers worldwide were examined directly with regard to social criteria by means of audits or assessments. These suppliers were selected on the basis of risk assessments. With a view to the German Supply Chain Due Diligence Act, we are working to further optimize our assessment process as part of the risk management system.

#### 414-2 Negative social impacts in the supply chain and actions taken

With a view to the German Supply Chain Due Diligence Act, we have expanded our goal for the objective assessment of our suppliers. In the future, we will give our suppliers risk classifications based on a combination of various country risk indices and certifications. This risk factor will influence how we proceed. For example, it may lead to specific actions being taken or audits carried out with the supplier.

In the reporting year, we assessed 28.9% of our existing suppliers worldwide according to social criteria on the basis of our risk assessment and did not identify any significant potential or actual negative social impacts in our supply chain. We see this policy as a reinforcement of our commitment to the supply chain and plan to continue with it.

#### 416-1 Assessment of the health and safety impacts of product and service categories

MartinBauer stands for high quality natural products. Each of them has very precise specifications in terms of quality and product safety. We seek the best qualities and features in the habitat of origin, cultivation and harvesting of our products. Ensuring the quality of our products is our chief task. This starts in the countries where our botanical products grow, continues through their processing and transportation, and does not stop until they are enjoyed by our customers.

Anyone who processes food bears a great responsibility. To ensure the safety of our products, we adhere to strict standards, undergo regular independent monitoring, and carry out our own inspections. All products are subject to comprehensive quality and inspection regulations. Product quality and product safety have top priority in our company.

Our products are thoroughly and carefully inspected on the basis of detailed knowledge of the supply chain. Our sister company PhytoLab, one of the leading laboratories specialized in botanical analysis, is responsible for these inspections. The independent, accredited laboratory from the nature network is very familiar with the variety of plants used by MartinBauer. With a wealth of experience gained over many decades, it makes a valuable contribution to our product safety.

We inform our customers about the properties of our products. Any questions can be answered by the experts in our Regulatory Affairs Department as well as by customers' regular contacts within the company. In addition, many of our products are certified, either according to our own mabagrown® standard or according to another recognized standard such as Fairtrade, FairWild, Rainforest Alliance, Fair for Life and the EU organic logo.

#### 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

We have no information on violations of safety or health regulations relating to our products for the 2022 reporting year.

All customer complaints regarding product quality and service are carefully processed. If necessary, corrective measures are taken and their effect reviewed.



## Our Goals and Actions for Achieving Them

MartinBauer has set itself sustainability goals with the aim of achieving both its own sustainability goals and the chief goals of the nature network. In addition to setting overarching goals in key areas and a deadline for achieving them, subgoals and actions for achieving them have also been defined within the general framework. The tables below provide an overview of the sustainability topics on which we are taking action. In the future, we plan to document our progress towards achieving our goals as part of our sustainability reporting. As a first step, we are now providing an overview of the status quo. Along with the status quo, we are providing an assessment of the progress we have made on the project using a traffic light system.

Project status: on schedule	
Project status: somewhat behind schedule	
Project status: behind schedule	
Not yet begun	

Our goals are listed under the ESG criteria of environment, social, and governance. Within each of these criteria, we list our main goals and give a deadline for reaching them. We then describe our subgoals, including actions to be taken, the deadline, the status quo, and an evaluation of our progress so far.

## ESG criterion: Environment

### Climate Protection



Deadline

**Main goal: by 2030 at the latest, operations at our locations and in our supply chain will be climate neutral.**

**2030**

Subgoal	by	Action to be taken	by	Status quo	
By 2030, reduce our CO <sub>2</sub> -eq emissions in Scopes 1, 2 and 3 by 55% (baseline 2020).	2030	Follow our detailed GoZero action plan for Scopes 1, 2 and 3.	2030	We reduced our carbon footprint in 2021 by 8%, and in 2022 by 6%. That puts us on schedule.	
By 2030, reduce CO <sub>2</sub> -eq emissions from purchased energy by 52% (baseline 2020).	2030	<ul style="list-style-type: none"> <li>- Follow our detailed GoZero action plan for Scopes 1 and 2.</li> <li>- Develop and install our Global Energy Management team; appoint local energy officers; introduce an energy management system.</li> <li>- By 2025, introduce an ISO 50001 international energy management system for all locations.</li> </ul>	2030	Our action plan for our locations is on track. We are currently setting up an international energy management system.	
Convert 80% of our purchased electricity to green electricity by 2025, and 100% by 2030.	2025/2030	Conduct a feasibility analysis for green electricity by the end of 2023. This includes purchased electricity and our own production.	2023	We already source 49% green electricity.	
Commit to the 1.5 degree goal (Paris Agreement).	starting 2023	Participate in the Science Based Targets initiative (SBTi) via setting climate protection goals, monitoring, and regular public reporting.	starting 2023	We have been committed to SBTi since 2022 and submitted our goals and action plan for approval in August 2023.	
Make it possible to determine the carbon footprint for all mabagrown® products starting in 2023.	2023	Create an IT-based system for determining product carbon footprints.	2023	The IT system was finished in September 2023. ISO 14067 certification will be carried out by TÜV.	

## ESG Criterion: Environment

Subgoal	by	Action to be taken	by	Status quo	
By 2030, reduce CO <sub>2</sub> -eq emissions from our botanical raw materials by 56% (baseline 2020).	2030	<ul style="list-style-type: none"> <li>- Take targeted action to optimize energy efficiency in drying, irrigation and processing; optimize logistics and packaging for our products.</li> <li>- Provide consulting on climate-efficient agricultural practices for avoiding GHG emissions and carbon sequestration.</li> </ul>	2030	Various climate protection projects (drying, irrigation, regenerative agriculture) are running with a focus on the mabagrown® supply chains. We must exercise more leverage in the supply chain and convince suppliers to get involved. We must also wait for economic incentives and use them expediently.	
By 2024, develop a sustainable transportation concept.	2024	Develop a concept to reduce the environmental impacts of our vehicle fleet, company travel and company cars.	2024	Carbon offsetting for transportation is part of the corporate carbon footprint. A transportation concept will be developed in 2024.	
Develop credible environmental projects to avoid CO <sub>2</sub> -eq emissions and, starting in 2030, to compensate for unavoidable CO <sub>2</sub> -eq emissions.	2030	Analysis and development of the necessary number of compensation projects.	2030	Various projects have been reviewed for feasibility. One concrete project for composting (VCS certified) was launched in August 2023.	

## ESG Criterion: Environment

### Procurement from Sustainable Supply Chains



**Main goal: meet 100% of customer demand for botanical raw materials from certified sustainable or actively managed supply chains.**

Deadline

**ongoing**

Subgoal	by	Action to be taken	by	Status quo	
Gradually and proactively increase the percentage of raw materials from mabagrown® supply chains so that we can continue to meet the growing demand for sustainably produced raw materials in the future.	ongoing	Actively promote the use of certified products on the part of suppliers and customers.	ongoing	There are currently 58 products from 28 countries in our mabagrown® portfolio, and that number is continually increasing.	
Improve the skills of our raw material partners in the supply chain via education and training.	ongoing	Provide our raw material partners with continuous training to expand the range of certified products and climate protection measures in the supply chain.	ongoing	We regularly train our suppliers in mabagrown® topics and have been offering mabagrown® manager training for mabagrown® suppliers since 2022. Training is currently supplemented with six animated videos on selected topics.	

## ESG Criterion: Environment

### Water



**Main goal: reduce the water consumption rate at our locations of operation and in our supply chains each year (baseline 2022).**

Deadline  
ongoing

Subgoal	by	Action to be taken	by	Status quo	
Analyze freshwater consumption (water balance/water footprint) at our locations and devise optimization measures on that basis.	2024	Carry out water consumption analysis and devise optimization measures.	2024	Data on international water consumption was collected as part of this GRI reports. Further steps will follow.	
Analyze water consumption in selected mabagrown® supply chains and devise optimization measures on that basis.	starting 2024	Carry out water consumption analysis and devise optimization measures.	starting 2024	This project is scheduled to start in 2024.	

## ESG Criterion: Environment

### Biodiversity

**Main goal: preserve and promote biodiversity in our supply chains.**

Deadline  
**ongoing**



Subgoal	by	Action to be taken	by	Status quo
Commit to procuring 100% of our botanical raw materials from deforestation-free supply chains.	starting 2025	Create a tool to monitor deforestation; develop a system to assess risks in our supply chains.	2025	Contractual obligations already exist for our partners. A monitoring concept for our international supply chain is being developed.
Require our mabagrown® raw material partners to actively preserve and promote biodiversity.	2023	Actively promote biodiversity in our mabagrown® supply chains via biodiversity projects.	ongoing	We currently have 52 ongoing biodiversity action plans with our mabagrown® partners, and we regularly initiate adaptation projects to enhance biodiversity and sustainability in the supply chain.
Promote soil fertility in our mabagrown® supply chains through the use of regenerative agricultural practices.	ongoing	Consulting services and targeted research projects on regenerative agriculture for our products.	ongoing	Five research projects are currently underway to understand the effects of regenerative agriculture on the agroecosystems where our products grow.
		Carry out additional projects in the field of regenerative agriculture	2025	We currently have three ongoing supply chain projects focusing on regenerative agriculture in Paraguay and Nepal.

## ESG Criterion: Environment

### Waste / Recycling



Deadline

**Main goal: increase resource efficiency in production and improve our waste recycling rate.**

**2025**

Subgoal	by	Action to be taken	by	Status quo	
Optimize waste sorting to improve our material recycling rate.	2024	Optimize waste sorting.	2024	Waste concepts and waste balances are available for our operational sites. 90% of waste is currently recycled or composted. Further optimization efforts will follow.	
Implement a production efficiency program by 2024, as a means to reduce transport needs and material usage and increase occupational safety.	2024	Implement a production efficiency program (Future in Tea).	2024	Future in Tea has been successfully implemented in Germany. Further steps will be taken according to plan.	

### Plant Protection



Deadline

**Main goal: commit to organic farming in our supply chains and to optimizing our use of plant protection products.**

**ongoing**

Subgoal	by	Action to be taken	by	Status quo	
Identify and test innovative approaches to plant protection (e.g., in the field of robotics).	2025	Perform plant protection analyses and tests.	2025	Two projects are currently ongoing that focus on innovative approaches to plant protection.	

## ESG criterion: Social

### Fair Wages & Income in Our Supply Chains



**Main goal: commit to fair income conditions for the people in our supply chains.**

Deadline  
ongoing

Subgoal	by	Action to be taken	by	Status quo
Establish a baseline with living income benchmarks for our mabagrown® supply chain.	2025	Collect data on living income benchmarks in our mabagrown® supply chains.	2025	An initial study with Wageningen University and Practical Action was carried out in Zimbabwe. A new methodology was developed and is now being applied.
Diversify and boost household income in our mabagrown® supply chains.	2025	Establish projects to diversify and boost household income in our mabagrown® supply chains.	2025	This topic is part of various supply chain projects and will continue to receive attention.

### Employee Retention and Recruitment



**Main goal: be the attractive employer of choice; strengthen our employees' skills, keep them informed about sustainability initiatives, and actively involve them in our sustainability efforts.**

Deadline  
ongoing

Subgoal	by	Action to be taken	by	Status quo
Strengthen our employer brand for more effective employee recruitment and improved employee retention (MartinBauer Germany).	2024	Revamp our employer image and implement target-group-specific HR marketing measures (e.g., marketing at schools and universities, social media, staff blog).	2024	Our campaign for recruiting apprentices has been successful. Initial ideas for reaching our other target groups have been drafted and will be pursued soon.



## ESG Criterion: Social

Subgoal	by	Action to be taken	by	Status quo
Find professionally and personally qualified young talent and fill all advertised apprenticeships (MartinBauer Germany).	2023	Maintain the high level of our apprenticeship program and improve the integration of our sustainability strategy into it (e.g., via sustainability workshops for apprentices and instructors, apprentice sustainability projects).	2023	Jointly with the Chamber of Industry and Commerce (IHK), we started a pilot apprenticeship program on “sustainability for instructors.” With B.A.U.M., we participate in “SDG-Scouts,” a program for apprentices. As part of our own apprenticeship program, apprentices carry out their own sustainability projects and present them to senior management.
		Optimize preboarding and onboarding process with a focus on strengthening our mentor program.	2023	We offer our new employees a wide array of training and information sessions. In addition, the preboarding and onboarding process is assisted by our digital onboarding site. A concept for implementing and strengthening a mentor program is still being developed.
Motivate our employees and strengthen their loyalty to the company.	2024	Introduce an employee app to improve internal communication between managers and employees and facilitate informal dialogue.	2024	A new employee app will first be introduced in Germany, in fall 2023. The Sustainability Department will be responsible for highlighting the topic of sustainability and providing information on it.
		Communicate the attractive benefits we offer more actively and in a more targeted way, e.g. by providing information on employee pensions, bike leasing, capital-formation benefits, daycare subsidy (MartinBauer Germany)	ongoing	We regularly update our information on employee benefits and events.

## ESG Criterion: Social

Subgoal	by	Action to be taken	by	Status quo
(Cont.) Motivate our employees and strengthen their loyalty to the company.		Promote our women's network and support company-wide dialogue among women in specialist and management roles (MartinBauer Germany).	ongoing	The first in-person meeting since the pandemic was held in June 2023 at our headquarters. Ongoing opportunities for dialogue via platforms, virtual meetings and walks.
Strengthen the skills of our employees (MartinBauer Germany).	2023	Increase the number of participants in the nature network Campus's interdisciplinary learning opportunities and support the international expansion of professional onboarding and training measures.	2023	In 2022, 8% of employees participated in advanced training. In the first half of 2023, it was 7%. A concept for the international expansion of professional onboarding and training measures is being developed.
		Offer our managers the support they need in leadership issues, e.g. via our "manager workshop" (basic training for managers) and talks on work hacks.	ongoing	Regular training sessions take place, e.g. in 2022 on the topic of co-learning (learning and working outside the workplace).
Actively involve our employees in our sustainability programs, thereby increasing our attractiveness as an employer.	ongoing (started in 2021)	Annually offer two action weeks devoted to the topic of climate neutrality and sustainability.	ongoing	In 2022, two action weeks were held as part of our corporate volunteering concept: one in the fall on the topic of energy saving, and a GoZero action in the spring on the topics of a children's nature trail and upcycling. This was rounded out by various keynotes and participation in the "Stadtradeln.de" program.

## ESG Criterion: Social

Subgoal	by	Action to be taken	by	Status quo
(Cont.) Actively involve our employees in our sustainability programs, thereby increasing our attractiveness as an employer.		Offer continuing education on sustainability as part of our internal Insider Live series at the nature network Campus (MartinBauer Germany).	ongoing	In 2022, Insider Live lectures were held for employees on the topics of climate protection, energy, water conservation, the cultivation of botanicals, and mindfulness in the workplace.
		Facilitate eco-driving courses and actively promote bike leasing and green electricity deals for our employees (MartinBauer Germany).	ongoing	Two eco-driving courses were held in 2022. We had 105 active bike leasing contracts in 2022 (including MB-Holding). Green electricity contracts are available to employees in Germany via Stadtwerke Forchheim.

### Diversity



**Main goal: promote diversity, inclusion, and equal opportunity.**

Deadline  
**ongoing**

Subgoal	by	Action to be taken	by	Status quo
At least maintain the current ratio of women in management positions (28%) to the total share of women in the company (27%).	2025	Raise awareness for diversity in the company's internal communication, the introduction of quotas for women in management roles, continuing education opportunities, a women's network, flextime, remote work, etc.	2025	Percentage of women in management roles in 2022 Level 1: 0% Level 2: 23% Level 3: 35%. Total: 28%. Percentage of women in the company overall: 27 %
Strive for a balanced age distribution in the company to mitigate the risks of demographic change. Promote intergenerational teamwork.	ongoing	Carry out an age distribution analysis on the basis of annually collected GRI data; use it as a basis to take action.	2024	<30: 21% 30-50: 54% >50: 25% A detailed age-structure analysis is planned.

## ESG Criterion: Social

Subgoal	by	Action to be taken	by	Status quo	
Raise awareness among managers for the topics of diversity, inclusion and equal opportunity.	2025	Conduct diversity awareness and training programs for managers, as well as programs to raise awareness in the company's internal communication.	2025	We are planning specific programs as part of the nature network Campus.	

### Community Engagement at Our Locations of Operation



**Main goal: bolster social engagement in and around our locations of operation.**

Deadline  
**ongoing**

Subgoal	by	Action to be taken	by	Status quo	
Maintain our donation and sponsorship commitments, expanding them with a focus on environmental action.	2024	Strictly implement the new donation and sponsorship guidelines adopted in 2023 throughout MartinBauer.	2024	The donation and sponsorship guidelines have been strictly implemented worldwide.	
		Carry out an annual donation and sponsorship analysis, using it to monitor the effectiveness of our engagement.	ongoing	We do annual reporting and analyses as part of the GRI report survey.	
Make it possible for our employees to do volunteer work.	2024	Develop a corporate volunteering concept and guidelines for volunteer work.	2024	A corporate volunteering concept was drafted. In the context of the current economic situation, the timeframe for implementing the overall concept has yet to be determined.	

## ESG Criterion: Social

### Community Engagement in Our Supply Chains



**Main goal: support and empower the people and communities in our supply chains.**

Deadline

**2030**

Subgoal	by	Action to be taken	by	Status quo
By 2030, at least 150,000 people will benefit from our projects for improving local living conditions (baseline 2023).	2030	Implement projects to provide assistance to people on health-related issues (e.g., access to clean drinking water, health and nutrition education).	2030	In 2015-2022, we carried out 26 projects on health-related issues.
		Implement projects to promote access to education and training for women and young people.	2030	In 2015-2022, we carried out 14 projects to promote access to education and training for women and young people.
		Implement sustainability projects to improve general living conditions.	2030	In 2015-2022, we carried out 68 projects to improve general living conditions. In total, our projects have benefited ca. 113,000 people since 2015.

## ESG criterion: Governance

### Delivery Capability



**Main goal: ensure customer satisfaction via optimal delivery capability.**

Deadline  
**ongoing**

Subgoal	by	Action to be taken	by	Status quo	
Ensure the long-term supply of raw materials.	ongoing	Counteract supply risks (e.g., rural flight, climate change) with appropriate measures (e.g., expanding cultivation, improvement of living conditions, climate change adaptations, plant breeding projects).	2023	Pharmaplant, a research and plant breeding company that is part of the nature network, was strategically enhanced in 2022; more joint projects will be pursued.	
		Support supplier development via strategic investment in selected raw material suppliers.	2023	The issue of backward integration has been identified as a strategically important project and is being personally overseen by a member of the ownership family.	

### Supply Chain Transparency



**Main goal: increase transparency in our supply chains using digital technology.**

Deadline  
**2025**

Subgoal	by	Action to be taken	by	Status quo	
Develop and launch a digital solution for data exchange with our raw material partners.	2025	Get all our mabagrown® suppliers to use our "mabatrace" software	2023	Mabatrace was developed specially as a transparency platform in line with specific company requirements (regarding products, agriculture, due diligence, energy, GHGs). The goal is to finish it in 2023.	

## ESG criterion: Governance

### Compliance / Due Diligence



**Main goal: integrate stricter standards for compliance and supply chain due diligence into our management systems.**

Deadline  
**2024**

Subgoal	by	Action to be taken	by	Status quo	
Integrate supply chain due diligence requirements into the management systems at our locations and in our supply chains.	2024	Update our risk-based supplier management system to meet the requirements of the German Supply Chain Due Diligence Act (LkSG).	2024	The LkSG project is on schedule. Procurement processes will be adapted accordingly in 2024.	
		Update our Code of Conduct (COC) and Supplier Code of Conduct (SCOC) to meet the new requirements of the German Supply Chain Due Diligence Act (LkSG) and the upcoming European CSDDD guidelines.	2024	Starting in fall 2023, COC and SCOC will be updated with communication and training for people outside the company and our suppliers, as well as for our own employees.	
Raise awareness for the need to comply with the new due diligence requirements at our locations of operation and in our supply chains.	2024	Train our employees on the new compliance requirements affecting the area where they work.	2024	Training programs are planned as part of our LkSG project and the formalization of our compliance management.	
		Train our raw material partners and suppliers on the topic of due diligence in the supply chain.	2024	Training programs are planned as part of our LkSG project in 2024.	

In addition, we are committed to pursuing the following strategic goals, which we are constantly working to achieve:

*Economic Performance:*

**Main goal: ensure the long-term health of our company with profitable, resilient value creation.**

*Product Safety:*

**Main goal: ensure the highest product quality and safety.**

*Innovation (products, processes, supply chain):*

**Main goal: improve our products and processes with a view to sustainability and digitalization, thereby allowing us to enhance our operational excellence and reduce our environmental footprint.**



## Closing Remarks

The Global Reporting Initiative (GRI) publishes the world's most widely used sustainability reporting framework for companies and organizations. The GRI is an independent, international organization that helps companies and other organizations take responsibility for their impacts by providing them with a globally consistent language for communicating those impacts.

The GRI Index provides information on the organization (GRI 2) and the material topics (GRI 3). In addition, topic-specific GRI standards on economic (GRI 200), environmental (GRI 300) and social (GRI 400) aspects are taken into account.

In this first sustainability report for the Martin Bauer Group, we have followed the current GRI standards and reported in accordance with them. The standard disclosures reported relate to the topics identified as highly relevant during our materiality analysis. Unless otherwise stated, the information relates to all our companies. By expanding our sustainability management internationally, we aim to further improve the availability of data and the scope of our GRI reporting.

This year, data were requested via a specially designed Excel survey that was distributed to our individual locations of operation. The sustainability team was available to answer questions and provide assistance in completing the survey. Breadth and depth of data varied from location to location. The data were checked for plausibility and then consolidated. The survey was designed by the Sustainability Team using the GRI standards. Data quality varies by topic and location. In the future, we aim to professionalize our survey as well as our management of sustainability data.