







2021 IMPACT REPORT









Certified B © Our world is in great need of transformation. And it will take an exceptionally serious, structural, and expansive change to meaningfully alter the course of the many systemic and pervasive challenges ahead.

Traditional Medicinals has always been a different kind of company—one rooted in purpose, working with our partners, suppliers, and sourcing communities to create a positive impact in the world. As a certified B Corp and Benefit corporation we continue to improve our stakeholder-centered approach, to produce a successful, vibrant community that results in ever expanding benefits for everyone we work with.

This report outlines the commitments we have made and highlights the impact we can have together—when we uplift our partners, when we connect with our customers and our communities, and when we remain accountable to each other. This year, we looked at our purpose and charted a course for Traditional Medicinals as a successful business, a powerful brand, and an agent of change. The eight commitments outlined in this report are our long-term guideposts, designed to infuse our intended purpose, mission, and vision into every aspect of the organization.

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We believe it is our responsibility to be transparent about the status and progress of our goal As we look back on what we accomplished in 2021, in the wake of a year that was defined by a pandemic, we recognize and appreciate the resilience and commitment of our team and our partners around the world. We have all continued to adapt to our environment, additional home responsibilities, supply chain complexities and the external pressures that come with these changing times. And still, we cultivate hope. These are times that call us into ever-greater care for one another and this planet we share.

We know that our response to climate change must be as serious as the situation we are in. As a company grounded in botanicals, we partner with people who take land stewardship seriously. We acknowledge our further obligation to operating sustainably and providing environmental education to our consumers.

We believe that everything is interconnected and preserving accessible botanical wellness will take more than protecting the planet and ecosystems. Increasing our commitment to purchasing fair trade herbs and partnering with our herb sourcing communities, we provide equitable and reliable support for farmers and collectors. With all of this we are giving our consumers the opportunity to make a conscious choice, for a better world and to show business and industries that they believe in sustainable trade.

We are proud of the foundation we have built and also clear-eyed about the challenges that remain. We are committed to collaborating with our partners on tackling issues that cannot be solved alone. Together, with a talented and dedicated team at Traditional Medicinals we are continuing this journey with humility and resolve, committed to nurturing the vital connection between plants and humanity.

> **Gary Gatton,** Chief Executive Officer

Jamie Horst, Chief Purpose Officer





**Gary Gatton** 

Jamie Horst

## PROTECT THE PLANET



#### CHARTER COMMITMENT 1

Acting in service of our foundational belief that it is our responsibility to preserve Earth's ecosystems. To ensure this intention is upheld and achieved, we pledge to:

- Align company resources to quantifiably combat the climate crisis, as an existential threat to our business and the planet.
- Always strive to conduct business with sustainable practices.

#### THE FUTURE IS IN OUR HANDS

The climate crisis is one of the greatest threats of our time.

At Traditional Medicinals, we acknowledge our responsibility to help lead a path forward by directly confronting the many threats of climate change. With a comprehensive strategy, we are looking at everything we do and everything we touch, prioritizing renewable energy and collaborating on solutions that protect, sustain, and restore nature. We are looking out around us to help catalyze change across our value chain, inspiring our partners to help us all protect the health of our planet, because we know our planet and our most vulnerable communities can't wait.

We are focused on the road ahead. While we have offset our Scope 1 and 2 emissions since 2014, we spent this last year establishing baseline greenhouse gas (GHG) emissions for our full footprint, including Scope 3. We will use these measurements to identify areas for carbon reduction within our value chain emissions, improving the quality of reporting to help us continue our journey towards zero emissions. We also developed, tested, and approved a compostable overwrap for launch in 2022, continuing to innovate for the best quality options to reduce and eliminate waste.

Our approach to meeting our commitment spans our entire operations and supply chain, and includes supporting regenerative and sustainable agricultural practices, wild collection, renewable energy investments, material efficiency, and many other planet-positive initiatives. In 2022, we plan to commit to clear reductions and engage with our value chain, reduce the footprint of our packaging, and build climate alliances with our suppliers.

Everything we do has an impact. And the science is clear: we don't have the time to wait for an inclusive, carbon neutral economy. We have a responsibility to create a meaningful plan to reduce our emissions and support change in the industry and in the market.

#### Measuring Our Footprint, From Field to Cup and Back to the Planet

To achieve our carbon reduction goal, we first need to understand our carbon footprint today. So, in 2021, we modeled emissions from our entire value chain, including our corporate operations and our full product life cycle. This included all emissions that come from the creation of our products, such as the growing of our herbs, global transportation, and manufacturing. We accounted for the emissions associated with the use and consumption of our products, including boiling water, and the end-of-life emissions, such as composting, recycling, and landfill.

We chose 2020 as our baseline year, emission reduction commitments we set will be compared to this baseline year going forward.

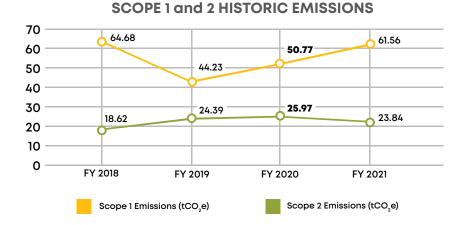
We look forward to improving these measurements in 2022 by digging more deeply into the footprints of our individual herbs and packaging components.

#### OUR FOOTPRINT AT HOME: EMISSIONS FROM SCOPES 1 AND 2:

We offset our full Scope 1 and 2 emissions each year. In 2021, we allocated 86 tons of  $CO_2$  offsets from our 1,400 tons purchased to these emissions categories. We purchased our first offsets in 2001 and have been fully offsetting Scope 1 and 2 since 2014. In 2021, our **Scope 1 emissions** were  $61.56 \text{ tCO}_2\text{e}$ , higher than our Scope 2 emissions at 23.84 tCO<sub>2</sub>e. These emissions were primarily the result of fossil fuel use in the form of natural gas for heating, and for powering an on-site diesel generator during rolling black-outs from wildfires. We will explore solutions to reduce our use of natural gas and diesel fuels as reported in Scope 1 through technologies such as electric heating options and battery storage.

#### We calculate our **Scope 2 emissions**

using a market-based method of carbon accounting. We chose to use a marketbased method of accounting (as opposed to location-based) in order to recognize the positive environmental benefits of acquiring energy from sustainable sources, such as geo-thermal and solar.



# SCOPE 1energy use in owned facilitiesSCOPE 2purchased electricitySCOPE 3consumer use of our products and<br/>all ingredients, packaging, and<br/>distributiontCO.e:metric tons of emissions expressed<br/>in CO. equipulant terms

in CO<sub>2</sub> equivalent terms

SOURCES OF EMISSIONS

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#### Scope 3

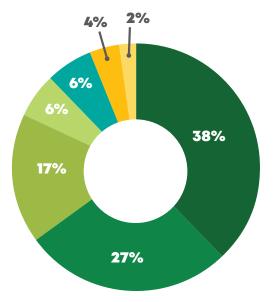
In 2021, we measured our indirect emissions. This covers all the emissions arising from the complete value chain, including our suppliers' and consumers' emissions, agriculture, transportation, and distribution.

#### USE OF SOLD PRODUCTS: Boiling Water and End of Life

Our largest category is comprised of emission from"for the end life of our products including the energy used to boil water for our tea and all disposed packaging.

Over 98% of our products sold are bagged teas, and the majority of our footprint in this category is the result of grid energy (electric kettles) and gas energy (stove top boiling) required to prepare our teas. We expect this number to decrease over time with electrification of the grid and renewable energy deployment in the US. In the meantime, we plan to educate our consumers on best practices for right-sized water boiling and encourage electric kettle use.

While most of our packaging is either recyclable or compostable, **our goal is for every piece of packaging—from tea bags to boxes—to be reusable, recyclable, or compostable.** 



#### PURCHASED GOODS: On-Farm Emissions, Processing, and Packaging

We also continued to add new individual herb footprints to our existing footprint database. Data that we collect from these assessments and on-farm information collected from our suppliers is entered into an agricultural footprinting software. **We estimate that we have completed footprints for 30-40% of our herbal ingredients by volume as of 2021.** 

Work from this measurement phase will help us to identify emissions reduction opportunities such as field input circularity (composting), new practices (reducing erosion, building soil carbon), new farm process

#### SCOPE 3 BASELINE EMISSIONS 2020 - 2021

EMISSIONS CATEGORY	SCOPE 3 (TCO <sub>2</sub> E)	% SHARE
Boiling Water for Tea	8,921	38%
Purchased Goods (Packaging, Processing and Drying Herbs)	6,350	27%
Transporting Herbs to our Production Facility	3,924	17%
Landfill Emissions (from Disposed Product)	1,459	6%
Transporting our Finished Product to Retailers and Customers	1,343	6%
Employee Commuting	928	4%
Other Emissions (Business Travel, Emissions from Energy Generation, HQ Emissions, Emissions from Waste at the Production Facility)	433	2%
TOTAL	23,357	100%

power (converting diesel herb dryers to renewable energy), and inbound transportation solutions.

We are committed to taking a leading role to combat climate change and accounting for all carbon emissions in our value chain. From the emissions at the farms and lands where we source our ingredients, to the facilities that manage packaging, all the way to consumers in their homes.

Our goals and approach to our climate strategy are informed by science and founded in deep respect for the interconnectedness of all things on this planet.

#### The Quality of Carbon Offsets is Key

Companies continue to develop net-zero commitments and many choose carbon offsets as their primary method of achieving them. These purchased offsets can vary widely in how effective they are at reducing or removing carbon, and the cost to purchase offsets can range widely.

At Traditional Medicinals, we spend time researching and building relationships to understand the projects, ensuring that they meet our specific requirements and resonate with the environmental action, justice, and social enterprise elements of our purpose.

When considering carbon offsets, we look for various aspects, including:

- Plant-based carbon removal that supports existing ecosystems to increase biodiversity and indigenous forestry
- Support for environmental justice, old-growth trees, and key animal species
- Conversion of commercial logging land to protected forests on traditional territory with unextinguished indigenous rights and titles

In 2021, we purchased 1,400MT of carbon offsets, fully offsetting emissions generated in TM's production process (Scopes 1 and 2) and partially offsetting those generated through our upstream and downstream supply chain (Scope 3). Carbon offsets are a great tool to reduce the pressure we all place on the planet's atmosphere, however, it is critical to reduce emissions at their source. Carbon offsets have a time lag, so it is critical to prioritize reducing emissions now that could be in the atmosphere for decades (depending on the GHG emission type).

We will continue to pursue viable climate solutions while avoiding activities that generate carbon in the first place. And where emissions cannot be avoided, we will offset those carbon emissions from the atmosphere.

It isn't the easiest approach, but it's the one science shows is needed to address climate change and protect the planet we live on.

2021 OFFSET GROUP	METRIC TONS OFFSET	OFFSET TYPE	IMPACT	ACREAGE	STAKEHOLDERS
<u>Great Bear First</u> Nations Forestry	350	Improved Forest Management	Climate and Environmental Justice Co-benefits	12,000,000 acres	<u>Coastal First Nations,</u> <u>Offsetters Canada</u>
Montana Improved Grazing Project	400	Soil Carbon Removal	Soil Health and Carbon Sequestration	3,300 acres	Western Sustainability Exchange
Wildlife Works REDD+	650	Avoided Deforestation	Carbon Reduction, Forest Biodiversity, Community	750,000 DRC; 500,000 Kenya	<u>Wildlife Works,</u> Era Ecosystems

#### **Energy Use**

We track and monitor energy use across our operations and supply chain, conducting audits to find opportunities to work more efficiently. We view our energy use holistically, from the point of design to the point of manufacture. We are focused on what's possible in the future. In 2022, we will continue to plan for how we can bring this level of transparency to energy use within our supply chain. With this information, we can better support our supplier-partners as we work together to reduce and clean up our energy consumption.

ENERGY	USE B	Y FACILIT	Y AND	ENERGY	TYPE

ENERGY TYPE	PRODUCTION FACILITY	WAREHOUSING	HEADQUARTERS	URBAN MOONSHINE
Renewables	1,089,672	31,879	290,587	27,793
Grid Energy (CAISO)	-	2,400	21,872	6,948
Natural Gas	214,835	-	261,590	83,446
Total	1,304,506	34,279	574,049	118,188
% of total energy use	64%	2%	28%	6%

#### **ENERGY USE: Production Facility**

To minimize our carbon footprint at home in our Sebastopol, CA production facility, where our energy use is the highest, we run on local, renewable power. It is equipped with rooftop solar panels which produce most of our power on sunny days. When production is lower on our panels, we procure 100% renewable energy through our local Evergreen power program (a mix of solar and geothermal energy).

GEOTHERMAL	SOLAR	NATURAL GAS (OFFSET)
47%	36%	16%

In 2022, we will continue to investigate electric and alternatives to natural gas heating while identifying efficiencies to reduce the overall heating needs.

#### **ENERGY USE: Headquarters**

At our leased headquarters in Rohnert Park, CA, which makes up 28% of our energy use, we draw energy from rooftop solar panels and local Clean Start renewable energy from the grid. We account for our energy use at our headquarters in our Scope 3 emissions inventory. In keeping with The Fifth Assessment Report (AR5) of the Intergovernmental Panel on Climate Change (IPCC) definitions, these emissions are allocated to Scope 3, because energy invoicing, management, and decision-making is held by the building management company.

To estimate energy use, we utilize a building footprint and occupancy equation recommended by the GHG protocol, combined with an energy mix detailed from PG&E's Sonoma Clean Power.

While our estimated grid energy consumption is fairly low, our estimated natural gas use is high. In 2022, we plan to advocate for changes to heating methods in the building.

#### We are constantly assessing new opportunities to lower our carbon footprint and we continue to look for solutions that improve equipment efficiency and promote new renewable energy.

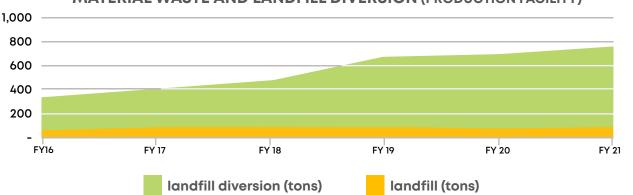
#### A Journey, Not A Destination: Sustainable Packaging

Our journey to bring compostable tea overwraps to market has felt like a long and winding road. In 2021, we continued to test industrial compostable overwraps. To ensure we could maintain quality, we explored organoleptic testing, microbiology testing, flavor testing, runability testing, and stability testing on three products.

We are excited and hopeful to have preliminary SKUs with compostability certification go out into market in 2022. We are excited to launch a compostable option and decrease single-use plastics. To increase consumer knowledge around industrial composting and help advocate for change, we will share a scannable QR code on each box linking to the following information on our website:

- Locations of industrial composting facilities
- The benefits and challenges of compostable packaging
- Our next steps towards eliminating fossil fuels
- Upcoming legislation to increase composting facilities

2022 will be a significant year for sustainable packaging development at Traditional Medicinals. In addition to our compostable overwrap project, we will be conducting a comprehensive packaging assessment of all consumer-facing materials and working with our partner-suppliers to ensure progress on our packaging footprint reduction goals.



#### MATERIAL WASTE AND LANDFILL DIVERSION (PRODUCTION FACILITY)

#### Zero Waste: Reduce, Reuse, Recycle, Compost, and Landfill

In 2021, we achieved TRUE Zero Waste Silver Certification through <u>Green Business Certification</u> <u>Inc.</u> for the Sebastopol factory, increasing our waste diversion rate from 86% to over 90%. Key initiatives included:

- Separated scrap teabags: diverting 40% organic matter to compost
- Created Zero Waste Training in English and Spanish with updated waste station signage
- Performed waste audit in September, as part of an annual practice to identify any compliance issues and update best practices
- Redirected organic waste generated in our production facility from the landfill and supported the creation of healthy, enriched compost, benefiting local and regional communities' farms, landscapes, and backyards





Even as our business grows, at Traditional Medicinals we are committed to applying our resources as an organization to combat climate change. We plan to continue to take a comprehensive approach, set ambitious goals, and continue to innovate and push the boundaries of what is possible. We believe that the changes we achieve can have far-reaching impacts within our value chain.

Our commitment to the planet is both ambitious and necessary, reducing our footprint on the planet while bringing botanical wellness to conscious and curious consumers like you.





#### CHARTER COMMITMENT 2

Acting in service of our foundational belief that it is our responsibility to support the abundance of medicinal herbs throughout the world. To ensure this intention is upheld and achieved, we pledge to:

- Actively contribute to the global sustainability of medicinal plant ecosystems.
- Advance plant science and the herbal industry in the direction of our vision.

#### **OUR BUSINESS IS ROOTED IN PLANTS**

And for us, it's a business imperative that we care for the ecosystems where these plants live and thrive. Sustaining is not enough. To continue providing accessible botanical wellness, we need to grow our supply of high-quality herbs. This requires investing in the places where these plants thrive—and the people that steward them.

We believe that everything is interconnected, which means supporting ecosystems and the farmers and collectors who harvest and gather our herbs. Finding opportunities to reduce or eliminate emissions at the source, we support organic and regenerative farming practices as well as voluntary certifications like Organic and FairWild. These ensure the absence of pesticides, herbicides, as well as the ongoing sustainability of wild collection, and the health and livelihoods of the collectors who forage.

### Tapping into the deep human-plant relationship connects us to a world of well-being.

#### Organic from Farm to Cup

It starts with organic. We choose to source organic because we believe in the positive impacts it has on environmental sustainability, biodiversity, and overall ecosystem health. Organic helps us to increases transparency while prioritizing consumer well-being and farmer success, which is key to producing the high-quality herbs we source.

Organic farming is agriculture that minimizes synthetic chemicals and doesn't employ the use of genetically modified feeds, seeds, or ingredients. The impact from organic farming helps to create a vital ecosystem through improved soil health, water quality, pollinator habitats, and biodiversity. Organic farms also have increased carbon sequestration potential through long-term carbon storage in the soil, helping to mitigate climate change.

One of the benefits of organic that we most value is farmer health. We care deeply about the people who produce our herbs and ensuring that they are not exposed to synthetic chemicals found in conventional agriculture.

In 2021, we procured 2.73 million pounds of certified organic herbs, over 99.7% of our total botanical herbs purchased. Volumes were down slightly from FY20 due to timing of inventories received.

#### **But is Organic Enough?**

While organic certification assures that the land on which the food was grown was managed without the use of most synthetic fertilizers and pesticides, the label itself cannot tell you whether the health of the land is improving.

This lack of information creates opportunities for more certifications as consumers look for other points of differentiation in products, like sustainability through regenerative agriculture and closed-loop operations. A growing number of certifications are focusing on building out this space, putting pressure on the industry to not just do more, but also say more.



#### **ORGANIC HERBS PURCHASED (LBS)**

#### Wild about Plants: FairWild® and Wildlife Friendly®

There is something special about herbs foraged from wild ecosystems.

FairWild and organic certification are complementary but have fundamentally different approaches. While Organic certifications are based on the principles of organic agriculture, including the absence of chemical fertilizers, pesticides, and herbicides, FairWild focuses on the interplay between ecological and social sustainability for wild collected plants. Both are key components in how Traditional Medicinals continues to support biodiversity through its sourcing practices.

FairWild estimates that there are roughly 30,000 plant species with medicinal or aromatic uses, with up to 90% of those in trade being wild collected. Of the 7% that have been assessed by the International Union for Conservation of Nature (IUCN) Red List<sup>™</sup>, one in five are threatened by extinction, with over-exploitation a contributing factor. We consider it part of our work to protect these spaces by supporting FairWild-certified sources. FairWild ensures that these precious ecosystems are protected from overharvesting and are given the appropriate amount of time to regenerate after collection. This is accomplished through ecosystem resource assessment and conservation management strategies. FairWild validates the quality of our wild herbs and the healthy maintenance of the biodiverse environments they come from.

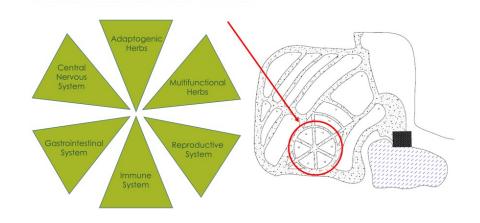
FairWild certification prioritizes the well-being of collectors and producers. Through fair labor and producer protections, these important workers are paid fair market prices for their products, and additional premiums to support their investment in regenerative practices. With fair pay, collectors can prioritize their health and the health of their families. Through ensuring the sustained success of these wild herb communities, we are ensuring botanical wellness products for our customers for many years to come.

## Protecting the Plants in our own Backyard

In 2021, we refreshed our demonstration garden at our production facility in Sebastopol. Relying on our team of herbal experts, we reshaped the beds to showcase plants that have medicinal qualities to support different body systems. Our vision for the garden is to offer herbal education opportunities for employees and the community and to create a visual connection between products on the shelf, in the lab, and in the soil. Employees and visitors now can interact with and nurture relationships with these plants. The garden will provide a local source of herbs for employees and a beautiful space to host community events and nonprofit partnership events.



The upgrades to our garden space also supported our Zero Waste Goals, with drought tolerant native landscaping and the installation of a vermiculture bin where worms are being fed food scraps and used paper material from the kitchen and offices.



We have also certified our garden as part of the Botanical Sanctuary Network, and as a Certified Wildlife Habitat so that it can serve as a wildlife and pollinator habitat, promote biodiversity and a healthy ecosystem, demonstrating our commitment to conservation and sustainability.

#### Our garden is a reflection of who we are at Traditional Medicinals: always growing and working together in synchronicity.

#### We Can't Do this Alone

It will take key partnerships to deliver on our mission to source ethically, reduce our footprint, and protect the plants.

Memberships at organizations that align with our purpose provide licensing, certifications, and critical partnerships for access and influence. Partnerships with these organizations allow us to proactively pursue change within our industry.



We will continue to prioritize standards and partners that holistically address environmental, social, and ecological issues threatening ingredient production and the surrounding community. We will work to onboard regenerative partners within our supply network to increase our emphasis on protecting people and restoring ecosystems.

We recognize that the practices and standards that these certifications uphold are not new, they have roots in indigenous knowledge and traditions. We deeply appreciate and acknowledge the long time stewards of these lands. We are grateful for their care of medicinal plants and are continuing our work to ensure that we are treating their generational knowledge with respect.

Our goal in 2022 is to provide over 2,000 hours of pro bono service to standard-setting or regulatory organizations annually and to continue to support our team in publishing in peer-reviewed journals and speaking at scientific conferences.

We are committed to participating in protecting the ecosystem and the complex interrelationships that maintain biodiversity and wild areas.



#### CHARTER COMMITMENT 3

Acting in service of our foundational belief that it is our responsibility to foster reciprocal relationships between nature and humanity. To ensure this intention is upheld and achieved, we pledge to:

- Diligently work to balance purpose and profit in our decision-making.
- Intentionally raise awareness of the vital relationship between plants and people.

#### THE POWER OF HERBAL MEDICINE LIES AT THE INTERSECTION OF PEOPLE AND PLANTS

For us, this vital interconnection is more than bringing accessible herbal wellness products to market. It's also educating our consumers, participating in industry conversations, and advocating for change while we are learning and sharing best practices. This is how we can continue to support transparent, ethical, and sustainable sourcing of high-quality herbs and balance both purpose and profit for our business.

This interconnection is also how we ground ourselves in the reality of what is. By participating in conversations, connecting with our consumers, and forging connections in our industry, we are ensuring that we are not speaking to unattainable visions that a single company cannot realize alone. Centering our purpose with these connections allows us to have the depth of resources and the alignment to make a measurable and authentic impact.

The authenticity that emerges from this participation and engagement is critical to building a believable vision of what is possible for us as a company. These forward-thinking aspirations build a vision of purpose that our team and our consumers can rally behind and help us achieve.

Purpose, like so many things, is not the sole responsibility of one department or team. It is held by an entire organization and requires consistent input from stakeholders across the business. Acknowledging the significance of interconnection plays a key role in allowing everyone to advance together.

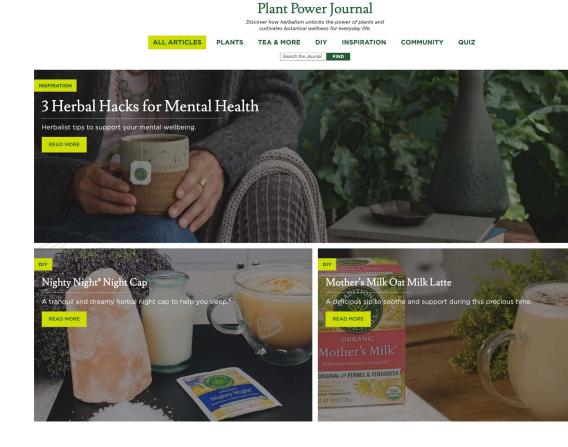
#### Because no one can do it alone.

## Connecting with Consumers for Change

We continue to grow our educational content for consumers. This includes sharing information about certifications and voluntary standards we participate in and being transparent about the complicated choices we make in our value chain. Sharing this information in engaging ways allows people to not just understand the value of our products but also to expect and demand the same from others. The better we do our job of informing and inspiring our customers, the more we are helping to shift the course away from business as usual.

In 2021, our herbalist writers produced 20 new articles for our website's Plant Power Journal, reaching over five million people. These articles spanned topics from plant profiles to DIY herbal recipes, helping readers gain a deeper understanding of the impact herbs can have on health and well-being.

Email is another way we connect with our community and share resources. Last year, over 400,000 emails were read detailing herbal tips, articles, and more. In 2022, we plan to further segment and target our lists, so we can provide subscribers with the information they want and need most! Social media has provided a platform to share our insights on herbalism and environmental topics with a wider audience, reaching over 60 million people in 2021. We tested out new ways of sharing our sourcing stories and our commitment to the environment. On our social media channels, we saw a 14% increase in engagement with our social and environmental impact stories over our average engagement rates. We will build on what we learned in 2021 to share out new messages and continue to build out a strategy for higher level engagement with these important, often complex, topics.



#### Committing to our Team Participation and Advocacy

One of the most significant ways we nurture these connections is through our team. By participating in organizations exploring these challenges, we can bring our interests to the table and share our learnings and our questions. From regulatory and technical issues to botanical and quality issues, to social and sustainable impact areas, we are committed to participating in conversations that affect our industry.

We are supporting our team members who do this work, and we are setting goals internally so that we are participating in the right ways and advocating for change we need most.

In 2022, we will be looking at the total hours our team participates in professional development, associations, and membership organizations. The Traditional Medicinals Foundation offers grants to strategic nonprofits, always looking for more ways to expand support for these organizations and their work.

#### **Strong Roots and Strong Connections**

Our Foundation is another way that we build deep connections. In 2021, the Traditional Medicinals Foundation supported our employees' contributions to the greater community. We partnered with five Sonoma County-based organizations which provide economic, social, and food security services; access to medicinal herbs; and land conservation. We increased product donations to nonprofits and herbal schools to provide over 600,000 cups of tea and 20,000 doses of herbal tinctures.

Our Volunteer Grants program allows employees to choose a nonprofit to receive a \$250 grant for every ten hours they volunteer, up to \$1,000 per employee per fiscal year. The Matching Gifts initiative matches employee donations to nonprofits dollar-fordollar, up to \$1,000 per employee per fiscal year. Additionally, this year we launched our Board Service grants program, supporting our colleagues' nonprofit board service with a \$1,000 donation each fiscal year.

These grants and programs provide an opportunity to support the needs of our local communities and a way for our team to feel connected to the land and the people where they live and work. In 2022, we will increase our volunteer events and provide more opportunities for our team to give back and interact with their community. We also plan to explore how we can build intentional and purposeful strategies with our partners as we join forces to support people, plants, and the planet.

#### Embracing the Journey and Our Responsibility to the Future

In every journey there is struggle, and we knowingly embrace the ups and downs of the road ahead of us. Transformative change takes great time and effort. And we know that this work will require the strength and knowledge that can only be gained through these vital interconnections.

Looking forward, we will continue to rely on the interconnections between our team, our consumers, our partners in our value chain, and our industry to help us build a clear path forward. Through blending heart, science, and ingenuity, we believe we can expand access to herbal products which can support a sustainable and ethical botanical wellness industry and the future health of our planet.







#### CHARTER COMMITMENT 4

Acting in service of our foundational belief that it is our responsibility to create our products with the highest ethical standards. To ensure this intention is upheld and achieved, we pledge to:

- Formulate products with active ingredients based on traditional knowledge and scientific advancements.
- Ensure all products adhere to rigorous efficacy and quality standards.

#### WE COMBINE TRADITIONAL PLANT KNOWLEDGE AND ADVANCED PLANT SCIENCE

We create herbal wellness products that help grow the functional knowledge of herbs. At the heart of our purpose is an obligation to source herbs and create products that meet our high quality and ethical standards. Our integrity as a business is built upon our ability to be transparent with our customers about our quality standards and procedures.

Our sourcing team considers many aspects of a given source to achieve our high standards. These range from the plants themselves, to collection methods, and the needs of people and surrounding ecosystems. We work strategically with our partners to plan cultivation and collection far in advance. This planning has fostered long-term partnerships with our suppliers and herb communities, creating opportunities for everyone involved to grow and succeed.

We employ a variety of methods to measure the quality of our products. Some of these processes include testing for identity and purity, aligning with medicinal quality standards, and sourcing products that meet a range of certification standards.





#### **Quality Standards and Methods**

Our team at Traditional Medicinals is full of "plant people" who draw from plant wisdom—whether they are botanists, chemists, or other plant scientists. They inspire others with their deep knowledge of plants down to the microscopic level and their tremendous expertise in the sensory and physical characteristics of medicinal plants, botany, chemistry, and microbiology.

The role of quality at Traditional Medicinals lies at the intersection of plant wisdom and service to people and planet. We employ quality systems and testing that are designed to ensure efficacy and safety. This, coupled with the formulation of products based on scientific evidence and traditional knowledge, yields the quality products our customers love and rely upon in their daily lives. Without quality, product formulation is just a great idea without any substance. Conversely, quality without evidence-based formulation is just testing without true integration of purpose.

The first step in ensuring the quality of our herbs is to source them from farmers and collectors who align with our values of producing medicinal-grade, organic, and sustainable plants in an ethical way. This is accomplished through partnership and relationship building over many years to construct our current supplier network. While we deeply trust our partners and producers, we verify all our herbs through testing. Under US regulations, all of our ingredients, components, and finished products are tested for quality, identity, strength, purity, and composition. We also consult with knowledgeable herbalists for appropriate dosing and proper instructions for brewing.

#### **Certifications Ensuring Quality**

We seek out products that meet a variety of certification standards to support our transparency and accountability to our mission, customers, growers, collectors, and our planet.

Our quality team works diligently to make sure our products meet label claims and environmental standards through collaboration with our procurement, legal, and regulatory teams. This work helps us protect the plants, the people that grow them, and the planet through the accurate display of the standards we support including organic, FairWild®, Rainforest Alliance®, and Fair Trade.

Our dedication to quality directly supports the team of people that help produce our sustainable medicinal herbal products from growers, collectors, and producers through all the working departments of Traditional Medicinals and out to the consumer. By making these botanical medicines available, we are honoring and sustaining the traditional knowledge and origins of the plants.

#### This work supports our vision of a healthy planet sustained by a vital relationship between plants and humans.









#### CHARTER COMMITMENT 5

Acting in service of our foundational belief that it is our responsibility to improve lives and livelihoods for our farmers and collectors. To ensure this intention is upheld and achieved, we pledge to:

- Guarantee fair compensation and consistent opportunities for those who provide the plants we rely on.
- Uplift source communities by meaningfully supporting equity, justice, living standards, and ability to thrive.

#### **COMMUNITY MATTERS**

We recognize that much of the world's supply of medicinal plants comes from rural communities and marginalized groups. Because we believe that everything is interconnected and that preserving accessible botanical wellness goes beyond conservation, we prioritize the livelihoods of the people that cultivate and collect medicinal herbs. We work hard to ensure that our presence in their communities is equitable and contributes to social and environmental impacts that matter to them.

We further invest in these communities by purchasing herbs that have an ethical, positive impact on people and the planet by meeting fair trade and wildlife-friendly certification standards. These standards are an internationally recognized way to validate our social and environmental commitment. With rigorous audit systems that help us track ingredients from farm to finished product, validating labor practices and price protections, they are one of the ways we support our valued farmers and collectors, and the lands they live on. These certification organizations play a key role in our sustainability strategy by increasing our accountability to protect the people and environments that supply our herbs.

From the wild to the field, the spirit of herbalism and powerful plant science are rooted in all we do and we align ourselves with collectors and farmers that feel the same way.





#### Making a Difference at the Source

#### COMMUNITY PROJECTS IN OUR HERB SOURCING COMMUNITIES

We engage and invest in our source communities around the world because reciprocity is a fundamental aspect in our supply relationships. We believe it is our responsibility to improve livelihoods for our farmers and collectors and that when the people in our value chain thrive, our business thrives. Here are some of the impact areas we prioritize:

#### Living Income:

striving for fair wages and securing additional and diverse sources of income

#### Equity and Capacity Building:

creating opportunities and access for marginalized groups

#### **Living Standards:**

ensuring access to health, shelter, hygiene facilities, and essential services

#### **Climate Justice:**

implementing infrastructure and training to increase resilience to climate change

#### **Emergency Response:**

supporting supply communities in times of urgent need

We believe that the highest quality herbs come from growers and collectors who love what they do and are fairly compensated.

#### **Agricultural Training**

#### MADAGASCAR TURMERIC FARMERS

On the eastern coast of Madagascar, we are supporting farmer cooperatives in a region where most of the population lives below the poverty line and nearly 100% of income comes from agriculture.

By investing in both equipment and training we supported additional sources of income. Trainings focused on: growing and harvesting turmeric, ginger, and cinnamon; sustainability; market access; and peer-to-peer best practice sharing. Community-based training can have a large impact on not just on the economy and income generation for agricultural workers, but also on the surrounding ecosystems. **This new initiative helped to provide for 650 households, which represents an estimated 3,000 people.** By supporting this community, we are empowering the farming community to grow in the direction of their choosing.







The high quality turmeric, like these farmers are harvesting and processing, is a key ingredient in our Organic Ginger Aid® Tea and Organic Turmeric with Meadowsweet and Ginger Tea.





#### **COVID Emergency Relief**

#### GEORGIA AND ZIMBABWE

Rosehips, Licorice Root, and Lemon Balm Leaf

In Georgia and Zimbabwe, we supported COVID relief efforts, providing funding toward the purchase and distribution of essential food, nutritional supplements, and hygiene products. Support has already been provided to 2,500 farmers and their families.

COVID relief is especially important for populations in rural communities that are generally underresourced, even without a global pandemic. These communities were—and still are—hit the hardest by the economic and social challenges produced by the ongoing pandemic. Aid in these times of crisis can make all the difference for many of these farming communities.



#### Sustainable Cultivation Training

#### **INDIA: SENNA FARMERS**

In Rajasthan, India, where we source senna, we're working with female farmers to expand Good Agricultural and Collection Practices, an incentivebased program. Many of these practices require extra time and effort up front, but pay off in the long term.

In partnership with our nonprofit partner, WomenServe, an agronomist is working directly with the farmers to teach these practices and track the results, all of which are geared toward the long-term sustainability of the senna plant and reliable income. The intention of this program is to empower women farmers economically, socially, and environmentally.

The partnership between WomenServe and Traditional Medicinals in Rajasthan over the past 10 years has benefited six communities and 28,000 villagers.

#### **Committing to Fair**

#### **EQUITY STARTS WITH US**

We are committed to growing our offerings of equitable, sustainable, and accessible herbal wellness products. Because small-scale farmers and workers are among the most marginalized by the global trade system, we are working to build longterm relationships with supply networks that meet fair trade certification standards. By voluntarily subscribing to the stringent standards of Fair Trade and FairWild certification, we believe that we can help shift the international trade system towards increased equity and regeneration.

Fair trade supports small farmers, workers, and collectors by paying farmers a fair price for their produce and workers a fair wage for their labor as well as setting verifiable labor, social, and economic standards. Collaborating with organizations and market partners in the field, fair trade can offer trainings, new technologies, and other services that enable producer groups to have more control over their lives and decide how to invest in their future.

Ultimately, these certifications offer our consumers the opportunity to make a conscious choice for a better world.

#### **More than Fair**

#### **GIVING BACK WITH PREMIUMS**

After setting a minimum price, every fair trade purchase also returns a premium back to the farming and collection communities. In addition to that purchase price, these fair premiums aid in providing equitable market access. These premiums are then used by the community for democratically-selected projects that benefit the farmers and collectors directly. For millions of farmers, fair trade means a more equitable, prosperous, and healthy community, and we are proud to support these certifications and help shift industry standards.

In 2021, we purchased 236,000kg of fair trade certified herbs and we reinvested \$144,800 in premiums back into fair trade communities.

#### Keep It Fair, Keep It Wild

From food and cosmetics to homewares and pharmaceuticals, plants foraged from the wild are used to create many more products in our lives than we may realize. This increasing demand for wild plant ingredients is jeopardizing vital ecosystems across the globe. Conventional wild plant collection can lead to over-harvesting and loss of biodiversity, in addition to negatively impacting plant regrowth and the overall regenerative capacity of the collection area. This threatens the livelihood of the communities that rely on these ecosystems.

We value and prioritize FairWild-certified herbal sources because of these disheartening realities. FairWild certification standards combine fair labor and producer protections with ecosystem resource assessment and conservation management to support the sustainable collection of wild plants.

In 2021, we purchased 164,000 kgs of FairWild herbs and we reinvested \$51,200 in FairWild premiums back into the community.

#### Fair and More, Committed to Change

In 2022, we plan to implement five projects in source communities across two to three suppliers. We will outline a strategy to further support our herb sourcing communities by establishing a goal to source 80% volume of purchased herbs with fair trade standards by 2030.

We believe medicinal herbs hold the power to create change, to support and comfort people around the world, to improve the livelihood of organic farmers and wild herb collectors, and to create a more active relationship with plants as a vital lifeforce.







#### CHARTER COMMITMENT 6

Acting in service of our foundational belief that it is our responsibility to contribute to the well being of everyone in our value chain. To ensure this intention is upheld and achieved, we pledge to:

- Create and celebrate a valuesaligned culture that supports individual growth and expands the business.
- Prioritize and maintain equitable and inclusive relationships, internally and externally.

#### INVESTING IN OUR TEAM AND PEOPLE ALL ACROSS OUR VALUE CHAIN

We are working to build a diverse and inclusive team at Traditional Medicinals through internal leadership buy-in, culture change, policy infrastructure, and the critical work that is needed to support a diverse workforce. We break down barriers so everyone has the opportunity to be their best—at work and in the communities we serve.

We continue to build on our strong culture, providing 100% full time <u>living</u> wage to our team in 2021. And, in a year that continued to create challenges and hardship for so many, we have prioritized supporting our team to seek care for their health, safety, and physical and mental well-being.

In 2022, we will continue to build equitable and inclusive relationships, internally and externally. With responsive programs, funding, transparency, and thoughtful discussion, we are able to support and learn from all our stakeholders, including our team, and everyone along our value chain.

## Supporting the People at the Heart of our Business

We are dedicated to helping our team reach their fullest potential both inside and outside the workplace. With over 200 employees in Sonoma County, across the USA, and in Canada, we know that our skilled, passionate, and committed team is our greatest asset.

#### **IMPROVED HEALTH AND WELL-BEING**

As a botanical wellness company, we prioritize the health and well-being of the greater community we serve, and our employees are no exception. This is why we offer affordable healthcare options for our employees and their dependents. We offer up to 12 weeks of paid leave for new parents, recognizing the value of supporting our team members and their families during that important time.

#### CONTINUING THE WORK: INCLUSIVITY AND EQUITY

We believe that a diverse, inclusive team and culture is necessary to create an equitable future. In 2021, we continued our intentional internal work of prioritizing diversity, equity, and inclusion in our workplace. Our dedication means that we work to approach every issue we address, product we produce, and story we share with an inclusive lens. We take as many cultural perspectives into account as possible when making decisions as an organization. With **53% of leadership positions held by women,** we are proud to foster an environment that supports and promotes women. It is good for our team, our business, and the communities around the world in which we operate.

Our goal is to support a culture in which everyone feels included and empowered—and rewarded for the success we create as a team.

#### **Best of the Best**

We aim for our team to look forward to coming into work every day, as a place where they feel supported to succeed and grow. We are proud to be included, once again, as one of **"The Best Places to Work"** by The North Bay Business Journal and to be awarded the **2021 Real Leaders Impact Award**.

We love our community and are proud to support local families, the economy, and the environment through our sustainable business decisions. We take pride in having the opportunity to exemplify what it means to be a terrific place to work. In 2022, we will continue to have the conversation and invest in the change needed to be a diverse and inclusive workplace where people with purpose can thrive.

#### Our Work Doesn't Stop at Our Door

We approach taking care of our team and local community with the same level of passion as we do for our source communities. We are all connected and working together towards our greater purpose of healing and protecting the natural relationship between plants, people, and the planet.

#### PARTNERS WHO CARE

In 2021, we continued our commitment to five incredible Sonoma County-based nonprofit organizations. These organizations are involved with increasing food security and access to medicinal herbs through funding and engagement activities like gardening. Each of these partners **received a grant of \$10,000 and represent unique opportunities** for our team to volunteer and connect back to their community. **Here are a few of our highlights from 2021:** 



In addition to volunteer events at our Sebastopol facility, and **product donations** for distribution

to community members who participate in their farmworker clinics, our team members have donated their time to support <u>Botanical Bus</u> clients with **translation services**. We also partnered with the Botanical Bus's Promotora program to install a bed in our Sebastopol Garden with **education and plantings focused on culturally-relevant medicinal herbs.** Looking to the future, we are working on building a partnership program that will support herb farmers in Sonoma County.



We supported <u>Ceres</u> with on-site group volunteer work in the organization's gardens, where they grow organic whole foods to prepare anti-inflammatory meals that support clients managing illness.

Our grant helped to **create 3,450 organic, whole food meals, providing weekly nourishment to 30 medically fragile, low-income clients.** The funding also positively impacted teen volunteers who gained workready experience and leadership skills while making a meaningful contribution to their community.



We are looking forward to increasing our engagement and volunteer opportunities with <u>Landpaths</u> in 2022. Landpaths conducts events to help with fire

mitigation efforts, understand land use, and connect back to nature and the land.

## FOOD BANK

Groups and individuals from Traditional Medicinals volunteered to help <u>at our local food bank</u>, bagging

produce and supporting food pickups. Many of our team members also deferred their Thanksgiving gift, generating an additional \$8,300 donation to support families with unmet food needs at the holidays. We also donated more than 59,000 bags of tea and over 10,500 cartons of tea for weekly food drives.

#### **Employee Grant Programs**

In 2020, we started an Individual Volunteer grants program, which provides employees with the opportunity to select an eligible nonprofit for a \$250 grant for every 10 hours they volunteer, up to \$1,000 per employee every year.

In 2021, we added to our program offerings by introducing Matching Gifts, which matches employee donations to eligible nonprofits dollar-for-dollar, up to \$1,000 per employee every year.

We also launched our Board Service grants, supporting colleagues who serve on nonprofit boards with a \$1,000 donation every year. With these programs, we are supporting our team by investing in causes they feel passionately about, while also supporting our local community.

#### **Product Donations**

We are honored to share our products with great organizations. To address food waste, we conducted outreach to donate any overstock or products nearing expiration. These products found their way to food banks in need, valued partners, and herbal schools. The herbal wellness products we donated were used in farmworker clinics, as relief for firefighters and first responders, in herbal education courses, and in care packages for cancer patients. In 2021, our product donations included nearly 600,000 cups of tea and 20,000 doses of herbal tinctures.

#### **Doing More Together**

We know that we would not be where we are today without our incredible team and our vibrant community. That is why we invest in our hardworking team, taking the time to listen, observe, and reflect on the needs of our team and our community to provide thoughtful support.

## 7 EXPAND ACCESS TO HERBAL MEDICINE



#### CHARTER COMMITMENT 7

Acting in service of our foundational belief that it is our responsibility to include all types of consumers in the medicinal herb journey. To ensure this intention is upheld and achieved, we pledge to:

- Offer education and resources that increase understanding of herbal medicine.
- Develop offerings that are effective, affordable, and can integrate seamlessly into daily life.

#### THE POWER OF PLANT EDUCATION

Traditional Medicinals pioneered the wellness tea category in 1974 when Rosemary Gladstar and Drake Sadler opened a small herb shop along the Russian River in Northern California. They founded Traditional Medicinals with the intention of providing consumers with accessible herbal wellness and educating them about the power of plants to help people live healthier lives, naturally.

With a team full of herbalists, naturopaths, scientists, and more, herbal innovation and education permeates everything we do—from research and development to marketing and quality. As we build a pipeline of new product types and new ways to bring accessible herbal wellness options into the world, we always ask ourselves if what we are creating is a better product than what is already out there. Is it higher quality? Is it more sustainable? Does it offer a more accessible format or price point? These are the questions that have driven us over the last 47 years and the ones we will never stop asking.

We take a lot of inspiration from our consumers. We look to our consumers to help hold us accountable and to ask the hard questions. We have an amazing base of plant lovers who care about the work that we do to support the planet and we try everyday to be worthy of their trust. We want our consumers to feel confident that when they pause in their day to brew a cup of botanical wellness, they are also caring for the planet and the people who are growing and harvesting their tea.





#### **Herbal Education**

#### SHARING OUR KNOWLEDGE

As we look to instigate change in the world, our consumers are a big part of how we can achieve that. As a B Corp, we have a commitment to collaborate and communicate across all of our stakeholder groups on education, transparency, and progress.

In 2021, our team of plant experts created 20 new articles in our Plant Power Journal on our website. From Plant 101s and DIY herbal recipes to recommendations for stocking an herbal apothecary, these thoughtful pieces share the unique and specialized herbal knowledge our team holds. Over 400,000 emails were opened in 2021 with links to our articles, resources, herbal tips, and facts.

Social media continues to be an amazing way for our team to share their herbal knowledge and connect with our passionate group of plant lovers. In 2021, over 60 million people saw at least one of our herbal education posts, and over two million people directly engaged with posts featuring herbal recipes, rituals, and resources as well as inspirational quotes.

Creating herbal educational content goes beyond showing people how to use our teas and integrate herbs into their wellness routine. It is also about sharing knowledge on sustainable wild plant foraging, the importance of buying fair herbs, and honoring the history and traditional methods of herbal knowledge.

#### **Building a Path Towards Tomorrow**

We know that consumers are increasingly aware of all their options and the impact they can have through how they spend their money. A key aspect of our mission as a botanical wellness company has always been herbal education. Now, we are thinking about how we can use our advertising and marketing placements to also inform and educate about sustainability and the health of the planet.

Part of that education revolves around our voluntary sustainability standards like USDA Organic, Fair Trade, and FairWild. These standards become more stringent each year, and are challenging even for people in this business. We believe it's our job to not just be transparent around our decision-making processes and initiatives but also to present them in an accessible format.

#### DIY Cup of Sunshine Herbal Sweet Tea

SMOOTH AND SWEET ICED TEA WITH HONEY ROASTED NOTES AND FRESH JUICY PEACHES FOR AN EASY AFTERNOON.

#### INGREDIENTS

- 6 cups water
- 6 Traditional Medicinals Organic Cup of Sunshine® tea bags
- 1 medium peach, sliced
- 1/2 cup maple syrup
- Ice to fill the jar/pitcher









#### CHARTER COMMITMENT 8

Acting in service of our foundational belief that it is our responsibility to be transparent about the status and progress of our goals. To ensure this intention is upheld and achieved, we pledge to:

- Uphold and advance criteria for measuring, improving, and communicating our ecological, economic, and social sustainability.
- Continually invite stakeholder feedback, require honest selfreflection, and course-correct as needed.

#### IT'S NOT SIMPLE, AND IT'S NEVER EASY

It is easy to wish that a simple project and catchphrase would be enough to show everything that we do. But it isn't. This is hard work without a clear path. It takes thought, constant collaboration, and a willingness to take risks and makes mistakes to forge a road towards an equitable and regenerative world.

Traditional Medicinals was not founded because it was the easy thing to do. It started with a shared vision to offer the world what wasn't readily available: accessible herbal wellness, made with ethically sourced herbs. Our co-founders wanted to leave the world better than they found it. And that isn't always easy, and it's never fast.

These eight commitments we are sharing in this report are how we hold ourselves accountable as an organization. They serve as our guideposts and keep us looking to the future and re-imagining what is possible, together. With one foot grounded in our purpose and the other moving forward, we are navigating into the unknown, willing to learn from our past, take bold risks, and always keep our focus on connecting people to the healing power of plants.

As we evolve as a company, we continue to prioritize sustainability, ingredient quality, and social and environmental advocacy. With thoughtfully designed purpose, transparency into our value chain, and accountability to third parties, we are working to meaningfully alter the course of many of the systemic and pervasive challenges that lie ahead of us.

#### Committed to Progress and Accountability

We know that progress is not linear, but accountability in this space means sharing our successes and learning from our setbacks. From the fields where our herbs grow to our manufacturing facility and offices in Sonoma County, CA, we prioritize and measure our environmental, social, and economic impact.

For over 20 years, we've remained committed to transparency by sharing our performance and progress through our Impact Report. Reporting is an important tool that helps us track our progress and keep everyone in our value chain informed as we work towards larger organizational and collaborative goals. Beyond our annual Impact Report, we engage in reporting through voluntary certification bodies, financial disclosures, quality assurance practices, sharing the stories of our source communities, and more.

#### Voluntary Standards and Industry Investments

One way we are able to demonstrate transparency is through our voluntary support of certification standards like United States Department of Agriculture (USDA) Organic, CCOF, Fair Trade, FairWild, and Non-GMO Project verification. Reporting is an inherent part of these certifications, helping us to practice business with integrity. Our adherence to these certification standards is verified through a third-party, ensuring sustainable and ethical business practices and instilling our suppliers and customers with confidence.

Our production facility in Sebastopol, CA is a California Green Business™, following additional guidelines for conservation, operational sustainability, nontoxic cleaning, and local purchasing. We utilize this certification as well as TRUE Zero Waste as additional accountability and transparency tools for our factory. With Zero Waste, we commit to diverting at least 90% of our waste materials from the landfill and are given another opportunity to engage in reporting that is accessible to the general public.

Last year, Traditional Medicinals tea drinkers contributed to premium payments for fair and organic producers, funding worker, farmer, and collector-led community benefit investments. Voluntary sustainability standards like USDA Organic, Fair Trade, and FairWild supported Traditional Medicinals products with their logo for a total of \$165,755 as we communicate our sustainability. The growth of our labeled product sales directly contributes to the organizations helping to reach and activate purposeful consumers like ours.

Additionally, Traditional Medicinals allocated \$1,274,213 for our Social Impact spend, including all contributions, programming, memberships, and reporting last year. These investments are integral in ensuring that our work supports positive social and environmental changes in the regions we source from and the communities we serve.

#### B Corp—Business as a Force for Good

Traditional Medicinals is a Certified B Corporation, which means that our company's overall environmental and social performance is measured and independently verified by B Lab. We believe that choosing the thirdparty verification gives us the best chance for transparency and accurate tracking of our progress against our aspirations and challenges.

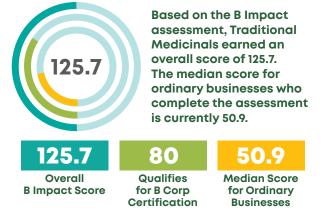
We were one of the first natural products companies to receive a B Corp certification in 2010. We used it as an additional tool for reinforcing our commitment to business as a force for good. Since then, many natural food and beverage companies have sought B Corp certification. We are proud to have set this precedent within the industry, offering an example of how others can invest in equitable and sustainable business.

Traditional Medicinals uses the B Corp 'B Impact Assessment' for certification and analysis. We submit an annual self-assessment audited by B Lab every three years. In 2021, we submitted our data for review by the B Lab. Due to a record number of first time certifiers and recertifications at B Corp, our 2020 audit was postponed to 2022. Our last verified score was 125.7 and our next validated score will be available in 2022.

As a California Benefit Corporation, we are legally required to prioritize positive impacts for everyone in our value chain by codifying our beneficial mission into our by-laws and decision-making. We're incredibly proud to be both a certified B Corp and a registered California Benefit Corporation and are grateful for the communal challenge to prioritize and communicate the impact of our mission.

Growing from the roots of our legacy and looking to the future, we are focused on innovation and collaboration as we embed transparency and accountability into everything we do. We are committed to informed and effective decision-making, serving as a force for sustainability and equity in the world. Leading with our values, we are moving closer each day to a balanced world where we give back more than we take.

#### **B** Corp Traditional Medicinals



#### **17.9 GOVERNANCE**

Evaluates a company's overall mission, engagement around its social/environmental impact, ethics, and transparency.

#### **21.6 WORKERS**

Evaluates a company's contributions to its employees' financial security, health & safety, wellness, career development, and engagement & satisfaction.

#### **41.1 COMMUNITY**

Evaluates a company's engagement with and impact on the communities in which it operates, hires from, and sources from.

#### **36.3 ENVIRONMENT**

Evaluates a company's overall environmental management practices as well as its impact on the air, climate, water, land, and biodiversity.

#### 8.7 CUSTOMERS

Evaluates a company's stewardship of its customers through the quality of its products and services, ethical marketing, data privacy and security, and feedback channels.