Dear Readers and Tea Lovers,

Ronnefeldt has been known for unequalled tea delights for 194 years. As we see it, no distance is too great and no tea plantation too remote. Since Johann Tobias Ronnefeldt founded the company in 1823, we have been guided by our love of tea. To us, this love means the highest standards when it comes to the quality and flavour of our product.

For generations, sustainability and fairness have been part of our philosophy - because we highly value nature and society. To us, this means promoting respect, trust and responsibility among each and everyone of us.

Our first sustainability report aims at showing our customers, employees and other stakeholders how seriously we take the issue of sustainability. This voluntary report takes a look at our corporate responsibility, from tea cultivation thousands of miles away from home to the shipping of our exquisite teas to customers.

We have already achieved many of the goals that are important to us as a family company, such as increasing our procurement of organically grown products, our constant monitoring of all links in the value chain and the efforts we are making to be an employer that values its staff. And, we want to do more. In our materiality analysis, we identified economic, environmental and social issues that are relevant to us. In the future, we are going to do an even better job in addressing these issues. Our goal for the years ahead is to achieve our objectives. Only by doing so, will we be able to continue offering our customers the world’s finest teas and top quality. By mid-2019, for example, we aim to make 50% of our new products compostable and establish sustainability as a criterion for the selection of our suppliers.

This sustainability report is just the first step to implementing sustainability even further into our company. Our aim is to reveal potential for improvement and to seize it in future for further development. We look forward to presenting to you our status quo and our specific measures in this report.

Yours faithfully,

Jan-Berend Holzapfel

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Ronnefeldt at a glance

Quality from the very beginning

The tradition of the tea trade dates back centuries. As one of Europe’s oldest tea merchants, we started making history in 1823. In the early 19th century, Johann Tobias Ronnefeldt founded today’s J.T. Ronnefeldt KG in Frankfurt am Main, Germany. Our production site in Worpswede, Germany, where all our tea is processed and packaged, was added in 1993. The company has been family-owned for almost 200 years. Today, it supplies the international hotel, restaurant and catering industry, as well as the specialty retail sector in German-speaking countries.

Tea is more popular than ever before. Our product portfolio therefore offers a variety of traditional teas, including a wide range of black teas, oolong teas, green teas, white teas and infusion teas, as well as an extensive selection of rooibos and fruit teas. Our tea tasters have a passion for creating aromatic flavours all year long that bring an entire world of delights to tea drinkers and are perfectly tailored to the season and occasion. Some of our tea varieties are already available in organic quality. In addition to loose tea, we offer custom solutions designed to meet our customers’ diverse needs, including the Teave-lope®, Simplicitea®, Joy of Tea and Tea Couture® product lines, as well as LeafCup®, Tea-Caddy® and our exquisite Teastar® collection for the hotel, restaurant and catering industry. You need the right accessories to make a perfect cup of tea. A small part of our product line therefore includes china, samovars, kettles, presentation displays, sugar and fine baked goods.

A diverse product range

Share of sales in total weight accounted for by each tea variety
Great tea, step by step

We give our all for very special tea, which is carefully hand-plucked, sorted with the greatest of care and processed with dedication. Every single step of tea production is strictly monitored by us – the only way to get the best quality.

1. **Cultivation**
Cultivating tea takes the utmost care and attention to detail. A rich array of aromas and delightful diversity are what set excellent tea apart. As with wine, particular climatic conditions, cultivation methods, elevation and soil quality are crucial to the quality of leaves.

2. **Harvesting**
We believe in harvesting our tea by hand, and we pick just “two leaves and one bud”. Depending on the climate and elevation, tea is usually harvested in spring, summer and autumn.

3. **Processing**
We have been dedicated to traditional, orthodox tea production since 1823. The method, which requires more time and effort than mechanical production, allows us to achieve exquisite quality for all tea varieties and offer larger leaf grades. Human skill, not industrial efficiency, is the key to creating the finest leaf tea.

4. **Blending and testing**
Our tea experts ensure consistent high quality in every cup of tea. Before we sell our products, our experienced tea tasters sample all of our teas and evaluate them in strict accordance with our quality guidelines. The selected teas are also sent to independent, accredited laboratories for contaminant testing. The teas, except single estate teas, are subsequently combined to create unique blends and packaged in such a manner as to allow our customers around the world to experience their exquisite flavour.

5. **Distribution**
Over the course of its history, Ronnefeldt has built a reputation as a renowned brand for the high-end hotel, restaurant and catering sector. The company’s exquisite teas are enjoyed today in over 80 countries. To give people the chance to sample our teas at home, they are also available from brand partners, selected speciality retailers and our online shop, as well as at our flagship store at the MyZeil shopping centre in Frankfurt am Main, Germany.

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Award

BESTMARKE 2015/2016
For the second time in a row, we were named the overall winner in the high-profile image study by Allgemeine Hotel- und Gastronomie-Zeitung (AHGZ, Germany’s leading hotel, restaurant and catering publication) in the category “Tea”, based on quality/product performance, image and service.
Tea is cultivated in many parts of the world. When selecting the countries in which our tea is grown, we have high standards with regard to quality and taste. We work with our suppliers, the non-governmental organisation Ethical Tea Partnership and Childaid Network, to improve local conditions and achieve better social and environmental standards in growing regions, so that we may continue offering our customers delicious Ronnefeldt teas in the future.

We source most herbal, fruit and fruit tea blends, as well as spices and other ingredients for our blends, from German and Austrian companies. For the most part, we source aromas from a medium-sized purveyor of aromas in northern Germany. We primarily buy tea packaging and all other materials that are closely related to tea in Germany. In addition, we procure small quantities from China (china) and Morocco. All materials such as filters and paperboard are sourced locally from German suppliers. We source approximately two-thirds of our non-food items, such as china and product displays, and food items, such as biscuits and sugar, from Germany.
New plantations are being established in countries such as Tanzania to produce high-quality teas. We work either with experienced German importers or source tea directly from local suppliers.

The key to high quality is picking "two leaves and one bud" by hand. The tea is then gently processed, mostly by hand, at nearby factories. Unlike the faster, fully automated crushing, tearing and curling (CTC) approach to processing, these gentle, orthodox methods produce high-quality tea with a unique flavour. The tea is carefully packaged in accordance with its leaf grade (whole leaf, broken leaf or fannings) to ensure that it remains fresh and highly aromatic even after being transported over long distances.

Because we love tea, the fresh leaves are picked by hand in line with our “two leaves and one bud” philosophy and then carefully processed using orthodox production methods. Only by doing so are we able to offer a unique, aromatic tea deserving of the Ronnefeldt name.

Roughly 4 kg of green leaves yield approximately 1 kg of ready-to-brew black tea.
Rising to challenges and encouraging change

For thousands of years, people have been cultivating different varieties and types of tea. Today, tea is considered to be one of the most popular hot drinks and is grown in many countries. Unfortunately, low environmental and social standards are the norm in tea-growing countries. Tea, as a commodity, is affected by climate change and environmental pollution. This has an impact on the foundation on which our business is built, making sustainable production a relevant issue for Ronnefeldt, especially from an environmental perspective.

Although we have not been directly impacted so far, we are noticing the signs of climate change. The Indian growing regions of Assam and Darjeeling, in which the teas of the same name are cultivated, face major problems with harvests due to climatic changes such as excessively cold winters; high precipitation, snowfall and hail; and extended dry spells at unusual times of year. The weather conditions mean that the use of pesticides is on the rise in Assam. As a result, the tea often fails to meet legal EU standards as well as our own quality standards and cannot be imported.

To be able to continue selling high-quality teas from popular growing regions in the future, we are dedicated to protecting the environment and the local population. Because ensuring fair working conditions for the people who make it possible to enjoy the world’s finest teas – the pickers and factory workers – is among the steps we are taking, we have included social and environmental criteria in our general terms and conditions of procurement. All of our suppliers must agree to these terms and conditions, including our tea suppliers and the business partners from whom we source our aromas, herbs, fruits, line-cut blends, spices and other ingredients. Our general terms and conditions of procurement stipulate compliance with:

- statutory requirements regarding pesticides and contaminants;
- all applicable laws, regulations and minimum industry standards;
- International Labour Organization (ILO) and United Nations (UN) standards;
- all other relevant statutory provisions relating to occupational health and safety as well as environmental protection;
- and much more. Suppliers also commit to a binding agreement to comply with codes of conduct published by any organisations of which they are members (e.g. BSCI).

Transfair, UTZ, ETP, Rainforest Alliance and comparable initiatives). We also provide our suppliers with information on the German Tea Association’s binding code of conduct. Ronnefeldt reserves the right to review compliance with the codes of conduct by performing its own audits. We visit tea plantations and our suppliers in Asia, Africa, China and Europe (herb and fruit suppliers and importers) once or twice a year to inspect their facilities on site. Last year, we visited two suppliers in Germany and Colombia. We were fully satisfied with the inspection and could ensure that Ronnefeldt teas fulfil highest quality standards.

Furthermore, we are a member of the non-profit organisation ETP that regularly audits all tea suppliers with a view to assessing criteria such as good living standards and compliance with human rights. Please see the section entitled “Ensuring compliance with standards from a distance” for more information on the ETP.

We encourage our suppliers of accessories and production material to submit disclosure covering product labelling, traceability and quality management, as well as their compliance with social and environmental standards in production, including the prohibition of forced and child labour, the right to organise and engage in collective bargaining, and a commitment to environmental protection.

Long-term, close relationships to our partners in the supply chain make it easy to meet requirements. All of us strive to improve environmental conditions and social standards.
Ensuring compliance with standards from a distance

Ronnefeldt is a member of the German Tea Association and other organisations. Joining the Ethical Tea Partnership (ETP) in 2013 was an important step for us. The alliance works professionally to establish sustainable business practices in tea-growing countries. In it, we have a partner with the right approach and staff on location. The ETP audits its member companies’ tea producers and small farmers annually and helps them comply with internationally recognised standards. In addition, the ETP certification audit also covers the main requirements of other certification programmes, such as Fairtrade, Rainforest Alliance, UTZ and trustea. It therefore also prepares producers for other certification schemes. The ETP audit is based on the Ethical Trade Initiative standard, which contains the relevant International Labour Organization (ILO) requirements. The ETP works on site to prepare producers for the audits, which are conducted by independent auditors.

An improvement and development plan is drafted for any producers who fail to meet the standard’s requirements. This approach to supplier development is particularly important, since many tea growers lack the knowledge and skills necessary to fulfil the requirements. Based on these audits, tea suppliers may be blacklisted for ETP members in the event of violations. If this happens, members will be asked to terminate business relationships with the suppliers in question or requested to avoid doing business with them in the first place. So far, none of our suppliers have been blacklisted, and we have not had to make any changes to our supplier portfolio. All Ronnefeldt teas made from tea plants that are not infusion or fruit teas bear the ETP logo.

We decided to join the ETP because its standard reflects the central aspects of the relevant certification programmes and finds solutions for the challenges specific to tea production.

Jan-Berend Holzapfel, owner

Memberships at a glance
- Ethical Tea Partnership
- German Tea Association
- Wirtschaftsvereinigung Kräuter- und Früchtetee e.V.
- Tea and Herbal Infusions Europe (THIE)
- Tea Association of the U.S.A.
- Childaid Network
- Partnerships with universities, universities of applied science and vocational schools, such as Staatliche Gewerbeschule Gastronomie und Ernährung in Hamburg, Germany.

By new advancements and changes, we strive to meet our customers’ desire for organically grown tea and natural aromas. Whenever the quality is comparable, we prefer organic teas over conventionally grown teas. We have created our own organic label to make it easier for people to recognise our products. Only products that also earn the EU organic logo are allowed to bear this label.

Procuring organic tea allows us to make an indirect contribution to preserving biodiversity in growing regions. Unlike conventional agriculture, organic cultivation does not use any pesticides, herbicides or synthetic mineral fertilisers. Instead, it usually uses organic fertilisers produced by farms themselves, to protect soil, water and biodiversity.

In harmony with nature
The demand for organic teas has increased in recent years, just as the interest in pesticide-free teas. While not all tea plantations have switched to organic cultivation, some are taking advantage of the corresponding knowledge and expertise to grow certain plants in and around tea fields to keep pests away. As we buy comparatively small amounts, we have no further influence either on the way tea plantations are managed or on the corresponding promotion of biodiversity.

Transport to Germany

The transport of teas from growing regions to Germany, accounts for a significant amount of the environmental impact. Tea is transported by truck from tea plantations to ports. Most of the tea is then brought to Germany by freight ship – a relatively low-emission alternative. One exception is first flush tea from Darjeeling (India) and Japan. First flush is the tea from the first harvest season of the year, which is flown from the field to the importer immediately after production. Because high-quality teas have particularly fine aromas and flavours that are extremely fleeting, tea lovers savour the opportunity to enjoy them soon after harvest and production. The only way to transport them quickly enough is by air. At less than 0.02%, first flush accounts for a small share of the total weight of the tea we buy every year. However, it results in higher greenhouse gas emissions than transport by ship, that is why we always take a critical look at the necessity of first flush. Transport within Germany is done by truck. Since Worpswede does not have the necessary rail facilities, we are unfortunately unable to use railways as a method of transportation between our locations.

Local commitment to society

Our business activities indirectly create jobs in the countries in which our tea is produced. In addition, our membership in Childaid Network is designed to allow us to help improve the situation in those countries. Childaid Network is dedicated to promoting the education of children and young people in need with the aim of fighting poverty and helping them build a brighter future. Its activities focus on Assam, a region in northeastern India which is one of the poorest in the world. The foundation worked with other aid organisations after the devastating 2015 Nepal earthquake to quickly offer the victims help without red tape. Laos, followed by Myanmar, are also on the list of Childaid Network’s aid projects. The network in the project regions consists of trusted partners from the respective cultures. These personal connections and close partnerships on location make it possible to effectively turn ideas into reality.

Ronnefeldt has been involved in Childaid Network for seven years, and Ronnefeldt owner Jan-Berend Holzapfel has been a member of the foundation’s Board of Trustees since 2016. In addition to supporting the organization through donations, Ronnefeldt also helps farmers set up small, family-run tea plantations to secure their incomes. The company seeks to act in an eco-friendly and responsible manner by also investing in innovative fertiliser production facilities and methods. To date, 700 families have created their own small plantations and joined cooperatives. Together with Childaid Network, we plan to directly import tea from these small plantations in the future and provide local citizens with even greater support.

We want to make a difference in the lives of children - with love and partnership, professionally and lastingly.

Childaid Network Annual Report 2016
As suppliers of a natural product, sustainability is particularly important to us. It is an integral part of the corporate values that guide our day-to-day work. At Ronnefeldt, sustainable business means balancing social and economic aspects as well as business interests. Only by doing so can we leave future generations an intact economic system, social fabric and environment. We focus on the following aspects:

- Active environmental protection
- Environmental product responsibility
- Our employees
- Social and environmental aspects of procuring tea and other commodities
- Consumer protection and transparency
- Upholding our customers’ interests

Our Sustainability Committee meets regularly to discuss these issues and advance the cause of sustainability at Ronnefeldt. The Sustainability Committee is made up of six members, including the owner and the Tea Tasting, Works Management, Marketing, Communications and Sales departments.

For us, sustainability also means acting honourably, with integrity and with all due diligence. This includes complying with all laws and guidelines, as well as treating both business partners and competitors fairly. We look for honest, long-term partnerships with our suppliers and customers. As in the previous years, we were subject neither to legal proceedings nor fines or other punitive action due to violations of the law, non-compliance with guidelines or anti-competitive behaviour. Furthermore, no cases of corruption have been brought to our attention. We are also responsible for the trade and sale of our goods, and we adhere strictly to the current import regulations of various countries, such as the ban on importing green tea into Australia.
Our employees keep our company going. Many of our 142 employees have been working for Ronnefeldt for more than 20 years. Committed, satisfied and motivated employees are the foundation on which our success is built. It is our aim to create an attractive and fair working environment for them, which includes fair pay and the opportunity for professional advancement as well as a healthy work-life balance. As our production is subject to seasonal fluctuations, we sometimes work with seasonal staff and temporary workers who are employed by us for a limited time. However, we strive to keep them on board for as long as possible. Almost all of our office, administrative and management staff are employed permanently. In addition to our staff in Germany, we employ two specially trained tea experts each in Austria and Switzerland, one tea expert in France and one tea expert in the Netherlands (BeNeLux), all of whom work as field staff. Ronnefeldt is an independently owned family company without a works council that nevertheless offers its employees a wide range of opportunities to get involved and help shape the business. The way we deal with each other is characterised by communication, approachability and flat hierarchies. We maintain a respectful, performance-oriented relationship that is guided by trust with every one of our employees. To do so, we have introduced clearly defined processes and a transparent approach to communication at both of our locations.

Part-time employees

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total employees in total</td>
<td>142 employees in total</td>
<td>142 employees in total</td>
</tr>
<tr>
<td>Part-time employees</td>
<td>18 of them part-time employees</td>
<td>25 of them part-time employees</td>
</tr>
<tr>
<td>Women</td>
<td>16 of them women</td>
<td>21 of them women</td>
</tr>
</tbody>
</table>

Ronnefeldt’s corporate values

Indulgence  Quality  Sustainability  Responsibility  Tradition  Competence
Excellency  Innovation  Creativity  Passion  Respect  Trust  Diversity  Partnership

In 2015, there were 42 men and 80 women employed on a fixed-term or indefinite duration. In 2016, there were 44 men and 84 women.

Fixed-term and indefinite duration

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>142</td>
<td>142</td>
</tr>
<tr>
<td>Part-time</td>
<td>18</td>
<td>25</td>
</tr>
<tr>
<td>Women</td>
<td>16</td>
<td>21</td>
</tr>
</tbody>
</table>

Staff turnover

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 30 years</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>30-50 years</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>&gt;50 years</td>
<td>17</td>
<td>19</td>
</tr>
</tbody>
</table>

Safe and healthy

We care about our employees’ well-being, hence we provide medical care through our company doctor, ergonomic workspaces (some workspaces in production offer vacuum lifting aids to make it easier to lift sacks of tea) and a top-flight approach to occupational health and safety. Our occupational health management efforts have led to improvements in production conditions. Ronnefeldt has an occupational health and safety officer plus an occupational health and safety committee that meets regularly. Additionally, the committee attends quarterly meetings on food hygiene to discuss the risks and opportunities associated with our current system. Occupational health and safety training is offered regularly, both for new employees and also to help long-serving staff freshen up their knowledge.
Because we want to be an employer where our employees not only feel safe, but also have the opportunity for professional advancement, we adapt our training and education offerings to meet their individual needs. Production staff are trained in the operation of our machines and receive training on occupational health and safety as well as hygiene. Technicians receive external training on our machines, helping them understand and influence processes faster and more individually. Administrative staff have the opportunity to attend training sessions and workshops that are relevant for their responsibilities. We also take targeted steps to support the continuing education and further development of young talents and management staff. Supervisors generally receive leadership coaching. In lieu of regular employee performance reviews, we prefer to conduct impromptu meetings. Our goal is to set up a qualifications database within the next two years. This database will be used to plan employee-specific continuing education measures and promote staff development at the company.

At our Worpswede location, our employees received an average of 5.83 hours of training per employee in 2016. In 2015, that figure stood at 1.87. The need for training rose as a result of the biennial first-aid refresher course and basic tea seminars for staff in 2016, which were held throughout the reporting period. All staff received mandatory hygiene and occupational health and safety training. At the Frankfurt am Main location, employees received an average of 8.51 hours of training in 2016; this figure had stood at 2.24 hours in 2015. The rise in the need for training is attributable to three employees being allowed to participate in high-volume, multi-year training courses.

Top safety and top quality go hand in hand at Ronnefeldt. Our employees, who identify with our high-quality products, are the key to living up to our high expectations. What unites us all is our love of tea.

We guarantee our employees safe working conditions by keeping our technical and electronic equipment up to date at all times. In addition to requiring the use of protective gear, our hygiene management guidelines are based on the widely accepted hazard analysis and critical control points (HACCP) concept, which allows us to ensure food safety and hygiene. We constantly take steps to evaluate the safety of our employees, such as regular e-checks of portable and permanently installed electronics [BVG A3 checks] as well as inspections of the boilers used in our compressed air systems. Furthermore, we have named shelf, ladder, lighting and first-aid officers as well as fire wardens. An external safety expert inspects the facilities four times a year and evaluates light, dust, noise, temperature and the concentration of aromas in the air. Internal inspections are conducted daily.

There were no accidents or work-related deaths at the location in Frankfurt am Main, Germany, during the reporting period. There were six reportable accidents, including one accident involving a staff member on his or her way to or from work, at the location in Worpswede, Germany; however, the location did not record any work-related deaths. Accidents were responsible for 128 paid calendar days of absence and 31 unpaid calendar days of absence in total.

Through its Tea Academy®, Ronnefeldt offers an extensive national and international training programme that provides tea-related expertise as well as personal development. The offerings are geared towards future and present managerial staff from the high-end hotel, restaurant and catering sector, as well as owners and sales staff at brand partners and specialty tea retailers. Specially developed for five- and four-star restaurants, the Ronnefeldt TeaMaster® training programme is the only curriculum of its kind worldwide and culminates in TeaMaster® Gold certification in Sri Lanka.

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Responsibility guided by love for our products

As a highly specialised tea merchant, the greatest impact we have is along the upstream and downstream supply chain. The procurement of our commodities is subject to the strictest conditions and quality standards (for more information, please see the section entitled “On the plantation”). Our production activities, with the exception of material consumption, have a relatively low impact. Nonetheless, we compile environmental performance indicators on the shipping of our goods to our customers as well as figures related to mobility and our fleet. This allows us to gain an overview of our consumption and use these performance indicators to derive potential optimisations with the aim of reducing our ecological footprint.

Environmental performance indicators – an overview

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity consumption in kWh</td>
<td>583,440</td>
<td>472,991</td>
</tr>
<tr>
<td>Natural gas in kWh</td>
<td>294,643</td>
<td>138,202</td>
</tr>
<tr>
<td>Oil in l</td>
<td>18,316</td>
<td>9,998</td>
</tr>
<tr>
<td>Water and waste water in m³</td>
<td>1,294</td>
<td>996</td>
</tr>
<tr>
<td>Paper in sheets</td>
<td>670,750</td>
<td>353,000</td>
</tr>
<tr>
<td>Waste in Frankfurt in m³</td>
<td>78</td>
<td>78</td>
</tr>
<tr>
<td>of which: residual waste m³</td>
<td>52</td>
<td>52</td>
</tr>
<tr>
<td>Waste in Worpswede in t</td>
<td>70</td>
<td>63</td>
</tr>
<tr>
<td>of which: residual waste t</td>
<td>48</td>
<td>42</td>
</tr>
<tr>
<td>Company vehicles:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diesel for vehicles in l</td>
<td>90,049</td>
<td>82,640</td>
</tr>
<tr>
<td>Average CO₂ emissions in kg/100 km</td>
<td>123.7</td>
<td>119.8</td>
</tr>
<tr>
<td>Parcel shipping within Germany:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CO₂ emissions in t</td>
<td>58.08</td>
<td>66.71</td>
</tr>
<tr>
<td>Specific CO₂ emissions in kg/delivery (including returns)</td>
<td>0.65</td>
<td>0.67</td>
</tr>
</tbody>
</table>

We try to keep our ecological footprint as small as possible while reducing the consumption of resources wherever we can. Therefore we rely on freight ships to import goods or use a first electric vehicle, to name just a few examples. In recent years, we have taken a wide range of measurements that have allowed us to cut the amounts of electricity, natural gas, oil and paper we consume while also reducing our CO₂ emissions. We use DHL GoGreen to ship our teas to customers within Germany, which allows us to offset our greenhouse gas emissions by supporting climate change mitigation projects. In 2016, we offset a total of 1.57 tonnes of CO₂ equivalent through this channel.

We comply strictly with statutory environmental and waste management guidelines in everything we do. So far, there have been no violations of environmental laws or regulations.
Our customers’ health is our highest priority; this is why we take our responsibility for our products very seriously throughout every step of the production process. Once the tea we have purchased arrives at Ronnefeldt in Germany, our tea tasters subject it to in-depth sensory testing before it is brewed. After it is brewed, they check its colour, aroma and flavour. Our teas are also tested for contaminants by independent, accredited laboratories. When it comes to permitted ingredients, we strictly abide by statutory requirements. In some cases, our own limits are even stricter. Our analysis spectrum covers radioactivity for Japanese teas, microbiology, pyrrolizidine alkaloids, tropane alkaloids, chlorate, perchlorate, nicotine and glyphosate, as well as heavy metals such as mercury, arsenic, lead, copper and nickel. Product batches that do not meet quality standards are systematically discarded. To keep our knowledge up to date at all times and ensure that our teas are tested according to the latest findings, we take advantage of the latest scientific research. Therefore, we turn to the German Tea Association as well as comparable European organisations for information. We have a risk management circle to deal with any unanticipated events quickly and professionally. As a result, we assure tea lovers that Ronnefeldt teas meet safety requirements, statutory guidelines and, perhaps most importantly, our own standards for quality and taste, making them an incomparable pleasure to savour. In creating our unique tea varieties, we only use those natural ingredients that meet our quality standards. Our standards also apply to all outside products and materials that come into contact with our teas, all of which have been certified as being food-safe. Part of our range of teas for the hotel, restaurant and catering sector has also been certified kosher and halal. There have been no incidents of non-compliance with guidelines or voluntary standards related to the impact of products and services on health and safety. Since the company was founded, it has not been necessary for Ronnefeldt to publicly recall products. However, occasional complaints or claims related to customer satisfaction may occur. Tea is a natural product, and slight deviations are unavoidable, especially when it comes to single estate tea (tea from a single plantation that is not blended with other teas). When single estate teas, differences in flavour cannot be balanced out by adding a different tea. Depending on the type of complaint, either our Tea Tasting department or our quality assurance team is responsible for handling the matter. Complaints are often related to product quality issues, such as the appearance of leaves, the taste of the tea or contaminants in the tea. We review all complaints and claims carefully and inform suppliers or staff if necessary. Customers filing a claim always receive a response and any appropriate compensation within two weeks. Our goal is to reduce the number of customer complaints due to contaminants in tea by 20% by the end of 2020.
Our responsibility does not end with blending our exquisite teas, but rather continues to include the final product. As with the procurement of the natural ingredients we use in our teas, we solely work with trusted partners and only source high-quality packaging materials (for more information on how we select suppliers, please see the section entitled “On the plantation”). We have developed packaging with an appealing look and feel. This is the key to helping our teas reveal their full flavour when they are brewed, creating a unique drinking experience that is made even more perfect by their simple preparation.

Accessories, such as china, product displays and tea tins, account for a small portion of our product range. Here too, we are fully aware of our responsibility. When it comes to our Asian suppliers of accessories, we work with local, specialised external agencies, for example, that test our products prior to import. By doing so, we ascertain that they are food-safe and meet the necessary quality standards. This allows us to ensure that all components of our products that come into contact with tea are certified food-safe and are of high quality.

All packaging materials are selected and used in accordance with the highest quality standards. Most paper- and wood-based materials – such as the boxes and labels used in LeafCup®, Tea-Caddy® and Joy of Tea – are FSC®-certified, meaning they come from sustainable forestry. Furthermore, we only use those materials that are truly necessary. Our Teave-lope®, for example, uses no aluminium staples. We have expanded our product range to include our Simplicitea® tea capsules, introducing our customers a whole new world of tea brewing. Our premium tea capsules can be used to brew tea in seconds on all Nespresso® capsule machines. The capsules can be properly disposed of in recycling bins or in the “gelber Sack”, Germany’s leading system for packaging waste management, allowing the plastic components to be completely reused.

We are constantly testing new, eco-friendly materials with a view to their suitability for our production equipment and contact with our teas. We are currently switching our sales packaging to simple materials without dyes or coatings and are looking into the possibility of using biodegradable materials instead of plastic films and filter papers. Our aim is to make 50% of our new products compostable in the next two years. Since recycling paper is not considered food-safe regarding contaminants and is unsuitable as packaging material for our teas, it is currently not an alternative for us. Furthermore, we only use secondary raw materials, such as artificial leather for product displays or china, that has been certified food-safe. In keeping with our goal of making an active contribution to environmental protection, our office materials, such as stationery, printer paper and product displays, also feature the FSC® logo. We plan to audit our printing partners with regard to the use of environmentally friendly dyes and colours and use exclusively FSC®-certified wood and paper by mid-2019.
Unsere Nachhaltigkeitsziele im Überblick

We have used the findings of the materiality analysis and the associated survey of selected stakeholder representatives to set goals for the years ahead.

Goal
Reducing customer complaints due to contaminants (foreign objects) by 20% by 2020

Measures
- Tea that has until now been delivered in plastic fabric bags is, if possible, to be delivered in paper sacks to avoid strands of fabric in tea
- Constant efforts are under way to find methods of sorting out foreign objects
- Status: 12 customer complaints due to foreign objects (2015 and 2016)

Goal
Improving waste sorting at the Frankfurt and Worpswede locations by September 2017

Measures
- Introduction of central waste bins on every floor for the sorting of residual waste, compost and packaging (“Green Dot” and wastepaper baskets at every desk)
- Sensitisation of employees

Goal
Increasing the share of compostable new products to 50% by 2019 (the product is fully degradable within a set period of time without leaving behind residual materials that are detrimental to the environment)

Measures
- Greater use of sustainably harvested and produced materials by mid-2019
- Improvements to the Simplicitea®, Joy of Tea and Teavelope® product lines
- Audit of printing partners to review the use of environmentally friendly dyes and colours
- Use of 100% FSC®-certified wood and paper

Goal
Greater consideration of sustainability with regard to our suppliers and corresponding amendment of our general terms and conditions of procurement by the end of 2017

Measures
- Preferential selection of new suppliers of products and services that offer greater environmental and social sustainability, even if they are up to 5% more expensive, if said suppliers are able to guarantee the same availability and lead time
- Amendment of our general terms and conditions of procurement for our suppliers with the aim of increasing the focus on environmental and social criteria
- Expansion of the applicability of the general terms and conditions of procurement to all suppliers (not just tea suppliers)

Training and education

Goal
Enhancing the satisfaction of the employees

Measures
- Introduction of a qualifications database within the next two years to develop individualised continuing education options for individual employees

Environment

Goal
Improving waste sorting at the Frankfurt and Worpswede locations by September 2017

Materials

Goal
Greater consideration of sustainability with regard to our suppliers and corresponding amendment of our general terms and conditions of procurement by the end of 2017

Measures
- Preferential selection of new suppliers of products and services that offer greater environmental and social sustainability, even if they are up to 5% more expensive, if said suppliers are able to guarantee the same availability and lead time
- Amendment of our general terms and conditions of procurement for our suppliers with the aim of increasing the focus on environmental and social criteria
- Expansion of the applicability of the general terms and conditions of procurement to all suppliers (not just tea suppliers)
Our first sustainability report is guided by the “core” option of the Global Reporting Initiative (GRI) standards (2016). In this context, we have identified and prioritised the sustainability aspects we deem important in a materiality analysis. We have taken the internal and external perspectives of our stakeholders into account.

The GRI aspects as a whole provided the basis for identifying the material issues. We excluded those that were not relevant for us as a tea merchant and summarised the remaining aspects to create overarching issues that we evaluated at an internal workshop with industry representatives and the owner of Ronnefeldt. Representatives of relevant stakeholder groups were subsequently asked to assess the issues as part of a questionnaire. Our sustainability committee identified and defined the relevant stakeholder groups, which include staff, international distribution partners, brand partners for the speciality retail sector, speciality retailers, customers, suppliers, auditors and associations, as well as the media, the press and the scientific community. In addition, we asked our stakeholders where we, as a company, could take measures to make improvements when it comes to sustainability. We discussed the responses internally, some of which were critical, and included the findings in our goals for this report. The following page lists the aspects that were given the highest relevance from an internal and external perspective and have therefore been defined as being material. As a tea merchant, we have our greatest impact on the supply chain. All measures that we undertake to meet our environmental and social responsibility within the supply chain are subsumed under the aspects “Supplier environmental assessment” and “Supplier assessment for impacts on society.”
Material aspects according to GRI

Economic aspects
- Indirect economic impacts
- Procurement practices
- Anti-corruption
- Anti-competitive behaviour

Social aspects
- Employment
- Labour/management relations
- Occupational health and safety
- Training and education
- Supplier assessment for impacts on society
- Public policy
- Customer health and safety
- Marketing and labelling
- Socio-economic compliance

Environmental aspects
- Materials
- Biodiversity
- Emissions
- Environmental compliance
- Supplier environmental assessment

Environmental-friendly production:
Printed with the highly pigmented and cobalt-free scale color series Alpha intense coffee. The paper used was Circle Offset white, made from 100% waste paper, FSC® recycled GFA-COC-001787 and awarded with the "Blauer Engel". The entire print production was carbon neutral based on the Ulenespiegel climate initiative.
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