



TEA EXCELLENCE SINCE 1823

Sustainability report 2018

Naturally guided by passion and responsibility



Contents

- 3 Foreword
- 4 Ronnefeldt at a glance
- 12 Product range and customer
- 20 Environment
- 26 Annual theme – packaging
- 32 Employees
- 40 Social responsibility
- 43 Report profiles



Dear Readers,

As one of Europe's oldest tea companies, we have focussed on producing and trading excellent teas for almost two centuries. We have always acted with the utmost passion for our natural and high-quality products and have applied high standards when it comes to quality. We take responsibility for our actions and think about the challenges of the future whenever we make decisions.

This kind of accountability also includes maintaining our long-term relationships with employees and business partners. The tea trade, our corporate purpose, is depending on worldwide cooperation. Tea is grown in countless regions around the globe – from China and India to Sri Lanka and Japan to Africa and South America. In our quest for achieving long-term improvements of the conditions in tea gardens, we want to guarantee that social and ecological standards are met, not just at our own locations, but in the growing regions as well. This is why we work closely with the non-governmental organisation Ethical Tea Partnership and also assess the local conditions first-hand.

We consider it our responsibility to make sure that the ecosystem remains intact for future generations. In order to promote sustainable development and also be able to offer our customers high-quality tea in the future, acting with foresight is indispensable. This is particularly evident in the way we are dealing with our packaging. We are striving to reduce environmentally harmful materials and sustainably

optimise our packaging. To do this, we are continuously testing new, environmentally friendly alternatives and are taking care to maintain the high quality of our products.

In this second Sustainability Report we are outlining the issues which we are actively addressing in the area of sustainability, the goals that we have already achieved and the challenges that we will face in the future. In doing so we are looking at the entire supply chain from cultivation and transport to refining, packaging and shipping to the customer. This is the only way to identify existing potentials and continue to improve ourselves, and this can only be done through the commitment, knowledge and motivation of our employees and partners at the source, because this is the bedrock of our success.

We are delighted that you will accompany us on this journey and will also enter into a dialogue with us.

We wish you an informative read!



Jan-Berend Holzapfel

Owner J.T. Ronnefeldt KG

We stand for excellent tea – since 1823

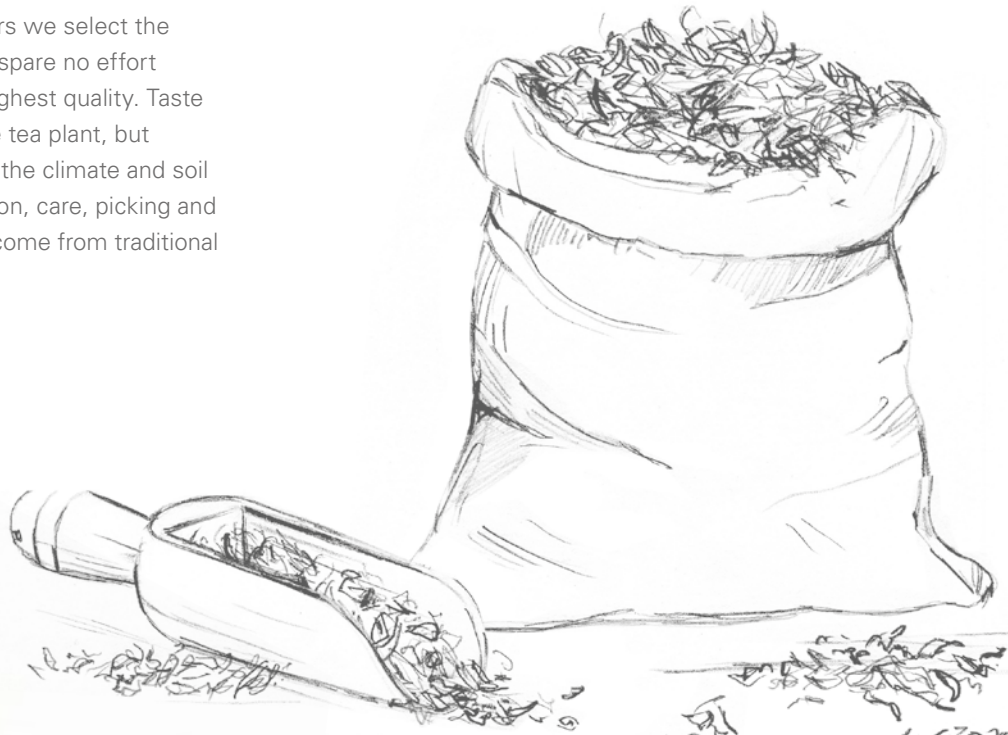
A wide variety of tea cultures have taken root in the whole world. All of them share a long-standing history, and so do we at Ronnefeldt. As one of Europe's oldest tea companies, we started making history in 1823.

Early in the 19th century Johann Tobias Ronnefeldt established today's J.T. Ronnefeldt KG in Frankfurt am Main. Since then the company has been family-owned. In 1994 our production site in Wörpswede was added. That is where the refining, processing and packaging of the tea is done.

Our core business, the tea trade, is based on a worldwide network. Together with our local partners we select the teas with experience and care. And we spare no effort when it comes to offering teas of the highest quality. Taste and aroma are not only derived from the tea plant, but above all are dependant on the altitude, the climate and soil conditions as well as meticulous selection, care, picking and processing. Today, our teas do not just come from traditional

tea-growing regions in China, India, Sri Lanka or Japan. Countries such as New Zealand, Colombia and Africa have also become producers of excellent teas.

After having purchased the leaves we start with the blending and refining of our exquisite teas. Today Ronnefeldt supplies the international hospitality industry in more than 80 countries as well as the speciality retail sector. We also sell our products via our online shop www.teeshop-ronnefeldt.com.



Quality and responsibility – our commitment

We have always been guided by the highest standards of excellence – on all levels. This commitment is the core of our corporate values and shapes our daily business



For us, sustainability means taking responsibility in all our activities and striving for excellence. This also includes fairness in dealing with business partners and competitors. Moreover, it is our objective to reconcile social and economic aspects with business interests. Only by doing so can we secure an intact economic, ecological and social system for future generations.



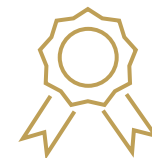
Teamwork of
150 employees



Bringing the joy of
tea to over 80 countries



Celebrating diversity with
over 350 different tea varieties



Excellent quality
for almost 200 years

Tea production is craftsmanship

Our pursuit of excellence also applies to our supplier relationships, environmental management and our interactions with employees and society. In the area of tea production all steps are also carried out conscientiously, carefully and with the highest quality standards. Only in this way can we preserve the best quality of the product and of our work along the entire value chain.



1 CULTIVATION

Tea is grown in many parts of the world. It requires the utmost care and attention to detail. For obtaining excellent, enjoyable tea the quality of the leaves is crucial. The diversity of taste and quality is shaped by particular climatic conditions, cultivation methods, the altitude and soil quality.

2 PLUCKING

We attach great importance to harvesting our tea traditionally by hand. Just “two leaves and one bud” are plucked, i.e. the two top leaves and the bud of the plant. Depending on the climate, growing region and altitude, tea is usually harvested in spring, summer and autumn.



3 PROCESSING

Since 1823 we have lived the philosophy of traditional orthodox tea production. This method, which requires more time and effort than mechanical production, enables us to achieve excellent quality for all tea varieties. A high degree of human skill, not industrial efficiency, is the key to creating the finest leaf teas.



4 BLENDING AND TESTING

Our tea experts ensure a consistently high quality for every cup of tea. Before we buy teas, our experienced Tea Tasters sample and evaluate them in strict adherence to our own and legally binding quality guidelines. The selected teas are also sent to independent, accredited laboratories for contamination inspection. The teas, excluding single estate teas, are subsequently blended and attractively packaged so that our customers around the world can enjoy our tea.

5 DISTRIBUTION

In the course of its history, Ronnefeldt has gained a reputation as an internationally renowned brand for the high-end hotel, restaurant and catering sector. Today the company's exquisite teas are served in over 80 countries. Consumers can also enjoy our teas at home, as they are offered by our brand partners, selected speciality retailers in Germany, Austria and Switzerland, our online shop and at our flagship store in the MyZeil shopping mall in Frankfurt.





A sense of responsibility leads to sustainable action

External regulations and internal guidelines provide our employees with principles of ethical conduct in the daily work of our family-owned company, including issues such as strategies for fighting corruption, anti-competitive behaviour and political influence.

We want to practice and develop sustainability along the entire value chain. That is why our Sustainability Committee meets regularly. Besides the owner of the company the departments Tea Tasting, Factory Management, Marketing, Communications and Sales are also represented.

One of the tasks of the Committee is to further develop all issues that are important for Ronnefeldt. In the materiality analysis that was conducted in 2016, we prioritised the sustainability issues which are of importance to the company and evaluated them together with experts and the owner of Ronnefeldt.

Representatives of relevant stakeholder groups were subsequently asked to assess the issues and describe the potential for improvement in terms of sustainability. The surveyed staff, international sales partners, brand partners, speciality retailers, customers, suppliers, auditors, associations, the media and press as well as the scientific community have thus consolidated the goals of our commitment.



Our Sustainability Committee meets regularly to prioritise and further develop important issues.

Our sustainability goals at a glance

ENVIRONMENTAL PROTECTION


▶ Increasing the number of organic teas in our product range up to 25 percent by 2023

- Use of organic ingredients for new tea creations
- Preference for organic tea plantations that attach great importance to preserving biodiversity

 Currently 18 percent of organic teas

▶ Conversion of more than 50 percent of the vehicle fleet to electric, hybrid or fuel cell vehicles by 2025

- Test of diesel hybrid vehicles for field work

 Currently two electric vehicles in use; total fleet: 35 Vehicles

PRODUCT RESPONSIBILITY AND SAFETY

▶ Reducing customer complaints by five percent by 2020 through a more efficient organization of our complaints management system

- Extension of error cause analysis and increase in training hours per employee
- Increasing the awareness of employees
- Conducting of regular quality circles
- Monitoring of customer feedback and professional complaints management
- Recording of key figures

 Ongoing project


▶ 100 percent sustainable materials for our packaging by 2021 – see p. 27 ff.

GRI Biodiversity, Emissions, Environmental compliance

GRI Customer health and safety, Marketing and labelling, Materials

SOCIAL AND ENVIRONMENTAL SUSTAINABILITY IN THE SUPPLY CHAIN


Procurement of 20 percent of teas from smallholder tea gardens by 2023

-  • Preference of smallholders when selecting business partners
- Promotion of fair, sustainable working conditions for tea pickers as a member of the non-governmental organisation (NGO) Ethical Tea Partnership

 Ongoing project

EMPLOYEES

Increase in training hours per employee by 15 percent by 2022

-  • Development of a skills matrix for all employees, on the basis of which they can gain specific qualifications and be encouraged in their development

 Project start in July 2019

 Goal
 Measures
 Status

GRI Supplier evaluation with regard to environmental and social ramifications, Socio-economic compliance, Indirect economic ramifications, Procurement practices

GRI Employment, Employee/employer relations, Occupational health and safety, Training and education

Diversity and premium quality for our customers

At Ronnefeldt, we are working hard so that our customers are able to experience the entire spectrum of tea pleasure. One thing is particularly important here: In the tea trade you need patience and passion. We organise our daily activities and our business relationships sustainably and on a long-term basis, thus following the tradition of our founder, Johann Tobias Ronnefeldt.

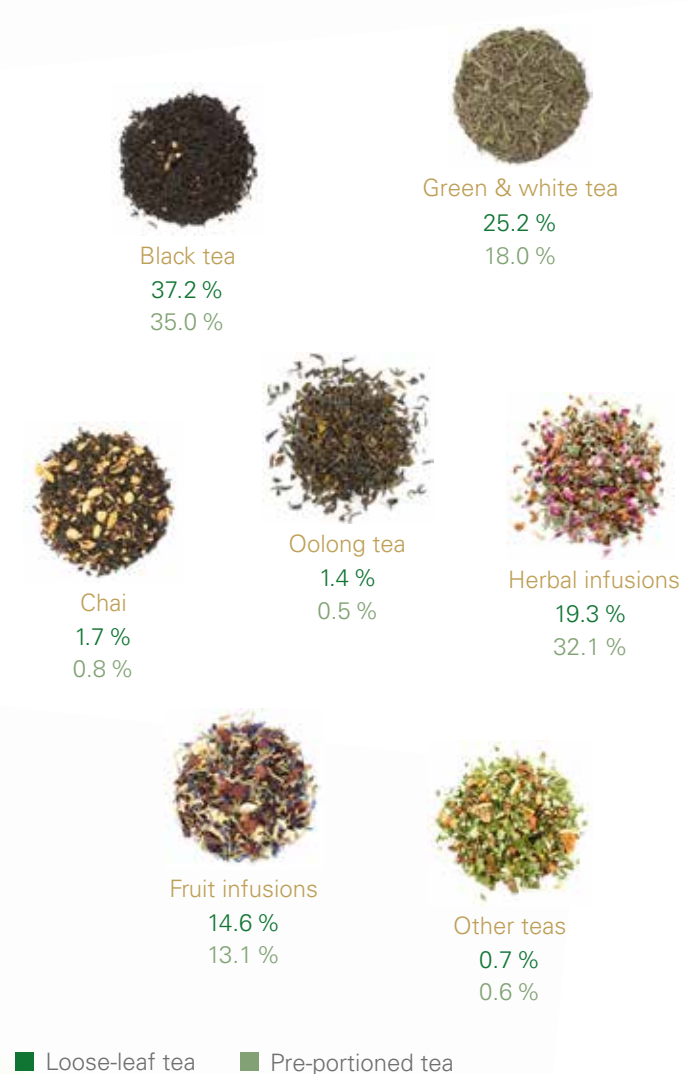
A versatile product range

Today excellent tea quality from all over the world is more in demand than ever before. Our product portfolio therefore presents a variety of traditional teas: from black teas, oolongs, green teas, white teas and herbal infusions, to an extensive selection of fruit infusions. In addition to loose-leaf teas, we also offer pre-portioned solutions to meet the requirements of our customers. These include the product lines Teavelope®, SimpliciTea®, Joy of Tea and Tea Couture® as well as the product lines LeafCup®, Tea-Caddy® and our high-quality Teastar® Collection for the hotel, restaurant and catering industry.

Throughout the year our Tea Tasters are creating deliciously flavoured teas, perfectly geared to different seasons and occasions. Some of our tea varieties are already organic. The entire production at the Worpswede site has been certified halal and kosher and meets the specific dietary requirements of the Islamic and Jewish religions.

A small part of our product range also includes accessories for tea preparation such as china, samovars, water heaters, presentation displays, tea tins, sweets or fine pastries.

Percentage of sold tea varieties compared to sales in total weight 2018



The origin of our products

As a tea company with a noble manufacturing tradition, our main challenges occur along the prior and subsequent stages of the supply chain. The procurement of our commodities is subject to the strictest conditions and quality standards. We purchase most of our teas through national and international dealers, as well as directly from tea gardens in the countries of origin, including India, Japan and Colombia. Most of the herbs, fruits, spices and flowers for our tea recipes, however, are bought from German and Austrian companies which obtain some of the products from regions of origin such as Croatia, Poland, India or Thailand, from where they make their way to Germany. Thus, the tea covers long distances before we can refine and enjoy it in Germany (for information regarding the environmental impact of transportation see p. 23).

Most of our flavourings are obtained from a medium-sized supplier in Germany. We primarily buy tea packaging and all other materials that are closely connected to tea from German companies. Non-food items such as china, Matcha accessories or product displays and foods such as fine pastries and sugar are bought from international suppliers.

Ensuring good conditions in the countries of origin

Respect for laws and guidelines as well as fairness in dealing with business partners and competitors form the basis of our business activities. This is also reflected in the reliable and long-term partnerships with suppliers and customers that we have maintained for decades. Specific regulations on social and environmental criteria are laid down in our general purchasing conditions.

Suppliers are also committed to comply with codes of conduct published by organisations of which they are members, such as BSCI, Transfair, UTZ, Ethical Tea Partnership (ETP) or Rainforest Alliance. We also provide our suppliers with information on the binding code of conduct published by the German Tea Association and reserve the right to check compliance through our own audits. We regularly visit tea gardens and our suppliers in Asia, Africa, South America and China as well as in Europe so that we are able to gather impressions of the local situation.

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

We strictly adhere to the current import regulations of various countries, such as the ban on importing green tea to Australia.

As in the previous years, in 2018 we were subject neither to legal proceedings nor fines or other punitive action concerning failure to comply with laws and guidelines or anti-competitive behaviour. Furthermore, no cases of corruption have been brought to our attention.



Mandatory for all our suppliers:
the code of conduct of the German Tea Association



Our suppliers respect the codes of conduct of organisations such as BSCI, Transfair, UTZ, ETP and the Rainforest Alliance.



Ethical Tea Partnership

Since 2013 we have been a member of the non-profit organisation Ethical Tea Partnership (ETP) which is especially committed to socially and environmentally sustainable management in the tea growing countries. The ETP continuously examines the tea producers and smallholders of its member companies and helps them to comply with internationally acknowledged standards. For obtaining the ETP certification, an examination is required that includes the key requirements of other certification schemes such as Fairtrade, Rainforest Alliance, UTZ and trustea. The ETP examination is based on the Ethical Trade Initiative standard which contains all relevant requirements of the International Labour Organisation (ILO). ETP representatives are working on site to prepare producers for audits which are conducted by independent auditors. If a producer does not meet the requirements, a plan for improvement and development is drawn up. This approach of supplier development and support is of particular importance for the tea growers in the countries of origin. The buyers at Ronnefeldt prefer to obtain raw materials from ETP-certified tea gardens.

Partnership for sustainable tea cultivation

In addition to the close and long-standing relationships we have with our suppliers and partners, our involvement with numerous other associations is very important to us.

In order to promote sustainability in the tea sector, we maintain a membership in the following associations and organisations:

- Childaid Network
- German Tea Association
- Ethical Tea Partnership
- Tea and Herbal Infusions Europe (THIE)
- Tea Association of the U.S.A.
- Wirtschaftsvereinigung Kräuter- und Früchtetee e. V. (WKF)

Ronnefeldt also has partnerships with universities and vocational schools such as the State Technical School for hospitality and nutrition in Hamburg, the University of Applied Sciences Geisenheim, the University of St. Gallen, the Department of Tourism at Munich University of Applied Sciences, the University Witten-Herdecke and the École Ferrières in France.

Focus on transparency

Our customers are consumers, retailers, hotels, restaurants and caterers all over the world. The trust that they place in our company is our driving force. We act strictly in accordance with the EU regulation on health claims and do not make any claims ourselves. In our communication we make every effort to use a clear, easily understood language and we also utilize pictograms for improved comprehensibility. We also comply with the EU Food Information Regulation and communicate all ingredients, allergens as well as nutritional information, batch numbers for traceability and the respective production dates.

There are no incidents of non-compliance with regulations or voluntary codes of conduct. There have been no incidents relating to the impact of products and services on health and safety. In the period under review Ronnefeldt has not been obliged to launch public recall campaigns for products.



Safety and security – our top priorities

The health of our customers is always our highest priority; this is why we are acting responsibly in every step of the production process. Our employees are regularly trained in food hygiene. We also hold quarterly meetings to discuss the opportunities and risks of our established Hazard Analysis and Critical Control Points (HACCP) system which we apply as part of our hygiene management to ensure food safety and hygiene.

Before purchasing raw materials, analyses are requested from our upstream suppliers. In accordance with our HACCP concept and contaminants management, the entry of contaminants into the blending and filling processes is avoided. Upon arrival of the purchased tea at Ronnefeldt in Germany the members of our quality management team conduct a very precise sensory testing before it is brewed; after the tea is brewed, they check its colour, aroma and flavour.

Independent, accredited laboratories test our teas for harmful substances: Upon receipt of goods, a representative sample of each batch is sent to an accredited laboratory. All legal EU limit and target values are adhered to. The testing ensures that the maximum residue levels of pesticides of the European Parliament Regulation 396/2005 are complied with. Herbal and fruit infusions are also tested microbiologically for disease triggers.

When it comes to permitted ingredients, we at least abide by statutory requirements and, in some cases, our own limit values even go beyond them. Our analysis spectrum covers radioactivity, 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. When we test our teas we are taking advantage of the latest scientific findings and are turning to the German Tea Association as well as comparable European organisations for information. Our risk management circle is able to quickly and professionally deal with any unexpected events. As a result, our customers can always rely on Ronnefeldt teas meeting safety requirements, statutory guidelines and, perhaps most importantly, our own high standards of quality and taste.



Independent, accredited laboratories
test our teas for the best quality at all times.

Ensuring product quality

In creating our unique tea varieties, we only use natural ingredients that meet our quality standards. For the last 15 years our company has been certified according to ISO 9001:2015 – the most widely used quality management standard in the world. Our high standards also apply to all materials that come into contact with our teas, all of which have been certified as being food-safe. When it comes to our foreign suppliers of accessories, we are working with local, specialised agencies that are testing our products for food safety and quality prior to import. Our production facility in Worpswede is kosher and halal certified.

In spite of the greatest care and control, complaints can sometimes occur. Tea is a natural product, and slight deviations in quality are inevitable, especially when it comes to single estate tea (tea from a single tea garden and not blended with other teas). Depending on the type of complaint, our Tea Tasting department or our quality management team is responsible for handling the matter. We carefully examine every complaint and inform suppliers and employees. In each case, the person lodging the complaint will receive a reply within two weeks.



Award: BEST BRAND 2017/18

For the third time in succession we were named the overall winner in the category “tea” by the high-profile image study of Allgemeine Hotel- und Gastronomie-Zeitung (Germany's leading hotel, restaurant and catering publication). This overall assessment is based on quality/product performance, image and service.



For 15 years now our company has been ISO 9001 certified.

Environmental protection from the tea garden to the tea cup

Tea is grown in numerous countries – unfortunately the local environmental standards are often low. However, organic production is particularly relevant for Ronnefeldt, because tea as a primary product is affected by climate change and environmental pollution, which have an impact on the foundation on which our business is built.



To the benefit of the environment

In order to ensure the protection of the environment in the tea growing regions, we have also included environmental criteria in our general purchasing conditions. Binding demands on our suppliers and business partners include compliance with statutory requirements regarding pesticides and contaminants as well as all relevant statutory provisions relating to environmental protection.

The tea industry is affected by the impact of climate change. The Indian growing regions Assam and Darjeeling are facing major problems with harvests due to climatic changes: excessively cold winters, excessive humidity, heavy snowfalls, hail and extended dry spells which occur unseasonably. Because of the tropical climate pesticides are increasingly used in Assam. As a result, the teas from that region often fail to meet legal EU standards as well as our own quality standards and therefore cannot be imported. The climatic conditions make purchasing of teas more difficult. Nevertheless, so far we have succeeded in procuring a sufficient quantity of raw materials.





Preserving biodiversity

By purchasing organic tea, we are able to indirectly contribute to preserving biodiversity in the growing regions. In contrast to conventional agriculture, in organic cultivation no synthetic pesticides, herbicides or synthetic mineral fertilisers are used. Usually the farmers produce and utilize their own organic fertilisers. Thus, the soil, water and biodiversity are protected.

The demand for organic teas has increased even further in recent years. Some of our tea varieties are already available in organic quality. By means of innovations and changes we are constantly striving to increase the supply of organically grown tea. Of course, not all tea gardens have switched to organic cultivation, but some are taking advantage of this knowledge. For example, certain plants are planted in and around the tea fields to keep pests away. As we buy comparatively small amounts, we have no further influence either on the management of tea gardens or the corresponding promotion of biodiversity. However, we can guarantee that none of our locations are situated in or adjacent to nature reserves and regions with a high degree of biodiversity.

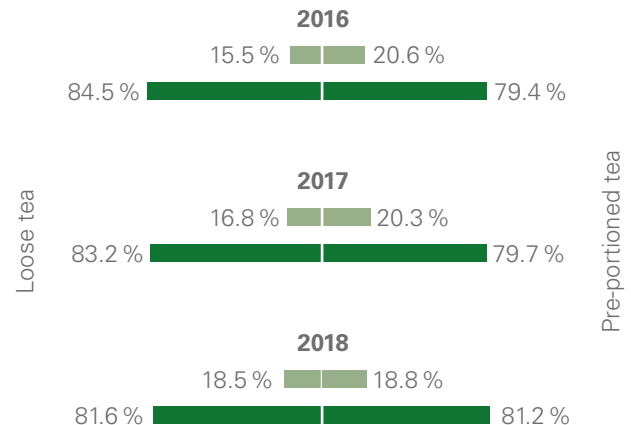
In order to promote biodiversity, we are expanding both our tea range and the regions of origin of the purchased raw materials. We have created our own organic label to make our products identifiable for consumers. Only products that also have the EU organic logo are allowed to bear our label.

With the lettering "Bio Organic" we guarantee that the label is recognised by consumers worldwide.

We are also committed to promoting biodiversity at the locations of our company. In mid-2017, we established a colony of bees at our production site in Worpswede. Thus, we are helping to bolster organic diversity in the immediate vicinity of our company locations.

Development of the proportion of organic tea

■ Organic tea ■ Conventionally cultivated tea



A long way

We are aware that transporting tea to Germany also accounts for a big share of our CO₂ emissions. Unfortunately, we are currently unable to calculate these CO₂ emissions exactly, as we do not transport the tea ourselves. We will continue working on a method of calculating a performance indicator that will allow us to report on this factor in the future.

The tea is transported by truck from the tea gardens to the ports where it is then carried mostly by cargo vessels to Germany. Compared to air transport this is a low-emission alternative. Exceptions are the so-called “First Flush by Air” teas from Darjeeling (India) and Japan. These teas from the first harvest season of the year are brought to the importer by air freight shortly after being plucked and processed. This is done because these high-quality teas have particularly fine flavours which are, however, very volatile. For this reason, we want to ensure that our teas are enjoyed promptly after plucking and processing, but this can only be achieved by transporting them on airplanes. At less than 0.02 percent, air freighted tea accounts for only a small proportion of the total weight of the tea purchased per year but compared with the transport on cargo vessels greenhouse gas emissions are still higher. In order to avoid that environmental impact in the future, we have decided that we will no longer buy “First Flush by Air” tea as of 2020.

As there is no rail freight infrastructure, the teas are transported by truck from from the port to our production site in Worpsswede. The finished product is then delivered to the customer by DHL GoGreen (climate-neutral).



Practical example: Sustainable tea cultivation in Colombia

In order to support sustainable cultivation, Ronnefeldt closely works with the Colombian Bitaco® tea garden which manages a purely organic production site. The tea garden is irrigated with mountain spring water which is filtered with Bitaco's own systems. The rising fog of this spring water and the resulting high humidity are ideal prerequisites for the delicate, fine tea leaves. The result is evident by outstanding organic teas with the unique character of this diverse region.

Promoting the sustainable use of materials

For our non-food products we only use secondary raw materials such as artificial leather for product displays or china that has been certified food-safe. In addition, when it comes to packaging and shipping accessories, greater emphasis is being placed on ensuring that no plastic is used for stuffing and padding (for more information on packaging, see pages 26 to 31).

All of our printed and office materials as well as wooden display units feature the FSC® logo – in keeping with our goal of actively contributing to environmental protection. In mid-2019, we audited our printing partners with regard to the use of environmentally friendly dyes. We attach great importance to ensuring that the printing inks for our printed materials are free of mineral oil and solvents. Our production site in Worpswede also works with a printer recycling system which converts paper with writing on it into new, blank sheets. Thus, the paper can be re-used up to eight times. At the Frankfurt location the use of this technology is also being considered.

Environmental protection at our company sites

We take responsibility for our environment not only in the growing regions and during transportation, but at our locations in Germany. With the exception of material consumption our production activities have a relatively low impact on the environment. Nevertheless, we collect environmental data in order to monitor our consumption and develop potentials of reducing our ecological footprint. The Ronnefeldt Sustainability Committee is in charge of these processes.



All our wooden materials feature the FSC® logo.

Our environmental performance indicators

In general, we try to keep our ecological footprint as small as possible while reducing the consumption of resources wherever we can. In recent years, we have taken a wide range of measures that have allowed us to cut our consumption of electricity, natural gas, oil and paper while also reducing our CO₂ emissions. We use DHL GoGreen for shipping to our customers within Germany, thus, enabling us to offset our greenhouse gas emissions by supporting climate protection projects. In 2017 and 2018, we compensated for a total of 2.15 tons of CO₂ equivalents. We are also using energy-saving lamps and machines as well as two electric company cars. In everything we do we strictly comply with statutory environmental and waste management guidelines. So far, there have been no violations of environmental laws or regulations.

All products manufactured at our Worpswede location bear the Green Dot and can therefore be put back into the recycling system. Flavourings belong to the category of hazardous waste because they are concentrated and flammable. We ensure that this waste is collected by the disposal company in Worpswede and disposed of professionally.

Consumption	2016	2017	2018
Electricity consumption in kWh	494,389 ¹	504,569	438,309
Natural gas in kWh	138,202	145,584	134,316
Oil in l	9,998	18,909	18,834
Water and waste water in m ³	996	919	947
Paper in sheets	353,000	550,000	508,000
Waste in Frankfurt in m ³	78	78	78
of which: residual waste in m ³	52	52	52
Waste in Worpswede in t	63	75	68
of which: residual waste in t	42	49	43
Company vehicles			
Diesel for vehicles in l	82,640	86,490	81,320
Average CO ₂ emissions in kg/100 km	119.8	121.6	125.8

¹ The electricity consumption of the office buildings in Worpswede was retroactively integrated and the value adjusted accordingly.

Packaging in a responsible way

Our high-quality and attractive packaging helps to ensure that our teas are perfectly protected and retain their fine aroma. Only when tea is packaged properly does it retain the excellent quality that we promise our customers. We want to maintain this high standard and at the same time make our packaging more environmentally friendly. This is our conviction and responsibility, because for us quality is also tantamount to sustainability.



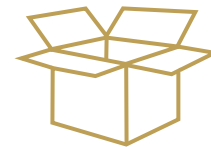
Avoid and improve through more environmentally friendly alternatives

We want to offer high quality teas and at the same time use environmentally friendly packaging. That is why we have set ourselves an ambitious goal: By 2021, all of our packaging will be made from 100 percent sustainable materials, which means every package will be recyclable or biodegradable.

We are striving to avoid packaging and to reduce the materials used. Wherever possible, we are optimising packaging materials. We always take the utmost care to preserve the quality of our teas. If packaging is necessary, it has to be completely recyclable.

All materials for our packaging are selected and used in accordance with the highest quality standards. We also ensure compliance with these criteria when choosing suppliers (see also page 15). We purchase our packaging only from reliable partners who sparingly use high-quality alternative materials.

We are constantly testing new, eco-friendly materials with a view to their suitability for our production equipment and contact with our teas. Currently we are testing films made from compostable and biodegradable materials. The majority of our products should be made compostable in the near future. In other words: The product and its packaging will decompose completely in a natural way, within a defined time frame and without leaving any environmentally harmful residues behind.



By 2021, all of our packaging will be made of 100 percent sustainable materials.



Achieving more with concrete measures and goals

We have set goals for various material groups and developed measures to ensure that our packaging is sustainable.



We are already saving around 2.3 tons of aluminium per year.

ALUMINIUM AND METAL

By 2021, we will reduce the amount of aluminium in our packaging by 80 percent. Since March 2019 we have stopped using aluminium foil as an intermediate layer in the tea bags for our loose-leaf tea. Instead, we are using a recyclable, metallised PET foil in which the aluminium content is reduced many times over. In this way we are saving around 2.3 tons of aluminium per year. In our Teavelope® tea infusion bag, we have also stopped using metal staples for more than ten years and instead are using knotted cotton fibre with paper flags.

In 2019, we removed hot-foil stamping from the packaging of the Teavelope®, LeafCup® and Tea-Caddy® product lines to save metal foils and improve recyclability. The packaging is now gradually being put in circulation. We are also working on removing hot-foil stamping from all other packaging.

	LeafCup®	Joy of Tea	Tea-Caddy®	Teavelope®	SimpliTea®	Loose-leaf tea
Reduction of the aluminium coating by 80 percent, without reducing the aroma protection, from...	n.a.	n.a.	2019	n.a.	n.a.	2020
Removal of the hot foil stamping on all product boxes from...	2019	2020	2019	2019	2020	n.a.

PLASTICS

Our goal is to reduce the use of plastics in packaging by 100 percent by 2021.

If properly disposed of in the recycling bin or in the "yellow sack", the leading system for packaging waste management

in Germany, our SimpliciTea® tea capsule can be recycled, allowing the plastic components to be completely reused. By 2021, this item should be completely biodegradable.

	LeafCup®	Joy of Tea	Tea-Caddy®	Teavelope®	SimpliciTea®	Loose-leaf tea
Use of only degradable (sachet) foils and capsules from...	2019	2019	n.a.	2019	2021	2020
Use of only degradable outer foils for the product box from...	n.a.	2020	2020	n.a.	n.a.	n.a.

PAPER

Paper and wood packaging materials used by Ronnefeldt are already fully FSC®-certified and thus originate from sustainable forestry.

We have changed our sales cartons to unpainted, brown natural cartons and have stopped to print the Ronnefeldt logo in colours. Although our folding boxes of the product lines Joy of Tea, Tea-Caddy®, Teavelope®, SimpliciTea® und LeafCup® are printed in colour, the proportion has been greatly reduced. This is how we are contributing to

an improved recyclability of materials. The folding boxes of the LeafCup® and Teavelope® product lines can already be disposed of as recyclable waste paper.

Currently recycled paper is not an alternative for our packaging as it is not considered food-safe due to contamination. It is therefore not yet suitable as packaging material for our teas.



Quality of the highest standard in environmentally friendly packaging

Bernd Brockmann, plant manager in Worpsswede and Ralf Ringkowski, regional sales manager for Southern Germany, live and breathe the quality standards of Ronnefeldt. This also includes optimising the packaging in terms of ecological factors: for our customers, our tea and our environment.

WHAT IS THE POSITION OF RONNEFELDT WHEN IT COMES TO PACKAGING?

Ringkowski: Our owner Jan-Berend Holzapfel is striving for sustainable management and also for less and alternative packaging. I share this conviction: We have set goals to use more sustainable packaging, and we intend to achieve them.

Brockmann: I agree with that. However, packaging materials are still necessary in many places to ensure the high quality of our teas. They preserve the aroma, keep moisture out and ensure hygiene, for example during transportation to the most diverse countries in the world. In short, packaging protects our product. But we are also aware of the challenges faced by consuming resources and generating waste. That's why we test where packaging is really needed in production and try to find alternative materials.



We have set goals to use more sustainable packaging, and we intend to achieve them.

AND WHAT DO YOUR CUSTOMERS SAY?

Ringowski: We're frequently receiving inquiries regarding our packaging. Customers want to know what materials they're made of and what Ronnefeldt is doing to reduce them. Keywords such as environmental protection and resource conservation are mentioned all the time. In this context, it is important for us to adopt a clear stance – and suit the action to the words.

Brockmann: Ultimately, it is the customers who decide whether they like the product or not. And that has a lot to

do with packaging. This is why we are trying to adapt the packaging to the requirements of our customers and at the same time are looking for sustainable alternatives.

WHERE ARE THE STUMBLING BLOCKS ON THE ROAD TO SUSTAINABLE PACKAGING ALTERNATIVES?

Brockmann: We are facing several challenges. For example, we are currently testing compostable and biodegradable films. However, these films are reacting very differently compared to our conventional films and therefore present further challenges. In addition, barrier protection, which among other things preserves the aroma of tea, cannot yet be guaranteed by all materials.

Ringowski: At the same time, we want to maintain the excellent quality of our teas, as this is what our customers expect of Ronnefeldt.

Brockmann: The quality of the tea, the expectations of our customers and the environmental friendliness of the packaging are important factors, and we're working hard to reconcile these requirements.

Tea culture is shaped by our employees

Our long-term economic success is based on the work of our highly motivated employees. This is only possible if we as an employer create an attractive and sustainable working environment. Beside fair salaries and wages, we are therefore committed to safeguard occupational health and safety, a high level of employee satisfaction and more opportunities for professional advancement. For us a future-oriented approach means attracting, retaining and promoting dedicated employees.



Our foundation for excellence

Ronnefeldt is an owner-managed family business with a wide range of opportunities for its employees. Our interaction is characterised by approachability, a pleasant working environment and flat hierarchies. With each of our employees we are maintaining a respectful, trusting and performance-oriented relationship. In order to promote this kind of corporate culture we have introduced clearly defined processes and a transparent approach to communication at both of our locations.

The so-called "QualiTEAm" also helps to improve and document our company processes. The team consists of a dozen employees from various departments. Its members meet regularly. The team is also working on the introduction of a software that will help to make internal and external processes transparent. Thus, employees will have the opportunity to access the corporate wealth of knowledge and understand established processes.

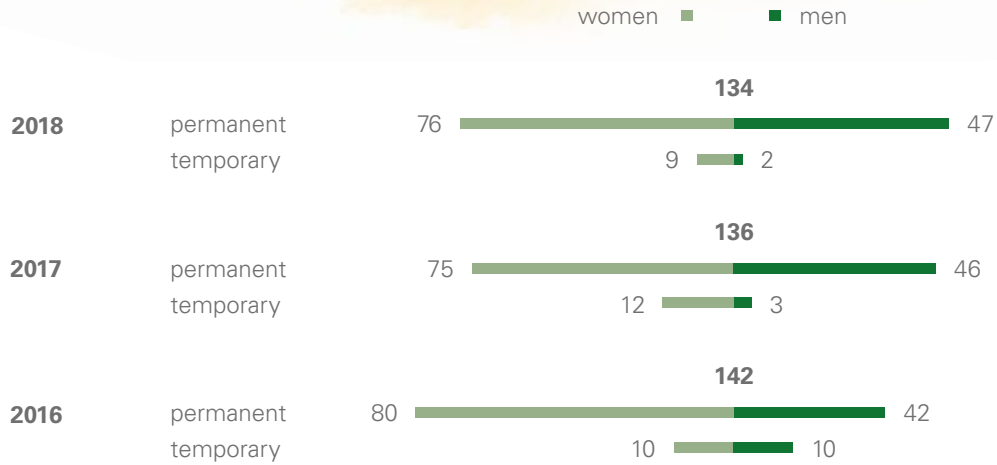
Many of our 134 employees have been working for Ronnefeldt for more than 20 years. As our production is subject to seasonal fluctuations, we sometimes employ seasonal staff and temporary workers whom we are trying to keep in the company for as long as possible.

In the other departments almost all of our staff members are employed permanently. In addition to our staff in Germany, two tea consultants are working in Austria and Switzerland, one tea consultant is working in France and one in the Netherlands (BeNeLux). All tea consultants are working as field staff.

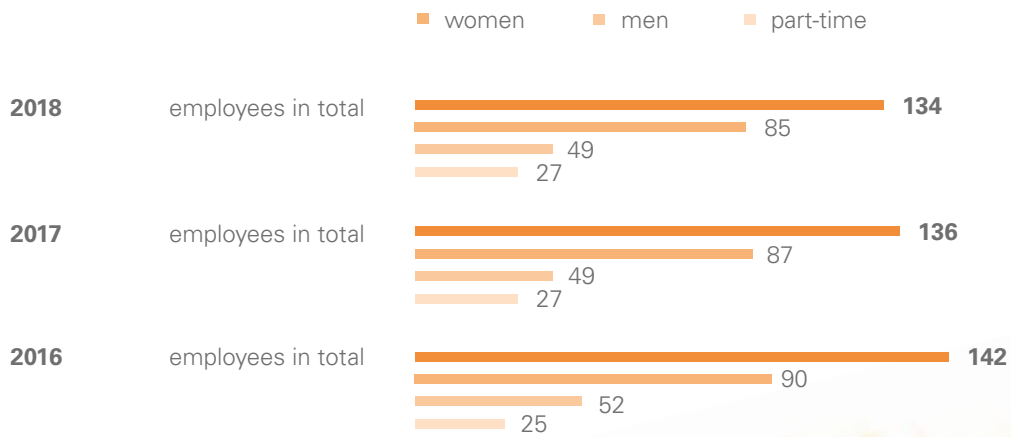


Many of our 134 employees have now been working for Ronnefeldt for more than 20 years.

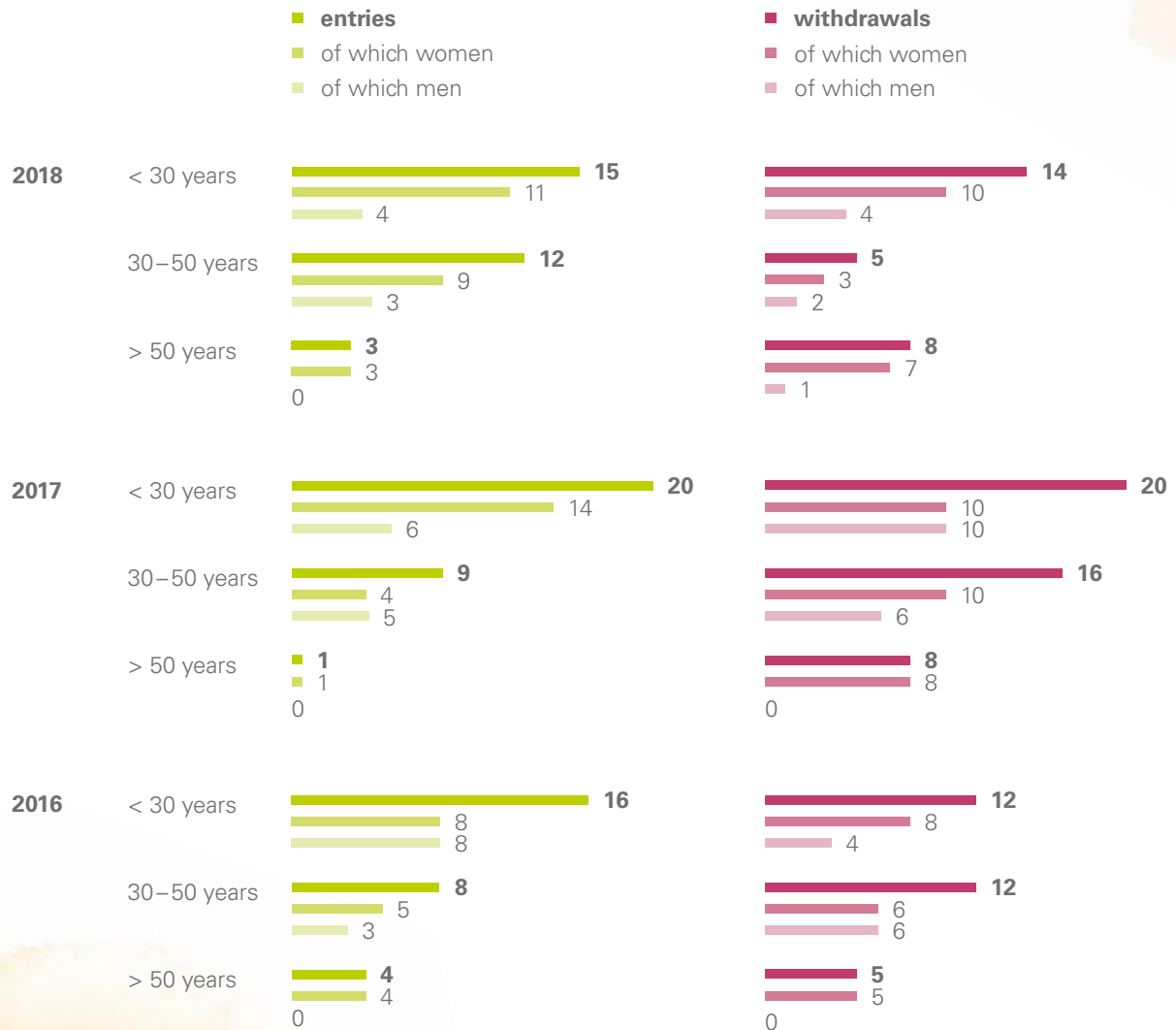
Temporary and permanent positions



Employees by part-time and gender



Staff turnover



Joint advancement

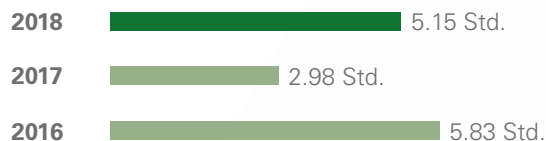
We want to offer our employees various opportunities for professional advancement. This is why we support them individually and in accordance with their requirements. For instance, our production staff is trained for the operation of our machines, occupational health and safety as well as hygiene. Technicians receive further external training for our machines, helping them to more quickly intervene in processes. Staff members from all other departments also have the opportunity to attend relevant training sessions and workshops. We also take steps to support in-service training as well as the development of young talents and management staff. Supervisors also receive management coaching by default.

Training hours increased 2017 till 2018, partly due to increased instructions for the new quality management system and the Hazard Analysis and Critical Control Points (HACCP) team. In the reporting period all staff members received mandatory hygiene and occupational health and safety training.

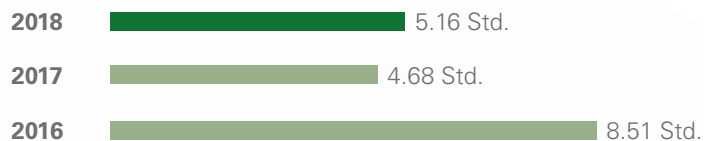
In addition, Ronnefeldt filled two apprenticeship positions in 2018: a saleswoman in the retail sector and a saleswoman in office management.

Training hours per employee

at the Worpswede location



at the Frankfurt location



Assessing progress

A joint performance review is important for the advancement of our employees. Our goal is to increase the qualification and job satisfaction of our employees by systematically identifying staff skills by 2022, in order to align these with their current tasks and individual job requirements and to specifically develop the skills.



Communicating sustainability

This was the goal of the Sustainability Days 2018 in Frankfurt and Wörpswede. For an increased awareness of sustainable lifestyles and nutrition, we offered various activities: From attending yoga courses, test driving an electric car to joining creative recycling projects our staff members were able to share ideas, try out new things and tackle sustainability issues. The next Sustainability Days are scheduled for 2020.

Health – a prerequisite for well-being

For the well-being of our employees, we have also further expanded our corporate health management.

All our employees are provided with comprehensive health care by our company doctors. We also offer our employees ergonomic improvements of their work areas. In the year under review we were thus able to upgrade many work areas with height-adjustable desks. We also purchased various lifting aids and scissor lift trucks which make the work in our production site considerably easier.



We offer our employees ergonomic improvements to their work areas.

Quality standards for work areas

We care about the well-being of our employees, and this is why we are committed to their safety and health at work. Safe working conditions are ensured by always keeping our ergonomic, technical and electronic equipment up to date. In our production facility protective clothing and equipment are mandatory. We regularly train our employees regarding these and other occupational safety issues. An occupational safety representative supervises the advancement of these issues at our locations. At regular meetings of the occupational health and safety committee he or she is dealing with these matters.

We continuously take steps to evaluate the safety of our employees. There are regular checks of portable and permanently installed electrical equipment (BVG A3 checks) as well as inspections of the boilers used in our compressor units. Furthermore, we have appointed shelf, ladder, lighting and first-aid representatives as well as fire wardens. Our external occupational health and safety specialist regularly carries out safety inspections at our locations in Wors-

wede and Frankfurt. The production facility is inspected at least four times a year. In the course of this inspection the external health and occupational safety specialist helps with updating the risk assessment which includes accident prevention, mechanical, electrical and biological hazards, hazardous substances, fire and explosion hazards, noise, working environment, work intensity, psychological factors and work organisation.

During the reporting period there were four accidents at the location in Frankfurt am Main, three of which were commuting accidents. At the Worswede location two reportable accidents were recorded, one of which was a commuting accident. During the reporting period there were no cases of occupational diseases or work-related fatalities. Altogether, there were 70 paid days of absence due to accidents, 58 of which were caused by commuting accidents. In order to avoid the causes of accidents in the future, the health and occupational safety specialist reviews all accidents in the company and initiates appropriate preventive measures.



Every cup of tea is a contribution to sustainability

Only a small portion of the tea that is produced worldwide ends up in Germany and in turn only a portion of that tea is processed at Ronnefeldt. Nevertheless, social sustainability in tea growing regions is a quality criterion of our work. We are dedicated to securing and improving the working and living conditions of the local people in these regions. Our commitment also means ensuring social standards in the upstream and downstream supply chain and participating in sustainable development beyond corporate boundaries.



Living up to our social responsibility

Low social standards are often the norm in the countries where our teas are cultivated. For this reason, we are committed to ensuring fair working conditions in these regions. We have defined social criteria in our general terms and conditions of purchase: The stipulations include compliance with regulations and minimum industrial standards, conventions of the International Labour Organisation (ILO) and the United Nations as well as all relevant statutory provisions relating to occupational health and safety. The code of conduct of the German Tea Association and our membership of the non-governmental organisation Ethical Tea Partnership also help us with improving local conditions (for further information, see p. 15 ff.).

For many years Ronnefeldt has been involved in social projects. In doing so, we are paying attention to a tea-specific and regional promotion approach. This is where we are aware of our greatest potential - in the tea-growing regions and among the people who live and work there.

For eight years now we have cooperated with the Childaid Network Foundation so that our commitment can have a maximum impact. With many years of experience, the foundation closely works with local governments, producers, NGOs and aid organisations. These personal connections and close local partnerships make it possible to effectively implement local projects. We support the foundation with our recommendations, our network, tea events and fixed donations.



The Ronnefeldt TeaAcademy®: Training to become a tea expert

Through the Ronnefeldt TeaAcademy® we offer an extensive national and international training programme that provides tea-related expertise as well as personal development. The offered training courses are geared to future and present managerial staff in high-end hotels and restaurants as well as owners and sales staff in shops of brand partners and speciality tea retailers. With the view of passing on our knowledge of tea and related quality criteria, the head of the academy, Bernhard-Maria Lotz, also gives lectures at the University of Geisenheim and at the University of Applied Sciences in Heilbronn. Based on the experiences that Mr. Lotz made when traveling to the regions of origin it is of particular importance to him to familiarise the students with the aspects of tea cultivation and working conditions in the tea gardens.

Helping the people in the tea-growing regions: Childaid Network

The Childaid Network foundation is dedicated to promoting the education of children and young people in need with the aim of fighting poverty and helping them to build a brighter future. The foundation mainly focusses its work on the Assam tea region in north-eastern India. Projects in Nepal, Bangladesh and Myanmar are also supported. Jan-Berend Holzapfel, the owner of Ronnefeldt, has been a member of the Board of Trustees since 2016 and in this capacity provides his experience. The Board of Trustees advises the foundation on all important issues and establishes helpful contacts.

In addition to our strategic commitment we mainly provide help through donations with which the Childaid Network supports schools and small, family-run tea gardens in the Assam region, for example. The famous Assam black tea grows between the Himalayas and the Brahmaputra River. We at Ronnefeldt also obtain it from this region. As our relatively small purchasing volume only allows minor changes on site, we also rely on our partner here. The Childaid Network supports families in creating small tea gardens which can secure a livelihood for them. To date, around 1,000 families have planted their own small tea gardens and joined cooperatives for selling their tea. In the future, we intend to intensify our involvement in the Childaid Network Foundation.

More information can be found at www.childaid.net



Report profile

Our second sustainability report covers the financial years 2017 and 2018 and includes both the company headquarters in Frankfurt, Germany, as well as the production site in Worpswede, Germany. Quantitative data was gathered as of 31/12/2018. Qualitative data was gathered until the editorial deadline on 31/07/2019. We publish a sustainability report every two years.

Framework: Global Reporting Initiative (GRI)

Our reporting is guided by the “core” option of Global Reporting Initiative (GRI) standards (2016). In this context, we have identified and prioritized the sustainability aspects we deem important in 2016 as part of a materiality analysis.

The GRI topics as a whole provided the basis for identifying the material issues. We excluded those that were not relevant for us as a tea company. We 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 by way of a questionnaire. This allowed us to include both the internal and external perspectives of our stakeholder groups in the materiality process.

Pages 10 to 11 list those aspects that were given the highest relevance from an internal and external perspective and have therefore been defined as being material.

The entire Sustainability Report 2018, including the GRI Content Index, can be found here: www.ronnefeldt.com/teehaus/de/nachhaltigkeit/

GRI- Content Index

GRI-Standards	Short description	Page/Comment
102	General Disclosures	
	Organizational Profile	
102-1	Name of the organization	4
102-2	Activities, brands, products, and services	13
102-3	Location of headquarters	4
102-4	Location of operations	4
102-5	Ownership and legal form	4
102-6	Markets served	4, 17
102-7	Scale of the organization	4, 13, 33
102-8	Information on employees and other workers	33–34
102-9	Supply chain	6–7, 14–15
102-10	Significant changes to the organization and its supply chain	None
102-11	Precautionary Principle or approach	9, 18
102-12	External initiatives	15
102-13	Membership of associations	16
	Strategy	
102-14	Statement from senior decision-maker	3

GRI-Standards	Short description	Page/Comment
102-15	Key impacts, risks, and opportunities	14–15, 18–19, 21, 25, 27
	Ethics and integrity	
102-16	Values, principles, standards, and norms of behavior	5
	Structure	
102-18	Governance structure	33, 36
102-20	Executive-level responsibility for economic, environmental, and social topics	9
	Stakeholder Engagement	
102-40	List of stakeholder groups	9
102-41	Collective bargaining agreements	None
102-42	Identifying and selecting stakeholders	9
102-43	Approach to stakeholder engagement	9
102-44	Key topics and concerns raised	10–11, 31
	Reporting practice	
102-45	Entities included in the consolidated financial statement	43
102-46	Defining report content and topic Boundaries	43
102-47	List of material topics	10–11
102-48	Restatements of information	None
102-49	Changes in reporting	None
102-50	Reporting period	43
102-51	Date of most recent report	04.09.2017
102-52	Reporting cycle	43
102-53	Contact point for questions regarding the report	52

GRI-Standards	Short description	Page/Comment
102-54	Claims of reporting in accordance to the GRI Standards	43
102-55	GRI content index	44–51
102-56	External assurance	None
200	Economic Topics	
203	Indirect Economic Impact 2016	
103	Management Approach	41
203-2	Significant indirect economic impacts	41–42
204	Procurement Practices	
103	Management Approach	14–15
204-1	Proportion of spending on local suppliers	14
205	Anti-Corruption	
103	Management Approach	9, 15
205-3	Confirmed incidents of corruption and actions taken	15
206	Anti-competitive Behavior	
103	Management Approach	9, 15
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	15
300	Environmental Topics	
301	Materials	
103	Management Approach	24–25, 27–29
301-1	Materials used by weight or volume	25
301-2	Recycled input materials used	24, 29

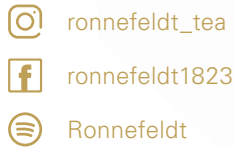
GRI-Standards	Short description	Page/Comment
302	Energy	
103	Management Approach	25
302-1	Energy consumption within the organization	25
303	Water and Effluents	
103	Management Approach	25
303-5	Water consumption	25
304	Biodiversity	
103	Management Approach	22
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None of the locations are situated in or bordering protected areas and zones of high biodiversity outside of protected areas.
304-2	Significant impacts of activities, products, and services on biodiversity	21–22
305	Emissions	
103	Management Approach	25
305-1	Direct (Scope 1) GHG emissions	25
305-2	Energy indirect (Scope 2) GHG emissions	25

GRI-Standards	Short description	Page/Comment
305-3	Other indirect (Scope 3) GHG emissions	We are aware that transporting tea to Germany accounts for a large share of our CO ₂ emissions. Unfortunately, we are currently unable to precisely calculate the resulting CO ₂ emissions, as we are not directly responsible for the transport process. We will continue working on a method of calculating a performance indicator that will allow us to report on this factor in the future.
305-5	Reduction of GHG emissions	23, 25
306	Effluents and Waste	
103	Management Approach	25
306-2	Waste by type and disposal method	25
307	Environmental Compliance	
103	Management Approach	21
307-1	Non-compliance with environmental laws and regulations	21
308	Supplier Environmental Assessment	
103	Management Approach	11, 20–21
308-1	New suppliers that were screened using environmental criteria	15, 27

GRI-Standards	Short description	Page/Comment
308-2	Negative environmental impacts in the supply chain and actions taken	In the course of our audits, we did not identify any circumstances or incidents that would have required us to terminate business relationships.
400	Social Topics	
401	Employment	
103	Management Approach	32–33
401-1	New employee hires and employee turnover	34–35
402	Labor/Management Relations	
103	Management Approach	32–33
402-1	Minimum notice periods regarding operational changes	We inform our employees about any operational changes at an early stage. Because of the size of the company, the reporting paths are short so that all employees receive important information in a timely manner.
403	Occupational Health and Safety	
103	Management Approach	37–38
403-1	Occupational health and safety management system	37
403-2	Hazard identification, risk assessment, and incident investigation	38
403-3	Occupational health services	37

GRI-Standards	Short description	Page/Comment
403-4	Worker participation, consultation, and communication on occupational health and safety	38
403-5	Worker training on occupational health and safety	36, 38
403-6	Promotion of worker health	38
403-9	Work-related injuries	38
404	Training and Education	
103	Management Approach	32–33, 36
404-1	Average hours of training per year per employee	36
404-2	Programs for upgrading employee skills and transition assistance programs	36–37
404-3	Percentage of employees receiving regular performance and career development reviews	37
407	Freedom of Association and Collective Bargaining	
103	Management Approach	15
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	15
409	Forced or Compulsory Labor	
103	Management Approach	15
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	15
414	Supplier Social Assessment	
103	Management Approach	11, 15, 41
414-1	New suppliers that were screened using social criteria	11

GRI-Standards	Short description	Page/Comment
414-2	Negative social impacts in the supply chain and actions taken	In the course of our audits, we did not identify any circumstances or incidents that would have required us to terminate business relationships.
415	Public Policy	
103	Management Approach	We do not support political associations, e.g. through donations.
415-1	Political contributions	None
416	Customer Health and Safety	
103	Management Approach	17–19
416-1	Assessment of the health and safety impacts of product and service categories	17–19
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	17
417	Marketing und Labeling	
103	Management Approach	17–19
417-1	Requirements for product and service information and labeling	17–19
419	Socioeconomic Compliance	
103	Management Approach	15, 40–41
419-1	Non-compliance with laws and regulations in the social and economic area	15



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