



# IMPACT REPORT 2023



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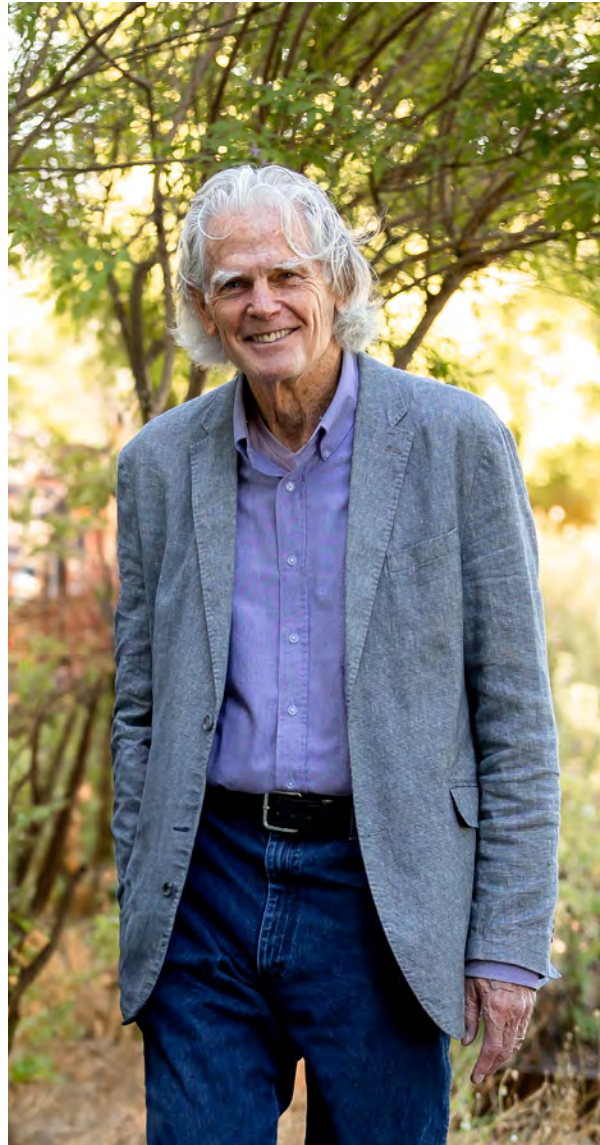
# 1 Who We Are

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At Traditional Medicinals®, our purpose is the foundation of all we do. We approach each part of our business with care; including the medicinal plants that we use, the people and communities who forage and harvest them; the local and global ecosystems that create conditions for the plants to grow; and the employees, partners, and suppliers who connect our source communities with the consumers who purchase and use our herbal products. We strive to create a positive impact and to prioritize people, our products, and our planet.







## Rooted in Purpose Since Our Start

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In the late 1960s, fourth-generation herbalist Rosemary Gladstar crossed paths with community activist and environmentalist Drake Sadler. Together, they founded Traditional Medicinals in 1974. They shared a vision for a small company that would connect with people through environmentally friendly, purpose-driven, and intention-focused herbal remedies.

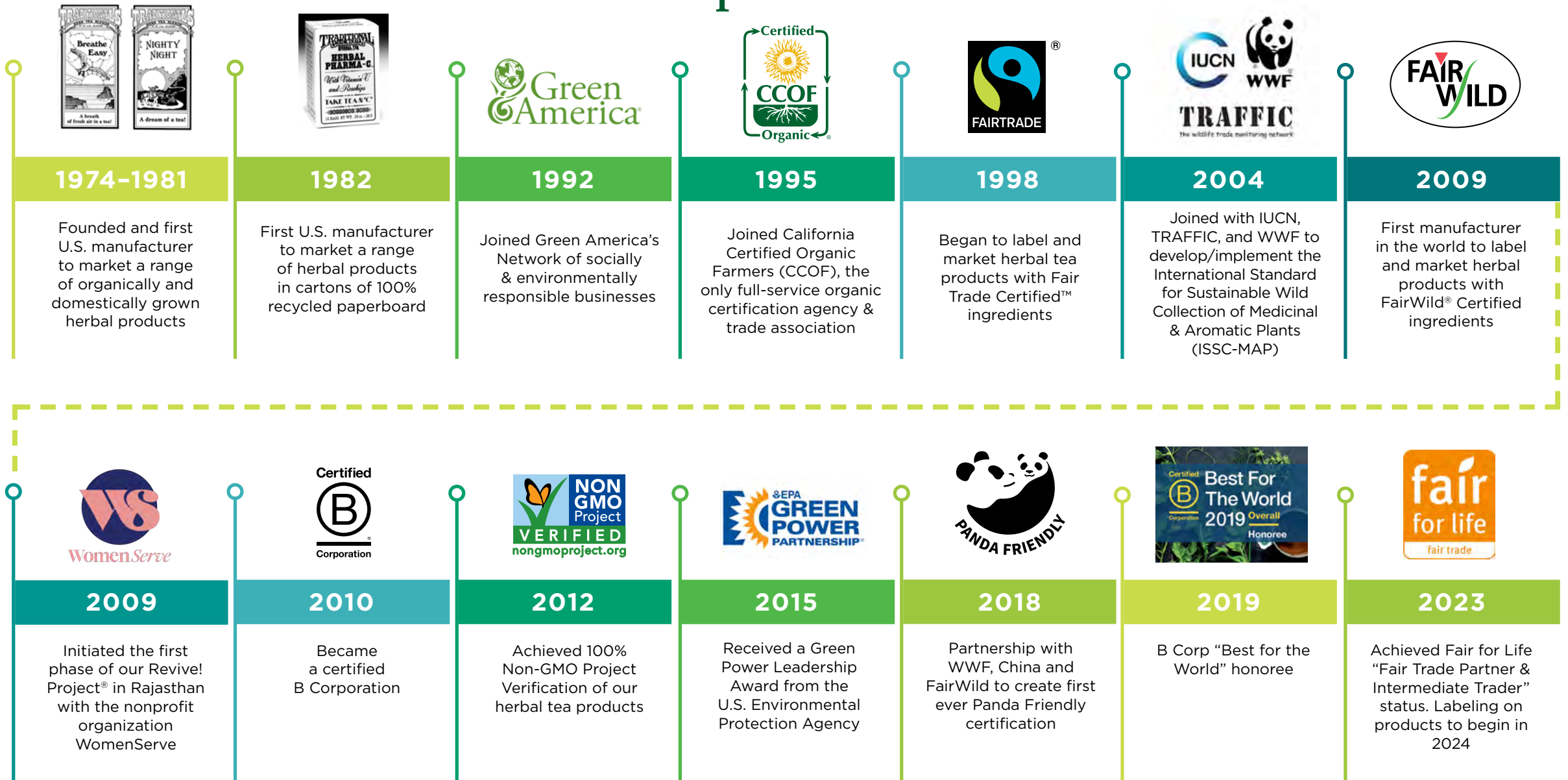
Traditional Medicinals started by selling brown-bagged teas from a Volkswagen bus. Nearly fifty years later, it is the largest medicinal tea company in the U.S., headquartered in Sonoma County, California, with more than 220 full-time employees. We are proud to be a [Certified B Corp](#) and a registered California Benefit Corporation, and we work continuously to improve our partner-centered, people-first approach.

In our Sonoma County home and communities around the world, we face increasing and accelerating environmental threats. Traditional Medicinals is working harder than ever to ensure continued access to herbal remedies while supporting the systems and people that make our products possible. For us, that means providing wellness products that are of high quality, sustainably grown, and sourced fairly.





# Our Impact Timeline





# Letter from Our Chief Purpose Officer

Throughout this report, you will read about progress in our various areas of impact. We share our deep gratitude to all who helped make that progress and this report possible.

In 2023, we wrote a new seven-year plan based on five stakeholder groups, or mindsets, we need in order to serve to more fully deliver on our purpose of inspiring active connection to plant wisdom. Out of this work, we formed goals and objectives for our company and cascaded them to all departments. In doing so, it is our sincere hope that every employee feels deeply connected to our shared mission and understands how the work they contribute daily serves the greater whole.

Our goals are based in the belief that focusing first on principles will lead to sustainable, measured growth. We view growth as validation of our commitment to our purpose rather than our reason for being. We gratefully acknowledge that this approach is upheld by values-aligned investors and Board members who are stewarding a different way of doing business.

We hope you enjoy reading about some of our proudest achievements in the year past and some of

the hopes we humbly hold for how we can grow from here. We celebrate those achievements and share those hopes with our employees, neighbors, source communities, trading partners, consumers, herbalists and health practitioners, and all who share in our vision of a healthy planet consciously sustained by a vital relationship between people and plants. We're fortunate to be guided by our eight charter commitments that keep us looking to the future and re-imagining what is possible, together. **We'll explore how we're showing up and making good on these commitments throughout this report.**

In 2024, we will celebrate 50 years of making high-quality medicinal products and our commitment to transparent and ethical partnerships. We know we are doing so much more than that — we are consciously offering care to ourselves and one another through the simple act of sharing a cup of tea. In the years ahead, may we be visionary and kind.

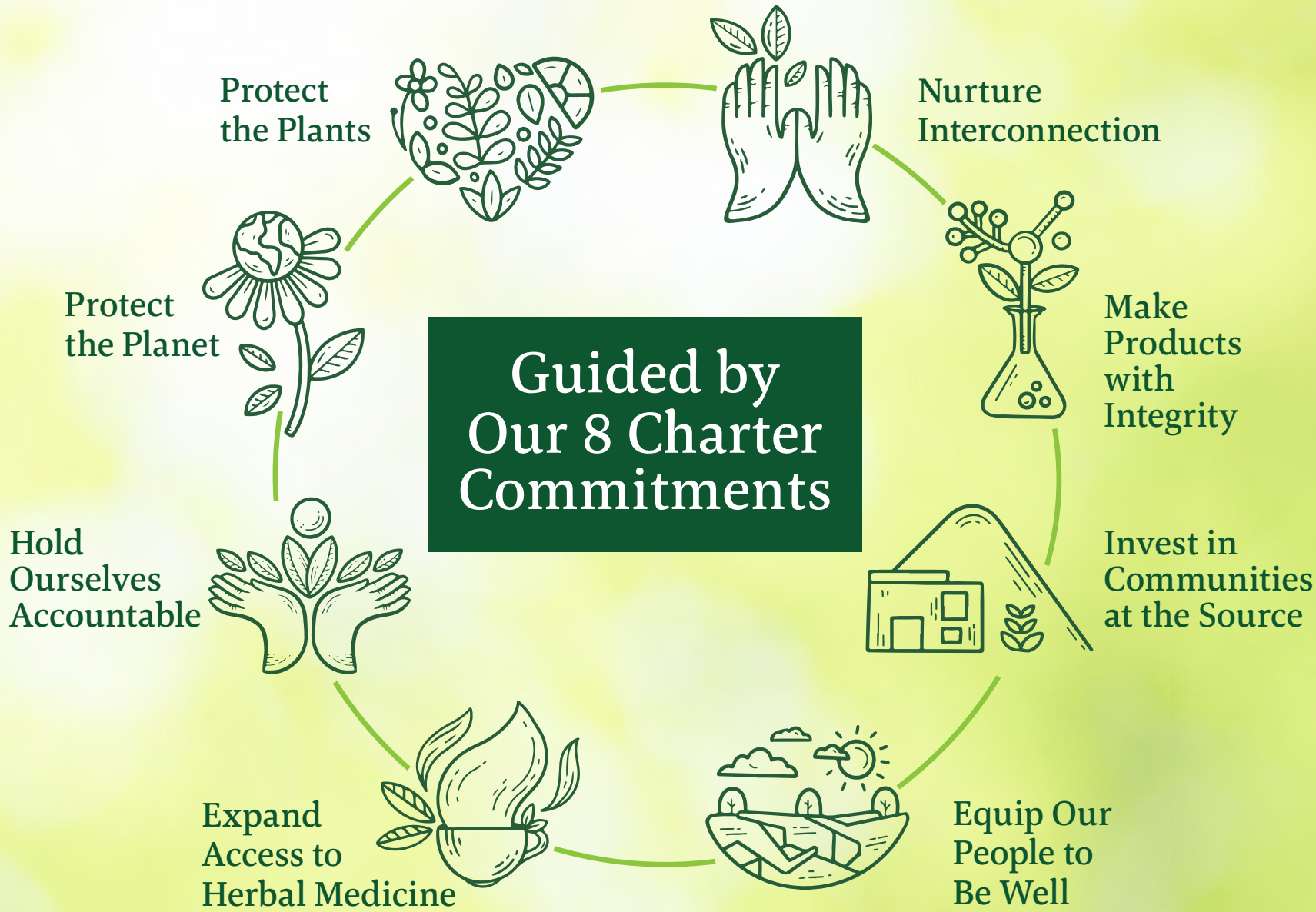


*Jamie Horst*

**Jamie Horst**  
Chief Purpose Officer







Our eight charter commitments guide our actions and constitute our strategic approach. They are declarations of intent towards our people, partners, customers, and planet to create a successful, vibrant community that results in ever-expanding benefits for everyone.

The charter commitments reflect the same principles on which we were founded nearly 50 years ago. They serve as touchstones that keep us looking to the future and reimagining what is possible together.

Throughout this impact report, we share how we strive to honor these commitments. We see reporting as an important tool to stay accountable to them, helping us track our performance and progress and keeping everyone in our value chain informed as we work toward our larger organizational and collaborative goals.





# Upholding High Standards Through B Corp Certification

B Corporation (B Corp) certification recognizes companies that see business as a force for good, balance profit with purpose, and reach high levels of transparency and accountability. To achieve certification, companies must meet rigorous social and environmental standards.

Traditional Medicinals has held B Corp certification since 2010. We are strong backers of the B Corp movement, which benefits our business in many ways.

**Brand, mission, and values:** Certification helps us communicate our commitment to responsible and sustainable business practices and ensures the continuity of our founding mission and vision.

**Sustainable growth and social impact investment:** The B Corp governance structure supports our commitment to long-term growth. The B Corp standard continues to evolve while always remaining rigorous.

**Transparency and tracking progress:** As a third-party verification process, B Corp certification provides a framework for measuring and sharing our progress.

**Driving ongoing improvements:** As a B Corp, we complete regular assessments. We welcome this requirement and see it as a valuable tool to identify gaps and opportunities to further improve.

## Assessing Our Impact Through Recertification

We go through the recertification process every three years, most recently in 2021-22. As part of that process, B Corp assesses our impact in five broad areas:

- **Governance:** Our overall mission, ethics, accountability, and transparency in decision-making.
- **Workers:** How we treat employees, including workplace policies, benefits, and employee engagement.
- **Community:** Our impact on and engagement with the local and global community.
- **Environment:** Our environmental practices and sustainability efforts.
- **Customers:** The impact of our products on customers and their communities.

Our most recent overall score of 115.8 is well above the minimum threshold of 80 points. While we saw improvements in the Workers, Environment, and Customers categories, our Community score decreased.

We are specifically addressing the Community area by increasing our number of fair-certified purchases, strengthening our sourcing relationships, and continuing our direct investment in source communities. Although we have long prioritized ethical sourcing practices and investing in our communities, our increased focus on purchases of fair-certified herbs provides a verifiable record that enables B Corp to confirm that fair practices are in place.



**115.8**  
TM Overall  
B Impact Score

**80**  
Qualifies  
for B Corp  
Certification

**50.9**  
Median Score  
for Ordinary  
Businesses

## Supporting the Transition to a New Standard

As part of the ongoing evolution of the certification program, B Corp is revising its standard document, which was last updated in 2019. Traditional Medicinals submitted suggestions via open feedback sessions, and we participate in focus groups to support the revision process. As B Corp increases the number of certified companies, we are working to ensure certification continues to uphold high standards and require demonstrated, verifiable progress. In the meantime, we are actively working to implement new practices ahead of our next certification cycle, slated to begin in 2025.





## WHO WE ARE

Certified **115.8**  
B Corp Impact  
score  
  
Corporation

**668,749,824**  
Bags of tea served

**2023**  
Best Places to Work  
*North Bay Business Journal*

**2023**  
Became a certified  
Fair for Life company

## SOURCING

**30.1%**  
Fair certified  
herb volume

**99.7%**  
Organic  
herb volume

**\$174,245**  
Fair premiums  
Paid to farmers  
and collectors in  
addition to the price  
paid for their crops

**2,982,505** Lbs.  
of Organic herbs  
purchased

## OPERATIONS

**88.1%**  
Waste diverted  
from landfill

**2,013**  
Metric tons of  
carbon offsets

**100%**  
Local renewable  
electricity at  
Sebastopol  
facility

**232**  
Tons of mixed  
plastic and card-  
board recycling

## COMMUNITY

**61%** of company  
leaders identify as  
female

**\$2,274,386**  
Impact dollars invested  
This money is used to support  
our Community Sourcing  
projects, local nonprofit partners,  
voluntary certification standards,  
and more.

**1,246,445**  
Bags of tea donated

**94%**  
of our employees  
volunteered with a  
Traditional Medicinals'  
nonprofit partner



## COMMUNITY PROJECT STATS



**4,000**  
people gained access to safe  
drinking water (**Zimbabwe**)



**510**  
farmers trained in good  
agricultural practices  
(**Madagascar**)



**2,300**  
women participated in  
maternal and child health  
education sessions (**Egypt**)





## 2 From the Source

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Our commitment to organic products and fair trade is intrinsic to our work at Traditional Medicinals. It all comes back to our vision of a healthy planet, sustained by a vital relationship between plants and humanity. To continue to provide accessible botanical wellness, we invest in the ecosystems where these plants thrive — and the people who steward them.





# Organic and Fair



In fiscal year 2023 (FY23), we received **2,982,505 lbs. of certified organic herbs from our suppliers, representing 99.7% of the total volume.** Of the 103 ingredients in our teas, just three are not yet certified organic.

To ensure our herbs are both organic and ethically sourced, we rely on independent third-party certifications. Those programs validate the practices that support and regenerate our planet and its people.

## A Leader in Regulations and Standards for Organic Goods

We are fortunate to be part of communities that share our commitment to regulation and uniform standards. Our home state of California has long been a leader in the organic movement, passing the [California Organic Food Act](#) in 1979 — the first of its kind in the U.S. Similarly, Traditional Medicinals has been at the forefront of developing certifications for organic products. **We were the first U.S. manufacturer to label and market a range of herbal products containing organic ingredients,** most originating from Washington’s Trout Lake Farm — one of the country’s first organic medicinal plant farms.

In 1995, we were one of the first herbal companies to become a member of [California Certified Organic Farmers \(CCOF\)](#), a pioneering organic certification agency, before a national certification existed.

In 2000, we set an internal goal for all our finished products to be certified organic within ten years. Within six years, nearly our entire line of finished products was certified organic. Thanks to growing demand, and our own strong partnership with suppliers, the short list of organic ingredients that had been unavailable to us in 2000 is getting shorter and shorter over time..



Today, USDA Organic Certification provides us with a comprehensive framework to ensure that agricultural products, including our herbs, processing aids, and all handling along the supply chain are held to specific organic standards. By adhering to those standards, farmers contribute to sustainable agriculture — supporting practices that prioritize long-term environmental health, social responsibility, and economic viability. Since 2002, the USDA Organic seal has become a trusted label for consumers seeking products that align with their values of environmental stewardship, health, and sustainability.





# The Benefits of Organic Certification

Farmers transition to organic farming for many reasons. Consumer demand for organic produce continues to increase, and those products often command higher prices in the market.

Over time, organic farming can reduce costs related to synthetic pesticides and fertilizers. While the initial cost to change a conventional operation to organic can be daunting, some businesses, like Traditional Medicinals, and governments offer support to mitigate that barrier to entry. Agricultural economists have found that where clusters of organic operations occur in a localized area, those areas experience a decrease in poverty and an increase in median household income; they build capacity and become more resilient. These so-called “hot spots” are especially relevant in the poorest areas of the world, which are often the first to be negatively impacted by climate disasters.\*

While earning organic certification offers many benefits, it represents a major commitment for farmers. To become certified, farmers must meet the criteria in the following chart.

\*Source: Organic Trade Association

<b>Soil Management</b>	Maintain and improve fertility through practices like crop rotation, cover cropping, and use of organic materials.
<b>Insect and Weed Management</b>	Rely on natural alternatives and organic inputs for pest and weed control and may not use synthetic pesticides, herbicides, and fertilizers. Natural pest control methods include beneficial insects, trap crops, and natural predators. Mechanical and cultural methods like hand-weeding and mulching are preferred for weed control.
<b>Non-GMO Seeds</b>	Use non-genetically modified seeds to cultivate organic herbs.
<b>Crop Rotation</b>	Encouraged to help prevent soil erosion, control pests, and enhance biodiversity.
<b>Irradiation and Sewage Sludge</b>	Farmers cannot treat organic products with ionizing radiation or grow them in soil amended with sewage sludge.
<b>Post-Harvest Handling</b>	Process herbs using organic-compliant methods, such as using organic-approved cleaning agents and avoiding synthetic additives during processing.
<b>Recording-Keeping and Inspections</b>	Maintain detailed records of farming practices, inputs, and activities. Regular inspections ensure compliance with organic standards.
<b>Transition Period</b>	When conventional farms convert to organic, they must follow organic practices but cannot immediately label their produce as organic. (The minimum transition period is three years.)

## \*ORGANIC FARMS...



Increase overall **biodiversity by 30%** and **pollinator diversity by up to 50%**.



**Reduce nitrates** released into groundwater **by 50%**.



**Use 45% less energy** than conventional systems.



Are more resilient; **organic farms produce yields of up to 40% higher** than conventional systems in drought.



**Conserve forests and wild lands**; most organic operations are converted from land already in agricultural use, either from active conventional farms or fallowed fields.







## Advocating for Fair and Ethical Trade

In addition to shaping the organic certification movement, we have led our industry in advancing fair trade standards. Since our inception, we have advocated for fair and ethical trade relationships across our supply chain, advising on the creation of the FairWild standard and marketing the first FairWild-labeled herbal products in 2009.

Fair certifications go beyond organic certification — not only focusing on environmental sustainability but also addressing social and economic factors. While organic certification emphasizes natural farming methods, fair certifications include considerations for wage equity, worker health and safety, and community development. When we source fair material, we pay a premium that supports a living wage for farmers and collectors and funds community needs.

While we are proud of our role to date, we are aiming higher toward a supply chain that is less extractive and more regenerative. **We have set an ambitious goal: to source 80% fair herb volume by 2030.** To get there,

we rely on fair trade standards — including FairTrade USA, Fairtrade International, FairWild, and most recently, Fair for Life.

### Why Fair Certification Matters

When goods are certified as fair, it confirms that they are produced and traded in a way that meets international standards of labor protection, fairness, and sustainability. Those standards are particularly relevant in industries where producers, such as farmers and collectors, may be vulnerable to exploitation.

Somewhat unique among standards, Fair for Life requires examination of every link along the supply chain, not just the less-advantaged parties in a transaction. Signaling our investment in improved transparency and regenerative trade relationships, we became a Fair for Life certified company in 2023. To remain so, we must consistently demonstrate that we not only live up to our values but also are committed to continuous improvement. This commitment will help us achieve our goal of 80% fair-certified herbs within the next six years, while ensuring that we do so responsibly, transparently, and with independent verification.



## While certifications differ, they share key principles and commitments.

### *Fair treatment of farmers and suppliers*

- Requires that farmers and suppliers receive fair wages for their products, ensuring a sustainable livelihood.
- Prohibits child labor and discrimination.
- Promotes safe and ethical working conditions.

### *Environmental sustainability*

- Encourages producers to minimize their environmental impact and adopt eco-friendly farming methods.

### *Community development*

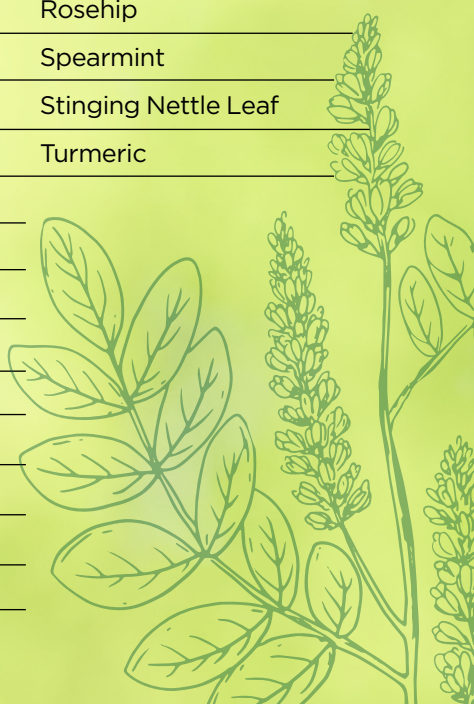
- Includes a commitment to community development.
- Invests in social projects (e.g., education, healthcare, infrastructure) to improve the overall well-being of the community.
- These investments are managed through fair premium funds — additional sums of money paid to the community that are democratically managed to fund development projects.



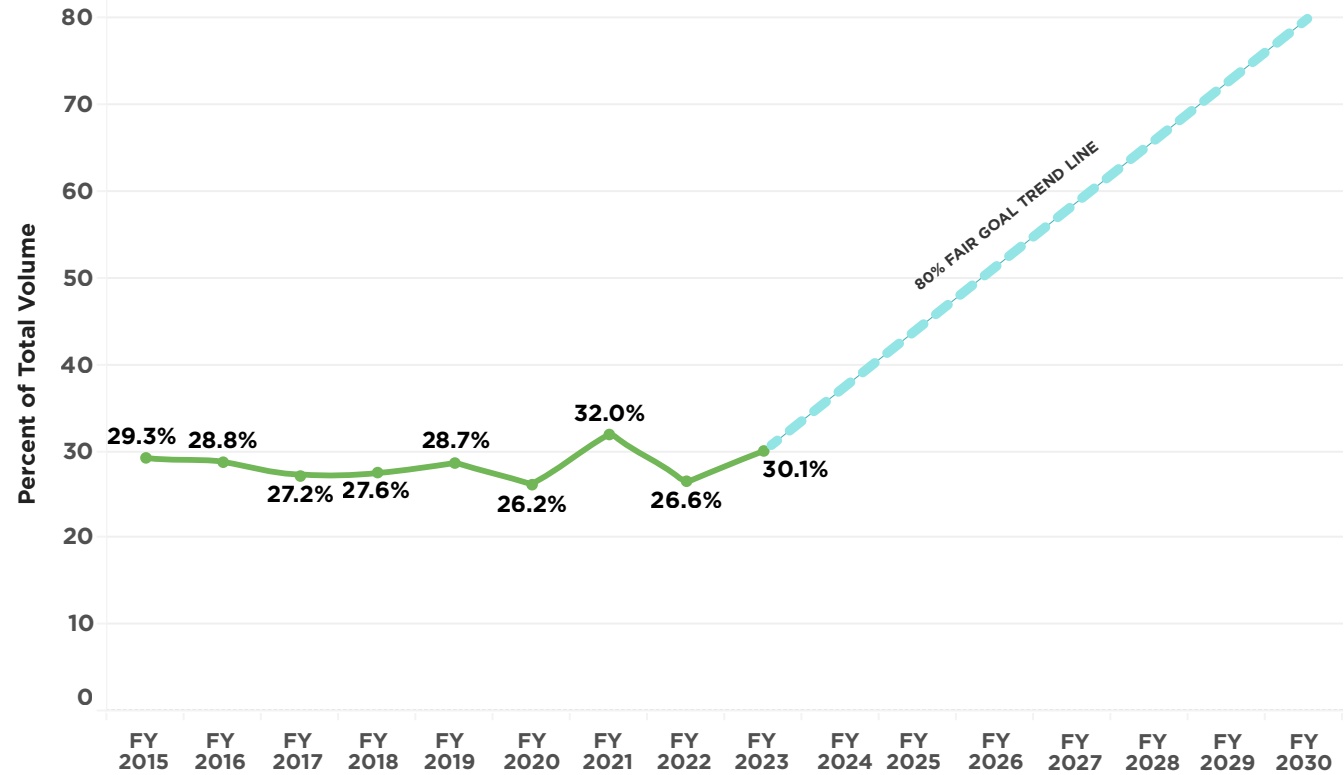


## Herbs Sourced with Fair Certifications

FY23	FY22
Blackberry Leaf	Chamomile
Burdock Root	Ginger
Chamomile	Green Tea
Cinnamon	Hibiscus
Cleavers	Licorice Root
Dandelion Root	Raspberry Leaf
Eucalyptus Leaf	Rosehip
Ginger	Spearmint
Green Tea	Stinging Nettle Leaf
Hibiscus	Turmeric
Licorice Root	
Linden Flower	
Raspberry Leaf	
Rooibos	
Rosehip	
Senna Leaf	
Spearmint	
Stinging Nettle Leaf	
Turmeric	



FAIR-CERTIFIED HERBS — PERCENT OF TOTAL HERB VOLUME



In FY23, fair-certified purchases represented 30.1% of our total herb volume (898,731 lbs), an increase from 26.6% in FY22. We also increased the number of species that we source from fair-certified producers from 10 to 19. These purchases include an additional \$174,245 in premiums, a 10.6% increase from the year prior.

We still have work to do to meet our goal, and we face challenges, including climate change, diminished habitats, global economic instability, and loss of ancestral knowledge within herbal traditions. Knowing that our success is dependent on the health of the planet and the well-being of our farming and collecting partners around the globe, we are even more dedicated to our mission, values, and vision.





# Our Top 10 Herbs

In FY23, we served **668,749,824 bags of tea.**

By volume, these were the top 10 herbs that went into our products.



- 1. Peppermint leaf:** One of the best-known herbs, peppermint is a cooling, uplifting herb famed for its refreshing aroma and benefit to aiding digestion.\* One of its active compounds is menthol, the source of its telltale tingle.
- 2. Licorice root:** More than a sweet treat, licorice root is traditionally used in herbal medicine for soothing digestion and supporting respiratory health.\* Traditional Chinese Medicine and Ayurvedic practitioners have turned to licorice root for thousands of years.
- 3. Raspberry leaf:** European and Native American women have reached for raspberry leaf for centuries to relieve normal menstrual cramps and prepare for childbirth. It is also considered nutritive and can be enjoyed daily.\*
- 4. Chamomile flower:** Comforting bellies and inducing relaxation for thousands of years, a simple cup of chamomile tea is one of the most common staples of household herbalism.\*
- 5. Bitter fennel fruit:** Aids digestion, alleviating issues such as indigestion and bloating. It may also contribute to respiratory health and even has potential anti-inflammatory effects.\*
- 6. Senna leaf:** Senna is an herbal laxative that can help relieve occasional constipation.\* Physicians have documented the medicinal uses of senna since the ninth century CE — and senna residue has been found in Egyptian pottery jars dating to 3150 BCE.
- 7. Dandelion root:** Whether eaten or consumed as tea, dandelion is much more than a garden weed. Its uses span from wild food to trusted herbal remedy to gently support the body's natural detoxification process.\*
- 8. Ginger rhizome:** Herbal practitioners have used ginger rhizome to help with digestion, upset stomach, cramping, and nausea for more than 2,000 years.\*
- 9. Stinging nettle leaf:** To many, nettle — also known as “stinging nettle” — might seem like a pesky weed with a needless sting. In reality, this small inconvenience yields big benefits. An herbalist favorite, nettle is used to support the kidneys and joints.\*
- 10. Echinacea purpurea herb:** Used by Native American peoples as an all-purpose remedy for generations, echinacea now finds itself in everything from teas, tinctures, and lozenges for its contribution to immune support.\*







## Supporting Our Source Communities

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As a purpose-focused company, it is our responsibility to improve the lives and livelihoods of our farmers and collectors. To stay accountable, we have pledged to:

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

Each year, we prioritize investment in Source Community Projects. We partner with local workers and organizations to design projects that improve sustainability, farming practices, and well-being. On the pages that follow, we share five projects that help fulfill our pledge worldwide.





# Stories from the Source







## Healthcare for All: Abacá Farming Communities in the Philippines

Abacá, also known as “Manila hemp,” is a relative of the banana tree that thrives in jungle climates. Abacá’s inherent strength and ability to regenerate quickly makes it a highly desirable, sustainable, and compostable material for tea bags. But farming abacá is difficult work — it grows in remote areas, and stripping the stalk to extract fiber is physically demanding.

Most of the world’s supply of abacá is from the Philippines, where the island of Catanduanes is Traditional Medicinals’ primary source. For decades, we have partnered with Glatfelter, a specialty paper product supplier, to source abacá. In fact, we brought the first [Rainforest Alliance Certified™](#) and [Non-](#)

[GMO Project Verified](#) tea bag paper into the North American tea market.

While certified abacá is sold at a premium that directly benefits farmers and their families, it often isn’t enough to thrive, and many Catanduanes residents live below the poverty line. Natural calamities, a global pandemic, and associated economic shocks have challenged the community. When we conducted a needs assessment, we learned that limited access to adequate healthcare compounds those challenges.

While universal healthcare was introduced to the Philippines in 2019, limited funding and personnel mean many in Catanduanes’ rural farming communities still have inadequate access to care. Missing work means not getting paid, so preventative care is often deferred — accelerating chronic illness and the spread of infectious diseases.

Healthcare workers must reach their patients where they are: at home, in their villages, and often in the field. To support these workers, we are partnering with [La Conexión](#), an organization that supports underserved communities through volunteer expert clinicians, training, and ongoing clinical telemedicine support. Together, we visited Catanduanes in May 2023, meeting with local physicians to learn more about their approach, challenges, and resources. We worked with the physicians, nurses, and midwives to train them on the use of small, mobile, Bluetooth-enabled diagnostic

equipment funded by the Traditional Medicinals Foundation. We provided kits filled with the equipment and an iPad so they could read and store medical records while delivering care in the field.

La Conexión’s volunteer physicians can tap into their global network of specialists and quickly provide guidance on referrals, making patients ready for a specialist’s care when one is on Catanduanes. The volunteer physicians have committed to two years of support through return visits and ongoing virtual consultation, with the second visit in early 2024.



*Opposite:* Abacá fiber drying post-harvest.  
*Above:* Janessa Medrana, Registered Midwife, and Dr. Lee Sanders provide patient care.







# Protecting Biodiversity and Cultivating Economic Opportunity for Appalachians



A biodiversity hotspot, the U.S. Appalachian Mountains are home to more than 6,000 plant species, including slippery elm, a key ingredient in our Throat Coat® teas. As with all wild medicinal herbs, the long-term sustainability of these incredible plants depends on responsible harvesting practices. [Appalachian Sustainable Development](#) (ASD) is an organization on a mission to create a thriving regional food and agriculture system that creates healthy communities, respects the planet, and cultivates profitable opportunities for Appalachians.

In partnership with Virginia Tech, ASD piloted [Point of Harvest](#), a workforce development program that offers free training to wild harvesters and buyers of woodland roots, barks, and herbs. With topics that include sustainable harvesting practices, post-harvest handling, processing, and safety measures, the program enhances skills and knowledge to ensure wild harvesters practice their craft in a way that preserves the forest botanicals for generations to come.



The project is not only about conserving the environment — it also fosters economic opportunities and preserves the region’s cultural heritage. Through ASD’s [Appalachian Harvest Herb Hub](#), trained harvesters gain access to fair-wage markets for botanicals. As of FY23, 74 people have earned certification through the Point of Harvest program, signifying to purchasers that their botanicals are of high quality and sustainably gathered.

Carol Collins, a wild harvester in Appalachia, demonstrates the harvesting of slippery elm.







## Lowering Emissions Through the Power of the Sun

When it comes to driving emissions reductions in the supply chain, teamwork is the best approach. One way that teamwork comes to life is through collaborative co-investments among purchasers, suppliers, and producers.

Martin Bauer, a Traditional Medicinals supplier, works closely with a family-owned producer to supply a variety of herbs — from anise and chamomile to fennel, fenugreek, lemongrass, moringa, peppermint, and spearmint.



In recent years, we have purchased Fair Trade chamomile from central Egypt. Given the desert climate, the chamomile fields require significant amounts of irrigated water — delivered through pumps that rely on diesel fuel.

In 2022, a University of Hohenheim research team completed a feasibility study on reducing environmental impacts of irrigation at Baharia farm. Given its desert location, Baharia receives a lot of sun, making it an ideal candidate for photovoltaically-driven pumps. The research recommended transitioning to a hybrid system to reduce diesel fuel consumption and associated carbon emissions.

Martin Bauer proposed a joint contribution project where they, Traditional Medicinals, and other companies would join forces to help lower the farm’s emissions. In 2023, we made our first investment in the project.

In the current expansion stage, the project is expected to reduce emissions by up to 460 metric tons of carbon dioxide equivalent (MTCO<sub>2</sub>e) each year. We are currently working with Martin Bauer to determine the specific amount of CO<sub>2</sub> reduction for herbs supplied to our company. That will help inform our broader greenhouse gas (GHG) emissions reporting initiatives and reduction targets and increase transparency as we work together toward our shared sustainability targets.

## Planting Seeds for the Future: Economic Empowerment for Women in Egypt



Since 2020, we have supported fair trade farming communities in Egypt, focusing on health, literacy, and entrepreneurship for women. This progress continued in FY23:

- **2,300 women were educated on maternal and child health.** The education sessions aimed to raise their awareness of proper nutrition, methods to prevent communicable diseases, and reproductive health.
- **400 women completed the economic empowerment program,** receiving training on management, pricing, and marketing strategies to scale their business projects. Distinguished participants earned start-up grants. For added visibility, their projects will be showcased at an exhibit in their villages.
- **75 women participated in literacy and numeracy training,** opening the door to economic opportunity and empowerment.
- **20 Village Savings and Loan Associations were founded.** The Associations provide community members access to affordable loans and allow the community to self-manage collective funds.

While this project is ending in 2024, it has emphasized the transfer of knowledge from the start — planting seeds so the impact will empower women far into the future.





## Installing Boreholes to Provide Clean Drinking Water

In the Binga District of Zimbabwe, Fair Trade hibiscus farmers face increasing challenges from climate change. With limited access to drinking water, the farmers had to choose between untenable options: walking great distances for water therefore forfeiting time they could spend earning income, or risking illness by drinking contaminated river water.



In 2022, we began a partnership with [Organic Africa](#) and Martin Bauer to install four boreholes in the community. Today, the boreholes provide clean, safe, and easily accessible drinking water to more than 4,000 people. Farmers can use their time to earn income for their families, and parents no longer need to choose between having their children fetch water or attend school.

New water committees oversee the maintenance of the boreholes, with women representing the majority of their leadership. Organic Africa conducts community workshops that teach water conservation practices and set expectations for borehole maintenance — helping ensure the project's benefits continue long after our initial investment.







Alyssa conducting a field survey.



## Supplier Spotlight: Biodiversity at Trout Lake Farm

Trout Lake Farm (TLF) was founded at the base of Washington's Mount Adams in 1973, making it just one year older than Traditional Medicinals. We have worked together since those early days, and today they are our longest uninterrupted supplier. We turn to TLF not only for its high-quality herbs but also to collaborate on our shared values around sustainability.

Just like us, TLF seeks to expand their understanding of the biodiversity on their land. In 2023, the farm engaged an intern from Michigan State University to support their biodiversity research. Alyssa Mollema, an environmental and plant biology major, shared highlights from her summer:

*When I arrived at TLF, I started by conducting native plant surveys of the farm, using GIS (geographic information systems) to identify areas to sample. I was excited to find they were already doing an amazing job at hosting native plants on their property and supporting many native pollinators. We found that 76% of the farm's natural areas are covered by native plant species. TLF is aiming for 20% of the property to be beneficial habitat for native bees and wildlife, and they're currently at 12%, a great starting point.*

*After that, I worked on reintroducing native plants in a specific part of the farm property to mitigate runoff and increase biodiversity. The main challenge was determining which native plants could survive and thrive. We*



*started with Cascade Penstemon (*Penstemon serrulatus*), Orange Honeysuckle (*Lonicera ciliosa*), Mock Orange (*Philadelphus lewisii*), and Slough Sedge (*Carex obnupta*).*

*I also conducted pollinator surveys in the crop fields and other natural areas to document biodiversity and showcase the farm's unique ability to support local pollinators. In fact, my favorite memory is my first pollinator survey on a sunny afternoon in the blueberry fields. It took me twice as long because I was distracted and amazed by all the bumblebee species visiting the flowers!*

*Ultimately, this work helped provide a quantitative baseline for the biodiversity supported on the farm's property. TLF will compare future surveys with this baseline to show how they're maintaining and growing biodiversity.*

*This project reignited my passion for sustainable agriculture. It showed me that farms can support native pollinators more than I ever imagined. I was also inspired by the excitement and support from everyone involved in my project. I'm fascinated by plant-insect interactions, and I'm reassured to know that my interests have a home in the agricultural world.*







# 3 Quality Is Our — North Star

At Traditional Medicinals, our quality management and control systems encompass each herb at every step of its journey. When people brew a cup of our tea, they are trusting our promise to use medicinal-grade ingredients that are sustainably grown, ethically sourced, and meticulously tested. We honor and earn their trust through our rigorous quality processes.





# Quality Management Starts at the Formulation Stage

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Traditional Medicinals' formulators play a critical role in establishing the quality of our products. They are experienced herbalists who apply decades of knowledge of the scientific and traditional use of each herb we use. When determining the amount we will use of each herb, they carefully consider efficacy and safety — and equally important, the appropriate quality grade for the intended use.

Not all commercially traded herbs are medicinal quality. Herbs can be produced in a range of defined quality grades, with medicinal use requiring the highest grade. How and where each herb is grown, harvested, stored, and processed influences its therapeutic potential. Even for the same crop at the same farm, post-harvest sorting, grading, and primary processing can result in different quality grades.

We model our ingredient specifications on medicinal quality grades defined in official compendia such as the [European Pharmacopoeia \(Ph. Eur.\)](#) and the [United States Pharmacopoeia \(USP\)](#). Herb lots that meet the quality criteria for identification, purity, and composition specified in those guidance documents can be considered medicinal or pharmacopeial grade.



## Dr. Taryn Forrelli, ND Chief Science Officer

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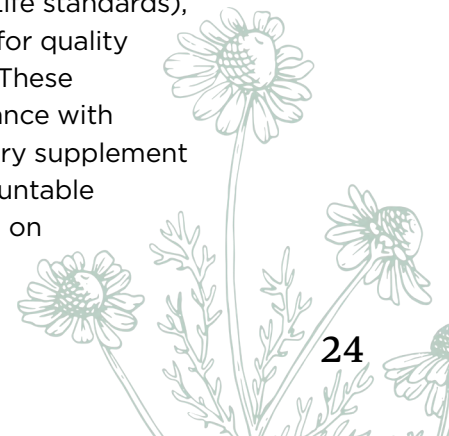
*I'm honored to be part of a company that views quality not just as a requirement to comply with regulations, but as something that differentiates us from other brands and has been a true north star, guiding the decisions we make every day in formulating, sourcing, and manufacturing our products for nearly 50 years. I'm also proud that we have some of the most experienced quality and herbal experts in our industry.*

*By prioritizing quality, Traditional Medicinals can deliver herbal products with the potential to make a true difference in the quality of people's lives — and we help improve the lives of the people who grow and harvest our herbs, along with the quality of the soils and the biodiversity of the ecosystems from which they originate. Quality is, without doubt, an important driver of Traditional Medicinals' impact.*

Our work doesn't stop with sourcing medicinal-grade herbs. We are unique in also sourcing herbs that meet credible organic and ethical trade standards, such as the **USDA organic agriculture standards**, the **FairWild standard**, and the **Fair for Life standard** for fair trade and responsible supply chains. Through this approach, we have transparency and traceability into our ingredients. To understand the complete quality story of an herb, we must know where it came from.

Our crop scientists and quality experts make periodic visits to farms, collection sites, and processing facilities, ensuring they meet our strict standards for traceability, quality, and sustainability. They provide training and assistance as needed, in partnership with the plant growers. Our dedicated team of supplier quality experts qualifies each of our suppliers — a process that includes repeated testing of ingredients, reviews of quality and regulatory compliance documents, and in-person inspections of processing facilities.

Our facility has earned third-party certifications from California Certified Organic Farmers (for sustainability practices), Ecocert (for Fair for Life standards), and Underwriters Laboratories (for quality good manufacturing practices). These certifications ensure our compliance with the FDA's requirements for dietary supplement manufacturing and hold us accountable for our commitments and claims on organic and fair sourcing.







## Quality Control at Our Production Facility

*After being harvested or wild-collected, and then carefully dried, cleaned, sorted, graded, and cut to the correct sizes, the herbs make their way to our main manufacturing facility in Sebastopol, California. Quality oversees herb tests at all stages of the manufacturing and quality control process, as well as maintaining documentation requirements. In the Quality Lab, we meticulously test herbs to verify identity, purity, strength, and composition. We ensure that they meet medicinal or pharmacopeial grade requirements and will run in our tea bag packing machines efficiently.*

*In general, once an herb ingredient arrives at our production facility, it goes through multiple rounds of testing as a single ingredient and is subjected to further testing as it is processed into blends and finished products. We maintain safety, consistency, and uniformity of our finished product by using such rigorous testing strategies. Thus, Quality ensures we comply not only with FDA requirements, but also with medicinal grade standards, which go beyond those requirements.*

**Kirsten Tripplett, Ph.D.**  
**Principal Scientist, Quality Control**



Dr. Kirsten Tripplett at work examining herbs under the microscope.



Hibiscus under the microscope.





# Production Stages



## Initial Herb Evaluation

Once an herb arrives at our production facility, the Quality team collects a representative sample and evaluates the herbs to confirm they meet the standards for identity, purity, strength, and composition.

The first step in our process is botanical identification using powerful microscopes. Such analysis helps verify ingredient identity and ensure no adulterant plant species are present. We then assay the sample for strength markers, microbes, ash, and other material properties in accordance with our specifications.

During the initial evaluation, the team completes an organoleptic analysis, which includes the qualities that stimulate human sensory organs: appearance, color, and odor. For example, the specifications for hibiscus note that the color should be bright red to deep purple, and the infusion should taste refreshingly acidulous, sour, and fruity.

We follow those tests and examinations with a physical analysis, in which we test the particle size of the tea ingredient to be sure that it will run through the machines and lead to proper filling of tea bags.

## Blending Herbs

If the herb passes the rigorous initial evaluation, it can proceed to the blending stage. We blend our herbs according to specifications developed by scientists in Research and Development and in Quality Control. At this stage, we continue to test samples for specific quality markers, ensuring we remain on target.

## Packaging Our Teas

We carefully examine all packaging materials to ensure the text and graphics are accurate before the manufacturing process, when the tea is put into tea bags and onward into boxes and cartons.

## Testing the Finished Product

We take a representative sample of the total run of a finished tea product and test it again for organoleptic properties, microbial safety, and other quality control markers. Our experts compare the new product against a target that embodies all the desired qualities of color, aroma, and taste and compare it against a control sample of the product, with the goal of providing a consistent product for consumers.

## Looking Ahead to FY24

In 2024, we are releasing social media content that gives our customers a firsthand view of how our Quality Control team ensures the quality of our herbs and teas. Our Quality Control and social media teams are collaborating on “Herbs Under the Microscope,” illuminating this remarkable work through vibrant microscope images and videos. Still in its early stages, the new series will showcase a different medicinal herb each month.





# 4 Environmental — Stewardship

At Traditional Medicinals, we are guided by our responsibility to care for this planet we all share. We are committed to working together to restore and protect wild and managed spaces. We continue to set high goals and push ourselves to take less and give back more.







# The Environmental Impact of Our Operations

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Traditional Medicinals has committed to the Science Based Targets initiative (SBTi), the gold standard for emissions goal setting. Our SBTi SME\* Pathway goals align with the 2015 Paris Agreement, striving to limit global warming to 1.5°C above pre-industrial levels to avoid the worst effects of climate change.

Our specific commitment is to reduce **Scope 1 and 2 emissions by 42% by 2030 and 100% by 2050**. In line with our Scope 1 and 2 commitments, we are also committed to measuring and reducing Scope 3 emissions toward net zero by 2050. Our SBTi commitments raise the bar for accountability and transparency as we work to make a difference for our planet.

To meet our ambitious goals, we need to examine every step of our processes — including those areas within our direct control and those where we rely on partners and third parties. We measure and analyze our carbon emissions, make appropriate use of carbon offsets, purchase energy from renewable sources, and aim for zero waste at our production facility.

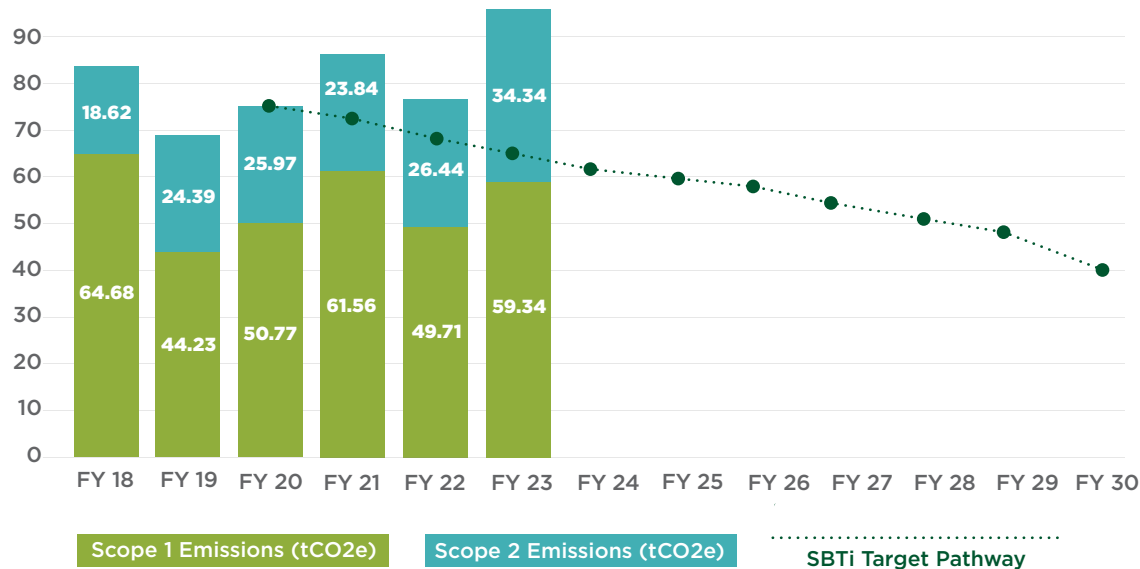
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\*SME, Small and Medium-Sized Enterprises.





## SCOPE 1 & 2 EMISSIONS WITH SBTi TARGET



This graph shows our annual Scope 1 and 2 emissions, as well as a trendline that shows our target to meet our 2030 target. This requires a 5% annual reduction.

while working to identify any potential new incentives for purchase and installation. Our goal is to update and replace our heating technology before 2027, with an eye toward meeting our SBTi commitment to reduce Scopes 1 and 2 emissions by 42% before 2030.



### SCOPE 2: purchased electricity

Emissions resulting from the use of electricity. Renewable energy generates minimal Scope 2 emissions.

Our control over these energy sources is limited to our purchasing strategy. We purchase cleaner energy through our local Community Choice Aggregation (CCA) with Sonoma Clean Power. At our Sebastopol production facility and Santa Rosa storage facility, we purchase power with significantly lower emissions through Sonoma Clean Power's EverGreen program, which helps us reduce our Scope 2 emissions. We calculate our emissions using the market-based method to account for the benefits of CCA purchasing.

While we are satisfied with our local renewable energy mix, we are exploring the possibility of updating and expanding our rooftop solar array to further drive down our energy-related Scope 2 emissions. However, our primary focus in the near term is on replacing fossil fuels used for heating, as we describe under Scope 1.

## TM's Scope 1-3 Emissions

As we continue to work toward our long-term reduction goals, we are doubling down on ways to reduce emissions in FY24 and beyond.



### SCOPE 1: energy use in our facilities

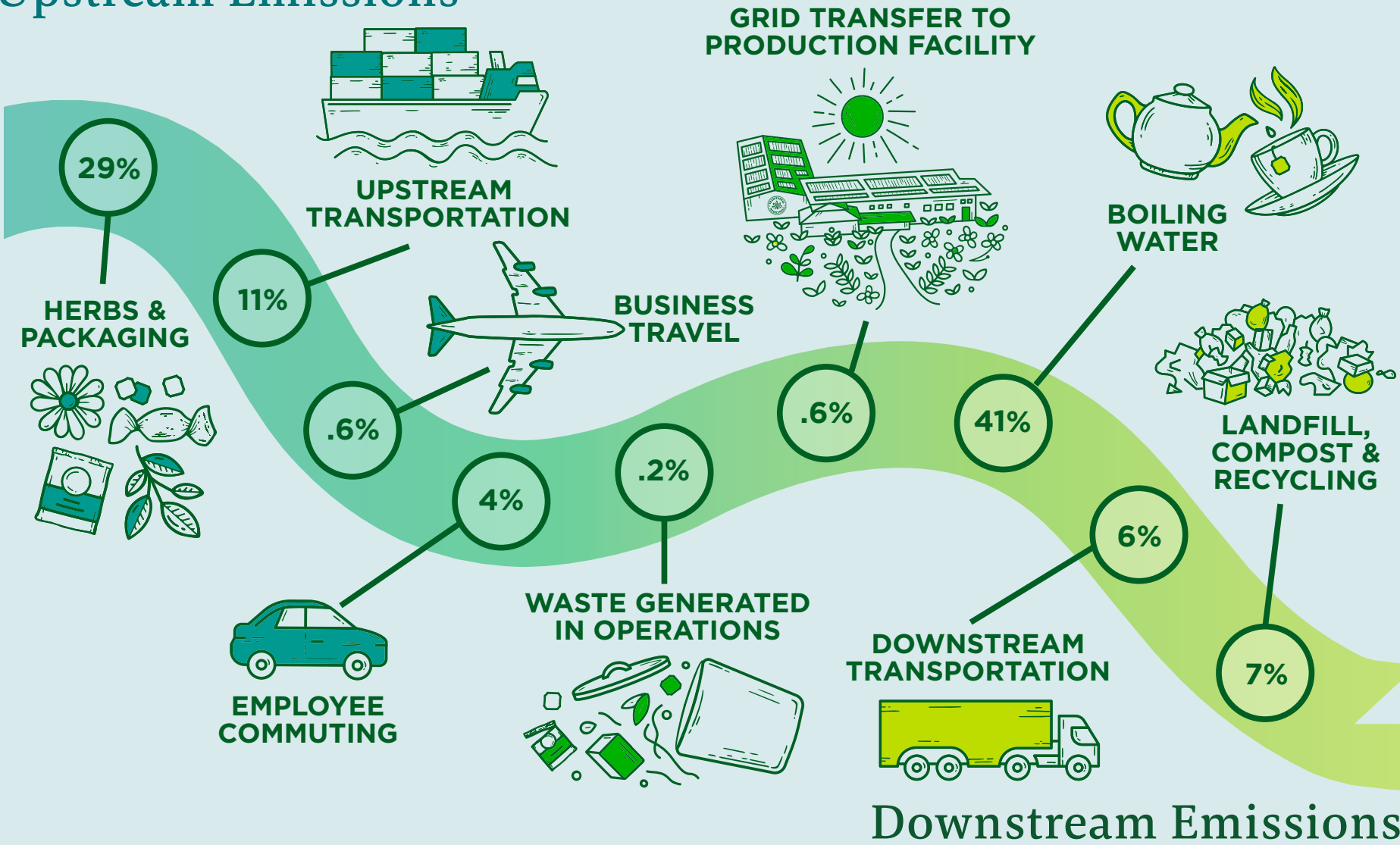
Greenhouse gases resulting from fuel combustion of equipment we own or operate — like vehicles or natural gas heating systems.

While we are disappointed with the increase in natural gas use in 2023, due to a colder wet winter, it has helped to highlight the need for alternative heating technology at the production facility. In 2023, the Operations and Sustainability teams collaborated to source quotes for infrared heating technology. Throughout FY24, we will continue to seek quotes to electrify our heating technology,





# Upstream Emissions



## SCOPE 3: value chain emissions

On-farm activities, packaging, consumer use of products, and distribution

Every three years, we review and refresh our Scope 3 calculations using the previous year's data. We did this most recently in FY21, using FY20 data as the baseline. We will complete the next refresh in FY24, with FY23 as the baseline. As part of this triennial update, we are excited to be able to incorporate more primary data in transportation, purchased goods and services (e.g. herbs and packaging), and capital goods. We are also looking to account for additional categories, such as emissions associated with teleworking. The findings from the FY23 inventory will inform our short-term and long-term carbon reduction goals within our organizational Climate Strategy.

\*Refer to appendix for a more detailed breakdown of Scope 1-3 emissions.





# Our Carbon Offset Projects

Traditional Medicinals has voluntarily participated in carbon offsetting for more than 10 years. We believe a best-practice strategy for carbon offsets must be comprehensive, transparent, and aligned with our company's sustainability goals. We purchase offsets for two key reasons:

- As a purchaser, we can play an active role in the ongoing development of the global carbon market and help improve the resiliency of frontline communities.
- As a supplier, we use carbon offsets as a tool to educate our customers on sustainability concepts.

In FY23, we purchased 2,013 metric tons in offsets, a 6% increase from 1,900 in FY22.

While we remain active in the carbon market, we are committed to focusing most of our effort and resources on reducing emissions within our operations and supply network.

To achieve meaningful emissions reductions, we will first:

- **Prioritize internal reduction efforts to reduce Scope 1-2 emissions.** These include improving energy efficiency, reducing waste, optimizing transportation, and adopting renewable energy sources toward net zero emissions production.
- **Address Scope 3 emissions directly with our supplier partners.** Our initiatives include collaborative measurement and co-investment in reductions.

After reducing most of our Scope 1-3 emissions (e.g., more than 95%) through internal and external reductions, we will identify any remaining emissions we cannot eliminate. Each year, we will purchase strong, verifiable offsets to address those remaining emissions.





# FY23 Carbon Offsets Project Highlights



## AUSTRALIAN YARRA YARRA BIODIVERSITY PROJECT:

This project aims to capture carbon from the air and rejuvenate a Southwest Australia landscape that suffers from prolonged habitat loss and soil erosion. By planting an array of native trees and shrubs indigenous to the area, the project not only restores the natural environment but also creates vital habitats and pathways for local wildlife. It emphasizes local Indigenous participation, creating more than 400 jobs and supporting 80+ local businesses.

**A BRIGHT IDEA:** Developed by the Indian Institute of Technology in Madras, this project has revolutionized electricity access for more than 40,000 off-grid households in rural India. It replaces traditional fossil fuels like kerosene with rooftop solar panel systems, offering an eco-friendly solution funded by proceeds from carbon offset sales. Traditional Medicinals sources a significant number of herbs from India, and we support investments in clean energy in regions without access to power.



## GREAT BEAR RAINFOREST CARBON PROJECT:

Located in British Columbia, Canada, Great Bear is the largest intact coastal temperate rainforest in the world, a crucial resource for Coastal First Nations, environmental groups, forest companies, and governments. Through this project, the stakeholders adopted a collaborative Ecosystem-Based Management approach to convert commercially logged forests into protected areas, enhancing carbon storage and preventing emissions from forestry activities. Traditional Medicinals has supported this project, which will conclude in 2024, for several years.

## GREATER NEW BEDFORD LANDFILL GAS-TO-ENERGY:

This project taps into the energy potential of diverse organic waste sources — including agricultural waste, landfill gas, and sewage sludge — and transforms them into biogas. Those biogases produce renewable energy through a gas-to-energy plant in New Bedford, Massachusetts, broadening the energy mix and reducing dependency on fossil fuels while generating enough clean electricity to power 3,500 homes every day.



## XINYANG LANDFILL GAS RECOVERY TO POWER PROJECT:

Led by the Bonneville Educational Foundation, this project recovers landfill gas (LFG) — specifically methane gas — generated at the municipal solid waste site in Xinyang, a city in China's Henan province. The recovered gas is combusted in gas engines to produce electricity fed into the Central China Power Grid. The project reduces not only climate pollution but also pollutants that harm human health. LFG capture also reduces the dangers of fires and explosions.

Refer to appendix for background information on offset projects.



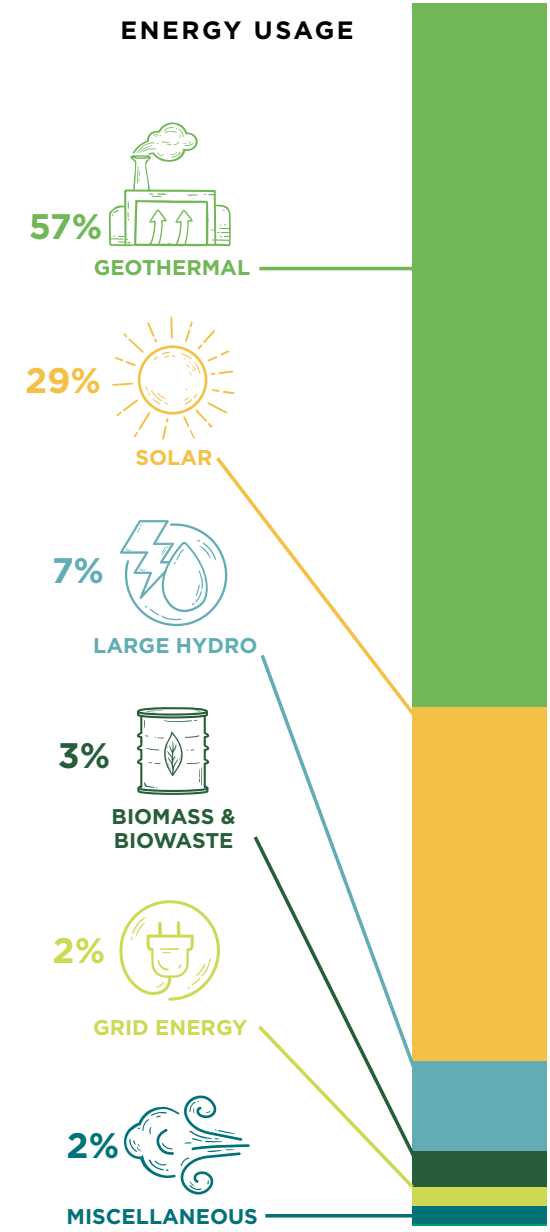


## Energy Use: Focusing on Clean and Renewable Sources

We continue to prioritize energy from renewable sources. In FY23, Traditional Medicinals used 1,771,717 kWh of renewable energy, a 13% year-over-year increase. About 78% of our companywide energy usage is via electricity, while the other 22% is by natural gas for heating. Our local supplier, Sonoma Clean Power, provides renewable [Community Choice Aggregated \(CCA\)](#) options that allow us to keep our carbon footprint low as our business and energy usage grow.

Our Sebastopol production facility accounts for 73% of our electricity use. At the facility, we use rooftop solar panels to produce 19% of our total electricity, with the remaining 81% coming from Sonoma Clean Power's EverGreen program. EverGreen provides 100% renewable, locally generated power that is a mix of geothermal and solar energy.

At our Rohnert Park headquarters, our landlord purchases power through Sonoma Clean Power's CleanStart program. We calculate our energy based on the square footage we occupy and the average consumption rate at our location. CleanStart's energy comes mainly from renewables (wind, solar, geothermal) and carbon-free solar and hydroelectric power, with 9% originating from the general California grid electricity.





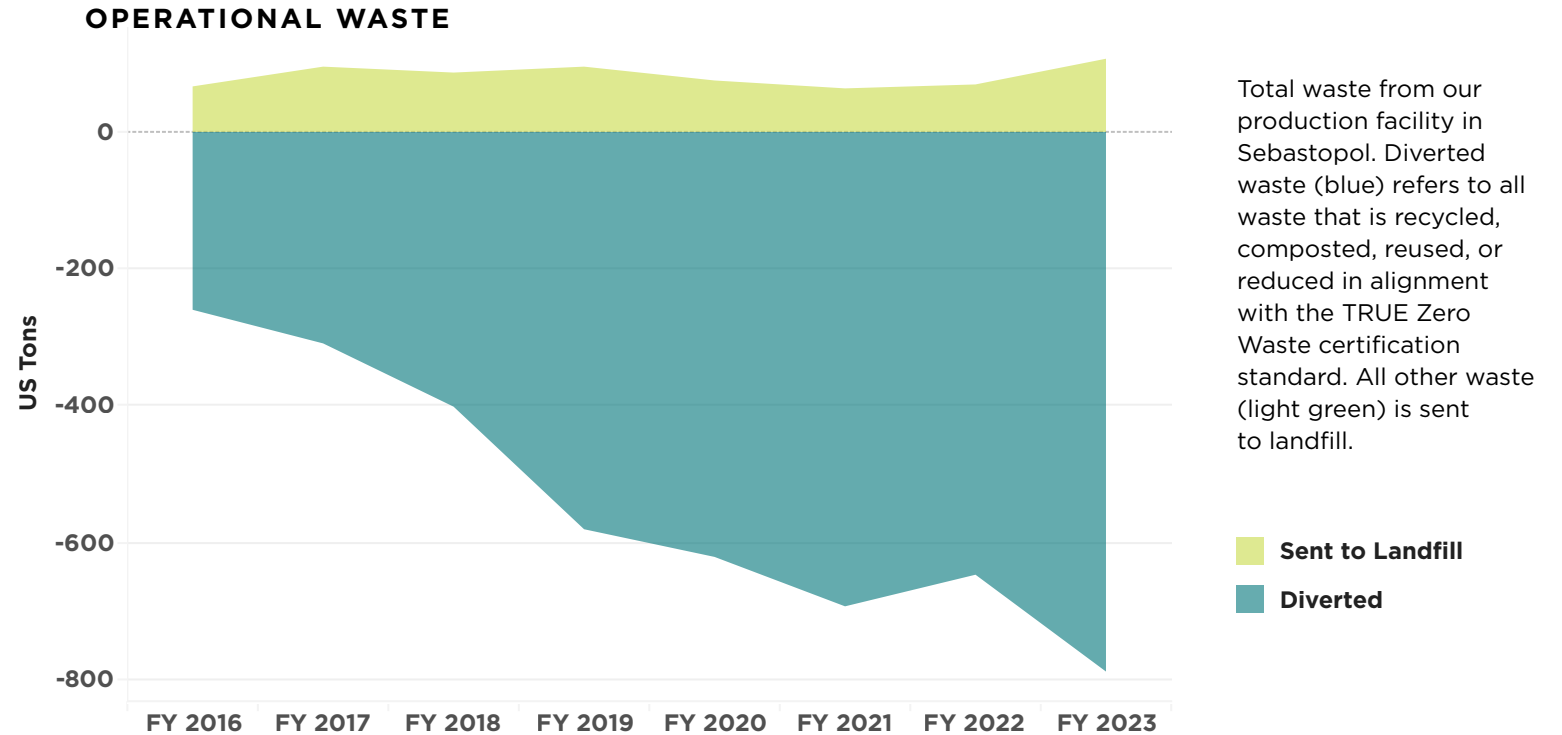
## Aiming for Zero Waste

We are proud that Traditional Medicinals' production follows the guidance from TRUE Zero Waste certification, meaning we work to divert at least 90% of our waste from landfill – whether that means reducing, reusing, recycling, or composting materials. Some of the ways we support diversion include:

- Reducing waste by using fewer staples, since our new tea machines no longer require them.
- Reusing pallets by participating in a local take-back program.
- Recycling paper, plastic, gloves, and other materials.
- Composting discarded herbs, scrapped compostable packaging, employee food scraps, and landscape material.

In FY23, we diverted 787 tons of materials from landfill. Unfortunately, our diversion rate for the year overall dipped to 88.1%, below the threshold for certification. We are partnering across our company to reverse this trend and increase diversion to regain compliance during our 2024 triennial recertification process. Specific improvement initiatives we are working to implement include:

- In 2023, Traditional Medicinals collaborated with SOMO Village, the leasing company for our headquarters, to begin diverting all scrap herb waste from our production facility in Sebastopol to the recently founded Headwaters Farm. Located



in Rohnert Park, Headwaters is a 25-acre farm that will grow produce for the surrounding community.

- As part of our transition to compostable overwraps, we now divert all scrap packaging waste from our transitioned products to our local commercial composter. Throughout 2024, we expect significant improvements in waste diversion as this previously landfilled material makes its way into the commercial compost stream.

- Each year, a cross-departmental team of volunteers conducts a waste audit, and the findings guide changes and enhancements to our programs. Our 2022 audit revealed that a significant amount of food waste went into the trash instead of the compost bin. Thanks to employee training and new signage, more food waste is going into the correct bin.

We are energized by these new initiatives and are optimistic we will meet our goal of 90% diversion in FY24.







## Our Packaging Footprint

By quantifying the impact of packaging on the environment, we can better track progress towards our SBTi goals, calculate our Scope 3 emissions, set water use targets, and understand our reliance on fossil fuel inputs. We use Life Cycle Analysis (LCA) to understand those impacts, supported by [Trayak's Eco-Impact COMPASS LCA software](#).

Starting in FY22, we completed LCAs on our tea bag strings, tags, paper, staples, and filter paper, along with our overwrap, cartons, cases, and pallets. While COMPASS automates the analysis, we still needed to collect the data, carefully review internal specification

documents, and engage with our suppliers. In completing the LCAs, we analyzed detailed data, including:

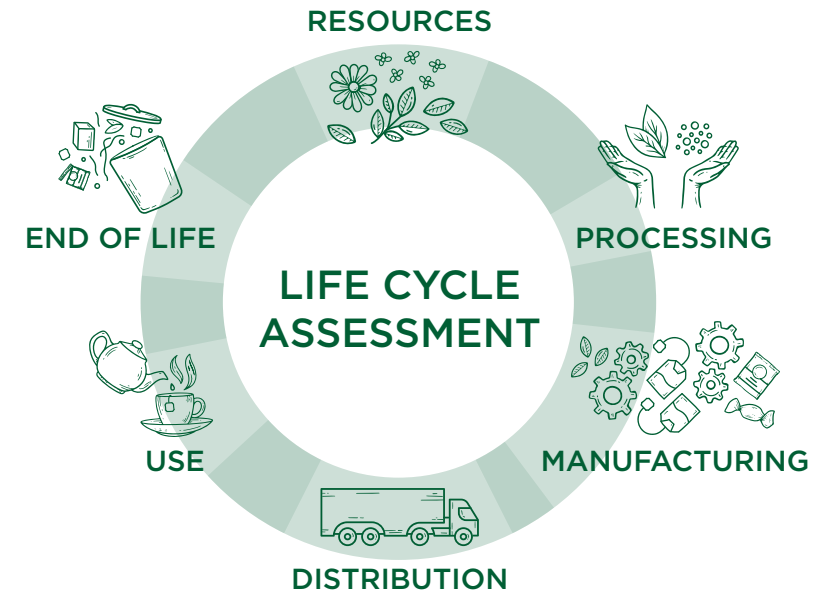
- Weight of all material inputs
- Locations of raw material sourcing and production facilities, the distance traveled between these locations, and the mode of transportation
- Manufacturing processes
- End-of-life type (landfill, compost, recycling) and region (e.g., Europe, North America, Asia)
- Percentage of bio-renewable and/or post-consumer recycled content in the material
- Associated certifications, such as Forest Stewardship Council and Organic

These analyses improved our baseline understanding of each type of packaging, including their associations with fossil fuel use, global warming potential, water consumption, and freshwater eutrophication.

While individual analyses are useful for baselining environmental impacts, the true value of LCA is in comparing materials. Quantitative measures also help us make more informed recommendations for new substrates and formats. We can compare the impacts of similar materials, such as our traditional landfill-bound overwraps and the new Biodegradable Products Institute (BPI) certified compostable overwraps — helping illustrate and articulate environmental tradeoffs and guide decision-making.

During FY23, our Sustainability and Procurement teams partnered to create a process to evaluate packaging materials. Each time we consider a new material, we conduct an LCA to compare it against the incumbent. If we were considering a new tea carton material, we would first complete an LCA comparing it to the one currently in use.

The LCA tool also allows us to track improvements from material reduction initiatives. At our Sebastopol facility, we are replacing tea machines with more efficient models. Rather than use aluminum staples to connect the string to the tea bag, the newer machines tie the string to the bag. Our analysis found that by shifting to these newer machines, we reduced fossil fuel use by 1% and global warming potential by 4%-6%.



# The Gift of a Tea Machine (or Two!)

Aligning with our commitment to Zero Waste, we searched for a new home for the tea machines we no longer needed. Through their participation with the One Step Closer (OSC) packaging collaborative, our Sustainability team located an ideal recipient: Sarjesa, a purpose-driven tea and latte company in Alberta.



Traditional Medicinals' Mike Beehler, Director of Engineering, and Dale Perrott, Chief Operations Officer, packing up the tea machines to send to Sarjesa.



Sarjesa's Alexandra Daignault, CEO, and Keisha Crow, Production Coordinator, unboxing their new tea machines.

Sarjesa shares our commitment to the ethical sourcing of high-quality ingredients and community investment. The company donates 20% of all profits to raise awareness of missing or murdered Indigenous women and girls and additional support for violence prevention programs. Like Traditional Medicinals, Sarjesa was founded with sustainability and social principles built into its business model.

When Sarjesa shared their plans to expand, we asked if we could provide the million-dollar tea machines as a gift. The machines arrived in Calgary in the summer of 2023, and Sarjesa will deploy them to support expanded production in 2024. We are thrilled to help Sarjesa thrive while advancing our own aspiration for Zero Waste.





# Compostable Overwrap and Plastic Reduction



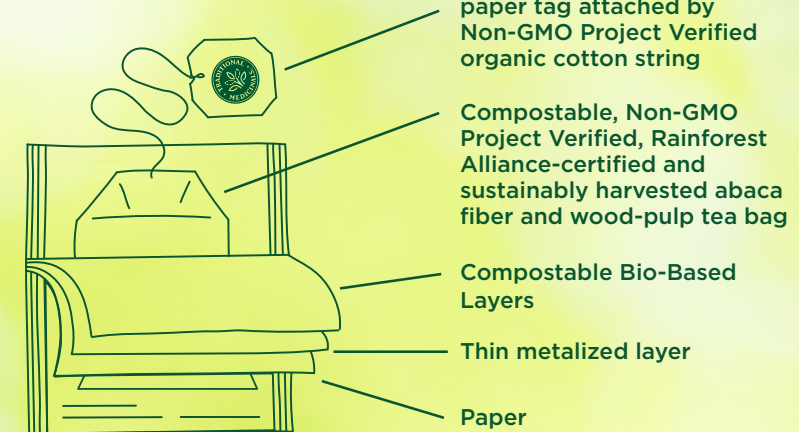
We are on a journey to remove single-use plastics from our packaging and find alternative, planet-friendly solutions. As the global plastic problem continues to grow, with packaging accounting for 40% of plastic waste, we recognize the need to improve our packaging.

While our tea bags are fully compostable, the wrappers that protect the quality and efficacy of the teas were not. The wrapper is important because it protects the herbs used in our tea formulas and allows people to experience the full benefit of medicinal-grade herbs as they consume our tea. With this in mind, we prioritized finding a more sustainable tea wrapper.

In FY23, we began transitioning several of our teas to BPI-certified industrial compostable wrappers. After beginning with Nettle Leaf, Raspberry Leaf, and Dandelion Leaf & Root, we expanded to eight additional teas throughout the year. In FY23, we shipped 272,444 cases with a compostable wrapper, representing 26,154,624 bags of tea. This transition helped us to avoid 10,978 pounds (about the weight of two elephants) of plastic in our packaging in FY23.

Traditional Medicinals was the first tea manufacturer to launch a BPI-certified compostable tea wrapper. We believe certification is important due to the rigorous testing and stringent standards it requires. The rigor associated with certification ensures that the packaging will have a positive impact in the world, while protecting our teas and instilling trust with people who purchase our products.

Moving forward, we plan to transition additional teas to the compostable tea wrapper. Beyond this, a cross-functional Traditional Medicinals team is developing a longer-term sustainable packaging roadmap. We are partnering with various industry groups to continue to push the (tea) envelope in sustainable packaging innovation, and positively influence our industry to adopt more sustainable packaging.



# Deepening Our Understanding of Biodiversity



As our world faces increasing environmental threats, Traditional Medicinals is working harder than ever to ensure continued access to herbal remedies while supporting the ecosystems and people that make our products possible. As we approach our 50th anniversary, we are celebrating our decades of leadership in the botanical wellness space — while gathering information and conducting research to inform how we will lead in the next 50 years. Guiding this process is our commitment to creating and realizing new strategies for carbon, nature, and water.

Before we launch those strategies, we want to ensure that all relevant stakeholders are appropriately represented. While Traditional Medicinals has been an industry leader in quantifying and mitigating our carbon footprint, we have not yet developed clear measurement methods to

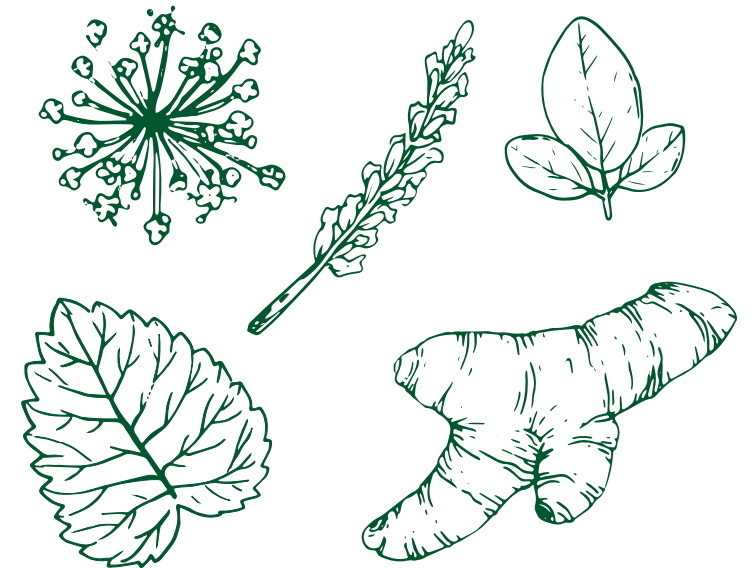
understand our impacts on nature and water. Recognizing the need for fresh perspective, our Sustainability team headed to Boulder, Colorado, in January 2023 to select three graduate students as partners. Tala Ahmadi, Grace Ebner, and Emma Muirhead were all enrolled in the University of Colorado Boulder’s [Masters of the Environment \(MENV\)](#) program, an interdisciplinary degree that prepares students to address 21st-century environmental challenges. The program curriculum includes a Capstone Project, where students work in teams with partner organizations like Traditional Medicinals — enhancing practical learning while providing valuable insights to clients.

Traditional Medicinals had a specific project in mind: we sought the students’ help to determine our impact on nature using the [Natural Capital Protocol](#). The Protocol is an internationally standardized decision-making framework developed by the [Capitals Coalition](#) that enables organizations to identify, measure, and value their direct and indirect impacts and dependencies on natural capital. The framework is crucial for understanding the dynamic relationships between organizations and the health of natural assets and ecosystem services, which leads to more informed decision-making.

From February to November 2023, the graduate consultants supported Traditional Medicinals in assessing the environmental impacts, dependencies, risks, and opportunities of 13 cultivated herbs used in our products. They conducted the assessment in four phases; beginning

with desk research to better understand the herbs’ cultivation characteristics, they designed a climate risk map that overlays climate projections with our sourcing countries. They also collected data from seven current suppliers, conducting surveys and interviews to understand growth, processing, and transportation practices. At the end of the project, they provided a comprehensive report and recommendations.

Our Sustainability team plans to incorporate many of the team’s findings into our long-term climate strategy while building on the project by footprinting more herbs. The consultants’ advice and counsel made a big difference in creating comprehensive climate mitigation strategies, and we are grateful for their dedication and talent.







## 5 Our Values — in Action

At Traditional Medicinals we strive to make a positive impact in the world. Our values guide us in all that we do, represent our shared passions, and define our company ethos.

Two ways we hold ourselves accountable in living our values are by meeting B Corp requirements and by voluntarily complying with the standards we describe in this report, including (USDA) Organic, CCOF, Fair for Life, FairWild, Fair Trade, and Non-GMO Project Verification.

Reporting is an inherent part of these certifications, helping us to practice business with integrity. Each year, we provide sustainability reporting to the U.S. Environmental Protection Agency (EPA), Walmart's Project Gigaton, and THESIS, a performance assessment system that guides retailers and suppliers to benchmark, quantify, and act on sustainability issues within their supply chains.





In FY23, we reimagined and created new values that are aligned with where our company is today.

## Our Values







# Educating Consumers and Improving Access to Herbal Wellness

Traditional Medicinals was founded to help people live healthier lives by providing them with accessible herbal wellness and education about the power of plants. For us, that means more than bringing high-quality products to market — it also means helping people learn about and access them.

We have educated our consumers for many years, and we continue to expand our content through our online Plant Power Journal, informative emails, and social media platforms. In FY23, we reached consumers through many avenues:



**Plant Power Journal** continued to bring the power of herbalism to life through recipes, herbal tidbits, and notes from the field. We featured “how-to” guidance on making your own herbal remedies ([salves](#), tinctures, etc.), articles featuring specific herbs ([Schisandra 101](#)), and reflections on longstanding herbal traditions ([Evergreens & Winter Solstice](#)).



**Opt-in emails:** Our emails include educational topics like the benefits of individual herbs and make-at-home recipes for botanical wellness.



**Herb Library:** To provide additional herbal education, we launched the Herb Library on our website, featuring 30 of the most popular herbs formulated into our products. Each article educates consumers on a specific herb, including its medicinal benefits, folklore and historical uses, and the botanical description and habitat.



**There’s a Tea for That Quiz:** The newly launched quiz offers a fun and convenient way for consumers to learn which herbal products best suit their specific health and wellness needs. Each question is thoughtfully crafted to provide personalized herbal tea recommendations.



We also participate in panels and conferences about herbal medicine. In 2023, our Chief Science Officer Taryn Forrelli spoke at [Food Tank’s Cultivating Food as Medicine](#) event as part of the Summit to Advance the White House National Strategy on Hunger, Nutrition, and Health.

We are also committed to helping our Sonoma County neighbors access our products by working with many incredible local nonprofit organizations. We are pleased to support their efforts to increase food security and access to medicinal herbs through funding grants and sponsoring engagement activities.





## Collaborating with Industry Organizations

Another way we bring our values to life is by collaborating and partnering across the botanical wellness industry and with governmental and non-governmental organizations involved with nature conservation. We are active members of different associations and organizations, publish articles and clinical trial results in peer-reviewed academic journals, work together on projects, and participate in working groups to develop botanical standards.

From our start, Traditional Medicinals has participated extensively in industry organizations and groups, particularly the American Botanical Council, American Herbal Products Association, FairWild Foundation, Sustainable Herbs Program, and United Plant Savers.

Our work in industry organizations is not limited to our company efforts. We encourage our team members to live our values by contributing their professional expertise and time to organizations and boards, and they have repeatedly risen to the challenge. For a full list of organizations we support, please see the appendix to this report.



### Meet Josef Brinckmann: Shaping and Guiding the Herbal Product Industry

One team member who goes above and beyond in terms of industry collaboration is Josef Brinckmann, currently Research Fellow for Medicinal Plants and Botanical Supply on our Strategic Sourcing team. Josef has worn many hats at our company over many decades. During that time, he's generously shared his expertise with our industry, including participating in standards setting for herbal quality and sustainability, conducting research, and being an educator.

A self-proclaimed “pharmacopeia collector,” Josef has been affiliated with the United States Pharmacopeia (USP) for decades, where he is an elected member of the Botanical Dietary Supplements and Herbal Medicines Expert Committee. Josef has contributed content to dozens of monographs published by the American Herbal Pharmacopoeia (AHP), where he is also an advisor on commercial sources, handling, and international regulatory status of herbs.

Josef was a founding board member of the FairWild Foundation, which sets standards for the sustainable wild collection of medicinal plants. In the early 2000s, he began working on precursor projects supported by Swiss and German government agencies to set and test draft standards in the field. ***“It was an exciting time as we investigated whether the standards were broadly applicable across different terrain, ecosystems, and cultures,”*** he says. ***“All along, Traditional Medicinals has been very supportive of my involvement in this innovative work, and our leaders have appreciated why it’s important for us to be directly involved in the standard-setting process.”***

The American Botanical Council (ABC) has offered Josef a way to advance his commitment to herbal education. The ABC is dedicated to promoting responsible use of herbal medicine by publishing of science-based and traditional information. In January 2023, Josef was elected president of ABC’s Board of Trustees after serving on the advisory board for many years.

Josef has contributed greatly to our industry’s knowledge of herbs by authoring or co-authoring more than 60 articles for HerbalGram, ABC’s peer-reviewed quarterly journal. He has also written for scientific peer-reviewed publications such as the Journal of Ethnopharmacology, Economic Botany, and Planta Medica.





# Supporting Our Communities Through Volunteering and Grantmaking

Traditional Medicinals focuses on serving communities — including those where we source our tea and where our employees live and work. That includes donating our volunteer time, products, and funding to support outstanding nonprofits, including the causes that matter most to our colleagues and society.

## A Culture of Volunteering

After a break of several years due to the pandemic, our employees, friends, and family members were thrilled to gather again in person for our FY23 Volunteer Day, a day of service. Partnering with five Sonoma County nonprofits, our volunteers completed seven service projects. We collected 725 pounds of trash with [Friends of the Petaluma River](#), bagged more than 7.5 tons of produce for [Redwood Empire Food Bank](#) beneficiaries, surveyed and removed invasive and fire-vulnerable yellow star thistle from grasslands on [LandPaths](#)

preserves, weeded and harvested the vegetable garden that serves the clients of [Food for Thought Food Bank](#), and revived an outdoor garden and play space for women and children seeking shelter through [Community Action Partnership of Sonoma County](#). Temperatures soared to the triple digits Fahrenheit during our Volunteer Day, deepening our appreciation for the farmers who work in challenging conditions every day to bring medicinal plants to our homes.

**During FY23, 94% of our employees participated in at least one volunteer event, donating nearly 1,000 hours of their time and expertise.**

In addition to individual volunteering, we encourage our employees to join team-building events organized by our nonprofit partners.

Through our Volunteer Grants program, employees earn a \$250 donation for every 10 hours of service, up to \$1,000 per year. They are free to direct the Volunteer Grant to the nonprofit of their choosing. We also support employee volunteers through grants for nonprofit board service, and we double employee donations through our Matching Gifts program.

*Right:* Benjamin Bravo of LandPaths, demonstrating how to identify invasive yellow star thistle to Traditional Medicinals volunteers.







## Charitable Contributions

During FY23, **Traditional Medicinals invested \$2.27 million in our Social Impact programs.** We direct our Social Impact budget toward programs in our sourcing communities that directly benefit farmers, collectors, and their families, in addition to nonprofits that are aligned with our values.

We also **donated 1,246,445 bags of tea** to more than 60 nonprofit and community organizations across the United States, including:

**Maui wildfire relief:** After the devastating Maui wildfires in August 2023, we worked with local nonprofits to provide tea for nursing and expectant mothers.

**National Breast Cancer Foundation:** To support NBCF, our employees assembled more than 100 **HOPE Kits** that went to women receiving breast cancer treatment. The HOPE Kits were filled with items that provide comfort and encouragement during treatment — including Traditional Medicinals tea. We were delighted to also donate an additional 28,210 bags of tea later in 2023.

**La Leche League International:** For over 66 years, the La Leche League supported mothers and nursing parents. In FY23, we provided Mother's Milk tea to offer nourishment during their breastfeeding journey.

**American Herbalist Guild Symposium:** The American Herbalists Guild (AHG) promotes clinical herbalism as a viable profession rooted in ethics, competency, diversity, and freedom of practice. We were happy to provide tea for their annual symposium that brings herbalists together for enlightening educational sessions.







## About the Traditional Medicinals Foundation

Founded in 2008, the Traditional Medicinals Foundation was formed to invest in social initiatives in source communities. It supported farmers and wild harvesters who nurture medicinal plants around the world through projects that address fundamental issues of food and water security, healthcare, education, and women's empowerment. This important work is now funded by our company, rather than the Foundation.

That shift opened the door to a new strategic vision for the Foundation. We are proud to mark 15 years of the Foundation with a renewed mission: helping people live consciously connected to nature. As part of that mission, we connect our Foundation giving to two core pillars:

- **Supporting Medicine Makers:** Making herbal education accessible for all through sponsorships and grants that remove barriers and open new pathways for livelihoods.
- **Conservation & Connection:** Fostering a mindset of stewardship and love of the land through interacting with nature and conserving resources.

Our support of the Botanical Bus is just one of the ways we bring our Foundation mission to life.

Employees volunteering at LandPaths and Redwood Empire food bank.







Aubrie Maze of Green Valley Mill + Farm and Juliana Jimenez of Botanical Bus.

### Supporting Medicine Makers through The Botanical Bus

Here in our home region of Sonoma County, The Botanical Bus is a bilingual mobile herb clinic that enables holistic health by — and for — Latinx and Indigenous people. Community health workers known as Promotoras provide services from herbalism to massage, acupuncture, physical and somatic therapy, clinical nutrition, and wellness workshops.

Traditional Medicinals and [The Botanical Bus](#) partnered with the [Green Valley Farm + Mill](#), to launch the

Healing Harvest program in 2022. Green Valley’s 172 acres are collectively owned by a community of residents, small businesses, makers, growers, farmers, and land-tenders. They are committed to ecological stewardship and vibrant, regenerative land-used enterprises.

Contributions from the Traditional Medicinals Foundation fund land shares at Green Valley, and a part-time job for Juliana, a Promotora with the Botanical Bus, to cultivate organic medicinal herbs. Juliana has no land access and limited outlets for her decades of plant wisdom. During her weekly visits to the farm, her deep resonance with the earth shines through as she shares her wisdom and profound connection to this land. Not only does she nurture the land, but she also serves as a healthcare advocate for local communities in Sonoma County.

The high-quality medicinal herbs that Juliana tends are destined for The Botanical Bus’s mobile herb clinic. In 2023, the harvest yielded medicinal herbs to serve 1,720 patients.





## Foundation Spotlight: Nioma Sadler

Goodwill Ambassador, Vice Chair of the Board, and President of the Traditional Medicinals Foundation Nioma Narissa Sadler was nominated by the UN Global Peace Council (UNGPC) for an Honorary Doctorate from the United States International University (USIU). Nioma was nominated by Dr. Lata Suresh, a prominent figure within the Indian Ministry of Corporate Affairs. The nomination was approved by Dr. Barkhaa Versha, a highly recognized peace activist, and Chair of the UNGPC.

The nomination celebrates Sadler's work to unlock the potential of women and girls by increasing access to water, education, health, hygiene, and economic empowerment through her nonprofit, WomenServe®, in Rajasthan, India, where Traditional Medicinals sources senna (for Smooth Move® tea). For the past twenty years, Sadler has worked in underserved supply communities on behalf of Traditional Medicinals.

*Photos clockwise from top left: Nioma greeting a taanka beneficiary in a Rajasthani village; Sadler at her doctorate ceremony in Istanbul, Turkey; Nioma celebrating girls' education with students in a Rajasthani school*







## 6 Investing in — Our People

Traditional Medicinals is always looking for ways to invest in our growing workforce — whether that is employee benefits, internal programs, safety training, or providing educational opportunities. For the sixth consecutive year, the [\*North Bay Business Journal\*](#) recognized us as one of our region's [\*Best Places to Work\*](#).



## Spotlighting a Traditional Medicinals Career Journey

Since joining us as a Kitchen Assistant six years ago, **Sami Barragan** has held six positions and is currently our Customer Service & Distribution Manager. We invited Sami to reflect on her journey with our company.

*Before joining Traditional Medicinals, I was a chef who realized restaurants weren't the path for me. A friend from the accounting department told me the company was looking for someone to work in the kitchen, and I decided to give it a try.*

*When the receptionist left a few months later, I moved into their role. Soon after that, the leadership team brought me on as an executive assistant and office manager to support them during our rapid growth. It was very hectic, but also rewarding and fun. While working as an executive assistant, I reached out to several leaders to explore their work areas. They gave me the opportunity to sit in on team meetings and shadow them, so I could better understand what they did and identify where I'd like to go in my career. I found that I liked Operations and Supply Chain, and I was able to move into a job as a supply chain analyst.*



*Not many companies would let you work your way up the ladder without a college degree or relevant experience. It's not just me — I've seen how Traditional Medicinals grows people who are attracted to the vision and mission of our company and share our passion.*

While continuing as an employee, Sami has enrolled in college and is working toward a degree in supply chain management.

In FY23, our workforce grew 6%, with an average of 226 full-time employees. Most of our employees work at our production facility in Sebastopol and our headquarters in nearby Rohnert Park, with a smaller number working remotely.

Since our founding, Traditional Medicinals has strived to provide a fair, egalitarian workplace. In FY23, 58% of our full-time workforce identified as women. Of our leaders, 61% identify as women, a 7% increase from FY22.\* We are happy to note this increase as we continue to work to ensure equal footing for all.

## Seeking and Acting on Employee Feedback

As our company grows, we want to clearly understand our employees' experience — where our company is doing well and where we can improve. In 2023, we implemented an employee survey that we will repeat annually, giving us insight into the pulse of our company. The survey is based on Josh Bersin's [Irresistible Organization](#) framework, which considers the work itself, quality of management, work environment, opportunities for growth, and trust in leaders.

\*We define leaders as managers or supervisors with at least one direct report.







## Highlights of the FY23 Employee Opinion Survey

METRIC	PERFORMANCE
Participation rate	60.6% companywide
Areas of highest favorability	Employee Engagement (89%), Meaningful Work (88%), Trust in Leadership (83%)
Recommending Traditional Medicinals as a workplace	88% reported that, given the opportunity, they tell others great things about working at our company.
Balancing work and personal responsibilities	83% believe Traditional Medicinals allows them to balance work and personal responsibilities, with an additional 14% neutral.
Supporting employee well-being	74% believe our existing benefits, programs, and services support their well-being, with an additional 19% neutral.
Providing training opportunities	60% view us as effective at providing training opportunities, with 25% neutral and 15% unfavorable.

In response to feedback from the survey, we will focus on the following areas in FY24:

- Learning and development:** Formalizing our training and development resources, including building out a library of LinkedIn Learnings and other videos that can help grow and develop our teams and our leaders.
- Compensation:** We have worked over the past year to formalize our pay ranges for every position at our company, categorizing each position into various levels so employees can see where they fall in the range. HR is continuing to build out this structure, evolve our pay philosophy, and set clear professional development goals. For more detail, please see “Pay Equity and Living Wage” later in this section of the report.
- Internal communications:** In our survey, we learned that employees want to hear more from our leaders and wish to understand our company better. In addition to our monthly all-staff meeting, every quarter we host a Town Hall where each Executive Leadership Team (ELT) member provides updates about the departments and initiatives they lead. We continue to listen to feedback and pivot our internal communications programs to best serve our company.

*Opposite:* Rocío Arteaga, Operations Warehouse Associate, at work in the Sebastopol production facility.





# Pay Equity and Living Wage

Fair pay is intrinsic to our commitment to an equitable workplace where all employees can thrive. To that end, we conduct an internal equity analysis at least once annually to ensure equitable pay among employees in equal positions, with additional reporting to ensure racial and gender parity. To offer competitive compensation, our pay architecture factors in market

norms within comparably sized manufacturing companies in a similar geographic region, benchmarked annually. At our manufacturing facility, wage adjustments follow a skills-based approach with defined pay scales by position.

In addition to ensuring that base pay is aligned with the market, Traditional Medicinals has addressed inflationary pressures by ensuring affordability of health benefits. As of 2024, employees with an annual salary of less than \$150,000 have a lower cost of benefits. We also increased financial literacy by offering 401(k)

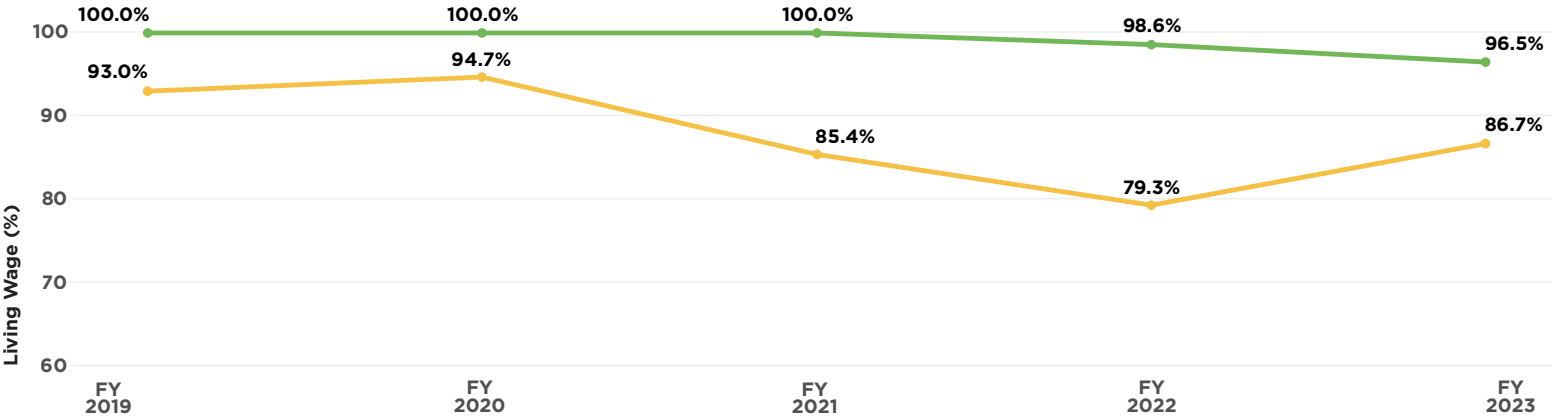
trainings that educated attendees on basic investment and retirement strategies.

In keeping with our commitment to social justice, Traditional Medicinals also analyzes our compensation to determine the percentage of employees earning a living wage. We use the [MIT Living Wage calculator](#), which includes the cost of food, housing, insurance premiums, healthcare, housing, transportation, other necessities, civic engagement, and internet access.

In FY23, the percentage of full-time employees earning an individual living wage--the wage for an adult without children in Sonoma County--was 96.5%, a drop of two points from FY22. We attribute the decrease in this metric to our FY23 hiring, which included many new hourly employees in our production facility. After new hires complete a 90-day introductory period, we adjust wages for internal parity.

We saw an increase in employees who earn a family living wage, defined as supporting two working adults and one child. In FY23, this rose nine percentage points to 86.7% of our full-time employees. We believe the increase was due to the wage increases we implemented starting in FY22. To ensure that progress continues, we are continuing initiatives like our skill-based program for machine operators, blenders, and operations warehouse associates, which adjusts pay for workers as they demonstrate proficiency in new skills.

## INDIVIDUAL AND LIVING WAGE



Percent of full-time employees with a salary at or above the Sonoma County Individual and Family Living Wage, determined by the MIT Living Wage calculator.

- Individual Living Wage
- Family Living Wage





# Employee Wellness: Spirit and Safety

Taking care of our planet and communities starts at home for us, and that includes creating inclusive, fun, and safe workplaces that foster well-being.

## Our Spirit Committees

In 2022, we introduced two Spirit Committees — one at our Sebastopol production facility and the other for our Rohnert Park headquarters and remote employees. The committees join forces for companywide gatherings like our annual barbeque, and organize site-specific events and programs.



Above: Cinco de Mayo celebration. Opposite: Pride parade.

Since the committees are for and by employees, we invited a few members to share their experiences — and how the events are bringing colleagues together to create stronger workplaces.

*We started our Spirit Committee to hold programs that cater to our employees' interests. We ramped up quickly, and today, we join together to mark holidays and DEI (diversity, equity, and inclusion) months. Nearly every department is represented, from Production and Engineering to Sanitation and HR.*

*We join to share food, bond, and celebrate. We also engage with serious topics, such as a Wear Purple event during International Women's Day and educating people on Indigenous history during Thanksgiving, and we strive to be sustainable by properly recycling and composting.*

*Many of our programs are open to employees' families, like the barbeque and family movie night, and we love having the opportunity to host those families and offer their kids a great time. Long-time employees tell us they're meeting colleagues from other departments for the first time! That speaks volumes about the positive connections employees are building with one another.*

**Adriana Solaro**, HR Assistant and  
**Rachel Aragon**, HR Business Partner,  
Co-Captains, Spirit Committee, Sebastopol  
production facility



*I'm part of the R&D (research and development) team, where I work to ensure that our bagged tea products meet our quality and manufacturing runnability standards. As a newer employee, I wanted to help create memorable, fun moments at work, and I was curious about what collaboration is like outside of technical projects.*

*Our Spirit Committee started by celebrating Santa Rosa Pride, and since then we've hosted a wide variety of events, from Halloween to National Days for Encouragement and Hot Fudge Sundaes. My favorite was playing loteria and enjoying tamales for lunch during Hispanic Heritage Month.*

*As we have fun, I believe we also serve as role models for our values. All our committee members are dedicated, and together, we showcase the power of collective action. Looking ahead, we are exploring interactive activities for remote employees and wellness activities. I'm excited for what's ahead!*

**Tina Yang**, Research and Development Senior  
Technologist, Member, SOMO and Remote Spirit  
Committee





## A Safe Workplace for Employees — and the Consumers Who Depend on Us

The safety of our team and consumers is a critical priority for Traditional Medicinals. Our Safety Committee oversees procedures and training that support a safe workplace, focusing heavily on the Sebastopol production facility where we blend and package our tea.

In FY23, those employees completed 4,695 hours of training, representing 41 hours per Operations employee. These covered general safety, quality assurance and control, the production process, and equipment — spanning topics from hand injury prevention to machine operator training.

Besides our training sessions, we complete monthly safety topics. In 2023, 99.7% of our Sebastopol-based employees participated in these topics, exceeding our internal goal of 95%. To support the effort, we offered a quarterly production bonus that required meeting two goals: 1) a 95% participation rate in safety topics and 2) an 87% average grade for weekly Good Manufacturing Practices (GMP) inspections.

Any time we can raise our safety standards and involve employees, we call it a win-win. In 2023, we continued to see win-wins for safety, quality, and our team at Traditional Medicinals.



An Operator closely monitoring a run on one of our tea machines.





# Herbal Education for Our Employees



Herbal education is at the core of Traditional Medicinals. Earlier in this report, we highlighted our online resources, which help people understand and experience the power of plant medicine and integrate it into their everyday routine. However, that is just part of the story. When employees educate themselves on herbs, they can make a difference for their family, friends, and communities, and we offer programs to help employees do just that.



**Botanical Sanctuary Garden:** Outside the Sebastopol production plant, our sanctuary garden includes an array of medicinal herbs, including some that are used in our products. The garden is a space for employees to experience the herbs firsthand.

**Green Rounds:** In this internal presentation series, Traditional Medicinals experts present on various topics and host hands-on workshops. Over FY23, our Green Rounds included sessions on Welsh herbal medicine, Northeastern American herbs and their uses, the history and medicinal uses of apples, and how to create an echinacea tincture.

**Herbal Library:** Located in our Rohnert Park headquarters, the library hosts technical texts, regulatory documents, studies, and journals on herbalism and individual herbs.



An herb plot in the Sebastopol facility's Botanical Sanctuary Garden.







2023 graduates of the Plant Wisdom Academy.

## The Plant Wisdom Academy

Our Plant Wisdom Academy offers another avenue for employees to learn more about herbalism. The Academy provides practical and holistic education in herbal medicine that supports self-care, community care, professional development, fosters a shared culture of herbalism, deepens connections to nature, and empowers a lifetime of herbal practice and advocacy.

**“By making these courses available to employees, we believe we’re increasing pride of ownership and pride of being part of our company,”** says Guido Masé, Principal Scientist and herbal educator. **“Whether employees stay with us long-term or not, the world is better with more herbalists in it. We’re educating people to have an ecological perspective. When you’re grateful to plants for their health benefits, you see the green world in a really different way — as a partner rather than something to extract and exploit material from.”**

In FY23, three courses were open to our employees: Herbalism 101, The Herbal Products of Traditional Medicinals, and Navigating the Herbal Products Industry.







Many of our employees, particularly members of our Research and Development (R&D) and Quality teams, share their expertise through the Academy as subject matter experts and guest faculty. We invited Guido Masé, principal scientist on the R&D team, to share his journey and thoughts on why employee education matters so much.

*I was born and raised in Italy. Most of our summers and a good part of our winters were spent in the Alps, where we'd hike above the tree line and forage berries, mushrooms, and medicinal plants like elderflowers and arnica flowers. When we returned home, we put those flowers in high-proof spirits to make a liniment to help with bruising and pain.*

*When my family moved to Kansas City, I missed that connection to the land and started investigating herbs and medicinal plants on my own. Once I got to college, I was torn between studying chemistry and delving into folklore, mythology, and mysticism. Then it hit me that herbal medicine combines all those disciplines — it's a holistic way of knowing the world. I began to apprentice with herbalists and*

*moved to Vermont with my wife, where we established a medicinal plants garden and wild harvested in the forest. Along the way, I found that every community has "plant people" who are wild harvesting and foraging.*

*In Herbalism 101, we encourage students to experiment with herbs. When one of those students was outside working with dandelions, her young neighbor asked what she was doing, and she saw the opportunity for a teaching moment. Not long after that, the child started a business harvesting dandelion greens and selling them for use in salad and bitter tonics. That ripple effect is exactly what we're hoping for. When our employees' friends and neighbors learn that they work at Traditional Medicinals, they naturally ask them questions about herbs and herbalism, and herbal knowledge multiplies.*

*When I create and teach courses, it renews my passion and sense of purpose. I learn a lot myself — in the Navigating the Herbal Products Industry course, I deepened my understanding of the manufacturing process, quality control systems, and the certifications we hold.*

*But for me, the biggest and most poignant take-home is the connection to sourcing communities. At home, I know I can find my echinacea in the garden and reishi mushrooms in the forest; I know the places where ginseng and skullcap like to be. But globally, the networks of people who hold ancestral knowledge of plants are dwindling, and so is their unwritten knowledge of the plants in their communities. We know a lot about the therapeutic benefits of plants, but less about the connections between people, plants, and places, which vary across villages and regions. It's urgent that we help sustain that local knowledge.*





# 7 Conclusion



As we conclude this report on our 2023 impact, we look ahead to 2024, when we celebrate 50 years of Traditional Medicinals. An anniversary is an important time to reflect and honor all those who have made our progress possible. That includes our employees, neighbors, source communities, trade partners, herbalists and health practitioners — and all who share our vision of a healthy planet consciously sustained by a vital relationship between people and plants.

Equally important, this milestone energizes us as we create our future. As we shared in these pages, we look forward to further expanding our use of organic and fair-certified ingredients, progressing toward our net-zero goals, creating opportunities and rewarding careers for our employees, investing in our source communities, making herbal products and education accessible to more people, and protecting our planet — to name just a few of our commitments.

Though we cannot anticipate all the challenges and opportunities ahead, we know our purpose and charter commitments will continue to illuminate our path forward. We look forward to continuing to share our progress.





# 8 Appendix

## Scopes 1-2 Breakdown

EMISSIONS SOURCE	FY22	FY23	CHANGE	NOTES
<p><b>Scope 1:</b> Direct greenhouse gas emissions from sources owned or controlled by Traditional Medicinals. Those include emissions from onsite activities such as the combustion of fossil fuels for heating, energy used in tea processing equipment, and emissions from company-owned vehicles.</p>				
Diesel fuel use in our production equipment and backup generator	853 gallons (3229 liters)	795 gallons (3009 liters)	58-gallon reduction	The decrease may be due to having fuel on hand from FY22, reducing the need for additional purchases in FY23.
Natural gas use in our production facility (heating units, water heaters)	4652.36 therms	7111.49 therms	+41.8%	We saw extremely high gas use from Dec. 2022 to March 2023, when Northern California's record rainfall and atmospheric river events required us to use more heating at the Sebastopol production facility.
<p><b>Scope 2:</b> Indirect emissions resulting from the generation of purchased electricity, heat, or steam consumed by Traditional Medicinals.</p>				
Purchased electricity for air conditioning units, tea machines, lighting, and other uses.	26.44 tCO <sub>2</sub> e	34.34 tCO <sub>2</sub> e	34.34 tCO <sub>2</sub> e	<p>In 2023, we produced more cases of tea than ever before. That led to an increase in machine run times, and our production facility and tea machines needed more energy to support increased production.</p> <p>We also saw an increase in our EverGreen CCA emission factor, from 68lbs of CO<sub>2</sub>e/MWh to 70 lbs. of CO<sub>2</sub>e/MWh. Our power company used a different mix of energy sources, resulting in a slightly higher factor than the prior year.</p>





## Scope 3 Breakdown

EMISSIONS TYPE	FY23 EMISSIONS	% OF SCOPE 3 EMISSIONS	NOTES
<b>Scope 3:</b> Indirect greenhouse gas emissions that occur throughout our value chain but are not directly owned or controlled by Traditional Medicinals.			
Emissions from energy used to boil water for tea (gas stovetop, electric stovetop, microwave, and electric kettle)	853 gallons (3229 liters)	795 gallons (3009 liters)	Gas stovetops have the largest footprint due to their use of natural gas. For electric stovetops, microwaves, and electric kettles, emissions vary based on the location and electric grid. By boiling only the water that's needed, consumers can help reduce these emissions.
Producing, processing, drying, and packaging tea	6,350 tCO <sub>2</sub> e	29%	Includes fuel for tractors, vehicles, and mechanized tools used at farms; fuel for irrigation pumps; purchased electricity at farms; herb driers (powered by gas, coal, wood, or electricity); power used by equipment for sifting, sorting, cutting, extraction, and testing; electricity and gas used to heat and power processes at facilities that manufacture packaging; emissions from growing natural materials used in packaging (e.g., bio-based feedstock for sugarcane and wood pulp); and emissions from clearing ecosystems to make way for agriculture.
Transporting herbs and packaging to our production facility	2,456 tCO <sub>2</sub> e	11%	Includes emissions from each stage of herb transport: field to port via truck, ship to final processor, truck back to port, ship to U.S., truck to production facility. Packaging follows the same process, but is mostly done within the U.S.
Emissions related to disposed products, including landfill	1,458 tCO <sub>2</sub> e	7%	Includes abaca fiber tea paper, cotton strings, cartons, spent tea bags with organic herb material, and any emissions arising from consumers throwing away our product. This category also includes conventional and compostable overwraps.
Transporting finished product to retailers and consumers	1,343 tCO <sub>2</sub> e	6%	Includes transporting products from our production facility to grocers, retailers, warehouses, and shipments from those sources to the consumer.
Employee commuting	928 tCO <sub>2</sub> e	4%	Commuting to our Sonoma County production facility and headquarters building. Many of our headquarters employees work both from home and at the office.
Other emissions	299 tCO <sub>2</sub> e	2%	We also account for emissions related to business travel, losses from grid energy transfers and our leased Rohnert Park headquarters building.





## Offset Projects

### **Project Name:** **Australian Yarra Yarra Biodiversity Project (Link)**

Project Provider: Cool Effect

Verifier: Gold Standard

TM Purchase Amount – 121 MT

**Carbon Offset Disclaimer:** The “Australian Yarra Yarra Biodiversity Project” developed by, Carbon Neutral, is verified under the Gold Standard, GS ID 3039 ([link](#))

### **Project Name: A Bright Idea**

Project Provider: Cool Effect

Verifier: Gold Standard

TM Purchase Amount – 433 MT

**Carbon Offset Disclaimer:** The “Solar DC Programme in Off-grid Regions in India” project, developed by the Value Network Venture Advisory Services Pte. Ltd., is verified under the Gold Standard, GS ID 7467 ([link](#))

### **Project Name:** **Great Bear Forest Carbon Project British Columbia, Canada**

Project Provider: Ostrom Climate

Verifier: BC Carbon Registry

TM Purchase Amount – 210 MT

**Carbon Offset Disclaimer:** The “Great Bear Forest Carbon Project” is a BC Carbon Registry Project GGIRCA (ID: 104000000011319), in accordance with the BC Forest Carbon Offset Protocol (FCOP)

### **Project Name:** **Xinyang Landfill Gas Recovery to Power Project**

Project Provider: Bonneville Environmental Foundation (BEF)

Verifier: Gold Standard

TM Purchase Amount – 725 MT

**Carbon Offset Disclaimer:** UPM’s “Xinyang MSW Landfill Site LFG Recovery to Power Gold Standard VER Project”(GS ID 1253) is a Gold Standard verified project. The project which is owned by Shanghai Baichuan Changyin Co., Ltd (BCCY) and has been validated by Germanischer Lloyd Certification GmbH and has been registered with the Gold Standard since 3/1/2013.

### **Project Name:** **Greater New Bedford Landfill Gas-to-Energy**

Project Provider: Bonneville Environmental Foundation (BEF)

Verifier: Verra

TM Purchase Amount – 524 MT

**Carbon Offset Disclaimer:** The “Greater New Bedford LFG Utilization Project: (VERRA ID 138)” is a Registered Project under VCS Methodology ACM0001. The project, which is owned by Commonwealth New Bedford Energy LLC, has been validated by GHD Services Inc. and has been registered with the Verra Standard on 6/4/2020.

## Nonprofits Supported by Traditional Medicinals Employees

- ABC-AHP-NCNPR Botanical Adulterants Prevention Program
- American Botanical Council
- American Herbal Pharmacopoeia
- American Herbal Products Association
- American Herbalists Guild
- B Corporation
- CA Certified Organic Farmers
- Climate Center
- Climate Collaborative
- California State Organic Program Advisory Committee
- Fair for Life
- Fair Trade
- FairWild Foundation
- Frontiers of Pharmacology
- Indigenous Plant Use Forum
- International Biodynamic Guild
- International Union for Conservation of Nature (IUCN)
- JEDI
- Journal of Ethnopharmacology
- Journal of Integrative and Complementary Medicine
- Naturally Network
- Naturally North Bay
- One Step Closer
- Phytotherapy Research Journal
- Presidio Graduate School
- Sonoma State University
- TRAFFIC International
- United Plant Savers
- United States Pharmacopeial Association
- University of Colorado Boulder
- University of Vermont Integrative Medicine Program
- Vermont Center for Integrative Herbalism
- WomenServe
- World Journal of Traditional Chinese Medicine
- World Wildlife Fund

