

# 2022 *IMPACT* REPORT



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## LETTER FROM OUR CHIEF PURPOSE OFFICER

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**Traditional Medicinals has a long-standing commitment to responsible business** dating to our founding almost 50 years ago. We're fortunate that purpose has been deeply embedded into our business model since the very beginning.

Yet, even with this, we are always striving to achieve more. We have reported on our environmental and social performance under the B Lab® Impact Assessment since 2010, and we have produced this Impact Report since 2014. The former is important for its external verification and standardized transparency across all B Corps; the latter gives additional context.

We're glad to see that sustainability standards for all businesses are elevating. In 2022, Environmental Social and Governance (ESG) disclosures became mainstream. From the Securities and Exchange Commission's mandatory climate disclosures proposal in March to the passing of the EU's Corporate Sustainability Reporting Directive in November, sustainability reporting is now top of mind for business leaders across

multiple disciplines and all sectors. While ESG reporting has existed for decades, this increasing scrutiny has raised debate about the role of businesses in addressing large, complex, systemic issues.

As a B Corp and a California Benefit Corporation, we must work to understand how our actions can either help or hinder progress towards overcoming some of the greatest challenges that humans face. Certainly, there is a necessary role for governments, investors, researchers, and nonprofits to play in developing solutions to environmental degradation and social injustice. Nonetheless, we are clear that businesses are not exempt from the responsibility to mitigate their negative impacts and efforts to balance financial returns with meaningful benefits to all the diverse stakeholders who interact within their systems. Last year, in recognizing the importance of incorporating ESG performance into all aspects of our business, we began tracking against our eight comprehensive commitments. This year, we look at how we have been



guided by these commitments in 2022. As an integral part of our journey to constantly improve, we committed to a Science Based Target (SBTi) of reducing our Scope 1 and 2 emissions 42% by 2030 and 100% by 2050. We've also continued to build the essential relationships and infrastructure to source 80% fair certified herbs by 2030. Meeting these science-based and ethical sourcing goals will be foundational for us as we advance on our journey.

We are pleased to present this report to you, hopeful that our progress will inspire others, and continually humbled by how much we have yet to do.

A handwritten signature in blue ink that reads "Jamie Horst".

**Jamie Horst**  
Chief Purpose Officer



## Brewing a Healthier Planet

In all we do, we think about how botanical wellness affects our planet, our customers, our sourcing partners, and our team. The healing power of plants can transform lives, and we don't take that lightly. But the work of a certified B Corp and Benefit corporation requires more than big ideas and brand promises. We need to hold ourselves accountable for doing good, rather than just turning profits. And we need to share facts and figures that prove we're making a real impact.

**We are making an impact, and we're proud of the work we're doing.**

This year's impact report shows the strides we've made, as well as the challenges we faced in 2022. You'll learn how we doubled down on our commitment to reducing emissions and waste. We've outlined how our work has helped improve living conditions in our sourcing communities, all while maintaining our unyielding commitment to quality products.

Our hope is that with this impact report, you'll see that Traditional Medicinals is creating more than tea and products that support wellness: **our purpose is restoring the vital relationship between people, plants, and planet.**

Plants have the power to heal.  
We have the power to create change.



1  
—  
PLANET



**PLANET** We acknowledge that it is our responsibility to care for this planet we all share. We are committed to working together, in connection with others, to restore and protect the wild and managed spaces, and to continue to set high goals and push ourselves to take less and give back more.

## COMMITMENTS

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### PROTECT THE PLANET

We believe it is our responsibility to preserve Earth's ecosystems



### NURTURE INTERCONNECTION

We believe it is our responsibility to foster reciprocal relationships between nature and humanity

## HIGHLIGHTS

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90.5%  
**WASTE  
DIVERSION**

1,900  
*metric tons*  
**CARBON  
OFFSETS**

100%  
**LOCAL  
RENEWABLE  
POWER**

185  
**TONS OF  
RECYCLING**


# TO MAKE A *difference* WE HAVE TO BE *different*

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At Traditional Medicinals, we owe our entire business to the powerful healing properties of plants. So, we need to make sure those plants have a healthy home for generations to come. The threats from climate change are significant, and only 37% of American private companies are actively setting greenhouse gas (GHG) emissions reduction targets.\* That's not good enough.

**Here at Traditional Medicinals, we believe the private sector must take a leading role in sustainability efforts.**

\*Source: [Bain & Company](#)



In 2022, we established ambitious new climate goals. We hope they'll support new standards for our industry.





## SUPPORTING NEW STANDARDS

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### Science-Based Targets

As an organization, we're dedicated to high-impact sustainability, specifically, our commitment to the Science Based Targets initiative (SBTi), the gold standard for emissions goal-setting. SBTi is a global organization that provides companies with well-defined paths to reduce their overall greenhouse gas emissions. These 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. Along with over 3,000 other companies, we joined the movement.

To meet these guidelines, we have committed to **reducing our Scope 1 and 2 emissions 42% by 2030 and 100% by 2050.** We set these targets through data collection, expert consultation, and calculations guided by SBTi's SME criteria.

We're excited about these new standards. SBTi has accountability built into its systems, listing participants online in addition to business audits. Through SBTi, we're adding another level of transparency and commitment as we seek to make a difference for our planet.



**SCOPE 1:**  
energy use in  
our facilities

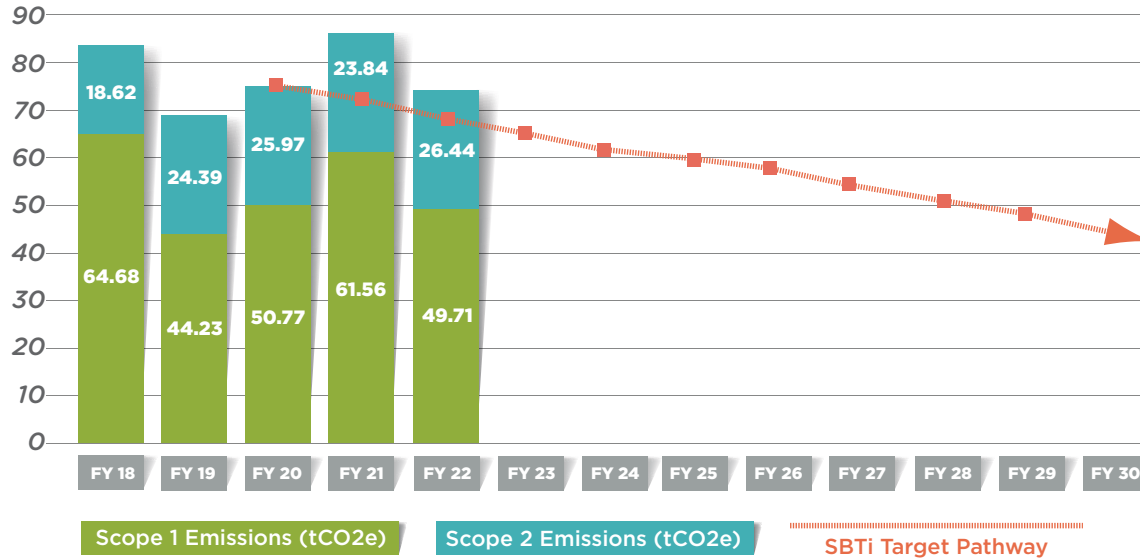


**SCOPE 2:**  
purchased  
electricity

**SCOPE 3:** on-farm activities,  
packaging, consumer use of  
products, and distribution

**tCO<sub>2</sub>e:** metric tons  
of emissions in CO<sub>2</sub>  
equivalent terms

### 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.

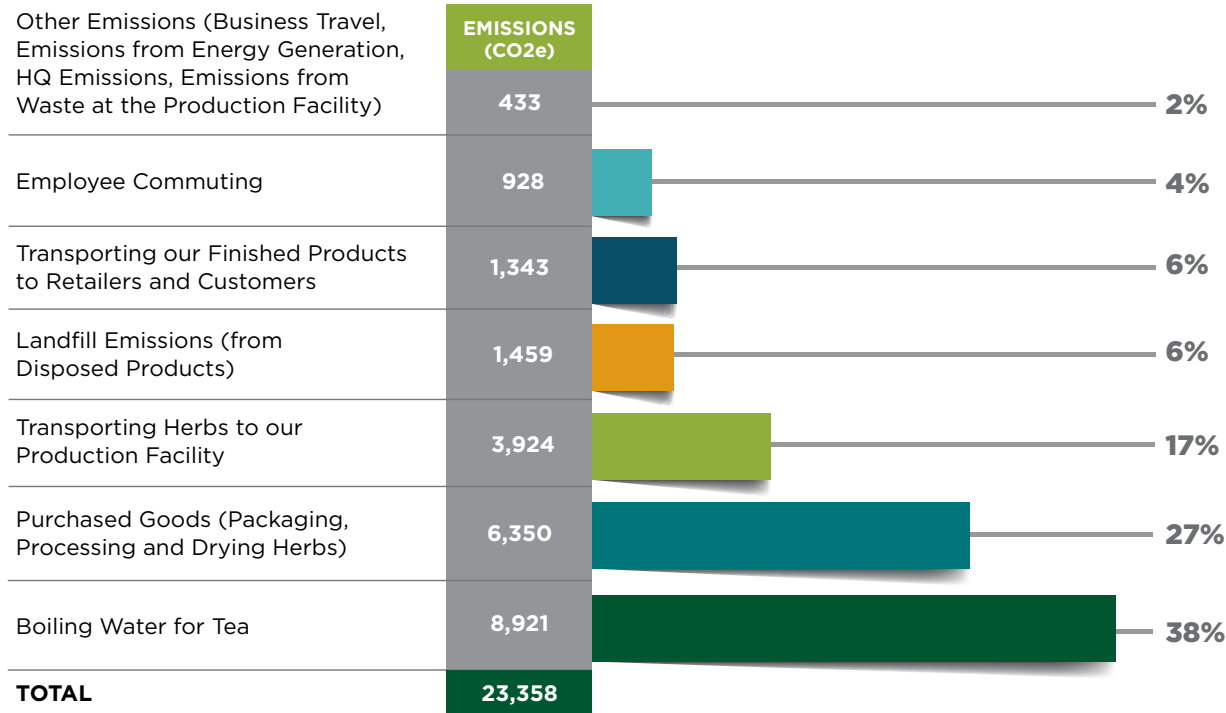
## REDUCING EMISSIONS

### Across Scope 1, 2, and 3

Overall, we cut our Scope 1 emissions by 11.85 tCO<sub>2</sub>e, a 19% decrease in carbon emissions. Scope 1 includes our natural gas usage, which saw a 34.9% decrease in 2022. We also began planning infrastructure upgrades that will further cut natural usage and Scope 1 emissions.

In total, our Scope 1 and 2 emissions were lower in 2022 compared to 2021, and we are confident that we're on track to meeting our SBTi 2030 goal.

### SCOPE 3 EMISSIONS CATEGORIES BY PERCENT SHARE OF EMISSIONS



Indirect emissions include all our suppliers' and consumers' emissions, agriculture, transportation, and distribution. This figure represents the Baseline 2020 assessment and will be updated in 2023. Over 98% of our products sold are bagged teas, and the majority of our emissions is the result of grid energy (electric kettles) and gas energy (stove top boiling) to brew our teas. With electrification of the grid and renewable energy deployment in the US this number should decrease over time. In the meantime, we are sharing best practices for right-sized water boiling and encouraging electric kettle use.



Since we measure Scope 3 emissions every three years, our data for Scope 3 has not changed since 2021. Despite the longer cycle for Scope 3 emissions measurement, we're actively working toward reduction.

In 2022, we made progress in analyzing the packaging portion of our 2020 Scope 3 baseline emissions inventory, and explored new and unique ways to collaborate with other botanical herb and supplement companies who share suppliers. Emissions reductions in this category will require creative solutions through partnerships with farmers, suppliers, customers, and even competitors.

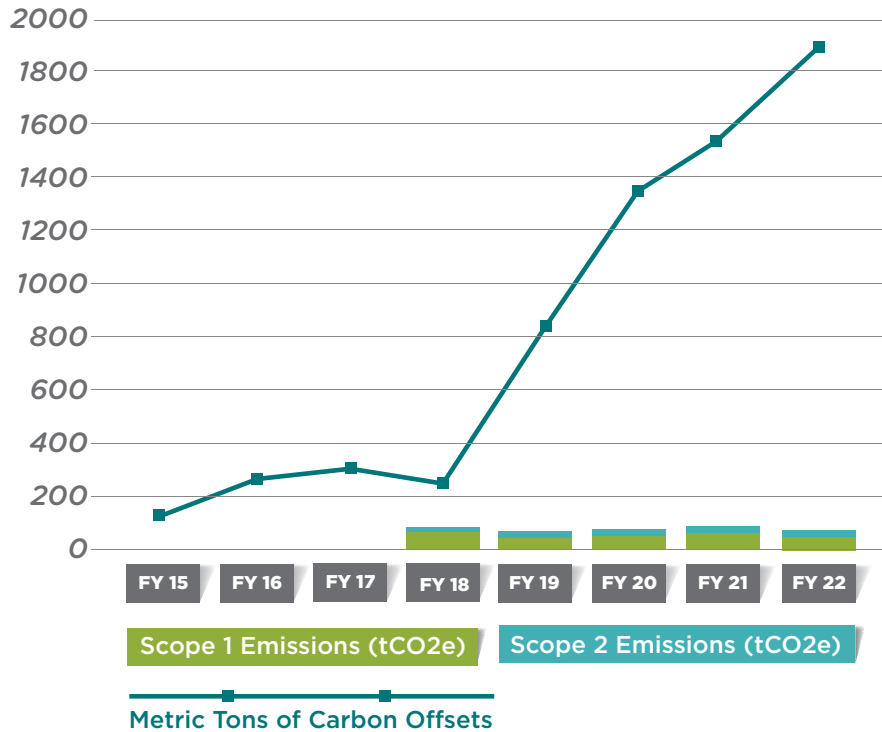
# OFFSETTING CARBON

## With the Right Projects

Our overall sustainability strategy is to reduce first and offset second. However, carbon offset projects do play an important role in attacking climate change from many angles.

In 2022, we purchased 1,900 metric tons of carbon, a 36% increase from 2021. By offsetting more carbon, we support immediate intervention to address climate change while building pathways to secure the best long-term solutions for our goal of reaching zero emissions.

### METRIC TONS OF CARBON OFFSETS



### Not all offsets are created equal

Our sustainability team researched hundreds of offsets to ensure projects we chose will positively impact both the natural environment and the people in those communities. That includes programs that support biodiversity, old-growth trees and key animal species, and environmental justice, as well as preserve traditional territory and indigenous rights.

Carbon offsets help reduce our total impact in scope 1 and 2 emissions, with some offset of scope 3 as well. This chart shows the growth in our offset investments, as well as scope 1 and 2 emissions for reference.



# CARBON OFFSET PROJECTS



## TRASH TO TREASURE: Methane Capture, Mare Chicose Landfill, Mauritius, 1,000 MT

This project collects and flares landfill gas and generates electricity on Mauritius Island, which is threatened by rising seas. Methane capture offsets reduce the emissions associated with decomposing food waste and bio-based packaging.

## FOR PEAT'S SAKE: Avoided Carbon Emissions, Indonesia 575 MT

Originally slated for conversion to an Acacia plantation, this project prevented land-clearing techniques that would release carbon stored within 157,000 hectares of peat swamp and forested areas.



## SEA OF CHANGE: Blue Carbon Removal, Myanmar, 120 MT

This project has planted 6 million mangroves in Myanmar, reducing 45,000 tons of emissions each year. Building income generating opportunities, like crab and clam farming, this project supports the community to sustainably preserve this remarkable ecosystem.

## GREAT BEAR FOREST CARBON PROJECT: Forest Preservation, Canada, 205 MT

Great Bear is the largest intact coastal temperate rainforest remaining in the world. Together, Coastal First Nations, environmental groups, forest companies, and governments adopted an Ecosystem-Based Management (EBM) approach that values the forest for more than lumber. It's a balanced system that sustains biodiversity and an enriched community.



# REMAINING EFFICIENT

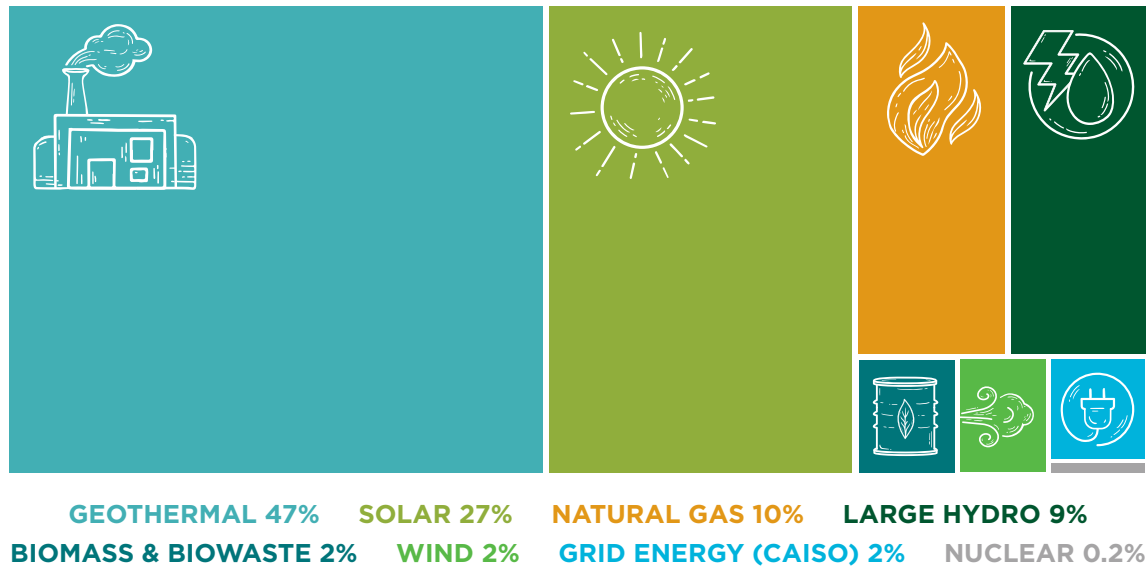
## Energy Usage

Our operations depend on electricity and natural gas to power production and business facilities in Sebastopol and Rohnert Park, CA. As our company grows, so does our need for energy. But we're happy to report that, in 2022, our total energy usage was consistent with 2021 levels.

We believe our continued commitment to energy efficiency will pave the way for future growth without overconsumption.

### ENERGY USE BY ENERGY SOURCE

TM's total energy use based on energy source



**Currently, we source about 80% of our company-wide energy from electricity, while the other 20% comes from natural gas.**

100% of our electricity comes from renewable sources.

74% of our total power usage is at our Sebastopol production facility. 17% of that power is produced from our 1,450 solar panels that cover over 31,000 square feet of our roof. For the balance, we choose to purchase renewable electricity through our local provider, Sonoma Clean Power.

Emission factor for Sonoma Clean Power EverGreen, 68 lbs Co2e/MWh



# CUTTING WASTE

## Reduction & Diversion

We continue to see improvements in our waste reduction and diversion, and we're excited to say that we have maintained compliance with the TRUE Zero Waste certification silver status that we earned in 2021. However, our 2022 diversion rate was 90.5%, down over 1% from 2021.

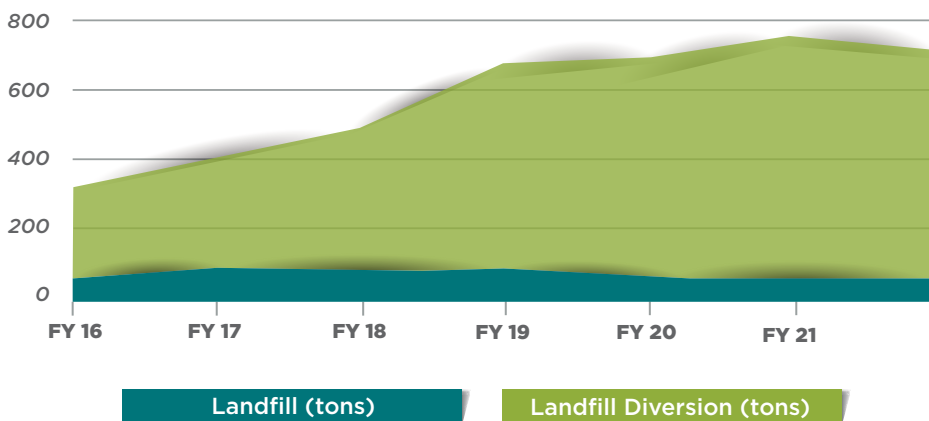
This lower diversion rate calls for renewed attention toward identifying

new opportunities to reduce waste. To support this work, our team continues to improve our tracking tools, methodologies, and employee education..

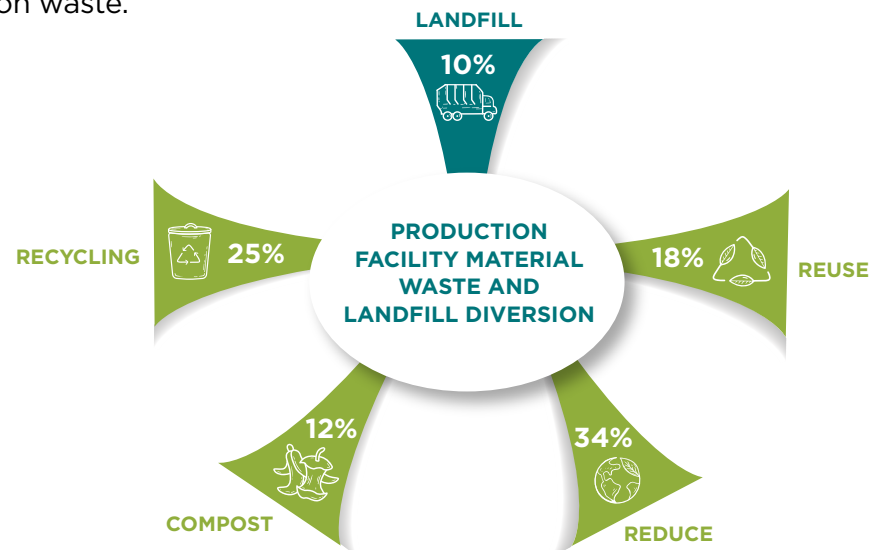
One outlier in 2022 was a temporary increase in consumption of non-divertible materials. These materials include our conventional overwraps, non-recyclable plastic, and construction waste.

In 2022, we saw this category increase by 8% (5 tons). This increase resulted from a significant remodel performed at the production facility; we believe the long-term benefits of the remodel will allow us to improve our diversion rate in the future.

## WASTE DIVERSION



Total waste from our Sebastopol plant. Diverted waste (green) refers to all waste that is recycled (25%), composted (12%), reused (18%), or reduced (34%). Our landfill-bound waste (blue) continues to decrease.



FY22 Diversion Rate: 90.5%, down from 91.7% year prior



## CHOOSING COMPOSTABLES

### Our New Product Wrappers

The global plastic problem continues to grow.

**Packaging alone accounts for half of the world's plastic waste.\*** At Traditional Medicinals, we know we can do better. So, we set out to change our tea bag wrapper to both protect the quality of our herbs while also eliminating single use plastic waste.

After almost a decade researching and testing, 2022 marked the final tests and official certification from the Biodegradable Products Institute (BPI®) for our new compostable wrappers and the roadmap for launching them across our product lineup.

After partnering with vendors for an industrial compostable solution and being the first tea company to attain BPI certification on our compostable wrappers, we're excited for our new and improved wrapper to hit shelves in 2023!

We know industrial composting is not a perfect solution, it's not accessible to everyone, and bio-based plastics can sometimes increase emissions. However, we're proud to take this step forward. By investing in new packaging technologies, we help fuel new research and development, and inspire change across the industry and beyond.

\*Source: [Bain & Company](#)



**We are the first tea company to meet stringent standards for BPI certification on a compostable overwrap.**







## STAYING GREEN

### California Green Business™ Certification

At Traditional Medicinals, we believe labels matter (and not just the ones on our packaging). It's important to not only say you care about addressing climate change but to have multiple third-party endorsements to back it up. These endorsements, the result of diligence, transparency, and rigorous standards, help encourage our suppliers, partners, and consumers to do their part, too.

That's why, in 2022, we attained recertification as a California Green Business. We were first certified in 2013 as part of a comprehensive local assessment to support energy and water conservation, reduce waste and pollution, and shrink our overall carbon footprint. Recertification shows that going green wasn't a fad, it's who we are.



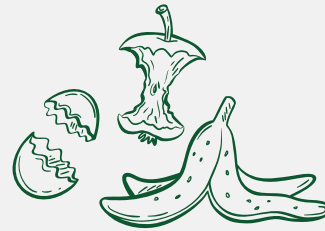
## LEARNING TO IMPROVE

### Our Commitment to Doing Better

Part of growing as a company, and as people, is identifying opportunities for improvement. As you can see in this report, we didn't do everything perfectly in 2022. But in learning where we missed the mark, we have a chance to examine, understand, and improve.

One way we're working to improve is by learning how to reduce our Scope 3 emissions. In 2022, we teamed up with HowGood® to begin measuring the footprint of 16 of our most popular herbs. HowGood is the largest food and personal care product industry database, providing individual ingredient-level analysis on over two million products. With impact data from over 550 independent data sources and certifications, HowGood is helping us improve the social and environmental impacts of our products.

**Powered by this knowledge, we have set the stage for finding impact hotspots, initiating new sustainability projects, and making changes to our sourcing decisions.**



### We're learning to reduce food waste.

In 2022, we found an opportunity to improve food waste practices. To ensure more goes to compost and stays out of landfill bins, we updated signage and added more compost storage at our facilities and created new training for employees.



## LOOKING FORWARD

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### Committing to Solutions

We made big strides in our fight against climate change in 2022. Our commitment to SBTi standards yielded great results and has put us on the path toward continued improvement in 2023 and beyond. We're also confident we will meet our emission-reduction goals for 2030 and our Net Zero commitment by 2050.

But we're not there yet. As we look to the future, we're excited to find new ways to increase renewables and reduce consumption. From planned upgrades like replacing our heating units with infrared technology to new discoveries we'll make in 2023, we're setting our sights on doing more than meeting the emissions reduction goals associated with our Science-Based Target.

**We're leading our industry toward a brighter future and a healthier planet.**



# 2 — PLANTS



**PLANTS** These are just a few of the ways we are protecting the abundance of medicinal herbs and creating our products with the highest ethical standards, and partnering with values-aligned sources.

## COMMITMENTS



### PROTECT THE PLANTS

We believe it is our responsibility to support the abundance of medicinal herbs



### MAKE PRODUCTS WITH INTEGRITY

We believe it is our responsibility to create our products with the highest ethical standards

## HIGHLIGHTS

27%  
FAIR  
HERBS

99.5%  
ORGANIC  
HERBS

\$157,541  
FAIR  
PREMIUM  
DOLLARS

3,054,706  
lbs  
ORGANIC  
HERBS



# HARVESTING THE *best*: ORGANIC, *wild*, AND FAIR

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We owe our success as a company to plants. They're the natural wonders with healing qualities that make everything we do possible.

It's why we care so much about maintaining that connection with plants, by sourcing herbs that are well-cared for, traded fairly, and contribute to healthy, sustainable biodiversity.



## SOURCING ORGANIC

### Committed to Purity & Progress

At Traditional Medicinals, we continued our steadfast support of biodiversity and sustainability in 2022 through sourcing organic herbs. More than ninety-nine percent of the herbs we purchased from suppliers in 2022 were certified organic, 3.054 million pounds, to be exact. That’s a lot of organic goodness.

These numbers are in line with 2021, when 99% of our herbs were certified organic. The slight drop was likely due to an uptick in demand for Pau d’Arco and Bi Yan Pian extract (Breathe Easy®). These non certified organic ingredients comprise approximately 13,913.56 lbs (0.05% of total).

Overall, 2022 saw the most herbs we’ve ever sourced to make our products, with a 12% increase in organic herbs purchased.

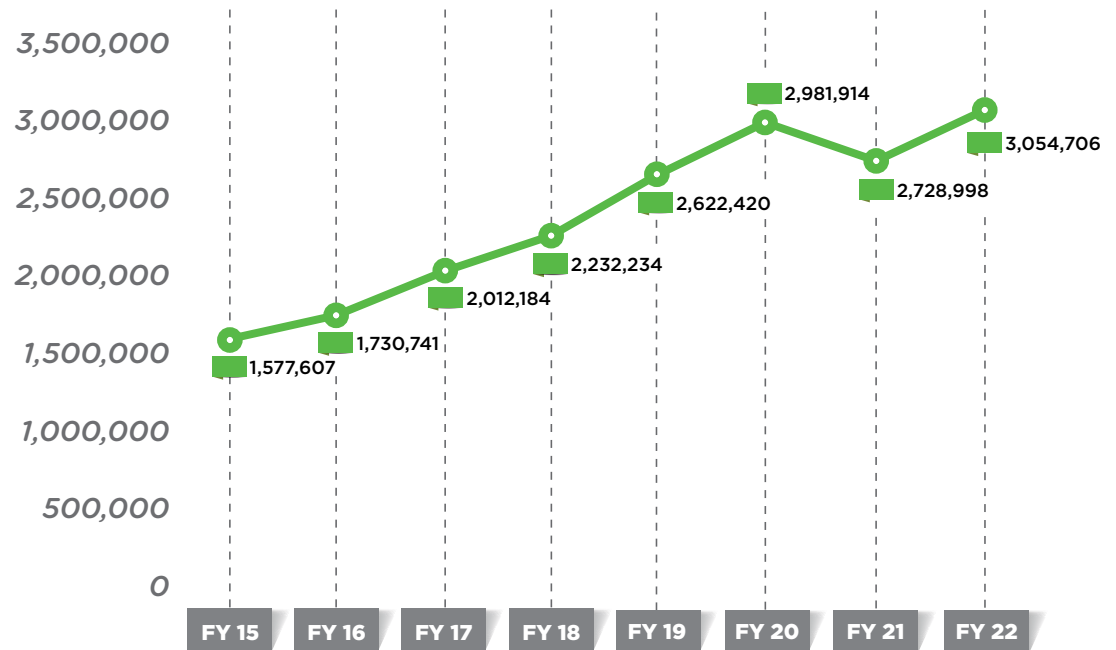
Of course, there are always new sustainability trends to consider in agriculture. As a company, we continue to explore those options, including regenerative practices. But one thing is certain: ensuring the highest quality products possible is so important; we’ll continue our commitment to certified organic in 2023 and beyond.



Since 2015, our herb supply has been at least 99% certified organic.



### LBS OF ORGANIC HERBS



Our purchased supply of organic herbs, measured in pounds.



# OUR TOP 10 HERBS

## 1. PEPPERMINT

Like a breath of fresh air with its refreshing aroma and soothing health benefit in aiding digestion.

## 2. LICORICE ROOT

More than a sweet treat. It's traditionally used in herbal medicine for soothing digestion and supporting respiratory health.

## 3. CHAMOMILE

Bringing comfort to bellies and inducing relaxation, chamomile may be one of the most common staples of household herbalism.

## 4. GINGER

For over 2,000 years, herbal practitioners have used it to help with digestion, upset stomach, and nausea.

## 5. FENNEL

Used traditionally in herbal medicine to relieve uncomfortable indigestion and support breastmilk production in nursing moms.

## 6. SENNA

This herbal laxative is an herbaceous way to relieve occasional constipation.

## 7. ECHINACEA

Used by Native Americans as an all-purpose remedy for generations, echinacea is widely known for its contribution to immune support.

## 8. STINGING NETTLE

It's not some pesky weed with a needless sting. An herbalist favorite, nettle is used to support the kidneys and joints.

## 9. RASPBERRY LEAF

European and Native American women used raspberry leaves for centuries to relieve normal menstrual cramps and prepare the womb for childbirth.

## 10. LEMON BALM

A member of the mint family, this bright, uplifting herb supports digestion and helps calm frazzled nerves.



While we love every single plant that we use in our products, we use some herbs much more than others.

\*These statements have not been evaluated by the Food and Drug Administration. This product is not intended to diagnose, treat, cure or prevent any disease.





# GOING WILD



There are roughly 30,000 plant species with medicinal or aromatic uses, and up to 90% of those plants are wild collected.

**As many as one in five may be facing extinction.\***



## When global plant ecosystems thrive, we all thrive.

Wild-harvested plants are among the most fragile and endangered. As many as one in five may be facing extinction.\* FairWild®, an organization leading the way for sustainably and fairly traded wild-collected plants, estimates there are roughly 30,000 plant species with medicinal or aromatic uses, and up to 90% of those plants are wild collected.

At Traditional Medicinals, **it's vital to our future success that we ensure a sustainable, fair approach to wild herb collection.** Wild plants are very special to us, our customers, and, most importantly, the communities that nurture and gather these plants. We continue to raise awareness around their importance.

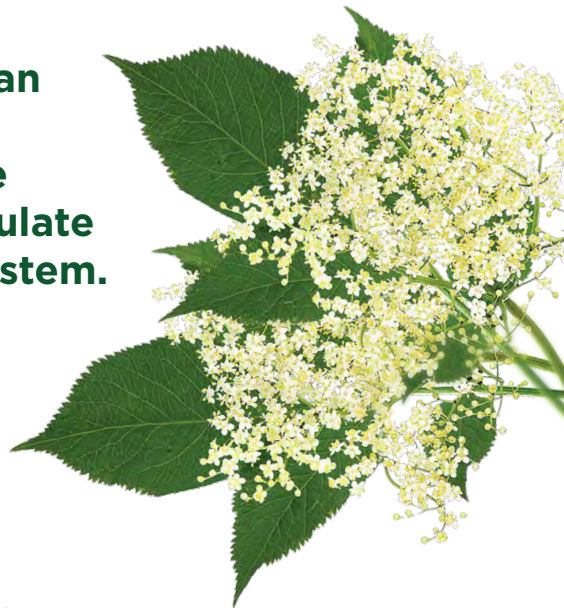
\*Source: The International Union for Conservation of Nature (IUCN) Red List™



In 2022, we worked with [BBC Storywork Productions](#) to document our work with FairWild elderflower collectors in Kosovo. With this film we were able to share how FairWild standards help to foster wild herb collection, ensure the longevity of wild plants, and preserve the local, traditional knowledge of their sourcing communities.

The BBC *Age of Change* project is just one of the many ways we have made strides in promoting wild collection. It's an ongoing process for Traditional Medicinals as we continue helping collectors who are financially constrained obtain FairWild certification and engage in sustainable growth.

**Elder is one of the many wild-collected plants we use in our products. For centuries, Native American and European herbalists have used it to stimulate the immune system.**



Jamie Horst, Chief Purpose Officer at Traditional Medicinals sits discussing the latest Elderflower harvest with wild collector Blinishte in Kosovo.



Blinishte holds a bag of FairWild certified Elderflower in Kosovo, where she returned after college to continue wild collecting with her family, helping to preserve both wild collection traditions and the local ecosystems.



# ELEVATING FAIR TRADE

## So That Everyone Wins

Fair trade helps producers, consumers, and brands build ethical commerce relationships for food and other products around the world. Participation in fair standard systems safeguards human rights along with

minimum wage guarantees for farmers and source communities.

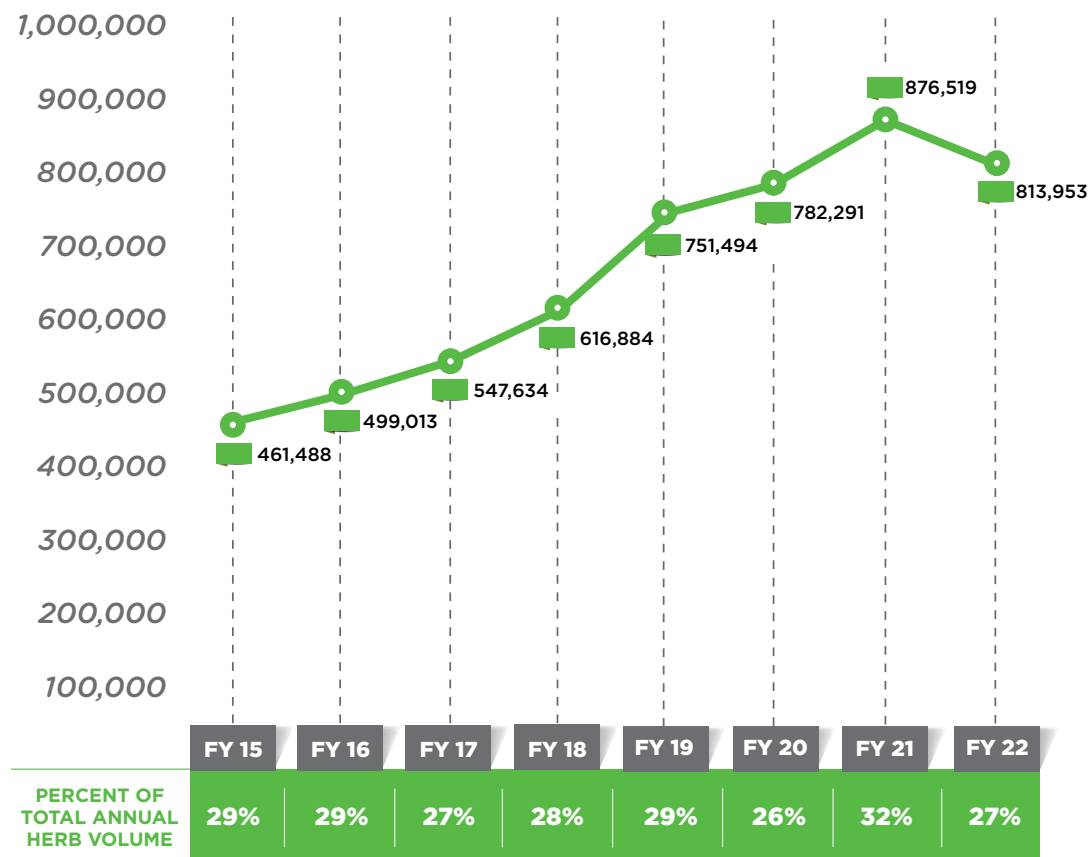
In 2022, 27% of the plants we purchased were fair certified. That amounted to 813,953 lbs of Fair Trade or FairWild

herbs, and a total of **\$157,541 in fair premiums was reinvested in source communities.**

After assessing Traditional Medicinals' fair purchasing history in 2021, we made a big commitment: grow our fair herb sourcing to 80% of our total purchase (by volume) by fiscal year 2030.

We're not near our 80% goal yet, but we're looking at how we can support farmers and collectors to become certified and building new relationships. Thanks to changes to our supply chain and forecasting in 2022, we believe we will achieve a significant increase in fair certified ingredients in the years to come.

### LBS OF FAIR CERTIFIED HERBS



FairWild raspberry leaf, sourced in Bosnia and Georgia



FairWild rosehips, sourced in Georgia and Hungary



## PLANTING THE FUTURE

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### With Powerful Partnerships

We love plants. We care for them, and they help us care for ourselves. In all our sourcing practices, we are striving to use only the most pure, fair, and sustainable herbs available in our medicinal products.

Our work in 2022 was about making progress through partnership for the health of our plants and sourcing communities. We partnered with HowGood to measure the footprint of our herbs and form data-driven means for more sustainable sourcing. We partnered with FairWild and the BBC to promote and support wild collection. We began collaborating with Fair for Life® to improve our fair trade sourcing. And our operations teams worked together to seek opportunities for sourcing more organic, fair herbs.

The foundational work of 2022 has us well-positioned to achieve our 2030 goals, and we look forward to sharing more progress in 2023.



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PEOPLE



**PEOPLE** We hold ourselves responsible to support farmers and collectors, our team, our industry, and tea drinkers around the world. These statistics highlight some of the work we are doing to care for all the people, who help create and are supported by botanical wellness, from seed to cup.

## COMMITMENTS



### INVEST IN COMMUNITIES AT THE SOURCE

It is our responsibility to improve lives and livelihoods for our farmers and collectors



### EQUIP OUR PEOPLE TO BE WELL

We believe it is our responsibility to contribute to the well-being of everyone in our value chain



### EXPAND ACCESS TO HERBAL MEDICINE

We believe it is our responsibility to include all types of consumers in the medicinal herb journey



### HOLD OURSELVES ACCOUNTABLE

We believe it is our responsibility to be transparent about the status and progress of our goal

## HIGHLIGHTS

115.8 B CORP IMPACT SCORE	57% FEMALE LEADERS	7,109 SAFETY & QUALITY TRAINING HOURS
2,149 hrs PRO BONO CONTRIBUTIONS	641,271,969 BAGS OF TEA SERVED	111,817 BAGS OF TEA DONATED
\$2,137,391 IMPACT DOLLARS INVESTED	27% VOLUNTEER ENGAGEMENT	510 FARMERS TRAINED



# WE *succeed* BY CARING FOR ALL *people*

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The success we've enjoyed at Traditional Medicinals is due to the great people we work with. That means our employees, partners, vendors, and source communities. Our people are not just numbers or statistics. We believe our business should play a big role in improving their well-being.

In this section, **you'll see how we're making an impact on the lives of workers around the world and here at home**, by investing in people.





Traditional Medicinals employees volunteer for The Botanical Bus, helping fill pots for clinic patients to grow herbs at home.

**Volunteer efforts exceeded our 2022 goals in a variety of ways:**

*Contributions to*  
**INDUSTRY ORGANIZATIONS:**  
 16 employees,  
 27 organizations,  
 1,561 hours

*Volunteer* **EVENTS:**  
 40 employees,  
 154 hours

*Pro Bono*  
**BOARD SERVICE:**  
 9 employees,  
 10 organizations,  
 588 hours

*Partnership* **WITH**  
 29 organizations

**213**  
**AVERAGE**  
**NUMBER OF**  
**EMPLOYEES**  
**IN 2022**



**BUILDING UP**

**Our Team and Community**

We're always inspired by Traditional Medicinals employees living out our values. That's why we support community-building organizations and encourage our team to take time away from the office to volunteer with local nonprofits.

In 2022, Traditional Medicinals employees contributed **over 2,400 hours of their time volunteering**, serving on boards, or sharing their expertise through advising or academic contributions. This work included harvesting produce for people with chronic illness, nurturing redwood saplings for fire mitigation, collecting food and funds to combat hunger, and donating computers and event space.





# LEADING THE WAY

## Women in the Workplace

Since our founding, Traditional Medicinals has strived to provide a fair, egalitarian workplace. Our numbers in 2022 prove that we're on the right track: with females making up 57% of our leadership ranks (leadership is defined as anyone in a supervisory role). This is an 8% increase from 2021. Likewise, our total employee population saw a 7% increase in female representation.

We're certainly proud of our performance in this area. **We're also excited to continue supporting women in leadership roles and ensuring equal footing for all.**

57%

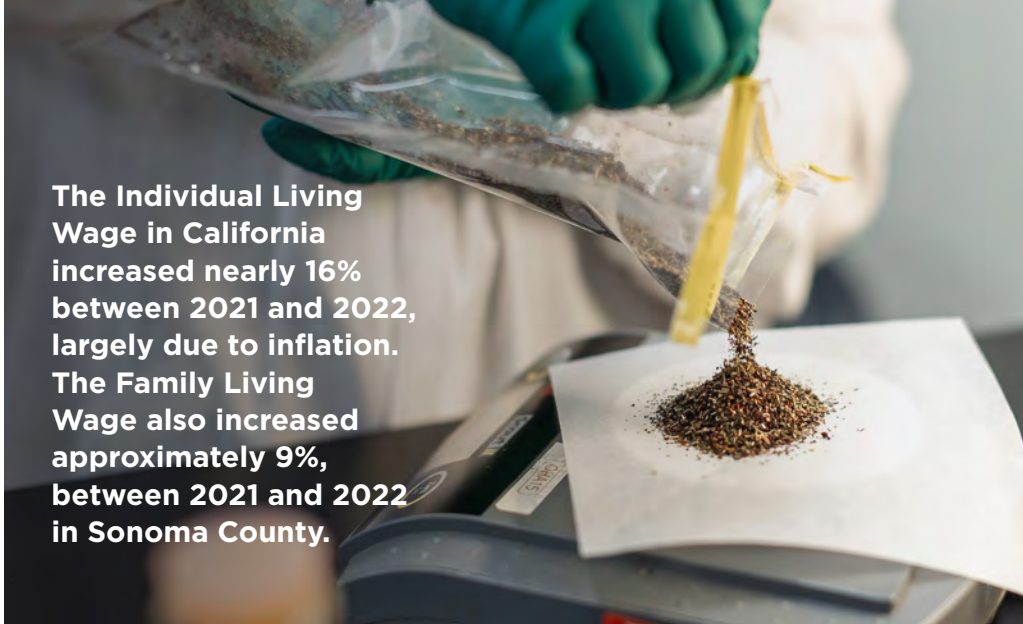
In 2022, our leadership was **57% female**, and our total employees were **58% female**.

58%

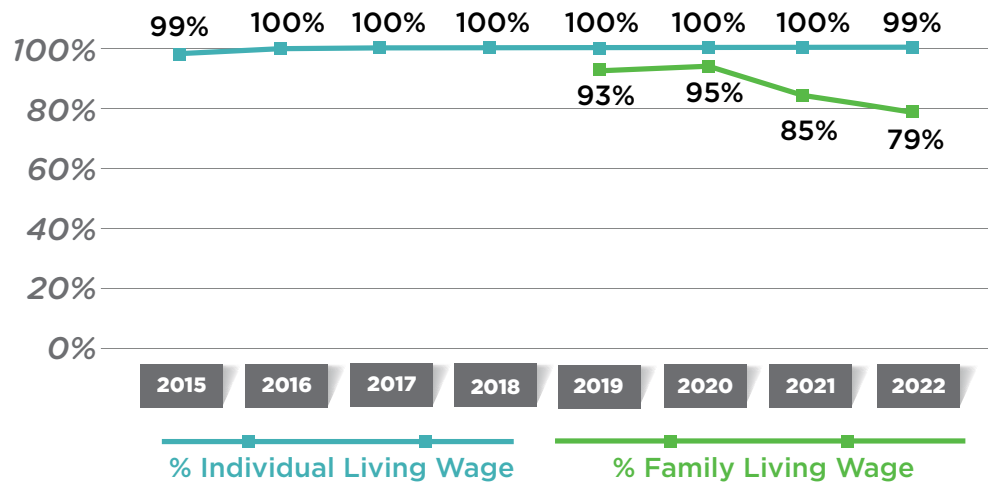


### Marisa Williams, Senior Scientist Research & Development

My scientific background in clinical practice and medicinal plant research as a Naturopathic Doctor and herbalist came full circle when I joined the Research and Development team at Traditional Medicinals. Years ago, when I began to study botanical medicine, the American Botanical Council quickly became a much-appreciated source of knowledge as I was curiously looking for other kindred plant people in the scientific community. My past self would be incredibly surprised and grateful to hear from my present self that today, I am one of those plant people! Through my role at Traditional Medicinals, I help others connect to plant wisdom not just by developing herbal products, but also by co-authoring Herb Profiles for the American Botanical Council to keep the full circle going for others.



The Individual Living Wage in California increased nearly 16% between 2021 and 2022, largely due to inflation. The Family Living Wage also increased approximately 9%, between 2021 and 2022 in Sonoma County.



**PERCENT OF FULL-TIME EMPLOYEES WITH A SALARY AT OR ABOVE THE SONOMA COUNTY INDIVIDUAL AND FAMILY LIVING WAGES**

The MIT Living Wage calculator factors in the area’s cost of living, “the wage needed to cover basic family expenses plus all relevant taxes.” In 2022, Sonoma County’s Individual Living Wage was \$45,074 annually, and the Family Living Wage was \$50,294 annually.

## LIVING WAGES

### A Chance to Improve

Inflation has hit workers hard, all across the country. Here in California, our employees have certainly felt the effects. Until 2021, we had been proud to report 100% of our full-time employees earn an individual living wage. In 2022, we met this threshold for 99% of employees, a 1% drop, given rapidly rising living costs.

There was a clear decline in how wages measured up to a Family Living Wage, at 79 percent. This percent is largely due to inflation outpacing wages, but we know we have to improve in this area.

While we’re hopeful that inflation will ease, we have worked to address these difficult market conditions. By analyzing salaries, we proactively addressed salary gaps in positions across the organization to ensure employees are being paid fairly. At our Sebastopol facility, we implemented a skill-based pay program for machine operators, adjusting wages for workers as they demonstrated proficiency in new skills. We also accelerated our annual merit increase for all eligible employees.



## STAYING SAFE

### Participation in Quality and Safety Training

Above all, we value the safety of our team and our consumers. That’s why, in 2022, we continued to expand our investments in safety and quality trainings.

Our Sebastopol employees logged a total of 7,109 hours of safety and quality training. This amounts to approximately 66 hours of training per employee. These trainings include 4 categories: General Safety, Quality Assurance and Quality Control (QA QC), Production Process, and Equipment.

- Total Hours General Safety Related Training: **399 hours**
- Total Hours QA QC Training: **309 hours**
- Total Hours Production Process Training: **1,233 hours**
- Total Hours Equipment Training: **5,166 hours**

Total Safety and Quality Training Hours: **7,109**

We’re not just committed to providing training. We’re committed to ensuring employees are able to participate by hosting monthly safety topics at our production facility.

In 2022, we exceeded our internal goal of 95% participation, reaching 99%. This was aided by offering a quarterly production bonus that could be achieved by: 1) reaching the 95% average participation rate for each quarter (tracked via signature of employees acknowledging completion) and 2) reaching 87% average passing grade for our Good Manufacturing Process (GMP) walks, which are performed weekly by supervisors and management. To achieve the full bonus, both goals had to be met.

Any time we can raise our safety standards and involve employees, we call it a win-win. **In 2022, it was a win-win for safety, quality and our team at Traditional Medicinals.**



Over **99% Participation** for Safety Topics





## GIVING BACK

### With Products, Time, and Money

Giving is part of the culture at Traditional Medicinals. We seek out as many ways as possible to help the people and causes close to our hearts, from social impact investments for purchasing fair certified herbs to direct contributions to a range of investments in our sourcing communities.

### Our giving takes three main forms: product donations, financial contributions, and investments of time, skill, and expertise.

These contributions are woven together into the fabric of all we do: from how we purchase herbs to how our company's Foundation maximizes both financial giving and human power in supporting good causes.

In 2022, we donated nearly 112,000 bags of tea to non-profit and community partners across the US. We also provided more than 10,000 bags of Throat Coat Lozenges.

These product donations served dual purposes: they delivered botanical wellness, and they were donated to people in need.



### SOME OF THE WAYS WE GAVE IN 2022



Breathe Easy® and Throat Coat® for first responders fighting wildfires



Mother's Milk® for a doula collective supporting underserved mothers

Tea for care packages being sent to breast cancer patients

Tea for wellness centers at schools and health departments

Support for herbal conferences and events



## SERVING WELLNESS

### With the Healing Power of Plants

At Traditional Medicinals, the biggest impact we make is crafting teas that promote and support health. To that end, in 2022, 641,271,968 cups of Traditional Medicinals tea were brewed across North America.

That's a staggering amount of delicious organic tea. Each time a customer sips a Traditional Medicinals tea, they're not just choosing a quality product, they're joining us in pursuing our purpose. **Thanks to the healing power of plants, we're helping people recover, relax, and revitalize, and we're also fighting climate change and helping our source communities thrive.**

In 2022,  
**641,271,968 cups**  
of Traditional Medicinals  
tea were brewed across  
North America



# THE TRADITIONAL MEDICINALS FOUNDATION

We are proud that we are able to support nonprofit organizations where our team lives and works. Our contributions include not only financial giving through our Traditional Medicinals Foundation, but also volunteerism and advisory support. In 2022, The Traditional Medicinals Foundation expanded its volunteer partnership programs in Sonoma County, where it works to support an array of transformational efforts in our local community. In addition to the \$10,000 non-restricted grant funding, we provided our nonprofit partners with product donations and connected them with our employees for unique volunteer opportunities.



## COMMUNITY ACTION PARTNERSHIP OF SONOMA COUNTY (CAP):

Traditional Medicinals team members put their knowledge to work designing and restoring the garden at Sloan House, which serves women and children in need of short-term shelter. The garden will provide year-round fruits, vegetables, herbs, and flowers to residents.

Hannah Faire Scott, Communications Manager, plants flowers with CAP volunteer.

## LANDPATHS:

With funding from the Foundation, LandPaths continued to lead outdoor youth programs and restore wildlands impacted by fires in Sonoma County. Traditional Medicinals employees participated in multiple volunteer events supporting fire mitigation efforts at the Rancho Mark West preserve in Santa Rosa.



Mazy Rhuberg, Director of Brand Marketing, plants redwoods with Landpaths.





**CERES COMMUNITY PROJECT:**

In 2022, grant funding from the Traditional Medicinals Foundation helped prepare 3,450 organic, whole-food meals, providing weekly nourishment to 30 medically compromised, low-income clients for 16 weeks. We also put our team to work: employees participated in volunteer events at the Ceres Community Garden in Sebastopol, supporting the garden transfer project and harvesting needs.

Traditional Medicinals employees help out in the Ceres Garden.

**BOTANICAL BUS:**

The Foundation partnered with the Botanical Bus to launch a new Healing Harvest Program. Traditional Medicinals Foundation is funding the purchase of land shares at Green Valley Mill + Farm, where more than 100 varieties of medicinal herbs are grown. The Foundation is also co-investing in an on-site herb dryer.

This land share is used by Botanical Bus Promotoras, the Indigenous women who give their time and herbal wisdom to the community. The land shares provide a source of herbs for personal practice and distribution at farmworker clinics, a paid part-time position for a Promotora, and a space for learning and sharing plant wisdom and sustainability practices.



Juliana, a Promotora for the Botanical Bus, gathers Hibiscus at the land share. Photo Credit: Jocelyn Boreta, Botanical Bus



## INVESTING RESPONSIBLY

### Supporting Our Source Communities

We believe in taking responsibility for improving the lives and livelihoods of our farmers and collectors. To do this work, we have pledged to:

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

In every sourcing community, we are devoted to upholding our charter commitment. To do so, we invest heavily in Source Community Projects each year. These projects are developed in partnership with local workers and organizations for the benefit of those source communities. They are designed to improve the sustainability, farming practices, and well-being of the people who live there. On the following pages, you'll see three examples of Source Community Projects that are fulfilling that pledge and building something great.







## Madagascar—Turmeric

**In 2022, we deepened our commitment to farmer cooperatives in Madagascar.**

On the eastern coast of Madagascar, we supported farmer cooperatives with investments in infrastructure and training to open new income opportunities while advancing sustainable farming practices. Since 94% of income in this area comes from agriculture, investing in equipment and training is essential for building additional and sustainable sources of income.

Our continued work in Madagascar helped enhance farmers' capabilities through Good Agricultural and Collection Practices (GACP), certification support, peer-to-peer training, and equipment upgrades.

This project closed at the end of the calendar year 2022, and we're happy to report we exceeded expectations for many of our objectives.

- Assisted 650 households, about 3,000 people, where more than 70% fall below the poverty line.
- Trained 510 farmers at the new Farmer Field School
- Helped farmers earn certification in Fair for Life standards, GACPs, and sustainability practices.





### Egypt—Chamomile and Hibiscus

Our source communities in Egypt grow beautiful herbs like chamomile and hibiscus, but the women in those communities face many challenges in their work. They encounter obstacles to economic opportunity and access to the resources needed to help their businesses thrive.

In 2022, our third year of investment in Egypt, we continued critical economic empowerment workshops for women with an extra emphasis on literacy and entrepreneurship. Our work includes the implementation of Village Savings and Loan Associations, empowering members of the community to self-manage collective funds and access small affordable loans.



### Zimbabwe—Hibiscus

In 2022, we began a new project in Zimbabwe that touches the lives of over 1,400 villagers in the Binga region of Northern Zimbabwe. In this remote land, people have limited access to viable income opportunities. Women, who are the majority of the farmers in Binga, rely on the income from cash crops like hibiscus.

But climate change threatens the farms and the farmers' livelihoods. A water crisis in past years has caused immense losses of both plants and income and now requires women to walk long distances to get water for their families and livelihoods.

We broke ground this year on the installation of four boreholes to provide safe, reliable drinking water. This work builds on the success of a similar project in the nearby Mbire Region, employing a women-centered framework for ownership and maintenance of the boreholes to ensure long-term sustainability. We're excited to continue this work and look forward to sharing stories about this vital project.



Based on the B Impact assessment, Traditional Medicinals earned an overall score of 115.8. The median score for ordinary businesses who complete the assessment is currently 50.9.



In 2022, we made a positive impact on our planet, plants, and people. We will keep striving to make an even bigger impact in the years to come, because our purpose drives us toward sustainability, ingredient quality, and social and environmental advocacy.

**We're committed to our transparency and accountability as a B Corp and California Benefit Company. And we are dedicated to being part of the positive transformation our world needs.**



**Thanks for taking the journey with us.**

