

# TRADITIONAL MEDICINALS (TMI)

## ANNUAL SUSTAINABILITY AND BENEFIT REPORT FY2016 APPENDIX

### CHAPTER 1 – INTRODUCTION

**Mission Statement:** Traditional Medicinals® makes affordable and effective herbal medicines for family healthcare. We honor traditional herbal knowledge and modern phytotherapy. We balance our commitment to sustainability with our commitment to the highest quality ingredients, and promote social justice and environmental activism.

**Vision Statement:** Traditional Medicinals® inspires people to embrace plant medicine and empowers them to care for themselves and others. We aspire to transform the commerce of herbs by promoting wellbeing at every point and striving to create value for all stakeholders, from collection and cultivation to consumption.

<b>Board of Directors FY2016</b>	Drake Sadler, Chairman	Blair Kellison, Chief Executive Officer
	Mark Retzloff	John Elstrott
<b>Executive Leadership Team (ELT):</b>	Blair Kellison: CEO	Jane Catelani Howard: CFO
	Janine Levijarvi: VP Human Resources	Katie Huggins: VP Technical Services
Scott Nakashian: VP Operations	Gary Gatton: VP Sales	Matt Crum: VP Marketing

<b>Headquarters &amp; Manufacturing Facility</b>	<b>Marketing and Sales Services Offices</b>	<b>Storage Warehouse</b>		
4515 Ross Road, Sebastopol, California 95472	621 Second Street, Suite A, Petaluma, California 94952	975 Corporate Center Parkway, Suite 140 B, Santa Rosa, California 95407		
<b>Traditional Medicinals Website</b>	<b>Facebook</b> 	<b>Instagram</b> 	<b>Pinterest</b> 	<b>Twitter</b> 
<b>USA</b>	<b>CANADA</b>	<a href="http://www.facebook.com/TraditionalMedicinals">www.facebook.com/TraditionalMedicinals</a>	<a href="http://instagram.com/TradMedicinals/">instagram.com/TradMedicinals/</a>	<a href="http://www.pinterest.com/tradmedtea/">www.pinterest.com/tradmedtea/</a>
<a href="http://www.traditionalmedicinals.com/">www.traditionalmedicinals.com/</a>	<a href="http://ca.traditionalmedicinals.com/">ca.traditionalmedicinals.com/</a>			<a href="http://twitter.com/tradmedicinals">twitter.com/tradmedicinals</a>

**Memberships and Sponsorships:** Traditional Medicinals is a corporate member of the United Plant Savers (UpS), an emerald sponsor member of the American Botanical Council (ABC), a founding member of the American Herbal Products Association (AHPA), a friend of the Fair Wild Foundation (FWF), a gold leaf sponsor of the American Herbalists Guild (AHG), a member of the California Certified Organic Farmers (CCOF), a member of Green America® Green Business Network™, a member of the Organic Trade Association (OTA), a platinum member of the American Herbal Pharmacopoeia (AHP), and sponsor member of the Sustainable Food Trade Association (SFTA).

**Primary Regions for Sales:** Our organic herbal products are sold mainly the USA, Canada, and Mexico. There is some redistribution in Japan, Hong Kong, Republic of China (Taiwan), Singapore, and the Philippines.

**Reporting Process:** Information for the Annual Sustainability & Benefit Report, part of our reporting requirements as a member of the Sustainable Food Trade Association (SFTA) and as a registered California Benefit Corporation, was collected from the responsible persons of various departments of the company in particular the Senior Accounting Manager, Chief Financial Officer, Human Resources Manager, Procurement Manager, Site Development Manager, Sanitation Supervisor.

Our fiscal calendar runs October-September, so all yearly information is fiscal unless otherwise noted. In its website, Traditional Medicinals published highlights from the FY2012 - 2015 reports [publicly](#). All shareholders receive a copy of the California Benefit Corporation report, including our Annual Sustainability Report and Appendix.

**Contact:** Ben Couch, Sustainability Manager (707) 824-6784 / [bcouch@tradmed.com](mailto:bcouch@tradmed.com)

**Goals:** In previous years, stated goals were developed collaboratively by TM Executive Leadership Team (ELT) and Sustainability Department. As we have synthesized our SFTA & B Corp reporting and department planning starting at the end of FY2016, those goals have been completed, continued, or deferred to official planning for FY2018, following this report's publication. FY2017-18 goals will be confirmed and included in the FY2017 report.

**Policy Statements:** In an effort to make our reporting more streamlined, statements of policy have been shortened and restated for more practical consumption, but our more complete list of policy statements remains in our FY2015 report's appendix: <http://www.traditionalmedicinals.com/wp-content/uploads/2016/10/FY2015-Report-Appendix-FINAL.pdf>

**B Impact Reporting:**

As a certified B Corp, Traditional Medicinals is evaluated every two years by B Lab. Our official 2016 B Impact Report, with a score of 115, based on our FY2015, and archived reports are available here:

<https://www.bcorporation.net/community/traditional-medicinals>

We take the B Impact Assessment every year as a California Benefit Corporation, and use that information to highlight areas for further progress. Here is our self-reported B Impact Assessment Report from FY2016.



**FY2016 B Impact Report (Self-Assessed)**

	Your Total Pts	Percent Earned ⓘ
<b>Overall Rating</b>	<b>125.7 pts</b>	
		
<b>Governance</b>	<b>18.0</b>	
Mission & Engagement	1.7	56%
Corporate Accountability	1.3	88%
Ethics	1.2	81%
Transparency	3.8	95%
Mission Locked	10.0	100%
<b>Workers</b>	<b>22.1</b>	
Compensation & Wages	8.2	67%
Benefits	7.2	59%
Training & Education	1.3	52%
Worker Ownership	1.8	25%
Management & Worker Communication	1.4	56%
Job Flexibility/Corporate Culture	1.1	48%
Occupational Health & Safety	1.2	100%
<b>Community</b>	<b>41.7</b>	
Job Creation	1.1	13%
Diversity & Inclusion	2.4	30%
Civic Engagement & Giving	5.6	56%
Local Involvement	2.0	25%
Suppliers, Distributors & Product	6.5	60%
Supply Chain Poverty Alleviation	24.1	80%
<b>Environment</b>	<b>36.4</b>	
Land, Office, Plant	6.1	76%
Inputs	8.7	51%
Outputs	2.7	27%
Transportation, Distribution & Suppliers	4.1	41%
Toxin Reduction / Remediation	14.4	48%
<b>Customers</b>	<b>7.5</b>	
Health & Wellness Improvement	7.5	25%

**STATEMENT OF THE BOARD OF DIRECTORS OF  
TRADITIONAL MEDICINALS, INC.,  
a California benefit corporation  
REGARDING THE FISCAL YEAR 2016 ANNUAL BENEFIT REPORT**

**February 7, 2017**

The Board of Directors (the “Board”) has reviewed Traditional Medicinals, Inc.’s (the “Benefit Corporation”) fiscal year 2016 annual benefit report.

Traditional Medicinals is committed to sourcing and producing the highest quality herbal medicine, social justice, environmental activism, and prioritizing sustainability for all stakeholders. A few examples of Traditional Medicinals’ benefit impacts in fiscal year 2016 include:

- **100% Local Renewable Energy.** Traditional Medicinals’ Solar Panels and Local Geothermal Energy supplied all our power. 2016 natural gas use was balanced by purchasing Carbon Offsets from our Organic, Fair Trade green tea supplier.
- **Sustainable Sourcing.** Traditional Medicinals’ Organic Herb Procurement rate by volume was 98.9%, and the share of Ethically Traded Herbs (organic + fair or company-managed social programs) was 38.9% of herb purchases, including almost 500,000 pounds of Fair Trade and FairWild herbs, combined.

Traditional Medicinals also improved its teabag sustainability, using knotted organic string instead of staples on new tea machines, producing over 100 million non-staple teabags. Traditional Medicinals also achieved Non-GMO Project Certification for its tea bags, made of Forest Stewardship Council (FSC) certified wood pulp and Rainforest Alliance certified abacá fiber.

- **Operational Efficiency for Organic Growth.** Traditional Medicinals increased its proportion of organic product sales to 99.3% (by case equivalent) while improving its forecasting, sourcing and distribution systems, which allowed us to buy and store only 0.4% more herbs and 6% less packaging by weight in FY2016, for a leaner operation moving forward.
- **Community Engagement Collaboration with Traditional Medicinals Foundation.** Traditional Medicinals launched a mission-based initiative to evaluate risk and community development in source areas, to communicate its vision of empowerment, and to measure progress as we grow. In FY2016, Traditional Medicinals, Inc. and the

Traditional Medicinals Foundation visited strategic partners to engage important sourcing communities and develop socioeconomic and environmental assessment tools.

After careful review and analysis, it is the Board's opinion that the Benefit Corporation pursued its general purpose during the period covered by the report.

In accordance with California Corporations Code §14621, the undersigned directors of the Benefit Corporation have executed this statement as of the date first set forth above.

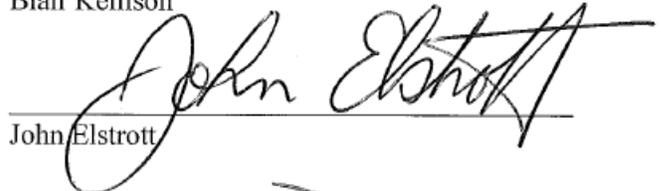
**DIRECTORS:**



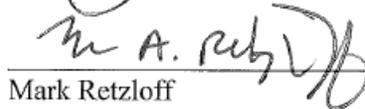
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Drake Sadler



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Blair Kellison



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John Elstrott



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Mark Retzloff

## CHAPTER 2 - SUSTAINABLE SOURCING

Traditional Medicinals is committed to sourcing botanical ingredients that are produced according to independently verifiable and certifiable sustainability standards (**comprising ecological, economic, and social sustainability criteria**). Traditional Medicinals is committed to not only sustainable agricultural methods as evidenced by third-party certification of medicinal plant farms (whether certified biodynamic or certified organic or both) but also to sustainable harvesting and resource management of wild medicinal plants under fair trade conditions. **TM defines 'sustainable' ingredients as those certified against both Organic and Fair standards.** Some sources are part of TM- or producer-managed ethical trade programs that include both social protections and a defined price premium, which we include in our developing 'ethical sourcing' model.

### 2.1 Certified Organic and Ethical Sourcing

Sustainably and Ethically Sourced Botanicals	FY2012	FY2013	FY2014	FY2015	FY2016	Percent of Total	% Change Pounds
<b>Organic Botanicals Purchased</b>	<b>1,020,888</b>	<b>1,268,429</b>	<b>1,577,607</b>	<b>1,726,047</b>	<b>1,730,741</b>	<b>98.924%</b>	<b>0.27%</b>
Organic + FairTrade	116,074	148,248	247,251	216,714	249,819	14.3%	15.28%
Organic + FairWild	110,954	143,617	180,788	244,773	249,194	14.2%	1.81%
Organic REVIVE! Senna	129,891	131,169	163,365	165,860	138,730	7.9%	-16.36%
Organic ROSHNI Licorice	-	25,893	36,049	23,568	38,580	2.2%	63.70%
Organic 'Panda-Friendly' Schisandra	2,094	2,205	3,527	3,527	3,748	0.2%	6.25%
Organic Certification (only)	663,969	819,502	950,154	1,075,131	1,054,418	60.3%	-1.93%
Total Botanicals Purchased	1,047,332	1,298,313	1,594,926	1,743,287	1,749,569	100.0%	0.36%
<b>Total Organic + Fair or Ethical Premium Sourcing</b>	<b>356,919</b>	<b>448,927</b>	<b>627,453</b>	<b>650,916</b>	<b>680,070</b>	<b>38.87%</b>	<b>4.48%</b>

### 2.2 Organic Sales

Organic Product Sales	2012	2013	2014	2015	2016	% Change
Total Case Equivalent (CE) Sold	2,443,293	2,864,811	3,481,895	3,894,412	<b>4,390,443</b>	12.7%
Total Organic (>70% org. ingredients) CE	2,432,789	2,853,374	3,461,509	3,862,867	<b>4,233,667</b>	22.54%
<b>Organic Case Equivalent %</b>	<b>99.6</b>	<b>99.6</b>	<b>99.4</b>	<b>99.19%</b>	<b>99.31%</b>	<b>0.12%</b>

### 2.3 Fair & Organic Products

Total Herbal Products with Fair + Organic Labeling	2009	2010	2011	2012	2013	2014	2015	2016	% Change
<b>Total Herbal Products</b>				52	53	61	59	61	3.39%
Herbal Products with Fairtrade Labeling	10	13	17	18	21	24	22	24	9.09%
Herbal Products with FairWild Labeling	2	5	7	9	10	10	10	10	0.00%
<b>Products with Fair + Organic Labeling</b>	<b>12</b>	<b>18</b>	<b>24</b>	<b>27</b>	<b>28</b>	<b>30</b>	<b>28</b>	<b>30</b>	<b>7.14%</b>
<b>% of Products with Fair + Organic Labeling</b>				<b>51.9%</b>	<b>52.8%</b>	<b>49.2%</b>	<b>47.5%</b>	<b>49.2%</b>	<b>3.58%</b>

## 2.4 Product Labeling Table

Product Labeling Statistics (Fiscal Year)	2013	2014	2015	2016	% of Total
<b>Total Number of Herbal Products in U.S. Market</b>	<b>53</b>	<b>61</b>	<b>59</b>	<b>61</b>	<b>100%</b>
<b>Fair Trade Labeling (Fair Trade USA)</b>					
Number of Products labeled with $\geq 20\%$ Fair Trade Ingredients	21	24	22	<b>24</b>	39.3%
$\geq 50\%$ Fair Trade Ingredients	8	11	11	<b>11</b>	18.0%
100% Fair Trade Ingredients	5	6	6	<b>6</b>	9.8%
<b>Fair Wild Labeling (FairWild Foundation)</b>					
Products labeled with $\geq 20\%$ Fair Wild Ingredients	10	10	10	<b>10</b>	16.4%
$\geq 50\%$ Fair Wild Ingredients	5	5	5	<b>5</b>	8.2%
100% Fair Wild Ingredients	2	2	2	<b>2</b>	3.3%
<b>Kosher Labeling (OK Kosher)</b>					
Products labeled with 100% Kosher Ingredients	50	59	59	<b>61</b>	100%
<b>Non-GMO Project Verification Labeling</b>					
Products with Non-GMO Project Verification	52	60	58	<b>60</b>	98.4%
<b>Organic Labeling (California Certified Organic Farmers)</b>					
Products with $>70\%$ Organic Ingredients	52	59	57	<b>59</b>	96.7%
$\geq 85\%$ Organic Ingredients	51	58	56	<b>58</b>	95.1%
$\geq 95\%$ Organic Ingredients	47	54	52	<b>54</b>	88.5%
$\geq 98\%$ Organic Ingredients	46	53	50	<b>52</b>	85.3%
$\geq 99\%$ Organic Ingredients	44	52	48	<b>52</b>	85.3%
$<70\%$ Organic Ingredients	1	2	2	<b>2</b>	3.3%
<b>Ethical Trade</b>					
Products with REVIVE! Senna, ROSHNI Licorice, or Panda-Friendly Schisandra	6	6	6	<b>6</b>	9.8%

### Policies & Guidelines for Sustainable Sourcing of Ingredients & Packaging

#### Environmentally Preferable Purchasing Policies

- Sustainable & Responsible Packaging Materials:
  - Manufactured using clean non-toxic production technologies;
  - Includes agriculturally derived materials that are sustainably produced (e.g. Organic, Rainforest Alliance)
  - Biodegradable, non-GMO vegetable-based printing inks
  - Optimizes use of renewable / recycled source materials like paperboard (for boxes, cartons)
  - Is biodegradable, compostable and/or recyclable at the end of the product's life.
- Non-GMO Botanicals and Packaging Components

#### List of Acceptable Sustainable Certification Standards

- [Fairtrade International \(FLO\) Fairtrade Standards](#)
  - Hired Labour: Herbs and Herbal Teas, and Tea
  - Small Producer Organizations: Herbs, Herbal Teas & Spices
- FairWild Foundation (FWF) [FairWild Standard](#) (FWS)
- [Fair Trade USA \(FTUSA\)](#) Farm Workers Standard (FWS) and Independent Smallholder (ISS) Standard
- Institute for Marketecology (IMO) [Fair For Life](#) Social & Fairtrade Standard
- [Instituto Biodinâmico de Desenvolvimento Rural \(IBD\)](#) EcoSocial Standard
- [Control Union \(CU\)](#) Fair Choice Social and Fair Trade Standard
- [EcoCert](#) Equitable, Solidaire, Responsible (ESR) Standard
- [Fair Trade Sustainability Alliance \(FairTSA\)](#) Consolidated standards

FY2016 GOAL STATEMENT	FY2016 STATUS
Procurement Dept. and Technical Services with assist of Supply Chain Group will develop written implementable plans for the <b>transition of remaining non-certified agriculturally-derived packaging components</b> (e.g. cotton, paper) to verifiable sustainability, including non-GMO status.	<b>Completed in FY2016</b>
The Sales Dept. will <b>incent top customers to order in more efficient increments</b> , e.g. full pallet quantities, which will enable maximum loading efficiency for trucks.	<b>Completed in FY2016</b>
The Procurement Dept. will use environmentally-friendly purchasing resources to <b>create ‘green lists’ of non-botanical and non-packaging items that can be purchased</b> by authorized persons in relevant departments in compliance with organic rules, California Green Business requirements, and various TMI policies.	<b>Continued Goal for FY17</b>
<b>The one remaining product (Smooth Move® Senna capsules) without Non-GMO Project verification will be verified</b> during FY2014. Procurement Department and Technical Services	<b>Continued Goal for FY17</b>
Procurement Dept. and Technical Services with assist of Supply Chain Group will develop written implementable <b>plans for the transition of remaining non-organic botanical ingredients</b> .	<b>Continued Goal for FY17</b>
Operations Dept. will <b>optimize our outbound freight through implementation of third party logistics (3PL)</b> services to consolidate shipments in FY2015, and measure sustainability performance of the program year-on-year, in the form of percentage of qualifying shipments shipping in full pallet layer or full pallet stacks.	<b>Partially complete; Measuring Full Pallet shipments in FY2017</b>
Operations Dept. will research <b>feasibility of transition to teabags without cotton string and/or paper tags</b> .	<b>Deferred</b> until after tea machine upgrades.

The table below summarizes annual electricity generated by our own solar panels and purchased from CalPine’s The Geysers local geothermal facility through [Sonoma Clean Power \(SCP\)](#), shown in kWh and converted to BTUs along with natural gas purchased from PG&E, which we offset with certified Carbon Offsets from [Soil & More International](#) (SMI), derived from verified practices at Ambootia Estates, our green tea leaf producer. Before 100% renewable power purchase we bought Renewable Energy Certificates (RECs) from [Bonneville Environmental Foundation \(BEF\)](#).

### 3.1 Energy Use: Local Renewable Electricity and Natural Gas

Renewable Energy (Fiscal Year)	2011	2012	2013	2014	2015	2016
kWh produced from own solar panels	474,696	420,225	483,936	460,883	413,397	443,668
% total electricity produced by TM solar panels	65.4%	54.9%	51.9%	48.6%	42.3%	41.5%
kWh of RECs from BEF	144,000	144,000	144,000	525,000	190,000	N/A
% of total electricity offset by RECs	19.8%	18.8%	15.4%	55.4%	19.4%	
kWh purchased from local renewable sources	0	0	0	0	375,415	625,017
% of non-solar electricity purchased from local renewable sources					67%	100%
Total kWh of electricity used (all facilities)	726,356	765,025	933,418	947,600	977,139	1,068,684
<b>Annual renewable energy, generated and purchased (kWh)</b>	618,696	564,225	627,936	985,883	978,812	
Total therms of natural gas used (all facilities)	-	10,924	13,442	11,531	8,553	8,852
Total therms offset with Carbon Offsets	-	-	-			
Annual energy use (BTUs x 1,000); renewable and non-renewable	4,240,608,607	3,702,512,720	4,530,054,512	4,386,315,733	4,190,009,386	4,531,491,654
<b>Renewable energy, generated + purchased (BTUs)</b>	2,111,078,285	1,925,215, 527	2,142,606,574	4,516,797,174	4,194,941,153	
Total percentage of renewable energy	85.2%	73.8%	67.3%	103.0%	100.2%	100%

### 3.2 Climate Change and Emissions

Our fourth annual corporate carbon footprint study carried out by [Soil & More International](#) (SMI) showed a result of **675,897 kg** of carbon dioxide equivalents (CO2e), down 31% from FY2015 and a fraction below our FY2014 total. 80% of our emissions are from Scope 3, the emissions burden of the materials, energy, and process for our business activities outside our own fuel & energy use.

Our three largest emissions sources are:

1. **Scope 3: Business Travel** (43% or 294,629 kg CO2e)
2. **Scope 3: Commuting** (33% or 225,660 kg CO2e)
3. **Scope 2: 100% Renewable Electricity** (11% or 134,239 kg CO2e)

**Our FY2016 usage of 1,068,684 kWh of renewable power is equivalent to the electricity used to power 79 average U.S. homes for one year.** Using the EPA [Green Power Equivalency Calculator](#), this green power effectively reduced our emissions tenfold: from the equivalent of 159 passenger vehicles or 79 homes’ energy use with conventional electricity to about 16 vehicles and 8 homes.

In our fifth decade as a business, we are no longer just a small family herbal tea company in west Sonoma County. With sales and sourcing travel all around North America and site visits to manage quality and relationships in 38 different countries, we cover a lot of ground. We hope that a move in FY2017 to a more centralized office HQ will improve some commuting

efficiency, but more than 75% of our emissions comes from TMI traveling to and for the work we do, which we are challenged to reduce and offset in more significant ways.

Founded in 2007, SMI developed a Carbon Footprint Calculation model that has been certified by **TÜV NORD CERT GmbH**, an independent third party organization that is accredited for Carbon Footprint Verification according to the ISO 14064 standard (an international environmental management standard against which greenhouse gas (GHG) emissions reports are voluntarily verified).

### TRADITIONAL MEDICINALS CARBON FOOTPRINT TABLE FY2013-16

1. Energy Emissions		2013	2014	2015	2016	Annual Change			Emissions Share
Scope	Emissions Source	Emissions Amount (CO2-equivalent kgs)				% of Category	Emissions Change	FY Change Pct	% of Gross Total
Scope 1	Gas (PG&E)	64,526	92,731	78,736	<b>60,443</b>	45%	-18,293	-23%	9%
Scope 2	Total Electricity (TMI Solar Panels + SCP Geothermal)	69,809	95,260	247,944	<b>73,796</b>	55%	-174,148	-70%	11%
Total Energy Emissions		134,336	187,991	326,679	<b>134,239</b>	0%	-192,440	-59%	20%
2. Travel Emissions		2013	2014	2015	2016	Annual Change			Emissions Share
Scope 3	Commuting	96,572	207,496	215,787	<b>225,660</b>	43%	9,873	4%	33%
Scope 3	Business Travel	196,424	199,265	237,103	<b>294,629</b>	59%	57,526	20%	43%
Scope 1	Company Vehicle - Hybrid	40,994	33,015	13,013	<b>7</b>	0.001%	-13,006	-185805%	0%
Scope 1	Company Vehicle - Diesel	126	6,016	8,717	<b>7</b>	0.001%	-8,710	-124432%	0%
Scope 1	Company Vehicle - Biodiesel	2,631	0	5,284	<b>10</b>	0.002%	-5,274	-52735%	0%
Total Travel Emissions		338,460	452,509	495,791	<b>520,313</b>		43,281	13%	67%
3. Waste and Materials		2013	2014	2015	2016	Annual Change			Emissions Share
Scope 3	Garbage Treatment & Transport	4,329	4,212	4,172	<b>8,120</b>	38%	3,948	95%	1%
Scope 3	Commercial Waste Treatment & Transport	36,861	31,506	7,859	<b>7,778</b>	36%	-81	-1%	1%
Scope 3	Paper	2,891	2,889	2,067	<b>204</b>	1%	-1,863	-90%	0%
Scope 3	Water	855	0	288	<b>5,153</b>	24%	4,865	1687%	0%
Total Waste & Materials Emissions		44,936	38,608	14,387	<b>21,345</b>		-24,220	-54%	6%
4. Packaging Materials		2013	2014	2015	2016	Annual Change			Emissions Share
Scope 3	Packaging Materials				<b>1,255,445</b>	100%			
5. Offsets Purchased		2013	2014	2015	2016	Annual Change			Emissions Share
Scope 3	Packaging Materials				<b>(61,000)</b>				
6. Summary		2013	2014	2015	2016	Annual Change			Emissions Share
Total Energy Emissions		134,336	187,991	326,679	<b>134,239</b>	39%	138,689	74%	28%
Total Travel Emissions		338,460	452,509	485,791	<b>520,313</b>	58%	33,281	7%	67%
Total Waste & Materials Emissions		44,936	38,608	14,387	<b>21,345</b>	2%	-24,220	-63%	6%
Total Gross Emissions		517,732	679,107	836,857	<b>675,897</b>	0%	157,750	30%	100%
Total Offsets Purchased					<b>-61,000</b>				
Net Emissions					<b>614,897</b>				
7. Emissions and Scope		2013	2014	2015	2016	Annual Change			Emissions Share
Total Emissions Scope 1		108,278	131,762	105,750	<b>60,467</b>	9%	-45,283	-34%	9%
Total Emissions Scope 2		69,809	95,260	247,944	<b>73,796</b>	11%	-174,148	-183%	11%
Total Emissions Scope 3		339,644	452,086	483,164	<b>541,635</b>	80%	58,471	13%	80%
Total Emissions		517,732	679,107	836,857	<b>675,898</b>		-160,959	-31%	

### 3.3 Solid Waste Reduction (and Resource Management)

Annual Waste Materials (Tons)	2012	2013	2014	2015	2016	% Change
Recycling/Reuse	65	78	125	135	205	51.91%
Composting	116	48	51	55	56	1.82%
Landfill	120	102	53	52	66	26.48%
Hazardous Waste	0.75	1.15	0.42	0.64	0.14	-77.89%
<b>Total Annual Waste &amp; Byproducts</b>	<b>301.8</b>	<b>229.2</b>	<b>229.7</b>	<b>242.7</b>	<b>327.0</b>	<b>34.78%</b>
<b>Total waste diverted from landfill</b>	<b>181.0</b>	<b>126.0</b>	<b>176.4</b>	<b>190.2</b>	<b>261.3</b>	<b>37.42%</b>
<b>Total waste % diverted from landfill</b>	<b>60.0%</b>	<b>55.0%</b>	<b>76.8%</b>	<b>78.4%</b>	<b>79.9%</b>	<b>2.0%</b>
Recycle	21.5%	34.0%	54.6%	55.7%	62.8%	12.7%
Compost	38.4%	20.9%	22.2%	22.7%	17.1%	-24.5%
Landfill	39.8%	44.5%	23.0%	21.4%	20.1%	-6.2%
Hazardous	0.3%	0.5%	0.2%	0.3%	0.0%	-83.6%
<b>Waste Diversion %</b>	<b>60.0%</b>	<b>55.0%</b>	<b>76.8%</b>	<b>78.4%</b>	<b>79.9%</b>	<b>2.0%</b>
<b>Diversion Goal</b>	<b>90%</b>					
<b>Annual Waste per sq. ft.; 72,949 sq. ft.</b>	<b>0.0041</b>	<b>0.0031</b>	<b>0.0031</b>	<b>0.0033</b>	<b>0.0045</b>	<b>34.78%</b>

The following table shows that in FY2016 we purchased about 2.7 million pounds of packaging, shipping and marketing materials, down almost 6% over previous year's 2.9 million pounds. Our folding cartons are produced from 100% recycled paperboard, of which at least 55% is from post-consumer waste (PCW).

### 3.4 Packaging and Marketing Materials

Material Usage by Fiscal Year (pounds)	2012	2013	2014	2015	2016	% change
<b>Product Packaging Materials</b>						
Folding cartons	618,880	729,207	853,849	1,121,202	1,007,568	-10%
Overwraps	476,068	537,544	651,724	781,722	719,230	-8%
Corrugated case boxes	589,848	678,807	637,179	621,066	592,486	-5%
Filter tea bag paper	111,003	152,286	162,320	125,073	119,452	-4%
Paper tags	58,590	77,842	89,969	96,534	91,202	-6%
Cotton string	23,285	29,145	24,300	22,302	30,672	38%
Aluminum staple wire	7,824	6,785	11,643	8,672	9,164	6%
Display board	66,279	42,211	49,424	55,170	87,256	58%
Plastic bottles (capsules)	Unknown	2,217	2,183	2,479	2,630	6%
Case labels	17,896	21,744	26,455	28,812	32,359	12%
Bottle labels	73	156	112	127	0	-100%
Bottle caps	Not known	43	28	32	0	-100%
Bottle plastic seals	Unknown	Unknown	Unknown	Unknown	0	N/A
Glass bottles (syrups)	2,004	3,107	2,007	0	0	0
<b>Total Product Packaging Materials</b>	<b>1,971,750</b>	<b>2,281,094</b>	<b>2,511,193</b>	<b>2,863,191</b>	<b>2,692,019</b>	<b>-6.0%</b>
<b>Shipping Materials</b>						
Corrugated shipping boxes	809	1,010	1,231	1,374	1,543	12.31%*
Shrink wrap	4,511	5,631	6,861	7,659	8,601	
Pallet corners	9,023	11,262	13,722	15,317	17,202	
<b>Total Shipping Materials</b>	<b>14,343</b>	<b>17,903</b>	<b>21,814</b>	<b>24,350</b>	<b>27,347</b>	
<b>Marketing materials</b>						
Mktg materials: paper	4,300	6,940	4,678	5,055	5,889	16%
Mktg materials: board	1,050	1,910	1,109	5,253	2,617	-50%
Mktg materials: plastic	675	125	0	61	242	39%
<b>Total Marketing Materials</b>	<b>6,025</b>	<b>8,975</b>	<b>5,787</b>	<b>10,369</b>	<b>8,748</b>	<b>-21%</b>

Material Usage by Fiscal Year (pounds)	2012	2013	2014	2015	2016	% change
<b>Total Lbs., Packaging and Marketing Materials</b>	1,992,118	2,307,972	2,538,794	2,897,910	<b>2,728,114</b>	-5.86%
<b>Pounds of Product Sold</b>	2,405,440	3,002,448	3,570,747	4,210,059	<b>4,728,227</b>	12.31%
<b>Total Product Sold (Case Equivalent)</b>	2,357,748	2,864,811	3,485,429	3,894,412	<b>4,390,443</b>	12.74%
<b>Material lbs. Per lb. of Product Sold</b>	0.828	0.769	0.711	0.688	<b>0.577</b>	-16.17%
<b>Materials lbs. Per Case Equivalent Sold</b>	0.845	0.806	0.728	0.763	<b>0.640</b>	-16.49%

**SUSTAINABLE OPERATIONS POLICIES:**

- Transportation Benefits Program
- Spare The Air Employer Program
- Energy Star Equipment & Appliances
- Scope 1 & 2 Emissions Offsetting
- Energy Efficiency

**OTHER EMISSION- AND POLLUTION- REDUCING PRACTICES**

- We encourage employees to bike and/or use public transit by posting bicycle maps and transit info;
- We set aside carpool parking spaces in our parking lot;
- We provide secure bicycle storage for staff and visitors;
- Bicycles and helmets are available for use by Traditional Medicinals regular employees during office hours.

**RESOURCE MANAGEMENT PRACTICES**

**Water Use Practices:** We use well water at our main location in Sebastopol and municipal water at our Marketing and Sales Offices in Petaluma. Our factory is a dry process facility in both production and cleaning procedures. We track well water usage at our primary Sebastopol facility but not at our Petaluma office, a leased unit in of a larger complex. Similarly, water use at TM-leased storage in Santa Rosa is not measured, but two persons wash hands each day in the handling of Traditional Medicinals’ raw materials as per requirements of Good Manufacturing Practices for hygiene. Water usage is assessed by average daily usage per employee, and we range around our target of 7 gallons per employee per work day.

The table below shows the total amount of well water used at our Sebastopol facility during FY2016.

**3.5 Annual Water Use**

Well Water Consumption (Sebastopol), Fiscal Year	2012	2013	2014	2015	2016	% Change
Total annual well water consumed at TM Sebastopol (gallons)	215,120	255,216	221,420	240,231	222,413	+8.5%
Water usage per sq .ft. (gallons) – Sebastopol = 72,949 sq. ft.	2.949	3.499	3.035	3.293	3.05	
Water usage per HQ employee (gallons)*	1,792.7	1,890.5	1,652.4	1,921.8	1,647.50	+7.7%
Water usage per employee per day (~ 249 work days per year)	7.19	7.59	6.64	7.72	6.62	+16.2%
Sebastopol HQ Employees	120	134	134	125	135	+8.0%

**Facility Water Use Policies, including Toilets, Urinals and Faucets:**

- Conserving Water Policy for Facilities
  - Using aerators in lavatory sinks with flow rates at most 0.5 gpm (gallons per minute) and 1.5 gpm in the kitchen.
  - Using toilets with a flow rate not exceeding 1.4 gpf (gallon per flush).
  - Waterless urinals
- Environmentally Preferable Purchasing Policy Toilets, Urinals, and Faucet Aerators
- Conserving Water Policy for Garden Irrigation
  - Using drip irrigation to ensure proper operation, coverage and repair.
  - Drip-irrigating our herb garden May-October and adjusting the irrigation schedule as needed.
  - Applying mulch or compost in non-turf areas to improve the water holding capacity of the soil.
  - Using a septic system and drip leach field in a portion of the herb garden.

**Sustainable Materials & Resource Practices:** Our sources of waste include dry herbal materials, damaged or defective packaged tea bags, folding cartons, corrugated boxes and other packaging materials. Waste herbs, herb dust and blends are used in our compost system. All recyclable materials, including ‘big bags’<sup>1</sup> for herbal shipments and blending, tea cartons, and corrugated boxes, are recycled through a local company. Operation practices include tracking waste throughout the entire production process, which includes blending and packaging.

## **OPERATIONAL RESOURCES POLICIES AND GUIDELINES**

### **Annual Waste Audits for Waste Reduction**

**Composting:** Traditional Medicinals works to attain Zero Waste by composting all food and plant discards. We do this by:

- Placing food waste and kitchen scraps our compost system.
- Placing past-expiry and/or production waste herbs, blends, and collected herb dust into our compost system.
- Placing plant debris and waste from pruning into our compost system.

**Eliminating Disposable Products:** such as paper or plastic dishes, utensils, and single serve water bottles. We do this by:

- Replacing disposables with permanent ware (dishes, cups, utensils, etc.).
- Using refillable containers for sugar, salt & pepper.
- Avoiding use of single-serve individual packets.

**Hazardous Waste:** Dispose of all hazardous materials in a responsible manner. TMI also submits its facilities and other information to the California Environmental Reporting System (CERS) through the Sonoma County Fire & Emergency Services Department.

**Recycling:** all resources such as paper, plastics, cardboard, glass, and aluminum.

**Reusing** equipment such as desks, lamps, furniture; or donating usable items to charities; or giving usable items to employees.

**Integrated Pest Management (IPM) at TMI:** Using pest control operators qualified to manage certified organic facilities, apply IPM techniques and are certified in IPM (e.g. EcoWise Certified or GreenPro Certified).

**Corporate Gifts and Professional Products:** We prefer to purchase and gift environmentally friendly and socially responsible corporate gifts and promotional products. We do this by preferring to purchase:

- Gifts and products that are made by our own herb producers;
- Organic and/or fairtrade clothing/apparel and food & beverage products;
- Items made by fair trade artisans; or that are otherwise considered environmentally and/or socially responsible.

**Energy Efficient Office Equipment:** New purchases of office equipment are EPEAT® registered, ENERGY STAR certified, or equivalently certified.

**Kitchen and Break Room Supplies:** We try to purchase only eco-friendly and sustainably produced kitchen and break room supplies. We do this, in part, by providing:

- Bulk (not single-serve) coffee, honey and sugar that are certified organic and certified fair trade.
- Coffee filters composed of FSC certified, unbleached, totally chlorine-free (TCF) paper or made from alternative materials like sustainably grown hemp.
- Napkins and paper towels composed of 100% recycled content with the highest % of PCW but not-less-than 35% PCW.
- Permanent dishware as opposed to disposables with the exception of Non-GMO plant-based biodegradable and compostable materials;

### **LEED Green Building Materials**

**Low-toxicity Janitorial Cleaning Products:** Purchasing janitorial cleaning products accepted on the [SF Approved List](#), are [Green Seal Certified](#) and/or have an 8.1 rating or above on [Good Guide](#), and are suitable for use in a certified organic facility.

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<sup>1</sup> Big bags, or flexible intermediate bulk containers (FIBCs), are composed of low-density polyethylene (LDPE) and polypropylene (PP) and are both reusable and recyclable.

**Paper-based Products:** Purchasing the most environmentally friendly paper-based materials. We purchase and use:

- Office paper composed of 100% recycled content of which 100% is post-consumer waste (PCW).
- Business forms, cards, envelopes, notebooks and pads with 100% recycled content and with the highest % PCW available.
- Facial tissues, napkins, paper towels and toilet paper with 100% recycled content with at least 35% PCW
- File folders with the highest % recycled content and PCW available.
- If not commercially feasible for a particular project, exceptions to the above may be granted allowing use of virgin fiber provided such fiber is certified by the FSC

### 3.6 Distribution & Sourcing:

Finished Product Shipped (net lbs., fiscal year)	2012	2013	2014	2015	2016
<b>Total Pounds Shipped</b>	2,405,540	3,002,448	3,570,747	4,210,059	4,728,227
	100%	100%	100%	100%	100%
% of product shipped by truck	99%	99%	99%	99%	99%
% of product shipped intermodal = rail & truck	0%	0%	0%	64%	61%
% of product shipped by air	1%	1%	1%	1%	1%
% of product shipped by boat	0%	0%	0%	0%	0%
Sourcing Transport for Ingredients and Packaging Components (net lbs., fiscal year)	2012	2013	2014	2015	2016
<b>Total Purchased Pounds</b>			4,084,443	4,529,225	4,006,162
Percent shipped by truck	100%	100%	100%	100%	100%
Percent shipped by truck (only)	82%	80%	68%	68%	62%
Percent shipped by air (then by truck)	0.5%	0.5%	1.1%	0.8%	1.5%
Percent shipped by boat (then by truck)	18.0%	20.0%	30.7%	31.2%	35.8%
Percent shipped intermodal (rail & truck)	0%	0%	0%	0%	0%

### 3.7 Sourcing by Region

Production Locality of Product Ingredients and Packaging Components (net lbs., fiscal year)	2012	2013	2014	2015		2016	
				All	Herbs	All	Herbs
% produced regionally (within 500 miles)	65%	55%	55%	54%	1%	46%	1%
% produced domestically (North America)	28%	9%	9%	11%	13%	18%	16%
% produced internationally (outside N. America)	7%	36%	36%	35%	86%	36%	82%

\*Note: Our packaging components, mostly cardboard cartons and case boxes by weight, arrive from regional sources, while most of our herbs are produced internationally.

### POLICIES & GUIDELINES

**Company Vehicles:** Only buy or lease the most environmentally friendly vehicles such as battery electric vehicles, hybrid electric vehicles and/or alternative fuel vehicles such as those that run on biofuels. If not available for intended use, then the vehicle must be [U.S. EPA SmartWay® Certified](#) with better than average rating.

**Minimizing Environmental Footprint for Sourcing and for Distribution of Finished Products:** implementing best practices for transportation efficiency for shipments that are under TM's control.

FY2016 GOAL STATEMENT	FY2016 STATUS
Operations Dept. will identify drivers of changes in <b>overall waste production and take appropriate</b> actions in support of TMI waste reduction policies.	<p style="text-align: center;"><b>Continued Goal to achieve Zero Waste Certification by 2020</b></p>
Operations Dept. will measure the <b>% of compostable materials in dumpsters</b> in waste audit and take appropriate actions in support of TMI waste reduction policies.	
Operations Dept. will develop and deliver <b>composting training</b> for employees.	
Operations Dept. with Sustainability Department will <b>analyze</b> and determine whether <b>significant changes in composition of waste stream</b> are result of policy implementation or learnings from minimum once-annual waste audits.	
The Marketing Dept. will <b>educate customers on what to do with packaging components</b> when finished.	
The Executive Leadership Team will develop justification criteria for necessity of travel that managers will need to follow in the annual budget planning process.	<p style="text-align: center;">Defer to FY18 planning</p>
The Operations Dept. will measure impact of black water purification system.	
The Operations Dept. will track % of water used for irrigation vs. inside the facility and track changes in each over time.	
The Executive Leadership Team will develop justification criteria for necessity of travel that managers will need to follow in the annual budget planning process.	

**TRADITIONAL MEDICINALS STATEMENT OF ETHICAL PRACTICE:**

All employees, directors, advisors and shareholders contribute to and have a stake in the success of Traditional Medicinals. Additionally these stakeholders have a shared commitment to ethical practices that express the company’s founding principles and standards which guide our conduct.

**Principles:** Traditional Medicinals’ ethical principles include: Honesty, Fairness, Objectivity, and Responsibility. Stake holders are empowered to act in accordance with these principles and encourage others within the organization to do the same.

**Standards:** Traditional Medicinals’ ethical standards include: Competence, Confidentiality, Integrity, and Credibility.

**Certified California Green Business:** The [California Green Business Program](#) is a government program working with local agencies to recognize and assist businesses that operate in an environmentally friendly manner. TMI Sebastopol Factory Headquarters became California Green Business Certified in 2013. To become certified, a business must have written policies and implemented practices that focus on environmental efforts such as waste reduction, water conservation, energy conservation, and pollution prevention. Credit worthy action items were verified through onsite assessments by an auditor from the local agency, the Sonoma County Green Business Program. Audit and recertification is carried out every three years. Our 2016 re-certification is in process.

**4.1 TMI Employee Metrics**

Employee Metrics, Fiscal Year	2012	2013	2014	2015	2016
Temporary Employees	17%	17%	10%	20%	14%
Part-Time Employees	2%	3%	2%	3%	4%
Female Managers	42%	36%	42%	42%	36%
Ethnic Minorities	42%	44%	43%	40%	43%
Internal Promotion Rate	50%	40%	38%	37%	43%
Employees Making Living Wage	100%	100%	98%	99%	100%
Employee Health Insurance Enrollment*	100%	100%	100%	91%	96%
Employee Turnover Rate	10%	10%	9%	12%	11%
Highest- to Lowest-Salary Ratio	10.25x	10.25x	15x	14.26x	14.21x
Injury Frequency Ratio (per 100k hours)	8.08	2.71	4.12	4.66	3.1
Transportation Benefit Program Payout	\$8,133	\$12,541	\$16,836	\$12,551	\$9,774

\*Full-time, eligible employees; some elected a spouse’s coverage

**4.2 Employee Demographics**

Employee Demographics, Fiscal Year	2012	2013	2014	2015	2016	TM 2016	Sonoma 2014
Euro-Caucasian	70	80	88	88	91	57%	65%
Hispanic	44	55	55	48	58	36%	26%
Asian American	5	7	8	10	10	6%	4%
African American	1	2	2	1	1	1%	2%
All other							3%
<b>Total Employees</b>	<b>120</b>	<b>144</b>	<b>153</b>	<b>147</b>	<b>160</b>		

### 4.3 Community Engagement:

Traditional Medicinals, Inc. is committed to investing in the communities we operate in, from the villages where our herbs are harvested to the cities where our employees live and work. We commit to donate a certain percentage of operating income annually to approved non-profit registered 501(c)3 organizations or to equivalent registered organizations outside of the United States, as well as to some non-registered organizations.

The percentage to be donated annually and the organizations selected to be recipients of Traditional Medicinals' corporate investing will be determined transparently through the annual budgeting process with involvement of all department heads who request such contributions to be made. The criteria to be used for community investment are to be consistent with the principles embodied in our **mission and vision statements**, respectively, and also consistent with the "Civic Engagement and Giving" practices expected of Certified B Corporations.

### **POLICIES & GUIDELINES**

Traditional Medicinals is an Equal Opportunity Employer. The Traditional Medicinals, Inc. Employee Handbook, which contains the policies and practices that are in place to ensure fair working conditions in the workplace, is given to each employee. Employees are required to sign and return the signature page of the Handbook to the Human Resources Department attesting that they have fully read and understood the contents. Our Employee Handbook includes policies on: accommodating disabilities, employee benefits (paid time off and paid holidays), lactation accommodation, leaves of absence (family leave, medical leave and non-medical leaves), insurance benefits, non-harassment policy, problem solving process, religious accommodation, and workplace violence prevention.

**Equal Opportunity Employer:** It is the policy of the Company to provide equal employment opportunity for all applicants and employees. The Company does not unlawfully discriminate on the basis of race, color, religion, sex, national origin, ancestry, age, medical condition, disability, genetic characteristics or information, marital status, sexual orientation, gender identity or expression or any other legally protected criteria. This policy applies to all areas of employment including hiring, training, compensation, promotion, and discipline. No retaliation of any kind will occur because an employee has in good faith reported an incident. The Company will take effective remedial action commensurate with the circumstances.

**Source:** Traditional Medicinals, Inc. Employee Handbook. Effective Date: June 2012.

**Foods served to Employees at Traditional Medicinals Facilities:** Foods delivered to and offered at the company for employees and guests should ideally be non-GMO, organic and/or made with natural ingredients whenever reasonably possible. We pursue this ideal by:

- Preferring caterers, restaurants, and retailers participating in the Non-GMO Project or comparable initiatives;
- Requesting food vendors provide information on the organic and non-GMO components of meal and snack choices;
- Selecting Vending providers to stock certified organic and/or natural healthy snack & beverage options; and
- Creating tools and offering training to employees pursuant of this policy.

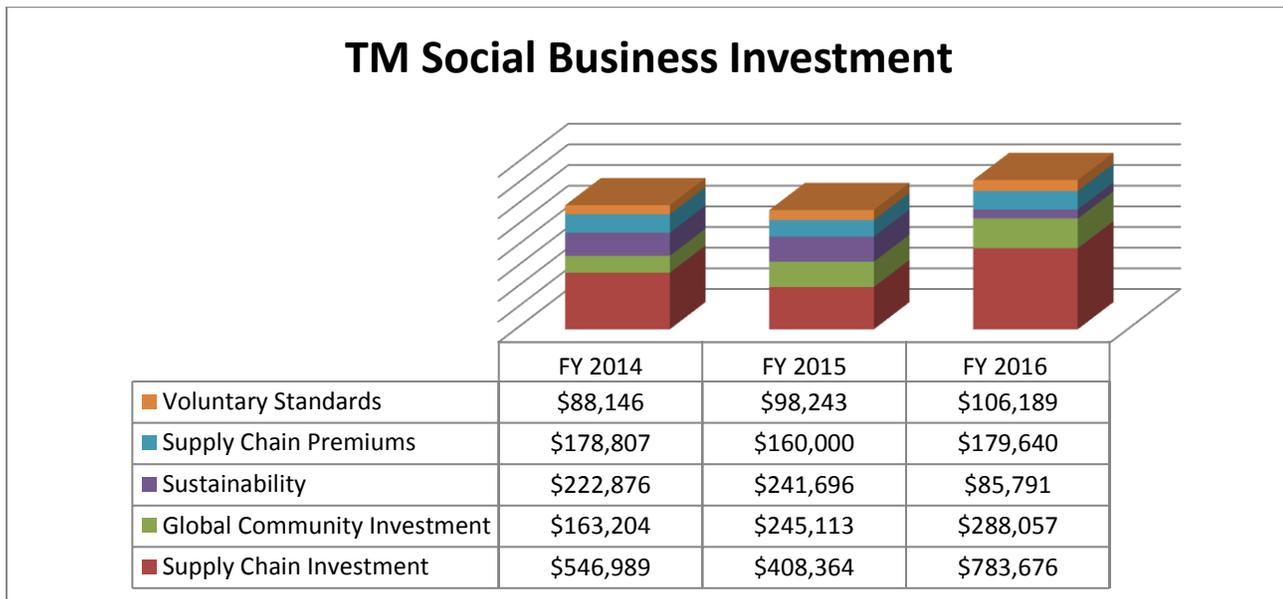
### 4.4 Social Business Investment & Charitable Contributions

The percentage to be donated annually and the organizations selected to be recipients of Traditional Medicinals' corporate investing will be determined transparently through the annual budgeting process with involvement of all department heads who request such contributions to be made. The criteria to be used for community investment are to be consistent with the principles embodied in our **mission and vision statements**, respectively, and also consistent with the "Civic Engagement and Giving" practices expected of Certified B Corporations.

Type of Social Business contribution	FY2013	FY2014	FY2015	FY2016
Contributions to 501(c)3 organizations (e.g. Whole Planet Foundation) or registered international charities (e.g. FairWild Foundation), and to some non-registered organizations.	\$284,077	\$266,097	\$215,364	\$265,178
Contributions to 501(c)3 organizations in the form of membership or sponsorship fees (e.g. American Botanical Council).	\$85,000	\$79,537	\$67,250	\$50,728
<b>Total Social Contributions</b>	<b>\$369,077</b>	<b>\$345,634</b>	<b>\$282,614</b>	<b>\$315,905</b>

Traditional Medicinals' FY2016 contribution amount of \$315,905 represents 21.9% of the annual amount that the company allocates in its internal social business investment budget, which amounted to \$1,443,352 FY2016. The remainder represents investments such as:

- Traditional Medicinals Sustainability Department Budget (including salaries, benefits, travel and hotel);
- Consulting and Professional Services (including agricultural study costs and carbon footprint analysis costs);
- Inspection, Certification and Licensing Fees of third-party organizations (including annual fees for audits as well as license fees for use of certification marks on labels, such as B Corp, Fair Trade, FairWild, Kosher, Organic);
- Purchase of Renewable Energy Certificates and Carbon Offsets;
- Estimated fairtrade price markups and fairtrade social premium fund amounts corresponding to FY2016 purchases of Fairtrade certified and FairWild certified ingredients. These are estimates because in most cases the price mark ups and social premium fund amounts are not broken out of invoiced price. Furthermore, many producers with multiple certifications (e.g. fair, kosher, quality system, organic) will calculate a price mark-up that takes into consideration the costs of implementing all standards that have annual inspection and certification fees.



**Practices**

**Sustainability Governance**

Traditional Medicinals is a C Corporation and also became a California Benefit Corporation in 2014. The majority owner is the Sadler Trust (The Company's co-founder). Drake Sadler (co-founder) and Blair Kellison (CEO) are board members along with two independent board members in FY2016. The board meets three times per year with formal board meetings and corporate minutes and records. The Company undergoes an annual independent audit with an internationally recognized accounting firm and the Company undergoes an annual independent valuation for determining the annual price of shares.

**Transparency & Stakeholder Engagement**

Traditional Medicinals has always worked to promote transparency throughout its organization and network of producers and suppliers. The Company is always focused on its stakeholders, which range from herb collectors in far off lands, to processors that cut the herbs to Traditional Medicinals' office and manufacturing personnel, to its distributors and retailers to the shoppers who purchase its herbal tea in stores.

As a Certified B Corporation since 2010, Traditional Medicinals is audited biennially for compliance with rigorous standards of social and environmental performance, accountability, and transparency. A [publicly posted impact report \(scorecard\)](#) is accessible to all stakeholders.

As an SFTA member since 2012, Traditional Medicinals has pledged its commitment to continuous improvement and transparency around practices in key areas, including governance & community engagement. As such, each year, we strive for

continuous progressive improvement and to practice transparency in annually auditing our performance and selecting reporting metrics that are relevant to our business.

In FY2014, Traditional Medicinals became a California Benefit Corporation and, in doing so, has new transparency obligations including the requirement to post all of its Benefit Reports on the public portion of its website.

All employees receive on a quarterly basis a report containing all of the Company’s pertinent financial reporting data, authored collectively by the Executive Leadership Team (ELT). This is the same data received by the Company’s board of directors. Employees are asked for feedback and questions are welcomed concerning any part of the ELT’s quarterly report. Furthermore all managers attend a quarterly half-day presentation made by the ELT on the Company’s previous quarter performance.

Traditional Medicinals products contain ingredients carrying multiple independent third-party ecological and social sustainability certifications which ensure traceability and transparency as well as stakeholder engagement throughout the value chain, including, for example USDA Organic, Fair Trade, FairWild, and Non-GMO Project.

FY2016 GOAL STATEMENT	FY2016 STATUS
The Executive Leadership Team (ELT) will identify and track the <b>drivers for any significant year-on-year changes in employee labor metrics</b> , e.g. whether or if a decrease or increase in recordable accidents were the result of specific policies or practices that are being implemented.	Deferred to FY18 ELT & Department Planning
The ELT will set <b>goals for employee retention</b> and employee engagement, e.g. administer a biennial employee satisfaction survey.	
The ELT will <b>set quantified worker safety goals</b> , e.g. reduce number of missed work days due to work-related injuries or accidents.	
The ELT will develop and implement a <b>mentoring program for employees</b> that supports hiring from within and employee retention metrics.	

*CHAPTER 5 – SUSTAINABILITY EDUCATION*

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FY2016 GOAL STATEMENT	FY2016 STATUS
The Marketing Dept. will <b>engage stakeholders</b> via website to <b>determine level of understanding</b> about Traditional Medicinals’ sustainability initiatives.	<b>Continuing Goal:</b> FY17-18 Brand Tracker Review with Marketing & Sustainability