



IMPACT REPORT 2024





Acknowledgments

Traditional Medicinals' Impact Report reflects the contributions of people across our company and also outside of it. We create it together in collaboration, being transparent about successes and challenges, and staying curious about the possibilities ahead. We stay true to the high standards we have set for ourselves, and each year, we seek to continue improving our reporting.

To everyone who supported this year's report, we thank you.

PHOTO: Lavender farm in France.

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Who We Are

At Traditional Medicinals®, our purpose is the foundation of all we do. This purpose is “to inspire active connection to plant wisdom in service of people and planet.” We approach each part of our business with deep care and respect for all involved—our consumers who trust us, our employees and partners who share our vision, and our industry peers who inspire collaboration and innovation. From the source communities who skillfully forage and harvest medicinal plants to the ecosystems that nurture them, every connection matters. Together, we create a holistic and intentional approach to botanical wellness.

As we approach our 50th anniversary, our purpose remains constant. In all we do, we strive to create a positive impact and to prioritize people, our products, and our planet.

Letter from the Chief Purpose Officer

On November 20, 1974, a date carefully selected by our founders, Traditional Medicinals made its first sale. This sense of intentionality has suffused all we do in the 50 years since. **From our very start, we have countered “business as usual” by working with our partners, suppliers, sourcing communities, and employees to create a positive impact on the world.**

Over the past five decades, the business world has continually increased its pace, and its focus on quarterly results has often favored short-term thinking. One of the ways Traditional Medicinals practices “unusual business” is by cultivating a long-term view. We believe in looking further out, to the best of our abilities, to help chart our own course. As we plan for the future, we expect and embrace transitions.

Fiscal year 2024 (FY24) was a year filled with such planned transitions. Our Board of Directors reached its long-held aim of gender parity. We welcomed a new Chief Executive Officer with a long history in the food and beverage sector and the experience to help us realize our aspirations. We began planning for an East Coast production facility in 2024 and will break ground in 2025 to support our growth and expansion plans. We

implemented a new planning system to help generate more accurate forecasts for our farming and wild-collecting partners, allowing us to grow thoughtfully together. As we grow, we continue to expand our supply network to be more resilient, including increasing the number of Fair producers in our network and Investing in sourcing communities, understanding that our shared future relies on economic, social, and environmental sustainability for all.

As we look back on 50 years of positive impact, we feel the power of intentionality grounding us, inspiring us, and keeping us humble and curious. As we look to the next 50 years, we know that change creates opportunity, which we intend to meet with the same values that brought us this far.

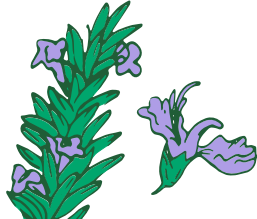
Our continuing hope for the future of Traditional Medicinals—and all businesses—is that we have the patience to grow mindfully and the resilience to meet each new reality with purpose.

Jamie Horst
Chief Purpose Officer
April 22, 2025



Rooted in Purposeful Female Leadership

This report wouldn't be possible without the dedication of the farmers, collectors, and employees—both past and present—who contribute to our success. Acknowledging the important role women play within our source communities and organization, we want to take a moment to highlight just a few of the female leaders who have made a lasting impact.



Rosemary Gladstar

Known as the 'Godmother of Modern Herbalism,' Rosemary co-founded Traditional Medicinals in 1974, with the intention of connecting people to plant wisdom. Her commitment to herbal education has had a profound impact on the community, inspiring countless individuals to deepen their understanding of herbal medicine. A well-known author of 27 books, Rosemary went on to found the California School of Herbal Studies, United Plant Savers and Sage Mountain Botanical Sanctuary.



Lynda LeMole

Serving as the first President at Traditional Medicinals in the 1990s, Lynda brought organizational expertise, operational efficiencies, science-based research, quality control, innovative systems and business discipline during its early development years. She also served as the first woman President of the American Herbal Products Association, supporting the herb industry's struggle for regulatory legitimacy. From 2002-2012 she served as Executive Director of United Plant Savers, helping to protect at-risk medicinal plants in the wild.



Nioma Narissa Sadler

Goodwill Ambassador and Vice Chair of the Traditional Medicinals Board of Directors, Nioma has spent over twenty years advocating for increased equity in sourcing communities, with a special focus on women and girls. Through her nonprofit, WomenServe®, she has worked to improve access to water, education, health, hygiene, and economic opportunities in these communities. Her impactful work was recognized in 2023 by the UN Global Peace Council with a nomination for an Honorary Doctorate from the United States International University.



Almost 50 years later, people remain at the heart of all we do, create, and pursue. With every action, we consider its impact on the lives of the farmers and collectors of our herbs, our team members, and the people who use our products. We continue to build on our legacy of collective commitment to right livelihood. I am so pleased that these ideals remain fundamental to our company's core values.

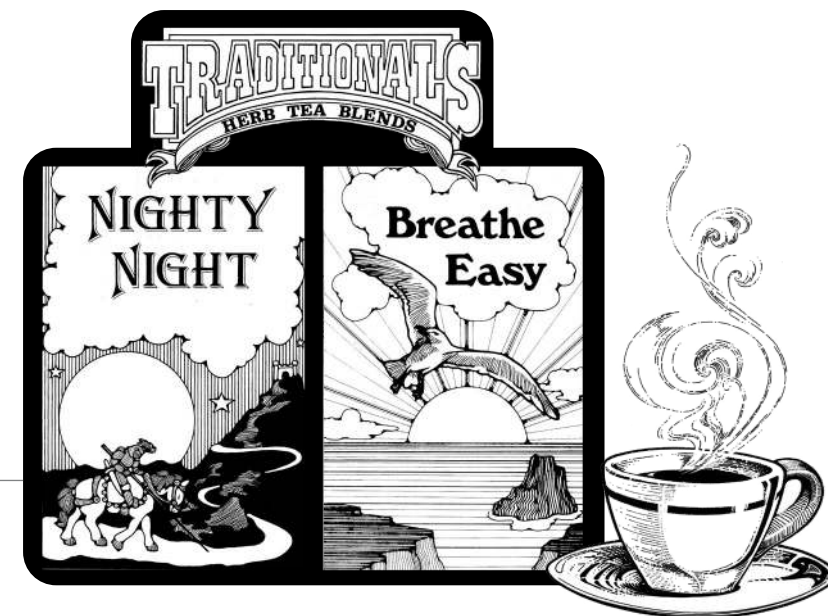
Today, perhaps more than ever, people are seeking meaningful solutions to environmental and social challenges. At Traditional Medicinals, we resonate with these aspirations. While we don't have all the answers, we do have good stories about our efforts to improve upon current conditions—and a forward-thinking culture of authors eager to write the next chapter of our history.”

Spotlight: Drake Sadler, Co-Founder

It was the early 1970s, and the United States was experiencing a renaissance: small but influential groups left cities in search of a more natural lifestyle, and young people began to reject and question the norms that came before them. During this time, various political and environmental businesses and social organizations emerged. Some became leaders in this movement, and Traditional Medicinals was one of them.

“When Rosemary Gladstar and I co-founded Traditional Medicinals in 1974, we realized early on that this unique social enterprise had found us and we had what the business needed to activate its reason for being. Rosemary and I believed that people should be at the heart of everything we did. The concept of right livelihood, a way to conduct business that doesn't harm others or oneself, guided our intentions.

PHOTOS: *Left:* Co-Founder Drake Sadler, seated, with Traditional Medicinals staff in the 1970s. *Middle:* Second-generation packaging from 1982 after we moved to a tea bag format. This comes during the time the company had an Over-the-Counter (OTC) for on-pack claims. *Right:* Second-generation packaging design for loose pack teas, 1974.



Our Strategic Pillars

At Traditional Medicinals, we are on a journey to make a positive impact in the world. Our mission defines our focus and helps us stay on track to make the right decisions for our future. It encompasses our five strategic pillars, which are the guide we're taking to fulfill our purpose.



Advancing Our Commitment to B Corp Excellence

Traditional Medicinals is proud to be B Corp certified, as it reflects our commitment to balance purpose with profit, foster transparency, and create meaningful impact through our business practices. More than a badge of honor, the certification (with our current impact score shown at right) provides us with a framework for continuous improvement as we do business in a way that benefits people and the planet.

In FY24, we began a recertification process to extend our certification by three more years. By doing so, we maintain the momentum of a framework that has guided us for years, while continuing to actively shape its future.

The B Corp movement is undergoing a significant transformation, revising standards to reflect the growing expectations of what it means to be a force for good. Traditional Medicinals is playing an active role in this process by sharing feedback, participating in focus groups, and contributing insights from our own experience. These efforts ensure that the new standards reflect the values we share as a community and challenge businesses to make more profound and meaningful impacts.



115.8
TM Overall
B Impact Score

80
Qualifies
for B Corp
Certification

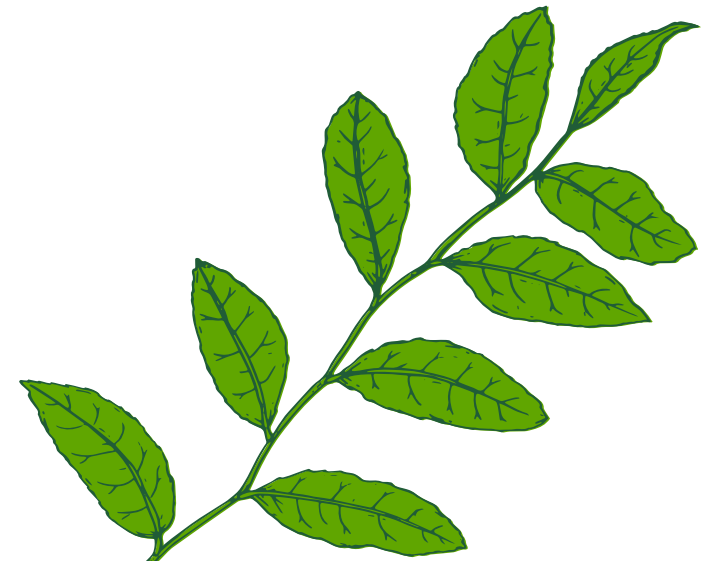
50.9
Median Score
for Ordinary
Businesses

Using Our Score as an Internal Compass

Our B Corp score remains a critical tool in guiding our strategy and actions. It serves as a transparent measure of our progress, highlighting where we excel and where we can challenge ourselves to grow further, in areas like governance, worker well-being, environmental stewardship, community engagement, and customer impact.

In FY24, we actively increased our focus on community impact by supporting fair-certified purchases, strengthening supplier relationships, and deepening investments in local programs. These efforts reflect our belief that business has the power to uplift communities while making a measurable difference in the world.

Whether navigating the current standards or preparing for the new ones, our goal is clear: to lead with integrity, innovate with purpose, and create a world where business truly is a force for good.





2024



Highlights

Who We Are



115.8
B Corp Impact score

782,276,544
Bags of tea served

2024
Best Places to Work
North Bay Business Journal



50-Year
Anniversary

Sourcing

38%
Fair-certified
herb volume

99%
Organic herb volume

\$328,517
Fair premiums
paid to farmers
and collectors in
addition to the price
paid for their crops

3,322,950
lbs. of organic
herbs purchased

Environment

85%
Waste diverted
from landfill

2,500
Metric tons of
carbon offsets

47,888
lbs. of compost
diverted to local
Sonoma County
farms

Scope 1-3
emissions inventory
verification

Community

53% of company
leaders identify
as female

\$2,663,423
Impact dollars invested
This money is used to
support our Community
Sourcing projects, local
nonprofit partners,
voluntary certification
standards, and more.

\$117,000
Worth of
product donations

77%
of employees
volunteered with
a nonprofit partner

All numbers refer to Traditional Medicinals fiscal year October 2023 to September 2024.

A photograph of a man, likely a turmeric farmer, working in a field. He is wearing a dark cap, a striped short-sleeved shirt, and light-colored trousers. He is bent over, using a long-handled hoe to dig the soil. The background is a dense, green forest or field of tall plants. The lighting suggests it's daytime, with sunlight filtering through the foliage.

From the Source

Traditional Medicinals is guided by our commitment to both organic ingredients and fair trade. Both are fundamental to our vision for a healthy planet, which is consciously sustained by the vital relationship between plants and people. We aim to provide accessible botanical wellness long into the future, and to continue to do so, we invest in the ecosystems where plants thrive—along with the people who steward them.

PHOTO: A turmeric farmer preparing the soil in Madagascar.

Organic and Fair

To ensure our herbs are both organic and ethically sourced, following practices that support and regenerate our planet and its people, we pursue independent third-party certification.

Leading the Way in Regulations and Standards for Organic Goods

In FY24, we received **3,322,950 lbs. of certified organic herbs from our suppliers, representing 99% of our total volume.**

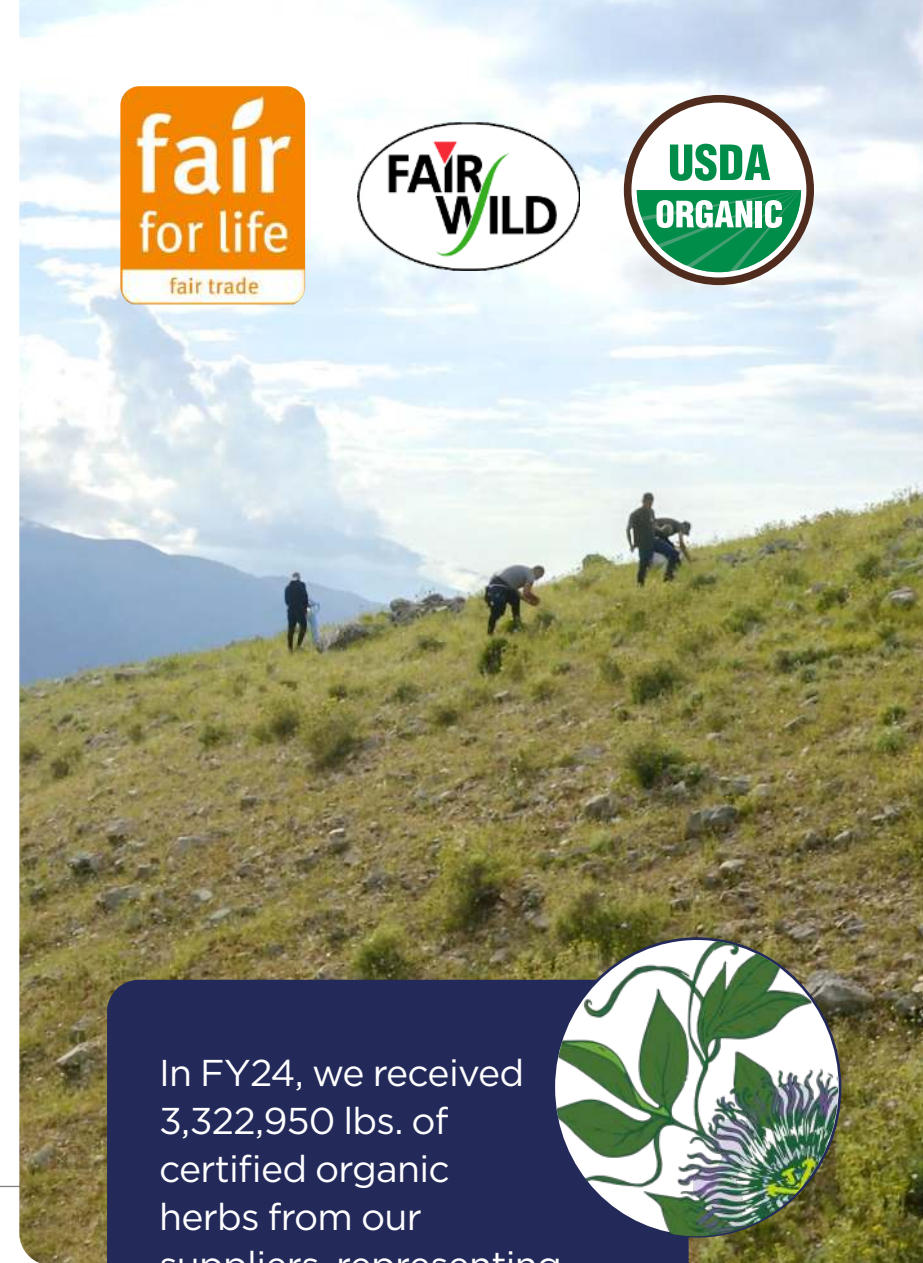
We are fortunate to be part of communities that share our commitment to uniform standards. Our headquarters are in the state of California, a leader in the organic movement that passed its groundbreaking California Organic Food Act in 1979—the first of its kind in the United States. Traditional Medicinals has been at the forefront of developing certifications for organic products and in 1980 was the first U.S. manufacturer to label and market a range of herbal products containing organic ingredients. In 1995, we were one of the first herbal companies to join

California Certified Organic Farmers (CCOF), which pioneered certification before a national standard existed. By 2006, nearly our entire line of finished products was certified organic.

Today, the USDA NOP provides a comprehensive framework to ensure that the agricultural products we use, from the flowers, roots, leaves, barks and more, to their handling, transport, and processing comply with internationally recognized organic regulations. Organic farmers support sustainable agriculture practices that advance long-term environmental health, social responsibility, and economic viability. The NOP requires participating operations to recycle resources, conserve biodiversity, and preserve ecological balance.

While earning organic certification offers many benefits, it represents a major, multi-year commitment for farmers. Organic operations are required to document their soil condition, water use, pest control, weed management, and handling processes. All inputs and machinery must be pre-approved, and everything is independently verified annually.

PHOTO: FairWild collectors in Albania gathering herbs to bring back down the mountain



In FY24, we received 3,322,950 lbs. of certified organic herbs from our suppliers, representing 99% of the total volume.

Ultimately, organic certification is a true “win-win” for farmers, communities, and Traditional Medicinals. Organic practices not only enhance farm resilience to climate change but also protect public health by reducing exposure to synthetic pesticides, which are linked to chronic illnesses in agricultural workers and surrounding rural communities. Organic farming also supports biodiversity and ecosystem health, creating safer, more vibrant environments for communities to thrive.

By adhering to USDA organic standards, farmers contribute to a sustainable food system that balances environmental health, economic resilience, and public well-being—a lasting legacy for current and future generations.



PHOTO: Echinacea field at Trout Lake Farm in Washington state.

How They Compare



- Focuses on sustainable agriculture.
- Prohibits synthetic fertilizers, pesticides, and GMOs.
- Requires third party monitoring of farms, processors, and products.
- Promotes natural resource protection.



- Focuses on social, economic, and environmental fairness.
- Ensures premium wages and safe working conditions.
- Requires community investment and ethical supply chains.
- Recognizes that fairness includes environmental protection.

BOTH CERTIFICATIONS

- Promote regenerative practices.
- Require transparency and traceability.
- Are independent 3rd party-monitored.

ECOLOGICAL FOUNDATION: Organic standards ensure farms meet sustainability benchmarks, which align with Fair for Life's ecological priorities.

TRACEABLE SYSTEMS: Organic's stringent record-keeping supports traceability, a requirement for Fair for Life certification.

SHARED GOALS: Both certifications strive to protect biodiversity, promote ethical business practices, and create a more sustainable food system.



A Steadfast Advocate for Fair and Ethical Trade

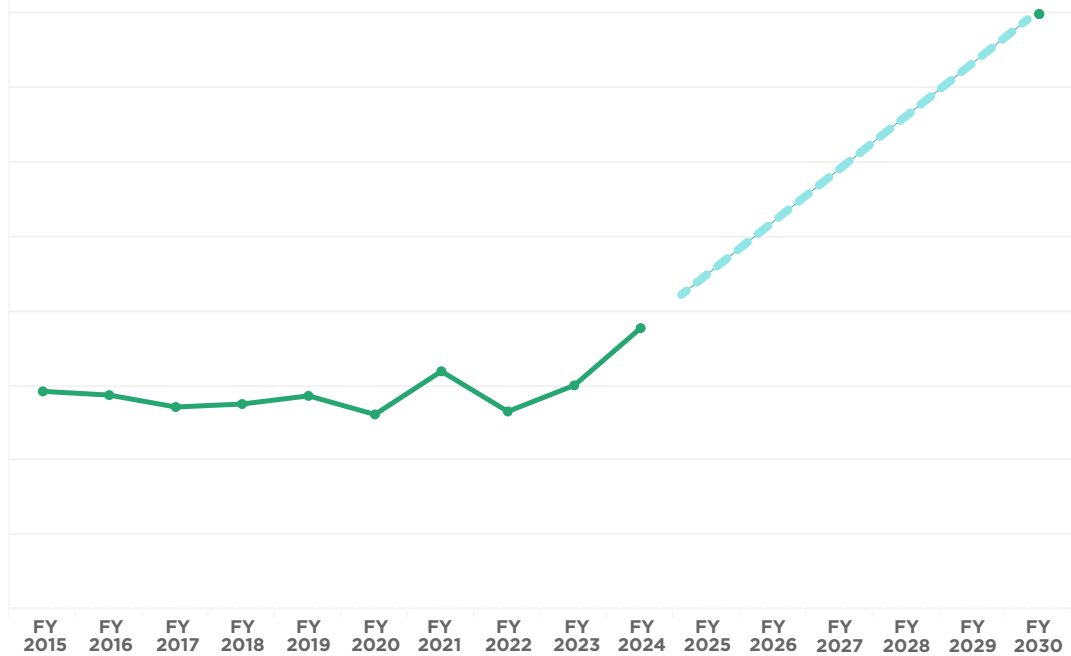
Similar to our role in the organic certification movement, we have long advocated for fair and ethical trade relationships across our supply chain. Traditional Medicinals advised on the creation of the FairWild standard and marketed the first FairWild-labeled herbal products in 2009.

We continue to aim higher as we help shape a supply chain that is more regenerative and less extractive. We have set an ambitious goal: to source 80% fair volume by 2030. To get there, we rely on fair trade standards including Fair for Life and FairWild.

In FY24, Fair-certified purchases represented nearly 38% of our total herb volume, a sizable increase from just over 30% in FY23. The near-doubling of herbs that were newly certified as fair—from 19 in FY23 to 37 in FY24—will support increased representation in our fair volume in the coming years. This achievement wouldn’t be possible without the collaboration of our dedicated farmers, wild collectors, and sourcing communities. We are deeply grateful for their ongoing commitment, hard work, and shared vision, which make it possible for us to meet our Fair goal and drive sustainable change together.

Fair certification, when combined with organic certification encompasses environmental, social, and economic factors. Although Fair standards differ, they

FAIR-CERTIFIED HERBS—PERCENT OF OUR TOTAL HERB VOLUME



share the key principles of fair treatment for farm workers, laborers, and collectors; safe working conditions; ecosystem protection; prohibition of forced labor; and a commitment to community development projects.

Those standards are particularly relevant in areas where labor, natural resources, or both are vulnerable to exploitation. **When we source fair-certified herbs, we work with producers to set a price above market rate. In addition, we contribute to a separate fund created by and for those same producers, to use for their own democratically agreed-upon projects.**

In FY24, Traditional Medicinals contributed \$328,517 to these funds, supporting locally driven community investments around the world.

In 2023, Traditional Medicinals became a Fair for Life brand, signaling our commitment to transparency and sustainable trade relationships. Somewhat unique among standards, Fair for Life examines every link along the supply chain. As a Fair for Life brand, we are not merely purchasing a license or paying a premium: we must consistently demonstrate our multi-year commitments to our global partners and continuously improve on our performance.



As we continue to work toward our 2030 goal, we face challenges: climate change, diminished habitats, global economic instability, the aging of the rural skilled workforces, and the exodus of young people to urban areas. These challenges underscore how vital it is to prioritize the protection of herbs, wildlands, and the people who depend on them, and they make us more determined than ever to do this work.

Fair for Life—So how does this work?

When Traditional Medicinals purchases Fair-for-Life certified herbs, we invest in source communities in these ways:

- **Paying Premiums:** Producers (farmers, cooperatives, and collectors) set their own prices, typically 10% above market rates, allowing them to receive fair compensation for their work.
- **Contributing to Development Funds:** We also pay 5%-10% of the total purchase price annually, as a separate contribution. These funds are overseen by local Development Fund Committees, run by the producers and community members, and used toward meaningful community development projects.

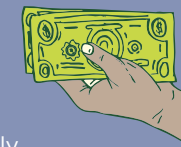
The Ripple Effect: How Fair for Life Creates Lasting Change

When consumers buy Traditional Medicinals tea made with Fair for Life-certified herbs, their purchase, combined with our commitment to sourcing Fair ingredients, creates a ripple of lasting change. This support fuels a cycle of empowerment and growth that directly impacts the lives of the farmers, families, and communities who grow the herbs in our teas by:



Empowering Producers:

By purchasing Fair for Life-certified products, consumers directly contribute to fair premiums, enabling producers to set their own prices. This not only supports their livelihood but also reinforces the value of their skills, resources and communities.



Strengthening Local Leadership:

True bargaining power and decision-making authority help local leadership thrive. The Development Fund Committees are empowered to use these funds to support community-driven projects, ensuring local leadership is strengthened. These projects range from providing tools like tarps to improving education, skills, infrastructure, healthcare, and more.

Supporting Local Development:

Fair trade products keep resources local, helping to fund infrastructure, education, healthcare, and jobs. Local development means the next generation has the opportunity to stay, thrive, and build a future at home. The fair trade premiums and development funds reinvested into these communities help create stable, vibrant environments where younger people see a future worth staying for, instead of moving to cities.



Preserving Traditions & Knowledge:

Local wisdom and traditional knowledge are often tied to community elders. As that generation ages out of the workforce, there is a danger that their skills will disappear unless younger generations nurture them. Demand for those skills is driven by purchases of Fair trade products.



Our Top 10 Herbs

In FY24, we distributed **782,276,544 bags** of tea.

The following are the top ten herbs, by volume, that our customers enjoyed.



Source Community Projects

At Traditional Medicinals, we are driven to connect people with plant-based medicine and to uplift the communities that grow and gather the herbs we rely on. We believe that the quality of our products stems from the quality of life of the people who produce them. That's why we're committed to building lasting,

equitable relationships with farmers and collectors, providing fair wages, and supporting their communities in meaningful ways.

From the beginning, our work has gone beyond commerce. Early on, our founders learned that many of the medicinal plants we use are sourced from small, low-income communities and are often cultivated or collected in the wild by women who have less access to land ownership, profits, education, and economic

autonomy. Those communities also face significant challenges, including limited access to healthcare, education, and economic resources. For us, this reality creates a responsibility and an opportunity to partner more deeply.

Today, Traditional Medicinals is a living example of what a mission-driven company can achieve. We are proving that business can disrupt “business as usual” by prioritizing social impact alongside financial success. By connecting people to plants and staying true to our purpose, we are creating a model for meaningful change—one that empowers communities, protects the environment, and enhances lives.

To ensure we uphold our commitment, we pledge to:

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

The following pages provide a quick tour of just some of our projects.



PHOTO: Chamomile weeding in India



2024 Source Community Projects

The countries highlighted on this map represent key projects that took place in 2024. This is not a complete list of all the work the company is involved in, but a snapshot of our impactful initiatives during the year.



BULGARIA
Fennel



EGYPT
Chamomile



ZIMBABWE
Hibiscus



INDIA
Senna



PHILIPPINES
Abacá

Source Community Projects

Our supplier relationships are rooted in reciprocity. We engage deeply with source communities, researching and building partnerships that ensure our investments resonate with local priorities and create positive social and environmental impacts while aligning with our focus on environmental action, justice, and social enterprise. We are pleased to share several projects that fulfill our pledge to support source communities.

Egypt



Our four-year investment in partnership with our global supply partner, Martin Bauer, and other local supply partners concluded in FY24. The project goal was to enable 300 women to run successful microbusinesses, earning additional income for their families. To support that goal, we provided access to personal development options, literacy and math courses, and small loans—the foundations of a successful business. Family health awareness sessions were also offered. By empowering women in these farmworker communities, the project helped increase prosperity for all.

Zimbabwe

Our two-year investment in Zimbabwe also concluded in FY24 with the successful installation of four boreholes, providing clean, safe, and easily accessible drinking water to more than 4,000 in a region of Fair-Trade hibiscus farmers. Women were selected to maintain the majority in water point committees for each borehole, leading their local community on conservation practices, maintenance, and repairs. This project was conducted in collaboration with Martin Bauer and local supply partners.



Bulgaria



Traditional Medicinals, Martin Bauer, and local supply partners supplemented Fair for Life premium funds to support the installation of a playground in a village with no previous safe or age-appropriate play space. The new space will support social activity for community members and the integration of children of different ethnic origins. We also contributed funding to revitalize the community center, which had been unusable for 20 years and will provide library and social gathering space for the village and surrounding areas.

India

In many communities of Western Rajasthan, agriculture serves as the primary source of income for families. However, entrenched cultural norms and limited non-agricultural employment opportunities often lead to women's financial dependence on male family members, exacerbating the gender gap. In response to these challenges, the Thar Artisan Collective (TAC) was established in 2016 by our nonprofit partner, WomenServe. Our ongoing investment in this program helps address the financial dependency of rural women by providing skills, resources, and opportunities for economic independence. The project focuses on regions in Phalodi and Jodhpur including Nayagaon, a rural farming community that grows the medicinal herb senna.





PHOTO: Dr. Dianne Malvar and her team traversing the San Miguel River to deliver medical care to patients in rural farming communities.

Philippines Project Update

For many years, we've both sourced abacá—the fiber used in our tea bags—and invested in community projects on the island of Catanduanes in the Philippines. FY24 marked the second year of our focused investment in healthcare on the island, continuing our long-standing commitment to the region. Abacá farming is physically demanding, requiring long days in very remote locations, and since farmworkers are paid only for the days they work, they often defer preventive care. Unfortunately, deferred care can accelerate chronic illness and the spread of infectious diseases.

The most viable solution is to bring healthcare directly to the communities, which is why we've partnered with La Conexión. This organization supports underserved communities through volunteer expert clinicians, training, and ongoing clinical telemedicine support. Together, we visited Catanduanes in May 2023 and provided 27 cloud-based mobile diagnostic equipment kits and hands-on training sessions. Included in the kits, donated by the Traditional Medicinals Foundation, are tools essential for comprehensive primary care: thermometer, blood pressure cuff, stethoscope, otoscope, spirometer, urinalysis kit, electrocardiograph, pulse oximeter, scale, and blood glucose meter.

During our 2023 visit, we learned about the critical need for improved prenatal care. We worked to acquire portable ultrasound machines to serve patients



PHOTOS:
Left: Farmers drying abacá
Right: Volunteer physician Dr. Sara Vaughn providing ultrasound training to local healthcare team.

in remote locations and also engage a U.S.-based physician willing to volunteer time and expertise to provide ultrasound training to the local healthcare workers.

Previously, ultrasounds were accessible only in the capital city. If a pregnancy complication was suspected, a patient would need to attempt to arrange travel and cover the costs for transportation and missed work. For many in these remote farming communities, securing funding is not always possible, leading to some tragic results that would be preventable with early ultrasound screening.

We provided three portable ultrasound machines to the municipalities, serving a total of 50,000 people—many in remote farming communities, hours away from healthcare facilities. Physicians and midwives are now trained to use ultrasound equipment, allowing them to

provide a standard of care to all their pregnant patients, with an ultrasound each trimester allowing for early determination of the baby's due date, size, anatomy scans, late-term positioning, and identification of complications such as ectopic pregnancies before life-threatening symptoms appear.

Patients can now access imaging locally, at no expense, and regularly if needed, not only in the case of emergency. This access provides critical healthcare and allows parents a precious, unforgettable first glimpse of their baby. Notably, those ultrasounds have uses beyond prenatal care, helping identify a number of conditions and complications in women's health. In 2024, Traditional Medicinals sponsored the visit of our partner physicians from the Philippines to California for advanced training on ultrasound use, hypertension management, diabetes care, and tuberculosis screening

and treatment strategies. The Philippines has one of the highest tuberculosis infection rates in the world, with farming communities particularly susceptible. We look forward to the long-term impact of the training program as physicians return to their communities and integrate their new learnings into their care practices.

Looking to the future, we are also investigating how we can apply some of the same concepts of mobile care to help the ongoing fight against tuberculosis.



Supporting the Next Generation of Farmers and Wild Collectors



As we continue our legacy of investments in source communities, we embrace the challenge of changing needs in the 40 countries in our global supply chain.

We are designing a strategic and focused approach that prepares the next generation of farmers and wild harvesters, while fulfilling our commitment to sustainable and thriving source communities.

Nearly 50 years into our company's journey, the impact of climate change is undeniable: we see it in precipitation patterns that are increasingly unpredictable, rising temperatures, disrupted harvest cycles that increase the risk of contamination, and more frequent natural disasters. For many source communities, these challenges are compounded by an aging workforce and stagnant wages, driving rural flight and threatening the future of herbal medicine. Urbanization further risks the loss of traditional knowledge and expertise in cultivating and collecting medicinal botanicals, endangering biodiversity and the ecosystems we all depend on.

Rather than retreat from those challenges, we are determined to help solve them through our source community partnerships. Through targeted investments, we are working to secure a future where herbal medicine remains accessible and sustainable.

PHOTO: Pharbahad (21) and Pushpinder (25), a young couple, are cultivating chamomile on their family farm for Traditional Medicinals.



Measuring at the Source: Understanding and Reducing the Footprint of Our Primary Ingredients

For Traditional Medicinals, mitigating emissions related to our ingredient supply chain is a significant step that we can take toward meaningful climate action. Doing so requires a solid foundation built on reliable data: By establishing detailed baselines for our primary ingredients and packaging, we can identify emissions hotspots and prioritize mitigation projects. We can intervene where it matters most and ensure that our efforts drive real impact.

Through footprinting, we trace the emissions generated at each stage of our supply chain. This process has revealed that energy-intensive activities, such as herb drying, are significant contributors to our carbon emissions. Insights from our emissions inventory further pinpoint the areas with the greatest emissions intensity, helping focus our efforts to drive the most impact.

These insights shape how we allocate resources, engage with partners, and drive reductions. Targeting the highest-volume, highest-emitting processes allows us to achieve the largest reductions. By collecting primary data directly from our suppliers, we can verify reduction efforts with confidence, ensuring our work is transparent and credible.



PHOTOS:
Top: Turmeric harvesting in Madagascar.
Bottom: Workers grading Linden flowers in Moldova.



SOURCES OF ON-FARM EMISSIONS



Collaborative Methods for Measurement

Reducing emissions across a complex global supply chain is not a challenge we can tackle alone. At Traditional Medicinals, we've embraced a collaborative approach to footprinting, leveraging partnerships with suppliers and industry peers to drive change, foster alignment, and create shared solutions to reduce emissions. Many of our partners have developed advanced capabilities for tracking their own carbon footprints, and we collaborate closely to collect accurate primary data.

Traditional Medicinals participates actively in a pre-competitive working group through the Sustainable Herbs Initiative (SHI). The group includes seven botanical herb companies that have joined together

in a pre-competitive collaboration to address a shared issue in a way that doesn't impact business competition or contribute to unfair advantage. We have pooled our resources to align on best practices for emissions tracking. Together, we seek to overcome industry-wide hurdles such as the lack of publicly available, accurate emissions data for herbal ingredients and the logistical and financial challenges of conducting life cycle analyses (LCAs) across supply chains with hundreds of herbs.

In 2023, the group selected *sustainable AG*, a German consultancy with deep expertise in herbal supply chains, as a consulting partner for the initiative. This collaboration has already delivered significant benefits, including a scalable process for generating and sharing emissions data and a centralized emissions database for herbal ingredients. By aligning our approaches to measurement and reporting, we can reduce the

data burden on farmers and identify co-investment opportunities for emissions mitigation projects that benefit shared suppliers.

Together, we are helping set a new standard for emissions measurement and collaboration in the botanical herb industry—setting aside business competition concerns to tackle the shared challenge of climate change.



PHOTO: Licorice harvesting in Uzbekistan.

Implementing a Carbon Insetting Strategy

Once emissions baselines are established, we can translate insights into action through our carbon insetting strategy. Carbon insetting focuses on reducing emissions directly within our supply chain, targeting the areas where we can have the most



Our insetting strategy is built around the following elements:

1. Primary emissions measurement: By establishing accurate baselines using supplier data, we ensure mitigation efforts are focused on areas with the most potential for impact.

impact. This approach aligns with best practices for climate mitigation while allowing us to deliver meaningful social and environmental benefits to the communities we work with.

Although insetting projects come with complexities in engagement and logistics, we are committed to overcoming such challenges through collaboration, innovation, and perseverance.

2. Identifying insetting opportunities: Areas like energy efficiency, waste reduction, and sustainable agriculture practices represent high-impact opportunities for emissions reductions.

3. Investing in sustainable practices: We allocate resources to regenerative agriculture, reforestation, and other practices that sequester carbon and enhance biodiversity.

4. Collaborating for co-investment: By working with other companies and shared suppliers, we multiply the impact of insetting projects while reducing costs and fostering alignment.

5. Transparency and reporting: By clearly communicating our insetting efforts, we build trust and ensure accountability. Third-party verification reinforces the credibility of our results.

Bringing Data to Life with HowGood LATIS

Emissions data is only as valuable as its usability. To ensure that data drives meaningful action, we use the HowGood LATIS tool, which helps us to consolidate data from both the HowGood research team and other in-house developed measurements into a single platform and source of truth. LATIS enables us to track the carbon footprint of each product to monitor progress across our portfolio. This generates actionable insights that help guide product formulation and reduce emissions at the design stage. The tool also supports supplier engagement by surfacing areas for improvement and alignment with best practices, which we can share with our suppliers.

Looking Ahead

Our primary-ingredient footprinting strategy is more than a technical exercise—it's a commitment to transforming our supply chain for the better. By combining robust data collection, collaborative partnerships, and innovative tools like LATIS, we are creating a framework for measurable, meaningful change.

As we deepen our understanding of our footprint, we are confident in our ability to meet our climate goals, reduce emissions, and set an example for the broader herbal industry. While our journey is far from over, each step brings us closer to a future where sustainability and business success go hand in hand.

PHOTO: Suppliers like Trout Lake Farm use falcons as a natural form of pest management.

A photograph of several farmers working in a field of green plants, likely medicinal herbs, in Bulgaria. The farmers are using long-handled tools to weed the plants. The field is surrounded by trees and a forested hill in the background.

Environmental Stewardship

At Traditional Medicinals, we see environmental stewardship as an intrinsic part of our responsibility to care for the planet we share. As part of that commitment, we work to use resources wisely, increase our use of renewable energy, and reduce waste. Setting our goals high, we are guided by the value of taking less and giving back more.

Sustainable Operations

Traditional Medicinals continues to grow as a company, and we look forward to opening a second manufacturing facility on the East Coast. We're excited to reach more consumers and expand opportunities for the people and communities who forage and harvest the medicinal plants we use. As we do so, we must also protect those ecosystems and our planet. That's why our approach focuses on sustainable growth that creates a positive impact on people, our products, and our planet.

As part of that approach, we measure and analyze our carbon emissions, continually increasing our understanding of our impacts. We purchase energy from renewable sources, aim for zero waste at our production facility, and make appropriate use of carbon offsets.



PHOTO: Geothermal production facility.

Energy: Powering a Sustainable Future

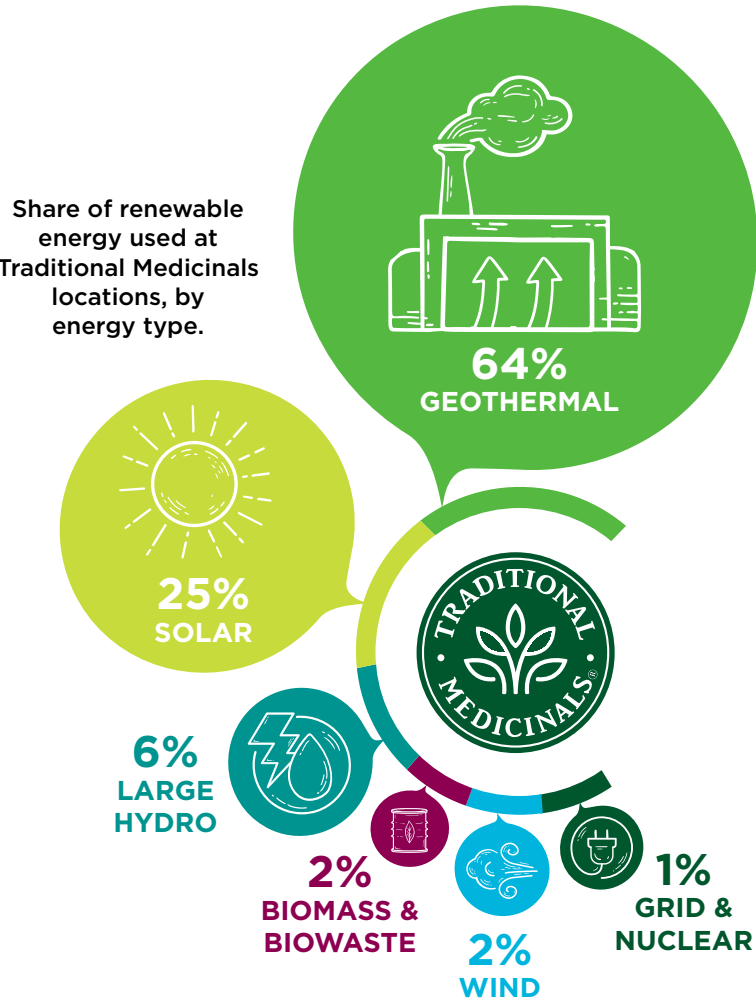
At Traditional Medicinals, energy is more than a utility—it's an opportunity to deepen our commitment to sustainability. In FY24, we made continuous improvements, refining how we generate, consume, and manage energy across our operations. From our continued commitment to sourcing renewable energy to conducting a forward-looking energy audit, these efforts represent our dedication to a future where sustainable energy powers every aspect of our work.

Renewable Energy

This year, our operations used 1,870,574 kWh of renewable energy, a 6% increase compared to 2023. As our business continues to grow, so does our overall energy demand. That is why we remain steadfast in our commitment to utilizing renewable energy sources.

When we cannot meet our energy needs through our rooftop solar array, we source energy through Sonoma Clean Power's EverGreen program, enabling us to fuel our production more sustainably. For both our production facility and HQ office spaces, renewable sources such as geothermal (64%) and solar (25%) form the backbone of our energy mix, complemented by large hydro (6%) and wind (2%). Other sources, including biomass (2%) and grid energy (1%), make up the remainder.

Our renewable energy journey isn't just about numbers; it's about resilience and impact. By diversifying our energy sources, we reduce reliance on fossil fuels, mitigate emissions, and lay the groundwork for long-term environmental benefits.





Energy Across Our Facilities

Energy powers everything we do, from crafting our teas to maintaining our facilities in the Sonoma County communities of Sebastopol, Rohnert Park, and Santa Rosa.

This year, 83% of our energy use supported operations at our Sebastopol manufacturing facility, where production scales to meet global demand. The Rohnert Park headquarters accounted for 15%, while the Santa Rosa storage warehouse used 2%. This distribution highlights the vital role of our factory in energy efficiency initiatives, as even small improvements can create significant ripple effects.

PHOTO: Traditional Medicinals' production facility in Sebastopol, California.

Our Vision for the Future

As we reflect on this year's progress, we are energized by the possibilities ahead. Every investment in renewable energy, every efficiency upgrade, and every action we take to refine our energy use brings us closer to our vision of a more sustainable world. Whether it's powering our factory with geothermal energy, reducing emissions through better technology, or preparing for the future with smart energy storage, our approach to energy is driven by purpose and progress.

We remain committed to being a leader in sustainable energy practices, not only for our business, but also for the planet and its people. Together, we're proving that every kilowatt counts and every action toward sustainability creates a brighter tomorrow.

Insights from Our Energy Audit

Recognizing the importance of data-driven decision-making, we partnered with outside experts to conduct a comprehensive energy audit in FY24. The audit identified clear opportunities to improve efficiency and expand renewable energy use, paving the way for impactful changes in the years ahead. Key recommendations included the following:

- **ENHANCING OUR RENEWABLE ENERGY CAPACITY**—in particular, our rooftop solar photovoltaic (PV) system—to generate more renewable energy and further reduce reliance on external and fossil fuel-based energy sources.
- **ENHANCING ENERGY EFFICIENCY**—improved facility insulation and optimized equipment, like rapid-roll-up doors and expanded air curtains, can help minimize energy waste while maintaining operational effectiveness.
- **BUILDING ENERGY RESILIENCE**—by adding energy storage solutions, increasing our ability to harness renewable energy, and reducing dependence on traditional backup power during disruptions.



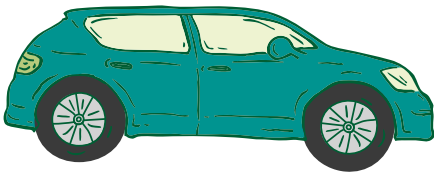
Aiming for Zero Waste: Progress, Challenges, and Renewed Focus

Our pursuit of zero waste exemplifies our commitment to sustainability. Guided by the principles of our TRUE Zero Waste certification, we strive to divert at least 90% of our operational waste from landfills by reducing and reusing materials, recycling, and composting. This ambitious goal reflects both our dedication to environmental stewardship and our desire to lead the botanical herb industry in sustainable production practices.

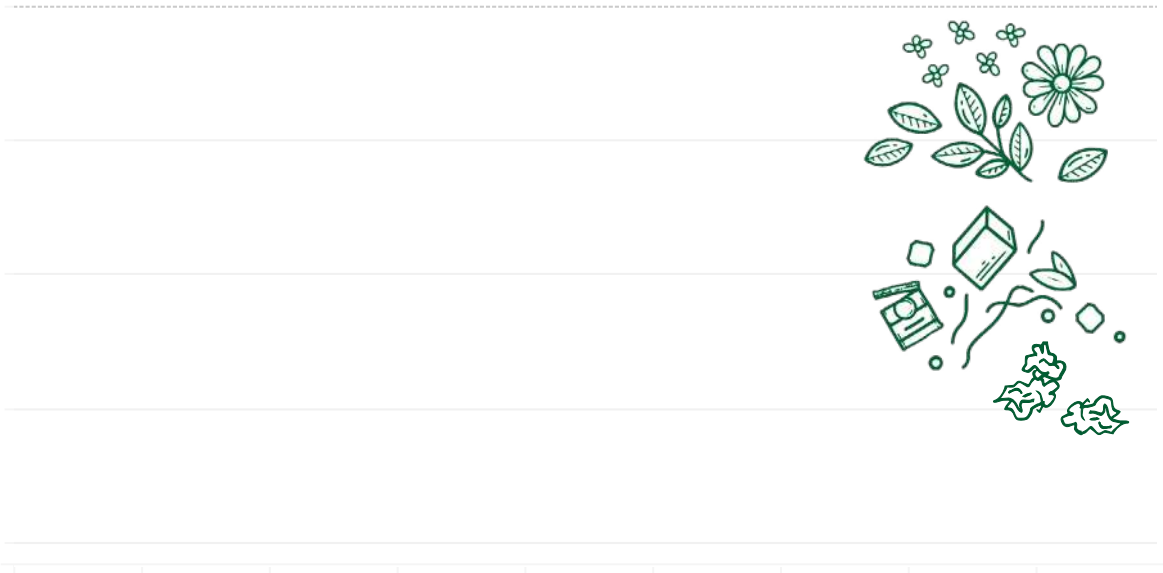
In FY24, Traditional Medicinals made notable strides in several areas of waste management:

- **RECYCLING IMPROVEMENTS:** Our recycling efforts for mixed plastics and cardboard yielded 265 tons diverted in FY24, a 14% year-over-year increase.
- **MATERIAL DIVERSION:** We diverted 800 tons of material from landfills in FY24, a 2% increase from FY23.

EQUAL TO
WEIGHT OF
4,000 CARS



OPERATIONAL WASTE



Total waste from our Sebastopol production facility. Diverted waste refers to all waste that is recycled, composted, reused, or reduced in alignment with the TRUE Zero Waste certification standard. All other waste is sent to landfill.

That said, the journey toward zero waste is not always linear. In FY24, our overall diversion rate declined to just under 85%, below TRUE’s 90% threshold. While this represents a step back from our FY22 rate of 91%, the challenges we encountered provided invaluable lessons that are informing and strengthening our approach moving forward.

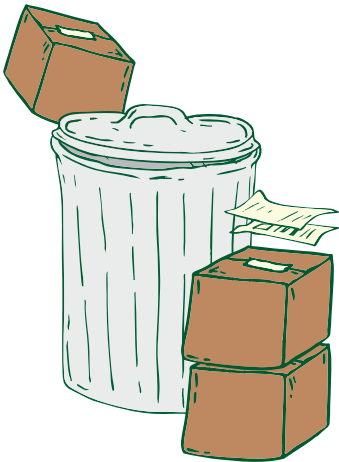
Responding to Packaging, Production, and Composting Challenges: Evolving Our Approach

At Traditional Medicinals, we are committed to advancing sustainable packaging solutions while navigating the complex challenges of production and composting. To address these challenges, we actively

test new formats while continuously collaborating with industry leaders on innovative solutions to reduce waste and improve the sustainability of our packaging.

We focus on developing materials that balance performance with environmental responsibility. That involves exploring new technologies, refining operational processes, and ensuring compatibility with high-speed packaging equipment—all while minimizing waste generation.

Like others in our industry, we face the challenge of limited infrastructure for industrial composting, which is not yet equipped to handle the growing volume of compostable packaging. That gap highlights the urgent need to advocate for improved composting systems that can accommodate both food and packaging waste on a larger scale.



We continue to partner with industry experts and encourage our partners and consumers to join us in supporting the development of better composting infrastructure and policies. Together, we can help drive the systemic changes needed to advance a circular economy and ensure more sustainable options for packaging and waste management.

Intensifying Our Waste Reduction Efforts

Despite these challenges, Traditional Medicinals remains steadfast in our commitment to zero waste. This includes a number of multi-year waste reduction initiatives that extend throughout our operations:

- **Reevaluating packaging solutions:** Leveraging insights from our composting challenges, we are focused on reducing packaging waste at its source: exploring alternative materials, improving machine compatibility, and optimizing production processes.
- **Collaborative efforts:** In partnership with the SOMO Village community, where our headquarters facility is located, and other organizations, we continue to divert herb waste and other materials to community-based composting programs. For instance, we diverted 23.94 U.S. tons of herb waste to Headwaters Farm, a local farm that is being established to provide locally sourced food and follow regenerative agriculture practices. Our collaborations help mitigate the impact of operational waste while supporting local sustainability initiatives.
- **Employee engagement:** Cross-departmental waste audits have become a cornerstone of our zero-waste program. These audits identify key areas for improvement and are paired with employee training and education campaigns that ensure alignment.



PHOTO: Byproduct herbs are sent to local Headwaters Farm for composting.

- **Enhanced recycling programs:** We are making continued progress in recycling more mixed plastics and cardboard, with plans to expand these efforts to capture even more recyclable materials.

Our setbacks reinforce the importance of adaptability, innovation, and collaboration in achieving our sustainability goals. By focusing on waste reduction at the source, improving material design, and engaging employees and partners, we are poised to make meaningful progress in the coming years.

Energized by these lessons, we are eager to work even harder to meet the 90% target. Through transparency, dedication, and continuous improvement, we aim to meet and exceed industry standards for waste management.



PHOTO: Tea cartons move along the conveyor belt, ready to be packed.

Emissions

Traditional Medicinals is focused on reducing our Scope 1, 2, and 3 emissions over time as part of our ongoing efforts to address the impacts of climate change. This means examining every step of our processes, both those within our direct control and those where we rely on partners and third parties. It means taking a rigorous approach to measuring our emissions to derive the best possible data, which allows us to accurately analyze emissions trends for internal decision-making. Measuring our emissions also supports our commitment to transparency, as we voluntarily report emissions to stakeholders such as standard-setting organizations, retailers, and customers, as well as in this annual Impact Report.

Our Emissions Data Refresh

In FY24, we completed a detailed refresh of our Scope 1, 2, and 3 emissions inventories, using FY23 data, to recalculate and track our emissions and develop abatement strategies. To deepen our understanding and better prepare our team for identifying actionable emissions-reduction opportunities, we performed most of these calculations in-house, drawing from more than 15,000 data points.

To ensure the accuracy of our inventory, we contracted with UL Solutions to conduct a third-party verification of our emissions for the reporting period of October 1, 2022, to September 30, 2023. This verification process adhered to ISO 14064 Part 3: 2019, ensuring alignment with international standards for greenhouse gas quantification, monitoring, and reporting.

Traditional Medicinals' greenhouse gas statement was verified to meet the requirements of ISO 14064 Part 1: 2018 with a limited level of assurance. *For details on the methodology and process followed by UL Solutions, please see the Appendix to this report.*

This project ultimately led to not only restating our FY23 data but also calculating our FY24 Scope 1-3 emissions using the updated methods from the verified inventory. Importantly, it has already provided insights that help us better understand our environmental impact and pinpoint opportunities for emissions reductions. In addition, starting with FY24, we will report Scope 3 data annually rather than triennially, aligning with our cadence for reporting Scope 1 and 2 data.



Scope 1 and 2 Emissions

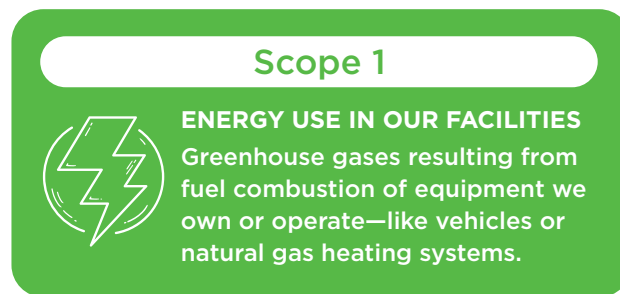
At Traditional Medicinals, reducing Scope 1 and 2 emissions is a key pillar of our broader climate strategy. These emissions, which arise from the direct use of energy in our operations (Scope 1) and the generation of purchased electricity (Scope 2), reflect the direct environmental impact of our facilities. By addressing these emissions, we are making strides in aligning our operational practices with our sustainability goals.

Enhancing Scope 1-2 Reporting Accuracy

As part of the emissions data refresh mentioned earlier in this section, we implemented significant changes to our methodology for Scope 1-2 emissions.

In previous years, we included emissions from our headquarters facility in Scope 3. That was due to our limited visibility into energy data for our office, which we lease. Following UL Solutions' guidance during our emissions inventory audit, we revised our approach to include these emissions in Scope 1 and 2, which aligns us with reporting best practices. This change resulted in a material increase in reported emissions for these categories. We also saw some changes in our Scope 1 and 2 data due to updating emissions factors and more comprehensive data collection. Business growth, too, plays a role, with increased production leading to higher emissions. (To see our year-over-year emissions trend, please see the "Scope 1 & 2 Emissions" chart at right.)

In FY24, scope 1 was 72.25 MTCO₂e (24% decrease from FY23) and scope 2 was 59.78 MTCO₂e (2% increase from FY23), totaling 132.03 MTCO₂e.

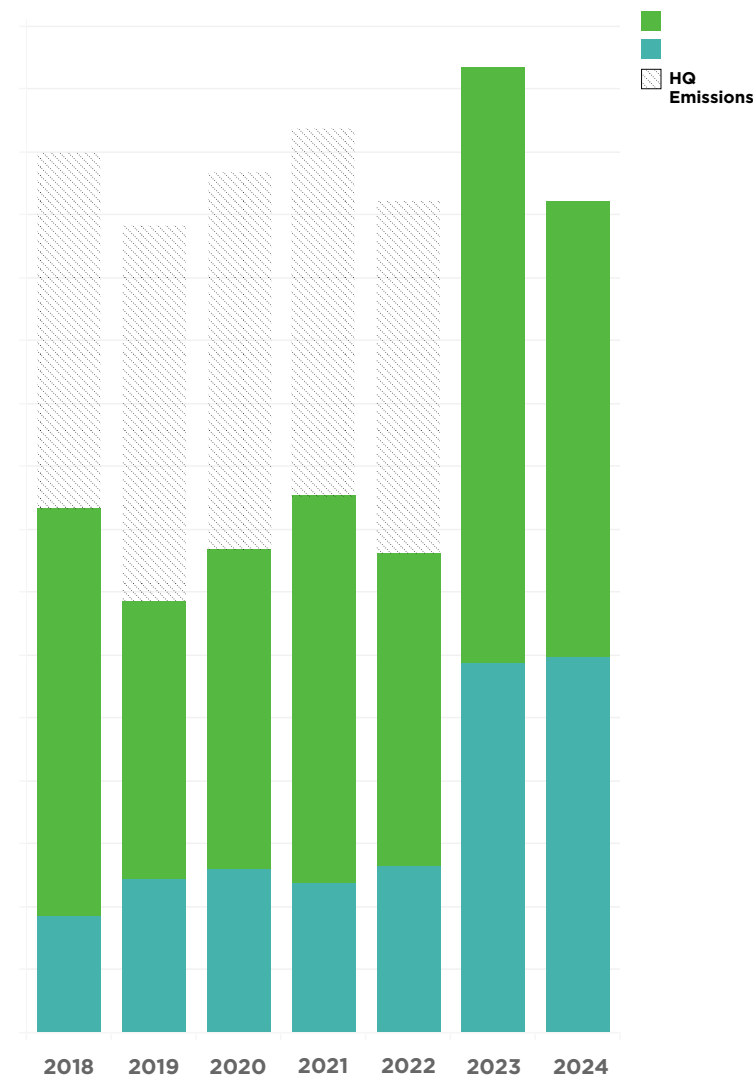


Tackling Natural Gas Use

Scope 1 emissions stem primarily from the use of natural gas in our Sebastopol production facility. The emissions intensity associated with natural gas makes it a priority area for reductions. Key sources include gas-powered, ceiling-mounted forced air heating units. Heat loss through the building envelope and loading small water heating units and kitchen stovetops also contributing to the total.

Our Operations team plays a critical role in managing and reducing Scope 1 emissions. From sourcing quotes for updated heating equipment to implementing energy-efficient practices across the facility, their leadership is essential in achieving our emissions goals. Across teams, we work collaboratively to identify options, seek new technologies, and plan for the future.

SCOPE 1 & 2 EMISSIONS



The bar chart shows the reported annual Scope 1 (green) and 2 (blue) emissions. The gray bar demonstrates what the total reported emissions from 2018-2022 would have been when including HQ.

Scope 2



PURCHASED ELECTRICITY

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

Leveraging Renewable Energy

Our Scope 2 emissions arise from the electricity we purchase to power our facilities. We take pride in procuring 100% local renewable energy, partnering with local providers like Sonoma Clean Power's Evergreen and CleanStart programs. This commitment, coupled with the use of rooftop solar panels on our Sebastopol facility, keeps Scope 2 emissions minimal relative to the size of our operations. *For a breakdown of our energy sources, please see page 28.*

Despite this renewable energy procurement, some emissions are inherent in the energy production and grid transfer process. That only underscores the importance of continuing to expand our onsite capacities for renewable energy production and improving the efficiency of our operations to further reduce reliance on the grid.

Exploring Strategies to Reduce Scope 1 and 2 Emissions

As we seek opportunities to further mitigate Scope 1 and 2 emissions, we are exploring options for electrification and expanding our use of renewable energy. Those range from implementing smart energy management tools to further enhance our rooftop solar array.

Looking Ahead

Traditional Medicinals' Scope 1 and 2 emissions reduction journey is an evolving process, reflecting our commitment to operational sustainability and climate accountability. By addressing inefficiencies, incorporating best practices in emissions reporting, and integrating renewable energy solutions, we pave the way for meaningful reductions in our operational footprint. As we continue to focus on electrification, renewable energy procurement, and collaboration with stakeholders, we progress toward our near-term reduction targets.

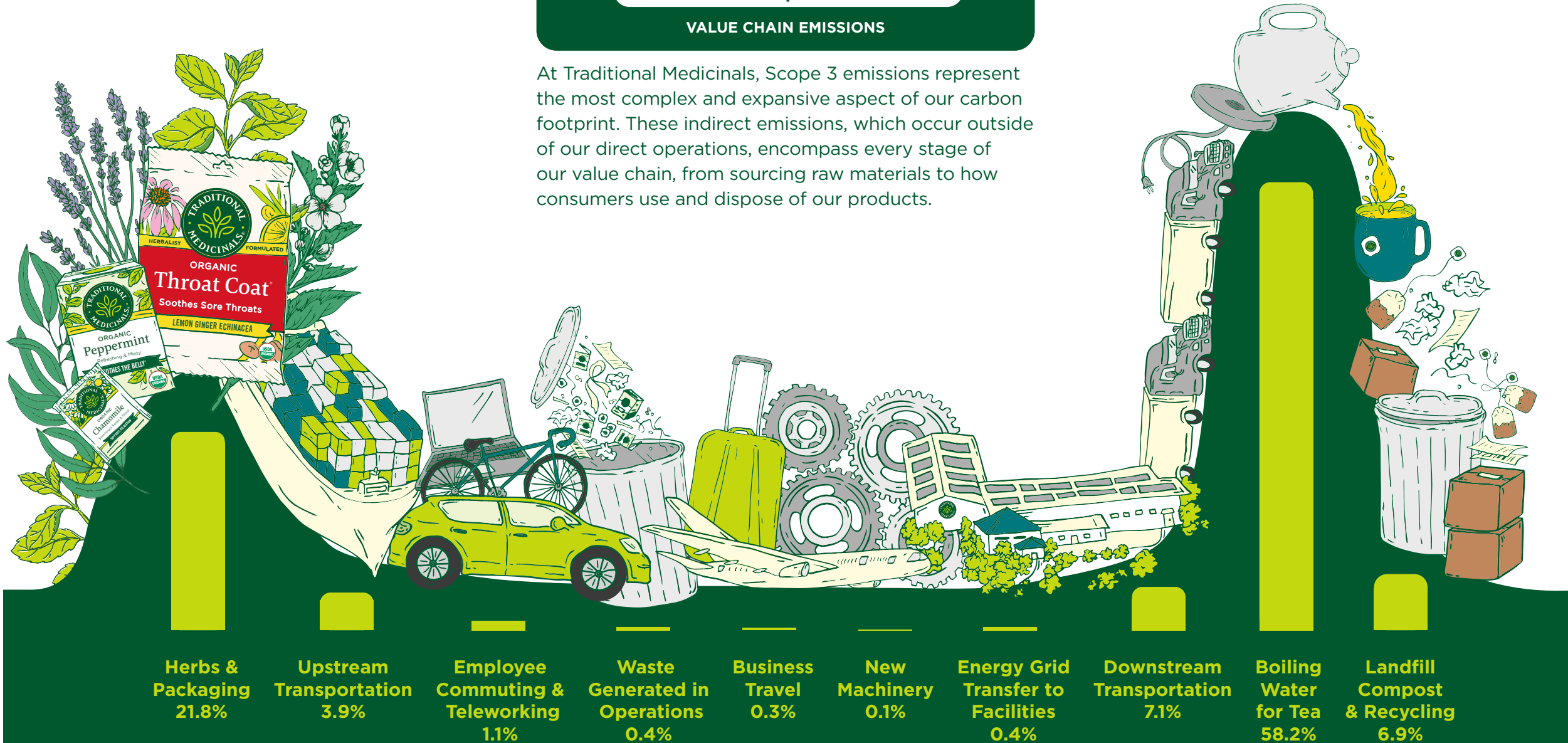


PHOTO: Co-founder and owner, Drake Sadler, pictured with the rooftop photovoltaic system at the Sebastopol facility.

Scope 3

VALUE CHAIN EMISSIONS

At Traditional Medicinals, Scope 3 emissions represent the most complex and expansive aspect of our carbon footprint. These indirect emissions, which occur outside of our direct operations, encompass every stage of our value chain, from sourcing raw materials to how consumers use and dispose of our products.



Enhancing Scope 3 Reporting Accuracy

Traditional Medicinals' first Scope 3 emissions inventory, conducted in FY20 in partnership with external consultants, provided a strong starting point in our journey towards comprehensive and detailed emissions measurement.

During the emissions inventory refresh, completed in FY24 using FY23 data, we leveraged more primary data and updated methodologies to capture a more comprehensive and accurate picture of emissions. We also expanded the inventory to include categories like capital goods, updated emissions factors, and fiscal data for all categories. (To compare the refresh with the FY20 data, please see the "Scope 3 Data: Refreshed FY23 versus FY20" table in the Appendix of this report.)

To understand Scope 3 emissions, we needed a thorough understanding of our value chain. As part of the emissions data refresh, we completed value chain mapping that included suppliers spanning roughly 40 countries, hundreds of unique materials, producers, co-manufacturers, and service providers. Through this effort, we established boundaries to effectively capture material emission sources. The project also helped us to identify our key stakeholders, who each played a vital role in helping us gather the data.

Our detailed and rigorous analysis underscores Traditional Medicinals' commitment to climate

accountability as we go beyond direct emissions to assess the broader impacts of our products and operations. (For additional details on our approach, please see "Scope 3 Refresh: Additional Details on Methodology" in the Appendix.)

Scope 3 Emissions and Reduction Strategies

Scope 3 emissions include activities indirectly tied to our operations and driven by our value chain. Although Scope 3 reporting remains voluntary, we opt to disclose these emissions to ensure transparency and provide a comprehensive view of our environmental impact. Traditional Medicinals follows the Greenhouse Gas Protocol to calculate and report Scope 3 emissions, aligning with global best practices. We report on the Scope 3 categories that are material to our value chain, representing 10 of the 15 in the Protocol.

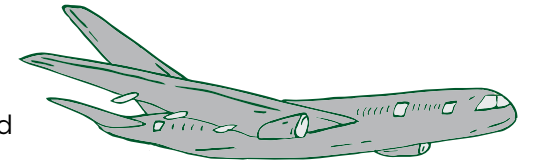
We divide our Scope 3 emissions into upstream and downstream categories. Our most material emissions sources include the following:

- **Purchased goods and services:** Raw materials, packaging, and ingredient sourcing. These are the second largest contributor to our Scope 3 emissions, deriving primarily from herb sourcing and raw material extraction. To learn more about our work to measure primary emissions in partnership



with suppliers and industry peers, *please see the "Collaborative Methods for Measurement" section of this report.*

- **Transportation and distribution:** These emissions include upstream freight from our suppliers to Traditional Medicinals and downstream freight from our manufacturing facility to stores and e-commerce retailers. Air freight, in particular, is a high-intensity emissions source, underscoring the need for optimized routing and increased use of primary modes like sea and road. We are updating our warehousing and distribution approaches across the U.S. to deliver our products more efficiently and rely less on fossil fuels.



- **End-of-life treatment of sold products:**

This includes the final disposal of used products and packaging by consumers. We educate consumers on appropriate disposal methods for Traditional Medicinals products through information on our product packaging and website. For example, the bottom of our carton provides guidance on which materials are recyclable and compostable.



- **Employee commuting:** This category includes emissions from our employees' daily commute as well as teleworking for hybrid and remote employees. We calculate these emissions according to vehicle type, carpooling practices, and general grid emissions information for their location. With an additional in-office day introduced in FY24, we were especially mindful of the impact on commuting emissions. To address this, we've enhanced our sustainability transportation practices,



including carpooling programs, free EV charging stations, and tools to enable efficient virtual collaboration when in-person attendance is not required.

Looking Ahead: Scaling Solutions for Impact

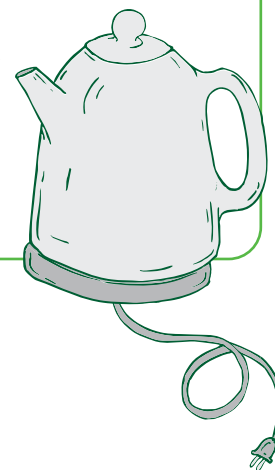
Traditional Medicinals' Scope 3 emissions work represents an ongoing journey of accountability, innovation, and collaboration. Moving forward, we plan to:

- Expand collaboration with suppliers to increase the use of primary data.
- Scale carbon insetting projects with co-investment opportunities through collaborative groups like the Sustainable Herbs Initiative.
- Leverage tools like the HowGood LATIS platform and our life cycle assessment tool to track emissions, refine impact assessments, make comparisons, and guide product-level decisions.

Boiling Water for Tea

Thousands of people enjoy our teas every day, and each of those people must boil water to brew their cup. Since emissions associated with boiling water form a significant part of our Scope 3 emissions (58.2%), we needed to ensure these emissions were accurately reflected in our inventory. We engaged external consultants to generate an updated calculation to determine the estimated footprint that is created when our consumers boil water for tea. This provided quantitative confirmation that these emissions represent our largest Scope 3 category.

Compared to our other emissions reduction initiatives, this requires a unique approach. We plan to educate our consumers about the impacts of boiling water and encourage grid and appliance electrification, which will all help reduce reliance on fossil fuels for heating water.



Working directly with suppliers helps ensure accurate measurement of such emissions hotspots as herb drying and transportation. By integrating this primary data into impact assessments, we can prioritize targeted insetting projects, including renewable energy transitions and efficiency upgrades.

We are also collaborating across departments within Traditional Medicinals to align Scope 3 categories with emissions reduction opportunities, fostering shared accountability and collective progress. Examples include our Procurement team's oversight of emissions from herbs and packaging sourcing, Logistics leading efforts to optimize transportation and distribution, and the Co-Manufacturing team supporting efficiency improvements at partner facilities.

This comprehensive approach ensures that we not only address our immediate footprint but also build a lasting framework for future generations. (To learn more, please visit the Appendix to this report.)

Our Commitment to Carbon Offsets: Driving Impact Globally

At Traditional Medicinals, reducing emissions is key to our sustainability efforts. To support this, we've invested in carbon offset projects that balance our footprint while delivering lasting environmental and social benefits. The FY24 projects we selected align with our values, focusing on carbon sequestration, biodiversity, renewable energy, and community development. Through these diverse investments, we aim to address both climate change and social equity.

Farmer Cooperatives

Uttar Pradesh, India



Spanning 189 hectares, the Uttar Pradesh Farmer Cooperatives project is a transformative initiative to restore degraded lands. It focuses on afforestation (planting trees in areas not previously forested), reforestation, and revegetation. The participating cooperatives plant native tree species, thereby enhancing biodiversity, improving soil health, and supporting water conservation. The initiative sequesters carbon dioxide while providing sustainable livelihoods for local communities.

Mangroves Restoration

Indus Delta Region, Pakistan



The Delta Mangroves project is a large-scale afforestation and reforestation initiative aimed at restoring over 350,000 hectares of mangrove forests. Highly efficient at capturing and storing carbon dioxide, mangrove forests are crucial in mitigating climate change. They serve as natural barriers against storm surges and provide habitats for diverse marine and terrestrial species. Restoration of mangrove ecosystems helps to improve water quality, increase fishery productivity, and build resilience to climate change impacts—all while empowering communities through employment and education.

Aggregated Solar

India



The India Solar Power Project is a large-scale initiative to reduce greenhouse gas emissions by generating renewable energy through solar power installations. With a total capacity of 977 megawatts (MW), the project is expected to displace approximately 1,595,299 megawatt hours (MWh) of electricity annually from the Indian grid, which is predominantly powered by fossil fuels. Over the first 10 years of its crediting period, the project aims to reduce anthropogenic emissions by an estimated 1.5 million tCO₂e (metric tons of CO₂ equivalent) per year.

Landfill Gas Capture

Hidalgo County, Texas



The Rio Grande Valley Landfill Gas Project, located in Hidalgo County, Texas, captures and utilizes landfill gas (LFG) to reduce greenhouse gas emissions. This Type I Municipal Solid Waste (MSW) landfill features a gas collection and control system with vertical extraction wells that capture methane and combust it through a flare skid for energy recovery. This potent greenhouse gas would otherwise escape into the atmosphere. The project reduces approximately 400 metric tons of CO₂e annually while contributing to improved local air quality and energy resource management.

Forest Management

Prince of Wales, Alaska



The Anew-Kootznoowoo Native Community Forestry Project focuses on protecting and sustainably managing nearly 20,000 acres of old-growth conifer forests, including western hemlock-Sitka spruce and western redcedar-hemlock ecosystems. These practices sequester carbon dioxide, helping mitigate climate change while preserving critical habitats for wildlife and biodiversity. The initiative also supports the local Kootznoowoo Native community by aligning with traditional stewardship practices, generating economic opportunities, and maintaining cultural ties to the land.



From Measurement to Impact

One powerful way to reduce emissions is through projects directly in our supply chain, such as transitioning to solar-powered herb drying facilities. These efforts align with our broader sustainability goals while delivering benefits to our suppliers.

Enhancing Drying Efficiency

Herb drying is a critical step in producing high-quality herbal products, ensuring that raw materials retain their potency, aroma, and therapeutic benefits. However, commonly-used drying methods often rely on energy-intensive technologies powered by fossil fuels. These methods contribute to greenhouse gas emissions, making them a major source of carbon emissions in the botanical industry.

As global demand for herbal products grows, so does the need for more sustainable drying solutions. Innovative approaches, such as solar-powered dryers and energy-efficient technologies, offer an opportunity to avoid or drastically reduce the carbon footprint of

this process. They can help the botanical industry move closer to achieving climate goals while maintaining product quality and supporting the communities that grow and process these crops.

In FY24, Traditional Medicinals collaborated with our global supply partner, Martin Bauer, and a supply partner in Bulgaria on a groundbreaking initiative to increase the efficiency and sustainability of herb drying. Initially, the supplier considered artificial dryers powered by diesel or gas for its 6,000 m² production and warehouse facility. However, after consulting Martin Bauer, it chose to install three solar-driven tunnel dryers and a 100-kWh photovoltaic (PV) system as a more sustainable alternative. The initiative was funded as a co-investment among Traditional Medicinals and Martin Bauer, as well as through private and leveraged funds.

The supplier continues to optimize its drying processes to enhance capacity further without additional

Following installation, the solar-driven dryers doubled the supplier's drying capacity and have brought significant environmental benefits:

- **Avoiding diesel consumption** of 137,931 liters per year, equivalent to avoiding 365 metric tons of CO₂ emissions annually.
- **Generating 133 MWh of solar electricity per year**, preventing an additional 99 metric tons of CO₂ emissions from external electricity sources.

emissions. Working together with Martin Bauer and the University of Hohenheim, the supplier team is implementing technical upgrades, such as:

- **Temperature and humidity monitors** to precisely control drying conditions.
- **Ventilators and automated dryer controls**, reducing ventilator energy usage by 20%-40%.
- **Data loggers** to track and evaluate drying efficiency, with early results showing up to a 50% reduction in drying time and potential for operating at higher temperatures.

While achieving higher drying temperatures may reduce drying times, Martin Bauer remains committed to maintaining product quality. Current tests are reevaluating maximum drying temperatures to ensure optimal results without compromising herb quality.

By leveraging onsite solar panels to power ventilators, the supplier is on track to operate on a nearly climate-neutral basis, even during low-temperature conditions. Pending the final results of ongoing tests, they are considering expanding this technology to all dryers, signaling a strong commitment to reducing dependence on fossil fuels.

This collaboration demonstrates the power of innovative partnerships in achieving meaningful environmental and operational improvements, showcasing a model for sustainable practices in the herb supply chain.

PHOTO: Herbs drying in new solar-driven tunnel dryers.



Our Values in Action

At Traditional Medicinals, our values guide us in making a positive impact on our world. They represent our shared passions and define our company ethos.

We put those values into action as we educate consumers and improve access to herbal wellness and contribute to research on plants and herbalism. We also bring them to life through our community partnerships and volunteer initiatives. Within our company, we adopt a values-based approach to governance as we continue to steward a different way of doing business.

OUR VALUES

Our values represent our shared beliefs, shape our culture, and guide our decision-making. They define the source of our passion—and the focus of our impact.



- We value the power of **shared respect**.
- We believe in the active practice of building **trust**.
- We foster a **spirit of positivity**, and we see the best in others.



- We value the power of **understanding**.
- We believe in seeking fresh **perspectives**.
- We foster exploration **to know more** so we can help better.



- We value the power of making the **whole journey visible**.
- We believe in being **transparent** about both successes and challenges.
- We foster **genuine connection**.



- We value the power of **co-creation**.
- We believe in the power of **collective action**.
- We foster a spirit of **collaboration**.



- We value the power of focusing on **quality and efficacy**.
- We believe in staying **determined**.
- We foster dedication to **high standards**.



- We value the power of **thoughtful process**.
- We believe in staying **accountable**.
- We foster dedication to **growing with intention**.

Growing Herbal Education



PHOTO: Rosemary Gladstar in 1973 at her original herb shop in Guerneville, California.

Traditional Medicinals' purpose is to “inspire active connection to plant wisdom in service of people and planet.” Making herbal medicine and knowledge more accessible is a natural extension of our mission and a personal passion of our co-founder, Rosemary Gladstar, known as the godmother of modern herbalism.

That is why we focus on **bringing herbalism to mainstream audiences and empowering our consumers with knowledge** of the benefits and traditional uses of herbs in our products, reflecting Rosemary's belief that herbal medicine should be understandable for everyone. These efforts reflect our value of *Be Real and Be Open* as we build genuine connection with consumers and communicate clearly and transparently about herbal medicine.

In FY24, our outreach focused on digital channels and campaigns that enabled us to expand our reach:

- **Web channels and content:** Through our product pages, video streaming channels, and online search capabilities, we educate consumers on the benefits of our ethically sourced herbal products. We find video particularly effective for showcasing our sourcing stories and how we work with FairWild and Fair for Life partners.
- **“Where Wisdom Meets Wellness” and “There’s a Tea for That” campaigns:** Featured in our brand stores

on retailer sites, these campaigns educate the public on the benefits of our teas, such as which herbs and teas can help support digestion, improve sleep, or reduce stress.



- **Educational Resources:** Our online [Plant Power Journal](#), informative opt-in emails, social media, and the Herb Library on our website offer valuable resources to help people deepen their knowledge of herbal wellness and discover how Traditional Medicinals can support their journey toward well-being.





PHOTOS: *Top*: Nioma Sadler speaking at the EMA Impact Summit.
Bottom: Melissa Daoust presenting at the North American High Performance Thin Layer Chromatography Symposium.

Speaking Opportunities

While our digitally based programs help us reach a broad audience, industry and scientific conferences provide opportunities to engage with researchers, peer companies, advocates, and the media. We regularly participate in these forums, and FY24 was no exception.

In June, we participated in the Environmental Media Association Impact Summit. Traditional Medicinals' Chief Purpose Officer Jamie Horst spoke on a panel about how herbal tea can support a sustainable future for our planet. Goodwill Ambassador and Vice Chair of the Board, Nioma Narissa Sadler, featured our project to support women and girls through her nonprofit WomenServe, in our source community of Rajasthan, India, where we source the herb senna.

In May, we attended the International Conference on the Science of Botanicals (ICSB) in conjunction with the World Congress on Medicinal and Aromatic Plants. Dr. Kirsten Tripplett, Principal Scientist, and Melissa Daoust, Senior Scientist, presented their novel research developing identification testing standards for medicinal botanicals that are absent from national pharmacopeias (for details, please see the "Products and Research" section below). This interdisciplinary event brought together experts from academia, regulatory bodies, and the natural products industry.





PHOTO: Microscope images of Chinese blackberry leaf.

Products and Research: Where Innovation Meets Passion

Through our product development and research programs, we bring our values of *Stay Curious* and *Create Together* to life. We're excited to share three examples of how we did just that in FY24.

Identifying Botanicals Absent from Pharmacopeias

As mentioned in the previous section, "Speaking Opportunities," Traditional Medicinals scientists

conducted valuable research on novel botanical identification methods using microscopy and high-performance thin-layer chromatography, which were developed over months of rigorous testing and preparation. These method development capabilities are vital in helping to identify botanicals absent from national pharmacopeias and alternative strategies when authenticated reference materials are unavailable.

The work of our experts directly supports Traditional Medicinals' Research & Development (R&D) efforts. By ensuring accurate ingredient identification, quality, safety, efficacy, and regulatory compliance, we are

able to introduce new ingredients and formulations while leveraging in-house expertise. This work underscores our commitment to quality and integrity, demonstrating our scientific leadership and commitment to global collaboration. It also spotlights **Traditional Medicinals as one of the few herbal tea manufacturers with an internal lab conducting pioneering research.**



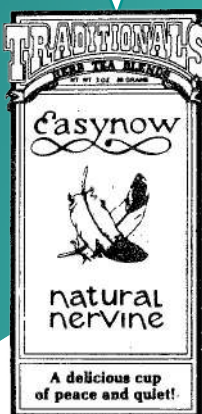
From Concept to Cup

The Journey of Stress Ease® Teas

In FY24, we proudly launched the Stress Ease Teas line, offering innovative, plant-forward, and organic solutions to help consumers manage occasional stress naturally and effectively. The collection includes Stress Ease Focus, Immune, and Tension Relief teas, each crafted with certified organic ingredients to provide an affordable, accessible, and sustainable solution for managing everyday stress. These teas harness the power of adaptogens, nervines, and other medicinal herbs, empowering consumers to navigate life's challenges with the help of plants.

This new line of teas exemplifies the power of collaboration across departments—R&D, Innovation, Quality, Marketing, Sourcing, and Procurement—working together to transform bold ideas into meaningful products. Research & Development played a vital role in this process, contributing their expertise in harnessing the power of adaptogens, while ensuring the highest standards of quality and sustainability, helping to shape the development of the Stress Ease Teas.

**WE HAVE BEEN
BLENDING
STRESS-RELIEF
PRODUCTS FOR
50 YEARS.**



Blending Effective Formulas: Balancing Tradition and Innovation

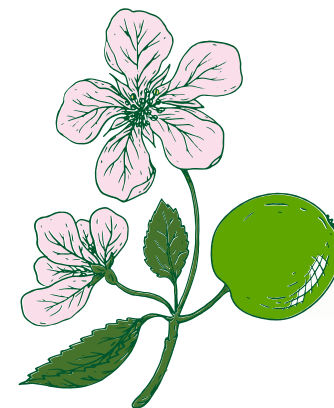
At the core of the Stress Ease Immune and Stress Ease Focus formulations are thoughtful combinations of adaptogens like Eleuthero, Reishi, and Ginseng. Eleuthero, with neither its overly calming nor stimulating effects, served as the ideal base for both products. Reishi was a natural addition to Stress Ease® Immune, offering immune support while complementing the adaptogenic properties of astragalus and eleuthero.

Ensuring the efficacy of these active ingredients required innovative solutions. Many adaptogens require higher doses than can typically fit in a tea bag and must be simmered to deliver their full benefits. To overcome this challenge, the R&D team collaborated with analytical chemists and trusted supply partners to develop a solution: water-based extracts that concentrate and unlock the unique properties of each herb. These extracts were then blended with other complementary herbs in the teabag to provide an experience that is both efficacious and enjoyable.

Sourcing Wild Apples

For Stress Ease® Focus, wild apples, a traditional ingredient from the central Caucasus region, were chosen for their bright, refreshing profile. These apples not only enhanced the blend's flavor but also supports our commitment to sustainability through a FairWild, organic partnership with local growers. Sourcing wild apples was also part of our broader commitment to ethical sourcing and sustainability.

By working with growers in the Caucasus, a region threatened by urbanization and price competition, we help preserve ancient agricultural practices and ecological stability. This also ensures that our ingredients are responsibly harvested, supporting both the environment and local communities.



*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.



Innovating for Wellness

STRESS EASE TENSION RELIEF

In FY24, Traditional Medicinals also reformulated our Stress Ease Tension Relief tea to enhance its efficacy in relieving stress, tension, and irritability. This updated blend builds on the success of the Stress Ease line, delivering improved potency and ensuring consumers can access high-quality, natural solutions for occasional stress.*

A Legacy of Innovation and Commitment to Wellness

The Stress Ease line exemplifies Traditional Medicinals' legacy of natural, effective, and sustainable wellness solutions. Rooted in organic certification, ethical sourcing and cultural preservation, these teas provide an affordable, accessible, and organic herbal solution for managing everyday stress. These teas represent the future of organic wellness products—thoughtfully crafted, deeply rooted in tradition, and sustainably produced.

Through the collective efforts of our teams, Traditional Medicinals is proud to offer Stress Ease teas, ensuring consumers can experience the benefits of herbal medicine in a way that aligns with sustainability and wellness for all.

*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.

Advancing Herbal Research: The California Poppy

At Traditional Medicinals, our R&D and Quality teams are dedicated to advancing the field of herbal medicine through scientific research and sharing their expertise with the wider community. In an ongoing collaboration stretching back many years, our team works closely with the American Botanical Council and the editors of its [HerbalGram](#) journal in the writing and publication of quarterly Herb Profile articles, which highlight significant medicinal plants and their cultural, historical, and scientific relevance.

One of the standout profiles this year focused on the California poppy, chosen for its rich ethnobotanical history and cultural significance. It holds a special place in our hearts as a native North American medicinal species and as the official flower of our company's home state of California. While not currently part of our product offerings, the California poppy represents an important opportunity to deepen public understanding of medicinal plants, especially those that have received limited research attention. Traditional Medicinals scientists Marisa Williams, Erin McKinsey, and Aaron Jenks conducted an extensive review of its botany, its historical and cultural uses, clinical studies, and its resilience in the face of climate change. This work reflects the dedication of our employees to preserving herbal knowledge and fostering appreciation for the plants that support wellness.

By publishing thorough and accessible herbal profiles, our team contributes to the broader goal of herbal education, inspiring readers to value, respect, and care for these

valuable plants. This work underscores our commitment to elevating the field of herbal medicine, benefiting not just our consumers but the entire industry.



Celebrating the Legacy of Josef Brinckmann in Herbal Research



We are proud to acknowledge the lasting impact of Josef Brinckmann, who recently retired after decades of leadership at the organization. Throughout his career, Josef generously shared his expertise with the herbal industry, enriching the collective knowledge of medicinal plants. As the key figure behind our long-standing relationship with HerbalGram, Josef co-authored numerous Herb Profile articles that provided valuable insights into the history, cultural significance, and scientific relevance of herbs. His work has laid the groundwork for ongoing partnerships and continues to inspire and educate the herbal community.

Community Partnerships, Employee Community Engagement, and the Traditional Medicinals Foundation



Traditional Medicinals responds to the needs of communities, whether they are where we source our tea or where our employees live and work. That includes donating our volunteer time, products, and funding to support outstanding nonprofits, including the causes that are closest to our colleagues' hearts. We are guided by our company value of ***Make a Meaningful Difference***, which we bring to life through both our products and our support of local and global communities.

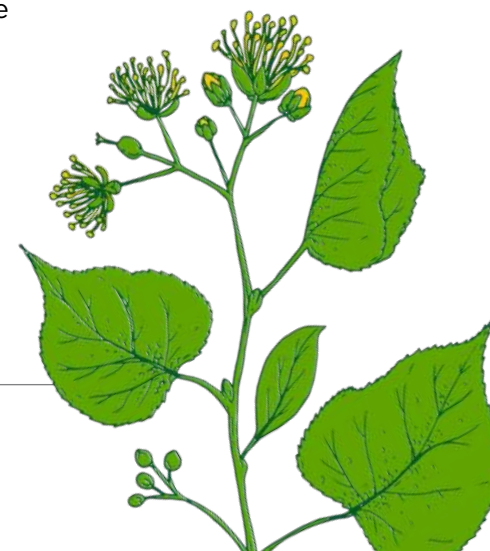
Our Culture of Volunteering and Giving

In FY24, **77% of our employees participated in volunteer service events, including team building and individual volunteering.** At our FY24 Volunteer Day, employees and their families joined group projects in partnership with eight nonprofits. They tended to newly planted redwoods at LandPaths' Rancho Mark West Preserve, packed produce to supply more than 13,500 meals through the Redwood Empire Food Bank, and painted murals through the Foundation for Hospital Art, to name just a few examples.

While Volunteer Day is once a year, the Traditional Medicinals Foundation supports employees' passions year-round by investing in the causes they care most about. Through our Volunteer Grants program, employees earn a \$250 donation for every 10 hours of service, up to \$1,000 per year. They are free to direct the Volunteer Grant to the nonprofit of their choice. We also double employee charitable donations through our Matching Gifts program.

Our Board Grants recognize colleagues who donate their time and talent to nonprofit board work. In the words of employee Mickele Carpenter, a board member for the North Bay Children's Center, "Serving on a nonprofit board is a powerful way to make a difference in the community, and the Board Grant program demonstrates Traditional Medicinals' dedication to empowering employees to extend their impact."

PHOTO: Employees volunteering at nonprofit partner LandPaths.





Traditional Medicinals Foundation

Founded in 2008, the Traditional Medicinals Foundation (TMF) invests in projects that help people live consciously connected to nature. We focus our giving on two key pillars: ***Supporting Medicine Makers*** and ***Conservation and Connection***.

Supporting Medicine Makers

Through this area of focus, we strive to make herbal education accessible to all. We provide sponsorships and grants that remove barriers and open new pathways for livelihoods, prioritizing BIPOC (Black, Indigenous, and People of Color) communities.

During FY24, TMF sponsored several herbalism conferences, including the [BIPOC Herbalism Conference](#), which brought together BIPOC herbalists and wellness experts from around the world, and [Sacred Vibes Spiritual Herbalism Conference](#), an event designed to amplify the work, wisdom, knowledge, and ancestral practices of BIPOC herbalists.



We continued our partnership with the [Botanical Bus](#), a bilingual mobile herb clinic that provides place-based, culturally-centered, and collaborative healthcare in Latine and Indigenous immigrant communities. Launched in 2019, the Bus is staffed with a team of certified Promotora Community Health Workers (CHWs) who provide direct healthcare services at vineyard worksites, farmworker housing, legal access program offices, and family service centers in our headquarters community of Sonoma County.

Now in its third year, the Healing Harvest Program is a partnership between TMF, The Botanical Bus, and Green Valley Farm + Mill. In 2024, the program added a part-time paid position to facilitate the harvest, processing, and distribution of local, organization-grown herbal medicine through Botanical Bus Farmworker Clinics. As part of our commitment to Healing Harvest, we support education and training on distillation, herbal contraindications, tincture making, root harvesting and processing, and more—enriching Botanical Bus wellness workshops at farm sites, health centers, and family service centers.



Conservation and Connection

This pillar fosters a mentality of stewardship and love of the land through interacting with nature and conserving its resources.

We are proud to partner with [LandPaths](#), an environmental education and conservation nonprofit. LandPaths' mission is to foster a love of the land in Sonoma County, based on the belief that everyone should have access to the awe and inspiration of nature. It engages thousands of participants every year through outings led in both English and Spanish, environmental education, nature camps, and people-powered land stewardship of local open spaces.

LandPaths provides robust summer camps and school-based programs and is actively committed to making these experiences accessible for all youth. Last year, TMF provided fully funded summer camp scholarships for 24 students. Our employees also regularly engage with LandPaths on stewardship projects across Sonoma County, helping to preserve the natural environment in our own backyard.



PHOTO: Volunteer Day at the Redwood Empire Food Bank.

Charitable Contributions and Product Donations

In FY24, Traditional Medicinals invested more than \$2.55 million in Social Impact programs. We focus our giving on programs in our source communities that directly support farmers, collectors, and their families, as well as nonprofits aligned with our values.

Our product donation program is another form of company giving. Occasionally, we encounter inventory that, due to packaging changes or other reasons, can no longer be sold through retail channels. While these items are still perfectly good, they would be landfilled if we did not find a home for them. To prevent that outcome, our product donation program gives these items a second life, directing them to local food banks and nonprofits in need.

We have developed strong relationships with organizations like Redwood Empire Food Bank in Santa Rosa, California, and the Food Bank of Northwest Indiana in the Chicago metropolitan area. To further minimize our carbon footprint, we prioritize working with food banks close to our warehouses, reducing transportation emissions while directly benefiting the communities where we operate.



Governance

At Traditional Medicinals, we believe in the power of thoughtful process, staying accountable, and growing with intention. These commitments are summarized in our value of ***Keep Raising the Bar***, and they form the foundation of our approach to governance.

Our Commitments

Our eight charter commitments are a compass for Traditional Medicinals, guiding our actions and serving as our strategic approach. They represent our intent to create a thriving, vibrant community for our people, partners, customers, and planet that results in ever-expanding benefits for everyone we work with.

The charter commitments embody the same principles we were founded upon nearly 50 years ago. Like beacons, they keep us looking to the future and challenge us to reimagine what is possible together.

Throughout this impact report, we have shared how we strive to honor these commitments. We see reporting as an essential tool to stay accountable to them, helping us track our performance and progress and keeping everyone informed as we work towards our shared aspirations and our organizational and collaborative goals.



OUR COMMITMENTS

Protect
the Plants

Protect
the Planet

Hold
Ourselves
Accountable

Expand
Access to
Herbal Medicine

Nurture
Interconnection

Invest in
Communities
at the Source

Make Products
with Integrity

Equip Our
People to
Be Well

Board Governance

Traditional Medicinals' Board of Directors provides oversight for our entire organization. Our Board operates through a governance framework that aids to ensure our company's longevity, purpose-driven leadership, and continued excellence. Board membership is guided by these priorities:

- **Diverse perspectives:** The Board aims to foster equity and diversity, ensuring inclusive communication and decision-making.
- **Advocacy for Traditional Medicinals:** Members act as advocates for our company's unique approach to sustainability, supplier relationships, and operational excellence.
- **Pipeline for the future:** The Board works to develop a pipeline of purpose-driven candidates to support our journey over the next 50 years.
- **Governance excellence:** It also aims for best-in-class governance, with a focus on living and communicating our mission, vision, and values.

After defining the key skills and qualities needed in the Board, our Executive Leadership Team and the existing board completed a gap assessment. Based on their findings, in FY24, we began to recruit potential members with those competencies and experiences,

working with initiatives such as the Women on Boards project. We evaluated candidates based on their skills and alignment with our company mission and were pleased to welcome two new members, Caitlin Landesberg and Sheryl O'Loughlin.



Sheryl O'Loughlin is an accomplished entrepreneur, CEO, and Traditional Medicinals Board member. We invited Sheryl to reflect on what inspired her

to join our Board and what distinguishes us as a company.

“I've followed Traditional Medicinals' journey for over 17 years, drawn to its pioneering work in sustainable herbalism and social impact. What sets this company apart is its deep authenticity, from the sourcing of herbs to the way we conduct meetings. Our founder, Drake Sadler, exemplifies this through his practice of beginning every meeting by acknowledging each person's specific contributions.

My background in transforming purpose-driven enterprises aligns with Traditional Medicinals' vision. In my past roles as CEO of several other B Corps (Clif Bar, Plum, and REBBL) we demonstrated that a focus on business, brands, people, community, and our planet can drive

Our refreshed Board will continue to amplify our purpose and ensure the company's governance structure enables us to navigate challenges, seize opportunities, and continue our leadership in sustainability and mission-driven operations.

both profit and positive impact. Now, as a Board member, I'm excited to help expand our reach while deepening our impact through initiatives like our regenerative agricultural practices and efforts to make traditional plant medicine more accessible to diverse communities.

What truly distinguishes Traditional Medicinals is our comprehensive approach to social impact. Our ethical sourcing programs focus on supporting small-scale farmers and collectors, predominantly women, in our supply communities. Through fairtrade premiums and sustainable agriculture training, these farmers can invest in their children's education, improve their farming practices, and strengthen their local economies. Our team continues this mission through various initiatives, from projects at our Sebastopol facility to working directly with farmers transitioning to organic practices.

My role is to support these efforts by ensuring the team has access to the tools, resources, and relationships needed to advance this important work. It's such a gift to be part of this effort.”



Investing in Our People

Traditional Medicinals employees share a passion for our company and a deep commitment to our purpose. We value and invest in our growing workforce—whether that is employee benefits, wellness programs, safety training, or providing educational opportunities. For the seventh consecutive year, the *North Bay Business Journal* recognized us as one of our region's Best Places to Work.

People Snapshot

Interview with Our CEO, Joe Stanziano

In FY24, Traditional Medicinals was pleased to welcome Joe Stanziano as our new Chief Executive Officer (CEO). We invited Joe to share his thoughts on our company culture and the role employees play in our success.

“What initially drew me to Traditional Medicinals was its deep commitment to purpose—a true commitment that is evident in every aspect of the organization. We genuinely walk the talk, from leadership all the way through the company. I’ve never encountered a team as passionate as the people here.

Investing in our people is at the heart of our philosophy and purpose. This includes providing opportunities to explore passions, such as herbal education, which benefits both the individual and the company. It also means focusing on individual growth and development. By creating opportunities to build skills, knowledge, and leadership capabilities, we can ensure we have the right talent to support our company’s growth. Career pathing plays a crucial role in this, helping employees understand how they can grow, gain more experience, and take on greater responsibilities.



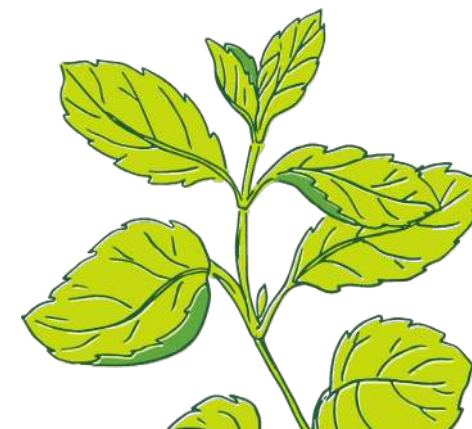
Listening and Responding to Employee Feedback

We prioritize listening to our employees. Throughout the year, we have touchpoints when we take the time to gather feedback and learn if we are doing enough to support, invigorate, and inspire our people.

We do an excellent job of focusing on the whole person—through our culture, our products, and our benefits. This holistic approach to employee wellness is something I’m committed to building on and improving. We’re always thinking about how we can enhance our efforts to support physical, emotional, and mental well-being.

Building relationships is fundamental to fostering a strong and inclusive culture. The more we know and care about each other, the stronger our community becomes. This focus starts internally—fostering meaningful relationships among employees—and extends outward to our farmers, partners, customers, and consumers. By strengthening these connections, we can better understand and deliver on everyone’s needs in a way that aligns with our values.

As we look to Traditional Medicinals’ 50th year, our future is bright. I look forward to seeing our company continue to scale sustainably, lead our industry with confidence, and steward our valuable legacy.”





North Bay Business Journal's Best Places to Work Survey

We are proud to have been voted a Best Place to Work in the North Bay for seven consecutive years. This survey is conducted annually by the *North Bay Business Journal*, which reviews more than 5,000 surveys from hundreds of local employers.

In the 2024 survey, we heard from employees who shared candid feedback on what we do well and where we can evolve. In the words of one respondent, "The culture at Traditional Medicinals is like nothing I have ever experienced. When you walk into the building you can literally feel the difference from other organizations. Not only is the product top tier, but so is the mission." Other employees spotlighted the passion and commitment they saw at all levels and areas of the company. The employees also identified areas of opportunity, such as additional training and development offerings and events that bring together our Sebastopol and Rohnert Park, California, employees.

Employee Opinion Survey

Our annual Employee Opinion Survey is anonymous, with three required demographic questions (location, tenure, and department) and additional optional questions (age, gender, and management level) that allow us to dive deeper into the data. In FY24, we heard from nearly 72% of our employees, a notable increase from almost 61% in FY23. Our highest scoring questions were "I feel safe when I'm at work" (96%), "My team works together to get the job done" (89%), and "I believe Traditional Medicinals will be successful in the future" (89%).

Through these surveys, we have identified employee growth, training and development, and compensation as companywide focus areas. In FY25, we will begin to implement program enhancements to address employee feedback. Additionally, our employee experience team meets with department leaders to develop action plans specific to their departmental scores.

Employee Onboarding

Our commitment to fostering an inclusive and supportive workplace begins from day one, as reflected in feedback from our recent onboarding survey. New team members shared their experiences, giving an average rating of 5/5 for their experience to date.

The respondents emphasized the welcoming and supportive culture and the willingness of colleagues to answer questions and provide help. Their insights affirm the strength of our onboarding process and company culture, ensuring that every new hire feels connected, empowered, and set up for success.





Spotlighting a Traditional Medicinals Career Journey

Rubio Vasquez, Quality Assurance

In 2010, Rubio Vasquez joined our company as a temporary employee in the blending department. Through his dedication and adaptability, he quickly mastered processes and adapted to the team's evolving needs, from equipment upgrades to changes in production practices. He also took on temporary supervisory responsibilities during high-demand periods, proving his leadership potential.

Seeking new challenges, Rubio transitioned to our production team five years later as a Utility Operator. While embracing the unique challenges of overnight hours, he played a key role in supporting new hires from staffing agencies, an experience culminating in his promotion to supervisor.

Throughout his career, Rubio has actively contributed to Traditional Medicinals' sustainability initiatives. A standout achievement was his part in reducing tea wrapper waste, a collaborative effort among the Quality

Assurance, Sustainability, and Supplier Quality teams. Focusing on real-time data collection and identifying areas for improvement, his team achieved a remarkable reduction in rejected wrapper material rolls. This significantly decreased waste while enhancing operational efficiency.

His commitment to continuous improvement extends to his current role, where he has spearheaded the improvement of quality standards for tea bag integrity, string tension, and packaging specifications. These enhancements boost product consistency and align with the company's goal of minimizing waste.

When reflecting on his career, Rubio takes pride in his accomplishments and ability to balance work and family. He credits our company's supportive, family-oriented culture and his supervisors' mentorship for his growth: "I've had great bosses who trusted me and gave me opportunities to learn and prove myself."



PHOTO: Herb quality testing.

Holistic Wellness

Employee Benefits

Employee wellness and development are deeply embedded in our workplace culture. Our comprehensive benefits and programs reflect our deep commitment to supporting the physical, emotional, and professional well-being of our team.

- **Healthcare and insurance:** We provide comprehensive medical insurance with employer contributions to ensure employees and their families have access to essential healthcare. Additional benefits include wellness programs for weight management and smoking cessation, chiropractic and acupuncture coverage, and unlimited mental health visits. Employees and their families also have access to an Employee Assistance Program (EAP) for confidential support with personal matters, including job stress, relationships, and financial or legal concerns.
- **Time to recharge:** Paid Time Off (PTO) and paid holidays empower employees to prioritize rest and recovery. We also recognize employee birthdays with a paid day off and provide Veterans Day off for employees who are military veterans.
- **Support for life transitions:** Our flexible leave policies, including family and medical leave, pregnancy

disability leave, and bereavement leave, ensure employees feel cared for during significant life events. We also provide accommodation for nursing mothers.

- **Learning and growth:** We invest in employee development by providing financial support for professional courses and certifications, in-house training opportunities, and access to the LinkedIn Learning platform.
- **Transportation reimbursement:** Through our Sustainable Commuting Program, we reimbursed over \$7,000 in employee public transportation costs during FY24, a 67% year-over-year increase. This initiative reflects our dedication to promoting eco-friendly travel while alleviating transportation costs and promoting work-life balance.
- **Wellness:** True to our company's focus on enhancing wellness, we have introduced new initiatives to promote employee physical and mental well-being, such as group hikes, mid-day meditation breaks, and sponsored races that bring together our headquarters, production facility, and remote employees. Employees regularly meet for wellness walks at lunch or post-work runs.

Through our approach to wellness and growth, we help ensure that employees feel supported, valued, and empowered to succeed, both at work and in their personal lives.



Mind and Body Squad

In FY24, we introduced a program for employees in our Sebastopol production facility. The goals of the new Mind and Body Squad were to support and enhance workplace wellness, provide tools and resources for employees' wellness journeys outside of work, and evaluate which types of programs are best suited for onsite wellness activities. Their roster of employee-led activities included meditation, stretching, creative breaks, walking, Zumba, Middle Eastern dance, running and biking. This trial program will be transformed into a companywide wellness program in FY25.



PHOTO: Employees going on an after work bike ride.

A Safe Workplace for Employees—and All Who Depend on Us

At Traditional Medicinals, the safety of our team and consumers is a crucial priority. Our Safety Committee oversees processes, procedures, and training that support safe workplaces.

In FY24, we invested heavily in training initiatives that prioritize safety, quality, and operational excellence. With employees completing 5,268 training hours, this year marked a new milestone in our ongoing commitment to employee development and workplace safety. Those hours included safety topics and sessions focused on mastery of our complex production equipment, emergency preparedness, and incident reporting.

In FY24, 98% of Sebastopol-based employees participated in our monthly safety topics program, surpassing our internal goal of 95%. In these sessions, employees discuss critical safety issues, reinforce key



practices, and strengthen collaboration. Our employees also participated in the new Safety Walks program, designed to engage teams in assessing workplace safety and ensuring OSHA (Occupational Safety and Health Administration) compliance.

Ultimately, safety training is designed to build a resilient and empowered workforce. These programs foster a culture of accountability, encourage proactive problem solving, and help prevent serious injuries. At the same time, they emphasize our shared responsibility for a strong, safe, and connected workplace.

Pay Equity and Living Wage

Pay equity remains a cornerstone of Traditional Medicinals' commitment to an equitable workplace where all employees can thrive. We conduct an internal equity analysis at least annually to ensure equitable pay among employees in equal positions, with additional reporting to ensure racial and gender parity.

Our pay architecture factors in market norms within comparably sized manufacturing companies in a similar geographic region, benchmarked annually against salary surveys from leading organizations such as the [Economic Research Institute](#). At our manufacturing facility, wage adjustments follow a skills-based approach with defined pay scales by position.

In addition to ensuring that base pay is aligned with the market, Traditional Medicinals works to ensure the affordability of health benefits. As of 2024, employees with an annual salary of less than \$150,000 have a lower

cost of benefits. The healthcare premiums covered by Traditional Medicinals also provide significant financial value. For those enrolled in one of our company's health plans, we estimate that the premiums covered are equal to an average of \$7.86 per hour per employee over and above their wages.

Reflecting our commitment to responsible business, we also analyze compensation to determine the percentage of employees earning a living wage, focusing on Individual Living Wage and Family Living Wage, as defined by the [MIT Living Wage Calculator](#).

In FY24, the percentage of employees earning the Individual Living Wage decreased to 88% from 97% in FY23, while the percentage earning the Family Living Wage increased year-over-year from 87% to 89%. The decline in those earning the Individual Living Wage reflects notable rises in consumer costs, which are particularly felt in single-income households. These figures are based on employee compensation and are inclusive of minimal mandatory overtime requirements for hourly requirements.

While these recalibrations have impacted our metrics, they underscore the importance of measuring pay equity in the context of our economic climate. We are actively reviewing our compensation strategies to address these challenges, and we reaffirm our commitment to employee financial well-being even as external benchmarks shift.

PHOTO: A Maintenance Tech repairing a tea machine part in the Sebastopol facility.



PHOTOS: *Left:* Employees celebrating Halloween.
Right: Employees running at the Petaluma Clo Cow Race, which Traditional Medicinals co-sponsored.

Spirit Committee

Our employee-led Spirit Committees play a vital role in creating inclusive, fun workplaces and evolving our company culture.

We have two Spirit Committees, one for the Sebastopol production facility and the other for our Rohnert Park headquarters and remote employees. Each is responsible for planning and executing fun, meaningful events for heritage celebrations and educational opportunities, or for recognizing employees, marking the achievement of production goals, or simply socializing and teambuilding. The two committees partner on companywide events like the annual holiday party, Volunteer Day, Pride Month, and heritage months, but each also creates their own events as they see fit for their audience.

While bonding and enjoying time together, the Spirit Committees also set context for each event. For example, during Black History Month we were honored to welcome a Black herbalist who educated our team on how the slave trade helped shape herbalism in the U.S. During our Día de los Muertos events, we asked employees to bring photos of their loved ones, bringing the meaning of the observance to life.



Professional Development and Learning

Prioritizing individual growth and development isn't just about supporting individual careers. When we provide opportunities to build skills, knowledge, and leadership capabilities, we help ensure the talent needed to support our growth and fuel our innovation. Ultimately, this leads to greater employee satisfaction and reduced turnover, and it helps fulfill our employees' desire to grow with a company that fosters their development.

In FY24, 58% of employees completed an individual development plan (IDP), using a tool we launched to help managers and employees collaborate to define career goals, map out needed skills, and facilitate continuous learning. In FY25, we will refresh the tool and analyze skill-gap data to identify companywide training, job shadowing, and mentorship opportunities.

Internal Learning Programs

During FY24, Traditional Medicinals delivered a variety of formal and informal learning programs to our employees. These ranged from leader and manager training on hiring, people management, and building trust, to an all-employee training on writing S.M.A.R.T goals and objectives.

We complement these programs by providing access to LinkedIn Learning courses, empowering employees to expand their skills and grow professionally. In FY24,

we saw a 64% increase in employee use of LinkedIn Learning, including a twofold increase in average learning hours per user and a 132% rise in course completion. Popular course topics included Microsoft Excel, leadership, supply chain management, and project management.

For employees in our production facility, we have created a Staffing for the Future initiative, which offers an upskilling opportunity for tenured staff who excel in their roles. We created a level 2 machine operator training path for high performers nominated by their supervisors and selected by a training committee. Our next cohort begins in early 2025, and we plan to extend the model to other manufacturing-related positions. This program provides employees opportunities to grow their careers while helping us retain valued team members.

To meet the needs of our diverse workforce, we introduced the Rosetta Stone language learning system in FY24, providing our initial cohort with free self-paced learning to increase their Spanish language skills. Based on the pilot's success, we plan to expand the program to more employees and incorporate structured group practice sessions.

Educational Reimbursement

Traditional Medicinals' Education Reimbursement Program provides employees with up to \$5,250 annually to support their ongoing learning. In FY24, we implemented a bilingual campaign to educate employees about the program and saw educational reimbursement

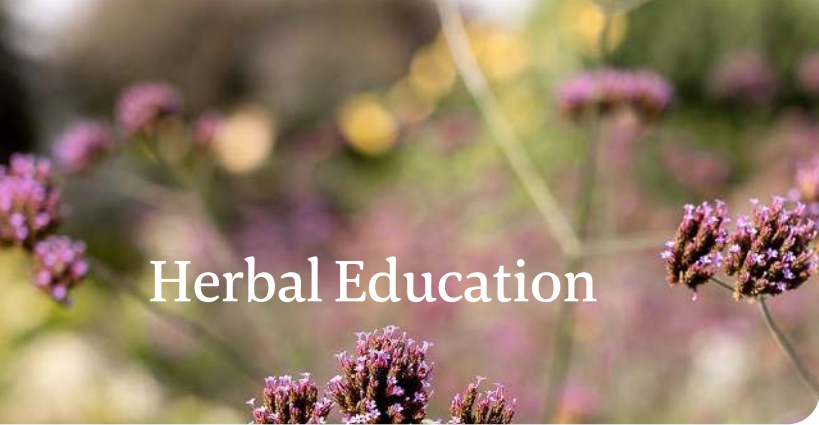
requests double over the year. We provided employees with training on how the benefit works and made sure that all resources were in English and Spanish.



"I'm incredibly grateful to Traditional Medicinals for reimbursing my herbalism certification, a transformative step in my educational journey. This support reinforced my passion for expanding access to quality herbs and deepening my knowledge of herbal medicine. The investment in education is empowering me to share herbal knowledge and grow in this field." -Traditional Medicinals employee



PHOTO: Traditional Medicinals scientists leading a tincture workshop for employees.



Herbal Education

A Founding Principle

Earlier in this report, we highlighted our resources to help people understand and experience the power of plant medicine. Expanding herbal education isn't incidental to Traditional Medicinals, it is our founding purpose.

For us, that commitment starts at home. We offer our employees programs to educate themselves on herbs, recognizing that with that knowledge, they can make a difference for their family, friends, and communities—and in their own lives. In the world and in our company, we are working to create the next generation of plant lovers.

Plant Wisdom Academy

Our Plant Wisdom Academy is offered to all employees who wish to deepen their knowledge of herbal medicine, our products, and the herbal industry. It provides holistic education and professional development that supports self-care and community

care, fosters our shared culture of herbalism, deepens connections to nature, and empowers participants for a lifetime of herbal practice and advocacy. Ultimately, this knowledge helps our “green circle” of herbal medicine advocates expand and grow. Our herbal education courses include:

- **Herbalism 101** offers a deep dive into the history, context, and science of herbal medicine, along with how to safely work with herbs to address common, mild health conditions.
- **The Herbal Products of Traditional Medicinals** covers our products, how they work to deliver benefits, and how to differentiate them, all while learning the fundamentals of herbal medicine and formulation.
- **Navigating the Herbal Products Industry** focuses on the regulations, certifications, and quality standards and systems required to bring our products from the field to finished goods.

The feedback from participants has been overwhelmingly positive. On a five-point scale, participants completing Herbalism 101 rated their understanding of the material as 4.3/5, compared to 1.8/5 before the course. Participants in the Herbal Products Industry course saw a similar jump from 3.1/5 to 4.9/5. When asked about their comfort in discussing, selecting, and using Traditional Medicinals' herbal products in their jobs and personal lives, Herbal Products enrollees gave a 4.9/5 rating.



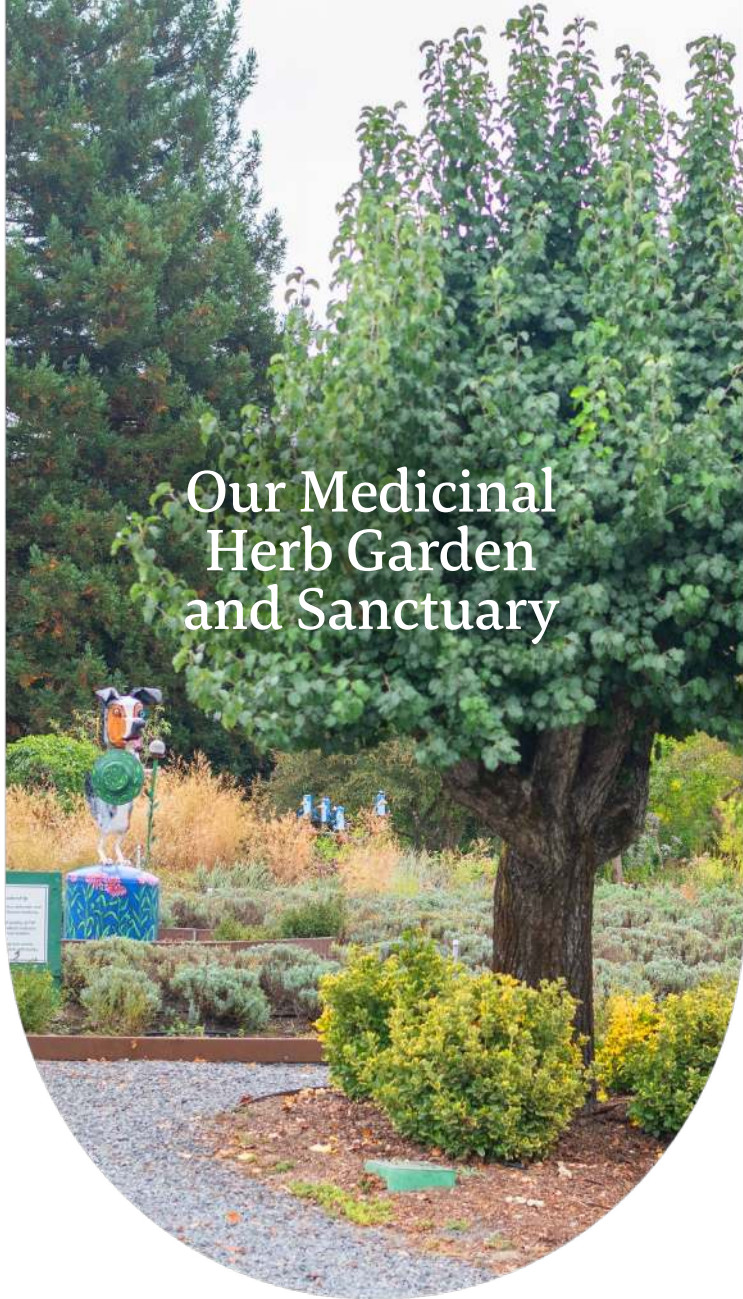
Starting in FY25, we are offering all three courses on-demand, with monthly live meetings for discussion and support. We are also developing a short onboarding course for new employees that will distill content from the Herbal Products course, along with aspects of Herbalism 101. We also are excited to extend the Academy beyond our employees as we develop a new, consumer-focused education program in FY25.

“I was especially moved to learn about wild harvesting of slippery elm bark in Appalachia. For the people who practice wild harvesting, it goes much deeper than an exchange—it’s a cultural and spiritual practice that guides their way of harvesting. They live in relationship to the land and steward it amidst market pressures, and that is a way of being that so many of us can benefit to learn from. These kinds of partnerships make me hopeful about the future of business and herbal medicine.”

– Plant Wisdom Academy student



PHOTO: Employees at the Plant Wisdom Academy graduation ceremony.



Our Medicinal Herb Garden and Sanctuary

Our Medicinal Herb Garden and Sanctuary in Sebastopol offers another avenue for herbal education. Established over 25 years ago, it serves as a living botanical library, bringing plants, animals, and human cultures together into one community. The garden is officially certified by the National Wildlife Foundation as a wildlife sanctuary and by United Plant Savers as a member of its Botanical Sanctuary Network.

The garden has always played an essential role in building a Botanical Reference Herbarium, housed in the Quality Control lab in Sebastopol, and providing a beautiful and engaging space for employees.

Recently, a cross-departmental team has been working to implement an interactive garden guide, curating content from our decades of herbal expertise and creating print physical signage in English and Spanish. By doing so, we offer all employees an immersive, easily accessible opportunity to learn about the herbs we use, whether on a formal tour or a solitary walk.

The garden features a variety of themed beds, including body system beds (cardiovascular, immune and respiratory, skin and musculoskeletal, nervous system, digestive system, women's health, and tonic). The garden also includes more than 160 botanical identification placards for key plants.

Sharing Traditional Medicinals' passion for plants through the interactive garden guide extends the deep relationship we have with plants—ecological, therapeutic, commercial,

and joyful. Self-guided garden tours help to onboard new employees and provide an opportunity to share botanical knowledge with visiting partners.

"The garden at Sebastopol serves as a living testament to the core principles upon which our company was founded: medicinal herbs, natural remedies, and a deep connection to the Earth. I feel that it is essential to first cultivate an awareness of our connection to plants in order to engage with their wisdoms through practices such as herbalism and gardening. The completion of this project will help bring employees together upon an enriching and green foundation."

—Abbey Ramirez, Head Gardener



PHOTO: Employees weeding in the Sebastopol garden.

Letter from Drake Sadler

In my role as the Chairman of the Board at Traditional Medicinals, I have the legal duty and moral obligation to ensure that this unique Benefit Corporation fulfills its commitments to ethical business, environmental sustainability, and social responsibility across its diverse landscape of stakeholders.

Purpose guides every decision we make, focusing not just on profit, but on improving health and well-being. By integrating purpose with our business strategy, we create long-term value that supports growth, protects against external challenges, and motivates our workforce.

The process of creating this report reflects the company's founding alignment with the principles of right livelihood, doing no harm, adhering to ethical conduct, and being transparent with our success as

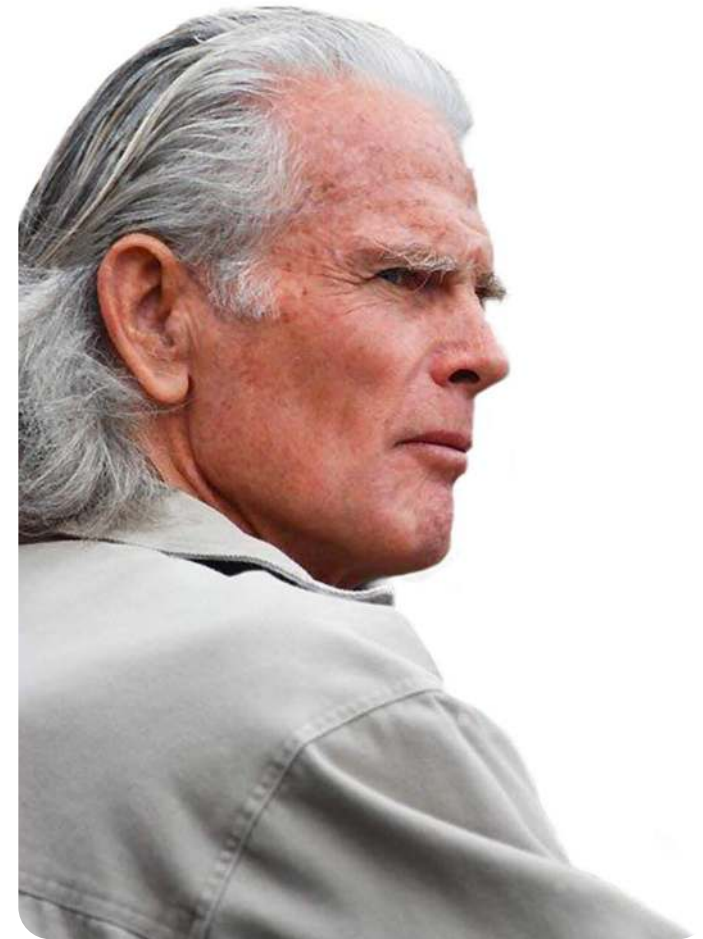
well as challenges. Continuous improvement requires full engagement and collaboration at every level. This is not the task of one department, rather it is held and contributed to by all our stakeholders. To remain accountable to them, and to others, the company shares its progress through this report.

Fifty years into my journey with Traditional Medicinals, I know that the achievements shared here are the fruits of consistent efforts and ongoing actions taken over many decades. The service of past and current employees inspires me, and I am curious and excited to envision the path ahead. To all of those who share our vision, I offer my sincere gratitude.

My deepest thanks,

Drake Sadler

Co-Founder and Chairman





Conclusion

As we reach our 50th anniversary, we are embracing this milestone as a meaningful opportunity for reflection and renewal. From our humble beginnings, selling herbal teas from a Volkswagen bus to the upcoming opening of our first East Coast production facility, our journey has been one of growth and evolution. Yet, at our core, the guiding principles that define us remain unchanged.

While our scale has expanded, we remain unwavering in our commitment to offering accessible botanical wellness products made with organic and fair-certified ingredients, investing in our global source communities, and advancing sustainability. We remain dedicated to expanding opportunities for our employees, amplifying our educational outreach, and continually challenging “business as usual” in favor of charting a course that reflects our values.

As we move forward in our journey, we are excited to share our accomplishments—and to engage in ongoing learning alongside our team, partners, and all those who share our vision for a more equitable future.

Appendix

SECTION A: Our Emissions Data Refresh for Scope 3, Comparing Refreshed FY23 to Original FY2020 Data

SCOPE 3 CATEGORY	FY23 TOTAL MTCO ₂ e	FY23 PERCENTAGE OF TOTAL EMISSIONS	FY20 TOTAL MTCO ₂ e	FY20 PERCENTAGE OF TOTAL EMISSIONS	% CHANGE FROM FY20
Category 1: Purchased goods and services	6,704.33	19.3%	6,350.35	29%	6%
Category 2: Capital goods	324.88	0.9%	-	0%	-
Category 3: Fuel and energy-related activities	120.67	0.3%	130.10	1%	-7%
Category 4: Upstream transportation and distribution	1,343.39	3.9%	2,455.57	11%	-45%
Category 5: Waste generated in operations	99.14	0.3%	36.20	0.2%	174%
Category 6: Business travel	95.29	0.3%	133.24	1%	-28%
Category 7: Employee commuting	371.59	1.1%	927.83	4%	-60%
Category 9: Downstream transportation and distribution	2,735.63	7.9%	1,343.06	6%	104%
Category 11: Use of sold products	20,982.00	60.5%	8,921.13	41%	135%
Category 12: End-of-life treatment of sold products	1,930.08	5.6%	1,458.48	7%	32%
TOTAL	34,707	100%	21,755.97	100%	60%

NOTE: This table reflects data from the FY23 refresh and verification process, compared to the original FY20 baseline. Traditional Medicinals reports on ten of the Greenhouse Gas Protocol's fifteen Scope 3 categories. These are the categories most material to our operations. The numbering of categories reflects the GHG Protocol.

SECTION B: Our FY24 Emissions Data for Scope 1-3

EMISSIONS SOURCE	FY24 (MTCO2e)	% OF INVENTORY	NOTES
Scope 1 and 2			
Scope 1: Diesel, gasoline, and natural gas use at our Sebastopol production facility and headquarters	72.25	55% (Scope 1 and 2)	Diesel is used in our production equipment and backup generator. Natural gas is used in our production facility and HQ for heating units and water heaters. Gas use is for company-owned vehicles.
Scope 2: Purchased electricity for air conditioning units, tea machines, lighting, and other uses	59.78	45%	In FY24, we produced more cases of tea than ever before. That led to an increase in machine run times, and our production facility and tea machines needed more energy to support increased production.
Scope 3			
Category 1: Producing and processing herbs, packaging, and other services	7,875.90	21.8%	Includes emissions from on-farm practices, including fuel for tractors, vehicles, and mechanized tools; fuel for irrigation pumps; purchased electricity at farms; herb driers (powered by gas, coal, wood, or electricity); power used by equipment for sifting, sorting, cutting, extraction, and testing; electricity and gas used to heat and power processes at facilities that manufacture packaging; emissions from growing natural materials used in packaging (e.g., bio-based feedstock for sugarcane and wood pulp); and on occasion emissions from clearing ecosystems to make way for agriculture.
Category 2: New machinery	23.01	0.1%	Emissions for creating the machinery that we purchase—in this case, a new forklift and air compressor.
Category 3: Losses from grid energy transfers	133.47	0.4%	Emissions for producing fuel and energy used at the production facility and headquarters.
Category 4: Transporting herbs and packaging to our production facility	1,399.95	3.9%	Includes emissions from each stage of material transport via truck, ship and air.
Category 5: Waste generated in operations	132.32	0.4%	Emissions from activities like daily office waste, tea waste diverted to a local farm for compost, and packaging sent to recyclers.

CONTINUED ON NEXT PAGE

SECTION B: Our FY24 Emissions Data for Scope 1-3 CONTINUED FROM PRECEDING PAGE

Category 6: Business travel	98.56	0.3%	Emissions from employees visiting source communities, traveling to conferences, etc.
Category 7: Employee commuting & teleworking	407.23	1.1%	Commuting to our Sonoma County production facility and headquarters building. Many of our headquarters employees work both from home and at the office. We also have a few fully remote employees who do not commute.
Category 9: Transporting finished product to retailers and consumers	2,554.24	7.1%	Includes transporting products from our production facility or co-manufacturing locations to our customers.
Category 11: Emissions from energy used to boil water for tea (gas stovetop, electric stovetop, microwave, and electric kettle)	20,982	58.2%	Gas stovetops have the largest footprint due to their use of natural gas. For electric stovetops, microwaves, and electric kettles, emissions vary based on the location and electric grid. By boiling only the water that's needed, consumers can help reduce these emissions.
Category 12: Emissions related to disposed products, including landfill	2,473.89	6.9%	Any emissions arising from consumers recycling, composting, or otherwise disposing of our product and packaging.

SECTION C: Additional Details on the Scope 3 Refresh Methodology

We began our formal greenhouse gas inventory efforts in FY20 by developing a Scope 1 and 2 inventory in collaboration with an external consultant. In 2021, this emissions accounting expanded to include Scope 3 emissions with the help of another consulting group, creating a baseline inventory based on FY20 data.

However, the FY20 Scope 3 inventory had limitations in transparency, particularly in key categories like Purchased Goods & Services and transportation. We undertook a refresh, using FY23 data, to establish a more accurate and actionable baseline, reflecting our evolving commitment to sustainability leadership. As part of this refresh, we also sought external verification with UL Solutions.

Traditional Medicinals' Sustainability team successfully transitioned the Scope 3 inventory to an internally managed process, allowing for greater control and integration with organizational goals. The FY23 data refresh introduced new categories, such as Capital Goods, while incorporating detailed primary data to enhance accuracy. In-house tools and Excel models were employed for emissions calculations, scenario modeling, and visualization, streamlining the analysis and communication of results. We also aligned methodologies with the Greenhouse Gas (GHG) Protocol and ISO 14064 standards, ensuring robust and credible reporting practices.

External guidance further bolstered our inventory accuracy and compliance with industry best practices. The process also involved meticulous documentation of data sources, calculation methodologies, and emissions factors for each emissions category. To ensure consistency and adaptability,

the Sustainability team has established annual update protocols with significance thresholds, reserving baseline recalibrations for material changes exceeding 5%.

Major outcomes of the refresh include:

- The refreshed Scope 3 inventory provides a foundation for meaningful emissions reduction targets.
- Our company Climate Action Plan incorporates these findings into its strategy with an emphasis on electrification, supplier collaboration, and business co-benefits.
- We will be able to use this verified inventory to voluntarily report into external initiatives and frameworks.

SECTION D: **Verification Overview, Emissions Data Refresh Project**

In FY24, Traditional Medicinals contracted with UL Solutions to conduct a third-party verification of the company’s Greenhouse Gas (GHG) emissions for the reporting period of October 1, 2022, to September 30, 2023. The verification process adhered to **ISO 14064 Part 3: 2019**, ensuring alignment with international standards for GHG quantification, monitoring, and reporting. Traditional Medicinals’ GHG statement was verified to meet the requirements of **ISO 14064 Part 1: 2018** with a limited level of assurance.

The verification concluded at a limited level of assurance that Traditional Medicinals’ GHG statement was materially accurate, consistent, and free of significant errors, providing stakeholders with confidence in the reported emissions data.

Key Findings from Verification

- **Scope 1 (Direct Emissions): 94.57 tCO2e***
- **Scope 2 (Energy Indirect Emissions, Location-Based): 272.97 tCO2e**
- **Scope 2 (Energy Indirect Emissions, Market-Based): 58.84 tCO2e**
- **Scope 3 (Other Indirect Emissions): 34,707.01 tCO2e**

Verification Methodology and Operational Boundary

UL Solutions applied a **risk-based approach** that included activities such as:

1. **Data Collection and Analysis:** Review of activity data derived from sources such as utility bills, fuel consumption records, and electricity usage. Data aggregation processes were examined for accuracy and completeness.

2. **Analytical Testing:** Various techniques were employed to analyze emissions data.
3. **Substantive Testing:** Sample checks of utility bills and invoices to ensure data accuracy for the relevant facilities and periods.
4. **Estimate Testing:** Validated estimation methods for emissions data, including mileage calculations for air travel using tools like Fluent Cargo.

Traditional Medicinals’ operational boundary included three facilities:

1. **Production Facility** in Sebastopol, California
2. **SOMO Village Headquarters** in Rohnert Park, California
3. **Storage Facility** in Santa Rosa, California

Emissions sources covered:

- **Scope 1:** Heating (fossil fuel) and corporate fleet fuel use.
- **Scope 2:** Purchased electricity (location-based and market-based).
- **Scope 3:** Categories such as purchased goods and services, upstream transportation, business travel, and product end-of-life treatment.

Assurance Level and Materiality

A limited level of assurance was requested by Traditional Medicinals, focusing on material correctness and representation of the GHG statement. A quantitative materiality threshold of

5% was applied, consistent with the World Resources Institute (WRI) GHG Protocol for Corporate Accounting.

UL Solutions confirmed no evidence of material misstatements or deviations from established criteria.

Conclusion

The UL Solutions verification affirms the reliability of Traditional Medicinals’ GHG data, enhancing the credibility of our sustainability reporting. This rigorous assessment demonstrates Traditional Medicinals’ commitment to transparency and continuous improvement in emissions management.

*tCO2e, metric tons of carbon dioxide equivalent.

SECTION E: Carbon Offset Claims

Carbon Offset Verification Statements

1. Uttar Pradesh Farmer Cooperatives—Afforestation, Reforestation, and Revegetation

- a. Project Price/MT*: \$15.53
- b. Tonnage: 600 MT
- c. Total Investment: \$9,318.00

Carbon Offset Disclaimer: The “Community-based reforestation project on degraded lands in Uttar Pradesh, India: (VERRA ID 1015)” is Registered Project under VCS Methodology AR-AMS0005. The Project is owned by the Indian Farm Forestry Development Co-operative Limited and has been validated by the Rainforest Alliance, Inc.

2. Delta Mangroves—Afforestation, Reforestation, and Revegetation

- a. Project Price/MT: \$42.23
- b. Tonnage: 200 MT
- c. Total Investment: \$8,446.00

Carbon Offset Disclaimer: The “Delta Blue Carbon—1: (VERRA ID2250)” is a Registered Project under VCS Methodology VM0033. The project is owned by the Government of Sindh Forest Department and Indus Delta Capital Limited and is validated by the Colombian Institute for Technical Standards and Certification (ICONTEC).

3. Aggregated Solar in India

- a. Project Price/MT: \$4.75
- b. Tonnage: 900 MT
- c. Total Investment: \$4,275.00

Carbon Offset Disclaimer: The “Renewable Solar Power Project by Renew Solar Power Private Limited (VERRA ID1851)” is a Registered Project under VCS Methodology ACM0002. The Project is owned by ReNew Solar Power Private Limited and has been validated by LGAI Technological Center, S.A. (Applus+).

4. Rio Grande Valley Landfill Gas

- a. Project Price/MT: \$8.50
- b. Tonnage: 400 MT
- c. Total Investment: \$3,400.00

Carbon Offset Disclaimer: The “Rio Grande Valley Landfill: (CAR512)” is a Registered Project under Climate Action Reserve. The Project is owned by Republic Services Alliance Group II, Inc. and has been validated by Agri-Waste Technology Inc.

5. Kootznoowoo Forestrys

- a. Project Price/MT: \$22.00
- b. Tonnage: 400 MT
- c. Total Investment: \$8,800.00

Carbon Offset Disclaimer: The “Anew—Kootznoowoo Native Community Forestry Project: (ACR499)” is Registered Project under the American Carbon Registry. The Project is owned by Kootznoowoo, Inc. and has been validated by S&A Carbon.

Impact Summary

- Total Carbon Offset Purchased: 2,500 MT
- Total Investment: \$34,239.00
- Average Price Per Tonne: \$13.70

These projects were carefully selected to align with our values, emphasizing not just carbon sequestration but also such co-benefits as biodiversity conservation, renewable energy expansion, and community development. By investing in diverse projects, we aim to address the interconnected challenges of climate change and social equity.

*MT, metric ton.

SECTION F: Nonprofit and Industry Partners

- ABC-AHP-NCNPR Botanical Adulterants Prevention Program
- American Botanical Council (ABC)
- American Herbal Pharmacopoeia (AHP)
- American Herbal Products Association
- American Herbalists Guild
- Appalachian Sustainable Development
- B Corporation
- Beginning Forest Farmers Coalition
- Botanical Bus
- California Certified Organic Farmers
- Climate Center
- Climate Collaborative
- California State Organic Program Advisory Committee
- Environmental Media Association
- Fair for Life
- Fair Trade
- FairWild Foundation
- International Biodynamic Guild
- International Conference on the Science of Botanicals
- IUCN (International Union for Conservation of Nature)
- J.E.D.I. Collaborative
- LandPaths
- Naturally Network
- Naturally North Bay
- North Bay Children's Center
- Northern California Chapter of the Institute of Food Technology
- One Step Closer
- Redwood Empire Food Bank
- Sonoma State University
- Sustainable Herbs Initiative
- The Cultural Conservancy
- TRAFFIC International
- United Plant Savers
- United States Pharmacopeial Association
- Vermont Center for Integrative Herbalism
- WomenServe
- World Congress on Medicinal and Aromatic Plants
- *World Journal of Traditional Chinese Medicine*
- World Wildlife Fund