



TEEKANNE Sustainable Sourcing Policy for Tea, Herbs and Fruits

Our Responsibility – A Sustainable Supply Chain

As a traditional family-owned company, the Teekanne Group has taken responsibility for the environment, society and future generations since 1882. A sustainable supply chain is a central component of our actions. Our suppliers are essential partners on this path and significantly shape the quality and integrity of our products.

Our Aspiration

The Teekanne Group sees itself as a driver of healthy enjoyment combined with ecological and social improvements along the entire value chain.

We are convinced that sustainable raw material sourcing forms the foundation for this.

Therefore, we source the majority of our raw materials directly from origin and maintain long-term, trusted partnerships. Long-standing, trustworthy partnerships with our suppliers are very important to us and to our long-term business success.

This sourcing policy serves as a binding guideline for us and our partners. It applies to all black, green, white and rooibos teas as well as herbs and fruits. We expect our partners to actively support and jointly implement the following principles.

Goals for Sustainable Raw Material Sourcing

1) Continuous Expansion of Certified Raw Materials

We rely on independent certifications to ensure environmental and social standards in the cultivation of our raw materials. These certifications help us support compliance with key environmental and social standards in cultivation. A central partner is the Rainforest Alliance, with which we have been working since 2011. We are convinced that with the Rainforest Alliance we have a strong, independent partner whose many years of expertise can help further develop environmentally friendly cultivation methods and fair and safe working conditions. In the herbs and fruits sector, the Rainforest Alliance cooperates with the Union for Ethical Biotrade (UEBT), which certifies growers in this area. Another key instrument for sustainable farming methods is the European organic label.

Organic farming aims to:

- to establish a closed-loop nutrient cycle on the farm (with the farm itself serving as the primary source of feed and nutrients)
- to maintain and improve soil fertility over the long term
- to prevent environmental pollution from chemical agents by banning pesticides and herbicides

Our goal is to source selected raw materials as organic-certified in the coming years, thereby meeting increasing customer demands, expanding environmentally friendly farming practices, and offering products that comply with strict EU organic regulations.

Our milestones in this category:

- Since 2017/2019, all black, green, white and rooibos tea raw materials have been converted to Rainforest Alliance certified sources.
- Since 2023, we source at least 75% sustainably certified raw materials (RA, organic, Fairtrade) across all categories.

2) Teekanne Climate Targets

As a manufacturing company, we take responsibility for climate protection. Many origin countries of our raw materials are already heavily affected by climate change. Since 2024, we have fully aligned our climate strategy with the **Science Based Targets initiative (SBTi)**. Our targets have been submitted and validated by SBTi. The basis is the annual accounting of our total CO₂ emissions across the entire value chain (Scope 1–3).

Our climate strategy includes both short- and long-term science-based reduction targets as well as our commitment to deforestation-free supply chains.

Our SBTi targets at a glance:

Short-term targets until 2033

- Reduction in Scope 1 & 2 emissions by 85.1% (base year 2017)
- Reduction in Scope 3 emissions by 32.5% (base year 2023)
- Reduction in Scope 3 FLAG (Forest, Land, Agriculture) emissions by 39.4%
- Deforestation-free supply chains for primary raw materials starting in late 2025

Long-term goals through 2045

- 90% reduction in Scope 1 & 2 emissions
- 90% reduction in Scope 3 emissions
- 72% reduction in Scope 3 FLAG emissions

These goals provide the framework for our climate protection measures at our sites and throughout our supply chain. To achieve them, we are focusing on direct emissions reductions, the expansion of renewable energy, improved data transparency (particularly through the collection of primary data at the source), and active collaboration with our suppliers.

3) Teekanne Code of Conduct

Our Code of Conduct is another binding tool for advancing fair and sustainable farming practices. All of our raw material suppliers must sign this code before we enter into a business relationship with them.

It is based on international standards, in particular the **ILO's core labor standards**, and includes

- Prohibition of all forms of child labor and forced labor
- Compliance with essential occupational safety and health measures
- Compliance with environmental standards
- Guidelines on wages and working hours
- Right to freedom of association and collective bargaining

Based on a risk assessment, we commission independent, accredited organizations to conduct CSR audits in the countries of origin. These audits are designed to verify that our suppliers meet the requirements defined in the Code of Conduct and are mandatory.

4) Deforestation-free supply chains

Protecting natural ecosystems is a central part of our responsibility. We are committed to ensuring a deforestation-free supply chain for all relevant raw materials by **December 31, 2025**, at the latest—in accordance with **the requirements of the EU Deforestation Regulation (EUDR)**.

We expect the following from our suppliers:

- Full compliance with EUDR requirements
- Provision of all necessary traceability data
- Active support in implementing our SBTi goals to achieve zero deforestation

In this way, we are working together to make an important contribution to the protection of global forests and the preservation of biodiversity.

At TEEKANNE, we are convinced that by setting these defined goals, we are establishing important guidelines for the transition to even more sustainable farming methods and the improvement of working conditions in the countries of origin of our raw materials. Together with our partners, we will work intensively to implement our goals in order to live up to our claim, "A little better every day."

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Dr. Christian Mestwerdt
(Managing Director)



Christian Bergman
(Head of Purchasing and Logistics)