



Progress Report on the Leadership Declaration of the 'Biodiversity in Good Company' Initiative

September 2018-August 2020

All signatory companies acknowledge and support the three objectives of the International "Convention on Biological Diversity" (CBD):

- conservation of biological diversity
- sustainable use of its components
- fair and equitable sharing of the benefits that arise out of the utilisation of genetic resources and commit to:

1. Analyse impacts of corporate activities and current operational dependencies with regards to biological diversity.
2. Integrate the protection of biological diversity, the sustainable use of components and the equitable sharing of benefits derived from use (the three objectives of CBD) into sustainability management systems.
3. Appoint a responsible individual within the company to steer all activities in the biodiversity sector and report to the Managing Board.
4. Define realistic and measurable objectives to improve the protection of biological diversity and its sustainable utilization, to be monitored and adjusted every two to three years, and identify challenges
5. Publish activities and achievements related to biological diversity in the company's annual, environmental or sustainability report.
6. Inform suppliers about the company's biodiversity objectives and integrate suppliers accordingly and step by step
7. Explore the potential for cooperation with scientific institutions, non-governmental organizations and/or governmental institutions with the aim of deepening dialogue and continuously improving the corporate biodiversity management system

1) Analyse impacts of corporate activities and current operational dependencies with regards to biological diversity.

einhorn was founded in 2015 as a social business and invests 50% of the profit in fair sustainability (fair + sustainable) work and projects. With einhorn we want to show that companies can not only be part of the problem, but also part of the solution. We want to generate a positive impact with our business and contribute to the happiness of people and the environment along our supply chain. In the first step, we created transparency, got to know the actors in the supply chain and the socio-ecological effects. In addition, several scientific studies were carried out (see point 7). With the help of a lifecycle assessment of our condoms, we have e.g. identified various fields of action we would like to improve (reducing our carbon footprint, especially in the areas of condom production and sustainable packaging).



The life cycle analysis does not contain a direct section on Biodiversity. Yet we know some influences, which directly affect biodiversity. We have already exceeded our planetary limits in numerous areas. In addition to the loss of biodiversity and the associated ecosystem services, land conversion into agricultural land and thus intensive land use is increasing sharply. One

consequence is acidified soil through heavy usage of agrochemicals and soil erosion. At the same time, forests are being cut down to make more land usable. The CO₂ concentration in the atmosphere is driving climate change. We are faced with many challenges not only ecologically. There is also an urgent need for action on the social level. The gap between rich and poor is growing. The excessive creation of value in the global north exacerbates global inequalities. There are many interdependencies that are not so easy to unravel. So where to start? There are no easy solutions for sustainability.

The first part of our condom supply chain has the greatest negative impact on biodiversity: on the rubber plantations on which our raw material grows. Conventionally, rubber is grown in monocultures. Monoculture means that there is only one type of plant - the opposite of diversity. The high use of herbicides prevents the growth of other plant species, which also has a negative effect on the number of animals (insects, birds, monkeys, snakes, etc.) that would usually find a habitat on the plantation as well. We want to change that in our supply chain. How exactly is described under point 4.

2) Integrate the protection of biological diversity, the sustainable use of components and the equitable sharing of benefits derived from use (the three objectives of CBD) into sustainability management systems.

Global rubber production has increased by a third over the past decade. This was particularly favored by the growing tire production (70% of natural rubber is used in tires). The question arises as to whether and how the growing demand can be met without accepting negative ecological changes, especially since rubber cultivation takes place almost exclusively within so-called biodiversity hotspots. These are ecologically particularly sensitive regions, which are home to an enormous richness in biodiversity in comparatively small areas and are acutely threatened by human influence. The conversion to monocultures, in the case of rubber as well as palm oil, reduces the biodiversity in the growing areas. The associated socio-ecological effects of rubber cultivation still receive little international attention. We

want to change that.

Our aim is to be a sustainable company.

We show that rubber - economically, ecologically and socially acceptable - can not only be grown in monocultures, in which nothing else has a chance to grow. We are committed to bringing biodiversity back to the rubber plantations in our supply chain and integrating farmers who grow rubber into our supply chain in a more sustainable way. In doing so, it is also important for us to recognize the value of sustainably grown rubber and to fairly reward the people who work for it at the beginning of our supply chain. You can see what our project in Thailand looks like here:

<https://www.youtube.com/watch?v=VY1k-1looc4&>

In addition to the rubber focus, as described in more detail under point 4, we also have other environmentally relevant topics in mind. This includes the conditions of production of the condoms, their packaging, and the avoidance of animal tests since it is a medical product.



3) Appoint a responsible individual within the company to steer all activities in the biodiversity sector and report to the Managing Board.

The fairstainability department makes up one fifth of the team and works on sustainability at different levels, with biodiversity being a key issue. As a basic value in all our activities, it is of course linked to the management.

We pursue a holistic approach with fairstainability. The aim is to work with the company on global challenges. We therefore want to minimize our negative hoofprint in all areas and throughout the life cycle of a condom and at the same time create added value. We pursue a knowledge-based and impact-driven approach. We see fairstainability as a never-ending process. Our aim is to understand

the individual stakeholders, the processes, and the environmental impact in order to then take targeted measures. We are consciously deciding against simply donating part of our profits. It is important to us to start right at the beginning of the supply chain, with the extraction of raw materials, and to work with partners and manufacturers on an equal footing, even though we have no direct supply relationship with them.

We want to connect our customers with the producers and show them that their purchase decision has an impact. For example, we report live via Instagram on the projects in Thailand or produce videos to bring this closer. Our approach is to combine design and sustainability. Fairstainability should be sexy and our condoms a lifestyle product.

4) Define realistic and measurable objectives to improve the protection of biological diversity and its sustainable utilization, to be monitored and adjusted every two to three years, and identify challenges

The goals for improved protection of biological diversity take place at different levels. Our core business so far consists of the sale of condoms. We work on sustainability throughout the supply chain. The focus at the beginning of the value creation, on the rubber plantations, is different than in the further course of production.

On the rubber plantations, we advocate the planting of ecologically valuable plants, such as that of the farmer Panom:

<https://www.youtube.com/watch?v=uchOS6uBnYQ>



Another important aspect is the packaging materials. A life cycle assessment study of the condom and its packaging showed that packaging materials are responsible for up to 20% of the ecological footprint. Therefore, we have been working for about a year to make our outer packaging for the condoms more sustainable and of higher quality. We were able to switch from a composite material

to a recycled paper (Blue Angel), which is verifiably recyclable again. The new [outer packaging](#) appeared in stores for the first time in 2019 and has replaced the old packaging. The next step is to tackle the individual packaging of the condoms, from which the aluminum is removed. These should be available from us in early 2021.

A very crucial section of the value chain for our condoms happens in Southeast Asia. Since spring 2020, after building the project for two years, we have managed to integrate rubber from small farmers in Thailand who grow their rubber in agroforestry systems into our supply chain with 100% traceability. To this end, we have: hired two consultants on site for a year, who work with us to set up processes and conduct training. This also includes:

- with the farmers and formulated a vision of how rubber cultivation should look in agroforestry systems.
- Together we have set up a Participatory Guarantee System, with the help of which the farmers check each other whether they have planted at least three other types of plants in the rubber garden (herbs, high-quality wooden trees, sawn timber) and at least 30 other types of plants or trees per rai (1 rai = 1600m²) have planted, do not apply herbicides and do not use chemical fertilizers after the 6th year of cultivation.
- Together with latex processing, we have set up our own collection points and the farmers themselves have learned how to weigh the latex and measure the quality, so that they have become independent of middlemen and can ensure traceability.
- And we have worked out a bonus system together with the farmers so that they receive a surcharge per kilogram of latex.



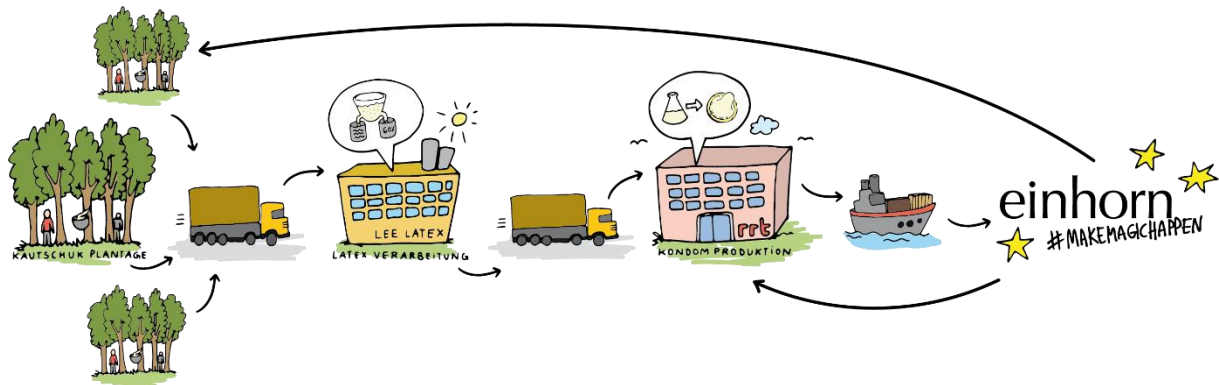
We include the (partially) different perspectives (e.g. rubber farmers, rubber buyers, local politics, environmental organizations) in the process. At the same time, we do not have the one social or ecological effect that is intended. We will never stop optimizing. Our business model works, but there are always numerous new areas of activity that we would like to address.

5) Publish activities and achievements related to biological diversity in the company's annual, environmental or sustainability report.

In spring 2020 we published our current [fairstainability report](#). This also tells you how we reinvested 50% of our profits.

6) Inform suppliers about the company's biodiversity objectives and integrate suppliers accordingly and step by step

Since we do not operate any rubber plantations ourselves, we can only achieve our goal of sustainable rubber cultivation by working with our suppliers. We managed to do this as described under 4.



We are currently working on making this rubber available for other brands and products and expanding the group of farmers who cultivate it in this way.



7) Explore the potential for cooperation with scientific institutions, non-governmental organizations and/or governmental institutions with the aim of deepening dialogue and continuously improving the corporate biodiversity management system

We work with the Prince of Songkhla University in Hat Yai (Thailand). Research on rubber in agroforestry systems has been carried out there for many years. Together we want to develop an indicator booklet that shows which plants and animals feel comfortable in agroforestry plantations and which come back there.

We participated in a research initiative of the TU Berlin: “Biodiversity in life cycle assessments to secure biological diversity through economic actors”. No results of this have currently been published.

In addition to scientific cooperation, there are connections to NGOs such as BirdLife International and the Malaysian Nature Society, who have so far provided us with advice. We are also a member of 'Biodiversity and Good Company' and the EU Business @ Biodiversity Platform. As a B Corp company certified since September 2016, we are also part of a global movement of companies that have set themselves the goal of changing the world for the better: “Using Business as a Force for Good”. Certified companies work according to the stakeholder approach and take responsibility beyond financial indicators.

einhorn
#MAKEMAGICHAPPEN