

Bionade GmbH Progress Report 2021/2022 on the Leadership Declaration of the Biodiversity in Good Company Initiative

Biodiversity is the fundamental basis of our existence and human well-being. It is an essential requirement for healthy ecosystems, which in turn supply us with vital ecosystem provisions, oxygen and water, raw materials, fuel, fibres for clothing, food, active ingredients for medicines and much more. Throughout the entire organisational hierarchy – the diversity of genes within species, the diversity of species within ecosystems and the diversity of ecosystems themselves – biodiversity is the key to efficient ecosystems in which the greater the variety, the more stable a system. However, we are now witnessing a significant and rapidly progressing loss of biodiversity, which is caused by humans and leads to the degradation of ecosystems. Its negative consequences, such as the effects of climate change, have already become a reality in many regions of the world.

Biodiversity management is therefore of fundamental social interest and companies can make a crucial contribution. As a beverage manufacturer, Bionade is active in an industry that has a direct impact on the natural environment and biodiversity through the processing of agricultural raw materials and water. As a result, biodiversity management is of existential importance to Bionade and is deeply relevant to the company's core business. Bionade therefore supports the biodiversity targets of the United Nations and, as a member of the Biodiversity in Good Company initiative e.V., is committed to its Leadership Declaration.

The Leadership Declaration:

All signatory companies acknowledge and support the three objectives of the international Convention on Biological Diversity:

- 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. Analysing corporate activities with regard to their impact on biological diversity;
2. Including the protection of biological diversity and its sustainable use in their environmental management system;
3. Appointing a responsible individual within the company to steer all activities in the biodiversity sector and report to the Management Board;
4. Defining realistic, measurable objectives for the improved protection of biological diversity and its sustainable use that are monitored and adjusted every two to three years;
5. Publishing all activities and achievements in the biodiversity sector in the company's annual, environmental or sustainability report;
6. Informing suppliers about the company's biodiversity objectives and integrating suppliers accordingly and step by step;
7. Exploring the potential for cooperation with partners such as nature conservation organisations and scientific or state institutions with the aim of deepening dialogue and continuously improving the management system.

To demonstrate ongoing commitment, member companies will provide the Initiative with a progress report every two years.

From 2012 to 2017, Bionade GmbH was part of the Radeberger Gruppe KG, a subsidiary of the Oetker Group. With its Bionade and Ti brands, Bionade GmbH has been part of Hassia Group since 2018. The Hassia Group is one of the largest mineral water providers in Germany. The Hessian family-run company is now in its fifth generation and sees itself as a classic brand manufacturer that offers a range of mineral waters and non-alcoholic soft drinks in the upper price segments.

Hassia Group's corporate mission statement is a clear declaration of how the company aims to shape its sustainable, long-term development: HASSIA ACTS TODAY – FOR OUR TOMORROW.

Analysis of corporate activities with regard to their impact on biological diversity

Since Bionade processes agricultural raw materials and water, the company is acutely aware of the influence on the natural environment and biodiversity. This also explains the company's decision to only use organic raw materials. The raw material supply chain, purchasing and property management also play an important role. All Bionade initiatives are checked to ensure compatibility with biodiversity and a number of projects have been launched specifically to promote biodiversity, such as the Bionade Bee project.

Biodiversity management affects the whole company, all areas and our entire workforce. It is an interdisciplinary topic and every contribution to nature conservation counts.

Rhön Organic Farming cultivation project

In order to guarantee a permanent, regional raw material supply, the Rhön Organic Farming cultivation project was launched in collaboration with organic farmer Martin Ritter in 2005. Organic farming is now deeply rooted in the region and all members are certified organic farmers. The initiative benefits everyone involved – after all, it not only secures the supply of organic elderberries, but also provides the long-term guarantee that the entire harvest is purchased at a fair price, thus meaning lower risk for organic farmers. The initiative enabled some members to completely convert to organic agriculture and has nurtured a lively forum for exchange between our contract farmers. The last meeting was held in Ostheim in 2021.

Mate cultivation project

Despite growing mate demand, productivity and yield in the Brazilian cultivation regions are often low and leave the next generation pessimistic about the future of domestic agriculture. In order to counteract this development, the Mate Initiative launched by Bionade and two partners in 2020 aims to train young people through training clubs with professional agronomists. This will enable the young farmers to increase their yield while observing organic cultivation criteria, discover new sources of income such as beekeeping and safeguard the biodiversity of the Atlantic Forest.

Biodiversity criteria throughout the supply chain

The aim of the project for the improvement of transparency throughout the organic supply chain is to gain knowledge of the local biodiversity and insights into its current state. For the pilot project, existing criteria for recording knowledge and determining the state of biodiversity were compiled and the criteria relevant to Bionade selected.

Throughout the organic supply chain, the details of the grower, processor and direct supplier are relevant. Since these three partners have different roles and approaches to biodiversity, a customised questionnaire was developed for each of them. Each of the three questionnaires has around ten questions.

The pilot project was carried out in 2020 with the help of one of our partners. Feedback was extremely positive and the survey phase was completed relatively quickly. The biodiversity criteria will be incorporated into the future supplier self-assessment and raw material form.

Focus: Ostheim von der Rhön

Bionade Bee Project

The history of Bionade has always been inextricably intertwined with bees – after all, the gluconic acid obtained by bees from fructose to 'preserve' their honey was key to the development of Bionade. The organic soft drink is naturally produced through an elaborate fermentation process and brewed from water and malt in a manner similar to beer in accordance with the company's own purity law. The fact that no alcohol is produced is thanks to an enzyme called glucose oxidase, which transforms part of the sugar into gluconic acid, a mild, organic substance.

In 2014, Bionade founded its own bee project and relocated bee colonies of the *Apis mellifera carnica* subspecies – a type of honey bee widely found in the Rhön region – directly to the quince and meadow orchard in the Bionade gardens. In 2020, the bees were given a new home in the company garden and are being looked after by an external beekeeper. The number of bee colonies has been increased by three to five. Once again, we are pleased to report no winter losses during the last two years.

River Streu Patronage

Since May 2016, Bionade has been the official sponsor of part of the River Streu, a 42 kilometre-long tributary to the Franconian Saale. The aim of this patronage is to raise awareness of water protection and support the renaturalisation of the river section and the protection and optimisation of the habitats of endangered, indigenous animal and plant species. But none of this can be achieved overnight. Accordingly, Bionade has worked together with committed partners throughout the region to plan the successive implementation of measures over the long term. A campaign day with local school pupils was held in July 2022.

Company premises

In 2021, 1,400 square metres of our premises in Ostheim were converted from a quince orchard into a natural garden, which now functions as a haven for insects and small animals. In addition to a quince tree, it is home to an edible garden, three dead hedges, a deadwood pile and a stone heap. The natural garden is part of the free teacher training programme entitled 'Every insect counts – school playground design for people, nature and teaching', which is organised in collaboration with the environmental education centre in Oberelsbach.

In autumn 2022, old and younger fruit varieties were planted on an area of our premises spanning some 2,000 square metres.

Inclusion of the protection of biological diversity and its sustainable use in the environmental management system

The BIO.L.O.G.I.C.A.L. sustainability strategy forms the framework for sustainability-focussed activities. It has been continuously reviewed since the establishment of the basic fields of action and the strategic objectives in 2013. The tried-and-tested processes of our Integrated Management System (IMS) are predominantly used in the implementation and evaluation of specific strategic objectives.

The IMS maps all central procedures and systematically supports the entire control process. The IMS is based on the following regularly certified standards: International Featured Standards Food (IFS Food), ISO 14001 (Environmental Management), ISO 50001 (Energy Management) and the EU Organic Regulation. Responsibility for the individual processes lies with the corresponding department.

Appointment of a responsible individual within the company to steer all activities in the biodiversity sector and report to the Management Board

A Hassia Group sustainability manager in Bad Vilbel reports to the management board. Since 2019, a sustainability manager has been responsible for the development, coordination and implementation of projects and objectives for BIONADE GmbH and reports to the sustainability manager in Bad Vilbel.

Definition of realistic, measurable objectives for the improved protection of biological diversity and its sustainable use with monitoring and adjustment every two to three years

Previously published sustainability reports have outlined the established measures and the extent to which their objectives were achieved. Since the reports are written and published every two years, an annual, or in some cases biannual, review of the respective status is carried out.

The aim is to use the defined measures to achieve the long-term goals that are established for each of the five fields of action.

Publication of all activities and achievements in the biodiversity sector in the company's annual, environmental or sustainability report

Bionade publishes information on its biodiversity activities and achievements every two years. The current report covers activities between 2020 and 2021 and will be published in December 2022. It also includes the objectives for 2022 and 2023.

All of Bionade's published sustainability reports are available to download in PDF format from the Bionade website: <http://www.bionade.de>

Supplier information regarding biodiversity goals and gradual integration

The Hassia Group Code of Conduct and purchasing guidelines, as well as the supplier self-assessment and Bionade raw materials form, are binding contractual components for all direct suppliers. In order to guarantee product quality, Bionade requires all regional and international growers to meet the same quality, environmental and product criteria and comply with the code. This includes transparency throughout the supply chain and the cooperation of direct business partners. Only with their support can the Bionade standards be implemented worldwide. Regular audits are carried out to ensure this.

Although all of Bionade's raw material suppliers are certified at least in accordance with the EU Organic Regulation, some farmers far exceed these requirements and are affiliated to a cultivation association. International suppliers must also be certified at least in accordance with the EU Organic Regulation.

Regional raw materials are used wherever possible, including malting barley, elderberries, apples, pears, quinces, plums and mint. All other raw materials are purchased from their native countries – lychees from Madagascar, ginger from South America, bergamot from Southern Italy and mate from Brazil. The fruits are initially processed on site to support the local economy. Only suppliers who can guarantee organic quality are considered for collaboration with Bionade. Our supplier management clearly defines our purchasing criteria. A detailed self-assessment is obtained before a supplier is accepted.

Exploration of the potential for cooperation with partners such as nature conservation organisations and scientific or state institutions with the aim of deepening dialogue and continuously improving the management system

Bionade is based in the Rhön region, which became one of the world's 669 UNESCO Biosphere Reserves in March 1991. These are sites for the implementation of sustainable, future-oriented development that preserves special landscapes through adapted management. Since 2005, Bionade has been promoting the region as a partner of the Rhön Biosphere Reserve, the Bavarian Rhön Nature Park, the Hessian Rhön Nature Park and Rhön Natur e.V.

Since sustainability is a project for the future, Bionade also promotes educational projects for new generations. As part of this, it supports the Oberelsbach environmental education centre in the UNESCO Biosphere Reserve and the Bavarian Rhön Nature Park. The Rhöniversum educational centre is ideal for student excursions, teacher training courses, seminars, workshops, conferences and educational sessions for adults. The focus is on the habitat of humans and nature using the example of the Biosphere Reserve and the Bavarian Rhön Nature Park.

Official nature conservation sponsor

In December 2019, BIONADE gained nature conservation certification for an orchard in the UNESCO Rhön Biosphere Reserve. The area, which spans more than 66,800 square metres, lies approximately 40 kilometres from Ostheim. In order to combat the decline in biodiversity, the various habitats must be protected. For this reason, the Nationale Naturlandschaften e.V. (National Natural Landscapes organisation) works together with partners to implement certified nature conservation projects. The organisation uses sales proceeds to support the implementation of nature conservation projects within the areas defined as National Natural Landscapes, thus ensuring that valuable ecosystems such as forests, orchards and moors can once again offer optimal living conditions for typical animal and plant species. On site, the organisation works with regional land managers and authorities who support the execution of nature conservation projects or implement measures on behalf of the organisation, such as tree planting or rejuvenation pruning in orchards.

These measures help to ensure that valuable ecosystems like forests, orchards and moors can provide optimal living conditions for typical animal and plant species. Compliance with the Natur^{plus} standard serves to distinguish the quality of our nature conservation projects. To this end, experts determine the status of biodiversity in the project areas. Based on these findings, an individual action plan is created in order to help to increase the biodiversity in the project area in the long term.

Vielfalt 2030 initiative

Bionade joined forces with the Biodiversity Foundation to launch the 'Vielfalt 2030' initiative on 1 August 2020. The initiative bundles activities that contribute to the vision of 'More bees, more species, more diversity'. The website www.vielfalt2030.de reports on the initiative's campaigns and measures and provides an introduction to ecosystems and species protection. The initiative has two primary aims: 1. To raise awareness of biodiversity and use campaigns, measures, ideas and suggestions to motivate people to question their own (consumer) behaviour. The second aim is to generate 17 million square metres of insect-friendly space together with customers, partners and consumers. The measures and their results will be evaluated after ten years.

Contact:

Bionade GmbH
Nordheimer Straße 14
97645 Ostheim vor der Rhön, Germany
Tel.: +49 (0)977 79 10 10
E-mail: nachhaltigkeit@bionade.de