

Neumarkter Lammsbräu Gebrüder Ehrnsperger KG

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

Period of reporting: March 2015 – February 2017

Contact:

Neumarkter Lammsbräu Gebrüder Ehrnsperger KG

Amberger Str. 1

92318 Neumarkt

Silvia Ohms (Sustainability Manager)

Tel.: 09181/ 404 71

Telefax: 09181/404-49

E-Mail: [s.ohms\(at\)lammsbraeu.de](mailto:s.ohms(at)lammsbraeu.de)

www.lammsbraeu.de

Company news

Location

Neumarkt in der Oberpfalz, Germany (only one location)

Product segment

Production of organic beverages (Beer, soft drinks, mineral water)

Turnover 2016

approx. 23 Mio. Euro

Employees worldwide

127 (located in Neumarkt in der Oberpfalz, Germany)

Neumarkter Lammsbräu consequently lives its aspiration of sustainability in all its business units and relations. We actively engage in biodiversity management along the complete value chain from field to glass. By consistent action in concert with our regional farmers (united in the farmer association “EZÖB”) we do foster biodiversity permanently.

In April 2017 we received the German CSR award for our commitment in the category of biodiversity management:



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 utilization of genetic resources.

and commit themselves to:

1. Analyzing corporate activities with regard to their impacts on biological diversity;
2. Including the protection of biological diversity within 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 that are monitored and adjusted every two to three years;
5. Publishing activities and achievements in the biodiversity sector in the company’s annual, environmental, and/or corporate social responsibility 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 scientific institutions, non-governmental organizations (NGOs) and/or governmental institutions with the aim of deepening dialogue and continuously improving the corporate management system vis-à-vis the biodiversity domain.

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

1. Analysis of corporate activities with regard to their impacts on biological diversity

Our company assumes a holistic, overarching entrepreneurial responsibility, manifested in all our activities. The company goes beyond environmental management by supporting the creation of socially, ecologically and sound living spaces. Being an eco-brewery, Neumarkter Lammsbräu pursues the goal of an optimal resource consumption. This means reducing the consumption of non-renewable resources and use renewable resources instead.



„The protection of biodiversity has a high significance for Neumarkter Lammsbräu. We want to preserve this diversity in all its facets along the value chain from field to glass.”

Susanne Horn, General Manager Neumarkter Lammsbräu

Effects of company activities on biodiversity along the supply chain

Based on our continuous quality assurance system we know that our raw materials are 100% ecological. Supply chains for brewing raw materials are transparent. In a further step, in 2016 we proceeded to analyze and evaluate the supply chains of the raw materials used in our lemonades. Focus of the analysis were routes of supply, environmental and social standards. The methodology used was “sustainability hot spot analysis” (SHSA).

Based on existing data we conducted extensive interviews with our most important suppliers and emphasized the most important steps in the value chain, conditions on site and saw sustainability certificates of actors further down the supply chain.

One part of the analysis was the field of biodiversity and the frame of the analysis was the product life cycle. Specifically we focused on “cultivation and harvest of the raw material”, as well as “further

processing”. Suppliers were asked the following questions concerning both phases of the product life cycle:

Through your economic activity...

... was biodiversity reduced?

...were ecological processes distorted outside their natural resilience?

... were habitats altered?

... was biodiversity permanently altered?

... land use strongly changed?

... soil strongly degraded? Despite the fact that those were complex questions, the ones questioned could give an estimate and partially, concrete examples.

Most of the raw materials examined could achieve a good result in the SHSA.



Figure 1: Employee of Israeli Grapefruitbase supplier visits the farmer in kibbutz Dahn in Israel for Grapefruit harvest season. Together, biodiversity measures are discussed.



Figure 2: Old, well adapted and robust species are used

Other positive effects on biodiversity along our supply chains occur through using organic raw materials, rather than conventional ones (comparatively reduced emissions at the moment of production and transport of the raw materials).

Effects of economic activity on biodiversity at the company site

- Emissions occurring during production and transportation are reduced through technical solutions and usage of modern transportation technology. We compensate our emissions to achieve climate neutrality.
- Sealing of soil through construction measures was limited through optimized building, as well as field management. Compensation measures are i.e. the planning of sustainable outdoor facilities.

2. Including the protection of biological diversity within the environmental management system

The topic is included into the company's environmental management through different measures, explained as follows.

- **Integration into our environmental policy**

Neumarkter Lammsbräu considers itself as a part of the ecological and social system

Based on this understanding, we assume a holistic, overarching entrepreneurial responsibility, manifested in all our activities.

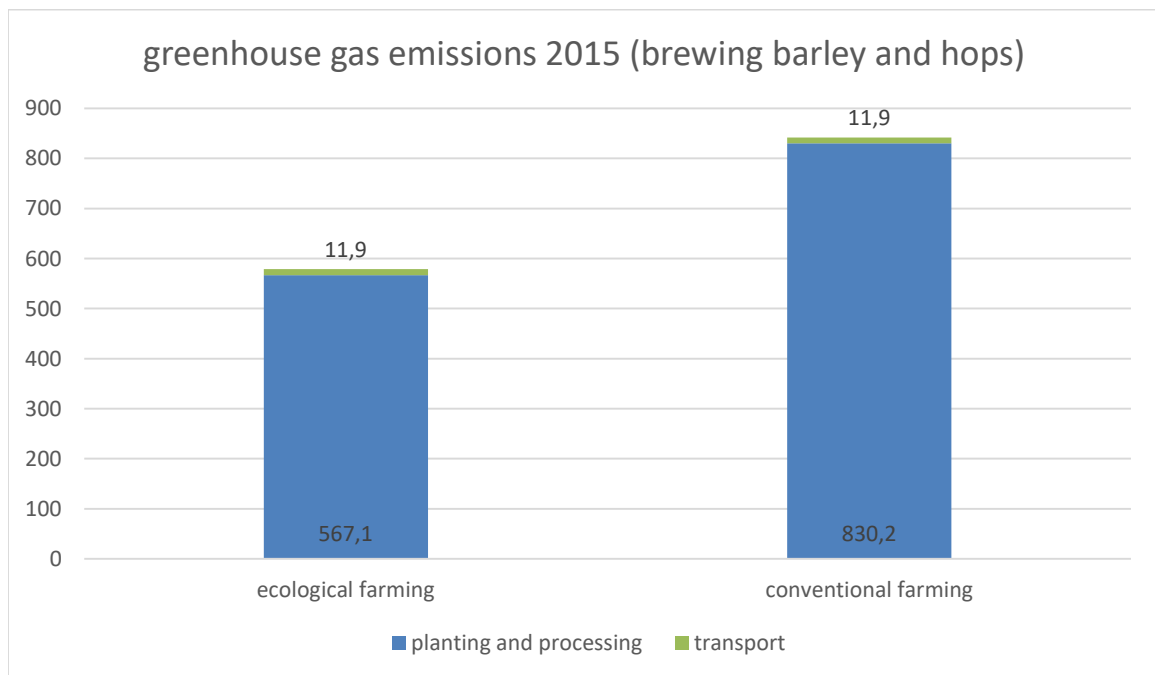


Figure 1: Greenhouse gas emissions of ecological farming of brewing barley and hops in comparison with conventional farming.

Organic raw materials for all our products

We use 100% organic raw materials precedent from certified suppliers. We exert influence through setting guidelines for only cultivating non- genetically modified species.

- **Integration into sustainable purchasing when purchase through new suppliers**

Apart from quality and price we consider social and environmental standards when evaluating and choosing new suppliers.

- **Integration into supplier audits and supply chain**

Currently we are compelling our most important suppliers to our code of conduct, which mandates compliance with social and environmental standards and includes ethical and moral criteria. These, including aspects of biodiversity, are verified in regular audits.

- **Integration into purchasing of raw materials**

Refer to point 1.

- **Integration through inclusion of different groups of interest**

Refer to point 7.

We conduct different educational events regarding the topic of „biodiversity conservation“, such as nature walks on the fields of our regional farmers, children tours with focus on ecological raw materials, as well as events on our grassland fruit-orchard. On a supraregional level, the initiative ‘Biodiversity in good company’ helps to instigate exchange on biodiversity, whereas on the regional level we foster exchange on Lammsbräu-founded “Unternehmerstammtisch Biodiversität” (group of regulars consisting of Neumarkt based companies who meet to discuss best practice on biodiversity in their companies).

- **Integration through close- to – nature layouting of the company site**

Refer to point 1.

- **Integration into sustainability reporting**

Currently biodiversity constitutes a core indicator according to EMAS in our sustainability report.

- **Integration through goals and measures**

Refer to point 4.

3. Appointing a responsible individual within the company to steer all activities in the biodiversity sector and report to the Management Board

Sustainability management as a staff position is responsible for all activities related to biodiversity, reports regularly to the Board of Management and syntonizes activities with the Board of Management. Implementation occurs alone or in concert with employees involved in the respective processes.

4. Defining realistic, measurable objectives that are monitored and adjusted every two to three years

In 2015 the following qualitative results regarding promotion of biodiversity were achieved:

- Installation of bat boxes at our grassland fruit- orchard
- Tailored biodiversity management plans for 2-3 of our regional farming partners per year
- Presentation of results to the public through regular nature walks
- Stimulation of the topic through the group of regulars consisting of Neumarkt based companies who meet to discuss best practice on biodiversity in their companies

In the following some insights to biodiversity-related activities and measures at Neumarkter Lammsbräu:



Figure 2: The nature walks conducted on the fields of our regional farming partners are very popular.



Figure 3: Bat boxes are installed at the Neumarkter Lammsbräu grassland fruit orchard



Figure 4: Within the frame of employee days, the topic of biodiversity is introduced through a role play.



Figure 5: At the group of regulars "Unternehmerstammtisch Biodiversität", companies in Neumarkt get sensitized on the topic and exchange best practice example of how to instigate biodiversity on their sites.

Measures and goals regarding strengthening biodiversity in 2016 and 2017:

- Extension of the project „Wiederansiedlung von Ackerwildkräutern in Braugerstenbeständen“; goal: to grow and protect endangered wild herbs.



Figure 6: Cultivation and growing of endangered wild herbs is a success.



Figure 7: The project got awarded with the "UN award Dekade Biodiversität"

- Implementation of 3 farm-tailored biodiversity management plans per year.



Figure 10: Three biodiversity management plans per year are sponsored each year where farming partners elaborate biodiversity solutions and implement them.



Figure 11: Our regional farmers are an important partner at the execution of biodiversity measures of Neumarkter Lammsbräu.

- Transfer of knowledge and exchange with other companies at 'Biodiversity in Good Company' network
- Organization and execution of 3 biodiversity related events with the group of regulars in Neumarkt.
- Close-to-nature design of new facilities.

Based on the SHSA (refer to point 1) there are additional measures concerning sourcing of lemonade raw materials.

5. Publication of activities and achievements in the biodiversity sector in the company's annual, environmental, and/or corporate social responsibility report

Environmental topics have been published for 20 years in the comprehensive, yearly sustainability report.

6. Informing suppliers about the company's biodiversity objectives and integrating suppliers accordingly and step by step

Our suppliers receive our current sustainability report on a regular basis. The topic is monitored within the frame of regular supplier audits.

7. Exploring the potential for cooperation with scientific institutions, non-governmental organizations (NGOs) and/or governmental institutions with the aim of deepening dialogue and continuously improving the corporate management system vis-à-vis the biodiversity domain

Neumarkter Lammsbräu cooperates with competent institutions and organizations in order to deepen expert knowledge and further develop the management system. We engage in the following dialogue formats:

- Participation on biodiversity research project „Firmen fördern Vielfalt“ aiming to develop indicators for assessing biodiversity on the fields of raw material providers, i.e. farmers.
- Active contribution since years to different working groups of the association of organic food processors AÖL (Assoziation ökologischer Lebensmittelhersteller), among the topics often is biodiversity.
- Since spring 2015 we are members of the 'Biodiversity in Good Company' network.
- Extension of the project „Wiederansiedlung von Ackerwildkräutern in Braugerstenbeständen“, regrowth and protection of endangered wild herbs and hence, increase of biodiversity on farmlands.
- Sponsoring of farm- tailored biodiversity management plans for our regional farmers, as well as nature walks regarding biodiversity.
- Being the initiator of a group of regulars where companies exchange and engage in discussions about biodiversity, Neumarkter Lammsbräu gives and receives impulses on its own commitment and activities on biodiversity.