



Neumarkter
Lammsbräu



Neumarkter Lammsbräu Gebrüder Ehrnsperger KG

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

Period of reporting: March 2017 – February 2019

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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.

Company news:

Location

Neumarkt in der Oberpfalz, Germany (only one location)

Product segment

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

Turnover 2018

ca. 26,8 Mio. Euro

Employees 2018

141

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:



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

Our brewery sees itself as part of the ecological and social system. From this understanding, we assume a holistic, overarching corporate responsibility that manifests itself in all our activities. Our company is committed to the creation of intact, ecologically and socially sustainable living spaces beyond its own operational environmental protection and the production of organic food.

We use 100% organic raw materials from certified organic suppliers to produce all our products. We influence the cultivation of our brewing raw materials and actively support organic farming with above-average commitment. By avoiding the introduction of artificial mineral fertilizers, chemical pesticides and weed killers, genetically modified organisms as well as the selective implementation of cultivation plans by our regional farmers, we preserve fertile soils, promote humus formation and thus C sequestration in the soil, preserve our pure water and increase the natural diversity of species. In this way we contribute to the qualitative improvement of raw materials and protect our environment.

With a materiality analysis conducted in 2017, we analyzed the impact of our business activities and identified two of the 31 key biodiversity issues: "Preserving biodiversity" and "Preserving soil fertility, biodiversity and organic seeds". These two topics resulted from the fact that, in a first step, selected stakeholders and the owner family were interviewed and research work carried out. The result was a very comprehensive list of topics, which were then classified according to their relevance by means of an internal evaluation system. Within the framework of a scientific elaboration in 2018, the topics identified in 2017 were compared with the actual requirements of our most relevant stakeholder groups of direct customers, end consumers, raw material suppliers and employees. This resulted in a list of 23 key topics (see Abb. 1). The qualitative survey showed that the two topics "Preservation of biodiversity" and "Preservation of soil fertility, variety and ecological seed" actually reflect the demands

of stakeholders. Stakeholders therefore regard it as essential that we continue to support and promote the conservation of biological diversity.

Wesentliche Themen der Neumarkter Lammsbräu (Stand Dezember 2018)

Unabhängigkeit & Risikominimierung	Umwelt Engagement	Nachhaltige Beschaffung	Produktverantwortung & Kundenzufriedenheit	Umweltfreundliche Produktion	Nachhaltiges Personalmanagement
Unternehmerische Unabhängigkeit	Wasserschutz und -verfügbarkeit	Einhaltung von Umweltstandards entlang der Lieferkette	*Rohstoff- und Produktqualität	Material- und Ressourcenverbrauch (Wasser, Energie)	Personalentwicklung
Stabilität durch strukturelle Unabhängigkeit	Erhalt von Artenvielfalt	Regionale Wertschöpfung	*Verbrauchervertrauen & Reputation durch Transparenz	Erneuerbare Energie	Chancen- und Lohngerechtigkeit
Verknappung von Roh- und Hilfsstoffen	Klimaschutz	*Zuverlässiger Mengenfluss	*Kundenorientierung & Trendbeobachtung	Umweltschonende Verpackung	*Altersgerechte Arbeitsplatzgestaltung
	Erhalt von Bodenfruchtbarkeit, Sortenvielfalt, ökolog. Saatgut		*Nachhaltige Werbematerialien		*Work-Life-Balance
					*Mitarbeiterbindung bei wichtigen Entscheidungen
					Mitarbeiterorientierter/familiärer Führungsstil

Figure 1: Key topics at Neumarkter Lammsbräu (December 2018)

The Sustainability Hot Spot Analysis already carried out in 2016 (see Report 2015-2017) also helped us to examine and evaluate the quality of our lemonade supply chains more closely with regard to ecological and social aspects. The detailed analysis showed that we have little influence on cultivation and processing due to our low purchase volumes and the complexity of the supply chains. However, since ensuring environmental and social standards from the cultivation of the fruit to its processing plays a very important role for us, we decided to have our now-Limonaden Naturland certified. Six lemonades have already been certified since September 2018. In 2019 there will be eight now lemonades. With Naturland, we have opted for a globally active, competent cultivation association whose environmental

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and social standards go far beyond the EU organic seal and already maintain a large network of growers and processors. Regular inspections ensure biological diversity from the field to the glass.



Another influence on biodiversity is the land sealing, which has been created in the last two years by new buildings on the company premises. However, through optimal building and area management, we limit the sealing of areas. We carry out compensatory measures at suitable locations on the company premises. In the summer of 2017, the outdoor facilities were redesigned to create a natural stone circle with wild herbs and wild flowers accessible to the public, as well as a snack area for employees surrounded by hedges and bushes. In 2018 the "Brotzeitplatz" was extended by a nesting aid for bees, which will be described in more detail in the course of the report. In April 2019, the Bavarian State Ministry for the Environment and Consumer Protection awarded us the "Blühender Betrieb" award for our exemplary commitment to biodiversity on our company premises.

As a brewery, it is important to us to keep our emissions as low as possible and to support and implement biodiversity activities beyond beverage production.

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

The topic of biological diversity is integrated into the entire environmental management system through various building blocks. These are explained in more detail below.

- Integration into our environmental policy

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

From this understanding, we assume a holistic, overarching corporate responsibility that manifests itself in all our activities. Our company is committed to the creation of intact, ecologically and socially sustainable living spaces beyond its own operational environmental protection and the production of organic food.

Biological raw materials for our products

We use 100% organic raw materials from certified organic suppliers to manufacture all our products. We influence the cultivation of our brewing raw materials by specifying GMO-free varieties and actively promote organic farming with above-average commitment. By preventing the introduction of artificial mineral fertilizers, chemical pesticides and weed killers, genetically modified organisms and the selective implementation of cultivation plans at our regional farmers, we preserve fertile soils, promote humus build-up and thus C sequestration in the soil, preserve our pure water and increase the natural diversity of species. In this way we contribute to the qualitative improvement of raw materials and protect our environment.

- Integration into Sustainable Procurement

When purchasing, we prefer suppliers who manufacture the goods in an environmentally and socially compatible manner throughout the entire supply chain, from cultivation to our own premises. In addition to deliver quality and price, social and environmental standards are also surveyed and evaluated before a new supplier is selected:

Umweltleistung Biodiversität	Ja	Nein	Bemerkung
Ermitteln Sie die Auswirkungen Ihrer Unternehmenstätigkeit auf die Biodiversität sowie die Abhängigkeit von Biodiversität und setzen Maßnahmen zum Erhalt dieser um? (z.B. Anlegen von ökologischen Flächen wie Streuobstwiesen, Wiedereinführung von Rote Liste Arten, Insektenhotels)?			

In addition, the **regional sugar beet project** also contributes to preserving biological diversity:

Invert sugar syrup is contained in all our now-lemonades and is therefore an important raw material for us. In addition, sugar beets, just like hops or barley, grow in Germany, even in our immediate vicinity. Therefore, it was obvious to transfer the successful concept of the Erzeugergemeinschaft für ökologische Braurohstoffe (EZÖB) to sugar beet, i.e. to promote the cultivation of regional and association-certified sugar beet. In 2017, together with two partners, we started planning our organic sugar beet project, which entered its implementation phase in 2018. At the beginning, a total of 31 sugar beet farmers showed interest in working together. Ultimately, 17 farms are currently part of the regional delivery consortium for organic sugar beet. After the harvest, the beets are transported to Frauenfeld/Switzerland for processing by rail or beet forwarding. There they are processed into organic beet sugar and then into organic invert sugar syrup. Since the end of 2018, the share of regional and association-certified sugar for the now-lemonades has already reached 68%. In 2019, the proportion is expected to rise further, leading to an even more sustainable orientation of the lemonade supply chain.

- **Integration by involving different stakeholders**

In the period 2017-2019, various educational events will be offered in various formats on the subject of „Protecting biodiversity“, such as, for example, two natural history walks per year in the fields of our EZÖB farmers, events on the orchard meadow, or the biannual Biodiversity Entrepreneur’s regulars’ table. Through various projects on the measurability of biodiversity measures and the protection of Red List species such as rare wild herbs, we are also involved in research and development. Since autumn 2017, we have also been supporting the project “Maintaining and promoting wild herbs with organic farmers in Bavaria”. The active membership in the initiative “Biodiversity in Good Company” promotes the exchange on the topic of biodiversity nationwide (s. point 7).

- **Integration through near-natural design at the company location**

The production process in the field of energy supply and our vehicle fleet inevitably lead to emissions which, through the emission of CO₂ equivalents, affect the environment and thus also biodiversity. We reduce these emissions through technical innovations in production and modern drive technologies in the fleet (sustainability report 2017, chapter 3.4, 6.3.5). From 2014 to 2017, we support the Gold Standard Project in Togo by offsetting our unavoidable Scope 1 and 2 emissions, thereby making the site climate-neutral. Information on the project can be found in the 2015-2017 Progress Report. We are offsetting our unavoidable Scope 1 and 2 emissions from 2018 for the first time in two new projects: a drinking water project in Cambodia certified to a gold standard and a biodiversity project in Brazil. Both projects promote local biodiversity by protecting forests from deforestation. In the Amazonas

region of Brazil, this covers as much as 500 hectares of forest. This preserves a protected area for rare species, which benefits biological diversity.



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

As already explained in the previous progress report (2015-2017), our sustainability management is responsible for activities and issues in the area of biodiversity and reports to the management on a regular basis. When safeguarding biodiversity along our supply chains (supplier selection, supplier audits), those employees responsible for purchasing are also included.

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

Achieving the 2017 targets set out in the 2015-2017 progress report:

Aim:	Measure:	Responsibility:	Appointment:	Achieved:
Promotion of biodiversity	Extension of the project "Reintroduction of wild herbs into malting barley stands" in cooperation with Bioland e.V. and Lfl, supported by the Bavarian Nature Conservation Fund.	executive board sustainability management	permanently	yes
	Implementation of three cultural land plans with farmers of the EZÖB, review of cultural land plans in cooperation with Bioland e.V.	executive board, sustainability management	permanently	yes
	Knowledge transfer and active participation in the "Biodiversity in good company" network	sustainability management	permanently	yes
	Raising the awareness of regional and cross-sector companies by organising events (regular table, excursions) with companies from the district of Neumarkt together with regional partners (LPV, LBV).	sustainability management	permanently	yes
	Natural design of the outdoor facilities, project start "Bienenkiste" with trainees	executive board sustainability management	autuum 2017	in part
aim	measure	responsibility	appointment	achieved
Optimization of sustainable procurement	Strengthening regional value creation by expanding intensive cooperation with the EZÖB farmers with a focus on regional lemonade raw materials.	sustainable raw material procurement	end 2018	yes
	Financial and non-material support for organic seed breeding, together with EZÖB, Getreidezüchtung Darzau, LfL and Saatgutzüchtung Peter Kunz	executive board sustainable raw material procurement	end 2017	yes
	Optimizations in supplier management: Restructuring and definition of new processes to strengthen our supplier relationships	purchaser	end 2017	yes
	Association certification of our now lemonades	quality management, product development	spring 2018	in part

Also in 2017 an active participation in the network „Biodiversity in Good Company“ took place: In exchange with other companies, the integration of biodiversity into corporate sustainability

management is discussed and promoted. The transfer of knowledge and the active participation in the network are continuously strived for by us and are therefore considered a permanent goal in the area of biodiversity for the next few years.

Natural design of outdoor facilities: The objectives planned in the previous progress report were partially achieved. The outdoor facilities were redesigned to be near-natural. However, the idea of installing two bee boxes on the company premises was rejected and modified so that nesting aids for Mauersegler and wild bees were made available on the company premises.

This took place in the context of our trainee project 2018, completely in the sign of biodiversity. On this day nesting boxes for the Mauersegler were installed. The bird is now on the red list of endangered breeding birds. In the afternoon the insect nesting aid for wild bees was equipped with various materials such as bamboo sticks or bricks and wooden blocks with holes.



In January 2019 we handed over a donation of 1.100 Euro to the Landesvogelbund (LBV) Neumarkt, which was collected by the brewery bazaar at the brewery festival 2018. With the donation further nesting boxes for bats, Mauersegler or Gartenrotschwanz will be purchased in order to offer the birds a place of retreat in the city and district of Neumarkt. Some of the wooden shelters have already been hung on the brewery grounds. In spring 2019 also in the city area and in adjoining forest areas.



With the purchase of regional and association-certified sugar beets, the regional value added in the area of lemonade raw materials was further expanded (see point 3). The proportion of regional organic invert sugar syrup for our now lemonades is to continue to rise in the future.

Supplier management was optimized in 2017 with regard to the frequency of supplier audits, thereby further strengthening supplier relationships (see point 6).

For the period of 2018/2019 the following objectives in the field of biodiversity were or are planned:

Aim:	Measure:	Responsibility:	Appointment:	Achieved:
Promotion of biodiversity	Active support of the initiative „field toxins – no thanks“	executive board	permanent	yes
	Participation at the sustainability rating for farmers RISE with eight EZÖB-members	executive board	end of 2018	yes
	Know-how transfer and active participation at 'biodiversity in good company'	Sustainability Management	permanent	yes
	Sensitizing of regional and cross-sectorally companies by the arrangement of events (regular tables, excursions) with companies in the region of Neumarkt together with regional partners (German Association for Landscape Care=LPV, Federal Government for bird protection=LBV, Ökomodellregion)	Sustainability Management	permanent	yes
	Extension of the project „Resettlement of field wild herbs in brewing barley stocks“ in cooperation with Bioland e.V. and the Bavarian State Research Center for Agriculture (Bayerische Landesanstalt für Landwirtschaft), promoted by the Bavarian nature conversation (Bayerischer Naturschutzfond).	executive board, Sustainability Management	middle of 2019	yes
	Implementation of three “landscape plans” with EZÖB farmers; Review of landscape plans in cooperation with Bioland e.V.	executive board, Sustainability Management	permanent	yes
	Cooperation project meadow orchard with Lebenshilfe Neumarkt e.V.	executive board, Sustainability Management	end of 2019	still pending

In 2018 we organized again two entrepreneurs biodiversity regular tables in the region in cooperation with the Landschaftspflegeverband (LPV) and the Ökomodellregion of the district Neumarkt. The regulars table in spring took place during a walk in the Winnberg quarry.



For the second regular's table we invited to our brewery. There, the company's newly designed green areas, in the spirit of biodiversity, were inspected and tips were given by the Sielmann Foundation on how to design near-natural business area. Also in 2019 we are planning three cultivated land plans and two entrepreneurs regular tables in our region.



Since 2018 we have been supporting the alliance for „enkeltaugliche Landwirtschaft“ (agricultural suitable for grandchildren). This is how we launched the campaign “Ackergifte? Nein danke!” (agricultural poisons? No thanks!) for the renunciation of chemical substances (fungicides, insecticides, herbicides and pesticides). In addition, clean breathing air, non-toxic food, soil health and an intact animal and plant world have the highest priority for the alliance in order to guarantee a livelihood for future generations. Due to the fact that organically produced products are increasingly affected by conventional pesticides, a study on the spread of pesticides in the air was initiated by the alliance in spring 2018. With the help of tree bark monitoring, 107 chemical substances of the last 2-3 years could be detected in the bark surface. Herbicides proved to be the frontrunners, but glyphosate was also detected. In 2019 a further study is planned to deepen the topic.



Until January 2019, we funded the "RISE - Sustainability Consulting" project and, in cooperation with Naturland, evaluated and advised seven of our EZÖB farmers with regard to their sustainability management. In detail, the agricultural enterprises were first analyzed with the evaluation tool RISE with regard to their sustainability performance (commitment to biodiversity, resource consumption, etc.), the data collected were evaluated and then consulting sessions were offered for the further development of their sustainability objectives. The project did not aim to control, but to provide assistance and motivation to advance sustainability along the value chain. In cooperation with Lebenshilfe Neumarkt e.V. and Lammsbräu employees, a project is planned on our own orchard meadow with the support of LPV Neumarkt until the end of 2019.

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

For more than 20 years, Neumarkter Lammsbräu has been reporting on environmental issues - initially in the form of an eco-controlling report, now in the form of the annual sustainability report. It documents the operational environmental activities of Neumarkter Lammsbräu. The report goes beyond the integrated environmental statement required by EMAS and presents further sustainability aspects of the company. Biodiversity has so far been highlighted as one of the core indicators in sustainability reporting according to EMAS. In 2017, biodiversity was also explained in more detail for the first time as a GRI aspect in reporting in accordance with the "core" option of the G4 guidelines of the Global Reporting Initiative (GRI). All reports of the last 10 years are available as pdf-documents on www.lammsbraeu.de for download and the latest report in printed form.

Extract from our Sustainability Report 2017:

Kap. 6.3.6 Biodiversity

It is usually not easy for commercial enterprises to make an entrepreneurial contribution to biodiversity. It can be described primarily qualitatively and is therefore difficult to measure. In order to find reliable indicators for measuring biodiversity, Neumarkter Lammsbräu participated in the project "Companies promote diversity". This is a project of the Association of Organic Food Manufacturers with Bioland Consulting, the Lower Saxony Chamber of Agriculture, and the Institute for Environmental Planning at Leibniz Universität Hannover. A major aim of the project was to develop measurable indicators for the measurement of biodiversity on suppliers of food producing companies and to determine the limits of the meaningfulness of such indicators. The results of the project will now be incorporated into an evaluation tool and database that will provide farmers with an easy and manageable overview of the progress made in biodiversity through the measures they have implemented.

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

Our suppliers receive our current sustainability report or the shorter sustainability brochure at regular intervals. We distinguish our suppliers according to A, B or C suppliers, whereby A suppliers play the most important role for us.

Was? Welches Dokument?	Welche Lieferanten?	Wer ist bei NL zuständig?	Status quo	Turnus
Nachhaltigkeitsbericht (inkl. Umweltpolitik/ Umweltstandards)	A-Lieferanten	NHM (SO)	jährliche Prüfung durch Lieferantenbewertung	jährlich, Sommer
Nachhaltigkeitsbroschüre (inkl. Hinweise zu Umweltpolitik/ Umweltstandards & gesamten NH Bericht)	B und C Lieferanten	NHM (SO)	jährliche Prüfung durch Lieferantenbewertung	jährlich, Sommer/ Herbst

The goals in this area are formulated in concrete terms in the Sustainability Report. Our A-suppliers are primarily integrated by committing themselves to our Code of Conduct and being personally audited on site at regular intervals, and the topic of "biodiversity" is also dealt with. Since 2016, all our most important suppliers (A suppliers) have committed themselves to our Code of Conduct (CoC), which requires compliance with social and environmental standards and includes ethical and moral criteria. Since 2017, the CoC has also been sent to all B and C suppliers. Since then, 45 percent of all A, B and C

Umweltleistung Biodiversität	Auditfeststellung	Trifft zu	Trifft nicht zu	Bewertung			Verbesserungsvorschlag
				-	0	+	
Ermitteln Sie die Auswirkungen Ihrer Unternehmenstätigkeit auf die Biodiversität sowie die Abhängigkeit von Biodiversität?							
Gibt es formulierte und bestenfalls bereits eingeleitete Ziele und Maßnahmen zur Förderung der Biodiversität? (z.B. Anbringung von Nistkästen oder Insektenhotels etc.)?							
Naturnahe Firmengelände / Liegenschaften / Gebäude: Wird der Schutz der Biodiversität bei der Anlage, Gestaltung und Pflege berücksichtigt?							
Kooperiert das Unternehmen mit kompetenten Institutionen bzw. Organisationen (NGOs, wissenschaftliche Einrichtungen, Naturschutzbehörden etc.), um die Auswirkungen auf die Biodiversität zu analysieren sowie Negativauswirkungen zu verringern bzw. Positivauswirkungen zu stärken?							
Sind Ihnen unsere Biodiversitätsziele bekannt (Beispiel: Erhalt Biodiv. Durch KuLa Pläne bei unseren EZÖB Landwirten, Sensibilisierung der Öffentlichkeit durch naturkundliche Spaziergänge, Insektenhotel auf dem Betriebsgelände/ auf der Streuobstwiese)? Bzw. welchen Aspekt im Bereich Biodiversität und Artenschutz der Neumarkter Lammsbräu kennen Sie?							
Beteiligen sich die Mitarbeiter aktiv an Initiativen zum Schutz der Biodiversität?							

suppliers have recognized compliance with the CoC. We check compliance with biodiversity requirements during our regular audits:

Extract from our work instruction for the „supplier audit“:

All A-suppliers with 12 points in the supplier evaluation are personally audited every 3 years including an on-site inspection (= regular supplier audit).

All B-suppliers with 9 - 10 points are audited every 3 years by a "small" audit without on-site inspection with the help of a questionnaire for independent completion.

Those C-suppliers between 5 and 8 points receive the questionnaire to be completed ("small" audit) every 5 years. C-suppliers with less than 5 points will not be audited unless cooperation requires an audit (decided individually).

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.
- We have also participated in the Bavarian Environmental Pact since 2015, thus contributing to the promotion of soil, water and nature conservation and supporting the preservation of biodiversity.
- 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.
- Since 2018, we have been part of the alliance for the “enkeltaugliche Landwirtschaft” (= grand-friendly agriculture) and have been committed, together with other organic producers and organic traders, to protecting, preserving and rebuilding the livelihoods of future generations.