

Progress Report on the Leadership Declaration of the 'Biodiversity in Good Company' Initiative September 2020 - August 2023

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 has since been functioning as a lab testing various ideas about how to conduct business in an era of planetary overshoot.

To reach our goal of running a company that operates within the planetary boundaries while also ensuring a decent living standard for the people along our supply chain, we believe in equal partnerships. We rely on our partners to provide the honest and transparent information required to tackle the biggest socio-ecological challenges.

With their help, we have been able to assess parts of einhorn's environmental and social impact. The life cycle assessment of our condoms which we described in our previous progress report was only the first step. Since then, we have conducted another study comparing different menstrual products such as tampons, sanitary pads and menstrual cups regarding their impact on the environment.

While we have yet to finalize the comprehensive assessment of einhorn's biodiversity impact, we are operating under the assumption that agricultural land use represents a major driver for biodiversity loss in our supply chain. Rubber and cotton plantations are essential for the production of condoms and menstrual products but tend to be sites where both humans and nature get exploited systematically in the face of rising financial pressures. einhorn has therefore long considered the plantations to be the most crucial lever for our impact and focused attention on improving the conditions for both farmers and the environment.

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.

At einhorn, we usually take one of two approaches to ensure sustainability when building a supply chain. Either we go to the root of the supply chain ourselves and take responsibility for socio-ecological issues or we do an in depth screening of potential partners to ensure their commitment the same standards that we like to hold ourselves to.

In the case of our condom supply chain, we chose the first option and researched all issues surrounding the cultivation of rubber in order to tackle them one by one. Since rubber mainly grows in biodiversity hotspots, the issue of conserving biodiversity was on the top of our list. In order to fulfill our own commitments to biodiversity, we established the Regenerative Rubber Initiative, a supply chain system intended to provide financial stability to rubber farmers who grow rubber trees in agroforestry systems, thus providing more habitats for other species than the much more widespread monocultural cultivation.



While cotton, which is the major component of our menstrual products, faces many of the same challenges, we are happy to work with a partner who had already done the research and connected all the dots to ensure a less intrusive cultivation of cotton by erasing any synthetic fertilizers or pesticides from their farms.

In regards to the sustainable use of raw materials, we have also made it an integral part of our sustainability work to continuously improve packaging materials and work towards a reduction of material consumption and recyclability wherever possible.

Lastly, through the RRI supply chain as well as through remei, our cotton partners, organization we redirect profits from the product sales to the people at the beginning of the supply chain to guarantee a decent living.

The foundation enabling einhorn to guarantee an equitable sharing of the benefits derived from the use of natural resources lies in the fact that einhorn has become a purpose company in 2019. This means that the company was sold to the Purpose Foundation based in Switzerland preventing the company from being sold to investors and ensuring profits remain with the parties involved in the organization's work, leaving more money to be distributed among the contributors to the supply chain.

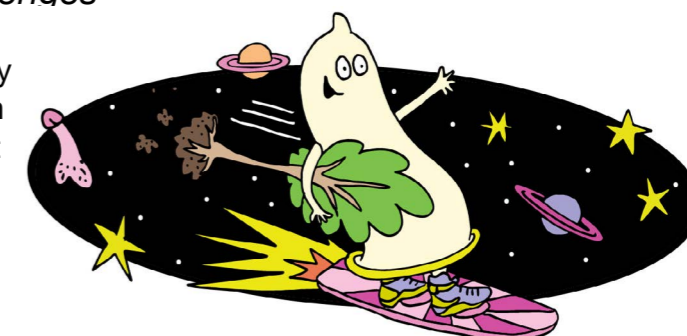
3) Appoint a responsible individual within the company to steer all activities in the biodiversity sector and report to the Managing Board.

einhorn does not have a hierarchical management structure but rather a holacratic one meaning all employees or appointed councils have a say in decision making processes. We therefore do not have a managing board to report to. Instead, the fairstainability department will directly be involved in strategic or operational decisions which may have an impact on the environment in general or biodiversity specifically.

With the fairstainability department comprising five people, making up almost a quarter of the entire company, we are able to continuously question and reshape business decisions with the goal of minimizing negative impacts for all stakeholders.

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 traceable supply chain for agroforestry rubber we were able to establish has been up and running since our last report. What started out with a group of 30 farmers has grown into an operation of 131 people cultivating rubber and other crops on roughly 220 hectares of land.



Unfortunately, the amount of rubber these farmers tap per year has already surpassed einhorn's demand, which is another reason why the Regenerative Rubber Initiative has been established. This collaboration between the farmers' cooperatives, latex processing, condom manufacture and condom brand serves the purpose of encouraging more brands and companies to support the cultivation of rubber in agroforestry systems instead of monocultures. So far, 7 companies have joined and are contributing to the longevity of the cultivation practice by paying a premium price which goes directly to the cooperatives and the farmers.

einhorn's goal is to establish the RRI as an independent organization which further promotes the implementation of agroforestry systems in rubber cultivation by maintaining its transparent premium pricing system, to support research into the regenerative potential of agroforestry as well as supporting our local partner organization RAFS (<https://www.rafsfoundation.org/index.php>) in conducting workshops for the farmers.

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

einhorn has annually reported on all its sustainability work, especially including the Regenerative Rubber Initiative and similar efforts. The most recent report can be accessed on our website (<https://einhorn.my/fairstainability-report/>).

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. The Participatory Guarantee System which is used to determine the eligibility of rubber plantations to be included in the RRI supply chain requires each farmer to have a minimum amount of other crops on their plantations as well as prevents them from employing care measures which may be detrimental to the biodiversity on the plantations.

Furthermore, we were pleased to learn that our partner remei (<https://remei.ch/en/stories/our-activities-in-the-biore-foundation-we-promote-agroforestry-in-tanzania/>) has also started promoting the use of agroforestry systems in cotton farming.

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

Ever since einhorn started working on the agroforestry supply chain, we have been working with the Prince of Songkhla University in Hat Yai (Thailand). Research on rubber in agroforestry systems has been conducted there for many years. We will continue collaborating with biodiversity experts from PSU to improve the regenerative quality of the plantations and hope to secure additional funding for research projects through the RRI.

Additionally, we are currently updating the Life Cycle Assessment of our condoms since the last iteration was conducted before the establishment of the agroforestry supply chain. This update will also include a biodiversity hotspot analysis of the entire supply chain. A paper on the latter part is in progress and will hopefully contribute data for agroforestry indicator sets.