

SUSTAINABILITY

FACTSHEET 2014 – 2016

Ricola is committed to thinking and acting sustainably, and for decades, this has been an important basis for the management's decision making. The sustainability strategy is based on the stable foundation of our declaration that "Sustainability is our way of life". This commitment places sustainability at the heart of internal processes and reinforces internal and external communication on sustainability issues.

Our sustainability strategy focuses on the areas in which the company has the greatest impact on its stakeholders and the environment. Our herb specialties and their manufacture are at the center of our strategy, which is based on four pillars. These pillars represent the main thrusts of Ricola's social, environmental and economic responsibility.



WE ARE COMMITTED TO QUALITY

Ricola ensures sustainable products and procurement

Focuses:

- Controlled sourcing of herbs
- Highest standards for raw materials
- Supplier relations
- Development of products
- Customer satisfaction



WE RESPECT NATURE

Ricola operations are run in an environmentally friendly manner

Focuses:

- CO₂-emissions
- Packaging
- Water consumption
- Energy consumption
- Waste from production



WE VALUE OUR EMPLOYEES

Ricola creates a pleasant working environment

Focuses:

- Training, further education and employee development
- Employee satisfaction
- Health management
- Compatibility of work and family life, work-life balance



WE ARE AN ACTIVE PART OF SOCIETY

Ricola meets its social responsibility

Focuses:

- Contribution to local and regional value creation
- Commitment to society, nature and culture

THE FOUNDATION OF OUR SUSTAINABILITY STRATEGY:

Sustainability is our way of life

- Corporate governance and organizational integration of sustainability management
- Internal and external communication
- Stakeholder engagement
- Management systems, controlling and reporting systems
- Economic aspect of sustainability



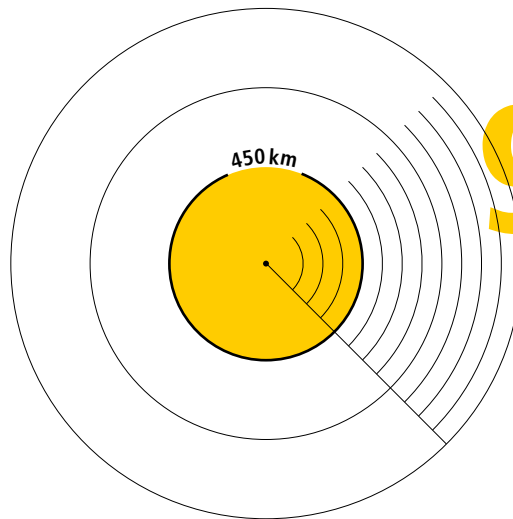
FIGURES 2016

Number of Swiss farms that cultivate herbs for Ricola:

112

Area of land under cultivation for Ricola (in number of football fields)

124



96.4%

96.4% OF ALL RAW MATERIALS SOURCED WITHIN A RADIUS OF 450 KM FROM LAUFEN.

Total dried herbs processed (tons):

254

REVIEW AND OUTLOOK

Achieved 2014 – 2016

- 195 metric tons (100%) of honey sourced under fair trade conditions between 2014 and 2016
- Over 96% of farms that produce for Ricola are certified according to the Mountain and Alpine Ordinance (BAIV)

Planned measures 2017/2018

- Formulate uniform (environmental and social) sustainability criteria and build up monitoring system for our suppliers

KEY PROJECT – GLACIER MINT

Glacier Mint was developed in recent years to respond directly to consumer needs: Experience fresh breath while enjoying an intense mint taste. What makes this innovation so unique is the special collaboration with one of our herb farmers: the family Morard, who cultivates the peppermint for this product on a glacial moraine in the canton of Valais.



OUR OPERATIONS

FIGURES 2016

Hydropower in our electricity usage:

100%

ENERGY CONSUMPTION
WAS REDUCED BY
7% FROM 2015 TO 2016
THANKS TO VARIOUS
MEASURES.

Proportion of rejects of packaging material:

< 1%

- 7%

REVIEW AND OUTLOOK

Achieved 2014 – 2016

- In 2016 the CO₂-emission level set by the Swiss federal government was outperformed by 31 tons of CO₂ although production volumes have increased
- Since 2016 100% of our electricity usage is hydropowered
- Since 2016 a new water tank is fully employed for heat recovery
- Since 2016 use of an own electric car for business travel

Planned measures 2017/2018

- Install solar panels on Herb Center
- Assess environmentally friendly cars for sales force employees

KEY PROJECT – THE HERB CENTER

The herb center is very energy-efficient as the loam building regulates the temperature and humidity itself. The raw materials of this fascinating façade were all sourced from within a radius of ten kilometers – so very little grey energy is contained in the building.



OUR EMPLOYEES

FIGURES 2016

Total positions (full time equivalents):

412.2

Number of nationalities represented at Laufen:

23

Number of apprentices:

15

Percentage of women:

47.2%



Percentage of men:

52.8%



80%

PART-TIME (17.5%)

PART-TIME (2.7%)

EMPLOYEE SATISFACTION

REVIEW AND OUTLOOK

Achieved 2014 – 2016

- In 2016: Conduct of an employee survey and evaluation of improvement measures
- In 2016: Communication of Strategy 2025 to all employees
- Since 2016 establishment of leadership development program "Straightforward 2025"
- More than 10 different courses and further education offerings available to all employees

Planned measures 2017/2018

- Conduct regular employee surveys and appraisals
- Expand and further develop "Straightforward 2025"
- Expand health promotion

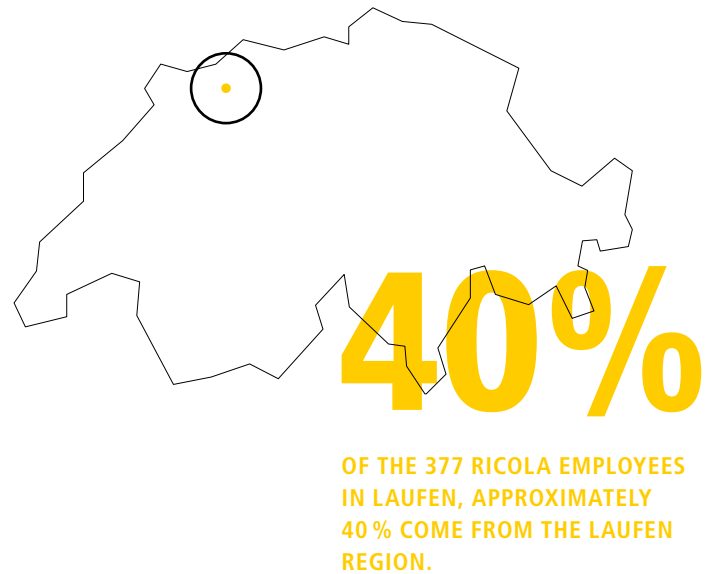
KEY PROJECT – GROW

The individual employee development process GROW was kicked-off in 2015. GROW enables on one side an active feedback culture and on the other side individual development possibilities for all employees.



CORPORATE CITIZENSHIP

FIGURES 2016



REVIEW AND OUTLOOK

Achieved 2014 – 2016

- Support of various projects which counteract bee mortality
- In 2016: Publication of a guide about the Ricola art collection
- In 2016: Award of the Ricola Collection Prize to Helmut Federle

Planned measures 2017/2018

- Strengthen measurability of all financial support, analyze and structure the data
- Promote voluntary employee involvement

KEY PROJECT – BEE PROTECTION

The negative impact on global biodiversity and food security that would result from a drastic loss of honeybees is a global concern. Furthermore, without bees, there would be no herbs. That is why Ricola supports several projects, which counteract bee mortality.

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