AXCENT
MASTERS IN TEA

WE LOOK FORWARD TO HEARING FROM YOU!

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CSR REPORT 2021

CORPORATE SOCIAL RESPONSIBILITY REPORT 2021
RESULTS, INITIATIVES, AND AMBITIONS

AXCENT
MASTERS IN TEA

DON'T JUDGE A BOOK BY ITS COVER

It's about the content; the story. We'd love to tell you Axxent Masters in Tea's story.

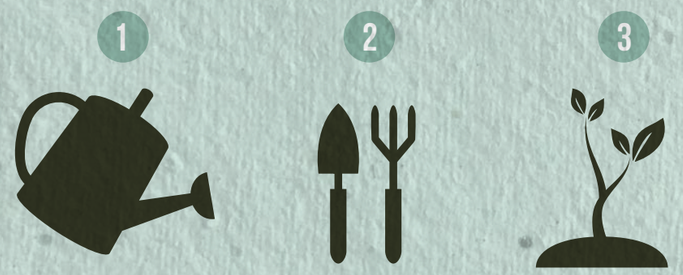
In this report, we'll be telling you more about how we work and the choices we've made.

We like translating words into actions. We suggest you do the same: rip the cover off this report, plant the growing paper in the ground, and see how you can easily impact your environment in a positive way.

We enjoy giving back to the planet, especially after all the beautiful things—including delicious tea—we've received from it.

We have nothing to cover up. Let's continue with the content.

PLANT INSTRUCTIONS



AXXENT MASTERS IN TEA
TEA THAT BENEFITS EVERYONE

Axxent Masters in Tea delivers sustainable, innovative, and original tea concepts. Our blends and packaging always are always composed in accordance with our customers' desires.

Preferably, **certified organic and Fairtrade**, but also conventional.

Our tea bags are on their way to becoming **100% compostable** and plastic-free.

Our tea is picked, processed, and packaged in Sri Lanka and India. In this way, we're contributing to growing the local economies of our tea's countries of origin and creating job opportunities.

Through the Fair Grounds Foundation, Axxent Masters in Tea and its partners are helping the local communities around the tea fields. We're doing so by realising better housing, child support, education, and direct access to healthcare.

CORPORATE SOCIAL RESPONSIBLITY REPORT 2021

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INTRODUCTION PIM OOSTROM

'TEA WITH A POSITIVE IMPACT'

Since its founding more than 15 years ago, Axxent Masters in Tea has become a tea supplier of international renown. Guided by the philosophy of wanting to surprise and enrich the traditional tea market with sustainable tea concepts, we now target a broad range of markets—from out-of-home to retail, from our own brand to private labels.
Our growing professionalisation goes hand in hand with a clear focus on sustainability and a desire to make a positive impact on tea-producing countries India and Sri Lanka.

And as we're growing, so too does our responsibility toward our people, products, and the environment. This, our first Corporate Social Responsibility (CSR) Report, is intended to inform readers of the actions we're undertaking in all these areas.
I'm proud of this publication and looking forward to sharing our story with you.

Tea is the world's most popular drink after water. The tea sector is crucial to the economies of tea-producing countries and plays a vital role in whether they achieve their Sustainable Development Goals (SDGs), particularly regarding the ending of poverty.*

POSITIVE IMPACT ON THE VALUE CHAIN

An important part of our value chain is in Sri Lanka and India. Our tea is picked in these two tea-producing countries at so-called 'tea estates' (the tea fields).
For many other brands of tea, it stops here—production, in other words, is continued elsewhere—but our tea is also processed and packaged locally. This means the entire value of our tea (including its packaging) remains in its country of origin. In this way, we're contributing to a growing, local economy and creating job opportunities. But it's about much more than that. We want the people connected to the production and packaging of our tea to also profit from better housing and living conditions.

As the supplier of a pure, natural product, we take our responsibility for our people, product, and the environment. We continue to make fundamentally better choices: more impact on the value chain, more focus on certified organic, and our way to zero waste.'

PIM OOSTROM | MANAGING DIRECTOR AXXENT MASTERS IN TEA

*Source: Solidaridad (27 Sept. 2016). 'Problems demand shared approach.' https://www.solidaridad.nl/nieuws/india-en-china-gaan-samen-met-solidaridad-voor-een-duurzame-theesector/

THIS IS THE REASON WE DO MORE

We help local communities surrounding the tea fields with better housing, childcare, and access to healthcare. We do so through the Fair Grounds Foundation, the independent non-profit organisation linked to Axxent Masters in Tea. Investments are made possible thanks to remittances from our own tea brand, Sunleaf, but also through remittances from the private-label teas of our relationships and through donations.

Our tea brand Sunleaf is exclusively linked to the Fair Grounds Foundation. Per kilogram of Sunleaf sold, fifty eurocents is paid to the Fair Grounds Foundation. The Fair Grounds Foundation cooperates with local partners, ensuring that money flows benefit local economies as much as possible. In 2022, the number of brands with a remittance to the Fair Grounds Foundation will be expanded.

FOCUS ON ORGANIC AND FAIRTRADE

At present, almost 35 percent of our products are certified organic.
An important goal we want to achieve before the end of 2021 is for at least half the products we distribute to be certified organic. We're affiliated with the Jalinga Small Tea Growers Project (JSTG) in the south of Assam, India. Jalinga has been involved with sustainable, organic cultivation methods since 2002. In 2007, the Jalinga Tea Estate was given its official organic status. Spread over 658 hectares, Jalinga is India's largest certified organic tea garden and the first and only CO2-neutral, certified tea domain in the world.

Organic tea plantations don't use chemical pesticides or artificial fertilisers. Organic tea producers cooperate with Mother Nature, instead of fighting against her. We will continue to invest in organic certification—also after 2021.
Seventy percent of our products have at least one of the official certifications: Fairtrade, organic, or UTZ/RFA. Many have a combination of them.
We also have products that have the Fair Grounds Foundation certification for direct remittance to the source. We're striving toward maximum certification for all these top-quality labels for all our products.
These quality labels are ambitious (strict) and transparent, and their monitoring is reliable. They help improve the position of farmers and workers in the chain.

LESS PLASTIC, MORE COMPOST

Tea is a pure product. But it's not always packaged sustainably. The use of plastic, staples, and nylon is commonplace. Disposable plastic belongs to a bygone era. We've stopped wrapping all our boxes in plastic and are ending our use of bleached tea bags and staples.

Transparent pyramid bags can easily be produced from polylactic acid (PLA), a bioplastic based on lactic acid. PLA looks and feels like nylon, but it is compostable. It can therefore be disposed of as organic waste. And in doing so, the valuable organic contents of the used bag will be able to contribute significantly to cleaner compost.

GREEN DEAL

A recent development in the Netherlands is the rise of the so-called 'Green Deal' for the coffee-and-tea sector. This deal states that compostable coffee and tea bags should be the norm. Needless to say, we also signed the Green Deal. With more than 95 percent of our tea bags already being biodegradable, we've reached the Green Deal's target. We challenge our industry partners to also start using biodegradable materials.

THEEZAKJE BIJ GFT

B CORP CERTIFICATION

Axxent is currently in the start-up phase of the B Corp Certification process. We expect to be certified in 2022. B Corp is a renowned global certificate with high standards in terms of transparency, sustainability, and ethical conduct.

AMBITIONS

We're no strangers to a healthy dose of ambition. We're striving for a higher percentage of our products with organic certification, a substantial expansion from out-of-home to retail, a growing number of professional production partners, and the wider availability of our products—so we can make an impact on every level.

Finally... Sustainable need not always mean more expensive. Fairtrade products are more expensive because there is a remittance. Organic products are generally a little more expensive since their production processes require more time. But switching from bleached to unbleached teabags or replacing a label with a small, knotted piece of rope does not have to be more expensive. Doing so simply requires a different machine or supplier. The point is that money is relative. You can take new steps by changing your production processes.

It's the impact you can make that counts.

We want to give as many people as possible the option of drinking sustainable tea. There is always a fitting alternative. Are you in?

Pim Oostrom

MANAGING DIRECTOR AXXENT MASTERS IN TEA

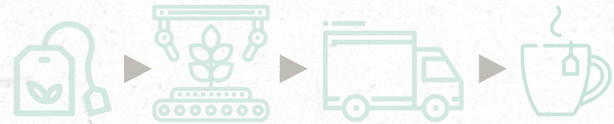
AXXENT MASTERS IN TEA

Tea that benefits everyone

AXXENT TAKES CARE

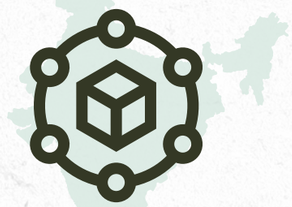
player on the
Dutch market

As a full-service supplier, we're involved in the entire chain from start to finish:
from product development to production and logistics



Production partners predominantly in **Sri Lanka and India, but also within Europe**

Supply chain in the countries of production



We distinguish ourselves through **innovative, creative, and sustainable tea concepts** that play into current consumer trends

OUR MISSION

ENRICH AND SURPRISE THE (INTER)NATIONAL TEA MARKET WITH SUSTAINABLE, INNOVATIVE, AND CREATIVE TEA CONCEPTS.

In other words, delicious tea that benefits everyone. For this, we have our own brands and tailor-made tea blends for private labels. We're experts down to the product level, and up to date with consumer and trading behaviour. This allows us to quickly play into current trends, adapting our blends and packaging.

As a high-end player with great passion for and knowledge of tea, we're a professional and enthusiastic partner that enjoys nothing more than converting our customers' desires into tangible results.
We also aim to create long-term cooperative partnerships with customers and production partners.

WORKING FROM OUR CORE VALUES

We wholeheartedly believe in our core values. They are the foundation and building blocks of what we at Axxent Masters in Tea consider important. They apply to both the company and our employees, and are the guiding principles of our recruitment and HR policy:

WE'RE INNOVATIVE ENTREPRENEURS, AN INVOLVED PARTNER, AND PLEASANTLY PROFESSIONAL TRENDSETTERS.

INNOVATIVE ENTREPRENEURS

We're constantly looking to strengthen our position as a full-range supplier of tea products. We're innovative; aim for achievable, applicable solutions; are proactive; and always see opportunities. Even when matters get complicated.

INVOLVED PARTNER

We're an involved partner toward our production partners and consumers. We believe in developing long-term business relationships. We aspire to connect people and companies. We're honest and clear; our working methods are transparent and accessible.

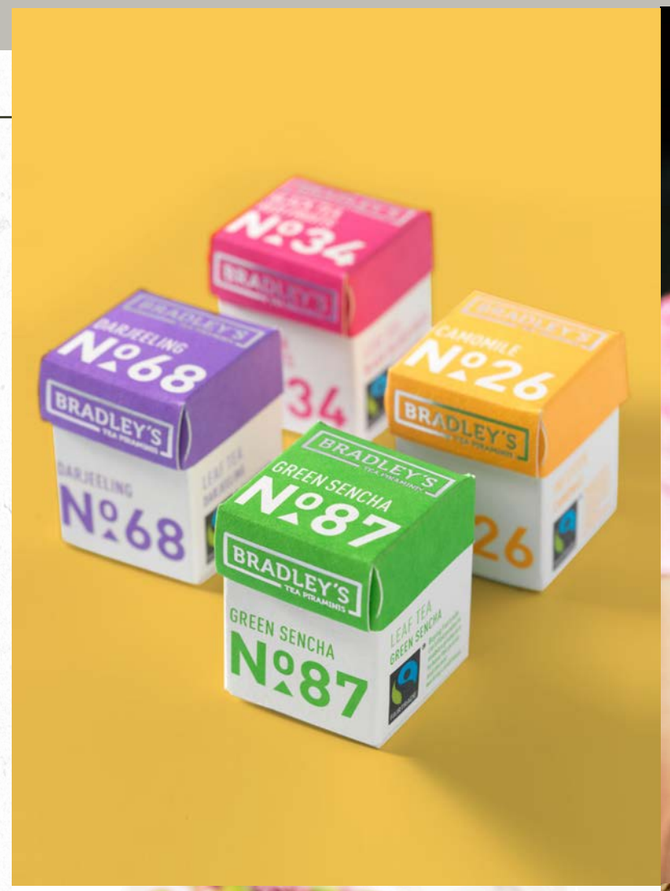
PLEASANTLY PROFESSIONAL

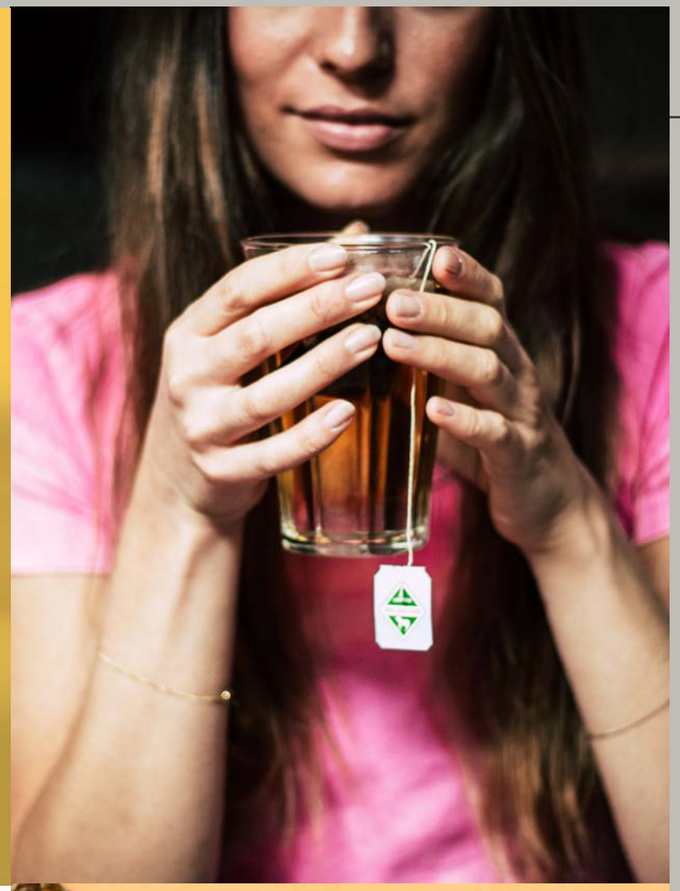
We value the human touch. This is reflected in how we work and do business. We combine a personal approach with respect and result-oriented behaviour.

TRENDSETTERS

We contribute to the success of our buyers by supplying delicious tea products of consistent quality. It is our goal to work with carefully selected production partners with whom we develop long-term relationships.
In this way, we can guarantee the quality level of our products and come through on our promises.

> *'Our tea concepts are sustainable, innovative, and original. Blends and packaging are always composed in accordance with our customers' desires.'*





OUR BRANDS

RETAIL AND OUT-OF-HOME

Central are the development, marketing, and distribution of unique tea concepts for both national and international retail customers and the out-of-home market. We're predominantly focused on the brands Tea of Life, Thee Van Oordt, Sunleaf, and Bradley's, with each brand satisfying a specific need.

ORGANIC AND FAIRTRADE

The Fairtrade (organic) Tea of Life line focuses on the out-of-home market.
This sustainable tea finds its way to hospital, institutions, and offices, among other places. For the hospitality industry, Axxent has another distinctive tea brand: Bradley's. Bradley's is Fairtrade certified, and one of its lines is organically certified. An innovative 'gift box' with a pyramid-shaped bag, the Piraminis range creates the type of experience so important to the hospitality industry.

PRIVATE LABELS

We also distinguish ourselves with tailor-made solutions for private labels. We create unique packaging concepts for (organic) shops, health shops, supermarket chains, and the out-of-home market. The result? Tailor-made blends that align with the buyer's target audience.

QUALITY LABELS

Tea of Life is certified with established top quality labels Fairtrade and SKAL (organic). These top-quality labels score high in terms of monitoring, transparency, the environment, animal well-being, and people and work.

THE FAIR GROUNDS FOUNDATION

The Fair Grounds Foundation offers both financial and social support through projects that make a real difference to the living conditions of the local population. Think of access to education, healthcare, and housing. How does one start in such a region? For this, we have to take you back in time with us.

THE FAIR GROUNDS FOUNDATION

Founders of Axxent Masters in Tea, Arnoud Francken and Marcel Vogel, wanted to give something back to the countries in which their tea was being produced, particularly to the families that work in and around the tea estates in the Nuwara Eliya district in Sri Lanka's Central Province. They established the Fair Grounds Foundation in 2009 to do just that. Various projects have been realised in Sri Lanka's tea estates in recent years. This year saw the first Fair Grounds Foundation projects in India. One such project is the construction of a pharmacy.

Our tea brand, Sunleaf, is exclusively linked to the Fair Grounds Foundation. For every kilogram of tea we sell, we give fifty eurocents to the foundation. In 2022, our other brands will also be linked to and therefore pay a fixed amount to the foundation.

Private labels can also align with the Fair Grounds Foundation, and in doing so, support (in consultation with our production partners) the projects of their choosing.

FAIR GROUND FOUNDATION PARTNERS

We're excited to see an increasing number of partners align their products with the Fair Grounds Foundation quality label. Their contributions go directly to the local tea pickers and their families, and are being used to invest in education, housing, and healthcare in and around the tea estates. Ambassadors and partners can choose what is important to them. A caterer may, for example, want to make a difference by offering primary-school children a hearty, warm daily meal; an organic coffee roaster may want to improve local biodiversity.

PHARMACY ABBOTSLEIGH ESTATE

On the Abbotsleigh Estate in the interior of Sri Lanka, the existing pharmacy has been demolished and the construction of a new, modern pharmacy has started. The pharmacy will have a large waiting room, a consultation room, and ample sanitary provisions. Naturally, there will also be a medicine distribution point. The pharmacy is expected to open toward the end of 2021.

SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs) of the countries linked to the United Nations have created the foundation of a better and more sustainable world for everyone. These 17 goals are intended to end global poverty, inequality, and climate change by 2030. Through its sustainability initiatives, Axxent Masters in Tea is contributing to the realisation of these Sustainable Development Goals.

Herein, our focus is on the following three Sustainable Development Goals:

- **SDG 3** Good health and well-being
- **SDG 4** Quality education
- **SDG 8** Decent work and economic growth

Norwood | Sri Lanka

DAYCARE CENTRES

The construction and furnishing of six daycare centres has already been financed on the tea estates in the Nuwara Eliya district. Children of tea pickers are professionally cared for and there are proper sanitary provisions.
Playground equipment, such as swings and a seesaw, has also been installed there.

ABBOTSLEIGH ESTATE

Abbotsleigh is at an altitude of 1,300 metres in the Ambagamuwa division of the Nuwara Eliya district. It is approximately 125 kilometres from Colombo (Sri Lanka). The first tea production on this estate started in 1892. The estate is currently being managed by Hatton Plantations PLC.
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- Abbotsleigh Estate is Fairtrade and Rainforest Alliance certified.
- Total size: 42,746 hectares.
- Provides job opportunities to 300 families.
- 849 men, 1,145 women, and 765 children.

'You don't need to do such a thing.
You can produce locally, because the product is of top quality. So is the knowledge.
But the conditions aren't yet.
Of course, you can shrug your shoulders and move on. But you can also choose to make a difference and give the people you're working with a better future.

PIM OOSTROM | MANAGING DIRECTOR
AXXENT MASTERS IN TEA

FAIR GROUNDS FOUNDATION

CORPORATE SOCIAL RESPONSIBILITY - FOCUS AND AND INITIATIVES

We take responsibility for people, our product, and the environment.
Our Corporate Social Responsibility policy is focused on four pillars:

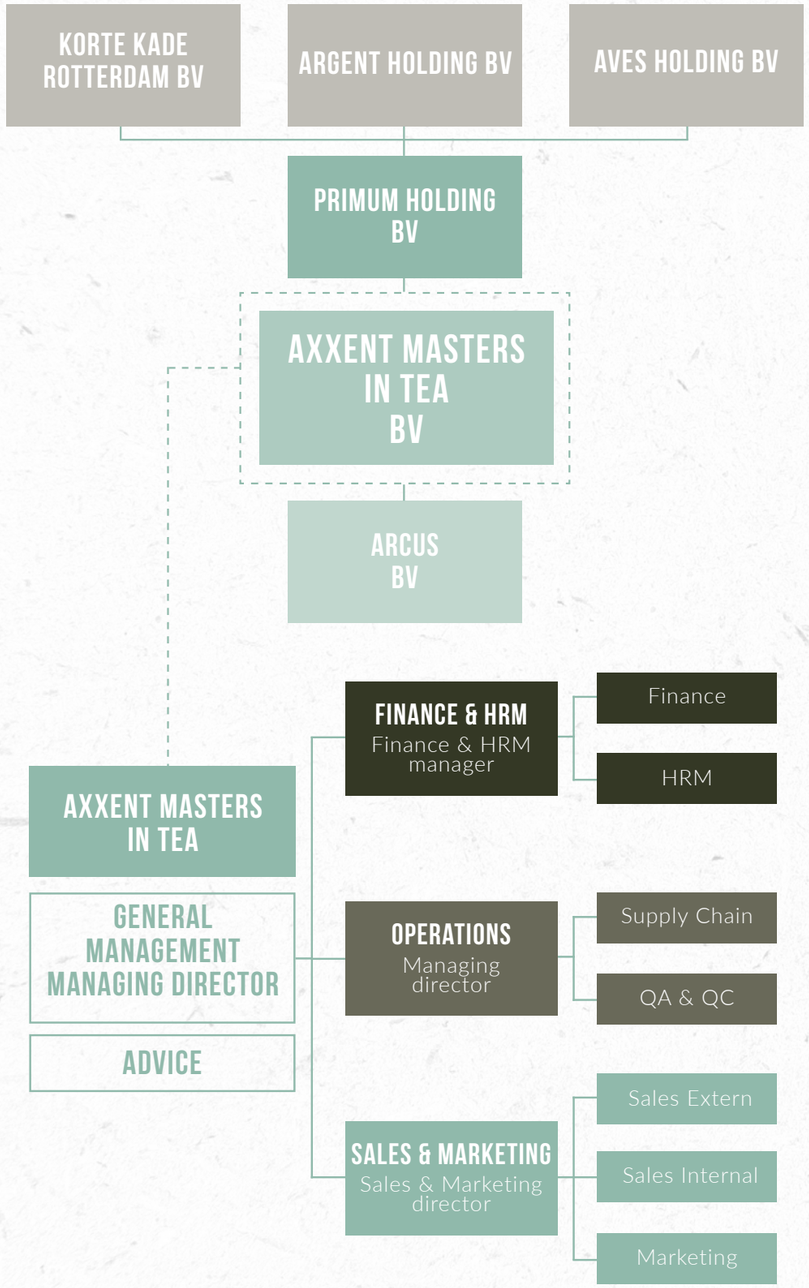
PILLAR	FOCUS	INITIATIVES OR RESULTS
Team Axxent Masters in Tea	• Stimulating vitality, sustainable deployability, flexibility, responsibility, and safety • Monitoring employee satisfaction	Vitality, team development, and sustainable deployability. The employee-satisfaction investigation (biannual, including PSA testing), employer-supplied fruit, and flexible (remote) working hours.
Sustainability and the environment	• Making improvements and reducing the environmental impact throughout the entire chain • (More) sustainable tea and packaging • Waste and CO2-emission reduction throughout the entire chain • Working toward climate-neutral business operations and logistics • Striving for maximum certification of Fairtrade, Rainforest Alliance, and organic products	Packaging-reduction policy; toward FSC-certified cardboard or recycled cardboard. By the end of 2021, fifty percent of our (retail and/or out-of-home) products will be certified organic. Plastic-free tea bags.
Local community in production countries	• Improvement of the living and working conditions of tea pickers and their families • Stimulating the choice for products with certifications, such as Fairtrade or Rainforest Alliance	• Expansion of the Fair Grounds Foundation into India • Seventy percent of our products have at least one of the official quality labels (Fairtrade, organic, UTZ/RFA), with some having a combination of them.
Service provision toward buyers	• Optimal and constant quality and the highest level of food safety • The entire chain mapped out and anticipating changes • Clear customer agreements and structural, long-term relationships	IFS certification ('Higher Level'). Where possible, herbs are procured locally and imported. Doing so ensures their traceability. Organic tea is (almost always) purchased directly at the tea estates, ensuring traceability. Non-organic tea in Sri Lanka is purchased at auction. The grading and origin of these products is specifically listed. As such, we know from which tea estate they are. This ensures their traceability. Long-term relationships with production partners, whom we visit at least twice a year, in Sri Lanka and India.

CORPORATE SOCIAL RESPONSIBILITY - IN ALL FACETS OF THE ORGANISATION

Axxent Masters in Tea delivers sustainable, innovative, and original tea concepts. Our blends and packaging are always composed in accordance with our customers' desires. Sustainability and societally responsible entrepreneurship are reflected in all facets of how we do business. This requires an integrated approach. Below is an overview of how we ensure and maintain this.

PILLAR	CLARIFICATION	SECURING	METHOD OF EXECUTION
Code of Conduct	Adherence to the Axxent Masters in Tea Code of Conduct.	All employees, functionaries, and members of the management team have read and support the Code of Conduct.	Periodic assessment of adherence through employee-satisfaction investigations. Internal confidants (for personal or work-related problems).
Laws and regulations	Insight into the external demands and laws and regulations to which we must adhere.	Our Quality Team actively keeps an eye on laws and regulations through regular Eurowet updates, membership of the sector association Koffie & Thee ('Coffee & Tea') in the Netherlands, and the newsletters of specialist literature.	Implementation of the online QA quality system. Periodic application of (external) lab tests to make sure the complete product adheres to the latest regulations.
Good leadership	We're an organisation that is focused on sustainability. Commercial success and good financial results are important to our continued existence. Societally responsible entrepreneurship and sustainability are inextricably linked to our mission and vision.	Continuously improving and innovating according to the 'Plan, Do, Check, Act' principle (Deming's quality circle). The periodic sharing of developments regarding the Fair Grounds Foundation.	Work visits to and consultations with local production partners to strengthen relationships, and with attention to production (conditions). The goal is to establish long-term relationships with attention for people's well-being and living conditions.
Employees	Axxent Masters in Tea is an involved employer that takes care of its employees; naturally, this includes interns, volunteers, and third parties.	Societally responsible entrepreneurship and sustainability feature in our organisation's application procedures and introduction programme and are the bedrock of our company.	Periodic, bilateral meetings (and annual evaluation of these meetings). Biannual meetings of the management team with attention to the PSA and working conditions, the employee-satisfaction investigation, quarterly meetings, employer-supplied fruit, facilitating remote working.
Communication	A good internal and external communication structure that fits the organisation.	Communication flows have been captured in our quality system.	There is a good and consistent meeting structure with stakeholders, including employees, banks, and shareholders.
Buyers	IInnovative, high-quality, safe, and sustainable tea products that meet the demands and wishes of our buyers.	Structural entry control regarding scent, colour, flavour, and packaging specifications.	Sharing of up-to-date knowledge of tea, the tea market, trends, and consumers. Ensuring delivery reliability. Dedication to lift to IFS Broker to a higher level every year. The traceability of our products is secured.
Local community in production countries	Positively impact the value chain	Production, processing, and packaging takes place in tea-producing countries. Improvement of the living and working conditions of the tea pickers and their families through the Fair Grounds Foundation.	Option to making shared investments with business partners. Expansion of the Fair Grounds Foundation into India.
Environment	Focus on organic and Fairtrade, (more) sustainable tea and packaging. Less plastic, more compost.	Stimulating the choice for products with certifications such as Fairtrade, Rainforest Alliance, and UTZ. Signee of the Green Deal for coffee and tea in the Netherlands	We're striving for maximum certification of Fairtrade, Rainforest Alliance, and organic products. Making an optimal contribution to the success of the targets of the Netherlands' Green Deal for coffee and tea (entirely plastic-free in June 2022).

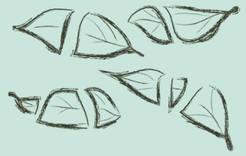
ORGANISATIONAL STRUCTURE & ORGANOGRAM



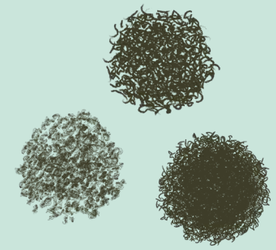
TEA LEAVES ARE HAND PICKED

FRESH LEAF TEA TRANSPORTED TO PROCESSING FACTORY ON ESTATE

TEA IS WHITHERED (MAX 12-16 HRS AT 25-30°C)



LEAFS ARE BROKEN to start oxidation



TEA IS SORTED AND SIEVED

QUALITY CONTROL SAMPLING

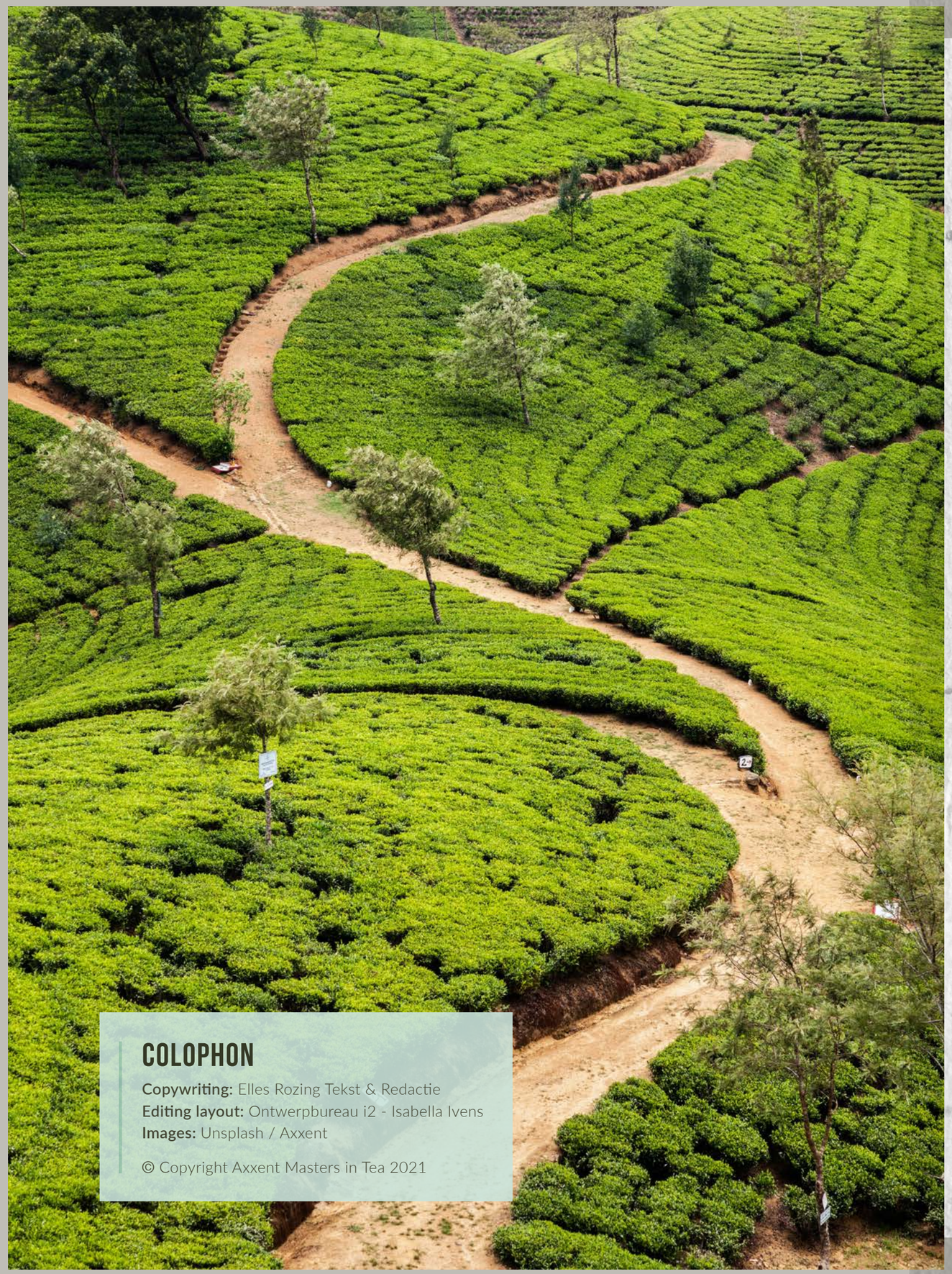
TEA IN BULK TRANSPORTED TO PACKING FACILITIES

TEA IS PACKED AND READY TO ENJOY

FAIRTRADE

FAIR GROUNDS FOUNDATION

RAINFOREST ALLIANCE PEOPLE & NATURE



COLOPHON

Copywriting: Elles Rozing Tekst & Redactie
Editing layout: Ontwerpbureau i2 - Isabella Ivens
Images: Unsplash / Axxent

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