



## Letter from our CEO

As a new member of the UN Global Compact, MBI is pleased to submit our **first** Communications on Progress (COP) to the United Nations.

We are excited to share our progress in establishing and executing our sustainability strategy, which builds on our legacy as a science-based innovator founded on the vision to create a sustainable world through improved, biologically based farming practices.

While we are new to the UN Global Compact, MBI, from its founding in 2006, has been an active leader in the sustainable agriculture movement. Sustainability is part of our DNA and ingrained in our core values. It is truly *in our nature*. Providing growers and communities with innovative, science-based solutions that solve today's challenges without compromising the promise and potential of a better tomorrow is at the root of our business.

Our commitment to sustainable business practices permeates every aspect of our organization, affecting how we think and operate, as well as who we work with and what we make possible in our value chain. We operate our business with a consistent focus on protecting the environment, safeguarding the health and safety of our employees and customers, supporting local communities, and operating with ethics and integrity.

## Formalizing Our Sustainability Strategy

In 2020, we began formalizing and enhancing our approach to sustainability and to formulating formal, public, ESG policies and practices by discussing the matter with our Board of Directors and executive leadership team, convening an in-house, cross-functional team of subject matter experts, and designating our Senior Vice President of Regulatory and Government Affairs as our Chief Sustainability Officer. In 2021, we also began the journey of systematically identifying the ESG factors most material to our business, evaluating our areas of strength and opportunity, reviewing our data and indicators of progress, and assessing our capacity to establish and achieve specific goals going forward. Evaluating our business through the sustainability lens is enabling us to measure our impact more holistically to society and drive for continuous improvement in areas most meaningful to MBI and our stakeholders.

Our strategy and this report are organized around four pillars – **Products, People, Planet and Performance** – which we identified through a materiality assessment conducted in 2021. These foundational pillars – and their underlying topics – create a roadmap for ongoing implementation of our sustainability program.

As a growing company driven to innovate, our success hinges on the entrepreneurial attitudes, agility and out-of-the-box thinking of our people. Diversity in our team is a cornerstone of the company, and we seek to create career opportunities for historically underrepresented populations in fields of science and agriculture. We continue to foster an inclusive culture that leverages our diversity to deliver environmentally and socially beneficial crop protection and crop improvement products to farmers, to the ecosystems in which those crops are grown and to the people and animals that consume the food, feed and fiber produced via the use of MBI's products.

**Committed to Being an Industry Leader**

Every day, we work to exceed customer expectations, strengthen our market position and contribute to a more sustainable world by delivering innovative solutions that perform as promised, in a responsible way. We feel a deep sense of commitment to provide growers, food companies, retailers and consumers with those solutions and provide educational tools and practice superior product stewardship to promote effective adoption and use of our products.

MBI has long been recognized as an innovation and thought leader in the agriculture biologicals sector. Through our product offerings, employee and community engagement, and product stewardship, we are putting purpose-driven action and transparent communication at the forefront of how we operate. We also recognize that we are all on this journey together. In 2021, we became a proud signatory to the United Nations Global Compact, and this report demonstrates our alignment with the U.N. Sustainable Development Goals for 2030.

Thank you to our customers, investors and employees for your continued trust and support. I look forward to sharing more information and reporting on our progress as we continue our journey to grow a sustainable industry, planet and future together.



Kevin Helash  
Chief Executive Officer

At MBI, sustainability is inherent in our products, operations and societal impact. It drives how we innovate and deliver high-performing crop protection, crop health and crop nutrition solutions for our partners and customers across the globe. We trace our sustainability journey to our company's founding in 2006, but this 2021 COP marks our first collective disclosure of our sustainability practices, initiatives and commitments. We hope our inaugural report will provide you with insight about why we say that sustainability is *in our nature*, and how we keep it at the heart of our business.

MBI (NASDAQ: MBII) is a leading industry provider of advanced, sustainable products that offer solutions in crop protection, crop health and crop nutrition. Our naturally derived portfolio of 18 products includes a variety of biological solutions for organic, regenerative and conventional production systems - ranging from nematicides to nutritional seed treatments -- designed for agricultural, professional turf and ornamental, and home and garden uses.

### **A Snapshot of MBI:**

**Headquarters:** Raleigh, North Carolina, USA

**Research and Development Campus:** Davis, California, USA

**Manufacturing Plant:** Bangor, Michigan

**Operations:** North America, South America and Europe

**European Subsidiary:** Pro Farm Technologies; Helsinki, Finland

**Global Commercial Reach:** Partnering with more than 25 distributors in 20+ countries

**Product Offerings:** 18...and growing!

**Product Range:** Crop protection, crop health and crop nutrition

**U.S. Patents:** 35+ (pending: 20)

**International Patents:** 240+ (pending 99)

**Total Employees:** 145 full-time

### **Our Portfolio of Sustainable Agriculture Solutions**

**Crop Protection:** Our product offering in crop protection is the heart of the MBI portfolio, including nine products with capabilities in managing pests. These include biological solutions that protect crops against plant diseases, insect pests and nematode pests. Products are either applied on the leaves of plants and trees or used as seed- or soil-based treatments at planting or in-season.

**Crop Nutrition:** Our portfolio of eight bio-based crop nutrition products encourages better plant uptake and the utilization of vital nutrients that allow plants to withstand stresses and increase crop yield, crop resilience and crop quality. With the acquisition of Pro Farm Technologies in 2019, we added proprietary nutrient and biostimulant technologies and products for seed, soil and foliar treatments.

**Crop Health:** Products focused on crop health are a new and growing market within our expanding product portfolio. Our solutions within the crop health market provide enhanced crop health through the reduction of plant stresses or improve crop tolerance to abiotic or external stresses such as drought, excessive heat or excessive sunlight.

<b>Commercial Products</b>	<b>Markets</b>
<b>Grandevo® bioinsecticide</b>	Crop Protection, Home and Garden, Turf and Ornamentals, Seed Treatment
<b>Haven® heat and sun stress protectant</b>	Crop Health
<b>Jet-Ag® fungicide, bactericide, algaecide</b>	Crop Protection
<b>Jet-Oxide® industrial sanitizer</b>	Post-Harvest
<b>Majestene® bionematicide</b>	Soil-applied Crop Protection
<b>Regalia® biofungicide</b>	Crop Protection, Home and Garden, Turf and Ornamentals, Seed Treatment
<b>Stargus® biofungicide</b>	Crop Protection, Home and Garden, Turf and Ornamentals, Seed Treatment
<b>Venerate® bioinsecticide</b>	Foliar Crop Protection, Home and Garden, Turf and Ornamentals, Seed Treatment
<b>Zelto® bioinsecticide, bionematicide</b>	Turf and Ornamental insecticide/nematicide
<b>Emergen™ plant extract</b>	Row Crops Nutrition
<b>Pacesetter® bio-based additive</b>	Row Crop Health and fungicide
<b>UBP™ 110 micronutrient fertilizer</b>	Crop Nutrition
<b>Foramin™ seed treatment</b>	Row Crops Nutrition
<b>Foramin™ ST seed treatment</b>	Row Crops Nutrition
<b>Optima™ seed treatment</b>	Row Crops Nutrition
<b>Takla™ seed treatment</b>	Row Crops Nutrition
<b>UBP™ ST seed treatment</b>	Crop Nutrition
<b>Ympact™ seed treatment</b>	Row Crop Nutrition for Cereal Grains

**Engaging with Stakeholders**

We create sustainable solutions both within our own operations, and with external collaborators, through our product offerings, services, volunteerism and business partnerships. To advance these broad beneficial impacts, we embrace a stakeholder-inclusive culture that includes regular engagement and dialogue.

Group	Engagement
Communities	We are active leaders in the communities in which we live and work, hosting and participating in charitable and educational endeavors, participating in opportunities that advance sustainable agricultural production and management, and promoting inclusive opportunities in STEM education and careers.
Customers	We are committed to product stewardship and collaborative field trial research, regularly providing our customers with the most up to date information on how to use our products safely and effectively. We stay in close contact with customers through meetings, workshops with customers, instructional webinars, podcasts and marketing literature and digital content.
Employees	Our talent strategy prioritizes open communication, engagement and development within an inclusive culture that fosters innovation and collaboration in shaping and fostering the vision, culture and goals of MBI. We work together through our Human Resources department, management team and employee-led committees to create and drive coordinated efforts around our performance management, mentorship and leadership development, philanthropy and sustainability initiatives and employee health, safety and well-being. We monitor and assess the execution of our corporate goals and initiatives via monthly “all hands” meetings with the CEO and a “Navigators” of mid-level managers that report directly to the executive team, a sustainability team with representation from all mission areas of MBI and regular employee surveys focused on employee engagement, health and safety. MBI also has a strong whistleblower protection policy, which can be found here:  <a href="https://investors.marronebio.com/download/whistle-blower-policy/">https://investors.marronebio.com/download/whistle-blower-policy/</a>
Investors	We engage regularly with our investors, and potential investors, through conference calls, direct inquiries, and other outreach activities to understand their primary areas of interest and evaluate how well our communications are responding to their needs.
Partners	We maintain trusted relationships with our value chain partners through in-person and online webinars and seminars; active participation in government, scientific, NGO and industry forums; research collaborations with both private and public sector partners; onsite audits of key suppliers; and other supplier screening activities.

**Our Approach to Sustainability**

Our effort to formalize a comprehensive infrastructure to identify and act upon ESG goals and policies started with a 2019-2020 partnership with the Graduate School of Management at University of

California at Davis to assess the greenhouse gas emissions impact of MBI’s operations, which at that time only existed in the United States. Based on the insights from this project, and growing interest in the business community for transparency around sustainable practices, we identified opportunities to further address our growing commitment to sustainability. As MBI began assessing our business model with metrics and guidance published by entities such as the United Nations, SASB and GRI, we found that our portfolio of products, as well as many of our existing policies and practices, consistently and closely aligned with goals and metrics universally considered to be hallmarks of sustainable, socially responsible businesses.

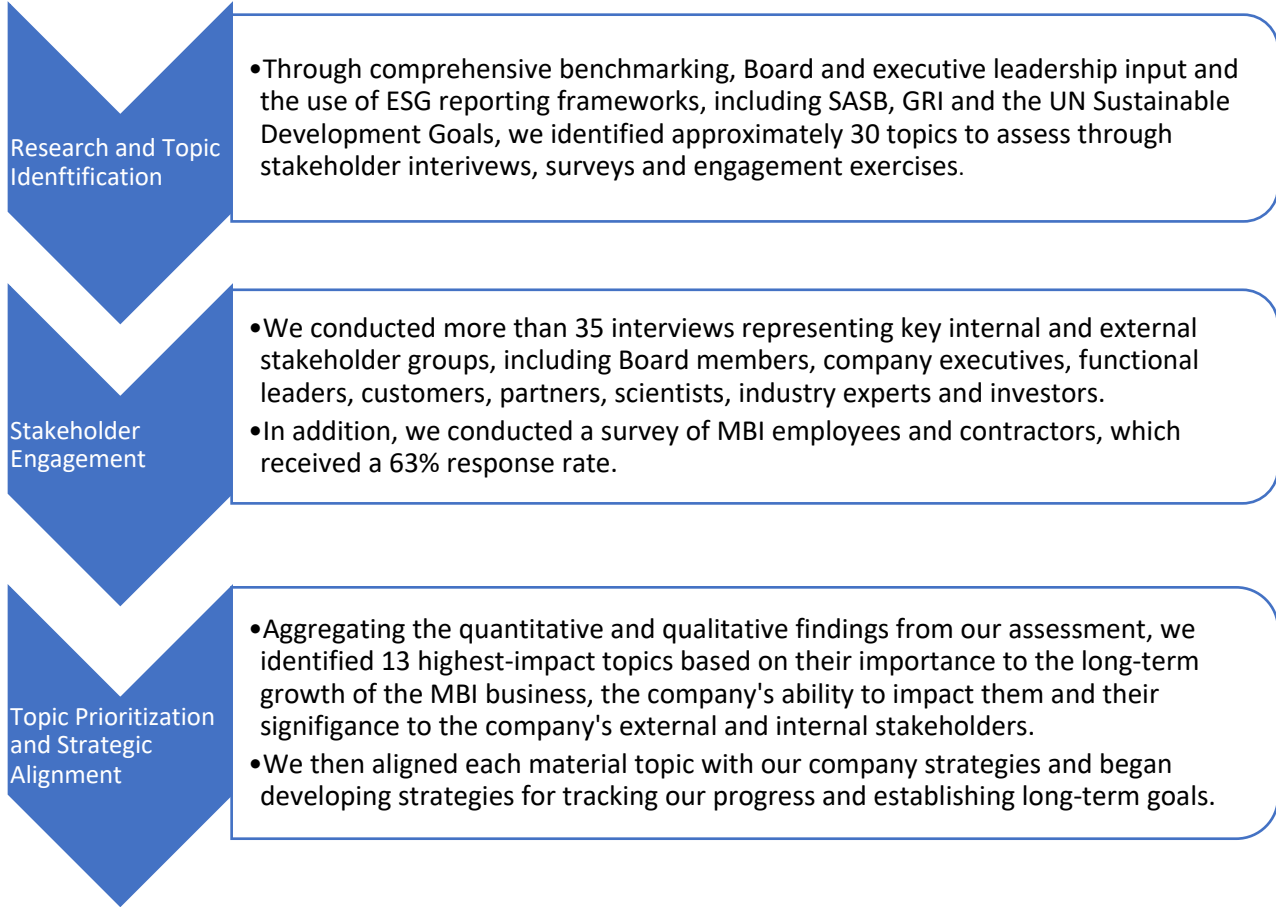
In 2021, with the support of our board of directors, the MBI management team made the commitment to create a designated cross-functional team coordinated by a Chief Sustainability Officer to create a formal ESG framework and establish oversight responsibility, reinforcing sustainability as foundational to our company, our products and our interactions with others.

This, our first COP, establishes a baseline of where we currently stand on the spectrum of sustainable business practices and corporate social responsibility and serves as a launchpad as we continuously improve our performance in contributing to a healthier, safer and more equitable world. Sustainability is *in our nature* and is foundational to our growth, longevity and success.

**Building MBI’s Sustainability Framework**

In 2021, we worked with a third-party firm to conduct a materiality assessment, a thorough, stakeholder-inclusive process to identify and organize our most important ESG topics to manage, measure and report on publicly.

**Our Robust Materiality Process**









Based on this materiality assessment, we established the four sustainability pillars of Products, People, Planet and Performance, and identified 13 material topics that form the core of our sustainability roadmap. This provides the framework to focus our efforts on key areas for continuous improvement that will drive long-term, sustainable growth and value for all stakeholders.

MBI’s Sustainability Framework – Our Material Topics			
Products	People	Planet	Performance
<ul style="list-style-type: none"> <li>• Product Innovation, Safety and Stewardship</li> <li>• Responsible Pest Management</li> <li>• Crop Health and Nutrition</li> </ul>	<ul style="list-style-type: none"> <li>• Workforce Health and Safety</li> <li>• Human Capital Management</li> <li>• Equity, Diversity and Inclusion</li> <li>• Community Involvement</li> </ul>	<ul style="list-style-type: none"> <li>• Carbon and Climate Resilience</li> <li>• Ecosystem and Natural Resource Vitality</li> </ul>	<ul style="list-style-type: none"> <li>• Governance and Ethics</li> <li>• Stakeholder Engagement</li> <li>• Financial Strength and Stability</li> <li>• Management of the Legal and Regulatory Environment</li> </ul>

**Aligning with the UN Global Compact and UNSDGs**

In 2021, MBI became a signatory to the UN Global Compact, the world’s largest voluntary corporate sustainability initiative, further aligning our existing, core business strategy with universal principles on human rights, labor, environmental protection and anti-corruption. Since signing the Compact, we have deepened our alignment by focusing on supporting six UN Sustainable Development Goals (SDGs) and implementing policies where we believe we can drive positive impact through both our operations and our product offerings. Those goals are:

	
<p>We develop innovative, sustainable and socially beneficial products that enable healthy agriculture and food production systems through enhanced crop productivity, resource efficiency and the protection of soil, air and water quality and biodiversity.</p>	<p>We embrace the use of nontoxic and naturally derived materials in our products. In addition, we strive to create safe environments on the farm, in our facilities, in our communities and across our supply chain. We do this to ensure good health and well-being for our employees, our grower customers, our business collaborators and for all who will consume the crops that MBI products help grow.</p>

	
<p>We drive responsible production and consumption across our supply chain, operations and commercial partnerships. MBI operates under principles that promote ethical sourcing, efficient resource use, zero waste to landfill and environmentally optimized and safety-focused operations.</p>	<p>MBI prioritizes climate resilience and mitigation across our operations. We operate on renewable energy across our U.S. locations, invest in climate impact assessments of our products and help optimize efficient energy and water use by end users of our products. We are committed to meeting, or exceeding, a 50% reduction in our GHG emissions impact by 2030, even as we expand our business.</p>
	
<p>Our biologically derived products are designed to minimize or eliminate adverse impacts on aquatic organisms. We create products free of chemicals that could be harmful to aquatic biodiversity, and we embrace responsible waste and water management practices at our facilities.</p>	<p>Our products are designed to minimize or eliminate adverse impacts on nontarget, beneficial organisms. We design products that preserve essential soil microorganisms, pollinators and other keystone species that are essential to sustainable agriculture and our planet.</p>

In the coming weeks, MBI plans to release our first, comprehensive 2020-2021 ESG report. This report will provide a comprehensive summary of our sustainability strategy, our commitments to key ESG goals, our progress to date and our next steps to continuously improve our performance as a leader in ethical, sustainable business practices. Now, on to the details of our first COP:

### How MBI Implemented the Ten Global Principles in 2021

Principles	Highlights on Progress
<p><b>Human Rights</b></p> <ol style="list-style-type: none"> <li><b>Businesses should support and respect the protection of internationally proclaimed human rights;</b></li> </ol>	<ol style="list-style-type: none"> <li><b>In 2021, MBI adopted, with Board approval, our Supplier Code of Conduct Policy. This policy has been created to ensure that our suppliers and our business partners practices and policies are aligned with MBI’s commitment to human rights, worker’s rights and safe and healthy work environments. The policy can be found at:</b>  <a href="https://investors.marronebio.com/download/supplier-code-of-conduct-jan2022/">https://investors.marronebio.com/download/supplier-code-of-conduct-jan2022/</a></li> </ol>



<p><b>Human Rights</b></p> <p><b>2. and make sure they are not complicit in human rights abuses.</b></p>	<p><b>2. In addition to adhering to these principles ourselves, we are now including these human rights provisions in all new contracts with suppliers and business partners, as well as contracts that have expired and are undergoing renewals. In early 2022, we have also initiated an on-line audit of existing suppliers, contractor and business partners to assess if they have made similar public comments to support policies that protect and promote human rights, worker’s rights and safe and healthy work environments. Following the completion of this audit, MBI will be reaching out to any suppliers, contractors or business partners that do not have such policies published and inform them of MBI’s internal policies policies and our associated Supplier Code of Conduct.</b></p> <p><b>MBI also conducts regular site visits to our suppliers of a specific, unique plant extract used in one of our products to ensure compliance with our Code of Conduct and international and local human rights, worker safety and environmental laws and regulations. We also use these audits as an opportunity to update on new policies and emerging issues.</b></p>
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<p><b>Labor Standards</b></p> <p>3. <b>Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</b></p>	<p>3. <b>Our policies and associated Supplier Code of Conduct support freedom of association and the right to collective bargaining.</b></p>
<p><b>Labor Standards</b></p> <p>4. <b>the elimination of all forms of compulsory labor;</b></p>	<p>4. <b>Our policies and associated Supplier Code of Conduct prohibit the use of compulsory labor, including forced and slave labor.</b></p>
<p><b>Labor Standards</b></p> <p>5. <b>the effective elimination of all forms of child labor;</b></p>	<p>5. <b>Our policies and associated Supplier Code of Conduct prohibit the use of child labor.</b></p>
<p><b>Labor Standards</b></p> <p>6. <b>and the elimination of discrimination in respect of employment and occupation.</b></p>	<p>6. <b>MBI has published its Diversity, Equity and Inclusion Policy, which can be found at:</b></p> <p><a href="https://investors.marronebio.com/download/diversity-equity-inclusion-policy-jan2022/">https://investors.marronebio.com/download/diversity-equity-inclusion-policy-jan2022/</a></p> <p><b>While this policy is newly published, this DEI policy has been a long-standing provision of our employee manual.</b></p> <p><b>Additionally, MBI is a significant contributor to programs and initiatives that support and promote the participation of under-represented (BIPOC) populations in STEM education and careers and in farming. We support these initiatives through internship opportunities; site visits, tours and seminars at our facilities (pre-COVID); direct instruction by MBI employees at institutions such as local high schools, community colleges, UC-Davis and the Center for Land-based Learning; and sponsorships and in-kind donations. MBI also actively participates in local programs that combat hunger, domestic violence and human trafficking in our local communities, via donations, fundraising and board membership.</b></p>

**Environment**

**7. Businesses should support a precautionary approach to environmental challenges;**

**7. By design, our portfolio of plant-extract and microbial based agricultural inputs are reduced risk, e.g. no to minimal toxicity to humans, wildlife, pollinators and the environment), and do not persist in the environment, e.g. readily or inherently biodegradable. Most of our products are also certified for use in organic farming systems, but, as more and more farmers and food companies focus on sustainable agricultural practices, most of our product sales are to conventional and regenerative farming operations that are using our biological products to meet goals, such as reducing pesticide residues on food, protecting worker health, protection beneficial organisms (like pollinators, classical biocontrol insects and earthworms), soil health and biodiversity, and mitigating against pest resistance to synthetic pesticides.**

**In 2021, we initiated a practice on conducting climate impact analyses (CIAs) of our commercial product portfolio, in collaboration with an expert, 3<sup>rd</sup>-party consultancy to evaluate the performance of our products on a variety of sustainability, environmental and human health metrics, including their greenhouse gas emissions impact. MBI was able to complete two of these life cycle assessments in 2021, with our Venerate XC product scoring 8.6 out of 10, when compared to competitor products, and BIOst scoring 9.8 out of 10. These climate impact assessments can be found at: <https://marronebio.com/sustainability-esg/>**

**When assessing these CIAs, MBI determined that the most significant way to reduce our GHG emissions footprint was to switch to all renewable energy sources for our North American operations, a transition that was completed in 2021. Initial assessments are that this green-energy transition has reduced our GHG emissions by 40-45% for both of these products, allowing us to make substantial progress towards achieving our goal of a 50% reduction in our GHG emissions footprint by 2030.**

**In 2022, we are scheduled to conduct a new step 1-3 GHG emissions assessment of all our facilities, including**

<p><b>Environment</b></p> <p><b>8. Undertake initiatives to promote greater environmental responsibility;</b></p>	<p>our recently acquired operations in Finland to update our baseline assessment that was conducted in 2018-2020. With this assessment, we will continue to pursue additional measures to reduce our GHG emissions footprint.</p> <p>Also in 2021, we set a goal of achieving “zero-waste” to landfill by 2023 for our Davis, California R&amp;D facility. Our Phase 1 Assessment for our Total Resource Use and Efficiency (TRUE) certification was completed during the summer of 2021. Ingenium’s audit determined that waste reduction practices we had in place at the time of the baseline audit attained a 77% diversion rate of solid waste and had a 25% contamination rate of misplaced or mischaracterized solid waste. Target rates to achieve zero waste certification are a <math>\geq 90\%</math> solid waste diversion rate and a <math>\leq 10\%</math> contamination rate. Lessons we learn from this zero-waste initiative will inform future efforts for our manufacturing plant in Bangor, Michigan and our ProFarm operations in Helsinki, Finland.</p> <p><b>8. Our single greatest way to promote and support a more sustainable world is to increase the adoption of our product portfolio. Use of our products by growers is a key step for our food, feed, fiber, and biofuel system to support continuous improvement towards greater sustainability for agriculture. To advance this objective, MBI is an active participant in several organizations and trade associations, e.g. Biological Products Industry Alliance, Organic Trade Association, International Biocontrol Manufacturers Association, European Biostimulant Industry Council, Field to Market, California Association of Pest Control Advisors, IPM Voice, California Department of Pesticide Regulation Pest Management Alternatives Committee and the USDA IR-4 Program, that support and promote the adoption of more sustainable agricultural practices.</b></p>
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**Environment**

9. And encourage the development and diffusion of environmentally friendly technologies.

9. In addition to engineering products that are sustainable and environmentally responsible by design, MBI also implements a hands-on communications strategy to ensure our products are used properly. In 2021, we assisted customers throughout their journey in using biological products, from first-time users switching from conventional pesticides to seasoned growers on the lookout for product innovations and usage enhancements. We invested in helping all our stakeholders understand the proper use of our products and the many benefits they offer, including higher crop yield, improved crop quality, positive return on investment, soil health, pollinator protection, pesticide residue mitigation, pest resistance management, worker safety. We did this through engagement activities such as on-farm demonstrations; webinars, grower testimonials, blog posts and podcasts; and our library of educational materials. In particular, our industry-leading webinars, which can be found at <https://marronebio.com/resources/webinars/> and <https://marronebio.com/resources/courses/>, are of such quality that they typically provide continuing education unit credits for accredited pest control advisors and other licensed pesticide applicators.

**Anti-corruption**

10. Businesses should work against corruption in all forms, including extortion and bribery.

10. Our Code of Business Conduct and Ethics, as well as our Supplier Code of Conduct have clear prohibitions against corruption, including extortion and bribery. MBI also has strong whistleblower protections to encourage our employees, customers and partners to report instances of illegal or unethical behavior.

Learn more about our ESG and SH&E initiatives here:

<https://investors.marronebio.com/governance/documents/>  
and  
<https://investors.marronebio.com/company/sustainability/>