

VeganZ **ESG POLICY**

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OUR VISION OF SUSTAINABILITY

We want to motivate as many people as possible to eat a plant-based diet and to treat our environment responsibly. We are convinced that every reduction in the consumption of animal products is important to limit global warming to a maximum of 1.5 degrees Celsius by the year 2100, and we offer our consumers climate-friendly alternatives.

Even though we as a company are not yet subject to statutory sustainability reporting obligations, we want to set a good example. Starting with our first sustainability report in 2022, we want to further expand our reporting and thus also anticipate future ESG requirements and opportunities. This will create transparency for all stakeholders – consumers, investors, employees and business partners.

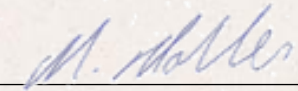
For this reason, we anchor our ESG strategy and goals in this overarching ESG guideline. It provides the framework for the key ESG issues at Veganz, which we have identified in a comprehensive strategy process, and shows our specific target areas and objectives for the coming years. We regularly review the status of these goals and aim to further expand them in the coming years. For more details on our ESG efforts, this policy also references our ESG information in our Annual Report, on our website and in the form of additional specific guidelines.

Across the company, the Sustainability Circle is involved in the implementation and further development of sustainability and ESG issues. It consists of representatives from various departments – from Purchasing to Product Management up to Controlling. The corresponding project manager reports to the Executive Board, whereby the development and implementation of the

sustainability and ESG strategy as well as the corresponding communication is generally anchored in the department of the Executive Board member responsible for Marketing and Product (CMO/CPO). If you have any questions on the topics of sustainability and ESG, please contact our team by mail at esg@vegan.de!

Berlin, 18. Januar 2023

Veganz Group AG



Moritz Möller (CMO/CPO Veganz Group AG)

11 ESG IS SHORT FOR „ENVIRONMENTAL, SOCIAL AND GOVERNANCE“

OUR ESG STRATEGY PROCESS

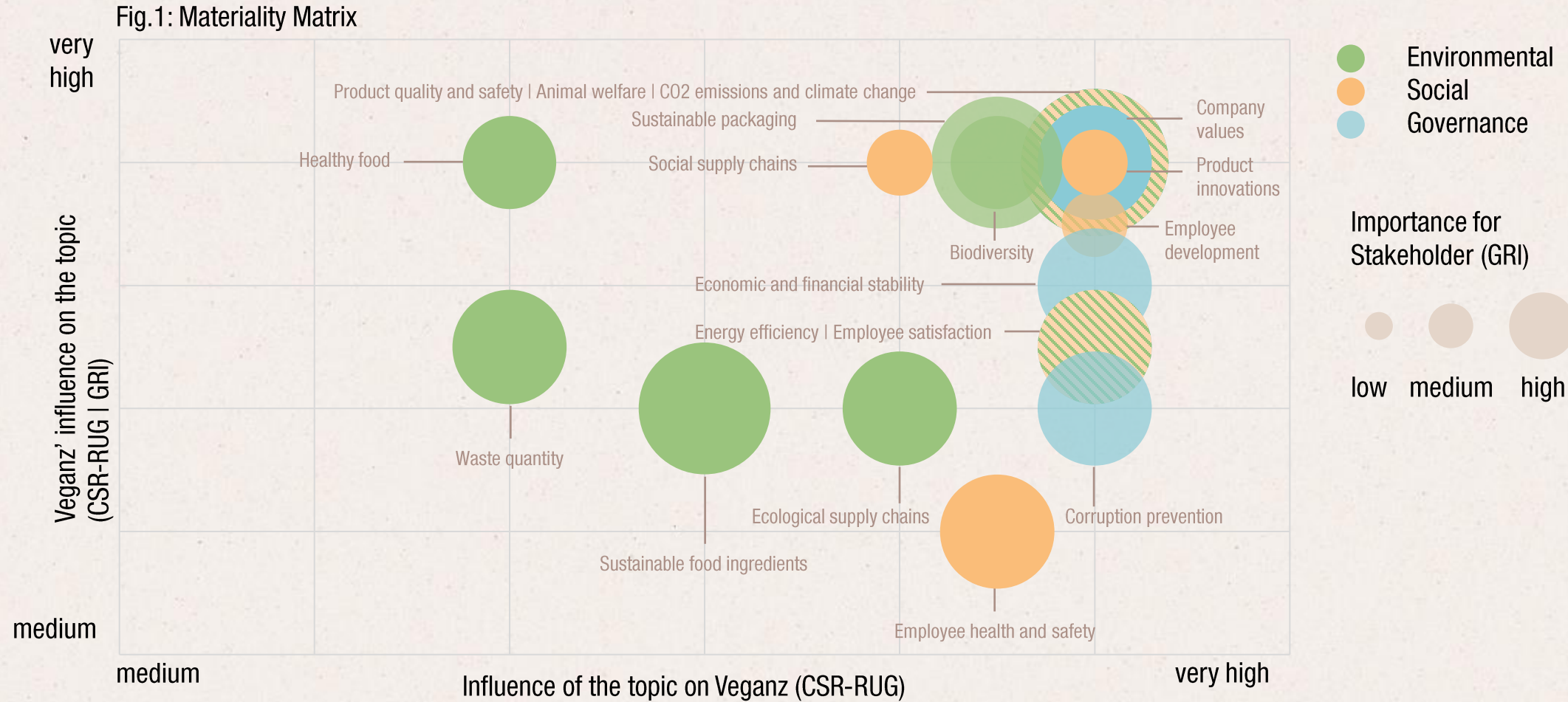
We further developed our sustainability strategy in 2022 in a systematic process with several sub-steps. This was based on a comprehensive situation analysis, consisting of the life cycle assessment (LCA) of all Veganz products, which has been carried out regularly with Eaternity since 2018, the evaluation of the entire company according to the Greenhouse Gas Protocol (GHG) and the B Corp certification process. In addition, a materiality analysis was carried out to define the strategy in accordance with the current standards of the Global Reporting Initiative (GRI) and the requirements of the EU on "double materiality". The aim was to consider the most important ESG topics for Veganz in three dimensions: the influence of the topics on Veganz, the influence of Veganz on the topics (in each case, assessment by the Executive Board) and the assessment of the most important stakeholders (as part of a stakeholder survey) on these topics.

In the first step, we identified strategically potentially relevant ESG topics for Veganz. To do this, we conducted an analysis of the ESG frameworks and standards of the Sustainability Accounting Standards Board (SASB) and the World Economic Forum (WEF). In addition, we analysed the public reporting of selected peer group companies from the food industry. This resulted in a pre-selection of a total of 20 strategic ESG topics potentially relevant for Veganz.

In a first ESG strategy workshop with the participation of the entire Veganz Executive Board, the preselected ESG topics were confirmed for the subsequent materiality analysis and expanded by five additional ESG topics. In this workshop, the most important stakeholder groups were also defined for the stakeholder survey as part of the materiality analysis: consumers, B2B customers, investors, suppliers, banks, employees and our Supervisory Board.

Using an online tool, the selected stakeholder groups were then asked about their assessment of the 25 pre-selected ESG issues. Stakeholders were asked to participate via email, social media and personal address. At the end of the survey period, which lasted several weeks, a total of 259 valid responses were received. The results of this survey are reflected in the following materiality matrix (Fig. 1).

OUR ESG STRATEGY PROCESS



OUR ESG STRATEGY PROCESS

In a second strategy workshop with the Veganz Executive Board, the assessments for the dimensions "influence of Veganz on the topic" and "influence of the topic on Veganz" were discussed and made, which are reflected in Fig. 1 on the x and y axes. In comparison with the results of the stakeholder survey, of the original 25 potentially relevant strategic ESG topics for Veganz, seven topics were deleted due to the overall lower materiality assessment, so that the total of 18 material topics for Veganz are shown in the following list. Within these 18 material ESG topic areas, our Executive Board identified a total of seven focus topics in the workshop, which are highlighted in the list (at the right) and set specific ESG targets for each of the focus topics. These are described in the following chapter "Our ESG target areas", in which the focus topics have been translated into four ESG target areas with a total of eleven concrete ESG targets for the coming years.

Environment

- **CO₂ emissions and climate change²**
- **Sustainable packaging**
- **Ecological supply chains**
- Sustainable food ingredience
- Energy efficiency
- Waste quantity
- Biodiversity
- Animal welfare

Social

- **Social supply chain**
- **Product quality and safety**
- **Employee satisfaction**
- **Employee health and safety**
- Employee development
- Healthy food

Governance

- Company values
- Product innovation
- Corruption prevention
- Economic and financial stability

21 BOLD TEXT MARKS DEVELOPED STRATEGIC ESG FOCUS TOPICS FOR VEGANZ

OUR ESG TARGET AREAS

During our ESG strategy process, we have identified the following four priority topics: "Product quality and safety", "Employee satisfaction and health", "Social and environmental supply chain" and "Sustainable products". In the following, we briefly describe their importance for Veganz as well as the associated, concrete ESG objectives.



Quality Mgmt.	Product quality and safety At least 15 hours of food safety training annually for quality and production staff 📅	Product quality and safety Annually at least 3 detailed quality audits by Veganz at suppliers and production partners starting in 2023 📅	
	Employee satisfaction Employee Net Promoter Score every year on average > +15 points 😊	Employee satisfaction Gender pay gap (adjusted) permanent in a corridor of -3 % to +3 % 🧑‍💻	Employee health/safety Keep absenteeism rate permanently below 5.5 % [Veganz Group AG] 🏥
Human Resources	Social supply chains From 2023: 100 % signature quota for the Supplier Code of Conduct 🤝	Ecological supply chains Consistently organic standard for 100 % of cashews purchased 🌱	Ecological supply chains No ingredients (incl. soy, palm oil) from rainforest areas (measurable by: Eaternity rating of 3 stars for the category "rainforest" or by geodata collection) 🌳
	Supply Chain		
Product	C02 emissions / climate change Reduced C02 footprint of products by 6 % by 2025 (to 2.5 kg C02 per kg of product) 🏠	Sustainable packaging By 2025: 50 % of the products in our portfolio with packaging made of recycled or renewable raw materials 📦	Sustainable packaging 100 % of the products in our portfolio with packaging that is recyclable 📦

OUR ESG TARGET AREAS

A. PRODUCT QUALITY AND SAFETY



Quality
Mgmt.

High product quality and safety are particularly important for food products in order to ensure that consumers are not exposed to any risks. In addition to complying with the strict food laws and regulations in force, we as a company are also committed to ensuring that both we and our suppliers work to the highest product safety standards through training, certification and audits.

Goal 1: Highest food standards

By the end of 2023, we aim to spend at least **15 hours per year on food safety training for quality and production staff.**

Goal 2: Quality in the supply chain

From 2023, we aim to conduct at least **three detailed quality audits of suppliers and production partners per year.**

Human
Resources

Supply
Chain

Product

OUR ESG TARGET AREAS

B. EMPLOYEE SATISFACTION



Quality
Mgmt.

In order to be able to grow sustainably in the long term, highly qualified and motivated employees are particularly important. This can only be achieved if we always keep the satisfaction of our employees in mind – and of course offer everyone the same opportunities. The health of our employees is also closely linked to their satisfaction. By creating conditions that do not overstrain our teams physically or mentally, we can achieve more together.

Goal 3: High employee satisfaction

We aim to maintain our Employee Net Promoter Score (**eNPS**) as a measure of employee satisfaction at an average of more than **+15 points** each year.

Goal 4: No Gender Pay Gap

We want to keep the **adjusted gender pay gap** within a **corridor of -3% to +3% on a permanent basis**.

Goal 5: Low absenteeism

We want to keep the **absenteeism rate** of our employees, which we use to measure the percentage of total working time lost due to illness or accidents, **permanently below 5.5%**.

Human
Resources

Supply
Chain

Product

OUR ESG TARGET AREAS

C. SOCIAL AND ECOLOGICAL SUPPLY CHAIN



Quality
Mgmt.

Goal 6: The Code of Conduct applies to everyone

From 2023, we aim to have **100% of our suppliers sign our Code of Conduct for Business Partners.**

Goal 7: Organic quality of our raw material cashews

We aim to **consistently guarantee organic certification for 100% of our purchased cashews.**

Human
Resources

Goal 8: No food ingredients from rainforest areas

None of the ingredients in our products (incl. soy and palm oil) should come from rainforest areas – as evidenced by an **Eternity rating of three stars for the "rainforest"³ category or by accurate geo-data collection.**

Supply
Chain

Product

31 THE SWISS INSTITUTE ETERNITY IS AN INDEPENDENT ORGANISATION THAT HAS DEVELOPED A SOLUTION TO MEASURE THE ECOLOGICAL FOOTPRINT OF FOOD. USING STATE-OF-THE-ART METHODS AND OUR DETAILED RAW MATERIAL, SUPPLIER AND PRODUCER DATA, ETERNITY CALCULATES A CONCRETE SUSTAINABILITY SCORE FOR EACH OF OUR PRODUCTS IN A TOTAL OF FOUR CATEGORIES: CO2 EMISSIONS, WATER CONSUMPTION, ANIMAL WELFARE AND RAINFOREST PROTECTION. THREE STARS FOR THE CATEGORY "RAINFOREST" MEANS THAT THE BASIC INGREDIENTS DEMONSTRABLY COME FROM A NON-CRITICAL AREA – AND NO DEFORESTATION WAS CAUSED FOR THE CULTIVATION.

OUR ESG TARGET AREAS

D. SUSTAINABLE PRODUCTS



Quality
Mgmt.

Goal 9: Less CO₂ through our products

We want to reduce the **CO₂ footprint of our products by 6% by 2025**. Specifically, this means a reduction to 2.5 kg of CO₂ emissions per kg of product.

Target 10: Half of our packaging to be made from sustainable raw materials

By 2025, 50% of our packaging should be made **from recycled or renewable raw materials**.

Human
Resources

Target 11: 100% of our products in recyclable packaging

Our goal is to use **permanently recyclable packaging material** for all of our products in the portfolio and to consistently guarantee this quota.

Supply
Chain

Product

ADDITIONAL ESG INFORMATION

Beyond this overarching ESG guideline, we want to make our sustainability efforts comprehensible and transparent for all stakeholders. Further ESG information on Veganz can therefore be found under the following sources:

1. Our Sustainability Guidelines

[Code of Conduct](#)

Our company-wide Code of Conduct describes our actions both within the Group and with external partners. We comply with applicable law, are aware of our responsibility towards our customers and treat each other with respect and appreciation. We reject all forms of corruption and bribery and avoid conflicts of interest. If our employees or other stakeholders nevertheless become aware of misconduct, they can report it anonymously via our [whistleblower system](#).

[Code of Conduct for Business Partners](#)

We have also drawn up a Code of Conduct for Business Partners of the Veganz Group. In it, they commit themselves to clear ecological and social minimum standards. These include fair remuneration and regulated working hours, consideration of environmental issues and adherence to ethical business practices. We explicitly exclude the work of children under the legal minimum age and forced labor. We expect our business partners to behave in a respectful and non-discriminatory manner and to ensure the health and safety of their employees. Should our suppliers' employees or other stakeholders nevertheless become aware of misconduct, they too can report it anonymously via our [whistleblower system](#).

[Energy Policy](#)

In this guideline we describe our commitment to address energy saving potentials and improvements in the company. We want to raise awareness for efficient energy use throughout the company.

2. Reporting

Our [Annual Report](#) contains our key non-financial information for the previous financial year, in addition to our key financial figures. In the report, we present our contribution to the United Nations Sustainable Development Goals (SDGs) and the impact of our corporate activities on the environment and society. We also transparently disclose the structures of our own corporate governance.

3. Website

All interested stakeholders can find out about the current status of our sustainability efforts on our website under the "[Sustainability](#)" tab.