



Sustainability Report

2018





Letter from our Group CEO,

Dominik Richter

HelloFresh recently celebrated its 7th Birthday and as I look back to the moment Thomas and I put together our first recipes at home, so much has changed and yet so much has remained the same. We're a very different company now, going from two employees in one country then, to over 4.500 in 11 countries today. The product is also unrecognizable from the offering of those start-up days, giving people greater convenience, more variety and moments of delicious achievement.

Yet at our heart there is still a strong sense of introspection. An inherent knowledge that there is always a chance to evolve for the sake of our employees, our customers and the wider community beyond. Last year was a proud moment for us as we published our first sustainability report and this year we've seen incredible progress across all of our material topics. From the introduction of organic, vegan meals through our US acquisition of Green Chef, our advances in sustainable packaging innovation and our progress in sustainable operations, all areas of the company have prioritized our sustainability agenda.

In particular we've gone back to our foundations: the people who create the HelloFresh experience for our customers. To curate meal time experiences in the way we do requires specialized knowledge across all areas of our disruptive model: from the talented chefs who create our recipes, to the people who lovingly source our ingredients and the operational teams who enable the myriad customer options. By focusing on their development within the company we build the bed-rock for our future success.

Our commitment to this work is stronger than ever and I'm happy to share our latest sustainability developments with you.

Dominik

Letter from our Director of Sustainability,

Patrick Drake

From the start of HelloFresh back in 2011 we aspired to be a mission-led brand. To not simply sell a product but to create something that would change lives. And this goes to the heart of our view of sustainability: the symbiosis of initiatives that concurrently improve the strength of the business and enhance the lives of those we touch.

Compiling last year's sustainability report created a buzz of excitement throughout the organization as we had the chance to see all of the initiatives, big and small that were being developed across our territories. It also showed us that in spite of the geographical distances between our outposts there was a lot of crossover in our efforts to support our people, our community and our planet. It's for that reason that we've chosen to use those three pillars again this year. With my background originally being Head Chef of the UK I'm particularly excited by the ongoing work we are doing to connect our customers with fresh food. Not simply providing the convenience of sending ingredients but curating

wholesome recipes that are simple to cook and teaching millions of people to cook new dishes from scratch.

I look forward to presenting this year's developments and as ever if you have any comments please do get in touch.

Patrick

A handwritten signature in black ink that reads "Patrick." followed by a stylized flourish.

This sustainability report includes our combined non-financial reports for HelloFresh SE and the HelloFresh Group in accordance with Sec. 289b (1) and (3) and Sec. 315b (1) and (3) HGB (German Commercial Code). All information, including relevant key performance indicators (KPIs), are provided jointly for HelloFresh SE and HelloFresh Group. In our sustainability strategy and related activities we do not distinguish between HelloFresh SE and HelloFresh Group.

Contents

General Introduction.....01

The Three Pillars of HelloFresh Sustainability.....02

Our People

Employee Welfare.....	04
Health.....	04
Onboarding and Integration.....	04
Wellness.....	04
Benefits.....	04
Employee Welfare In our Supply Chain.....	05
Employee Diversity & Equality.....	06
Power of Women.....	06
FreshPride.....	06
Employee Development.....	07
HelloFresh IT Leadership Program.....	08

Our Community

Creating Products that Improve Lives.....	09
Customer Health and Safety.....	11
Customer Privacy.....	11
International School Garden.....	11
Community Outreach.....	12

Our Planet

Prevention of Food Waste.....	13
Packaging.....	14
Our boxes.....	14
Our cooling systems.....	15
Plastic.....	16
Packaging Innovation.....	16
Responsible Ingredient Sourcing.....	17
Seafood Watch.....	17
Icelandic Line Caught Fish.....	18
Suckower Wels.....	19
Mastronardi.....	19
Carbon Emissions.....	20
Anti-bribery & anti-corruption initiatives.....	20

Looking to the future.....21





General Introduction

HelloFresh is the world's leading online meal kit service. Our core business centers around curating meal time experiences for our customers so that they have access to wholesome, delicious ingredients and the knowledge to cook them. And that doesn't just mean dinner time. We're also committed to extending this curation to all the meal 'moments' of the day and this year we're excited to share some of the product extensions that are making this happen.

We source our ingredients from trusted, sustainable suppliers as locally as possible and by accurately forecasting

customer numbers we only order the amount of ingredients we need to fulfill their orders. Combined with only sending exactly what our customers need to cook their meal, we are able to prevent considerable food waste in both the supply chain and in homes.

By taking away all of the planning and the shopping we only leave our customers with the best part: home-cooking nutritious, tasty meals with fresh ingredients from scratch.

198,400,000 meals delivered
between January and December 2018

The Three Pillars of HelloFresh Sustainability

Since the beginning of HelloFresh in 2011 we knew that creating a business that was intrinsically tied to the betterment of our employees, the wider community and our environment wasn't merely the 'right thing to do'. It also makes sound business sense by creating a long-term foundation for growth. In determining materiality, each year we ask ourselves: What moves the needle the most?

Last year saw the publication of our first sustainability report and we determined our material topics by seeking feedback from representative focus groups within our customer base (covering varied ages and demographics), our employees, local community, suppliers, industry peers, shareholders and thorough media analysis. This year we also sought a deeper understanding of sustainability priorities from our existing and potential investors.

Following positive feedback on the scope of the last report from numerous parties, we will continue to use the three pillar structure to demonstrate our progress.



OUR PEOPLE

From recipe creation through to logistics and everything in between, HelloFresh is a specialized business that necessarily draws on the best talent to create its unique, curated products. We are fortunate that while our product is delivered through a tech platform, the end result is very much tangible and has an instantaneous, significant impact on the lives (and well-being) of our customers. That is a huge motivator for us and employees at every level of the company are given the chance to meet and socialize with our customers through regular events so that we can really understand the WHY of what we do. Later in the report we will go into detail about the work we have been doing to engage, grow and nourish our team.



We believe that sustainability in its truest sense is about creating a product that sustains our customers, by giving them access to wholesome food and the knowledge to cook. In this section we talk about how community also extends beyond the dining tables of our customer base. HelloFresh is now active in 11 countries with a fairly large physical footprint. And so we tread lightly, by ensuring that our presence in any community is adding value through employment and engaging local people with aid and/or education.



OUR COMMUNITY



OUR PLANET

In creating HelloFresh we wanted to disrupt the usual supermarket model and supply chain paradigm. We wanted to create a business that wasn't simply sustainable in its own right, but which helped our customers to make more sustainable choices for themselves.

By implementing a very direct, just-in-time supply chain, by only ordering what we need from our suppliers (with a small buffer) and only sending what the customer needs for their recipe, we are working to cut down food waste in the supply chain and in the home.

Where we do have surplus from the buffer, we work with local food charities who provide meals to those in need.

We are also conscious that there must be a balance between sending a fresh, high-quality, safe product and ensuring that we do this with a minimum of packaging which is also recyclable. Later in the report we will tell you more about our drive toward zero food waste, our approach to sustainable sourcing and our work to improve packaging.



OUR PEOPLE

*“Our employees are the lifeblood of HelloFresh.
Their passion infuses all areas of the customer journey..”*

- Dominik Richter

Regardless of position or tenure, everyone at HelloFresh has responsibility and significance to our end product: delicious, nutritious food cooked from scratch. The senior procurement manager may create the partnerships with our suppliers but the person who packs our boxes will be the final arbiter of quality. Safe, happy, engaged employees are the backbone of our business and their welfare is our priority.

Employee Welfare

We believe employee welfare and benefits feed directly back into the growth of our business by attracting and retaining the best talent in the industry. This is why we offer our employees a significant discount on our meal kits so that they can both eat well and have a greater connection to our product and our customers by seeing HelloFresh from an end-user perspective.

Best in class health and safety standards across our fulfillment centers and offices are the foundations of employee welfare. On these foundations we have built out a range of benefits in response to the feedback of our employees across our territories:

Health

- Health Savings Accounts/Flexible Spending accounts for our employees in the US to help with budgeting for healthcare expenses
- Extensive initiatives on promoting good mental health, including anonymous helplines in both the UK and Australia (providing external advice on everything from practical matters to emotional well-being)
- Free influenza vaccinations in our headquarters office
- Sabbatical option for long-term employees

Wellness

- Up to 75% employee discount on HelloFresh boxes
- Discounted gym memberships, and group fitness (our Australian team won the Sydney Futsal Competition this year)
- Lectures from inspiring speakers and wellness / nutrition experts
- Complimentary in-house exercise classes

Onboarding and Integration

- ‘Buddy’ systems and extensive on-boarding programs to ensure new employees settle in
- Free in-house crash-course for non-German speakers in Berlin
- Relocation assistance

Benefits

- HelloFresh workers across our fulfillment centers receive well over minimum wage
- Pension/401K programs
- More than 200 of our employees are beneficiaries of HelloFresh share or option programs
- Flexible work hours
- Option to take additional days off for bereavement, birth of a child (for employees in Germany)
- Learning and development budget to purchase training materials or attend professional workshops and conferences

Employee Welfare

As an international organisation we also have a dedicated 'global' team (600+ employees) who work on projects spanning all of our territories. Many of the global team are based in our Berlin office and we provide them with German lessons and relocation services (including finding daycare for their children) to help them settle in.

Across both our warehouses and our offices we carry out health and safety inspections in line with local government regulations and guidelines. We also have nominated fire and first aid wardens in each location and carry out regular fire drills. At our fulfillment centers we provide all necessary protective clothing and equipment for the comfort and safety of our box packers and in our offices we provide postural training and ergonomic desk solutions on request.

Employee Welfare in our Supply Chain

Though further away from our central operations, we are focused on ensuring the workers in our supply chain are treated with the care and respect that they deserve.

In Germany our supplier Nature's Pride (for sweet potatoes, limes and avocados) supports the social and economic welfare of small growers, pack house employees and their families who live in the areas where our fruit and vegetables are grown.

Werksaam, our partner and supplier for various packaged ingredients in the Netherlands, takes pride in its socially responsible business model. Werksaam is committed to the Dutch Participation Act, employing and training people with disabilities and learning difficulties who would otherwise struggle to find employment on the free labor market.

In addition to these individual stories we are working at a global level to standardize our approach to supplier on-boarding. We became a member of Global GAP which is the world's leading farm assurance program, and are trialing SEDEX in the UK.



Employee Diversity & Equality

The Global HelloFresh Family is as diverse and international as the recipes we send to our customers. At our headquarters in Berlin, we have nearly 70 different nationalities represented, and as a company we actively celebrate and cherish this. A diverse workforce equals a diversity of mindsets and opinions that we harness to fuel innovation in our product and our company. We also keep track of other key human resource metrics such as gender and average age of our employees. Currently, across the group, we have slightly more women (50.5%) than men (49.5%) and we are on average 31 years old. For all of our German entities (including our headquarters), prior to it becoming a legal requirement, we implemented a “gender non-conforming/gender neutral” option on our job descriptions (m/f/x), even for the English-language job postings because it’s important to us to show the LGBTQ+ community that we are a welcoming company.

Across the group we have employee-led efforts to honor our diversity and maintain an inclusive environment to ensure this plurality of voices has a permanent place in our internal dialogue. These resource groups, run on a voluntary basis, are comprised of employees from all stages of their

career who meet regularly for discussions, training, networking and the marking of important occasions.

In Berlin, the Diversity Committee meets regularly to collaborate on ways to make sure our internal processes are as inclusive as possible and representative of all employees. They also organize annual commemorations for International Women’s Day and Christopher Street Day. The US team has worked hard to establish the resource groups and networks that form part of our diversity programme. Currently, HelloFresh US has two employee resource groups (ERGs) of note.

Much as we have seen with the core HelloFresh product, food has an incredible ability to connect people and this year we saw an array of events across our territories where employees of all different nationalities shared their favorite dishes with their fellow workers.

Most recently, for example, our Australian team launched their “Culinary Academy - Cuisines of the World” where Russian, Indian, Lebanese, and Italian dishes were cooked and shared by employees.



Power of Women

The Power of Women was developed in early 2017 to help foster an environment for women to emerge as leaders through career development, professional networking, and community involvement. Committees aligned with the Power of Women mission provide employees with leadership opportunities.

Recent career development workshops include sessions on communication, negotiation, and networking skills.



FreshPride

FreshPride was also established in 2017 to support the development, advocacy and growth of HelloFresh’s lesbian, gay, bisexual, transgender, or queer/questioning (LGBTQ+) community and its allies.

The group promotes LGBTQ+ visibility among staff, and with leadership about current workplace and social issues that affect the LGBTQ+ community.

Local human resource teams are the guardians of their respective Equality and Non-Discrimination Policies, which are drafted in line with local government guidelines. In these policies we outline the values we uphold for the creation of a harmonious working environment and the manner in which grievances are addressed within HelloFresh. New employees are introduced to these policies during their on-boarding process.

Employee Development

By nurturing our talent we are able to create a strong, sustainable employee base that will feed back into our business for years to come. Over the last year, we continued to invest in employee training and development and have made the process more engaging (and cost effective) with online learning and in-house training.

In Berlin at our headquarters, we have a knowledge-sharing program that makes use of in-house talent to train employees on skills that they might need to sharpen. We also have a robust program to ensure all employees have at least a basic level of understanding of all parts of the business, from our prototype testing to production and our photo studio.

In the UK we are implementing online learning platforms that allow employees to carry out learning when it most suits them. The platform is designed to encourage greater engagement and integration of learnings and also means

we don't need to bring teachers to our facilities on a regular basis to teach the same topics to new starters. The UK team are also trialing the provision of English lessons to our warehouse workers with the dual benefit of both personal development and increased staff retention.

In Australia our management teams have access to the Australian Institute of Management campus where they can take courses if they wish to deepen their management skill set.

The Australian team has also introduced the 'StrengthsFinder' assessment for full-time employees, which allows everyone to understand their co-workers particular strengths (and for managers to help those employees focus on areas where they can make the greatest impact in the business).



HelloTech Leadership Program

Interview with Global CTO, Nuno Simaria:



Firstly, what was the motivation behind the Leadership Program?

When I became a first time manager I had zero support from the company I was working for at the time. A lot of my initial learnings were acquired through trial and error, which is a valid approach. However, when people are involved, especially people you hire into a team that you've built up, you will want to minimize the amount of mistakes made by first time managers. In my early days as a manager I've also learned that just getting validation from other peers that you're going about things the right way can make the difference between acting insecurely and anxiously and being a confident, thoughtful leader.

Early on in our journey, as we had to scale our different leadership layers, it was imperative to me that we would set it up in a way where learnings acquired by more tenured leaders would be passed on to first time managers, in order to set them, as well as their direct reports, up for success from day one.

Tell us how it works...

We kicked off the Leadership Program a couple of years ago. The main motivation was to develop and nurture existing talent to take on management roles as the team grew bigger.

It's important that tech engineers are managed by fellow tech engineers who can relate to the challenges of the work, so a large part of what we do centers around giving aspiring managers the tools to run their own team.

The program includes 1:1 coaching, peer circles facilitated by a senior manager (usually me) to exchange experiences and get advice and group workshops to work through complex challenges.

What results and feedback have you had so far on the Leadership Program?

The feedback has been really positive. It's empowering for more junior employees to see a career track that is positively supported by the organization and builds out their skillset beyond simply the technical aspect of their work. It's not something we see a lot in the tech sector as a whole.

What are the long term plans for the Leadership Program?

As with everything in the tech team it's all about growth and iteration! As you can imagine, we're a very data-driven and results focused section of the company and we apply that approach to the development of the Leadership Program. We're refining the curriculum with feedback and as needs develop and encouraging those who have been through the program to mentor the more junior HelloFreshers. It's a virtuous cycle that benefits everyone involved!



OUR COMMUNITY

“The notion of community and the joy of a shared meal have gone hand-in-hand for millenia. We’re fortunate that the very heart of HelloFresh is to nourish that connection.”

- Jeff Yorzyk, Associate Director of Sustainability, HelloFresh US

Creating Products that Improve Lives

We don't simply want to send high quality ingredients to our customers. We want to give them the tools to cook nutritious, tasty meals themselves, whether those meals are from HelloFresh or not. That is why our teams of chefs create a whole new menu of illustrated, step-by-step recipes every week. We are teaching our customers how to cook delicious, balanced dishes from all around the world using clear, approachable instructions that never assume prior cooking knowledge.

But how do we really know if we are improving their lives? Because every month we seek and receive hundreds of

thousands of comments on our recipes and our service and have a team in each country to analyze the results. In the early days we would sit down and read every comment and now we combine our own reading with AI analysis that pulls trends from the data. As a result we are not just guessing what people would like, we know what they want and we build this directly into our product evolution. Our recipes are among the most tested in the world. Overall, we are using more than one billion data signals collected from our customers to continuously enhance the quality, appeal and relevance of our product.



In response to customer engagement over the last 12 months we have added different products to cater to specific lifestyles of different demographics. These different lines include breakfast options, 'HelloFreshGo' snacks, retail recipe kits for people to grab and go spontaneously and even vegan, paleo and ketogenic recipe kits through our new acquisition Green Chef.

We also invested heavily across our territories to create high quality, simple-to-follow video content so that people can learn more techniques and recipes from our chefs, in the comfort of their own kitchens. Last year our online community grew by 35% to 2.6 million followers overall and we created well in excess of 400 videos to teach our customers to cook at home. These social media platforms are a virtual meeting place where our customers can learn new cooking techniques, swap tips and proudly display their moments of delicious achievement.



Customer Health and Safety

Customer Health and Safety is paramount to us. At pages 133-137 of our IPO prospectus you can find a detailed explanation of the regulatory framework within which we operate to ensure that these needs are always met. We have established and closely monitor clear health and safety processes across our fulfillment centers, including testing of incoming goods, maintaining health and hygiene standards throughout the production process, and clear protocols for any potential recall events. We also constantly monitor and make improvements to the health and safety aspects of our products across the whole value chain. Our Food Safety and Quality Assurance function is led by experienced managers with multiple years of functional expertise, whose role it is to ensure best practices across our fulfillment centers.

International School Garden Projects

Each holiday season in Canada, HelloFresh partners with Evergreen for its holiday donation program. Customers skipping their boxes over the holidays can choose to instead donate the value of their box to go towards grants given to schools as part of the School Ground Greening program. The grant money helps schools create outdoor classrooms that provide natural spaces for students to play and learn about sustainable, healthy food choices.

Last year, HelloFresh Canada also raised \$20k to build two gardens in public schools in the province of Nova Scotia. This year, we're on track to expand the program to schools in new provinces and to continue to promote healthy learning environments in outdoor classrooms across Canada.

Customer Privacy

In light of the online nature of its business, protecting personal data is of utmost importance to HelloFresh SE and its subsidiaries. To make sure personal data is treated responsibly and to protect personal data from unauthorized access, HelloFresh Group has engaged internal and external data security experts and has substantially invested in state-of-the-art technology. We believe these investments are essential to ensure a trusted relationship between our valued customers and us. To ensure a high level of data protection, HelloFresh Group has created internal guidelines to be followed by every employee. In addition, we use online trainings on data protection and data security to convey the importance of data protection on a group level. Information requests from customers on the handling of personal data are duly taken care of by dedicated employees. Our internal and external data protection experts advise stakeholders on data protection matters on a daily basis and report directly to the management board of HelloFresh SE.



Community Outreach

Since the start of HelloFresh we have wanted to share our love of good food beyond our customer base. Across the globe we have set up initiatives to feed and educate those less fortunate than ourselves. We engage with our local communities through outreach to charities, local bodies such as churches or institutions like Chambers of Commerce.

Rather than discard surplus product at the tail end of the week, we identify local organizations (food banks and community kitchens) near our production facilities and we have set up a system for weekly pickups of surplus food. Every week, HelloFresh donates ingredients including proteins, produce, and grocery items to help feed the local community.

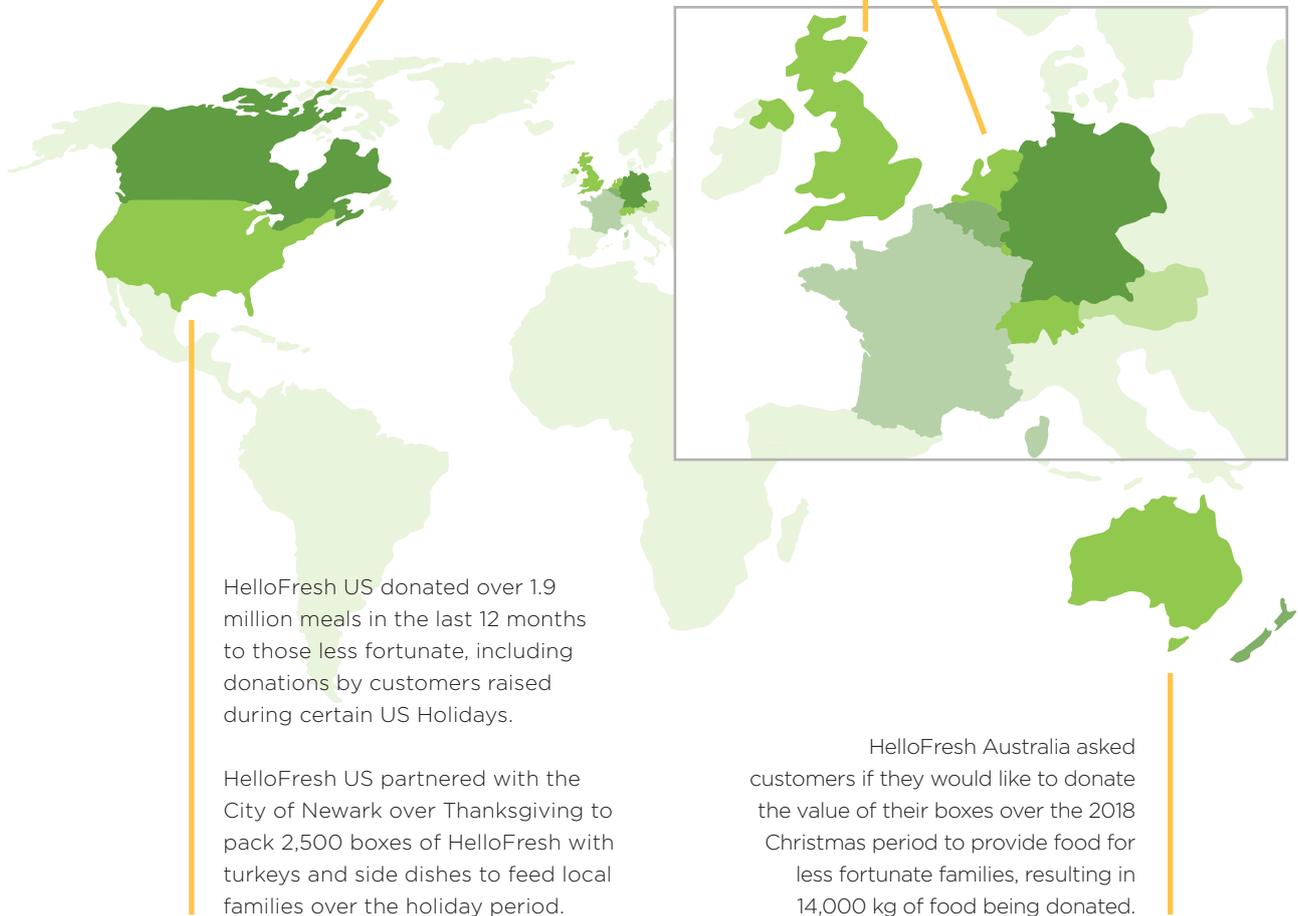
THIS YEAR...

In Canada our surplus ingredients go to local charities including the St. Clare School, the Canmore Food Bank and the Lyahrhe Nakoda Foodbank Society with the recipients reporting back that it is making a tangible difference to the lives of those who receive them.

The UK also continued to deliver surplus produce to the Felix Project for redistribution to community kitchens and set up a community fridge near its warehouse in Banbury to provide free food to the locals.

In the UK our team continued its partnership with The Felix Project by sending out teams to local restaurants and retailers to collect food that would otherwise go to waste and divert it to food banks and local community projects.

In the Netherlands we continued to find more food bank partners & now 10 out of 11 of our distribution centers in that region send any surplus food to local community kitchens. Almost zero food waste is created by the Netherlands operation.





OUR PLANET

“Preventing unnecessary food waste has been a central part of our ethos since day one. We want to create a new paradigm that puts the respect of fresh produce at its center.”

- Thomas Griesel, CEO HelloFresh International

We deeply appreciate the intimate relationship between our business and the wider environment. By nurturing this relationship and carrying out advanced research to help others in our industry to do the same, we collectively safeguard the resources that drive our business.

Prevention of Food Waste

When HelloFresh began we saw a two-fold opportunity in the challenge of food waste. By creating a system whereby our customers order their meals in advance, we are able to only order what we need from our suppliers (with a small buffer) and in turn we only send our customers what they need to cook their meals.

The result has been reduced inventory cost, a dramatic reduction in food waste in the supply chain and a reduction of food waste for our customers (which continues to be one of the most cited benefits of using our service).

In 2017 we married advanced analytics with traditional food systems by introducing the Spoiler Alert inventory system in the US, a data driven technology platform that enables us to find the best possible outlets for our surplus food. In 2018, we rolled that system out across our remaining US fulfillment centers, and then across Green Chef’s fulfillment centers following their acquisition by HelloFresh. We also created a scalable tracking solution to more effectively assess shrink levels and trends, and manage process improvements. Our

operations and supply chain teams, as well as third party partners learned how to leverage data dashboards to quickly track product volumes, categories, and reasons for surplus product.

Since our last report HelloFresh US has developed a dynamic “buffer volume” calculation that further refines the accuracy of weekly ordering based on a number of factors - from weather and transportation distance to vendor strategy for a given item and even individual vendor history.

Inventory optimization and increasingly accurate forecasting mean that less than 1% of our purchased ingredients constitute unsold “buffer”. Of this amount we are able to provide any surplus to a number of local charities and community kitchens as outlined above so that any waste is reduced to a bare minimum.

Check out page 12 to hear about more of the charities across the world that are able to feed people in the community through our donations.



Packaging

Packaging improvements have always been a priority to our operations teams around the world and the balance we always strive for is between the amount of packaging and the need to maintain food quality and safety (and thereby reduce food waste).

MEMBER OF



In the US this year we joined the Sustainable Packaging Coalition, a pre-competitive collaborative that believes in the power of industry to make packaging more sustainable. This membership provides exposure to cutting edge developments in sustainable packaging through two annual member events where HelloFresh is collaborating with industry partners to find better packaging solutions.

Our boxes

In our last report we highlighted the 453 tons of cardboard reductions we have made in Germany and the UK following a box optimization process. In Germany we are using a packaging configurator to choose box sizes according to the quantity of ingredients and ice packs rather than simply using a default box option. This not only saves us packaging but also decreases the chance of damage caused by over-packed or under-packed boxes.

In the US, seven different box sizes were consolidated into three that can be used across all of our offerings (HelloFresh, Green Chef and EveryPlate). The next stage of box optimization will focus on our Canadian market.

See page 16 for the latest stats on our cardboard reductions.



Our cooling systems

Although our cooling systems vary widely across markets, they all feature a combination of the following components: insulated boxes, cool pouches, and/or ice packs.

This year in the US we started testing a 100% paper-recyclable insulated box option, which uses a proprietary plant-based insulator that is certified curbside-recyclable. We worked closely with the inventor of the material, an innovative company called TemperPack, to develop this cutting-edge packaging solution. Moving forward, we plan on continuing our work with TemperPack to better adapt the thickness of our cool pouches for different climatic regions.

Another important part of our packaging is the cool pouches, which we use to keep our proteins and dairy items cold. Across the majority of our territories, we are using either recycled PET or biodegradable liners. The PET liners are an innovative solution that give old plastic bottles a second life by repurposing them for thermal isolation. This year in the UK we have reduced the thickness of the liner giving us an annual secondary packaging plastic reduction of 28%. These PET liners are also used in the US, as one of several liner choices our teams have, depending on the weather. Each week we use weather predictions to optimize the type of liner used, thereby reducing both insulation and cost.

Finally, we are working on minimizing our ice pack usage and transitioning towards more sustainably-produced ice packs. Water-ice packs are uncommon among external suppliers because they are technically challenging to produce; however, we are working on producing them in-house when possible. Our Australian, Canadian and UK markets have already moved the bulk of their ice pack production in-house, saving both cost and the road mileage of having ice packs brought to our fulfillment centers (we estimate that between Australia and the UK we have saved 230,000 km of haulage annually). The UK has also moved to 100% water-based ice packs and Australia and Canada plan to transition to this system in the coming year.

Our Benelux operation rarely uses ice packs as they have a chilled fleet of delivery vans and thus only need ice packs during the hottest days of the summer. In the US, we are participating in a Cold Chain Working Group in partnership with Sustainable Packaging Coalition to develop a more sustainable ice pack that meets the unique needs of our supply chain there too.

See page 16 for the latest stats on our cooling optimization.



Plastic

This year we've been working on plastic packaging from two separate angles. The first is by reducing the overall amount of plastic. For example, in the UK we are replacing larger plastic trays for certain vegetables and meat with 'skin packs' that use less material.

The second is by systematically replacing plastic that is more difficult to recycle with plastic that can be widely recycled. For instance, when plastic is sent to a sorting facility it moves along a black rubber conveyor belt and a scanner detects whether it can be recycled or not. The scanners find it difficult to scan black plastic against the black conveyor belt so it simply gets shunted off to landfill. For that reason we are replacing black plastic packaging where possible with clear packaging to increase the amount that can be recycled.

See below for highlighted stats on our packaging reductions.

Packaging Innovation

Internationally, we are making efforts to improve the sustainability of our packaging across all markets. Our projects currently focus on transitioning towards mono-plastic materials, biodegradable materials, and paper-based materials. We initiated studies in partnership with Lund University in Sweden, in which we prompted students to develop a paper-based insulation pouch within four weeks. As a result of this project, we are now supporting masters theses with Lund students on paper-based materials and biopolymer materials. Furthermore, this academic approach made us re-think our research and development procedures, and led us to open our International Packaging Test Laboratory in the UK and our US Packaging Test Laboratory in New Jersey, where we conduct ongoing research on new materials in a professional environment with advanced testing equipment.



Netherlands

Box optimization
reduced cardboard use by
400 TONNES

Meal kit paper usage reduced by 50%
by switching from trays to kit bags



UK

Annualized reduction of
45 TONNES
of plastic ingredient packaging
through the removal of plastic trays
(additional 36 ton reduction
in final planning)

Optimization of thermal box liners led to
28% REDUCTION
in plastic for this type
of packaging



Australia

Box optimization
reduced cardboard use by
58 TONNES



US

5 million cool pouches replaced with
Climacell, diverting as much as
8.000 TONNES
of waste from landfill annually

Box optimization introduced in
October 2018 reduced cardboard use by
131 TONNES
before year-end

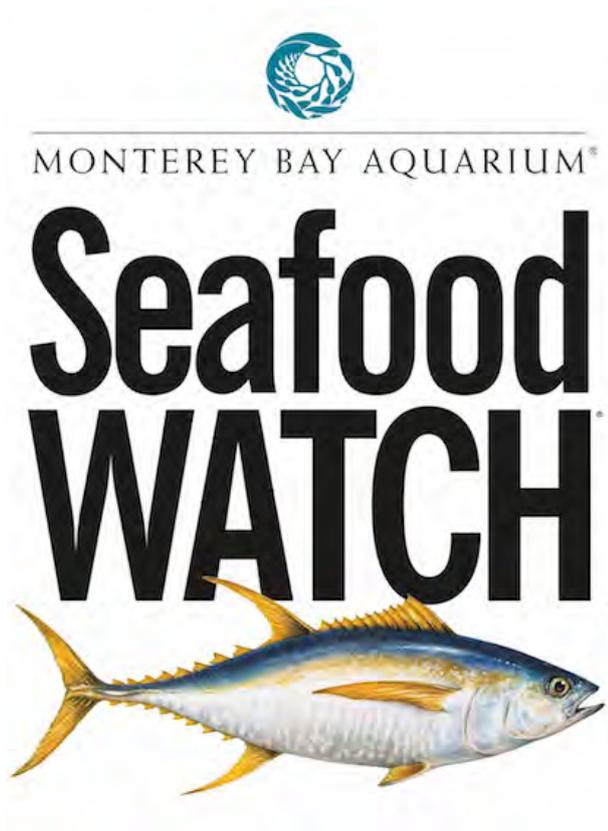
Responsible Ingredient Sourcing

Responsible ingredient sourcing means getting to know our suppliers far beyond the specs we can read on a label. We aim to get as close to the source of our supply as possible, to ensure freshness while minimizing extra food miles, warehousing and food waste in the supply chain.

In the US one of our key ingredients is chicken and we recently finalized a welfare commitment for this ingredient by working closely with Compassion in World Farming,

a global animal welfare nonprofit. The commitment is due to be published in 2019 and will be a starting point for a wider commitment across our other animal proteins.

Our subsidiary Green Chef also carries a USDA Organic handler certification, and focuses on putting organic produce in every box, as well as a number of other organic ingredients. Green Chef was the first meal kit service to achieve this certification.



Seafood Watch

HelloFresh US has a formal partnership with the Monterey Bay Aquarium Seafood Watch, which empowers consumers and businesses to choose sustainable seafood options. Our US division has pledged to only source seafood caught or farmed in ocean-friendly ways. This means using seafood rated a Best Choice, Good Alternative, or seafood that is eco-certified to a standard recommend by Seafood Watch. We are also aiming to improve struggling fisheries through Fishery Improvement Projects, in order to ensure that the seafood supply chain is working to become more sustainable. This partnership expanded to cover Green Chef as well, which now offers a pescatarian kit.

“We are passionate about bringing fresh, healthy ingredients straight to subscribers’ doorsteps,” Uwe Voss, HelloFresh US COO said.

Icelandic Line Caught Fish

In 2019 our Dutch team will start working with Icelandic fishermen who line-catch MSC certified cod and haddock. By line-catching the fish they're able to make a considerable reduction in wasteful bycatch, increase the quality of the fish and reduce fishing boat CO2 emissions by approximately half (compared to conventional trawlers). We're also able to support a specific fishing community that depends on fishing for their livelihood.





Suckower Wels

HelloFresh Germany sources sustainable catfish from the Suckower Bioenergie and Welsfarm in northern Germany. This family business runs a biogas plant using renewable raw materials and utilizes the excess heat from this process to maintain warm pools for tropical catfish. The catfish feed mostly comes from vegetable protein sources with a small portion of fishmeal added to maintain fish health. Furthermore, processing occurs in the plant, which eliminates unnecessary stress on the fish and emissions from transportation.

Mastronardi

Our Canadian greenhouse produce grower Mastronardi is Safe Quality Food certified, using IMP. This means that instead of utilizing pesticides, they use friendly insect species - such as ladybugs and wasps - to manage the populations of crop-damaging insects. In their growing practices, Mastronardi use organic, biodegradable coconut husks or recycled rockwool as an alternative to traditional growing mediums such as soil. After use, the rockwool is cleaned and recycled; it can be reused and made into paving stones. Recycled water is a core way that Mastronardi keeps their water usage low. Their water and fertilizer is UV treated and recycled continuously.



Carbon Emissions

By bringing production of ice-packs inhouse (reducing inbound traffic) and developing an electric vehicle fleet in The Netherlands, we are already making strides towards significant CO2 reductions.

With the acquisition of Green Chef, HelloFresh US gained a tracking approach for our carbon emissions. We are in the process of evaluating the extent to which this model can be scaled across our global regions in 2019 and refining the model to enable public reporting in the future. The scope of the footprint we track currently includes our Operations, Corporate Travel, and outbound logistics to customers.

Anti-bribery & anti-corruption initiatives at HelloFresh

At HelloFresh we do business with integrity which means avoiding corruption in any form, including bribery, and complying with the anti-corruption laws of every country in which we operate. Bribery can take a variety of forms, e.g. offering or giving money or anything else of value. Under certain circumstances even common business practices or social activities – such as an invitation to a sport event – can constitute corruption.

For HelloFresh, the Code of Conduct and the Anti-Corruption Directive provide guidance on how to conduct business in a fair, ethical and legal manner. All employees of the HelloFresh group must read, understand and follow their precepts.

Our global Anti-Corruption Directive establishes the limitations we must adhere to when interacting with officials and business partners around the world. Violations of our Code of Conduct and the Anti-Corruption Directive are thoroughly investigated by our internal and external legal experts and involved employees are held accountable.

In addition to the Code of Conduct and Anti-Corruption Directive, we implemented the Procurement Policy as one of the instruments to fight against corruption. It is essential that we work with all our suppliers in a fair, consistent and ethical way. The procurement policy ensures a proper supplier selection and onboarding process to avoid any conflict of interest and collusion with suppliers.



Looking to the future

To create a product that is so intimately tied to the lives of our customers means that listening to those customers and anticipating their needs is paramount. This year we continued to focus on the feedback we received to create a more varied, flexible and delicious proposition to cater to the increasing dietary preferences of an increasingly sophisticated market.

While we worked across the 3 pillars of our sustainability program it was important to us to double down on plastic reduction to address growing public interest across the food sector in the past year. We're proud of the innovations that created the reductions this year and we are excited to keep chipping away at the challenge going forward.

As we bolster our team with industry experts who have deep experience in sustainability topics, we move into this next year also focused on further building the data collection and analysis tools to support our sustainability program. In doing so we aspire to further improve our reporting and increase our ability to identify where we are able to make the most positive impact.

Encouraged by the comments of investors and customers alike, we also aim to create more communication channels to give sustainability updates throughout the year. By open-sourcing our own discoveries as they happen we hope to help in the collective effort to improve sustainability across the category.

As ever, we welcome any feedback you have and look forward to updating you during the course of the coming 12 months.

