

HELLOFRESH
GROUP

Non-Financial Report 2022

HelloFresh SE



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About this Report

This report comprises the Combined Non-Financial Report for HelloFresh SE and HelloFresh Group (further “HelloFresh”) in accordance with Section 289b through Section 289e, and in conjunction with Section 315b and Section 315c of the German Commercial Code (HGB). No specific reporting framework was applied to this non-financial report, as the meal-kit industry is not currently addressed directly by common reporting frameworks.

This report has been reviewed by KPMG AG Wirtschaftsprüfungsgesellschaft, to obtain limited assurance relating to the disclosures legally required in accordance with Sections 289b through 289e, 315b and 315c of the HGB. Please see the assurance statement on page 31.

Group Structure and Business Model

HelloFresh was founded in 2011 as one of the first innovators in the meal-kit industry. Our mission is to change the way people eat – forever. Our meal kits contain nearly everything required to create varied, nutritious meals at home, helping our customers save time on shopping and meal planning. We also offer a wide range of ready-to-eat meals, snacks, and pantry items.

We have built a strong, trusted brand over the years, and currently operate in 18 countries: Australia, Austria, Belgium, Canada, Denmark, France, Germany, Ireland, Italy, Japan (discontinued in December 2022), Luxembourg, the Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland, the United Kingdom and the United States. The meal-kit market is our primary business vertical, which is covered by our HelloFresh, EveryPlate, Green Chef and Chefs Plate brands. We are also developing our direct-to-consumer ready-to-eat business vertical, represented by our Factor and Youfoodz brands, and are considering piloting other businesses. For selected performance indicators, we separately track and disclose progress for our meal-kit business and our other businesses, which is currently represented by ready-to-eat brands.

Our business model allows us to manage a shorter supply chain compared to those used by grocery stores, and we operate on an agile make-to-order basis which gives us greater control over our resources and waste management. Further information on our business model is included in Section 1 of our Combined Management Report.

Throughout this report we refer to HelloFresh activities globally, however, in certain instances, it is necessary to differentiate between our US segment and our international segment (all countries excluding the US). In some instances, we further specify regions, such as DACH (Germany, Austria and Switzerland), the Benelux (Belgium, Netherlands and Luxembourg) and Nordics (Denmark, Norway and Sweden).

Sustainability Approach and Ambitions

As the world's largest meal-kit company by sales, we recognize the important contribution we can and must make in driving sustainable progress on environmental and social issues. In this report, we highlight the measures in place to manage our environmental impact, together with measures for managing the welfare of our stakeholders, including our workforce, supply-chain network, customers and local communities.

Our sustainability approach is based on three distinct pillars:

Planet: Tracking and reducing food waste and our carbon emissions, avoiding, reducing and innovating packaging, adhering to an Ethical Trading Policy, sourcing ingredients responsibly and engaging in programs that support local communities, for example through food donations.

People: Promoting employee diversity, equity and inclusion, supporting employee health and well-being, maintaining stringent workplace safety measures and enabling employee growth and development.

Governance: Adhering to a comprehensive Code of Ethics, maintaining high standards of food safety and quality, upholding high standards of employee safety, and implementing rigorous customer privacy and data protection measures.

Central components of our sustainability approach include the prioritizing of a lean, short supply chain, favoring locally sourced products and operating on a make-to-order basis. We continuously look to new technologies and innovations to help us drive progress on our goals while adding increased value for our customers and other stakeholders.

Through targeted, structured action, guided by our team of sustainability experts across the organization, we aim to make important contributions towards the UN Sustainable Development Goals (UN SDGs), specifically, Goal 2: Zero Hunger, Goal 3: Good Health and Well-Being, Goal 5: Gender Equality, Goal 8: Decent Work and Economic Growth, Goal 12: Responsible Consumption and Production, Goal 13: Climate Action, Goal 14: Life Below Water and Goal 15: Life On Land.

More specifically, our environmental efforts will play a role in driving progress on climate action. Our work on sustainable packaging, reducing and diverting food waste, making our operations more energy efficient and utilizing more renewable energy will contribute towards the goal established by the Paris Climate Agreement to limit global warming to well below 2 degrees Celsius, preferably to 1.5 degrees Celsius compared to pre-industrial levels.

Management Approach

Our clear governance structure allows us to monitor, measure and communicate progress on our environmental, social and governance (ESG) goals. International ESG topic leads are responsible for driving company-wide measures, monitoring progress on the targets and supporting regional sustainability managers in the local implementation of the measures. All regional and international sustainability managers formally align on and exchange their experience, progress and challenges at least once a month. Sustainability directors drive and oversee progress on environmental topics on a regular basis, and they report on progress and results against the international sustainability strategy to the C-level executives. In addition, the ESG committee, formed of supervisory board members, meets quarterly to discuss progress on ESG topics and to advise the Management Board. It also assists the Audit Committee with reporting and disclosures related to ESG topics. Co-founder Thomas Griesel takes overall responsibility for ESG on the HelloFresh Management Board.

To incentivize sustainable and future-oriented action, our two key environmental targets concerning emissions and food waste for 2025 are directly linked to management key performance indicators (KPIs). They also represent 20% of the long-term variable compensation for the HelloFresh Management Board.

In 2022, we already reduced carbon emissions from our meal-kit production facilities by 50% per euro of revenue and the food waste sent to landfill or incineration from our meal-kit facilities by 42% per euro of revenue (from a 2019 baseline¹).

Considering the rapid development of our recently acquired ready-to-eat business vertical and the substantial difference in operations compared with our meal-kit business verticals, we believe it is necessary to establish separate environmental goals for these businesses. Production of ready-to-eat meals consumes significantly more natural gas and produces more food scraps because of food ingredients preparation and cooking processes. In addition, as we reflect on the successes of our ready-to-eat business, it is possible that, in the future, we will develop and/or acquire other new product verticals that share common operational traits to ready-to-eat.

Materiality and Risks Analysis

In compliance with the German Commercial Code (HGB), this non-financial report includes all topics deemed material for HelloFresh relating to environmental matters, employee matters, social matters, respect for human rights, anti-corruption and bribery.

We identify our material topics through a double materiality assessment. This helps us to determine the topics in which HelloFresh has the greatest impact, and the topics which can have the most significant impact on HelloFresh and our stakeholders. A comprehensive materiality assessment was conducted in 2021 (see pages 56 and 57 of the [2021 HelloFresh Sustainability Report](#) for details). For this reporting cycle, our internal sustainability experts and leadership held a workshop to review the material topics and materiality matrix developed in 2021. No changes to the topics or matrix were deemed necessary.

While no new topics were added, we do expand upon three topics that were listed in 2021: ecosystem services, fair labor and food safety. Ecosystem services are the goods and services that humans gain from nature. Some of the main drivers of change in the ecosystem and subsequent biodiversity loss, according to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES),² are climate change, pollution, natural resource use and exploitation. Our work on waste reduction, responsible sourcing, carbon footprint reduction and sustainable packaging is intrinsically connected to these drivers of change in the ecosystem. All the relevant disclosure requirements, KPIs, management approach and overall concept overlap with existing material topics (waste management and reduction, climate change from GHG emissions, packaging life cycle management and responsible procurement). Therefore, we do not address ecosystem services separately in this report, but view it as a cross-cutting material topic. Details on the other two new topics - fair labor and food safety - can be found in the Ethical Trading and Fair Labor and Governance sections of this report.

¹ The 2019 baseline is out of the external assurance scope

² [IPBES, Models of drivers of biodiversity and ecosystem change, viewed September 23, 2022](#)

Material Topics for the 2022 Reporting Period

	Report section	Identified material topic	HGB (German Commercial Code)
Planet	Food waste and donations	Waste management and reduction	Environmental matters
	Carbon footprint	Climate change	Environmental matters
	Packaging	Packaging life cycle management	Environmental matters
	Responsible sourcing	Responsible sourcing	Environmental matters
	Ethical trading and Fair labor	Human rights; Fair labor practices	Human rights; Employee matters
	Food waste and donations; Carbon footprint; Packaging, Responsible sourcing	Ecosystem services	Environmental matters
People	Employee health and safety	Employee health and safety	Employee matters
	Employee diversity and inclusion	Diversity, equity and inclusion	Employee matters
	Employee development	Talent management	Employee matters
Governance	Ethics and compliance	Compliance	Anti-corruption and bribery
	Food safety	Food safety and nutrition	Social matters
	Data security	Customer privacy	Social matters

ESG Risk Management

A dedicated risk management function at HelloFresh identifies and assesses ESG risks linked to our business operations that could have a high negative impact both internally and externally, and outlines the actions to mitigate them. The risk assessment conducted in accordance with HGB in the end of 2022 did not identify any non-financial risks regarding our business activities, business relations, our products or services which are very likely to have an adverse impact on the non-financial aspects deemed material and listed above. The Combined Management Report contains further information on opportunities and risks, as well as a detailed presentation of our risk management.

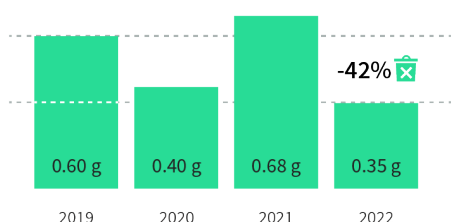
Planet

1. Food Waste and Donations

Reducing food waste is integral to our sustainability approach, and our work in this area is formed by three key components: reduce, donate and divert from landfill and incineration. Our business model inherently supports the reduction of food waste on two levels: within our own operations and at the point of consumption by our customers. Our make-to-order system allows us to source more accurate quantities of ingredients based on known consumer selections, rather than general demand estimates. This leads to lower volumes of unsold food and lower levels of food waste compared to the make-to-stock system typical for supermarkets. Our high inventory turnover also contributes to lower levels of food waste, as ingredients move more quickly through our lean value chain, from farm to fork. A benchmark analysis conducted in 2021 showed that HelloFresh generates 63% less food waste per euro of revenue than that of traditional food retailers.³ The scientific research proved that at the consumer level, using HelloFresh meal boxes was associated with a 38% reduction in total meal waste, when compared to traditional meals.⁴

Benefits of our food waste reduction approach were also reflected in the results of a Life Cycle Assessment (LCA) conducted in 2021, which compared the overall environmental footprint of popular HelloFresh meals with corresponding meals from supermarkets (buying the individual ingredients and preparing at home), and with restaurant deliveries. Throughout the study, HelloFresh showed, in general, a lower environmental burden compared to supermarkets and restaurant deliveries, with HelloFresh meals producing 25% fewer greenhouse gas (GHG) emissions compared to supermarkets, and 5.5% fewer GHGs compared to restaurant deliveries.⁵ This is largely attributable to the lower levels of food waste within the HelloFresh supply chain (read more in the [Life Cycle Assessment Technical Summary](#)).

Food Waste Disposed per Euro of Revenue in our Meal-kit Segment



Due to the significance and materiality of food waste to our sustainability vision, the HelloFresh Management Board, together with our sustainability team, set clear targets on food waste reduction. With numerous initiatives implemented across our markets to avoid and reduce food waste in the last two years, and despite rapid growth, today we have achieved a significant reduction of 42% of food waste per euro of revenue sent to landfill or incineration from all our meal-kit facilities compared to 2019⁶. Our 2025 target is to reduce food waste sent to landfill and incineration to 0.29 grams per euro of revenue for our meal-kit

³ Based on figures published by 13 leading traditional food retailers worldwide between 2019 and 2021.

⁴ Schuster, Sebastian, et al. "Do meal boxes reduce food waste from households?" *Journal of Cleaner Production* (2022): 134001.

⁵ Based on extrapolating averages from the results of the four regional markets analyzed in the study: Australia, the Benelux, Germany and Austria, and the US.

⁶ The 2019 baseline is out of the external assurance scope

vertical, representing a 52% reduction from our 2019 baseline, and reduce food waste sent to landfill and incineration for our other businesses by 56% from 2021 baseline⁷. Progress in achieving these targets will continue to be monitored quarterly by the Zero Waste Manager (international segment) and by the regional Sustainability team (US segment), and reported to the Management and Supervisory Boards.

Group Food Waste and Donations	2022 ²	2021 ¹	2020 ¹
Meal-kit business			
Food waste disposed ³	2,345 T	3,852 T	1,328 T
Food waste disposed per euro of revenue	0.35 g	0.68 g	0.40 g
Food waste diverted from disposal ⁴	6,035 T	4,405 T	0 T
Other businesses			
Food waste disposed ³	1,946 T	839 T	
Food waste disposed per euro of revenue	2.18 g	2.73 g	
Food waste diverted from disposal ⁴	426 T	146 T	
Total meal-kit and other businesses			
food donated	12,040 T	9,982 T	3,649 T
% of surplus food donated	53%	52% ⁵	73%

¹Data breakdown by businesses and by disposed / diverted is out of the external assurance scope

²Due to their recent launch in Q4 2022, waste data from the distribution centers in Madrid, Dublin and Barleben are not included in the analysis;

Excludes add-ons (HF Market) in Bleiswijk distribution center (Netherlands); Proxy used for DE&AT waste data

³Landfill or incineration

⁴Composting, anaerobic digestion, application or animal feed

⁵Figure corrected based on revised formula: Surplus Food Donated / (Food Waste Diverted from landfill or incineration + Food Waste sent to landfill or incineration + Surplus Food Donated)

Avoiding and Reducing Food Waste

By optimizing our operations and using data monitoring software, we track, analyze and manage our food waste, contributing to overall source reduction. Surplus fresh food is donated to local charity partners to support those facing food insecurity (see Donating and Diverting Food Waste). For the inedible food waste, we aim to divert it as much as possible from landfill or incineration, utilizing organic recycling options such as composting, anaerobic digestion, land application or animal feed.

Our distribution centers operate on a First-Expiry-First-Out basis to avoid unnecessary waste, with meal-kit production being tracked using a digital platform. Our international production and operations departments have developed Standard Operating Procedures (SOPs) for waste management and they provide training for international teams on effective procedures. In the US, a dynamic buffer management is used that allows us to reduce total surplus food in the system and, consequently, to reduce waste. Using advanced warehouse management systems and inventory management, data on donated food and disposed waste from local markets is tracked and analyzed.

Our food waste reduction measures extend into our supply chain. We provide upstream suppliers with demand forecasts weeks in advance, enabling them to plan ahead more accurately. Our procurement teams in our international segment use a dynamic ordering tool that gives multiple suppliers the opportunity to fulfill orders. This approach works similar to a reverse auction and contributes to the efficiency of the whole upstream food system, consequently reducing suppliers' unsold and wasted food.

We are currently establishing cross functional partnerships that combine the experience of our Procurement, Food Safety & Quality and Inventory teams to help reduce food surplus further.

⁷ The 2019 and 2021 baselines are out of the external assurance scope

Donating and Diverting Food Waste

Our make-to-order business model enables us to procure precise quantities of ingredients. However, we still rely on small stock buffers for our operations, and supply errors and last-minute changes are inevitable. This leads to surplus food in our distribution centers. Donations provide a beneficial way of reducing the fresh food waste, while also contributing to food security in local communities. In 2022, 12,040 T of unsold edible food was donated to charities. This represents 53% of our total surplus food.

In cases where food is not suitable for donation, we arrange local organics recycling options as a priority over landfill or incineration. We align our diverting approach with the EU Waste Framework Directive in Europe, the US EPA's Food Recovery hierarchy in the US and the AU National Food Waste Strategy in Australia.

During 2022 we increased our recycling capacity of inedible food waste by transitioning another 10 distribution centers away from using landfill or incineration and switching to composting or anaerobic digestion. For any new sites we open, organics recycling and donation partners are identified prior to launch, as was the case for our new distribution centers in Italy, Germany, Ireland, Spain and the UK. 30 out of 33 global production sites now have an organics recycling solution, with 25 of them also operating a packaged organics recycling solution.

Through our reduction, donation and diversion efforts, we reduced the meal-kit production food waste sent to landfill or incineration in 2022 by 42% per euro of revenue (from a 2019 baseline⁸). The biggest challenge in reaching the 50% reduction, which we aimed at, was the limited availability of de-packaging and diversion solutions in some of our markets. New company acquisitions with less rigorous food waste management policies also affected our overall food waste performance in 2022.

Donations beyond Surplus Food

Addressing food insecurity is an important part of our mission to change the way people eat forever. We have extended our food donation activities beyond donating surplus food through a range of measures, including the Meals with Meaning program and food donations to the Ukraine.

Established during the Covid-19 pandemic and still highly relevant in the current climate, our Meals with Meaning program gives customers the option of donating funds to those facing food insecurity when they place their weekly order. In 2022, we expanded the program to our fifth site in the US (Phoenix), and we also expanded our menus to provide more inclusive options, including two vegetarian options. 1.9 million meals were provided through the program in the US in 2022 – 400,000 more meals than in 2021. HelloFresh also launched our very first Community Fresh Market in the US (Denver) under the Green Chef brand to offer local families the opportunity to choose from a fresh variety of produce, dairy or protein items that best serve their lifestyles.

Meals Donated in the US through Meals with Meaning Program, mln Meals



⁸ The 2019 baseline is out of the external assurance scope

We have sent a total of 22 trucks of food to Ukraine from March until December 2022: 15 trucks through Aid Pioneers, the Polish Food Bank Federation and the Polish Red Cross and another 7 trucks from our US operations. Our US operations have also been providing monthly financial support to charities supporting those in need in the country. We also worked with the LIRS Resettlement Agency to provide Ukrainian refugees entering the US with meal kits through our donations program.

2. Carbon Footprint

We calculate our emissions in orientation to the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard Revised which is considered best practice for carbon accounting. GHG Protocol involves the measurement of company emissions on a per-scope basis:

- Scope 1: Direct emissions from energy use at HelloFresh sites and by the HelloFresh vehicle fleet, and from non-recovered F-gas leaks
- Scope 2: Indirect emissions from purchased electricity and heat
- Scope 3: Other categories of indirect emissions not included in Scope 2, which for HelloFresh involves:
 - Category 1: Purchased goods and services: third-party storage and production, external servers
 - Category 3: Fuel and energy-related activities: fuel production and distribution, electricity transmission and distribution losses
 - Category 6: Business travel: employee corporate travel excluding employee commuting
 - Category 9: Downstream transportation and distribution: third-party outbound logistics, excluding emissions already offset by carriers

We report our carbon emissions on our meal-kit and ready-to-eat brands: HelloFresh, Green Chef, Chefs Plate, EveryPlate, Factor, Youfoodz. As we are rapidly developing our ready-to-eat business, which involves food ingredients cooking processes, we expect our Scope 1 emissions profile to expand in the future.

Additionally, we track our carbon emissions on a per-source basis which allows us to measure progress on the reductions across our business processes. Traditional per-scope reporting does not fully capture the specifics of the HelloFresh business model; for example, carbon emissions from our outbound logistics could shift from Scope 3 to Scope 1 and 2 if we move from outsourcing to using our own fleet. Insourcing logistics in this way has numerous sustainability benefits, for example, allowing for a reduction in packaging and the implementation of electric vans powered with green energy. For this reason, we decided to set our reduction goals and approach based on the source of the carbon emissions and not solely on scopes as defined by the GHG Protocol.

To power our operations more sustainably, we procure renewable energy from energy providers or Renewable Energy Certificates (RECs). A REC is proof that a certain amount of electricity (measured in MegaWatt-hours, or MWh) was generated from renewable resources and fed into the power grid to cover HelloFresh consumption volumes during specific time periods. In calculating our emissions, we allocate all purchased RECs as reductions to our Scope 2 electricity emissions in orientation to GHG Protocol Guidance.

We use carbon offset programs to compensate for the remaining carbon emissions that can't be avoided or reduced from our direct operations. These are managed by external parties, Anew Climate LLC and South Pole. All of our offset credits are Golden Standard, VCS or ISO 14064-3 certified.

Emissions per Scope

HelloFresh Group tonnes CO ₂ e*	2022	2021	2020**
Scope 1	24,088	18,321	5,457
Fuels (TTW for HelloFresh fleet and heating) Natural gas (heating) F-gas (air-conditioning)			
Scope 2, market-based	18,096	11,070	7,834
Location-based where market-based emission factor is not available			
Scope 2, location-based	44,093	32,685	17,010
Scope 3, selected categories	103,875	101,517	78,156
Category 1 - Purchased goods and services (third-party storage and production, external servers) Category 3 - Fuel- and energy-related activities (fuel production and distribution, electricity transmission losses a Category 6 - Business travel (employee corporate travel) Category 9 - Downstream transportation and distribution (Third-party outbound logistics; excluding emissions already offset by carriers)			
Total tonnes CO₂e	146,059	130,908	91,447

* When primary data is not available estimations are used in line with common approaches

**Out of the external assurance scope

Emissions per Source

HelloFresh Group tonnes CO ₂ e*	2022	2021	2020**
Production facilities, Scope 1&2	31,768	18,843	11,200
Electricity, natural gas, fuels and f-gas at production facilities			
<i>Meal-kit business</i>	20,524	14,705*	2,089
<i>Other businesses</i>	11,244	4,138*	9,111
Non-production facilities, offices, Scope 1&2	7,644	6,762	2,089
F-gas, natural gas, electricity and fuels at offices, logistics hubs***			
Production and non-production facilities, Scope 3	2,796	2,192	2,959
Fuel production and distribution, electricity Transmission losses and distribution), external data storage servers			
Third-party offsite production and storage, Scope 3	8,060	8,283	6,426
Natural gas, electricity			
Outbound logistics, Scope 3	89,779	92,570	67,503
Fuel of HelloFresh fleet and third-party carriers			
Business travel, Scope 3	6,012	2,258	1,270
Total tonnes CO₂e	146,059	130,908	91,477

* When primary data is not available estimations are used in line with common approaches

**Out of the external assurance scope

***Hubs of HelloFresh-owned logistic operations

Total Emissions per Euro of Revenue

HelloFresh Group grams CO ₂ e	2022	2021	2020*
Per € revenue	19.25	21.84	24.39

*Out of the external assurance scope

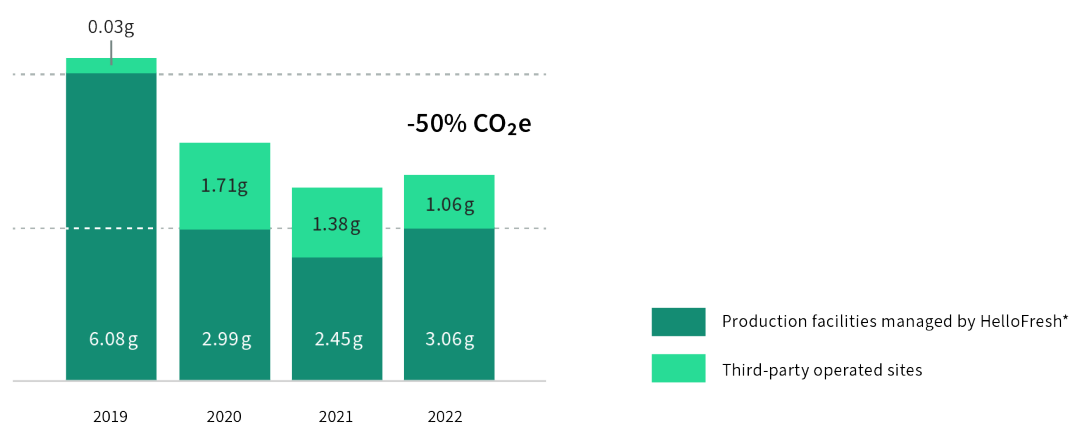
Carbon Reduction

Our carbon mitigation approach prioritizes the following steps: avoid, reduce, replace, compensate/offset. Making our operations more energy efficient and transitioning to renewable forms of energy such as solar, wind and hydropower are key components of this approach.

Thanks to continued efforts, in 2022 our meal-kit production facilities achieved a 50% reduction in carbon emissions per euro of revenue compared to the 2019 baseline⁹. We would have ended up well ahead of the target, however, a refrigerating system defect caused by a third party led to leakage of F-gases, increasing emissions from one of our facilities. The GreenHouse Gas emissions related to this event are accounted under our Scope 1 emissions and were evaluated based on conservative assumptions that will be verified in the course of a full investigation through the beginning of 2023. Preventive actions implemented as a result of this include an increased focus on emissions tracking, as well as the implementation of “digital twin” monitoring for advanced preventive maintenance capabilities.

Our other businesses vertical, represented by our ready-to-eat brands, has a different energy consumption structure and higher carbon emissions because the food ingredients are actually being cooked. We have recently acquired new entities in this vertical, and we are in the process of setting suitable reduction measures. This year, despite the fact that the ready-to-eat business is still a fraction of our meal-kit business by revenue, the comparatively high emissions from its operations have contributed to an overall increase in emissions on a per euro of revenue basis. A big share of carbon emission in ready-to-eat business arises from heat used for cooking food ingredients.

Carbon Emissions in Meal-kit Production Facilities per Euro of Revenue



*Includes: energy, fuels and refrigerator gas at our distribution centers

To drive further progress, our 2025 target is to reduce carbon emissions from our meal-kit production facilities by 66% per euro of revenue from a 2019 baseline and to reduce carbon emissions from our

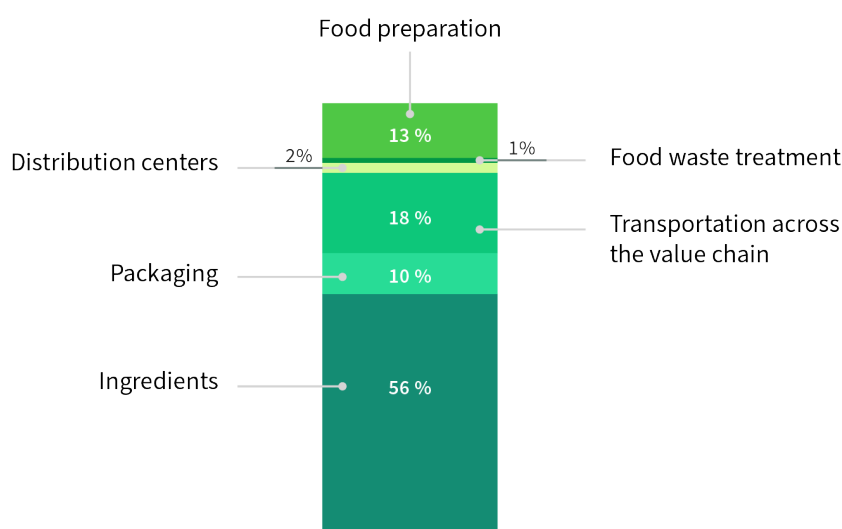
⁹ The 2019 baseline is out of the external assurance scope

production in other businesses by 30% from a 2021 baseline¹⁰. This target includes Scope 1 and 2 emissions related to electricity, natural gas, liquid fuels and refrigerant gas at our distribution centers that belong to our meal-kit operations. Our emissions goals are set on an intensity basis of kgCO₂e per euro of revenue to account for the rapid growth that HelloFresh has experienced over the last few years.

In addition to direct carbon reduction measures, we also work to reduce indirect carbon emissions, such as reducing packaging to generate lower shipping volumes (see Packaging) and reducing food waste at our distribution centers (covered earlier in Food Waste and Donations).

A significant proportion of indirect emissions are generated upstream in our supply chain, within agriculture and food production. While these activities are not within our direct control, we still hold ourselves accountable and look for ways to reduce the emissions generated from these Scope 3 sources. As part of this work, at the end of 2022 we committed to setting science-based emissions reduction targets, based on guidance developed by the Science Based Targets initiative (SBTi). We will develop and validate our targets within the two-year time frame allocated to this process. Setting such targets reflects our wider efforts to support the 1.5 degrees Celsius goal of the Paris Climate Agreement.

Global Warming Potential per Meal by Life Cycle Stage



HelloFresh Global Average based on LCA Quantis Research*

*Data extrapolated from the 2021 Life Cycle Assessment study; out of the external assurance scope

Educating and empowering our customers to make more environmentally-friendly food choices is a key focus area for us, both now and into the future. Our work on mapping the carbon footprints of our meals and ingredients underpins this approach. In 2022 we launched "climate tags" that highlight recipes associated with the lowest emissions on our menus, based on the carbon footprint of the ingredients. In addition to empowering our customers to make climate-friendly meal choices, the climate tags can help us create a lower-carbon supply chain since our procurement is driven by customers' ordering choices. The tags have been introduced to most of our markets: Australia and New Zealand, the Benelux, DACH, France, the UK, Italy and the Nordics. We will continue this going forward, helping our customers make more sustainable choices and tailoring our recipes to reduce the environmental impact and our associated Scope 3 emissions.

¹⁰ Years 2019 and 2020 are out of the external assurance scope

HelloFresh Group Production Facilities Emissions on a per Euro of Revenue Basis	2022	2021	2020*
Meal-kit business			
Global production facilities managed by HelloFresh, Scope 1 & 2	3.06 g	2.45 g	2.99 g
Third-party operated sites	1.06 g	1.38 g	1.71 g
Other businesses			
Global production facilities managed by HelloFresh, Scope 1 & 2	10-16 g**	10-20 g**	
Total meal-kit and other businesses			
Global production facilities managed by HelloFresh, Scope 1 & 2	4.19 g	3.14 g	2.99 g

HelloFresh Facilities emission from: Electricity, natural gas, fuels and f-gas; Third-party operated sites emission from: Energy, Natural Gas

*Out of the external assurance scope

**Out of the external assurance scope. Range because of lack of historical data availability and accuracy since newly acquired and built businesses with immature sustainability data tracking and reporting

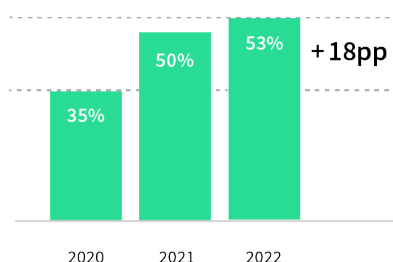
Energy Efficiency and Green Energy

We have an energy policy in place across our operations in the Benelux, Germany and the UK, with plans to extend the policy to more markets in the future. The policy promotes a more holistic approach to reducing our energy consumption and increasing our energy efficiency, for example by using specific energy criteria in the selection of new equipment or energy suppliers; defining sustainable guidelines for the design of new production sites; training staff on energy reduction practices and sharing best practices across our markets. As part of the policy, we worked to attain the ISO 50001 Energy Management system certification for four distribution centers and our global HQ in Berlin in 2021, and we successfully completed the surveillance audits required as part of these ISO standards in 2022.

Transitioning to renewable energy is another key measure to reduce our carbon emissions, and we do this by purchasing renewable sources of electricity from our energy suppliers and generating our own electricity onsite; for example, we operate solar panels at some of our locations in Australia and the Netherlands. Furthermore, in 2022, a new 2,979 kW capacity solar photovoltaic system was installed at our distribution center in Newark, US. As a result of these measures, the share of renewable energy we consumed in our distribution centers and offices in 2022 increased to 53%, from 50% in 2021 and 35% in 2020.

We also integrate sustainable construction practices for new and existing facilities – for example, our new Berlin HQ achieved DGNB Gold building certification in 2022. DGNB is internationally recognized as the global benchmark for sustainability in construction.

Renewable Energy Share in Energy Consumption at HelloFresh Facilities



Total Operational Energy Consumption and Intensity at HelloFresh Facilities: Distribution Centers, Offices	2022	2021	2020*
Energy consumption, GWh	178	140	73
Renewable energy in total energy consumption**	53%	50%	35%
Energy consumption by sources:			
Purchased grid electricity	78%	83%	85%
Generated on-site renewable energy	0.7%	0.5%	1%
Other (natural gas and fuels)	21%	17%	14%

*Year 2020 is out of the external assurance scope

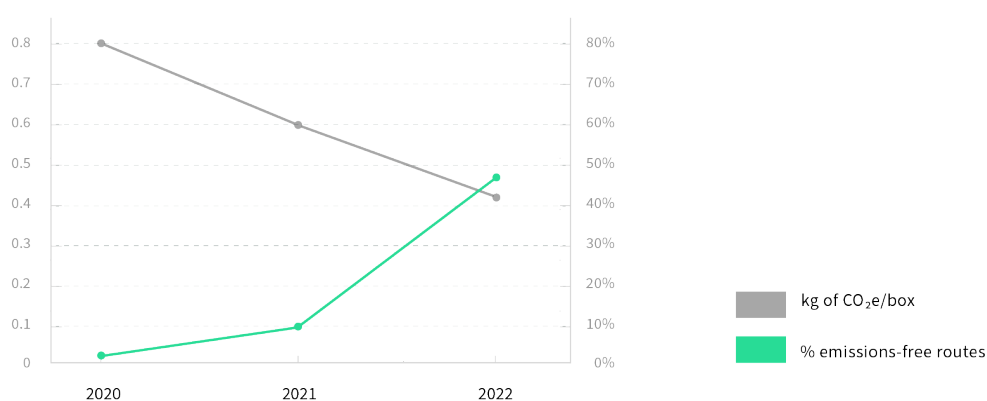
** Solar energy generation, purchase of green electricity and Renewable Energy Certificates (RECs)

Green Deliveries

Optimizing our delivery routes based on the lowest fuel consumption and using electric vehicles powered by renewable energy (where we own the outbound logistics fleet) is another measure helping us reduce our logistics-related carbon emissions. In the Benelux region, we continued to optimize routes and increased the number of e-vans powered by renewable energy, which led to 48% emission-free deliveries in 2022, up from 10% in 2021. These measures have helped us to reduce our logistics-related carbon emissions by 30% per box in the region in 2022, compared to 2021. In 2022 we piloted e-van delivery in the US. Where feasible, we plan to extend this initiative within the US and to our other markets in the future.

Insourcing logistics allows for direct control over deliveries and numerous sustainability benefits like packaging reduction, route planning optimization and the implementation of electric vans powered by green energy. In terms of carbon emissions accounting, insourcing logistics shifts delivery emissions from Scope 3 to Scope 1 or 2.

Benelux Outbound Logistics Fleet



HelloFresh Benelux Outbound Logistics Fleet	2022	2021	2020*
kg of CO ₂ e/box	0.4	0.6	0.8
% emissions-free routes	48%	10%	1%

*Out of the external assurance scope

3. Packaging

Packaging plays a critical role in our operations since it ensures the safety and freshness of our products, helping us deliver the high quality expected by our customers. However, the nature of packaging can present several challenges, which is why we prioritize efforts to minimize the packaging we use, and continuously seek and develop more sustainable solutions. In order to minimize our impact, we follow the waste hierarchy, meaning that we avoid, reduce, promote recyclability and innovate wherever possible. To drive further progress across our packaging initiatives, we are in the process of establishing overall packaging targets, supported by actionable KPIs on packaging properties.

Avoiding, Reducing and Recycling Packaging

In our international segment, we continued integration of the award-winning Dynamic Packaging Configurator (DPC), which uses metadata on shapes and dimensions of our ingredients to calculate the right packaging sizes with a volume-level approach for every customer order. The DPC also assigns the right insulation type, thickness and amount of ice needed to maintain food safety, while optimizing packaging usage. In the US, we have a similar Box Fit program, which we continued to develop in 2022 and introduced to our EveryPlate and Green Chef brands. As a result of the BoxFit 2.0 rollout and continued expansion of linerless boxes to these brands, we were able to avoid approximately 212 metric tonnes of paper packaging and 54 metric tonnes of plastic packaging in 2022, compared to what would have been assigned via our previous secondary packaging assignment model.

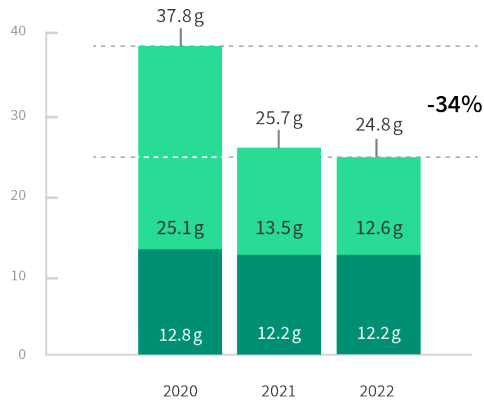
This year we took more steps toward our goal of packaging standardization, whereby standardized packaging, sized across markets and brands, will help us avoid potential packaging waste and optimize our supply chain. In 2022, we implemented more standardization in terms of packaging size and design. Simplified language and symbols on the packaging also make it easier for customers to understand how to reuse, recycle or dispose of the packaging. We are working to further increase packaging awareness among our customers, with initiatives like a sustainability newsletter and packaging-specific messages already launched across our platforms and apps in DACH and the UK.

Expanding our in-house ice-pack production across more markets in 2022 helped us reduce our reliance on external suppliers, leading to the minimization of transportation throughout our supply chain, as well as avoiding associated carbon emissions and packaging waste. We are also phasing out gel-based ice packs across our international segment and replacing them with water-based packs, thereby reducing landfill waste and returning water into the system at the end of life.

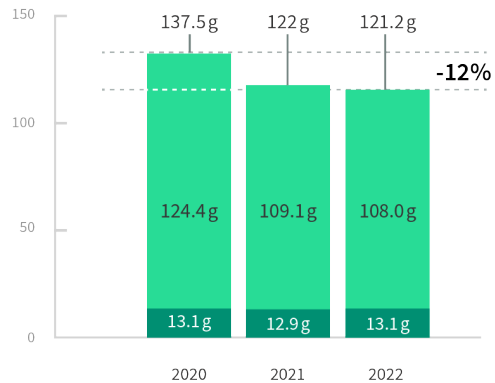
During 2022 we made progress phasing out some of our secondary plastic packaging, for example, we finalized the elimination of our polystyrene foam liners in the US market, and we continued to roll out our four-portion protein packs. The four-portion protein pack reduces packaging by 25% compared to our former two-portion packs (when required for four portions). We also began using shrink wrap for certain items instead of plastic bags which reduces packaging weight by 50% to 100% per item. In instances where avoiding plastic packaging is not possible, for example, when it is required for food safety reasons, we offset 100% of the plastic in each meal kit from our US Green Chef operations.

As a result of the measures and efforts in 2022, we achieved a 12% reduction in packaging per meal (in weight) compared with 2020 in our meal-kit vertical. Our use of plastic packaging per meal fell by 34% in the same period.

Plastic and Mixed Packaging per Meal



Total Packaging per Meal



■ Ingredient packaging ■ Outer packaging

Meal-kit Packaging per Meal**, in grams	Primary (Ingredient)			Secondary (Outer)			Total		
	2022	2021	2020*	2022	2021	2020*	2022	2021	2020*
Plastics and mixed	12.2 g	12.2 g	12.8 g	12.6 g	13.5 g	25.1 g	24.8 g	25.7 g	37.8 g
Paper	0.9 g	0.7 g	0.3 g	95.5 g	95.7 g	99.3 g	96.4 g	96.4 g	99.7 g
Total	13.1 g	12.9 g	13.1 g	108.0 g	109.1 g	124.4 g	121.2 g	122.0 g	137.5 g

*Out of the external assurance scope

**Values based on procured mass evaluated in 70% of markets by revenue in 2021 and 80% in 2022, meal-kit operations; Excluding glass and metal (<1% by weight); kitted add-ons included, other add-ons excluded

We're focused on increasing the recyclability of our packaging and including more recycled materials in our packaging. In 2022 we expanded our use of the recyclable EcoMailer™ to four more international markets. Developed in 2021, the EcoMailer™ is a paper-based solution that is recyclable in the paper stream. We also continued our work with Fraunhofer FEP Institute in developing a mono-material foil for our ice packs, which will enable including more recycled material contents in our ice packs.

Packaging Innovations

We continue to pool our knowledge with suppliers, delivery partners and other organizations to develop and trial new innovations to advance our sustainability goals and to continue to meet customer expectations. Our Dynamic Packaging Configurator, which we use in a number of markets to help reduce our overall secondary packaging through optimization configurations, and our EcoMailer™ are prime examples of recent innovations that contribute to our overall packaging management approach. We are currently working on a circular packaging system, piloted in the Benelux region, which will allow us to significantly reduce our use of cardboard in our deliveries while also reducing the associated CO₂ emissions.

In the US, we are working with machinery vendors and paper film vendors to advance a new solution for paper packaging for grocery items. The first test phase, for pastas and grains, began in Q4 of 2022, and will continue into 2023.

Our customers continue to play a key role in driving our innovations. They provide us with valuable insights into our products and service, and we use their feedback, alongside a continuous monitoring of our Net

Promoter Score (NPS) and error rates, to develop initiatives that help us maintain the high quality of service that our customers expect.

Looking forward, we plan to leverage our innovation skills and knowledge to develop new packaging solutions, and use more sustainable materials in our packaging, while maintaining the high quality that our customers expect.

4. Responsible Sourcing

We look to source high-quality fresh produce from suppliers that focus on sustainable production and comply with either GLOBALG.A.P. (Good Agricultural Practices) or market equivalent, or the Global Food Safety Initiative (GFSI).

Where possible, we favor locally grown ingredients and in-season produce as this minimizes unnecessary food miles and supports local agriculture and food production. For example, in France, we established an initiative to stop using out-of-season vegetables, and in the US we source items such as potatoes with non-traditional specifications (shape and size) to reduce food waste upstream.

We use SEDEX as our main provider of ethical assurance for companies within our supply chain. SEDEX is an online assessment tool that allows companies to submit, review and risk assess data on ethical and responsible business practices. We already have most UK suppliers onboarding with SEDEX and will roll out to other markets over the following years.

In 2022, 95.5% of the fresh produce we purchased came from suppliers that are compliant with GLOBALG.A.P. or equivalent, or GFSI-certified. 95% of total fish and seafood (by weight) purchased across markets in 2022 was certified by a recognized scheme (GLOBALG.A.P, Aquaculture Stewardship Council (ASC), or Best Aquaculture Practices (BAP) for aquaculture species and Marine Stewardship Council (MSC) for wild-caught species). We also made improvements to our BAP requirements, resulting in 99.9% of BAP-certified products having 2* or above, as well as initiating the replacement of all BAP1* products with BAP2* (or above), to be achieved by the end of 2023. In the US, we follow the Monterey Bay Aquarium Seafood Watch ratings to source seafood ranked as Best Choice, Good Alternative, or certified to standards recognized by Seafood Watch.

In European markets, 96% of our chicken volume by weight is procured from farms where the stocking density is below EU legislative maximum¹¹. Our intention going forward is to take a more standardized approach to monitoring and reporting on broiler welfare across all markets in our international segment, capturing industry-recognized metrics on broiler chicken welfare that are clear and transparent for our consumers. In 2022, we conducted a comprehensive assessment of our entire broiler supply chain mapped against the BCC. Through this gap analysis, we developed a broiler roadmap to assess the welfare of our supply chains, independent of local schemes across our international segment.

In the US, we revised our Chicken Welfare Policy to include a roadmap for guiding progress with our suppliers towards the BCC. We engaged with existing and potential suppliers to understand what they need in order to meet the BCC, and we worked directly with our largest supplier to support progress in third-party auditing and functional enrichment for broiler chickens at the barn level. We also joined the US Working Group for Broiler Welfare, convened by Compassion in World Farming.

Ethical Trading and Fair Labor

To promote responsible business practices across our supply chain and to minimize risks from any potential human rights violations, our Ethical Trading Policy sets clear minimum requirements for doing business

¹¹ Correction to 2021 disclosure: share of chicken from farms complying to the BCC in 2021 was 0%. Further explanation of the error is on our web page <https://hellofreshgroup.com/en/newsroom/stories>

with any company of the HelloFresh Group. The policy, publicly available on our Group website, defines ethical trading standards based on the International Bill of Human Rights and the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. The requirements include, but are not limited to, the prohibition of any kind of modern slavery, child labor, discrimination, harassment or inhumane treatment and excessive working hours. Along with our suppliers, we also hold ourselves accountable to the same requirements in our Ethical Trading Policy. Management has been involved in the implementation of the ethical trading program.

In 2022 we revised the standards of our Ethical Trading Policy to reflect upcoming regulatory requirements. Environmental protection and fair business practices, such as fair competition, anti-corruption and data protection are now included in the policy. We have further clarified our expectations regarding our business partners' management systems to prevent and mitigate violations of our Ethical Trading Policy within their own operations and supply chain. We are now rolling out suppliers sign-off on the policy, and we plan to disclose on the share of suppliers that signed off on the policy in the next reporting cycle. We also conducted an initial group-wide risk assessment to identify potential risks for human, labor and environmental protection rights associated with our own operations and those of our direct suppliers. This sets the groundwork for future implementation of a dedicated risk management system to mitigate and respond to potential violations of our ethical trading standards. We aim to expand the reporting on quantitative information linked to ethical trading in next year's report.

People

5. Employee Health and Safety

We strive for a zero-harm workplace for all our employees and utilize a people-centric care framework to develop our health and safety strategies. We continued unifying and strengthening our health and safety approach across our US and international segment in 2022 to achieve greater process harmonization and to benefit from cross-market learnings on proactive risk management strategies.

We also expanded our central governance safety team, increasing the specialist knowledge within the team and the scope of responsibility, while also expanding our in-market safety leadership representation. This helped us expedite the implementation of additional health and safety management policies aligned with international standards. Furthermore, we are in the process of designing training materials that specify and institutionalize our expectations on safety leadership principles and employee standards. These materials will be under continuous review to deliver discernible risk reduction benefits whilst helping us further enhance our safe working culture through engagement and awareness.

To verify compliance with our health and safety policies, we follow a structured, independently assessed audit schedule, with re-appraisals every six months. In 2022, we completed compliance audits across all international distribution centers, verifying our international Occupational Health and Safety (OHS) management system and standards.

We use key performance metrics to monitor our progress and drive improvements. Our health and safety IT platforms facilitate accurate reporting, and the completion of core risk assessments helps us identify risks before they occur. We follow a safety-first approach and undertake a thorough cause analysis for any accidents that occur. In 2022 there were 397 lost time injuries reported (accidents where employees could not return to work immediately because of injuries sustained), and our lost time injury frequency rate was 12.5 (number of lost time injuries multiplied by a million and divided by total hours worked).

In early 2022, we began reducing our mandatory Covid-19 protection measures such as the use of face masks and social distancing in line with government recommendations. We have updated our plans to enable the quick re-mobilization of measures if necessary, with a focus on employee safety and business

continuity. We continue to monitor Covid-19 levels in all HelloFresh markets on a bi-weekly basis, and we continue to review our approach to Covid-19 management to control and reduce the risk of virus transmission across our operations.

We strive for continuous improvements in our health and safety approach, and in 2022 we partnered with Campden BRI to gain insights into our safety culture from our employees, agency employees and third-party partners. The survey results will be used to implement targeted improvements in each market in 2023 and beyond.

6. Employee Diversity and Inclusion

We are committed to embracing the dimensions of diversity in the workplace equally and empowering our team to bring their whole selves to work. In 2022, 111 nationalities made up our around 20,000-strong workforce, with 104 nationalities at our Berlin HQ alone.

We take measures to maintain a continuous focus on diversity and inclusion at HelloFresh. For example, our Code of Ethics outlines our commitment to an inclusive culture and provides clear guidance on how we expect all employees to act. The Code is anchored in our core values of respect, responsibility and integrity. Our inclusive approach applies to employees, in terms of age, race, ethnicity, national origin, gender, marital status, political opinion, military status, sexual orientation and gender identity, culture, physical or mental disability, religion, or how employees identify or express themselves.

One of our aims at HelloFresh is to increase diverse representation at Associate Director level and higher, with objectives and key results (OKRs) to guide our progress. As a data-driven organization, we recognize the critical role data plays in monitoring our efforts toward such targets and we have developed a dashboard to track diversity and inclusion data. Establishing unbiased decision-making processes for promotions and hiring, and increasing the talent we hire from underrepresented groups¹² form a key part of our approach. In 2022 we partnered with Inklupreneur, a Berlin-based organization to help us improve our processes for hiring people with disabilities. Furthermore, we continued our Women in Tech Scholarship program in 2022, offering scholarships to six female technology interns in partnership with different bootcamps.

We also developed an unconscious bias training for all Leadership Essentials cohorts, which was delivered to 92 employees. In addition, we launched a virtual training on diversity, equity and inclusion (DE&I) and implicit bias, available to all employees. Along with improving overall diversity, these endeavors help us foster a culture that empowers women and contributes toward our aim of increasing the number of women in leadership.

In 2022, women accounted for 46% of our workforce and 35% of Associate Director positions across HelloFresh. Furthermore, women accounted for 50% of the promotions (out of all employees eligible for promotion) across all the commercial functions of HelloFresh SE. Within technology functions, including global tech hubs, women accounted for 31% of promotions (out of all employees eligible for promotion).

To help build an inclusive work culture, we empower employees within diversity-related topic groups, known as Employee Resource Groups (ERGs). We encourage employees to build ERGs to give a voice and platform to the myriad of intersectional identities at HelloFresh. The ERGs are formed by volunteer employees with a shared interest in specific diversity-related topics such as gender equality, LGBTQIA+ representation and inclusion, religious diversity, military status, and support for working parents and caregivers.

¹² "Underrepresented groups" include women and non-binary people

7. Employee Development

"Learning never stops" is one of our core values at HelloFresh, echoing our commitment to the continued professional development of our employees. A strong learning culture empowers and engages employees, and helps them achieve organizational OKRs. HelloFresh employees have access to an annual personal learning and development budget, and we provide locally-based training initiatives in various markets. In 2022, we spent around EUR 5,000,000 on learning and development. We introduced digital learning platform, Looop, across the Group, which was used by 4,040 employees in 2022. Global Learning and Development teams are responsible for overseeing the learning and development activities at HelloFresh. In 2022, 46% of open management positions were filled through internal promotions, reflecting our strong approach to career development.

We continue to support high-potential employees through our Future Leaders Program (FLP). All cohorts are mentored by senior management across the HelloFresh Group, and they receive bi-annual reviews and check-ins with C-level executives. In 2022, 23 employees graduated from the program, and we welcomed 39 new employees to the FLP.

We also run a Leadership Essentials program for newly appointed leaders at HelloFresh, which was revised and expanded in 2022. Our international Fast Stream Rotational Program for graduates, steered by HelloFresh Co-Founder Thomas Griesel, continued in 2022 with the third cohort of participants and challenging rotational assignments to help accelerate graduates' path to leadership.

Governance

8. Ethics and Compliance

We are committed to working with integrity, respect and responsibility across our business endeavors. These core values are documented in our Code of Ethics, which is communicated to all employees at HelloFresh and is available on our Group website. Structured around four pillars – our planet, our people, our community and governance, and our business – the Code of Ethics provides clear guidance on how we expect everyone at HelloFresh to uphold our values in their daily work and to help us to deliver on our commitments. As part of our Code of Ethics, all employees are required to comply with applicable laws and our internal standards on topics such as anti-corruption, conflicts of interest, non-discrimination and harassment, data protection, fair competition, respect for human rights, financial crimes and inside trading. We have implemented group-wide policies, in addition to our Code of Ethics, further specifying our standards and expectations regarding ethical trading, anti-corruption and bribery, competition laws, capital market compliance and information security. In 2022, we revised our Ethical Trading Policy, establishing clear standards that our business partners and our own operations are expected to follow (for more details see Ethical Trading and Fair Labor chapter).

Compliance at HelloFresh is managed by our global compliance management function together with local compliance officers. Their work involves regular compliance communication, compliance training, policy management and reporting on and investigating ethics concerns. The global compliance management function reports directly to the Chief Financial Officer, with the Management Board having overall responsibility. We conduct mandatory basic compliance training for our employees via e-learning modules. Training is refreshed annually and addresses the ethical standards set out in our Code of Ethics and other compliance policies. In 2022, 5,750 employees, including 1,170 employees of HelloFresh SE, completed the basic compliance training. We also run regular communications to promote our speak-up culture, and

maintain various channels for employees as well as external stakeholders to report any concerns regarding violations of applicable laws or our ethical standards. This includes our whistleblowing HelloFresh Speak Up! Platform (see page 70 of the [2021 HelloFresh Sustainability Report](#) for more details) which is accessible to all employees in our offices and distribution centers, including agency and third-party employees.

9. Food Safety

The quality and safety of our products are of paramount importance to us. All HelloFresh suppliers go through an onboarding process with our Food Safety and Quality Assurance (FSQA) team, which includes approving their manufacturing facility by reviewing certifications, asking risk-based questions and auditing suppliers classed as high-risk. The FSQA team also approves each ingredient used, which includes allergens and nutritional content, and the labeling of such. The minimum certification scoring requirements we have in place for suppliers at HelloFresh are routinely reviewed.

One of our aims is to increase the proportion of suppliers with independent food safety certifications benchmarked by the Global Food Safety Initiative (GFSI). In 2022, 86% of our global suppliers held GFSI food safety certifications¹³. Where suppliers do not hold an independent GFSI certification, we conduct annual food safety audits of the production site for due diligence.

We are also working to increase our share of distribution centers with BRCGS (British Retail Consortium Global Standard) or SQF certifications. In 2022 we successfully certified 10 international distribution centers under BRCGS Storage and Distribution Standard – a standard assuring the quality and safety of products during storage and distribution throughout the supply chain. In the US, all HelloFresh and EveryPlate facilities are SQF-certified (Safe Quality Food).

Our dedication to providing customers with safe, high-quality food was formally recognized in 2022 when HelloFresh US received the Black Pearl Award. This award recognizes a company's outstanding achievement in corporate excellence in food safety and quality.

Across our international markets, we launched a number of food safety initiatives in 2022, including a paperless inspection process (Form.com) which provides a standardized routine for internal audits, GMP inspections and other food safety and quality-related controls. These provide verification at set intervals for all key food safety standards. They also enable us to track real-time data on metrics such as hygiene, product quality and errors, thereby aiming at mitigating potential risks and creating effective work routines and high-quality workflows.

To complement our centrally-defined policy for food safety management, we are designing training material to specify and institutionalize our expectations for food safety leadership principles and employee standards. The continuous reviewing of this training material will help us deliver consistent and strong food safety standards whilst further enhancing our food safety culture through engagement and awareness.

We have also incorporated food safety and quality into our safety culture survey (detailed in Employee Health and Safety), to gain valuable insights on the food safety culture at HelloFresh and highlight any areas for improvement.

10. Data Security

We take extensive measures to protect customer privacy and the data we handle for employees, suppliers and other stakeholders. We deploy significant resources to provide the safety of our customer data and to comply with local data protection legislation, such as the European General Data Protection Regulation (EU

¹³ Japan is excluded from the analysis

GDPR) and the California Consumer Privacy Act (CCPA). Data privacy is managed by our Global Legal team and local privacy experts, who report directly to the Chief Financial Officer. The Global Legal team provides guidelines, policies, and training, often supplemented by local privacy initiatives and training tailored to local market needs. Ultimate legal responsibility for data privacy compliance lies with the HelloFresh Group General Counsel.

Transparency on the types of personal (customer) data we process, how it is processed and the purposes thereof, is available in the privacy statements on our local websites. The privacy statements are updated whenever circumstances demand a change.

Our data privacy compliance comprises the following measures and instruments:

Training: Among the modules of the mandatory basic compliance training, there is one dedicated to Data Protection, and a module on Information Security will be added in 2023. In addition, online data protection training with a final examination forms part of our standard onboarding procedure for all employees that handle personal data. The Security Awareness Training is offered to HelloFresh SE users from departments we considered high-risk from a data security perspective. If customer-related services are fulfilled by external providers, the respective agents receive tailored privacy training at the beginning and throughout the duration of their engagement.

Code of ethics: Measures on data privacy and information security are detailed in our Code of Ethics, to which all employees are required to adhere.

Provision of guidelines: General Data Protection and Data Privacy Incidents documents outline how personal data is defined, which general rules apply to personal data, and how to react in cases of a data incident. Our company-level Incident Management Policy, as well as our Security Incident Management Policy, guide us on how to monitor and respond to data breaches and cyberattacks. Our Data Request Policy formulates how to respond to data subject requests from customers and other stakeholders.

Due diligence checks: Each vendor that handles personal data must outline which personal data is processed and the technical and organizational measures in place to protect the data. Vendors handling personal data on behalf of HelloFresh must enter into respective Data Protection Agreements with us, including Standard Contractual Clauses, where required.

Groups and committees: Various groups and committees, such as the Information Security Committee, monitor and update the relevant stakeholders at HelloFresh on the most recent laws, rulings and developments on data privacy and data protection.

Data privacy by design: Our customers have control over which types of communications they receive from HelloFresh. They can easily cancel or pause their HelloFresh subscription or exert their data privacy rights at any time through the website or app.

Data deletion: Our internal guidelines dictate that customer deletion requests are transacted within a few days. Moreover, whenever a customer has not subscribed to a meal kit for more than two years and has not logged into their account for the same period of time, the customer's data will be automatically deleted from our customer database, except for data that has to be maintained to comply with data retention laws (e.g. bookkeeping, tax laws, etc.).

Control guidelines: Systems containing sensitive information are covered by policies, processes and controls implemented by IT and periodically reviewed by our security team. Examples of such controls include:

- a. Approval request process: Access to the personally identifiable information sensitive systems is granted following managerial or respective owner approval and consists of a full "audit trail" prior to access.
- b. The CRM system is audited on a quarterly basis whereby access granted throughout the quarter is reviewed to ensure compliance with our policies.

- c. Advanced authentication and authorization systems are implemented for consolidated and strengthened security, alongside increased audit capabilities and anomaly detection features.
- d. Quarterly penetration tests are performed on various key systems, services, tools, and applications. The scope of the reviewed systems changes every quarter.
- e. Our repositories are continuously monitored by an automated vulnerability scanning solution, and the identified vulnerabilities are handled by the responsible technical teams.

In the frames of the annual PCI DSS audit and certification process, the auditor company reviews our policies and process documentation, including the Information Security Policy. In the reporting period, there were 0 confirmed cases of data privacy breaches or violations resulting in a warning or dismissal of an employee and/or a fine over EUR 100,000. To help us measure our success in data protection and to identify areas for improvement, we are developing specific KPIs, for example, the number of employees having passed the online privacy examination. These will be reported on in future years.

EU Taxonomy

The Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council, known as the EU taxonomy, is a science-based classification system establishing which economic activities can be considered environmentally sustainable. The regulation is a key component of the European Commission's action plan to redirect capital flows toward a more sustainable economy.

The Commission Delegated Regulation (EU) 2022/1214 that amends Delegated Regulation (EU) 2021/2139 in regard to the economic activities in certain energy sectors, and Delegated Regulation (EU) 2021/2178 in regard to specific public disclosures for those economic activities on 9 March 2022 was also considered for the purposes of the Taxonomy disclosure. The EU Commission published two additional draft FAQs on the Climate Delegated Act and Article 8 Delegated Act on 19 December 2022, which have also been reviewed for the purpose of this report

As a large non-financial undertaking, we are required to present the share of our group revenue, capital expenditure (CapEx) and operating expenditure (OpEx) for the reporting period 2022 that is associated with EU Taxonomy-eligible economic activities under the first two environmental objectives (climate change mitigation and climate change adaptation) in accordance with Art. 8 of the Taxonomy Regulation and Art. 10 (2) of the Art. 8 Delegated Act. In this fiscal year, HelloFresh reported only on the percentage of eligibility. For subsequent years, these eligible activities will be analyzed from the point of view of their alignment with the Taxonomy.

Revenue

											Minimum Social Safeguards	Taxonomy- aligned revenue (% of total revenue)	
	Turnover (€m)	Proportion of turnover	SC*		DNSH**				Category "enabling activity"	Category transitional activity"			
			Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water protection	Pollution prevention	Circularity	Biodiversity			2022
A. Taxonomy-eligible economic activities													
A.1. Taxonomy-aligned	0	0%	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a		0%
Sum	0												
A2. Not taxonomy-aligned													
Sum	0												
B. Non taxonomy-eligible economic activities	7607.2	100%											
Total (A+B)	7607.2	100%											

* Substantial contribution

** Do not significant harm

Revenue is defined as net turnover applying IFRS (IAS 1 Paragraph 82(a)) and is disclosed on page 3 of the Group's 2022 Annual Report as Group Revenue for a total consideration of MEUR 7,607 per FY 2022).

As established last year, the core revenue source for HelloFresh – the sale of meal-kits and ready-to-eat products and subscriptions – cannot be classified as eligible under the first delegated act of the EU Taxonomy. One particular revenue stream we derive from offering our refrigerated courier services to third parties (corresponding to Activity 6.5: Transport by motorbikes, passenger cars and light commercial vehicles, and/or Activity 6.6: Freight transport services by road, identified in Annex I to the EU Taxonomy Climate Delegated Act), was identified as eligible. However, it was immaterial to the business in 2022 as per the 1% revenue threshold applied to the taxonomy analysis. Such threshold has been established internally at HelloFresh for the purpose of Taxonomy reporting.

For the 2023 reporting cycle, the list of environmental objectives in scope is expected to expand to a total of six, including 'transition to a circular economy' and 'protect healthy ecosystems'. It might be the case that a part or the totality of HelloFresh's revenue will be eligible under the additional four objectives.

CapEx

	SC*										Minimum Social Safeguards	Taxonomy aligned CapEx (as a % of total CapEx)	
	CapEx (€m)	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water protection	Pollution prevention	Circularity	Biodiversity		Category "enabling activity"	Category "transitional activity"
A. Taxonomy-eligible economic activities													
A.1. Taxonomy-aligned	0.0	0%	n.a	n.a.	n.a.	n.a	n.a	n.a	n.a	n.a	n.a		
Sum	0.0												0%
A.2. Not taxonomy-aligned													
Activity 6.5: Transport by motorbikes, passenger cars and light commercial vehicles	25.0	3%											
Activity 7.2: Renovation of existing buildings	24.7	3%											
Activity 7.7: Acquisition and ownership of buildings	32.9	5%											
Activity 8.1: Data processing, hosting and related activities	0.7	0%											
Sum	83.3	12%											
B. Non taxonomy-eligible activities	635.6	88%											
Total (A+B)	718.9	100%											

* Substantial contribution

** Do not significant harm

Total CapEx as defined by the EU taxonomy shall cover additions to tangible and intangible assets during the financial year considered before depreciation, amortization and any remeasurements for the relevant financial year and excluding fair value changes (IAS 16, 38, 40, 41, IFRS 16). CapEx shall also cover additions to tangible and intangible assets resulting from business combinations (applying IFRS). Total CapEx movements for the FY 2022 for HelloFresh SE amounts to MEUR 718.9 as per pages 71 (for Property, Plant and Equipment) and 73 (Intangible Assets) of the Group's 2022 Annual Report. Acquired goodwill is not included.

12% of the CapEx is considered to be eligible under the definition of the EU Taxonomy. The figure corresponds to expenditures that have been classified under one of the following activities:

- Activity 6.5: Transport by motorbikes, passenger cars and light commercial vehicles (Annex I)

- Activity 7.2: Renovation of existing buildings (Annex I)
- Activity 7.3: Installation, maintenance and repair of energy efficiency equipment (Annex I)
- Activity: 7.4: Installation, maintenance and repair of charging stations for electric vehicles in buildings, and parking spaces attached to buildings (Annex I)
- Activity 7.6: Installation, maintenance and repair of renewable energy technologies (Annex I)
- Activity 7.7: Acquisition and ownership of buildings (Annex I)
- Activity 8.1: Data processing, hosting and related activities (Annex I)

Examples of these activities include the building and ownership of new and existing fulfillment centers, the purchase or long-term lease of vehicles for our last-mile delivery fleet and the installation of solar photovoltaic systems at one of our fulfillment centers in 2022, among others.

In previous submissions, we used Activities 6.5 and 6.6 interchangeably. This year, we have taken the view that Activity 6.5: Transport by motorbikes, passenger cars and light commercial vehicles, better represents the HelloFresh activity of doing last-mile delivery of our boxes to our customers. We do not consider those boxes to be freight and hence Activity 6.6 has been removed.

Compared to previous submissions, there was no CapEx associated with the installation, maintenance and repair of instruments and devices for measuring and controlling energy performance (Activity 7.5). There was also no CapEx linked to the collection and transport of non-hazardous waste in a source-segregated fashion (Activity 5.5). For any new sites we open, organics recycling and donation partners are identified prior to launch, and therefore any expenses relating to that activity would now fall under the definition of OpEx.

OpEx

			SC*		DNSH**						Minimum Social Safeguards		Taxonomy aligned OpEx (% of total OpEx)
	OpEx (€m)	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water protection	Pollution prevention	Circularity	Biodiversity	Category "enabling activity"	Category "transitional activity"	
A. Taxonomy-eligible economic activities													
A.1. Taxonomy-aligned	0	0%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
Sum	0												0%
A.2. Not taxonomy-aligned													
Activity 5.5: Collection and transport of non-hazardous waste in source segregated fractions	3.2	2%											
Activity 5.7: Anaerobic digestion of bio-waste	1.8	1%											
Activity 5.8: Composting of bio-waste	2.3	1%											
Activity 6.5: Transport by motorbikes, passenger cars and light commercial vehicles	30	14%											
Activity 7.7: Acquisition and ownership of buildings	40.5	19%											
Activity 8.1: Data processing, hosting and related activities	10.7	5%											
Sum	88.5	42%											
B. Non taxonomy-eligible economic activities	121.7	58%											
Total (A+B)	210.2	100%											

* Substantial contribution

** Do not significant harm

Total OpEx¹⁴ as defined by the EU Taxonomy shall cover direct non-capitalized costs relating to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third-party outsources that are necessary to ensure the continued and effective functioning of such assets. It should be noted that research and development costs already accounted in CapEx shall not be counted as OpEx (for instance, development costs for intangible assets, IAS 38).

The Taxonomy OpEx definition is restrictive and should not be confused with a more standard (and broad) definition of OpEx, or in the case of HelloFresh, with fulfillment expenses. Under the EU Taxonomy definition, total OpEx for the FY 2022 amounts to MEUR 210.2.

42% of that OpEx is considered to be eligible under the definition of the EU Taxonomy, based on activities corresponding to those listed below:

- Activity 5.5: Collection and transport of non-hazardous waste in source segregated fractions (Annex I)
- Activity 5.7: Anaerobic digestion of bio-waste (Annex I)
- Activity 5.8: Composting of bio-waste (Annex I)
- Activity 6.5: Transport by motorbikes, passenger cars and light commercial vehicles (Annex I)
- Activity 7.7: Acquisition and ownership of buildings (Annex I)
- Activity 8.1: Data processing, hosting and related activities (Annex I)

In the case of HelloFresh, these activities include repair and maintenance of existing fulfillment centers and other buildings, IT costs such as server rents and food waste and segregated recycling costs, among other things.

As mentioned, the percentage of eligible OpEx is optically high because HelloFresh has relatively few expenses that can be matched to the EU Taxonomy Definition for the denominator and which would not be eligible, given the restrictive nature of the OpEx definition under EU Taxonomy.

Observations and Outlook

The prior analysis focuses on establishing whether an activity (and therefore the revenue, CapEx and OpEx associated with it) is eligible under the Taxonomy definition – in layman’s terms, whether an activity has the potential, subject to fulfilling certain criteria, of being sustainable.

The alignment piece of the analysis focuses specifically on evaluating whether a particular activity indeed fulfills the specified criteria, and is therefore sustainable.

In order to establish taxonomy alignment for a given activity, three technical screening criteria must be met: (a) substantial contribution to one of the two defined objectives (climate change adaptation and mitigation); (b) do no significant harm (DNSH) to the other objectives; and (c) be in accordance with minimum social safeguards on certain social indicators.

Appendix A of Annex I to the Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council establishes the generic component of the DNSH criteria relating to objective climate change adaptation. It requires the undertaking to conduct a robust scenario-based climate risk and vulnerability assessment in the reporting year that follows a number of predetermined steps and criteria. The risks that need to be evaluated are established by the EU Taxonomy regulation, which includes a comprehensive list of temperature-related,

¹⁴ The taxonomy's 'eligible OpEx' definition includes non-capitalized R&D expenses in the denominator. In the FY'22, these amounted to €120m, of which approximately €21m were also categorized as taxonomy eligible. Non-capitalized R&D expenses were not fully included in the denominator for last year's (FY'21) disclosures due to ongoing uncertainties and further clarifications with regard to taxonomy requirements and definitions. Had we included those expenses and applied the same ratios as seen in FY'22, the total eligible OpEx percentage in FY'21 would have been estimated to be 40%.

wind-related, water-related, and solid mass-related acute and chronic risks, and are to be evaluated at the activity level.

While a number of climate/weather-related risks were identified and analyzed at the group level as part of the standard HelloFresh 2022 risk assessment processes, these do not cover all taxonomy proposed risks to the level of granularity that is required to establish alignment.

In addition, Appendix B to D of Annex I to the regulation referenced above outline the generic DNSH criteria corresponding to three of the other activities, namely sustainable use and protection of water and marine resources, pollution prevention and control (specifically regarding use and presence of chemicals), and protection and restoration of biodiversity and ecosystems. Moreover, some HelloFresh-eligible activities such as Activity 6.6: Freight transport services by road (Annex I) have specific DNSH criteria that would need to be verified on an activity-by-activity basis. Given partial compliance only with the generic DNSH criteria relating to climate change adaptation, no further checks were performed to assess compliance against other generic or activity-specific DNSH criteria.

With respect to the minimum social safeguards criteria, the standards and processes set out in our HelloFresh Group Ethical Trading Policy, which was published in November 2022, are partially based on the adequate guidelines (The OECD MNE Guidelines, UNGPs, The Declaration of the International Labor Organization on Fundamental Principles and Rights at Work and/or International Bill of Human Rights). Our Ethical Trading Policy defines three out of the four core topics for which compliance with minimum safeguards should be defined. These are human rights, including workers' rights, bribery and corruption and fair competition.

Regarding human rights specifically, the OECD MNE Guidelines establish a set of criteria that companies should follow in order to fulfill the minimum social safeguards. One such criteria includes the requirement to carry out human rights due diligence as appropriate to a company's size, the nature and context of operations and the severity of the risks of adverse human rights impacts. While the HelloFresh Group Ethical Trading Policy provisions for the right to conduct audits, no due diligence report was prepared in 2022.

Before assessing the remaining alignment criteria, i.e. substantial contribution to one of the defined two objectives, we considered the fact that the DNSH criteria are vastly unchecked and the minimum social safeguard is only partially met. Establishing substantial contribution on an activity basis would require proof of evidence against detailed technical criteria. This proof would oftentimes only be available via third parties (consultants, suppliers, certification companies, etc). Given that lack of alignment was already established by lack of full compliance with the other two criteria (DNSH and minimum social safeguard), no substantial contribution assessment was completed in 2022.

As a result, no taxonomy alignment was established this year. For the 2023 reporting period further analyses will be performed, measuring the Taxonomy alignment of the eligible activities concerned with the objectives of climate change mitigation and adaptation, as well as the additional four objectives.

The Supplementary Delegated Act 2022/1214 dated March 9, 2022 with regard to nuclear and gas power is not applicable to HelloFresh. Therefore, we refrain from disclosing the specific reporting table.

Independent assurance practitioner's report regarding the combined separate non-financial report¹⁵

To the Supervisory Board of HelloFresh SE, Berlin

We have performed a limited assurance engagement on the consolidated non-financial statement of HelloFresh SE (further "Company" or "HelloFresh") and on the non-financial statement of the parent company that is combined with it, both of which are published in the form of a separate report outside of the Management Report, (further "non-financial report") for the period from January 1 to December 31, 2022.

Responsibilities of Management

Management of the parent company is responsible for the preparation of the non-financial report in accordance with Sections 315c in conjunction with 289c to 289e HGB ["Handelsgesetzbuch": German Commercial Code] and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on establishing a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder, as well as for making their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the delegated acts adopted thereunder as set out in the "EU-Taxonomy" section of the non-financial report.

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the group that are reasonable in the circumstances. Furthermore, management is responsible for the internal control measures they consider necessary to enable the preparation of a non-financial report that is free from material misstatement, whether due to fraud or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, management has disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section "EU-Taxonomy" of the non-financial report. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Independence and Quality Assurance of the Assurance Practitioner's firm

We have complied with the independence and quality assurance requirements set out in the national legal provisions and professional pronouncements, in particular the Professional Code for German Public Auditors and Chartered Accountants (in Germany) and the quality assurance standard of the German Institute of Public Auditors (Institut der Wirtschaftsprüfer, IDW) regarding quality assurance requirements in audit practice (IDW QS 1).

Responsibility of the Assurance Practitioner

Our responsibility is to express a conclusion with limited assurance on the non-financial report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB. This standard requires that we plan and perform the assurance

¹⁵ Our engagement applied to the German version of the combined separate non-financial report 2022. This text is a translation of the independent assurance practitioner's report issued in German language, whereas the German text is authoritative.

engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's non-financial report, is not prepared, in all material respects, in accordance with Sections 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by management disclosed in section "EU-Taxonomy" of the non-financial report.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the assurance practitioner.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

- Inquiries of group-level personnel who are responsible for the materiality analysis in order to understand the processes for determining material topics and respective reporting boundaries for HelloFresh SE
- A risk analysis, including media research, to identify relevant information on the sustainability performance of HelloFresh SE in the reporting period
- Evaluation of the design and the implementation of systems and processes for the collection, processing and monitoring of disclosures, including data consolidation, on environmental, employee and social matters, respect for human rights, and combating corruption and bribery
- Reviewing the suitability of internally developed definitions
- Inquiries of group-level personnel who are responsible for determining disclosures on concepts, due diligence processes, results and risks, performing internal control functions and consolidating disclosures
- Inspection of selected internal and external documents
- Analytical procedures for the evaluation of data and of the trends of quantitative disclosures as reported at group level by all sites
- Evaluation of local data collection, validation and reporting processes as well as the reliability of reported data based on a sample of the site in Bleiswijk, Netherlands
- Evaluation of the process to identify taxonomy-eligible and taxonomy-compliant economic activities and the corresponding disclosures in the non-financial report
- Assessment of the overall presentation of the disclosures

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, management is required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Assurance Opinion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the non-financial report of HelloFresh SE, Berlin, for the period from January 1 to December 31, 2022 has not been prepared, in all material respects, in accordance with Sections 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by management as disclosed in section "EU-Taxonomy" of the non-financial report.

Restriction of Use

This assurance report is solely addressed to the Supervisory Board of HelloFresh SE, Berlin.

Our assignment for the Supervisory Board of HelloFresh SE, Berlin, and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer (German Public Auditors) and

Wirtschaftsprüfungsgesellschaften (German Public Audit Firms) (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 (https://www.kpmg.de/bescheinigungen/lib/aab_english.pdf). By reading and using the information contained in this assurance report, each recipient confirms having taken note of provisions of the General Engagement Terms (including the limitation of our liability for negligence to EUR 4 million as stipulated in No. 9) and accepts the validity of the attached General Engagement Terms with respect to us.

Berlin, 13. March 2023

KPMG AG Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Knorr
Wirtschaftsprüfer
[German Public Auditor]

ppa.
Baumann

HELLOFRESH
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