

**HELLOFRESH**  
GROUP

# Non-Financial Report 2023

HelloFresh SE



# Table of Contents

<b>About this Report</b> .....	<b>3</b>
<b>Group Structure and Business Model</b> .....	<b>3</b>
<b>Sustainability Approach and Ambitions</b> .....	<b>4</b>
<b>Management Approach</b> .....	<b>4</b>
<b>Materiality and Risks Analysis</b> .....	<b>5</b>
<b>Planet</b> .....	<b>7</b>
<b>1. Food Waste and Donations</b> .....	<b>8</b>
Avoiding and Reducing Food Waste .....	<b>10</b>
Donating and Diverting Food Waste .....	<b>11</b>
Donations Beyond Surplus Food .....	<b>11</b>
<b>2. Carbon Footprint</b> .....	<b>13</b>
Carbon Reduction .....	<b>16</b>
Energy Efficiency and Green Energy .....	<b>18</b>
Green Deliveries .....	<b>19</b>
<b>3. Packaging</b> .....	<b>21</b>
Avoiding, Reducing and Recycling Packaging .....	<b>22</b>
Packaging Innovations .....	<b>23</b>
<b>4. Sustainable Sourcing</b> .....	<b>24</b>
Assuring Sustainable Sourcing through Recognized Standards and Certifications .....	<b>25</b>
<b>People</b> .....	<b>26</b>
<b>5. Employee Health and Safety</b> .....	<b>27</b>
<b>6. Employee Diversity and Inclusion</b> .....	<b>29</b>
<b>7. Employee Development</b> .....	<b>31</b>
<b>8. Ethical Trading and Fair Labor</b> .....	<b>33</b>
<b>Governance</b> .....	<b>35</b>
<b>9. Ethics and Compliance</b> .....	<b>36</b>
<b>10. Food Safety</b> .....	<b>38</b>
<b>11. Data Security</b> .....	<b>40</b>
<b>EU Taxonomy</b> .....	<b>43</b>
<b>Glossary</b> .....	<b>56</b>
<b>Independent assurance practitioner's report</b> .....	<b>58</b>

## About this Report

This report represents the combined separated 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). The report also discloses the eligibility and alignment of HelloFresh activities in line with the EU Taxonomy Regulation (see pages 43-55). 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 315b and 315c combined with 289b through 289e of the HGB. Please see the assurance statement on page 60.

Starting from 2024 financial year, HelloFresh will prepare its Sustainability Statement in accordance with the European Sustainability Reporting Standards (ESRS) to comply with the EU Corporate Sustainability Reporting Directive (CSRD), and will accordingly publish this information as part of the HelloFresh Management Report.

## 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, pantry items, as well as food for pets.

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, 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 and is represented by our HelloFresh, EveryPlate, Green Chef, and Chefs Plate brands. We also operate a direct-to-consumer ready-to-eat business vertical, represented by our Factor and Youfoodz brands, and other food-related business such as GoodChop, delivering high-quality meat and seafood from domestic family farms and fisheries. In 2023 we continued to expand our other food-related businesses launching The Pets Table, which delivers premium dog food. For tracking and disclosing progress on selected performance indicators, we separate our meal-kit business from our other businesses due to the difference in operations and processes.

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 North American Vertical, which includes the United States and Canada, and our International Vertical (all other 16 countries listed above). In some instances, we further specify regions, such as DACH (Germany, Austria and Switzerland), Benelux (Belgium, Netherlands and Luxembourg) and Nordics (Denmark, Norway and Sweden).

# Sustainability Approach and Ambitions

As the world's largest meal-kit company by revenue, 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 Environmental, Social and Governance (ESG) 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 prioritization 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 structured and targeted action, guided by our team of sustainability experts across the organization, we aim to make important contributions towards the UN Sustainable Development Goals, 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 by utilizing more renewable energy and offering our customers more climate-friendly meals, 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 governance structure allows us to monitor, measure and communicate progress on our ESG goals. International and North American 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, International and North American Sustainability Managers formally align on and exchange their experience, progress and challenges at least once a month. Our North American and International Vertical Sustainability Directors drive and oversee progress on environmental topics on a regular basis, and they report on progress and results against the global sustainability strategy to the C-level executives. In addition, the ESG Committee, formed of Supervisory Board members and chaired by John H. Rittenhouse, meets quarterly to discuss progress on ESG topics and to advise the Management Board. Since the members have detailed knowledge on sustainability reporting, it also assists the Audit Committee with disclosures related to ESG topics. Co-founder Thomas Griesel takes overall accountability for ESG on the HelloFresh Management Board.



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

Progress towards our two key environmental targets in 2023 was substantial:

- We reduced carbon emissions from our meal-kit production facilities where HelloFresh has operational control by 65% per euro of revenue (from the 2019 baseline<sup>1</sup>)
- We reduced the food waste sent to landfill or incineration from our meal-kit facilities where HelloFresh has operational control by 77% per euro of revenue (from the 2019 baseline<sup>1</sup>).

We have established separate key environmental goals for our other businesses (now mainly represented by our ready-to-eat business vertical). This is due to two reasons: the rapid development of these other businesses and the substantial difference in operations compared with our meal-kit business verticals. The production of ready-to-eat meals has a different energy consumption and food waste generation profile because of the cooking processes involved. Despite these factors, in 2023, we reduced carbon emissions from our other businesses' production facilities where HelloFresh has operational control by 48% per euro of revenue and the food waste sent to landfill or incineration from facilities where HelloFresh has operational control by 80% per euro of revenue (both from a 2021 baseline<sup>2</sup>).

## Materiality and Risks Analysis

In compliance with the 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 anti-bribery.

We identify our material topics through a double materiality assessment. This helps us to determine the topics on 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 the materiality matrix developed in 2021. The 2023 revision confirmed the same material topics identified and disclosed in the previous reporting cycles.

For the next reporting cycle, we plan to further improve our double materiality assessment and conduct the analysis in compliance with the requirements of the CSRD.

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<sup>1</sup> The 2019 baseline is out of the external assurance scope.

<sup>2</sup> The 2021 baseline is out of the external assurance scope.

## Material Topics for the 2023 Reporting Period

	Report section	Identified material topic	HGB (German Commercial Code)
<b>Planet</b>	Food waste and donations	Waste management and reduction	Environmental matters
	Carbon footprint	Climate change	Environmental matters
	Packaging	Packaging life cycle management	Environmental matters
	Sustainable sourcing	Sustainable sourcing	Environmental matters
	Food waste and donations; Carbon footprint; Packaging, Responsible sourcing	Ecosystem services <sup>3</sup>	Environmental matters
<b>People</b>	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
	Ethical trading and fair labor	Human rights; Fair labor practices	Human rights; Employee matters
<b>Governance</b>	Ethics and compliance	Compliance	Anti-corruption and anti-bribery
	Food safety	Food safety and nutrition	Social matters
	Data security	Data security	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 2023 risk assessment conducted in accordance with the HGB 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 in the table. This exercise also considers elements from the risk management regarding human rights and environmental matters, as part of our Ethical Trading Program. This program is further described in the chapter Ethical Trading and Fair Labor. The Combined Management Report contains additional information on opportunities and risks, as well as a detailed presentation of our risk management.

In 2024, HelloFresh will continue to elaborate the assessment, assessing impacts, risks and opportunities for each potential material topic as part of the CSRD double materiality assessment.

<sup>3</sup> 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.

# Planet







# Food Waste and Donations

Our business model supports  
the reduction of food waste  
within our own operations  
and in the customers' homes

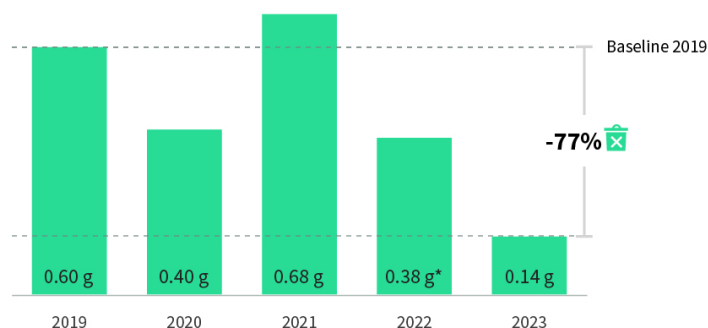




Reducing food waste is integral to our sustainability approach, and our work in this area is formed by three key components: reduce, donate, and divert from landfill and incineration. Our business model inherently supports the reduction of food waste on two levels: within our own operations and at the 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. Lower levels of waste for meal kits were demonstrated in a 2022 study, which showed that using meal-kit boxes was associated with a 38% reduction in total meal waste at the consumer level, when compared to traditional meals.<sup>4</sup>

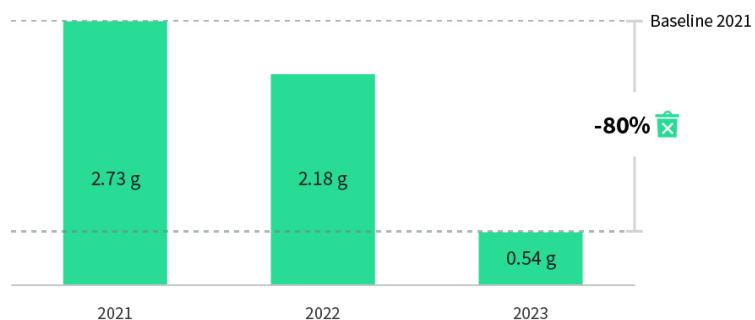
Benefits of our food waste reduction approach were also reflected in the Life Cycle Assessment (LCA) conducted in 2021, which compared the overall environmental footprint of popular HelloFresh meals with corresponding meals from supermarkets (buying the individual ingredients and preparing the meals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

### Food Waste Disposed per Euro of Revenue in our own Operated Meal-kit Facilities



\*Figure corrected based on revised process

### Food Waste Disposed per Euro of Revenue in our own Operated Ready-to-eat and Other Businesses' Production Facilities



<sup>4</sup> Resulted from an independent research which uses part of the data that HelloFresh collected from its customers: Schuster, Sebastian, et al. "Do meal boxes reduce food waste from households?" Journal of Cleaner Production (2022): 134001.

<sup>5</sup> 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.

Due to the significance and materiality of food waste to our sustainability vision, the HelloFresh Management Board, together with our Global Sustainability function, set clear targets on food waste reduction per euro of revenue for achievement by 2025:

- 1) Reduce food waste sent to landfill and incineration by 52% (0.29 grams per euro of revenue) from our meal-kit facilities where HelloFresh has operational control, from our 2019 baseline; and
- 2) Reduce food waste sent to landfill and incineration by 56% from our other businesses facilities where HelloFresh has operational control, from our 2021 baseline.<sup>6</sup>

We have implemented numerous initiatives across our markets in the last few years to progress towards these targets, and even with rapid business growth, we can report that in 2023 we are on the path to achieve our 2025 food waste goals. In 2023, we achieved a significant reduction of 77% of food waste per euro of revenue sent to landfill or incineration from all of our meal-kit facilities where HelloFresh has operational control (compared to 2019). For our other businesses we achieved a reduction of 80% of food waste per euro of revenue sent to landfill or incineration from all of our ready-to-eat and other facilities where HelloFresh has operational control compared with a 2021 baseline.<sup>6</sup>

Progress towards reducing food waste per euro of revenue will continue to be monitored quarterly by the Continuous Improvement Manager (International Vertical) and by the regional Sustainability Team (North American Vertical), and reported to the Management and Supervisory Boards.

Group Food Waste and Donations	2023 <sup>1</sup>	2022 <sup>1,2</sup>	2021 <sup>3</sup>
<b>Meal-kit business</b>			
Food waste disposed <sup>4</sup>	859 T	2,524 T <sup>6</sup>	3,852 T
Food waste disposed per euro of revenue	0.14 g	0.38 g <sup>6</sup>	0.68 g
Food waste diverted from disposal <sup>5</sup>	6,569 T	6,035 T	4,405 T
<b>Other businesses</b>			
Food waste disposed <sup>4</sup>	771 T	1,946 T	839 T
Food waste disposed per euro of revenue	0.54 g	2.18 g	2.73 g
Food waste diverted from disposal <sup>5</sup>	2,531 T	426 T	146 T
<b>Total meal-kit and other businesses</b>			
Surplus food donated	10,370 T	12,100 T <sup>6</sup>	9,982 T
% of surplus food donated	49%	52.5% <sup>6</sup>	52%

<sup>1</sup> Proxy used for DE&AT waste data.

<sup>2</sup> Due 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)

<sup>3</sup> Data breakdown by businesses and by disposed / diverted is out of the external assurance scope.

<sup>4</sup> Landfill or incineration.

<sup>5</sup> Composting, anaerobic digestion, land application or animal feed.

<sup>6</sup> Figure corrected based on revised process.

## 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 from our operations is channeled to those facing food insecurity in our communities, via food donations to local charity partners (see Donating and Diverting Food Waste). Any leftover food, which is not appropriate for human consumption, is diverted wherever possible away from landfill or incineration and towards organic recycling options including composting, anaerobic digestion, land application, or animal feed.

<sup>6</sup> The 2019 and 2021 baselines are out of the external assurance scope.

For example, in the Netherlands we have partnered with chicken supplier Oranjehoen to repurpose leftover food, which is not appropriate for human consumption, to create chicken feed. Through a processing machine, suitable ingredients like vegetables, fruits, or bread, are put back into the food system to extend their value. In the UK, the Buitelaar Group purchases our food leftovers that are not appropriate for human consumption and processes them into ingredients for high-quality pet food.

Our distribution centers operate on a First-Expiry-First-Out basis, and we have standard operating procedures for waste management at our International production and operations department. We also provide training to global teams on effective waste management 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.

By working cross-functionally, combining the experience of our Procurement, Food Safety & Quality and Inventory teams, we are seeking to innovate new ways to reduce our food waste levels further.

## Donating and Diverting Food Waste

Although our make-to-order business model enables us to procure precise quantities of ingredients, we still rely on small stock buffers to account for any last-minute changes or supply errors. These buffers can lead to surplus food in our distribution centers. By donating the fresh surplus food to local communities via our charity partners, we can help support those facing food insecurity and reduce our levels of food waste. In 2023, 10,370 T of unsold edible food was donated in total. This represents 49% of our total surplus food.

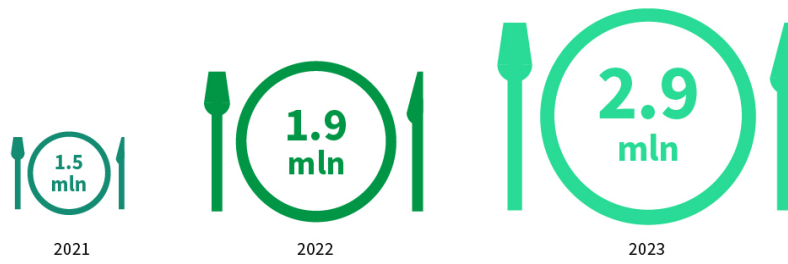
We align our food waste diverting approach with the EU Waste Framework Directive in Europe, the US EPA's Food Recovery hierarchy in the US, and the AU National Food Waste Strategy in Australia. As part of our approach, we arrange local organics recycling options as a priority over landfill or incineration for the food which is not suitable for donation. 31 out of our 33 global production sites now have an organics recycling solution, with 24 of them also including a packaged organics recycling solution.

## Donations Beyond Surplus Food

Addressing food insecurity is an important part of our mission to change the way people eat forever. As well as donating our surplus food, we also provide additional food donations through our Meals with Meaning program. This initiative gives customers the option of donating funds to those facing food insecurity when they place their weekly order. 2.9 million meals were provided through the program in the US in 2023 – 960,000 more meals than in 2022. One of our most notable food donation milestones in 2023 was reaching two million meals donated in the city of Newark since the program's inception.

HelloFresh also expanded the Community Fresh Market initiative that launched in the US (Denver) in 2022, with a new Community Fresh Market in Swedesboro, New Jersey, operating under the Green Chef brand. The monthly farmers market-style distribution offers local food-insecure families the opportunity to choose from a fresh variety of produce, dairy, or protein items that best serve their lifestyles, at no cost.

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



We also continue to support people facing food insecurity in Ukraine and Turkey in response to the earthquake, and sent a total of 274 tonnes of food to the countries in 2023: 255 tonnes in Ukraine through Aid Pioneers, the Polish Food Bank Federation, the Polish Red Cross, and Ukrainians Abroad, and 19 tonnes to Turkey through Turkish Red Crescent Society.



# Carbon Footprint

We continue reducing  
carbon emissions across  
our operations



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. The 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<sup>7</sup> leaks
- Scope 2: Indirect emissions from purchased electricity
- 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 4: Upstream transportation and distribution: third-party outbound logistics, excluding emissions already offset by carriers
  - Category 6: Business travel: employee corporate travel excluding employee commuting

We are aware that these categories are only part of our Scope 3 emissions. We have not yet reported comprehensive Scope 3 data because of the lack of availability of supply chain emissions data at a reportable level of quality. Our LCA indicated the importance of ingredient emissions in our comprehensive inventory, and that these emissions were driven not only by the ingredients that HelloFresh procures, but by the meal choices our customers make. This is why, in 2022, we partnered with HowGood to establish ingredient-level emissions factors, enabling both calculation of our ingredient GHG emissions as well as menu-level carbon tagging for customers interested in low-carbon diets. Building on that, in 2023 we invested in a global project to dive into understanding our comprehensive Scope 3 emissions across all 15 categories. Following our 2022 commitment to pursue Science Based Targets, and efforts to define ingredient-level carbon emissions, we defined processes to collect Scope 3 data and calculate at least 67% of our Scope 3 emissions. Within this boundary, we collected and calculated the Scope 3 emissions for the 2022 baseline year to allow us to define targets that are appropriate for HelloFresh as a rapidly growing business with a supply chain based in the global food system. These steps allow HelloFresh to build a more complete yearly reporting process for GHG, and defines GHG Targets in line with a 1.5 degree pathway set out by the Paris Agreement. In 2024, we plan to initiate annual reporting on all emissions associated with the material emissions categories.

In this report, we disclose our carbon emissions associated with all our meal-kit operations and other businesses. As we are rapidly developing our ready-to-eat business, which involves the preparation of ingredients and cooking processes, we expect our Scope 1 emissions profile to expand in the future.

Additionally, we track our carbon emissions on a per-business activity 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.

Only when it is not possible to avoid and reduce further, we use carbon offset programs. All of our offset credits are Gold Standard, Verified Carbon Standard<sup>8</sup> or ISO 14064-3 certified. We find it important to source high-quality credits which are co-developed directly with the credit providers as this typically results in stronger oversight and controls across the credit sourcing value chain. We have also started to explore

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<sup>7</sup> F-gases are fluorinated greenhouse gases found in refrigerants.

<sup>8</sup> Gold Standard is an international offset program administered by the Gold Standard Foundation. Verified Carbon Standard is an offset certification program managed by Verra.

carbon insetting opportunities with an aim to continue reducing carbon directly in our supply chain while also offsetting part of our emissions.

### Emissions per Scope

HelloFresh Group tonnes CO <sub>2</sub> e <sup>1</sup>	2023	2022	2021
<b>Scope 1</b>	65,369	24,088	18,321
Fuels Natural gas F-gas			
<b>Scope 2, market-based</b>	13,375	18,096	11,070
Location-based where market-based emission factor is not available			
<b>Scope 2, location-based</b>	48,923	44,093	32,685
<b>Scope 3, selected categories</b>	83,662	103,875	101,517
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 4 - Upstream transportation and distribution: third-party outbound logistics, excluding emissions already offset by carriers Category 6 - Business travel: employee corporate travel excluding employee commuting			
<b>Total tonnes CO<sub>2</sub>e</b>	<b>162,406</b>	<b>146,059</b>	<b>130,908</b>

<sup>1</sup> When primary data is not available, estimations are used in line with common approaches.

### Emissions per Source

HelloFresh Group tonnes CO <sub>2</sub> e <sup>1</sup>	2023	2022	2021
<b>Production facilities, Scope 1&amp;2</b>	27,902	31,768	18,843
Electricity, natural gas, fuels and F-gas at production facilities <sup>1</sup>			
<i>Meal-kit business</i>	13,008	20,524	14,705
<i>Other businesses</i>	14,893	11,244	4,138
<b>Non-production facilities, offices, Scope 1&amp;2</b>	7,781	7,644	6,762
F-gas, natural gas, electricity and fuels at offices, logistics hubs <sup>2</sup>			
<b>Production and non-production facilities, Scope 3</b>	3,185	2,796	2,192
Fuel production and distribution, electricity transmission and distribution losses, external servers			
<b>Third-party offsite production and storage, Scope 3</b>	878	8,060	8,283
Natural gas, electricity			
<b>Outbound logistics, Scope 1 &amp; 3</b>	108,125	89,779	92,570
Fuel of HelloFresh fleet and third-party carriers			
<b>Business travel, Scope 3</b>	14,534	6,012	2,258
<b>Total tonnes CO<sub>2</sub>e</b>	<b>162,406</b>	<b>146,059</b>	<b>130,908</b>
<b>Total HelloFresh Group grams CO<sub>2</sub>e per euro of revenue</b>	<b>21.64</b>	<b>19.25</b>	<b>21.84</b>

<sup>1</sup> When primary data is not available, estimations are used in line with common approaches.

<sup>2</sup> Hubs of HelloFresh-owned logistic operations.



## Carbon Reduction

To drive progress towards achieving our emissions reduction targets, we follow a carbon mitigation approach which prioritizes the following steps: measure, reduce, and offset the emissions that cannot be reduced. A key part of this approach involves making our operations more energy efficient and transitioning to renewable forms of energy such as solar, wind and hydropower.

Thanks to continued efforts, in 2023 our meal-kit production facilities, where HelloFresh has operational control, achieved a 65% reduction in carbon emissions per euro of revenue compared to the 2019 baseline, indicating HelloFresh is on the correct path to achieve its 2025 carbon reduction target.<sup>9</sup> Our 2025 target is to reduce carbon emissions from our meal-kit production facilities where HelloFresh has operational control by 66% per euro of revenue from the 2019 baseline.

The 2023 reduction translates into an absolute reduction total of 24,335 tons of CO<sub>2</sub>e in 2023 due to strategic measures. These consist of renewable energy direct contracts with the energy providers (contributing 15,364 tons of CO<sub>2</sub>e to the reduction) and purchasing Renewable Energy Certificates (REC) (contributing 8,373 tons of CO<sub>2</sub>e to the reduction). In addition to those efforts, decarbonization levers such as solar photovoltaic projects were implemented through our own operations (contributing 598 tons of CO<sub>2</sub>e to the reduction).

Allocating financial resources for environmental projects is part of our carbon footprint reduction roadmap. In 2023 we invested in new solar photovoltaic projects, renewable energy direct contracts and Renewable Energy Certificates (RECs)<sup>10</sup>, consultancy services for our carbon footprint projects, as well as in the implementation of a facility which utilizes Supercritical CO<sub>2</sub> as refrigerant, which reduces the possible GHG emissions impact from refrigerants. Similar investments across the next two years will be key to achieve our 2025 reduction targets.

As shown in the graphs below, we successfully improved our carbon emission performance thanks to our efforts explained above in our meal-kit, ready-to-eat and other businesses' production facilities operated by HelloFresh.

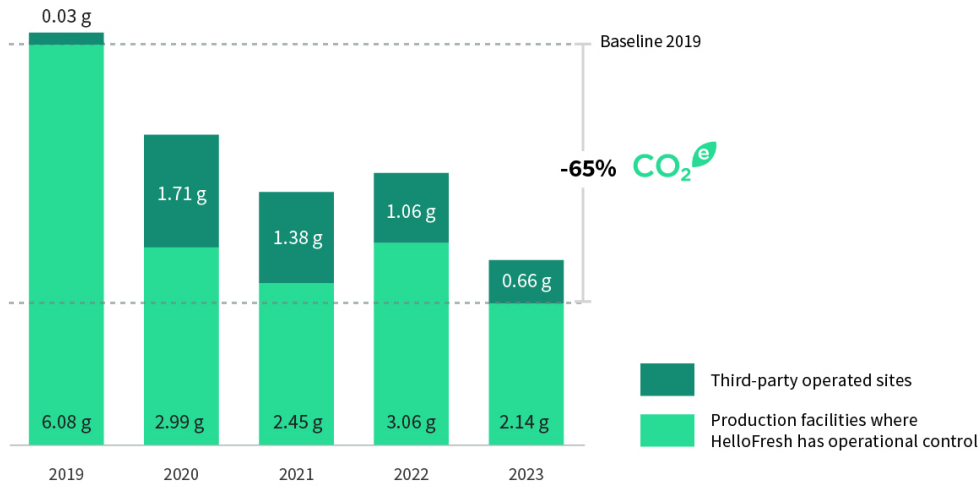
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<sup>9</sup> The 2019 baseline is out of the external assurance scope.

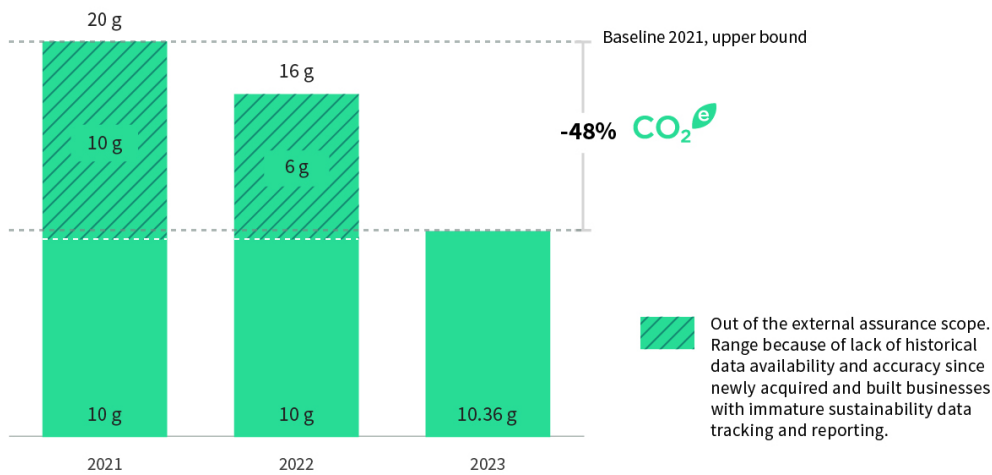
<sup>10</sup> A REC is proof that a certain amount of electricity (measured in MegaWatt-hours, or MWh) was generated from renewable resources and fed into the power grid to match HelloFresh consumption volumes during specific time periods.



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



### Carbon Emissions in own Operated Ready-to-eat and Other Businesses' Production Facilities per Euro of Revenue



Our other businesses' vertical, represented by our ready-to-eat and other brands, has a different energy consumption structure and higher carbon emissions due to the cooking and other production processes involved. As such, we are in the process of setting suitable reduction measures for this business vertical.

To drive further progress, our 2025 target is to reduce carbon emissions by 30% from a 2021 baseline in our other businesses' production facilities where HelloFresh has operational control.<sup>11</sup> Both the targets for meal-kit and other businesses include Scope 1 and 2 emissions related to electricity, natural gas, fuels and refrigerant gas at our distribution centers. Our emissions goals are set on an intensity basis of grams of CO<sub>2</sub>e per euro of revenue to account for the rapid growth that HelloFresh has experienced over the last few years. HelloFresh is also on the correct path to achieve the target for other businesses, having in 2023 reduced its emissions from production in other businesses where HelloFresh has operational control to 10.36 g.

<sup>11</sup> Years 2019 and 2021 are out of the external assurance scope.

Educating and empowering our customers to make more environmentally-friendly food choices is a further key focus area for us, and our work on mapping the carbon footprints of our meals and ingredients underpins this approach. In 2022 we launched "climate tags" that highlight the recipes associated with the lowest emissions on our menus, based on the carbon footprint of the ingredients. We also tested other methods of signaling the climate impact of recipes to customers, to determine the best approach. In 2023 the tags have been expanded to all of our International markets and to Canada. 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. Furthermore, the information on ingredients' emissions enables us to work on market-specific recommendations and measures to reduce the carbon footprint associated with this category.

HelloFresh Group Production Facilities Emissions on a per Euro of Revenue Basis	2023	2022	2021
<b>Meal-kit business</b>			
Global production facilities managed by HelloFresh, Scope 1 & 2	2.14 g	3.06 g	2.59 g
Third-party operated sites	0.67 g	1.06 g	1.38 g
<b>Other businesses</b>			
Global production facilities managed by HelloFresh, Scope 1 & 2	10.36 g	10-16 g <sup>1</sup>	10-20 g <sup>1</sup>
<b>Total meal-kit and other businesses</b>			
Global production facilities managed by HelloFresh, Scope 1 & 2	3.72 g	4.19 g	3.14 g

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

<sup>1</sup> Out of the external assurance scope. A range is provided because of the lack of historical data and its accuracy as we acquired various businesses over the years which had immature systems in place for tracking and reporting sustainability data.

## Energy Efficiency and Green Energy

Our approach to our energy consumption and energy efficiency measure is detailed in our energy policy, which is 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 details the specific energy criteria to be used in the selection of new equipment or energy suppliers; it defines sustainable guidelines for the design of new production sites; and provides guidance for the training of staff on energy reduction measures and sharing best practices across our markets. As part of the policy, four distribution centers and our global headquarters in Berlin are ISO 50001 (Energy Management system) certified, and we achieved successful completion of the surveillance audits required as part of these ISO standards in 2023.

Transitioning to renewable energy is another key measure that helps us reduce our carbon emissions. Where possible, we purchase renewable sources of electricity from our energy suppliers and generate our own electricity onsite. In 2023, three new solar photovoltaic (PV) projects went live in the Nordics, US, and Australia, in addition to our current solar PV systems in the Benelux and Australia. In addition to this, we have two more solar PV projects in the development phase.

As a result of these measures, our 2023 share of renewable energy is 45%, while our renewable electricity represents 66% of our total electricity consumption.

In addition to powering our operations more sustainably through the generation of our own solar energy, we procure renewable energy from energy providers or via RECs. In calculating our emissions, we allocate all purchased RECs as reductions to our Scope 2 electricity emissions in orientation to GHG Protocol guidance.

We also integrate sustainable construction practices for new and existing facilities – for example, in 2023 we opened a new office building in Berlin which achieved the DGNB (Deutsche Gesellschaft für Nachhaltiges Bauen) Gold building certification. This certificate was already achieved by the Berlin Headquarters in 2022. DGNB is internationally recognized as the global benchmark for sustainability in construction.

Furthermore, in 2023, US Factor added a cooking facility designed to use Supercritical CO<sub>2</sub> as a refrigerant. The cutting-edge technology involved in Supercritical CO<sub>2</sub>, reduces the possible GHG emissions impact from refrigerants as well as increases energy efficiency of the refrigerant.

Total Operational Energy Consumption and Intensity at HelloFresh Facilities: Distribution Centers, Offices	2023	2022	2021
Energy consumption, GWh	224	178	140
<b>Renewable energy in total energy consumption<sup>1</sup></b>	<b>45%</b>	<b>53%</b>	<b>50%</b>
Renewable electricity <sup>2</sup>	66%		
<b>Energy consumption by sources:</b>			
Purchased grid electricity	68%	78%	83%
Generated on-site renewable energy	0.8%	0.7%	0.5%
Other (natural gas and fuels)	32%	21%	17%

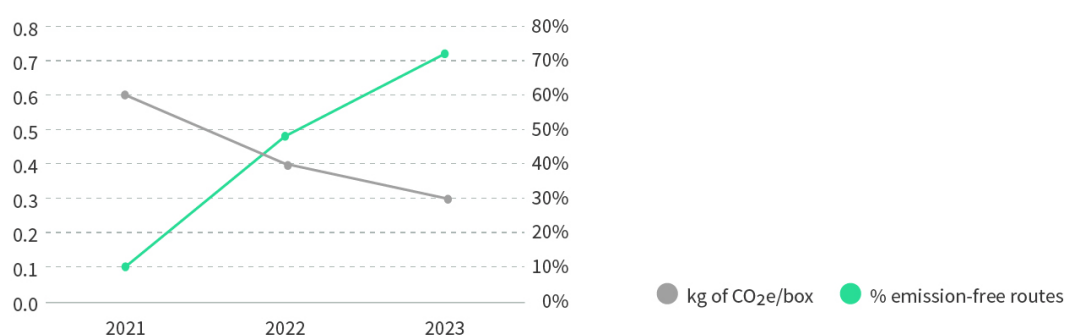
<sup>1</sup> Solar energy generation, purchase of green electricity and RECs.

<sup>2</sup> New KPI reported compared to previous years to show HelloFresh's commitment towards renewable electricity transition.

## Green Deliveries

Optimizing our delivery routes based on the lowest fuel consumption, and using electric vehicles (EV) and cargo bikes powered by renewable energy (where we own the outbound logistics fleet), are among the measures that help us reduce our logistics-related carbon emissions.

### Benelux Outbound Logistics Fleet



In the Benelux region, we continued to optimize routes and increased the number of e-vans powered by renewable energy, which led to 72% emission-free deliveries in 2023 on average, up from 48% in 2022 and 10% in 2021. These measures have helped us to reduce our logistics-related carbon emissions by 29% per box in the region in 2023, compared to 2022.

HelloFresh Benelux Outbound Logistics Fleet	2023	2022	2021
kg of CO <sub>2</sub> e/box	0.30	0.42	0.60
Average % emissions-free routes	72%	48%	10%

In 2023 we also increased the number of EV vans in our fleet, for markets in DACH, Benelux and France. In the US, e-van delivery was piloted in 2022 and we continued our efforts to electrify our fleet across a number of states in 2023. Where feasible, we plan to further extend this initiative within the US and to our other markets in the future.

In addition to EV vans, we started to use cargo bikes in the UK, the Netherlands, Germany, Ireland, and Sweden, through third-party delivery services.

By insourcing our logistics, we have direct control over our deliveries and can implement numerous sustainability initiatives like those described above. In terms of carbon emissions accounting, insourcing logistics shifts our delivery emissions from Scope 3 to Scope 1 or 2. However, it should be noted that Scope 3 still remains the main contributor of our overall carbon footprint due to the high impact of ingredients, packaging, and food preparation.



# Packaging

We are committed to minimizing the amount of packaging and increasing its sustainability and circularity



Meal Kit



Packaging plays a crucial role in maintaining the safety and freshness of our products at HelloFresh, helping us deliver the high quality expected by our customers. At the same time, we are committed to minimizing the amount of packaging we use and increasing the sustainability and circularity of our packaging wherever possible. We follow the waste hierarchy of avoiding, reducing, promoting recyclability, and innovating to develop new packaging solutions.

## Avoiding, Reducing, Replacing and Recycling Packaging

In our International Vertical, we continued the integration of the Dynamic Packaging Configurator (DPC) in 2023 to our operations in Denmark, Sweden, Norway, and Ireland, with plans to extend it to other markets in the future. The DPC uses metadata on the shapes and dimensions of our ingredients to calculate the right packaging sizes, with a volume-level approach for every customer order. It also assigns the right insulation type, thickness, and amount of ice needed to maintain food safety, while optimizing packaging usage. In addition, by using the DPC in more of our markets we were able to reduce excess packaging that is temperature-dependent, such as ice-packs or insulation, since the DPC uses regional temperatures to determine the appropriate packaging for each box.

In the US, we have a similar initiative, the Box Fit program, which we continued to run in 2023 for HelloFresh, EveryPlate, and Green Chef. We aim to further develop this in 2024 by introducing it to Factor, as well as to our market in Canada.

In the International markets, we continued to increase our in-house ice production capacity in 2023, which reduced our reliance on external suppliers to almost zero. This helps us avoid transportation throughout our supply chain while implementing the machines directly in our distribution centers, as well as avoid associated carbon emissions and packaging waste. We also eliminated the gel-based ice packs across our International Vertical by replacing them with water-based packs, thereby reducing landfill waste and enabling water to be returned back into the system at the end of the packaging life.

As an additional measure, during 2023 we made progress phasing out some of our primary plastic packaging. For example, in DACH we switched to a more paper-based packaging for chicken broth and we used fewer tetra packs in our overall packaging.

Meal-kit Packaging per Meal <sup>1</sup> , in grams	Primary (Ingredient)			Secondary (Outer)			Total		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Plastics and mixed	12.4 g	12.2 g	12.2 g	13.3 g	12.6 g	13.5 g	25.7 g	24.8 g	25.7 g
Paper	0.9 g	0.9 g	0.7 g	105.1 g	95.5 g	95.7 g	106.0 g	96.4 g	96.4 g
Total	13.3 g	13.1 g	12.9 g	118.4 g	108.1 g	109.2 g	131.7 g	121.2 g	122.1 g

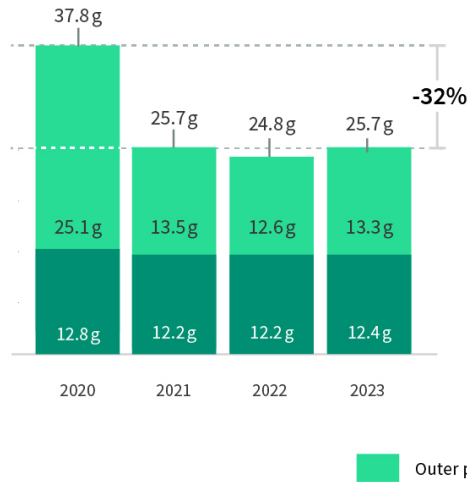
<sup>1</sup> Values based on procured mass evaluated in 70% of markets by revenue in 2021 and 80% in 2022 and in 2023, meal-kit operations; Excluding glass and metal (<1% by weight); kitted add-ons included, other add-ons excluded.

Despite all the measures and efforts taken in 2023, there has been a slight increase in the packaging per meal (by weight) compared to 2022. This was mainly driven by the usage of thicker layers in our boxes to maintain an appropriate temperature, as well as the safety and quality of the ingredients. Furthermore, we saw an increase in orders of smaller boxes sizes, combined with a reduction in the number of meals ordered.

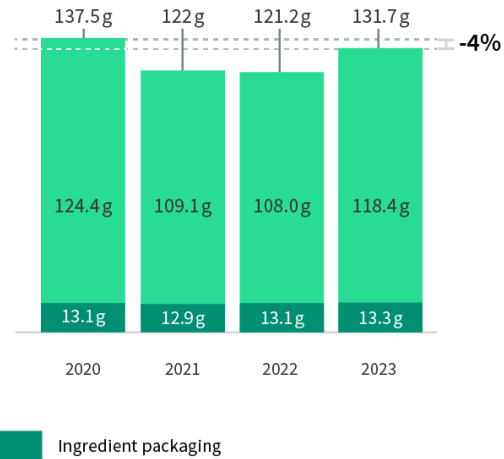
The slight increase in plastic and mixed used in the ingredient packaging is otherwise attributable to improved data collection processes and data quality.

Nevertheless, in 2023 we reported a 32% reduction in plastic and mixed packaging per meal (by weight) compared to 2020, in our meal-kit vertical.

### Plastic and Mixed Packaging per Meal



### Total Packaging per Meal



We are also focused on increasing the recyclability of our packaging as well as including more recycled materials in our packaging. In 2023, we continued our work with different suppliers in developing a mono-material foil to improve the overall recyclability of 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 (DPC), which has been rolled out in a number of markets following a successful pilot in 2022, helps us reduce our overall secondary packaging through optimization configurations. This is a prime example of a recent innovation that contributes to our overall packaging management approach.

In Australia, we were able to replace our non-curbside recyclable plastic insulation pouch and replace it with a paper version, which represents a significant milestone. The new paper pouch is fully curbside recyclable, in contrast to the prior solution, reinforcing the business’s commitment to moving to more sustainable packaging and total circularity.

In our North American Vertical, we piloted working with machinery vendors and paper film vendors to advance a new solution for paper packaging for grocery items, and we are currently evaluating its further development and next steps.

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 our customers expect.

Looking ahead, we plan to continue to leverage our innovation skills and knowledge to develop new packaging solutions, and use more sustainable materials to help improve the circularity of our packaging, while maintaining the high quality that our customers expect.



# Sustainable Sourcing

Our Sustainable Sourcing strategy is key to the contribution to the well-being of our planet and society





HelloFresh is committed to driving change, building a sustainable and scalable food system where every stakeholder is an integral part of the solution, contributing to the well-being of our planet and society. The way we source our ingredients and products influences both upstream and downstream sides of our value chain. Hence, our Sustainable Sourcing strategy is a critical component of our journey to redefine the future of food.

Where possible, we favor locally grown ingredients and work to improve the volume of in-season produce as this minimizes unnecessary food miles and supports local agriculture and food production. Furthermore, in 2023 we started developing an internal Sustainable Sourcing Policy for our International markets. The objective of this policy is to set out the common requirements and standards across different countries and product categories, including palm oil, establishing the groundwork for enhancing our environmental and social footprint.

### Assuring Sustainable Sourcing through Recognized Standards and Certifications

We look to source high-quality fresh produce from suppliers that focus on sustainable production and comply with Global Food Safety Initiative (GFSI) recognized standards. In 2023, 96% of the fresh produce we purchased came from suppliers that hold a GFSI-recognized certification.

Furthermore, we also look to source certified fish and seafood. In 2023, 95% of total fish and seafood (by weight) purchased across all our meal kit brands globally was certified by one of the following recognized schemes.<sup>12</sup>

- Global Good Aquaculture Practices (G.A.P.)
- Aquaculture Stewardship Council (ASC)
- Best Aquaculture Practices (BAP) 2 star and above<sup>13</sup>
- Marine Stewardship Council (MSC)

Additionally, in the US, both our meal-kit brands and our ready-to-eat brands follow the Monterey Bay Aquarium Seafood Watch ratings to only source fish and seafood ranked as Best Choice, Good Alternative, or certified as recognized by Seafood Watch.

In European markets, 95% of our chicken volume by weight is procured from farms where the chickens have more available space to roam than is required by law. Furthermore, in 2023 we publicly reported our current progress with the Better Chicken Commitment (BCC).<sup>14</sup> Our intention going forward is to take a standardized approach to monitoring and reporting on broiler welfare across all markets, capturing industry-recognized metrics on broiler chicken welfare that are clear and transparent for our consumers.

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<sup>12</sup> Global G.A.P., ASC and BAP refer to aquaculture species while MSC applies to wild-caught species.

<sup>13</sup> The BAP certification comprises four distinct levels of certifications, ranging from one to four stars. Attaining a certification of two stars or higher requires that both the farm and the processing plant have undergone and successfully met the required certification standards. Four-star level encompasses a certification for the hatchery, farm, processing plant as well as the feed.

<sup>14</sup> Explanation on [our webpage](#).

# People





# Employee Health and Safety

We take a risk-based approach to minimize the risk of harm to our people and to promote health and safety culture



At HelloFresh, we take a risk-based approach to health and safety to minimize the risk of harm to our people and to promote a positive health and safety culture.

In 2023, we continued strengthening our approach to health and safety across our North American and International Vertical. We increased the breadth and capability of our central governance Health and Safety Team and created a new role: International Health and Safety Associate Director, in addition to our International Safety, Quality & Operational Compliance Senior Director and North American Director of Field Safety. Our investment in the team has been instrumental in further developing our health and safety strategy and maturing our management systems.

We also developed our leadership competencies for health and safety with the roll-out of the Leading Safely training from The Institution of Occupational Safety and Health (IOSH). The training was provided to leaders within our business and supported by personal commitments to health and safety initiatives and operational ownership.

We conducted our first ever organization-wide Safety Culture Survey in 2023, to gain in-depth insights into our safety cultural performance and to highlight future actions for continuous improvement. The survey included all HelloFresh team members, agency employees, and third-party partners.

We also continued to partner with the British Standards Institute (BSI) to monitor the ongoing effectiveness of our health and safety management systems and risk controls, as well as to apply external assurance to our systems and processes. This partnership also allows us to strengthen our systems through site-based management action plans as part of our ongoing health and safety strategy.

Our health and safety performance is monitored throughout the year on all business levels, including during weekly and monthly business reviews. We use a combination of lagging and leading indicators to control our risks, as well as taking action to drive progress. In 2023, we significantly increased the volume of internal inspections and audits, enabling us to monitor our safety performance more frequently.

During 2023, we recorded 252 lost-time injuries (accidents in which employees could not return to work immediately due to injuries sustained in the workplace) compared to 397 in 2022, and our lost-time injury frequency rate (LTIFR) for the year was 6.8 (number of lost-time injuries multiplied by one million and divided by total hours worked) compared to 12.5 in 2022. The reduction is attributed to more matured Health & Safety management systems mainly driven by driving proactive Health & Safety leading metrics; increased safety reporting and awareness and greater involvement of workers as well as senior management through training and deep-dives.

In the US, immediate care is provided through our in-house treatment program for all types of work related injuries. The ability to treat injuries in our on-site clinics paired with the usage of our in-house treatment program allows our people to receive immediate medical diagnosis and care, and ultimately recover faster. Together with an increased focus on prevention and the reporting of workplace incidents as soon as they occur, this measure led to a Total Recordable Incident Rate (TRIR) below target in 2023.

These metrics are vital indicators of our health and safety performance, inform ongoing improvements to our safety protocols, risk assessments and preventive measures, and contribute to the continual enhancement of our safety culture.



# Employee Diversity & Inclusion

We take pride in the diverse workforce we have built over the years which comprises 115 nationalities



We are committed to maintaining a strong focus on diversity and inclusion at HelloFresh and we take pride in the diverse workforce we have built over the years. In 2023, our total workforce comprised 115 nationalities, with 86 nationalities at our Berlin Headquarters alone.

Our Code of Ethics outlines our commitment to an inclusive culture in terms of age, race, ethnicity, national origin, gender, marital status, political opinion, military status, sexual orientation and gender identity, cultural background, physical or mental disability, religion, or how employees identify or express themselves. The Code of Ethics provides clear guidance on how we expect all employees to act, and is anchored in our core values of respect, responsibility, and integrity.

Virtual training, in the form of e-learning modules on diversity, equity and inclusion, and implicit bias, is available to all employees. We also deliver unconscious bias training for all Leadership Essentials cohorts, and we trained 926 employees on this topic in 2023.

One of our diversity and inclusion aims at HelloFresh is to increase diverse representation at Associate Director level and higher, with objectives and key results (OKRs) to guide our progress. Establishing bias interruption and mitigation processes for hiring and promotions, as well as prioritizing the recruitment of talent from underrepresented groups<sup>15</sup> form a key part of our approach to this important topic. We also recognize the critical role data plays in monitoring our efforts towards our diversity and inclusion targets, and as such, we have incorporated diversity and inclusion data into our core people data products.

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 2023, women accounted for 44% of our workforce and 34% of Associate Director positions and above, across HelloFresh. Furthermore, women accounted for 39% 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 32% of promotions out of all employees eligible for promotion.

In addition to our diversity targets, our policies for diversity and inclusion, and the training we provide on this topic, we also encourage employees to join and build diversity-related topic groups, known as Employee Resource Groups (ERGs), to give a voice and platform to the myriad of intersectional identities at HelloFresh. The ERGs are formed by volunteer employees and cover a variety of diversity-related topics such as gender equality, LGBTQIA+ representation and inclusion, religious diversity, military status, and support for working parents and caregivers. In 2023 we established our ERG Maturity Framework to support the further alignment and development of the ERGs going forward.

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<sup>15</sup> Underrepresented groups include women and people identifying as non-binary.



# Employee Development

Enabling career progression  
is a key component  
of our learning and  
development approach



We are committed to encouraging and enabling the continued professional development of our employees. A strong learning culture empowers and engages employees, helping them to thrive in their roles and helping us to achieve organizational OKRs. As such, “Learning never stops” is enshrined in one of our core company values.

To oversee the learning and development activities at HelloFresh, we have global Learning and Development teams in place. In 2023, we spent around EUR 5,145,280 on learning and development across the organization. Each HelloFresh employee has access to an annual personal learning and development budget, and we also provide locally-based training initiatives in various markets. Employees also have access to our digital learning platform, Looop, with 4,436 employees using the platform in 2023.

Enabling career progression at HelloFresh is a key component of our learning and development approach, and in 2023, we filled 48% of open management positions through internal promotions.

To develop and nurture strong talent at HelloFresh we run a number of training programs:

- Our Future Leaders Program (FLP) supports high-potential employees through mentoring by senior management. All cohorts of the program receive bi-annual reviews and check-ins with C-level executives. In 2023, 28 employees graduated from the program, and we welcomed 57 new employees to the FLP.
- Our Leadership Essentials Program is designed for newly appointed leaders at HelloFresh, and in 2023 we revised and expanded the program.
- Our Fast Stream Rotational Program enables graduates to undertake challenging rotational assignments to help accelerate their path to leadership. The program is steered by HelloFresh Co-Founder Thomas Griesel, and the fourth cohort of participants joined the program in 2023.



# Ethical Trading and Fair Labor

Our Ethical Trading  
Policy details our human  
rights and environmental  
standards for our own  
operations and suppliers



To deliver on our own ethical commitments and comply with legislative requirements, including the Act on Corporate Due Diligence to Prevent Human Rights Violations in Supply Chains<sup>16</sup> we have developed a comprehensive Ethical Trading Program, which will continue rolling out in 2024. It is based on the key elements as detailed below.

### **Risk assessment<sup>17</sup>**

A Group-wide, annual, two-step risk analysis process enables us to identify, assess, and prioritize relevant human rights and environmental risks in our own operations as well as in our direct suppliers' operations. As a first step, we conduct an abstract risk analysis using country- and sector-specific risk scores from SEDEX (Supplier Ethical Data Exchange), one of the world's largest data platform for supply chain assessment and sustainable supply chain solutions. On the basis of the abstract risk assessment, we identify risks as well as supplier groups and business areas in our own operations with increased risk. These are the focus of the second step, a further in-depth risk analysis based on self-assessment questionnaires and the involvement of subject matter experts to identify high-risk suppliers and business areas in our own operations that may require further actions. The results of our risk assessment are published in our [Human Rights Statement](#). The insights we gain from the assessment are incorporated into our prevention program.

### **Prevention program**

At the core of our prevention program is our [Human Rights Statement](#) emphasizing our commitment to the protection of human rights and setting out our human rights strategy to mitigate risks in our own operations and throughout our supply chain. The Statement will be updated in the future, if and as needed, to capture any change or development.

Our [Ethical Trading Policy](#) details our minimum human rights and environmental standards for our own operations and our suppliers. This policy was revised in 2022 to further clarify our related expectations regarding our supply chain partners. By the end of 2023, 61% of our suppliers in identified risk sectors have approved our Ethical Trading Policy (either the 2021 or 2022 version). This includes suppliers for HelloFresh SE and its subsidiaries.

Our further preventive measures include obtaining contractual assurances, requesting audit reports, arranging internal or external audits, monitoring visits, and training for our employees and high-risk suppliers. In addition, we aim to continuously update and adapt our procurement and selection strategies for our direct suppliers based on our prioritized risks for human and environmental rights.

### **Complaint procedure and corrective actions**

We have set up a whistleblowing system, including our [Speak up! platform](#), which offers the opportunity to report any potential violations in our own operations or supply chains, also anonymously if preferred. Any potential violations reported through our whistleblowing system, audits or other channels, are assessed and appropriate preventive or corrective actions are initiated where necessary.

### **Monitoring, documentation, and reporting**

Our ethical trading strategy is a process that we regularly review, monitor, and continuously enhance. Furthermore, we document our risk assessment as well as the actions we take to prevent or remedy human rights or environment-related violations, and we will report annually in accordance with our regulatory reporting obligations.

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<sup>16</sup> Lieferkettensorgfaltspflichtengesetz (LkSG)

<sup>17</sup> In this section, the term "risk" refers to the risk on human rights or environmental violation, not financial risk.



# Governance





# Ethics and Compliance

Our Code of Ethics sets out our ethical values and provides guidance to our employees on how to uphold these values in their day-to-day work





Our core values of integrity, respect, and responsibility are integrated into our daily operations and reflected in our Code of Ethics, which is structured around four pillars – our planet, our people, our community and governance, and our business. The Code of Ethics is communicated to all employees at HelloFresh and is available on our Group website. It provides clear guidance on how we expect all employees at HelloFresh to help us to deliver on our commitments and to uphold our values in their daily work.

Compliance at HelloFresh is managed by our global compliance function together with local compliance officers. Their work includes training on compliance and ethics, along with other duties regarding policy management, reporting on and investigating ethical concerns, and managing general communications around the topic. The global compliance function reports directly to the Chief Financial Officer. The HelloFresh Management Board takes overall responsibility for this topic.

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. All employees are also required to undertake mandatory basic compliance training via e-learning modules. The training is refreshed annually and addresses the ethical standards set out in our Code of Ethics and other compliance policies. In 2023, 6,796 employees, including 1,384 employees of HelloFresh SE, completed the basic compliance training.

In addition to our Code of Ethics, we have implemented Group-wide policies further specifying our standards and expectations regarding ethical trading, anti-corruption and bribery, competition laws, capital market compliance and information security. In 2023, we revised our Anti-Corruption Policy as well as our Fair Competition Policy.

Enabling our employees and external stakeholders to report concerns regarding violations of applicable laws or our ethical standards is crucial for upholding our high standards. We provide various channels for reporting concerns, and communicate regularly about our speak-up culture. Our Speak up! platform is accessible to all employees in our offices and distribution centers, including agency and third-party employees. It offers everyone inside and outside our company the opportunity to report human rights and environmental violations in connection with our own business activities and the business activities of our business partners. In 2023, we also implemented a new Whistleblower Policy. It provides detailed information on our complaints procedure and is rolled out to our employees as part of the annual mandatory compliance training.

# Food Safety

To maintain high food safety and quality our Programs are built on regulatory guidance, SQF/BRCGS, and best practices





Providing our customers with high quality food is of paramount importance to us. To maintain our high food safety standards, we have an onboarding process with our Food Safety and Quality Assurance (FSQA) Team, which all suppliers must go through. The process includes approving suppliers' manufacturing facilities by reviewing certifications, asking risk-based questions and auditing suppliers classed as high-risk. The FSQA Team also reviews the allergens and nutritional content of each product or ingredient, and their respective labeling. We also routinely review the minimum certification scoring requirements we have in place for our suppliers.

We are also working to increase the number of distribution centers with the following food safety certifications benchmarked by the Global Food Safety Initiative (GFSI):

- British Retail Consortium Global Standard (BRCGS) certification for our International and Canadian sites: a standard assuring the quality and safety of products during storage and distribution throughout the supply chain.
- Safe Quality Food (SQF) certification for our North America sites: this certification covers both the Food Safety and Food Quality codes.

Across the HelloFresh Group in 2023, we certified 17 facilities, 12 (International facilities) of which gained BRCGS Storage and Distribution certificates, earning the highest score of "AA" across the majority of these sites.

In the US, all five of our HelloFresh and EveryPlate facilities hold SQF certifications.

We work to increase the proportion of ingredient suppliers who hold independent food safety certifications, benchmarked by the GFSI. In 2023, 86% of our global suppliers held GFSI food safety certifications. Where suppliers do not hold an independent GFSI certification, we conduct annual food safety audits of the production site for due diligence.

To maintain high quality and safe products, we designed the HelloFresh Food Safety & Quality Programs which outline how each site controls and assures the quality attributes of the products or product groups and their associated processes. These programs incorporate HACCP principles (Hazard Analysis and Critical Control Points), prerequisite programs, as well as verification and validations. Process control methods are used to control and optimize production processes to improve efficiency, product quality, and reduce waste. The HelloFresh Food Safety & Quality programs were created utilizing the most current regulatory guidance, SQF/BRCGS code, best industry practices and relevant academic literature to ensure all food safety hazards are addressed.<sup>18</sup>

A full review of the documented and implemented Food Safety & Quality Programs is conducted when required, or when changes occur which may affect product quality or food safety.

As part of our ongoing work on developing our teams and supporting the entire Group on the topic of food quality and safety, we launched a Food Quality & Safety Culture Program at all levels of the organization for our International markets and Global Headquarters. Partnering with Camden BRI and Culture Excellence, we conducted a Safety Culture Survey (detailed in the Employee Health and Safety section of this report) for all of our International distribution centers and market headquarter teams, providing every employee with an opportunity to anonymously provide us with feedback on what quality and safety mean to them. Building on this, senior leaders completed a Quality & Safety Culture Excellence Workshop in 2023, resulting in targeted action plans and commitments to help advance our safety culture.

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<sup>18</sup> The Food Safety & Quality Programs include items such as GMPs (Good Manufacturing Practices), employee hygiene, sanitation, HACCP plans, food fraud, food defense, internal auditing, quality performance measures, CQPs/CCPs (Critical Quality Point/Critical Control Point), monitoring, pest prevention, temperature and packaging validation studies, consumer complaint management, non-conformance reporting, corrective action programs, employee training, calibrations, foreign material prevention programs, supplier approval, transport/delivery procedures, waste management, and allergen prevention programs.



# Data Security

Customer, employee, supplier and stakeholder data privacy and protection are key components of our operations



Data privacy and the protection of customer, employee, supplier, and other stakeholder data are vital components of our global operations. As such, we deploy significant resources to protect the data we handle and to ensure that we comply with data protection legislation applicable in the markets in which we operate, including the European General Data Protection Regulation (EU GDPR) and the California Consumer Privacy Act (CCPA). The responsibility for complying with customer privacy and data protection is shared between the Global Legal Team, which reports directly to the Chief Financial Officer, and our local privacy experts. In most cases, the Global Legal Team provides guidelines, policies, and training, supplemented by local privacy initiatives and a variety of training to suit individual local needs. The ultimate legal responsibility for data privacy compliance lies with the HelloFresh Group General Counsel.

Transparency on how we process personal data, in particular customer data, is provided in our privacy statements, which can be found on our respective local websites. These statements explain which personal data we process and for which purposes. The privacy statements are updated frequently, whenever circumstances demand a change.

We utilize the following measures and instruments for data privacy compliance at HelloFresh:

**General Data Protection Compliance:** Wherever HelloFresh collects personal data, the respective local legal experts advise on terms and conditions for the collection, sharing, transferring, and retention of personal data. Furthermore, the local legal experts monitor that the data is processed only for the stated purpose, that data subjects are notified in a timely manner in case of data breaches and that data is obtained by lawful and transparent means, with explicit consent of the data subject where legally required. Since 2021, the HelloFresh Group conducts an annual Payment Card Industry Data Security Standard (PCI DSS) Level 1 audit to ensure that the credit card holder data environment complies with the requirements of the standard. As with previous years, we received the Attestation of Compliance and Report of Compliance in 2023, which verifies our compliance.

**Training:** Employees handling personal data undergo online data protection training with an examination at the end of the training as part of our standard onboarding procedure. If customer-related services are fulfilled by external providers, the respective agents receive tailored privacy training at the beginning of their engagement and throughout the duration of their engagement. Specialized Customer Care agents, who focus on the handling of and response to privacy-related questions, undergo privacy trainings on a regular basis. Training also encompasses cybersecurity matters as part of our general annual mandatory compliance training. The general compliance training includes an information security module that covers the basics of information security as well as the company-specific policies and best practices. Furthermore, a mandatory annual security awareness training is provided worldwide to all HelloFresh Group employees who use company-provided devices (laptop, mobile phone) to access any systems, applications, or databases of the HelloFresh Group.

**Code of Ethics:** Our employees are required to acknowledge and adhere to our Code of Ethics, which also includes measures on data privacy and information security. See the earlier section on Ethics and Compliance, or the HelloFresh Non-Financial Report 2021 (p. 70) for further details.

**Provision of guidelines:** We have developed General Data Protection and Data Privacy Incident guidelines which explain how personal data is defined, which general rules apply to personal data, and, for example, how to react in the case of a data incident. Our Data Request Policy formulates how to respond to data subject requests from our customers and other stakeholders. The guidelines, which are generally prepared by the Global Legal Team, apply either directly in the respective local markets or are adjusted to suit local needs by the local legal experts.

**Due diligence checks:** Each vendor handling personal data undergoes a due diligence check in which they must illustrate which personal data is processed and which technical and organizational measures are put in place to protect personal data. Vendors handling personal data on behalf of HelloFresh are required to enter into respective Data Protection Agreements with us, including standard contractual clauses where required.

**Groups and committees:** We have established a number of groups and committees throughout the HelloFresh Group, such as the Information Security Committee, to ensure that relevant stakeholders are updated frequently on the most recent laws, rulings, and developments on data privacy and data protection.

**Data privacy by design:** We enable customers to raise data privacy concerns in a clear and accessible way, for example through their online HelloFresh account or by reaching out to the respective local Data Protection Officer. Customers can also request the erasure of their data or provide and amend personal information through their online accounts. Our customers can easily change their communication settings within their account, and update their preferences for receiving marketing communications and newsletters. Furthermore, they can use the HelloFresh website's integrated chat function to cancel or pause their HelloFresh subscription or to exert their data privacy rights at any time.

**Data deletion:** Our internal guidelines state that customer deletion requests must be transacted within a few days. Moreover, whenever a customer has not subscribed to a meal kit for more than a predefined period – which can vary from country to country – 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 providing access to sensitive information are covered by policies, processes, and controls implemented by our IT functions and periodically reviewed by our Security Team. Examples of such common controls include the following:

- Approval request process: Personally identifiable, information-sensitive systems access is granted based on managerial or respective owner approval and consists of a full “audit trail” prior to granting access.
- The Customer Relationship Management system is audited on a quarterly basis, reviewing any access granted during the audited quarter to ensure compliance and up-to-date user access.
- Implementation of advanced authentication and authorization systems for consolidated and strengthened security, alongside increased audit capabilities and anomaly detection features.

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. In order to measure our success in protecting our customer data, we aim to develop further KPIs to help us understand if and how we can improve data privacy in our operations. Such annual KPIs will include the number of employees having passed the online privacy examination, among other items.



# EU Taxonomy



## Regulatory Landscape and Context

The Commission Delegated Regulation (EU) 2021/2139 (4 June 2021) supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council, known as the EU Taxonomy Regulation (further "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 (9 March 2022) that amends the Delegated Regulation (EU) 2021/2139 in regard to the economic activities in certain energy sectors and the Delegated Regulation (EU) 2021/2178 (6 July 2021) regarding specific public disclosures for those economic activities were considered for the purposes of this disclosure. The EU Commission published two additional draft FAQs on the Climate Delegated Act and Article 8 Delegated Act (19 December 2022), which have also been reviewed for the purpose of this report.

In addition, the European Commission approved, in principle, on 13 June 2023 a new set of EU Taxonomy criteria for economic activities making a substantial contribution to one or more of the non-climate environmental objectives, namely: sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems. The Environmental Delegated Act includes proposed changes to the Disclosures Delegated Act, including the content of the mandatory reporting templates.

To complement this, the Commission has adopted targeted amendments to the EU Taxonomy Climate Delegated Act, which expand on economic activities contributing to climate change mitigation and adaptation that had not been included so far, focusing on manufacture and transport sectors.

## Reporting Requirements for HelloFresh

As a large non-financial undertaking, HelloFresh is required to present the share of the group turnover, capital expenditure (CapEx) and operating expenditure (OpEx) for the reporting period 2023 that is associated with EU Taxonomy-eligible economic activities under the first two environmental objectives (climate change mitigation and climate change adaptation, including for the expanded activities), as well as the newly defined non-climate environmental objectives listed above, in accordance with Article 8 of the Taxonomy Regulation and Article 10 (2) of the Article 8 Delegated Act.

An economic activity is Taxonomy-eligible if it fits the description of any of the activities corresponding to the six environmental objectives detailed in the Delegated Acts supplementing the EU Taxonomy. We have excluded activities that represented less than 0.1% of their respective KPIs (turnover, CapEx and OpEx)

Additionally, as a large non-financial undertaking, HelloFresh is required to present the share of the turnover, CapEx and OpEx for the reporting period 2023 that is also Taxonomy-aligned, specifically and only for the EU Taxonomy-eligible economic activities under the first two environmental objectives (climate change mitigation and climate change adaptation, not including the activities that were added in June 2023).

An economic activity is Taxonomy-aligned where the activity is eligible and complies with all of the following: the Substantial Contribution (SC) criteria; the Do No Significant Harm (DNSH) criteria; and the Minimum Safeguards (MS).

## Eligibility & Alignment Disclosures

	Proportion of turnover / total turnover		Proportion of CapEx / total CapEx		Proportion of OpEx / total OpEx	
	Taxonomy-aligned (per objective)	Taxonomy eligible (per objective)	Taxonomy-aligned (per objective)	Taxonomy eligible (per objective)	Taxonomy-aligned (per objective)	Taxonomy eligible (per objective)
<b>CCM</b>	0.0%	0.0%	0.0%	24.1%	0.0%	26.5%
<b>CCA</b>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>WTR</b>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>CE</b>	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%
<b>PPC</b>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>BIO</b>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Climate change mitigation (CCM)  
Climate change adaptation (CCA)  
Water and marine resources (WTR)  
Circular economy (CE)  
Pollution (PPC)  
Biodiversity and ecosystem (BIO)



Turnover	FY 2023		SC <sup>1</sup> criteria						DNSH <sup>2</sup> criteria						Proportion of Taxonomy eligible (A.2) turnover, FY 2022 (18)	Category enabling activity (19)	Category transitional activity (20)	
	Code(s) (2)	Absolute Turnover (3)	Proportion of Turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)				Biodiversity (16)
Economic activities (1)	MEUR	%	Y; N; N/EL <sup>3</sup>	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	En <sup>4</sup>	T <sup>5</sup>
<b>A. TAXONOMY ELIGIBLE ACTIVITIES</b>																		
A.1 Environmentally sustainable activities (Taxonomy-aligned)																		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)																		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																		
<b>A. Turnover of Taxonomy eligible activities (A1+A2)</b>																		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																		
Turnover of Taxonomy-non-eligible activities (B)																		
<b>Total A + B</b>																		

<sup>1</sup> Substantial Contribution

<sup>2</sup> Do No Significant Harm

<sup>3</sup> Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective; No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

<sup>4</sup> Enabling

<sup>5</sup> Transitional

Turnover is defined as net turnover applying IFRS (IAS 1 Paragraph 82(a)) and is disclosed on page 3 of the Group's 2023 Annual Report as Group Revenue for a total consideration of MEUR 7,596.6 for the financial year 2023 (2022: MEUR 7,607.2).

The EU Taxonomy is a cornerstone of the EU's sustainable finance framework and an important market transparency tool that helps direct investments to the economic activities most needed for a green transition. As such, the Commission has so far focused on a number of economic activities that are perceived to be generating the greatest environmental and climate impacts, such as manufacturing, transportation, and energy production. At the time of this report's publication, food production, food distribution, and activities related directly with food manufacturing were outside of the scope of the EU Taxonomy.

As established previously and based on the above, the core revenue sources for HelloFresh – the sale of meal kits, ready-to-eat and other direct to consumer food products and subscriptions – cannot be classified into one of the activities described in the EU Taxonomy.

A performed analysis of all activities, including the newly added in 2023, showed that only one particular revenue stream is derived from offering refrigerated courier services to third parties and was identified as eligible under Activity 6.5: Transport by motorbikes, passenger cars and light commercial vehicles of the Climate Change Mitigation objective. However, it was immaterial to HelloFresh in 2023. Therefore, no taxonomy-eligible activity could be identified.

CapEx	FY 2023		SC <sup>1</sup> criteria							DNSH <sup>2</sup> criteria							Proportion of Taxonomy eligible (A.2) CapEx, FY 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity (16)	Minimum safeguards (17)			
Economic activities (1)	MEUR	% <sup>6</sup>	Y; N; N/EL <sup>3</sup>	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E4	T5
<b>A. TAXONOMY ELIGIBLE ACTIVITIES</b>																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacturing of plastics packaging goods	1.1 CE	0.5	0.1%	N/EL	N/EL	N/EL	E	N/EL	N/EL								0.0%		
Collection and transport of non hazardous waste in source segregated ractions	5.5 CCM	2.0	0.5%	E	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Transport by motorbikes, passenger cars and light commercial vehicles	6.5 CCM	22.7	5.4%	E	N/EL	N/EL	N/EL	N/EL	N/EL								3.4%		
Acquisition and ownership of buildings	7.7 CCM	76.4	18.2%	E	N/EL	N/EL	N/EL	N/EL	N/EL								4.6%		
Renovation of existing buildings	7.2 CCM	—	—														3.4%		
Data processing, hosting and related activities	8.1 CCM	—	—														0.1%		



CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	101.6	24.3%	99.6%	0.0%	0.0%	0.4%	0.0%	0.0%										11.5%		
A. CapEx of Taxonomy eligible activities (A1+A2)	101.6	24.3%	99.6%	0.0%	0.0%	0.4%	0.0%	0.0%										11.5%		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																				
CapEx of Taxonomy-non-eligible activities (B)	317.5	75.7%																		
<b>Total A + B</b>	<b>418.9</b>	<b>100%</b>																		

<sup>1</sup> Substantial Contribution

<sup>2</sup> Do No Significant Harm

<sup>3</sup> Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective; No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

<sup>4</sup> Enabling

<sup>5</sup> Transitional

<sup>6</sup> The percentages have been calculated on the basis of the non-rounded Euro amounts, consequently, rounding differences may occur.

Total CapEx, as defined by the EU Taxonomy, shall cover additions to tangible and intangible assets during the financial year. CapEx additions are considered before depreciation, amortization and any remeasurements for the relevant financial year and exclude fair value changes (IAS 16, 38, 40, 41, IFRS 16). CapEx additions also cover additions to tangible and intangible assets resulting from business combinations (applying IFRS 3). Total CapEx additions (denominator) for the financial year 2023 for HelloFresh SE amount to MEUR 418.9 (2022: MEUR 718.9) as per pages 72 (for Property, Plant and Equipment) and 75 (Intangible Assets) of the Group's 2023 Annual Report. Acquired goodwill is not included.

The performance of an analysis of all economic activities, including the newly added ones, revealed that 24.3% (2022: 11.5%) of the CapEx is considered to be eligible under the definition of the EU Taxonomy, as they relate to the purchase of output from Taxonomy-eligible economic activities or related to assets or processes that are associated with Taxonomy-eligible economic activities. The figure corresponds to expenditures that have been classified under one of the following activities:

Activities above HelloFresh's materiality threshold regarding the environmental objective climate change mitigation:

- Activity 5.5: Collection and transport of non-hazardous waste in source segregated fractions
- Activity 6.5: Transport by motorbikes, passenger cars and light commercial vehicles
- Activity 7.7: Acquisition and ownership of buildings

CapEx spent in activities flagged in the previous year's taxonomy disclosure (activities 7.2 and 8.1 regarding the environmental objective climate change mitigation, as per the table above) were found to be non material in 2023.

Activities above HelloFresh's materiality threshold regarding the environmental objective transition to a circular economy:

- Activity 1.1: Manufacturing of plastics packaging goods

The increase of taxonomy-eligible CapEx % compared to last year is mainly due to a higher relative amount of eligible CapEx coming from opening up new distribution centers, including but not limited to our largest Ready-to-eat facility in the US.

OpEx	FY 2023		SC <sup>1</sup> criteria							DNSH <sup>2</sup> criteria									
	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy eligible OpEx, FY 2022* (18)	Category enabling activity (19)	Category transitional activity (20)
Economic activities (1)	MEUR	% <sup>6</sup>	Y; N; N/EL <sup>3</sup>	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	† <sup>4</sup>	‡ <sup>5</sup>	
<b>A. TAXONOMY ELIGIBLE ACTIVITIES</b>																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transport by motorbikes, passenger cars and light commercial vehicles	6.5 CCM	27.3	16.1%	E	N/EL	N/EL	N/EL	N/EL	N/EL							7.9%*			
Acquisition and ownership of buildings	7.7 CCM	4.2	2.5%	E	N/EL	N/EL	N/EL	N/EL	N/EL							2.1%*			
Collection and transport of non hazardous waste in source segregated fashion	5.5 CCM	0.4	0.2%	E	N/EL	N/EL	N/EL	N/EL	N/EL							0.1%*			
Data processing, hosting and related activities	8.1 CCM	13.1	7.7%	E	N/EL	N/EL	N/EL	N/EL	N/EL							6.3%*			
Anaerobic digestion of bio-waste	5.7 CCM	—														0.0%*			





Total OpEx, as defined by the EU Taxonomy, shall cover direct non-capitalized costs relating to research and development (R&D), 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 for in CapEx shall not be counted as OpEx (for instance, development costs for intangible assets, IAS 38).

The EU Taxonomy OpEx definition is restrictive and should not be confused with a more standard (and broad) definition of OpEx commonly used in financial reporting, or in the case of HelloFresh, with fulfillment expenses. Under the EU Taxonomy definition, total OpEx for the financial year 2023 amounts to MEUR 169.7 (2022 MEUR 168.6, corrected)

The performance of an analysis of all economic activities, including the newly added ones, revealed that 26.5% (2022: 16.5%, corrected) of that OpEx is considered to be eligible under the definition of the EU Taxonomy, as they relate to the purchase of output from Taxonomy-eligible economic activities or related to assets or processes that are associated with Taxonomy-eligible economic activities. The prior year figure was corrected to include direct non-capitalized R&D costs in the denominator, and to exclude all indirect OpEx costs included in both the numerator and the denominator. The presentation of the 2022 adjusted figures can be found in the OpEx table.

The increase in eligible OpEx is mainly due to an increase in eligible expenses related to activity 6.5, driven by HelloFresh's efforts to increasingly insource our last mile delivery services.

In 2023, the following activities are above HelloFresh's materiality threshold and therefore identified as eligible, all under climate change mitigation:

- Activity 5.5: Collection and transport of non-hazardous waste in source segregated fractions
- Activity 6.5: Transport by motorbikes, passenger cars and light commercial vehicles
- Activity 7.7: Acquisition and ownership of buildings
- Activity 8.1: Data processing, hosting and related activities

OpEx spent in activities flagged in the previous year's taxonomy disclosure (activities 5.7 and 5.8 regarding the environmental objective climate change mitigation, as per the table above) were found to be non material in 2023.

HelloFresh's relevant economic activities only contribute to either climate change mitigation or transition to a circular economy. Therefore, double counting could be avoided.

## Alignment Assessment

HelloFresh continues to believe the transition to a climate-neutral and sustainable economy by 2050 offers new opportunities for companies and citizens across the EU, and remains supportive of the EU sustainable finance framework and developments around it.

The practical implementation of the EU-Taxonomy reporting requirements remains challenging, primarily driven by:

- Difficulties experienced by various agents across the value chain to provide, in an auditable manner, if at all, the necessary information required to comply with the SC and the DNSH criteria
- Misalignment in standards and frameworks across geographies, particularly in the US, against EU Taxonomy criteria
- Difficulty to integrate in-depth physical climate risk assessment considerations into the existing Enterprise Risk Management System (ERMS) to the level of analysis required by the EU Taxonomy

The approach taken in our analysis was to focus as a first step on the key activities that represented the biggest contribution to the eligibility tables. These are highlighted below and represent 98% of our total eligible CapEx and 70% of our total eligible OpEx:

- Activity 6.5: Transport by motorbikes, passenger cars and light commercial vehicles (climate change mitigation)
- Activity 7.7: Acquisition and ownership of buildings (climate change mitigation)

A process to identify EU Taxonomy alignment for the three activities was carried out, specifically focused on the substantial contribution and DNSH criteria.

### DNSH Criteria

The Taxonomy regulation requires undertakings among other criteria 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, wind-related, water-related, and solid mass-related acute and chronic risks that 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 2023 risk assessment processes, these do not cover all taxonomy proposed risks to the level of granularity that is required to establish alignment.

As a result, the requirements of Appendix A could not be met. Therefore, no further DNSH criteria assessment was performed.

### Substantial Contribution (SC) Criteria

For the activity 7.7. (climate change mitigation), some portion of CapEx and OpEx for these activities can fulfill the substantial contribution criteria. Some of our newest distribution centers in Europe have submitted specification details to certification bodies (DNGB Gold and BREEAM ambition) that could fulfill the SC criteria of the EU Taxonomy. However, the approval process means the certification will only be available in the coming months.

Regarding 6.5 (CCM) the substantial contribution criteria could not be met, mainly due to insufficient information from third parties provided in our systems.

As a result, the SC criteria requirements of our identified taxonomy-eligible activities could not be met.

### Minimum Safeguards

Our assessment of minimum safeguards criteria revealed that we did not comply with all requirements. For further details on our ethical trading and fair labor practices, including on our human rights risk assessment, please refer to page 34 on this report. For further information on our code of ethics, please refer to page 37 on this report.

### Final Note

The table below captures the requirements of the Supplementary Delegated Act 2022/1214 dated 9 March 2022, with regard to nuclear and gas power, pertaining to HelloFresh.



<b>Nuclear energy related activities</b>		
1	The undertaking carries out, funds or has exposures to research, development, demonstration, and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
<b>Fossil gas related activities</b>		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

## Glossary

- ASC: Aquaculture Stewardship Council
- AT: Austria
- AU: Australia
- BAP: Best Aquaculture Practices
- BCC: Better Chicken Commitment
- Benelux: Belgium, the Netherlands, Luxembourg
- BIO: Biodiversity
- BRCGS: British Retail Consortium Global Standard
- BSI: British Standards Institute
- CapEx: Capital expenditures
- CCA: Climate Change Adaptation
- CCM: Climate Change Mitigation
- CCPA: California Consumer Privacy Act
- CE: Circular Economy
- CO2e: Carbon dioxide equivalent
- CSRD: EU Corporate Sustainability Reporting Directive
- DACH: Germany, Austria, Switzerland
- DE: Germany
- DGNB: Deutsche Gesellschaft für Nachhaltiges Bauen
- DNSH: Do No Significant Harm
- DPC: Dynamic Packaging Configurator
- ERGs: Employee Resource Groups
- ESG: Environmental, Social and Governance
- ESRS: European Sustainability Reporting Standards
- EV: Electric vehicles
- E-Van: Electric van
- F-gas: Fluorinated gases
- FLAG: Forest, Land and Agriculture
- FLP: Future Leaders Program
- FSQA: Food Safety and Quality Assurance
- G.A.P.: Global Good Aquaculture Practices
- GDPR: EU General Data Protection Regulation
- GFSI: Global Food Safety Initiative
- GHG: Greenhouse gases
- GHG Protocol: Greenhouse Gas Protocol Corporate Accounting and Reporting Standard Revised
- GWh: Gigawatt hour

- HACCP: Hazard Analysis and Critical Control Points
- HF Market: HelloFresh Market
- HGB: Handelsgesetzbuch
- IOSH: The Institution of Occupational Safety and Health
- KPIs: Key performance indicators
- LCA: Life Cycle Assessment
- LTIFR: Lost-time injury frequency rate
- Mln: Million
- MSC: Marine Stewardship Council
- MWh: MegaWatt hours
- Nordics: Denmark, Norway, Sweden
- NPS: Net Promoter Score
- OKRs: Objectives and key results
- OpEx: Operational expenditures
- PCI DSS: Payment Card Industry Data Security Standard
- PPC: Pollution; Pollution Prevention and Control
- REC: Renewable Energy Certificate
- R&D: Research and Development
- SEDEX: Supplier Ethical Data Exchange
- Solar PV: Solar photovoltaic
- SQF: Safe Quality Food
- TRIR: Total Recordable Incident Rate
- UK: United Kingdom
- US: United States
- US EPA: Environmental Protection Agency (US)
- WTR: Water and Marine Resources



# Independent assurance practitioner's report<sup>19</sup>

To the Supervisory Board of HelloFresh SE, Berlin

We have performed a limited assurance engagement on the consolidated non-financial report of HelloFresh SE (hereinafter the "company") 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, 2023.

Not subject to our assurance engagement are the external sources of documentation in the non-financial report.

## 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 section "EU Taxonomy" 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 such internal control as 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 IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

## 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 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

<sup>19</sup> Our engagement applied to the German version of the combined separate non-financial report 2023. This text is a translation of the independent assurance practitioner's report issued in German language, whereas the German text is authoritative.

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 responsible for the materiality analysis in order to obtain an understanding on the approach for identifying material topics and related reporting boundaries of HelloFresh SE
- Inquiries of personnel responsible on group-level to obtain an understanding of the procedures used to identify relevant economic activities according to the EU Taxonomy Regulation
- 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
- 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 sites in Birmingham, United Kingdom and Newark, New Jersey, United States
- Evaluation of the process to identify taxonomy-eligible and taxonomy-aligned 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 consolidated non-financial report of HelloFresh SE, Berlin for the period from January 1 to December 31, 2023 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](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, 14. March 2024

KPMG AG Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Björn Knorr

Wirtschaftsprüfer

[German Public Auditor]

Lea Edelmann

Wirtschaftsprüferin

[German Public Auditor]

**HELLOFRESH**  
GROUP

HelloFresh SE  
Prinzenstrasse 89  
10969 Berlin