



Sustainability Report 2021

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“We know there is much more to do to protect our planet”

A letter from our CEO International and Co-Founder, Thomas Griesel

For many, 2021 was a year of hope, as COVID-19 vaccine programs rolled out around the world and the containment measures gradually lifted. Businesses and communities took tentative steps back to more familiar ways of working and living, albeit with some elements of the pandemic remaining — increased flexibility for remote work is a prime example.

Demand for HelloFresh meal kits continued to surge in 2021. By the end of the year, we had more than seven million active customers worldwide and we had introduced the HelloFresh concept to three new markets: Italy, Japan and Norway. Our workforce more than tripled over the past two years and we now employ over 20,000 people. It is thanks to the dedication of our employees and their willingness to embrace change that we have been able to navigate this period of growth so successfully. I am incredibly proud of everyone’s efforts during this past year.

As the company expands, we see an even greater responsibility, as the world's largest integrated food solution group, to do more to help those facing food insecurity – an issue amplified by the pandemic. In 2021, we broadened our existing community programs while simultaneously establishing new initiatives to tackle food insecurity. In total, we donated ten thousand tonnes of food to charities and food banks.

As the year progressed, the world's attention increasingly focused on the pressing issue of climate change. Severe weather events increased in number and force,¹ and climate action dominated news headlines. World leaders gathered in Glasgow for COP26 to seek unity in setting goals that would reduce the environmental factors driving global warming. The call for businesses to establish or strengthen climate action plans was stronger than ever.

Back in 2020, we set two ambitious environmental goals to achieve by the end of 2022: lower our production facilities' carbon emissions by 60% and reduce the amount of food waste sent to landfill from our facilities by 50%, both per euro of revenue from a 2019 baseline. Over the past year, we made solid progress on reducing the carbon emissions from our facilities, reducing them by 48% compared to the 2019 baseline. 51% of the energy we consume now comes from renewable sources, compared to just 7% in 2019.

Our work on reducing the amount of food waste sent to landfill was more challenging due to COVID-19 disruptions, however the strong measures we had in place helped us avoid any significant pandemic-related surges. Our efforts around both goals – lowering emissions and reducing food waste – will accelerate in the coming year through the various measures outlined in this report.

We also recognize that we must look beyond our operations towards environmental factors throughout our value chain if we are to help protect our planet for future generations. We took an important step in 2021 by conducting an in-depth life cycle assessment to develop a deeper understanding of where impactful factors lie within our value chain and their significance to our overall environmental footprint. Insights gained from the assessment are highlighted throughout this report. Averages that we extrapolated from the life cycle assessment data showed that meals created with HelloFresh generate 25% fewer greenhouse gas (GHG) emissions compared to those bought in supermarkets, and 5.5% fewer GHGs compared with restaurant deliveries.² This life cycle assessment paves the way for a much more data-driven approach across our environmental, social and governance (ESG) aspects. As part of this approach, we plan to formally initiate our commitment to setting science-based emissions reductions targets with the Science Based Targets initiative (SBTi) in 2022.

2021 was also a milestone year for us as we marked our ten-year anniversary. We've come a long way since we packed our first meal kits in Germany in 2011, and as we continue our journey, developing more initiatives that benefit our people and planet, we remain as committed as ever to our mission, to change the way people eat – forever. I'm looking forward to the plans we have for 2022, specifically in supporting and empowering our customers to make more conscious meal choices for their health and for the planet.

I invite you to take a look through this report to gain more insights into our actions and ambitions across our three sustainability focus areas: our planet, our people and our governance.



Thomas Griesel

¹ World Meteorological Organization, 2021: Meeting the challenge of extreme weather, December 28, 2021, <https://public.wmo.int/en/media/news/2021-meeting-challenge-of-extreme-weather>

² These findings are averages extrapolated by HelloFresh from the individual region results calculated in the [Life Cycle Assessment study](#). Data from four regions was analyzed: Australia; Austria and Germany; Belgium, the Netherlands, and Luxembourg (Benelux); and the US. The extrapolated averages refer to these regions' combined data sets.

About HelloFresh

Founded in 2011, HelloFresh is a global integrated food solutions group and one of the first innovators in the meal kit industry. Our mission is to change the way people eat – forever. Each week we offer a range of different recipes, carefully developed by our in-house chefs; we source the freshest ingredients, and deliver the meal kits to our customers at the time most convenient for them. We also offer a range of pre-made, ready-to-heat options, and other produce, pantry items, and snacks from the HelloFresh Market, which our customers can include in their weekly orders.

At the end of 2021, we had more than seven million active customers across 17 countries: Australia, Austria, Belgium, Canada, Denmark, France, Germany, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Sweden, Switzerland, the United Kingdom, and the United States.

We operate under the following brands: HelloFresh, Chefs Plate, EveryPlate, Factor, Green Chef, and YouFoodz.

About this report

This Sustainability Report describes HelloFresh's sustainability approach, related activities and key performance indicators, together with future targets. It includes the Combined Non-Financial Report for HelloFresh SE and HelloFresh Group, and the Independent Auditor's Limited Assurance Report, by KPMG, which can be found in the Annex.



Our sustainability approach

As the world's largest meal kit provider, we recognize our responsibility in driving sustainable progress on environmental, social, and governance issues regarding our operations, workforce, supply chain, customers, and local communities. Our sustainability goals are anchored on the three pillars of our sustainability approach: our planet; our people; and our governance, which includes our community.

Materiality

The content of this report is based on the materiality analysis conducted in 2021. We followed the principles of double materiality to determine and prioritize the environmental, social, and governance (ESG) issues which have the biggest potential influence on HelloFresh and our stakeholders, while also identifying the areas on which HelloFresh has the most significant impact. We identified 13 material topics, which include greenhouse gas emissions; food waste; packaging; diversity, equity, and inclusion (DE&I); and employee health and safety. For the full list of material topics, and more details on the materiality assessment, please see page 56 in the Annex.

Driving action on climate change

Climate change is a significant global issue and we are in full agreement that there must be a shift in the behaviors of businesses, governments, and individuals if we are to successfully halt global warming and avoid the most severe consequences of climate change. We have made significant progress on reducing our CO₂ emissions per euro of revenue after setting two key environmental targets in 2020:

Target 1: Reduce the amount of food waste sent to landfill or incineration from all of our facilities by 50% per euro of revenue by the end of 2022 (from a 2019 baseline);

Target 2: Reduce the amount of CO₂ emissions from our production facilities by 60% per euro of revenue by the end of 2022 (from a 2019 baseline).

Both targets are directly linked to Management Board remuneration.

We are also in the process of fully aligning our future targets with the goal set out in the 2015 Paris Climate Agreement — of limiting global warming to well below 2 degrees Celsius, preferably 1.5 degrees Celsius, compared to pre-industrial levels. It is widely accepted that a 1.5 degrees Celsius increase is now the absolute threshold we must maintain if we are to avoid the most catastrophic consequences of climate change. To support this goal, we are looking beyond our operations, into our wider value chain. This is where many of our emissions are generated, be it upstream in food production, agriculture, and aquaculture; or downstream with our consumers. According to a study published in Nature Food in 2021, more than one-third of global greenhouse gas emissions caused by human activity can be attributed to the way we produce, process and package food.³ We have a responsibility to work collectively, across all stages of our value chain to reduce these environmental impacts, and in 2021, we conducted a life cycle assessment to gain a much deeper understanding of the impacts of our three most common recipe types based on beef, chicken, and vegetarian ingredients. This assessment gives us a solid foundation on which to base future actions and targets to reduce our broader (Scope 3) emissions and other environmental impacts. Key findings from the assessment, together with more details about the study, can be found on page 12.

³Crippa, M., Solazzo, E., Guizzardi, D. et al. Food systems are responsible for a third of global anthropogenic GHG emissions. Nat Food 2, 198–209 (2021). <https://doi.org/10.1038/s43016-021-00225-9>

Risk management

Identifying and assessing risks that could affect business performance or sustainability efforts is an important activity within any organization, and imperative for HelloFresh given our worldwide operations and global supply chain. We have a dedicated risk management function that identifies potential risks and develops plans to mitigate them. The process for assessing and identifying climate-related risks is the same for all other risks, and is described on page 30 of the 2021 Annual Report. As part of our risk assessment, we have identified the following potential risks related to the physical impacts of climate change and the transition-related risks as we move towards a lower-carbon economy. None of these risks were flagged as material risks in accordance with our risk assessment methodology.

Physical risks related to climate change

To run our operations successfully, we need a reliable and consistent supply of ingredients. Increasing temperatures, changing precipitation patterns, and greater frequency of extreme weather events driven by global warming pose a threat to food systems and aspects of our supply chain, including volatility in market supply of ingredients and lack of availability of certain produce.

⁴ [Climate Change in Australia, Years at the 1.5oC Global Warming Level, viewed March 22, 2021.](#)

⁵ [CSIRO, Climate Change in Australia, viewed March 22, 2022.](#)

To prepare for these risks, we have established mitigation control systems and contingency plans such as dual sourcing and backup manufacturing sites. Within Europe, our broad supply network helps us to minimize the risk of disruption to our operations in the event of regional ingredient shortages. For our other markets, such as Australia, we are developing contingency plans for greater geographical diversification.

Globally, we need to mitigate risks of extreme weather events on the ingredients in our distribution centers and during delivery to our customers. Heatwaves can trigger requirements for improved cooling facilities at our warehouses and requirements for more packaging and isolation per meal kit. Our distribution sites are built in accordance with the particular valid temperature guidance rules for the locality, but in the event that these regions are affected by higher than specified temperatures, we have created short-term cooling zones to ensure the optimal temperatures for our ingredients. We also utilize innovative packaging solutions to maintain ingredient quality and ambient temperatures during delivery.

Other severe weather events such as flooding and tornadoes, fires, and the resulting road closures may, in extreme cases, prevent us from delivering boxes to some customers. In case of delayed deliveries due to external factors we have pre-established communication plans to inform our customers immediately, and we keep the meal kits in cold storage until delivery can resume. The value of any undelivered items is covered with relevant business insurance (where applicable).

Climate change in Australia

Australia has already been experiencing global warming by around +1.6 °C, with more frequent hot weather, fewer cold days, shifting rainfall patterns, and rising sea levels. For HelloFresh and local suppliers, this means seasons are getting more volatile with increasing chances of unusual weather events impacting crops grown outdoors. The Australian produce market is highly seasonal, and climate change is making seasonality more unpredictable. In the protein and dairy categories, extreme weather events like major flooding and bushfires are causing disruption to logistics as roads become blocked, livestock perishes, and the quality of grazing land degrades, which may take years to recover. To manage these risks we are working on geographical diversification to source from a broader range of growing regions in Australia. In 2022 and beyond, we will continue to increase year-round visibility of the supply chain to improve contingency planning. We will begin exploring sub-category specific risk management strategies, such as indoor growing programs with key strategic produce suppliers to cover a portion of our high-volume vegetables.

Transition risks related to climate change

Transitioning to a lower-carbon economy may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change. Some of the potential transition risks for HelloFresh could include (but are not limited to): changes in customer preferences towards more sustainable food options from a product point of view (for example, vegan meals); changes in environmental regulation which demand more stringent quality controls regarding product transparency and labeling; implementation of carbon pricing or taxes which directly or indirectly increase the cost of activities that generate carbon emissions. Adaptability and good foresight will be vital in successfully navigating these challenges.

Non-climate-related risks

The risk assessment conducted in accordance with HGB (German Commercial Code) in 2021 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 in 2021 (and listed on page 56).



Supporting the UN Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) were established in 2015 as global goals for ending poverty, protecting the planet, and ensuring that all people enjoy peace and prosperity by 2030. Through targeted, structured action across our three sustainability pillars, we aim to make important contributions towards following SDGs:

Throughout this report we highlight the specific SDG goals and targets to which our sustainability actions contribute.



Sustainability in numbers

Carbon emission

Total carbon emissions

2019	47,852 T
2020	91,447 T
2021	130,908 T

48%

reduction of carbon emissions in production facilities per euro of revenue compared to 2019 baseline

Carbon emissions in production facilities per euro of revenue*



- Production facilities managed by HelloFresh
- Third-party operated sites

Food waste

Total food waste

2019	1,103 T**
2020	1,328 T
2021	4,691 T

68%

of total surplus food donated to charities in 2021

Food waste per euro of revenue



* Includes: Energy, fuels and refrigeration gas at our distribution centers. All emissions from our production facilities are offset through carbon offset programs.

** Data based on selected markets (Australia, Austria, Benelux, Canada, France, Germany, New Zealand, Switzerland, the UK) in Q4 2019.

Sustainability in numbers

Ingredient sourcing



97.3% Global G.A.P. or equivalent compliant, or GFSI-certified



99.5% Fish/seafood products by weight certified by Global G.A.P, MSC, ASC, BAP or equivalent



100% UK Sedex compliance



98% Chicken in EU markets procured from farms where the stocking density is above EU legislative minimum

21%

of chicken procured from farms met or exceeded the requirements of the Better Chicken Commitment

Packaging

Packaging per meal in 2021* CO_{2e}



96.4 g Paper



25.7 g Plastic and mixed

Packaging reduced per meal compared to 2020*

-11%

packaging in weight per meal

-32%

plastics and mixed packaging in weight per meal

* Values based on procured mass evaluated in 70% of markets by revenues.

Water consumption

Water consumption** in our facilities in 2021

374,865 m³

Water consumption per meal

International segment

160 ml

US facilities

473 ml

** Includes sanitation, process and irrigation water consumption.

Our Planet

Thanks to our innovative, low waste business model and highly optimized processes, HelloFresh meals create 25% fewer emissions than the same meals from supermarkets.

At HelloFresh we fully recognize our responsibility to protect the environment for future generations. We are taking proactive measures to reduce carbon emissions from our operations and across our value chain. We follow a responsible sourcing approach which helps to protect our oceans from overfishing and plastic pollution, we favor local produce and suppliers who understand the importance of sustainable agriculture and maintaining good standards of animal welfare, and we invest in projects that protect habitats and improve biodiversity.

In 2020, we became the first carbon-neutral meal kit company, offsetting 100% of our carbon emissions from our operations, and we have extended this approach to some of our indirect (Scope 3) emissions — those generated through corporate travel and deliveries. While we firmly uphold our carbon offset commitment, we are determined to deepen our efforts to reduce emissions at source, across our value chain. This is a long-term commitment and in 2021, we took the first steps towards this by analyzing our environmental impacts across our value chain through a comprehensive life cycle assessment.

HelloFresh Life Cycle Assessment

To gain a deeper understanding of our environmental impacts

This in-depth, cradle-to-grave analysis compared the environmental footprint of popular HelloFresh meals with corresponding meals from supermarkets and restaurant deliveries to provide us with a more detailed, quantitative insight into the impacts across the range of activities in our value chain.

The study examined three recipes representative of the most popular meal categories: beef, which accounted for 19% of all meals sold in 2020; chicken (31%); and vegetarian (21%). Together, these categories accounted for over 70% of all meals sold in the four regional markets analyzed in the study in 2020: Australia; Austria and Germany; Belgium, Luxembourg, and the Netherlands (Benelux); and the US. Since meals vary across markets according to tastes and local produce, we selected recipes based on the following common models to ensure the subjects were as similar as possible:

Beef: burger with a side serving of carbohydrates

Chicken: chicken with carbohydrates and vegetables

Vegetarian: creamy pasta with vegetables

Out of these categories we selected one from the top 10 recipes per market that we considered the most representative and easy to reproduce through the supermarket or restaurant delivery systems. To ensure comparability, we used the same recipes for the restaurant and supermarket meals, assumed the ingredients were sourced from the same suppliers, and assumed that the meals were of the same portion sizes.

Since HelloFresh caters to a range of meal configurations per box in terms of the number of recipes and number of portions,

it was necessary to estimate an average weight of an individual meal with average packaging, using yearly data on the number of boxes and meals sold. Furthermore, to enable the comparability of the product across the different systems and particular configurations of HelloFresh's meal kits, the functional unit for this study was defined as one serving of the same meal recipe.

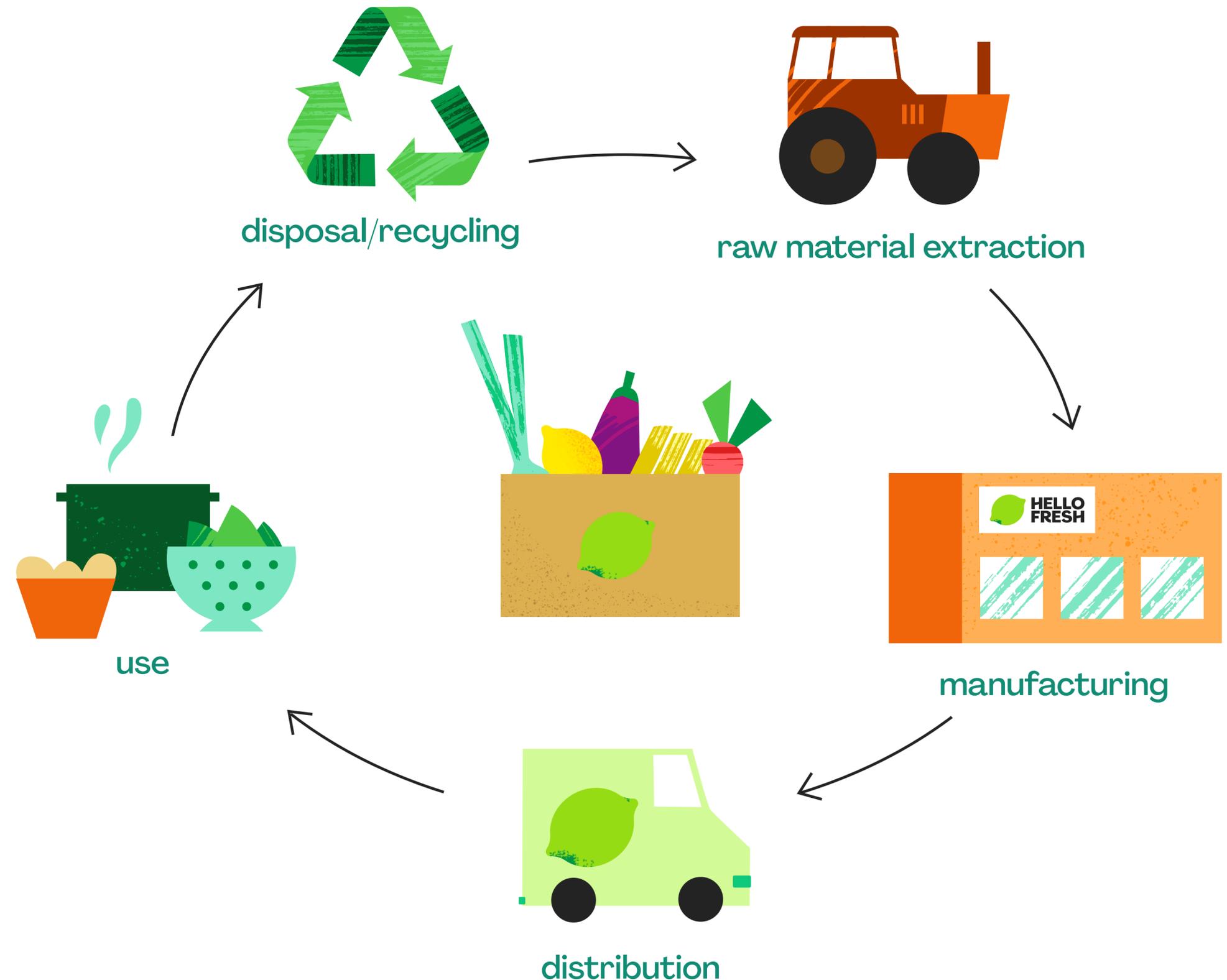
Throughout the study, HelloFresh consistently showed an advantage over supermarkets and restaurant deliveries for all meal types regarding overall lower environmental impacts. While conscious of the challenge of comparing different recipes in distinct markets, by extrapolating averages from the results of the four regional markets, it was found that meals created with the HelloFresh recipes produce 25% fewer greenhouse gas (GHG) emissions compared to those bought in supermarkets, and 5.5% fewer GHGs compared with restaurant deliveries.

The key driver of these advantageous results is our ability to accurately predict customer demand, leading to lower volumes of unsold food, and lower levels of food waste. 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.

This life cycle assessment, which conforms with the requirements of ISO 14040 and ISO 14044, including critical review, has helped

to confirm that HelloFresh meals often produce fewer carbon emissions compared to other methods of ordering or cooking food. The assessment also provided detailed insights into the areas we can focus on to lower our environmental impacts further. In particular, the assessment showed that the biggest gains are to be made in agriculture and ingredient procurement, with emissions from agriculture accounting for, on average, 56% of the total meal footprint, compared with 9% from customer deliveries. We are therefore planning to source ingredients with a lower carbon footprint —typically plant-based ingredients; and to develop recipes to prioritize those lower-carbon ingredients. We will also be helping our customers to make more carbon-conscious meal choices through the increased use of carbon labeling and other sustainability communications. Over the longer term, we aim to work with our suppliers on sustainable agriculture projects to help them develop more sustainable farming and production practices. We already made a start on our carbon communications in 2021 by introducing our ‘Climate Heroes’ or ‘Klimahelden’ in the DACH region — tags on recipes that denote lower carbon footprints. We will extend this initiative to other regions in 2022 and beyond (see page 46 for more details).

Regarding logistics, we see increasing gains to be made in ramping up our use of electric vehicles within our own fleet and through third-party logistics companies, powered by renewable energy sources wherever possible. The life cycle assessment also highlighted the importance of our food waste reduction processes and we will continue to prioritize innovation in this area to further minimize our emissions from food waste. More details on specific areas of the study, such as ingredient sourcing, packaging and logistics, are shared throughout this sustainability report. You can also [view more findings from the report](#).



Managing our carbon footprint

Our emissions approach: avoid, reduce, replace, offset.

We are committed to reducing our carbon footprint across our operations. Since 2019, we have reduced emissions within our direct operations (our Scope 1 and 2 emissions) by 48%, from 6.08g per euro of revenue to 3.14g in 2021. Our current target is to reduce carbon emissions from our production facilities by 60% per euro of revenue from a 2019 baseline by the end of 2022.

What are emissions scopes?

One of the ways we account for our emissions is to group them on a per-scope basis in accordance with the Greenhouse Gas Protocol methodology. Monitoring and taking steps to reduce emissions across all three scopes is vital for making progress on climate-related goals.

Scope 1: Direct emissions from heating, air-conditioning and the HelloFresh vehicle fleet;

Scope 2: Indirect emissions from purchased electricity, steam, heat, or cooling consumed by HelloFresh but generated externally;

Scope 3: Other categories of indirect emissions not included in Scope 2.

Those in scope for HelloFresh at this point in time include:

- Category 1, Purchased goods and services: third party storage and (food) production, external servers;
- Category 3, Fuel- and energy-related activities: fuel production and distribution, electricity transmission losses and distribution;
- Category 4, Downstream transportation and distribution: third party outbound logistics; excluding emissions already offset by carriers;
- Category 6, Business travel: employee corporate travel.

Total emissions on a per euro revenue basis

Carbon emissions in tonnes by source (2019, 2020, 2021)

HelloFresh tonnes of CO _{2e}	2019	2020	2021
Grams CO _{2e} per € revenue*	26.44	24.39	21.84

*Includes: Energy, fuels and refrigeration gas at our distribution centers

Emissions per source

HelloFresh tonnes CO _{2e}	2019	2020	2021
Production facilities (Scope 1 & 2)	10,997	11,200	18,843
Non-production facilities Offices (Scope 1 & 2)	1,423	2,089	6,762
Production & non-production facilities, (Scope 3)	722	2,959	2,192
Third-party offsite production and storage	56	6,426	8,283
Outbound logistics	31,473	67,503	92,570
Business travel	3,182	1,270	2,258
Total tonnes CO_{2e}	47,852	91,447	130,908

Renewable energy use:

100%

Benelux region

Our distribution center in the Netherlands operates on 100% renewable energy:

- 8% solar energy generated onsite,
- 92% provided by wind energy purchased from the energy grid

>90%

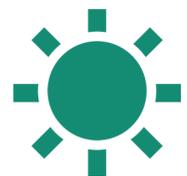
DACH region

Over 90% of our purchased electricity is renewable. Our distribution center for Germany and Austria, our HQ, and a few smaller locations already run entirely on green electricity. For the remaining locations, we aim to transition as soon as possible.

100%

US and New Zealand

100% of our sites are either under a renewable electricity contract or are covered by renewable energy certificates (RECs)



Solar installations were commissioned for HelloFresh sites in Canada, Germany and the UK.

Emissions per scope in accordance with Greenhouse Gas Protocol

Carbon emissions in tonnes by source (2019, 2020, 2021)

HelloFresh tonnes CO _{2e}	2019	2020	2021
Scope 1	1,884	5,457	18,321
Scope 2, market-based	10,536	7,834	11,070
Scope 2, location-based	12,979	17,010	32,685
Scope 3, selected categories	35,432	78,156	101,517
Total tonnes CO_{2e}	47,852	91,447	130,908

To help us achieve our emissions reductions goals, we follow an approach based on four steps: avoid, reduce, replace, and offset.

Avoiding emissions within our direct operations

Our centralized distribution network helps us avoid certain carbon emissions, specifically from energy consumption, as does our e-commerce business model which eliminates the need for physical stores.

Reducing emissions within our operations

In 2021, we rolled out our new energy policy (established in 2020) to the Benelux region, Germany and the UK, to help us improve our energy optimization across our direct operations. The policy promotes a holistic approach to reducing our energy consumption and increasing our energy efficiency through various measures such as using specific energy criteria when selecting new equipment or energy suppliers; defining sustainable guidelines for the design of new production sites; training of staff on energy reduction practices and sharing best practices across all markets.

Simple measures such as increasing the frequency of our maintenance checks on refrigeration systems within distribution centers can also help improve operational efficiency and mitigate the risk of any leakages. In our Australian distribution centers, we increased the frequency of maintenance checks from every six months to every two-to-four months in 2021.

Gaining certification for our energy management systems is also helpful for establishing processes which improve energy efficiency, and in 2021 we achieved ISO 50001 certification for our Global HQ in Berlin and for our four largest distribution centers in Europe.⁶ ISO 50001 certification is a global standard that outlines practical ways to improve energy use through the development of an energy management system.

Reducing emissions within our logistics

In the Benelux region, we reduced our logistics-related emissions by 50% per box compared with 2018, thanks to numerous optimizations including more efficient inbound delivery processes, more efficient route planning, the opening of new hubs to reduce distances, and optimizing our box sizes. The expansion of our delivery fleet of electric vehicles also played a role in the reduction — by December 2021 we reached a peak of 23% carbon-free delivery routes, compared to 5.5% at the end of 2020. Our third-party (outbound) delivery companies are also using greener forms of transport, with electric vehicles accounting for 10% of our third-party delivery fleet in the UK by the end of 2021.

In the US, we invested in more last-mile delivery hubs and fleets for some of the routes that HelloFresh directly controls and operates. By installing more last-mile delivery hubs, our meal kits travel through just one delivery station before delivery to the customer, thereby significantly reducing the amount of time boxes spend in transit, reducing the level of packaging required, and ultimately reducing carbon emissions. In Australia, the opening of a new distribution center in Melbourne reduced the distance between many of the regional depots, helping us to conserve more fuel during delivery.

As we continue to make emissions reductions across our operations, we are also encouraging our employees in taking more climate-positive actions in their daily lives. At our HQ in Berlin, we offer a €20 monthly payment to support employees commuting with our partner RYDES which promotes the use of greener forms of transport via an app. Employees can log their journeys to and from work using public transport, car sharing, bike leasing and e-scooters, and the emissions generated are offset through a

reforestation project in Nicaragua. Since introducing the service in September, HelloFresh DE and HelloFresh SE have offset 10.5 tonnes of emissions from the commuting tracked through this program. While this constitutes only a small proportion of our total emissions, it reflects our broader efforts at HelloFresh to incorporate sustainability across all aspects of our daily work.

Beyond renewables: energy saving features for new builds

As we open new facilities, we incorporate our more holistic approach to carbon reduction by utilizing elements of eco-design from the outset. For our new distribution center in Melbourne, energy-saving elements were factored into the building's design. Motion sensors and timer-controlled lighting reduce emissions from lighting requirements, and skylights in the roof maximize natural light. A rainwater harvesting system makes use of the natural water supply, reducing our reliance on the public water network. We will continue to incorporate similar energy-saving features into our new builds going forward.

⁶ Distribution centers: Verden, Germany; Bleiswijk, the Netherlands; and Banbury and Nuneaton, UK.

Tackling our wider Scope 3 emissions

Alongside our current measures to reduce our Scope 1 and 2 emissions and some of our Scope 3 emissions (deliveries and corporate travel), work is underway to estimate a larger portion of our Scope 3 emissions, many of which are generated upstream in our supply chain within food agriculture and production. To accurately tackle our Scope 3 emissions, we will be developing science-based targets over the coming years based on guidance developed by the Science Based Targets initiative (SBTi). We will initiate the process in 2022 and will follow the two-year timeline for establishing and verifying the targets.

HelloFresh supply chain



Traditional supply chain



Offsetting our remaining emissions

Any remaining carbon emissions that we are unable to avoid, reduce or replace, are fully offset through a variety of international carbon offset projects. In 2021, HelloFresh actively supported five carbon reduction projects around the world.

Three of these projects focus on green energy generation and comprise of a Gold Standard large-scale renewable energy solution in Turkey which uses three state-of-the-art hydroelectric turbines to provide low-cost clean energy for the region; the Verified Carbon Standard (VCS-verified) Gansu Wind Farm project in China which powers 134 wind turbines and supports long-term job opportunities in renewable energy; and a VCS-verified project in the Netherlands to capture methane emitted from farms by reusing manure to generate renewable energy.

We also support sustainable farming and forestry protection in the Kasigau Corridor region of Kenya. Managed by the Forestry and Wildlife Protection REDD+ Project, the work protects over 200,000 hectares of dryland forest — home to over 11,000 wild elephants — and prevents 1.6 millions tonnes of CO₂ from being released into the atmosphere each year. A key focus of the project is to provide jobs and training for local farmers to promote sustainable agriculture, generate increased crop yields and improve the livelihoods of the farmers into the future.

A further project we support is a bio-composting initiative in Kathmandu that turns green waste into organic compost. Fifty tonnes of organic vegetable waste is collected each week from local markets, waste that would otherwise end up in landfill. Through bio-composting the waste is converted into nutrient-rich organic compost. Following the success of this project, a larger and partly mechanized composting plant was built nearby in Saibu. Along with the reduction in methane emissions, this project improves air quality for the community and provides high-quality compost for farmers to cultivate their fields more sustainably.



Reducing food waste

Our food waste approach: reduce, donate, divert.

Food waste is a global issue: each year, around one-third of the food produced globally goes to waste, accounting for 8-10% of global GHG emissions according to the UN Food and Agriculture Organization (FAO). GHG emissions aren't the only negative consequence of food waste — the agricultural impacts of producing food that goes to waste before it can be consumed needlessly affect the planet's nature and biodiversity. We take food waste incredibly seriously at HelloFresh. While our business model is inherently geared towards lower levels of food waste, we have prioritized further food waste reduction as one of our core targets.

In 2020, we set a target of reducing food waste sent to landfill or incineration from all of our facilities by 50% per euro revenue, from a 2019 baseline. Various challenges encountered over the past two years have made our progress towards this target slower than we would like. Ongoing disruptions caused by the COVID-19 pandemic such as the introduction of social distancing measures within our production facilities, a disruption in the labor force as workers either isolated or became ill, and additional complexity in the supply chain all contributed to a higher than anticipated level of food waste. The acquisition of Factor75 in 2021 also contributed to higher levels of food waste due to the company's less robust measures in this area, and we've made it a priority to align our reporting, planning and waste management processes across the new business in 2022.

While we did not make significant progress towards our food waste reduction target in 2021, the strength of our existing food waste reduction measures enabled us to avoid any real surge in food waste driven by the pandemic. The total operational food waste for the HelloFresh Group in 2021 was 0.78 grams per euro of revenue, with 49% of food waste diverted from landfill or incineration.

Food waste per meal



Food waste per euro of revenue



68% of total surplus food donated to charities in 2021

Food waste reduction within our operations

Our web-based ordering and advanced analytics allows us to source almost exact quantities of ingredients based on known consumer selections, leaving us with significantly less food waste from production. Our production and operations teams use a digital tracking platform to accurately monitor kitting performance and to help decrease overproduction rates. Our increasing focus on data analysis, utilizing food waste dashboards and incorporating weekly donation and waste reporting as a performance metric helps us maintain low levels of food waste in production. For any surplus food that is generated during production, we ensure the majority of it — fresh and non-perishable food — is made available to those facing food insecurity through food donation programs. In 2021, despite numerous COVID-19 complications, we still managed to maintain a high rate of 68% of our surplus food being donated, which equated to approximately 10,000 tonnes of food.

For inedible food waste, we utilize local organics recycling options such as composting, anaerobic digestion, land application or animal feed, thus diverting the food waste from landfill or incineration and significantly reducing the generation of GHGs in the process.

Helping our suppliers reduce food waste

We engage with our suppliers on demand forecasts weeks in advance, and update these weekly as order volumes solidify. This enables them to plan ahead more accurately and avoid food waste in their own operations, although we do recognize that any significant last minute changes to order volumes, such as covid-related disruptions, can have a negative impact on food waste at the supplier level, and this is a process we are continuously refining. We also use a dynamic ordering tool which gives multiple suppliers the opportunity to fulfill orders based on their existing stock. This works similar to a reverse auction and helps reduce suppliers' unsold food which would otherwise go to waste. In November 2020, we carried out a sustainability survey of our largest suppliers and found that the majority of suppliers generate the same or less food waste through HelloFresh orders compared to orders from their other partners.

Composting and anaerobic digestion

Composting and anaerobic digestion are two processes which convert organic waste into a valuable commodity. Composting requires oxygen in order to break down the organic material into nutrient-rich compost which is then used to improve soil fertility. Anaerobic digestion follows a similar process, only without the use of oxygen, and produces biogas, which can either be used as renewable energy (for heat or electricity) or processed into renewable natural gas and transportation fuels. Where available, HelloFresh facilities send inedible food waste to compost or anaerobic digestion to recover the value of this surplus, for example our waste management partners. Shredding and separation of packaged food waste before sending it to anaerobic digestion or composting is the standard method used in all diverted international distribution centers.

Our vegetables come in all shapes and sizes

As part of our efforts to reduce food waste upstream in our supply chain, we worked with our suppliers in the US to understand which items result in the highest food waste in their operations. We learned that a large proportion of their waste comes from products not fully meeting standard specifications, for example in color, shape or size, while still being perfectly good quality. For example, some retailers demand a specific color of bell peppers, whereas at HelloFresh, we can use red, yellow and orange bell peppers interchangeably. Another prime example is the potatoes we use. The US industry standard is a Yukon A, which is a larger variety and more standard in shape. Many retailers underutilize the Yukon B variety, which is smaller and less uniform in shape. We embrace this smaller variety — it's absolutely perfect for our potato wedges. This flexible approach, allowing for a broader specification for the vegetables we order, helps reduce food waste among our suppliers, and results in a lower cost for HelloFresh ingredients.

2021 Food Recovery Challenge Award for HelloFresh

Our HelloFresh operations in the US received the EPA Food Recovery Challenge (FCR) Award in the category "Data-driven Improvement by Sector" from the US Environmental Protection Agency (EPA) in 2021. The award was for our work in diverting 2,136 tonnes of food surplus from landfills, with 96% of this being donated to people facing food insecurity in 2020. The EPA praised us for our "enhanced demand forecast modeling, smart just-in-time ordering, and robust rollover processes" that avoid food surplus. We also received the EPA Regional Award for outstanding accomplishments in preventing and diverting wasted food on a regional level.

Helping our customers reduce food waste

Our precise pre-portioned ingredients mean that our customers have exactly what they need to prepare their meals at home, resulting in less waste compared to traditional shopping and cooking methods. We carried out a study in 2019 with researchers from the Wuppertal Institute in Germany, which found that by using HelloFresh meal kits, on average customers reduced their food waste by 21% in weight compared to traditional shopping and cooking methods, and generated 72% fewer food scraps during meal preparation compared with non-HelloFresh meals. Other external sources have also acknowledged the meal kit system as being an important contributor to reducing food waste. In 2020, ReFED, a leading food non-profit organization in the US, deemed meal kits as the second most impactful solution to reducing consumer food waste in their Impact Calculator, due to the use of pre-portioned ingredients. They noted that the most impactful solution for reducing food waste is to reduce portion sizes across the food industry. At HelloFresh, all of our recipes are portioned based on national nutritional guidelines, therefore we also contribute to this important driver of reducing food waste.

Communicating with our customers on ways to decrease food waste in the home is another measure we take, and we provide tips on using leftover ingredients in future meals, plus a range of other initiatives (see Communicating on key sustainability topics on page 48 for more details).

⁸ The [study](#) asked almost 1,000 customers in Belgium, Canada, Germany, the Netherlands, the UK and the US to track the amount of food they wasted when cooking with HelloFresh compared to conventional cooking with ingredients from grocery stores.

⁹ ReFED, Explore solutions to food waste, viewed March 21, 2022, <https://insights-engine.refed.org/solution-database?dataView=total&indicator=us-dollars-profit>

Packaging

As a global meal kit provider, we have a direct responsibility to minimize the environmental footprint of our packaging. We made significant progress in this area over the past year, for example we reduced our packaging by 11% in weight per meal across our major markets compared to 2020, while reducing our overall plastics and mixed packaging by 32% in weight per meal. We are continuously working to find, test, and introduce new packaging solutions that lower the environmental footprint of our products.

The environmental impacts of packaging

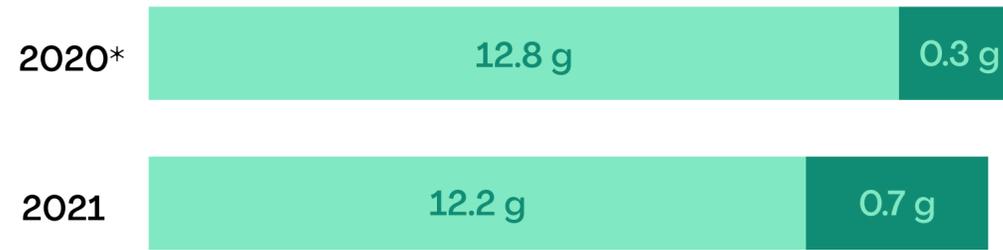
Packaging, specifically plastic packaging, generates GHG emissions and other detrimental environmental impacts throughout its life cycle. Plastic is predominantly derived from crude oil and natural gas (fossil fuels), and typically only half of the 300 million tons of plastic produced each year can be recycled. Improper management of plastic waste, and the resulting plastic pollution, can have a severe impact on wildlife and biodiversity, with the additional risk of toxins and microplastics contaminating the food chain. By reducing the amount of plastic we use in our packaging and switching to more recyclable forms of packaging, we are helping to tackle the global problem of plastic pollution. In addition to our work in preventing plastic pollution, we also need to consider the overall carbon footprint across all of our packaging, for paper, plastics and other materials.

The 2021 Life Cycle Assessment analyzed the effects of our packaging on GHG emissions compared with other activities in our value chain, such as food production, distribution and food preparation methods. Data extrapolated from the study showed that on average, packaging accounted for 10% of the carbon footprint of our meals during their life cycles, compared with 56% from ingredient production, 18% from transportation across the value chain, 13% food preparation methods, 2% operations in our distribution centers, and 1% food waste treatment. The study also noted that while HelloFresh uses more packaging, in some cases, compared with supermarkets and restaurant deliveries, the overall lower GHG emissions generated as a result of our business model outweighed the slightly higher volumes of packaging. These results are encouraging, however we are committed to driving future progress in this area.

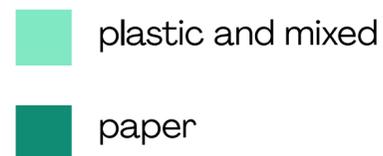


Packaging per meal

Primary (ingredients)



Secondary (outer)



Our packaging approach

Our first priority, above all others, is maintaining food quality and safety, and this influences our packaging choices to some extent. For example, some foods such as meat, fish and dairy require packaging to ensure quality and safety, while others simply require containment, such as grains and sauces. For some products, appropriate packaging can extend their shelf life from a few days to up to two weeks, resulting in lower GHG emissions due to lower levels of food waste. Some ingredients, such as whole fruits or vegetables, do not require any additional packaging, and these are always treated as loose ingredients in our meal kits.

Based on these quality and safety packaging boundaries, we apply a packaging management strategy designed around the following measures: **avoid** packaging wherever possible, **reduce** the amount of packaging we use, improve the **recyclability** of our packaging, and continuously **innovate** to optimize our packaging for sustainability.

Packaging initiatives in 2021

With operations in 17 different countries, we often trial new innovations in a specific region before introducing them more broadly across all of our markets. Here we highlight some of the initiatives and innovations which helped us lower the environmental footprint of our packing in specific markets in 2021.

Our packaging management hierarchy



We've also made a lot of progress in our packaging configurator tool, which is used to dictate the secondary packaging that is necessary for every meal kit box. This tool helps determine how we can increase the box filling rate and optimize the use of ice packs, as well as avoid shipping boxes with extra space.

*Year 2020 is out of the external assurance scope; year 2020 data was adjusted based on improved accuracy

Avoiding and reducing packaging with our dynamic packaging configurator

One of our strengths as a food technology company is developing new tools and software to optimize our processes. To help us package our meal kits in exactly the right size boxes or bags, we developed an award-winning dynamic packaging configurator (DPC). The DPC uses metadata on dimensions of our ingredients, and volume, to calculate and assign the exact isolation size, the right amount of ice, and most appropriate packaging size for each customer order.

In New Zealand, thanks to the DPC, we saved 18 tonnes of plastic and 8.5 tonnes of paper from our box-level (secondary) packaging, saving 47 tonnes of CO₂. In the UK, we saved 668 tonnes of plastic and 167 tonnes of cardboard from our secondary packaging. The DPC is also used to forecast packaging demand, which enables us to order full delivery loads of packaging from suppliers, thereby reducing the overall number of deliveries required.

The tool has won numerous awards over the past year:

- 2021 German Packaging Award: Gold in the Digitalization category, by the Deutsches Verpackungsinstitut E.V. (dvi)
- 2021 Sustainability Award in the Resource Efficiency category, by Packaging Europe
- 2021 Supply Chain Management Award, awarded by Logistik Heute, Strategy& and PwC
- 2021 World Star Award in the E-commerce category, by the World Packaging Organization (WPO).

The US version of our DPC, the “Box Fit” program, was fully implemented in 2021 following a small-scale pilot program in

the previous year. At scale, the program increased the amount of small boxes shipped from approximately 12% in 2020 to 50% in 2021 during the winter months. Using smaller boxes not only reduces packaging but also reduces emissions from outbound logistics as a higher volume of meal kits are transported within each delivery vehicle.

Further packaging reduction gains were made in the US through the use of a liner-free solution for winter boxes to increase the available volume in the boxes, following testing and development of the new solution. The traditional liner was replaced with a paper “protein pouch” containing ice and proteins for boxes that ship to destinations between 2-12 degrees Celsius (36-54 degrees Fahrenheit). Increasing the available volume within the boxes enabled us to make use of smaller boxes for some of our meal kits, thereby reducing the overall amount of secondary packaging used during the winter months.

Avoiding and reducing primary packaging

By switching to new forms of packaging for some of our ingredients, we were able to decrease the amount of primary packaging used, which helps lower carbon emissions during transportation. In the Benelux, region for example, we decreased the average weight of packaging per recipe by 18.5%, thanks to a number of initiatives:

- Light plastic sachets instead of rigid plastic tubs
- Vacuum packaging for white fish instead of rigid trays
- New Tetra Pak packaging which contains 95% less plastic than previous versions
- New packaging for minced meat that contains 80% less plastic

In the US and New Zealand we developed packaging to contain four portions of ingredients rather than our standard two portions, which led to a 25% reduction in packaging for these product packs. We also switched from glass packaging to lighter alternatives in the US.

In 2021 we conducted a study in cooperation with Planetly, a carbon management software company, to analyze the carbon impact of the weight of our packaging and our use of recycled materials. The study compared the product carbon footprint (PCF) of the HelloFresh lightweight pouch (typically used for ingredients like olives and sun-dried tomatoes) with a PET container, a tin can, and a glass jar. Due to the lighter weight and increased flexibility of the pouches, they generated a smaller carbon footprint compared to the other forms of packaging in the study. CO₂ levels from transportation and material usage were 41 g CO_{2e} for the pouches, compared with 55 g CO_{2e} for glass and 119 g CO_{2e} for tins. Therefore, when it is not possible to avoid packaging or switch to paper alternatives, we will choose lighter packaging as it has a lower carbon footprint compared to other types of packaging.

Increasing the recyclability of our packaging

Switching our plastic packaging to recyclable paper was an important development over the past year. We now provide 100% recyclable paper packaging for a number of our products, for example rice, grains and spices, across a selection of our international markets. This switch led to a reduction of around 71 tonnes of plastic in the DACH and Benelux regions in 2021. We also introduced 100% recyclable sauce sachets in a number of markets, and we developed a fully recyclable padded paper mailer for chilled items in the UK and Canada. Each mailer saves around 200 g of plastic, which equates to a saving of 3,000 tonnes of plastic for our UK market based on current volumes. These mailers can be used for approximately three-quarters of the year, and we are working on a solution for summer use.

In 2021 we continued our use of water-based ice packs, produced in-house, which don't contain any sodium polyacrylate unlike gel-based packs — meaning the contents can be poured down the sink (or reused in customers homes, for example for watering plants). We are currently working with Fraunhofer FEP Institute to develop a recyclable monolayer foil which will enable full recycling of the ice packs across all HelloFresh markets.

In the US, we switched to recycled paper for our meal kit bags, saving approximately 245 tonnes of non-recycled paper, and in the UK, we resized our paper stock to maximize the number of recipe cards we can print per sheet. This alteration, implemented in November, avoided 101 tonnes of paper going to waste as scraps.

Recycling in the community: The Plastic Bank® Project

While we are making significant improvements to our own packaging, we are also committed to doing more to address the global issue of plastic pollution. In 2021, we partnered with Plastic Bank® to set up three plastic collection centers in Indonesia to prevent ocean-bound plastic waste entering the ocean. According to UNEP, Indonesia has the second-biggest plastic pollution rates in the world after China.¹¹ Through the Plastic Bank® Project, members of the local community receive a premium in exchange for recovering plastic waste, which helps them pay for basic necessities like food, cooking fuel, health care and education for their families. The recovered plastic is then recycled and integrated back into the plastic value chain as Social Plastic®. In 2021, community members collected 264,176 kg of plastic for our three collection centers, which is the equivalent to over 13 million single-use plastic bottles. Through the project, HelloFresh is supporting over 560 families in need while making a tangible contribution to preventing plastic pollution entering our world's oceans. The project is set to run for an initial three years and in that time we aim to stop the equivalent of 37.5 million plastic bottles from entering the ocean.

¹¹ [UN Environment Programme, National Plastic Waste Reduction Strategic Actions for Indonesia, viewed March 21, 2022](#)

Promoting a circular economy for packaging

Our aim in Australia and New Zealand is to achieve 100% reusable, recyclable or compostable packaging by 2025, in alignment with Australia's 2025 National Packaging Targets. To work towards this, we have introduced a packaging procurement policy in these markets based on the 10 Sustainable Packaging Principles established by the Australian Packaging Covenant Organisation (APCO). The 10 principles involve designing for recovery, optimizing material efficiency, designing to reduce product waste, eliminating hazard materials, using recycled materials, using renewable materials, designing to minimize litter, designing for transport efficiency, designing for accessibility, and providing consumer information on environmental sustainability.

The HelloFresh policy in these markets specifically calls for 100% recyclable packaging for any new products, packaging that is optimized for material efficiency, delivery of the products in reusable crates, an Australasian Recycling Label (ARL) added to products, and the communication of our packaging goals to our suppliers. As part of our commitment to packaging stewardship in Australia and New Zealand, we are members of the APCO, which is leading the development of a circular economy for packaging in Australia. We are also members of RedGroup, the soft plastics recovery program in Australia; and Soft Plastics Recycling Scheme, the equivalent recovery program in New Zealand.

Responsible sourcing

We select our suppliers with care, ensuring that they deliver the best quality and freshest ingredients, while adhering to the same high ethical standards that we hold ourselves accountable to at HelloFresh. Our Ethical Trading Policy sets out clear minimum requirements for doing business with HelloFresh, defining how we expect workers to be treated, as outlined within the International Bill of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. Learn more about our Ethical Trading Policy on page 66.

We also prioritize ingredients from suppliers that actively manage their environmental and social impacts, through sustainable agriculture, fishing or animal farming, and in 2021, 97.3% of the produce we purchased globally came from suppliers that comply with the Global G.A.P. (Good Agricultural Practices) or market equivalent, and the Global Food Safety Initiative (GFSI). The HelloFresh Food Safety and Quality Assurance (FSQA) team is responsible for approving the manufacturing facilities of suppliers by reviewing certifications, asking risk-based questions and auditing suppliers classed as high risk.

Sustainable fish and seafood

We support initiatives against overfishing, such as the Marine Stewardship Council (MSC label), which certifies that fisheries are catching fish in ways that ensure the long-term health of a stock or species and the wellbeing of the ocean; and the Monterey Bay Aquarium Seafood Watch Program, which rates the sustainability of global fisheries prior to the application of a certification. In 2021, 99.5% of the total purchased fish and seafood (by weight) was certified through a recognized scheme (Global G.A.P, MSC, ASC, BAP or equivalent). We also participate in regional initiatives. In the UK, HelloFresh is a member of the Sustainable Seafood Coalition (SSC), working collaboratively to agree on voluntary industry standards on environmental sourcing and labeling to drive sustainable change in the fishing industry. In the US, HelloFresh supports the Monterey Bay Aquarium as a Business Partner, providing funds to aid the non-profit organization in its work in protecting our oceans from overfishing, plastic pollution and in conducting research for restoring coastal ecosystems and saving the marine habitats of threatened species.

99.5%

of the total fish and seafood (by weight) purchased in 2021 is from a recognized scheme (Global G.A.P, MSC, ASC, BAP or equivalent).

97.3%

of the fresh produce we purchased came from suppliers that are Global G.A.P. or equivalent compliant, or GF-SI-certified.

98%

of our chicken in EU markets is procured from farms where the stocking density is above EU legislative minimum, and 21% from farms that joined the Better Chicken Commitment.

100%

In the UK, 100% of our direct suppliers are registered on the Sedex platform which helps companies improve their responsible and sustainable business practices, and source responsibly.

Animal welfare

We continually strive to enact high welfare standards among our suppliers regarding animal husbandry, animal health and animal welfare in livestock farming.

To work towards better welfare for chickens in Europe, we partner with Compassion in World Farming to drive progress on six standards for chicken welfare, established by the European Chicken Commitment (ECC). We are also working towards the US equivalent of the ECC, to meet numerous goals across our entire US supply chain for chicken protein by 2024. The goals include transitioning to new broiler breeds recognized as having higher welfare outcomes and which meet the criteria of the RSPCA Broiler Breed Welfare Assessment protocol or Global Animal Partnership (GAP), and having our suppliers demonstrate their compliance using third-party verification.

In the DACH region, 100% of our poultry comes from producers who keep their animals according to the criteria of the Animal Welfare Initiative - Initiative Tierwohl (ITW), a certification for animal welfare in Germany which guarantees higher welfare standards for around 600 million pigs, chickens and turkeys. All poultry sold by HelloFresh, and almost all pork, comes from suppliers committed to the ITW. For these products, HelloFresh provides contributions to the ITW which goes towards supporting more farmers in adopting higher animal welfare standards. In 2022 we will continue to improve animal welfare standards with our partners across all categories — chicken, beef, pork and dairy products, and our goal is to ensure all meat products conform to at least ITW standard or equivalent in the DACH region.

In the Benelux region, all chicken, dairy, eggs, pork, calf and turkey products are certified according to “Beter Leven Keurmerk” (the “Better Life” label) animal welfare standards.

In the UK, all of our beef, chicken, turkey, duck and pork meats are Red Tractor Assured, meaning we source only from farms that meet rigorous standards covering food safety, traceability, animal welfare and environmental protection. This program provides assurance at every stage of the production process, from farm to pack, and guarantees that the product was farmed with care.

Chicken welfare dashboard

21%

of chicken from farms which met or exceeded the requirements of the Better Chicken Commitment

83%

chicken from farms with atmospheric stunning method

11/12

of markets with a set welfare scheme

6/12

markets using slow growing breeds

Stocking Density

98%

of chicken in EU markets from farms where the stocking density is above EU legislative minimum



21 total supplier sites across markets
21 GFSI-certified supplier sites

15 total suppliers across Europe
12 active markets in Europe (incl. UK and Norway)

Increasing our plant-based menu options

The 2021 Life Cycle Assessment demonstrated that ingredients represent the most significant contributor to emissions within our value chain. Ingredients from cattle origin, such as meat or dairy products, cause the highest emissions among all measured in the study, while vegetarian recipes consistently demonstrated the lowest carbon footprint. These findings are helping guide our future plans for ingredient sourcing, recipe development and the way we communicate the impacts of our meals to consumers.

Globally, vegetarian and vegan recipes comprised of over 20% of all HelloFresh meals sold in 2021, and over three million vegan meals were sold in Austria, Canada, Germany, Sweden, the Netherlands New Zealand, and the UK. In the DACH region we've seen a significant growth in demand for plant-based meals, and to cater to this demand we expanded our vegan recipe offering during the second half of 2021, with four to five vegan recipes available each week. Combining this with the expansion of our vegetarian offerings, 45% of our weekly recipes in the DACH region were either vegan or vegetarian meals in 2021.

Going forward, we will continue to develop more vegetarian and vegan menu options across all markets to help reduce the overall carbon footprint of our meals. We will also look to offer more plant-based protein option, and we will be introducing climate-friendly labels to empower our customers to make more environmentally-conscious meal choices (see Carbon Impact Labeling on page 46 for more details).

On the production side, over the longer term we aim to work with suppliers on agriculture projects to help them develop more sustainable farming and production practices to mitigate any negative impacts from food production on local habitats, soil quality, biodiversity and other important impact areas.



No palm oil

Since 2020 we have eliminated all products containing palm oil in our meal kits within the DACH region. Palm oil production is a significant contributor to deforestation of rainforests in the global south, and by eliminating the products from our meals we are actively supporting the movement away from destructive forms of farming practices.

Prioritizing in-season vegetables in France

In winter 2021, we piloted an initiative in France to stop using out-of-season vegetables — peppers, tomatoes, zucchinis and eggplants, for example, with the exception of cucumber. By focusing on in-season produce, such as carrots, cauliflower, broccoli, spinach, leeks, brussels sprouts, and others, we can reduce carbon emissions from the energy required to power greenhouses (in-season ingredients are grown outdoors) and reduce transport emissions as we restrict our long-distance imports. We also reduce the need for plastic packaging which is often used to keep out-of-season vegetables fresh. We will monitor customer feedback and assess the impact this project has on our carbon emissions during 2022 to determine how we develop the initiative further.

Sustainable sourcing in the Benelux

In the Benelux region we have made significant progress on our sustainable sourcing measures. Here is a snapshot of some of the current initiatives across our supply chain for Belgium, Luxembourg and the Netherlands:

Zero waste ketchup from Kenya

Up to 40% of Kenyan tomatoes are thrown away every year due to unpredictable harvests and volatile markets, which not only contributes to carbon emissions, but also causes instability in the incomes of the farmers. HelloFresh supports The Ketchup Project which works together with over 100 Kenyan farmers to repurpose surplus tomatoes. Local ‘drying hubs’ are developed, whereby a fixed amount of the tomato (and mango) harvests are dried, which extends their shelf life by 1.5 years. These dried products are purchased for a fair price and bottled into shelf-stable tomato ketchup. HelloFresh has added ketchup from The Ketchup Project into one of its recipes in the Benelux region and customers can also purchase it in larger quantities as the part of their weekly order.

‘On the way to PlanetProof’ Certification

Many of our products in the Benelux region have been independently certified with the “On the Way to PlanetProof” quality label that verifies that food such as potatoes, vegetables, fruit, dairy, eggs (along with floriculture products) are produced more sustainably.

Sustainable spices

Quality spices can truly define a meal, but not all spices can be sourced locally. We work with Verstegen Spices in the Netherlands, a family business founded in 1886 which cultivates long-term, sustainable practices with its spice producers. The company was awarded the 2020-2021 Business and Biodiversity Award as part of the European Business Awards for the Environment (EBAE) thanks to its focus on sustainable agricultural methods which ensure that farms and biodiversity are being improved through agroforestry.

A circular economy - on the farm

HelloFresh partners with Oranjehoen, a family-owned business in the Netherlands that champions the principles of the circular economy on their carbon-neutral farm. In addition to following high animal welfare standards, the Leenders family have become leaders in sustainable livestock farming. A key focus for the Leenders family is reducing food waste, and they work with partners like HelloFresh to utilize leftover vegetables and herbs to feed their animals. Our Distribution Center in Benelux shares its leftover carrots with the farm, which are dried and ground into chicken feed. Through this practice, the Oranjehoen farm utilizes over 115,000 kg of food annually which would otherwise go to waste and completely avoids using soy to feed the chickens, freeing up around 70 hectares of land for other use. These measures combined avoid up to 170,900 kg of CO₂ emissions each year.



Water consumption

The total water consumption in operations in 2021 reached 374,865 m³, with the insourcing of our own ice production in a number of our distribution centers being a significant contributor to our water consumption. By producing ice in house, we eliminate certain upstream carbon emissions related to the transportation of the ice. A further benefit of moving production in-house is that we produce ice packs filled only with water, which have a smaller environmental impact compared with gel-based packs which contain sodium polyacrylate.

Our water consumption per meal varies significantly between the US market and the rest of the international sector. The total water consumption from HelloFresh international facilities (excluding the US) was 160 ml per meal in 2021, while in the US, the average water consumption per meal was 473 ml. The difference was correlated to water used in the cooking process, and wash-down of the equipment and facilities, and the automated handwashing stations in distribution centers, which are a part of the regulatory requirements on handwashing time in the US in production facilities. The automated machines are set with a timer, and must be used every time an employee enters the food packing area.



Relevant UN SDGs for this section



Goal 2: Zero hunger

SDG Target 2.4: By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.

Within our supply chain we prioritize ingredients from suppliers that actively manage their environmental and social impacts, through sustainable agriculture, fishing, or animal farming. We also support a sustainable farming and forestry project in the Kasigau Corridor region of Kenya. A key focus of the project is to provide training for local farmers to promote sustainable agriculture and to generate increased crop yields.



Goal 7: Affordable and clean energy

SDG Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.

We are increasingly purchasing renewable forms of energy and generating our own renewable energy at HelloFresh production facilities, while also supporting projects that generate renewable energy on a larger scale, for example the Gansu Wind Farm Project in China.



Goal 12: Responsible consumption and production

SDG Target 12.3: By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.

Our precise ingredient portions mean that consumers waste 21% less food when cooking compared to traditional food retailers. Our donate and divert policies for surplus food mean that we maximize consumption and divert the inedible food waste for composting, anaerobic digestion, land application or animal feed where possible, with 50% of the inedible food waste currently diverted.

SDG Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

Our packaging initiatives are based on the following steps: Avoid, Reduce, Recycle, Innovate. We switched a number of plastic products to 100% recyclable paper in 2021, and improved our smart packaging systems which enable us to pack our boxes based on ingredient size, thus reducing unnecessary packaging. See page 21 for more initiatives.

SDG Target 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

We have dedicated sustainability experts across the organization, together with robust sustainability reporting practices, and we set organization-wide sustainability targets on key sustainability indicators.



Goal 13: Climate action

SDG Target 13.2: Integrate climate change measures into national policies, strategies and planning (Indicator 13.2.2: Total greenhouse gas emissions per year).

Our emissions reductions initiatives and targets contribute to overall national reductions in greenhouse gas emissions for the countries in which we operate. In 2021 we reduced our emissions by 66% per euro of revenue across our global operations (baseline 2019).



Goal 14: Life below water

SDG Target 14.4: Effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices [...]

As part of our responsible sourcing approach, we purchase fish and seafood that are ASC/MSC/BAP or equivalent compliant for our international operations and in the US we follow the Monterey Bay Seafood Watch rankings to inform our purchasing decisions.



Goal 15: Life on land

SDG Target 15.1: Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.

SDG Target 15.2: Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.

SDG Target 15.5: Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and protect and prevent the extinction of threatened species.

As part of our carbon offsetting programs, we support sustainable farming and forestry in the Kasigau Corridor region of Kenya, through the Forestry and Wildlife Protection REDD+ Project (see Managing our Carbon Footprint for more details).

Our People

With over 90 nationalities in our Berlin headquarters alone, our diverse workforce is a source of pride and inspiration, making HelloFresh a unique place to work.

From recipe developers to food safety managers, from engineers to data analysts, from app developers to innovation specialists — our employees and their talents are as unique as they are diverse, yet we are all united by one shared mission: to change the way people eat — forever.

Our working culture at HelloFresh is based on values of mutual respect and appreciation, inclusion and empowerment, and we take every effort to ensure that our people are at the heart of every decision we make. We are especially proud of the agility and adaptability of our workforce, which has more than tripled in size over the past two years to over 20,000 employees, and we are now responsible for serving close to seven million households around the world.

Our employees bring optimism, empathy, intuitiveness, forward-thinking and inspiration to HelloFresh every day — qualities that are directly reflected in the HelloFresh brand. It is these qualities and the overall dedication of our staff that have enabled us to successfully navigate and adapt to unprecedented levels of growth in recent years.

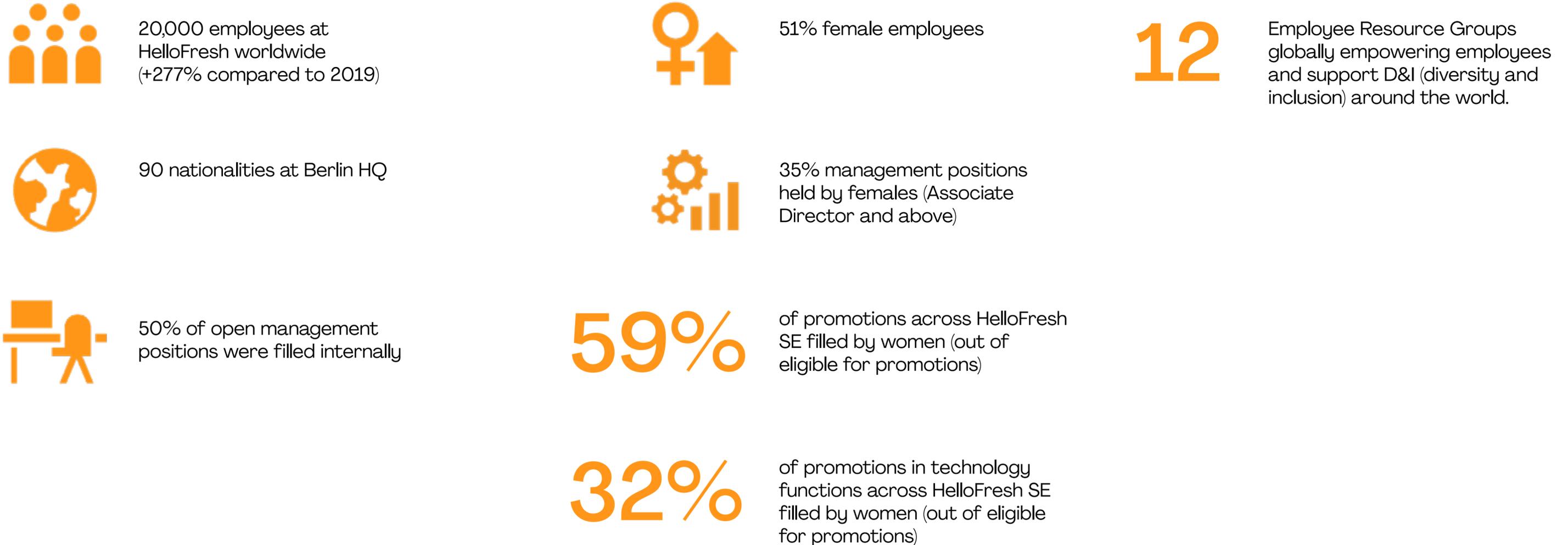
Managing such a rapidly expanding workforce in times of global change comes with a unique set of challenges and responsibilities. We need to make sure that each and every employee feels valued, respected and secure in their role, while having the freedom

and the tools to excel and the opportunity to continue learning and developing professionally. We also work to foster an open culture, enabling our employees to share ideas and provide feedback on all aspects related to their work. We manage these aspects through four focus areas: diversity, equity and inclusion (DE&I); employee wellbeing; employee health and safety; and employee development.

Global teams oversee and harmonize our approach to these topics, while local teams tailor and implement the activities according to national and regional guidelines and environments.



Diversity, equity and inclusion



We are committed to celebrating all dimensions of diversity in the workplace, equally including unique perspectives, and empowering our team to bring their whole selves to work. The rich medley of opinions, ideas, insights and experiences drives energy, creativity and innovation in our daily collaborations, and contributes to the unique working environment at HelloFresh. We are constantly evolving to deliver on these principles, and while we take pride in the level of diversity we have achieved at HelloFresh, we know this is an ongoing endeavor, a conversation that we must continue to have, to ensure real, visible change within our workplace and across the communities where we have influence.

Our Code of Ethics acts as our guiding compass, outlining our commitment to a fully inclusive culture with respect to age, race, ethnicity, religion, national origin, gender, marital status, political opinion, sexual orientation and physical or mental disability.

We do not tolerate racism, bullying, harassment, or discrimination of any form, and we commit to further educating ourselves and holding ourselves accountable for our individual and collective actions in this area.

Building DE&I awareness across the organization

Providing training on DE&I is a key way of fostering an inclusive culture and in 2021 we held DE&I training for our executive leadership in Berlin, the UK and the US. This training will be extended to other levels of leadership in 2022. To ensure we maintain our commitment to diversity and inclusion during the hiring process, all recruiters and hiring managers will undertake bias training where they learn techniques for diversity sourcing, writing inclusive job descriptions, reducing candidate screening bias and inclusive interviewing. For 2022, HelloFresh has set Objective Key Results (OKRs) to increase diverse representation at the Associate Director level and higher by establishing unbiased decision-making processes for promotions and hiring and achieving a significant increase in hiring diverse talent from underrepresented groups, based on company, industry, or country benchmarks. Our Global Talent Acquisition DE&I team is in the process of developing a dashboard to track this data.

In the US we made significant progress on monitoring the gender and racial diversity of our workforce in 2021. The proportion of women at our distribution centers increased by 10% and at our US head office, women represented 59% of the workforce. Our US employees demonstrate a greater level of racial diversity compared with the US national averages, and in 2022 we will additionally measure Asian representation (this was previously tracked within our black, indigenous and people of color — BIPOC metrics), together with veteran and LGBTQIA+ self-identification. These measures will help us to develop even more tailored initiatives to enhance inclusion of these races and identities in the HelloFresh workforce.

Empowering our people through Employee Resource Groups

An inclusive culture celebrates employee differences while providing the space to forge bonds based on mutual interests. Our employees have established numerous diversity-related topic groups, known as Employee Resource Groups (ERGs), made up of volunteer employees with a shared interest in a variety of topics. The following ERG communities were active in 2021:

- FreshPride supporting the LGBTQIA+ community (International and US)
- Gender Equality Team (GET) promoting the empowerment of women in the workplace (International and US)
- Queer in the Benelux supporting the LGBTQIA+ community (Benelux)
- FreshParents supporting working caregivers (US)
- Asians Mobilizing for Progress supporting Asian Americans and Pacific Islanders (AAPI) employees (US)
- Leveraging Inclusivity for Minority Employee Success (LiMES) supporting black, indigenous and people of color (US)
- FreshVets supporting our former service members (US)
- HelloChange promoting DE&I (Canada)
- Women Empowered promoting the empowerment of women (Canada)

The ERGs meet regularly for training, discussions, networking and to mark important occasions. They receive quarterly budgets and have designated executive sponsors, with roadshows to raise awareness and increase membership. In November 2021 our Gender Equality Team (GET) hosted a panel discussion with four senior female leaders within HelloFresh, exploring how to own your career in times of change.

Championing Diversity, Equity & Inclusion at HelloFresh

An Interview with Gabriel Brigante,
Manager Diversity, Equity & Inclusion,
HelloFresh SE



How is diversity, equity and inclusion managed at HelloFresh?

We have dedicated DE&I teams in the global HQ in Berlin, where I'm based, and in the US, with DE&I Committees in the Berlin HQ, in the UK, and additionally one in the Benelux region. These teams help drive our diversity-related initiatives across the organization. As DE&I is a crucial component in the recruitment process, we have a Global Talent Acquisition team at the Berlin HQ, and a Steering Committee led by representatives from the highest levels of the HelloFresh Group which meets on a monthly

basis to discuss progress. We also have different Employee Resource Groups in Berlin, the US, Canada and the UK, that are voluntary, employee-led communities based on shared identities and experiences that helps us drive our efforts to a direction that is aligned to some specific needs and demands. Having this multi-layer approach, with local and global representatives working closely with senior leadership, helps us to ensure diversity, equity, and inclusion remain front and center across the organization.

What measures are in place to ensure DE&I is fully addressed during employee recruitment and promotions?

Attracting and nurturing exceptional talent from diverse backgrounds is a priority for us at HelloFresh. In the US, HelloFresh developed and implemented a DE&I strategy in 2021, which included establishing metrics for tracking progress on key areas. The US strategy is helping to provide input, specifically on lessons learned, to develop a broader strategy across international markets. Our Global Talent Acquisition team in Berlin is currently developing a plan to ensure that all recruiters and hiring managers undergo bias training to learn techniques for diversity sourcing, how to write inclusive job descriptions, how to reduce candidate screening bias, and how to conduct inclusive interviews. By applying all of these measures, we hope to achieve a balanced cross section of applicants, while ensuring that final appointment decisions are based solely upon individual qualifications and ability to perform the role.

On the promotions side, we have an Employee Experience team in Berlin which reviews all promotions awarded throughout the year to ensure absolute fairness in the process, from nomination to appointment. We are very happy to report that in 2021, women accounted for 59% of the promotions across HelloFresh Global, a 14% increase on the previous year. We also made progress with the proportion of women receiving promotions within technology functions, which is a typically male-dominated field: women accounted for 32% of internal promotions in these functions in 2021, which is a 39% increase on the previous year, and a solid achievement.

How is progress measured, and are there any specific goals for 2022?

Collecting credible, reliable and comparable data is crucial for monitoring the success of our DE&I approach. In 2021 we launched two interactive Tableau dashboards, one for our international operations and one for the US. The data collected through these dashboards provides detailed insights into our performance on key diversity metrics. We are using these insights to set more strategic, quantifiable goals in the future. For 2022, our goal is to increase diverse representation at Associate Director level and to achieve a significant increase in hiring diverse talent from underrepresented groups, based on company, industry, or country benchmarks, using the hiring and promotions methods I mentioned earlier. We are also working towards achieving a gender diversity target of at least 20% female representation in the top two management levels below the Management Board by the end of 2022.

Code of ethics

Our world is constantly evolving and it's vital that our guiding principles at HelloFresh evolve too. In 2021 we transitioned our Code of Conduct into a Code of Ethics. This Code outlines how we translate our commitments and ethical standards into sustainable action - for our planet, our people, our community and our business. We expect everyone, at every level of our organization, to play an active role in upholding our standards and to act sustainably, every day.

Our ethics

Respect, Responsibility, Integrity

Our culture and DNA

Diversity & Inclusion: Egoless environment

Growth Mindset: Learning never stops

Proactive Ownership: Relentless prioritization

Analytical Rigor: Data driven

Embrace Change: Speed & agility

Health, safety and wellbeing

Protecting the health and safety of our employees, both physically and mentally, is an absolute priority for us at HelloFresh. We strive for zero harm in the workplace and we follow a Plan, Do, Check, Act (PDCA) approach for our health and safety activities.

A key focus of our occupational health and safety (OHS) strategy involves identifying and addressing potential exposures before incidents happen. All major operational locations received an audit in 2021 to address health and safety compliance, carried out by certified external auditors. Following the audits, clear action plans were established to address any issues identified. We also undertake internal audits to ensure our operations continue to adhere to our own OHS policies, and from 2022 onwards we will implement these audits on an annual basis, as well as verifying our international OHS management system.

In 2021 our Total Recordable Incident Rate (TRIR) across all distribution centers was 2.51%, which is better than the industry average. Voluntary membership of the workplace health and safety committees in the US increased by 30% in 2021, with meeting attendance rates of 95%. These improvements were largely due to a project which promoted greater collaboration among staff on our health and safety activities and gathered valuable feedback from employees on existing health and safety measures, enabling us to shape and refine our health and safety culture and policies in the US. We have now begun the process of joining the US Occupational Health and Safety Administration's voluntary protection program (VPP) which recognizes high performing businesses that have achieved or are taking significant steps towards achieving safety excellence.

Continued support during the COVID-19 pandemic

We continued measures implemented in 2020 to reduce the risk of virus transmission across our operations, such as requiring the use of face masks in all operation areas and providing hand sanitizing stations; enabling social distancing where possible and utilizing plexiglass screens where social distancing was not possible; and installing thermal monitoring cameras to monitor staff temperatures. We supported workers who tested positive for COVID-19 with sick leave payment based on local regulatory requirements, and in some cases provided support beyond this. In the US and Australia, we coordinated with local health authorities to conduct on-site vaccination clinics for our employees.

We also continued to support office-based staff who were working remotely, to ensure their mental wellbeing was not negatively affected by increased isolation. We hosted online wellness workshops and established Employee Assistance Programs (EAPs) in a number of markets. The EAPs provided employees access to confidential therapy and support on a variety of issues such as work-life balance, managing work stress, leadership challenges and personal issues. The programs are completely confidential and run in collaboration with local providers.

All employees had access to a paid version of the Headspace app, which guides them in relaxation and meditation techniques, and we also offered free weekly virtual yoga and fitness classes, with subsidized memberships to fitness studios and exercise apps in many of our markets.

In July 2021, we initiated a Wellbeing Taskforce at our global HQ in Berlin to further shape and manage our holistic wellbeing offering for employees. This taskforce is actively supported by leadership, and activities will be launched in the first quarter of 2022.

Employee development

Over €3,000,000

spent on learning and development globally

50%

of open management positions were filled internally

100%

of office-based employees received performance reviews

1,000

employees received guidance on driving career growth through the Own Your Development program

We are advocates of lifelong learning at HelloFresh. Supporting and encouraging our employees to develop professionally is important for their wellbeing and a key driver of company success. We encourage our employees in our distribution centers, local offices and global HQ in Berlin to expand their knowledge and develop new skills throughout their careers. This approach is encompassed by one of our core values: learning never stops. In 2021 we spent more than €3 million on learning and development activities globally.

All office-based employees receive bi-annual performance reviews based on feedback from their line managers and peers. The review cycle is completely transparent and designed to help our employees reach their professional goals at HelloFresh.

In 2021, we ran a three-month Own Your Development program to empower employees at our HQ in Berlin to take ownership of their personal development. Workshops, career spotlight sessions and digital learning sessions provided guidance on various aspects of driving future career growth. Offering programs like this to a wide range of employees across all levels of the organization can help improve diversity in future management and senior management pipelines.

We also offer the following ongoing development programs at HelloFresh:

- A Future Leaders Program (FLP) to support high potential employees in developing their careers.
- An international Fast Stream Rotational Program which provides university graduates with the opportunity to accelerate their path to leadership through high-impact, challenging rotational assignments.
- A Leadership Development Program to provide role-specific skills to leaders across our international offices.
- Local initiatives tailored to the needs of local markets, for example:
 - Our Australian employees have access to external training from the Australian Institute of Management, covering topics such as emotional intelligence, analytics and coaching.
 - Our Canadian colleagues have access to Bridge, an online learning platform covering a range of professional development topics.
 - Our Benelux team has implemented a learning framework to help develop specific competencies such as communication and collaboration or problem solving, and they facilitate Myers-Briggs Type Indicator® (MBTI) workshops for team development along with other initiatives.

- Our Berlin, Benelux and UK-based employees can receive language training (in German, Dutch or English);
- Our US customer care employees can collaborate on short-term projects with teams from other departments to broaden their knowledge and prepare them for potential future roles at HelloFresh.



Human rights

We strive to maintain the highest standards of professionalism, integrity, ethics and respect for human rights within our operations and to promote responsible business practices across our supply chain, with contractors and third-party organizations. Our Code of Ethics outlines how we embed our ethical values in our daily work, for our planet, our people, our community and our business. Supplementary to the Code of Ethics, our Ethical Trading Policy sets clear minimum requirements for doing business with HelloFresh — for our suppliers, service providers and subcontractors, as well as our own employees. The policy defines how HelloFresh expects workers to be treated, as outlined within the International Bill of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. The requirements include the prohibition of any kind of modern slavery, child labor, discrimination, harassment, or inhumane treatment and excessive working hours. [The Ethical Trading Policy](#) is publicly available on our Group website.

We aim to lead by example and require all suppliers to allocate sufficient resources to ensure they comply with legal requirements including our policies on Modern Slavery for the [UK](#) and [Australia](#).

Whistleblowing policy

Our Code of Ethics guides HelloFresh employees on the actions they can take if they are concerned about any potentially unethical behavior within HelloFresh, our suppliers, contractors, or other third-party organizations connected to HelloFresh operations. We have a dedicated HelloFresh | Speak Up! platform for reporting any concerns regarding violations of applicable laws and our ethical standards. The platform is hosted by an external vendor to ensure the anonymity of anyone wishing to report without disclosing their identity. Confidentiality is always protected, except as needed for conducting a full and fair investigation or as otherwise required by applicable laws. We do not tolerate any retaliation against anyone who reports a concern in good faith or cooperates in an investigation, regardless of whether the concern is confirmed.

Relevant UN SDGs for this section



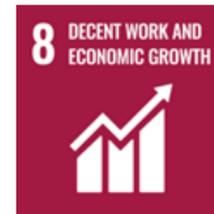
Goal 5: Gender equality

SDG Target 5.1: End all forms of discrimination against all women and girls everywhere.

Our Code of Ethics outlines our zero-tolerance approach to discrimination in any form, and we actively monitor and set targets for the (gender) diversity within new hires and promotions. Within our Employee Resource Groups, we have Gender Equality Teams to promote the empowerment of women in the workplace.

SDG Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

We have a target to maintain at least 20% representation of women in the top two management levels below the Management Board by the end of 2022.



Goal 8: Decent work and economic growth

SDG Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

We have dedicated Diversity, Equity and Inclusion (DE&I) teams across the HelloFresh Group to develop, implement and assess policies that support our DE&I approach and Our Code of Ethics outlines our zero-tolerance approach to discrimination in any form.

SDG Target 8.7: Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.

Our Code of Ethics and Ethical Trading Policy strictly prohibit any form of modern slavery or child labour in our operations and in the operations of companies within our supply chain. We also use SEDEX, a responsible sourcing platform for maintaining an ethical supply chain, and our 2022 target is to achieve 80% of all HelloFresh suppliers being registered with SEDEX.

SDG Target 8.8: Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

We support the principles established under the International Bill of Human Rights, as well as the International Labor Organization Declaration on Fundamental Principles and Rights at Work and expect our suppliers and business partners to adhere to the same standards. We also maintain stringent workplace safety measures through our occupational health and safety management systems.



Goal 10: Reduced inequalities

SDG Target 10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

We have dedicated Diversity, Equity and Inclusion (DE&I) teams across the HelloFresh Group to develop, implement and assess policies that support our DE&I approach.

Our Governance and Community

We work closely with communities and charity organizations around the world to support those facing food insecurity, and in 2021 we donated over 10,000 tonnes of food.

At HelloFresh we have the potential to create significant positive change in the communities in which we operate; whether it be supporting those facing food insecurity, ensuring our products are of the highest food safety and quality standards, helping our customers make more informed, healthier consumption choices, being a strong advocate for human rights throughout our supply chain, or maintaining our business performance to contribute to stronger economies.

Tackling food insecurity

The issue of food insecurity intensified during the COVID-19 pandemic within many of our communities. As a successful company in the food sector, we have a moral obligation to help where we can. We work with local charities and food banks to donate surplus food from our operations. Thanks to our digital meal-kitting platforms, we can accurately identify surplus food in our operations before it spoils, helping us maximize the amount we can donate to charities. Not only do we ensure quality food is going to the people that need it most in our communities, we are also reducing unnecessary carbon emissions which would be generated from the food waste.

In 2021, we donated 68% of our unsold food globally to food banks and charities tackling food insecurity through the following organizations:

Australia: Foodbank NSW, Foodbank Victoria, Foodbank Western Australia, Secondbite

Canada: Alexander Parkway, Cloverdale Food Bank, Daily Bread Food Bank, Daycare Charity in Surrey, Inasmuch Community Society, Malvern Family Resource Centre, Mississauga Food Bank, Priya, Ronald McDonald House Charities, Second Harvest, Surrey Food Bank, Surrey Sikh Temple, Vancouver East Side Shelter

Benelux: Belgian Federation of Food Banks, Stichting Buurtbuik, Stichting Jumpstart 040, Stichting Oosterfaantje, Voedselbanken NL

DACH: Die Tafel e.V., Tischlein Deck Dich, Stiftung Schweizer Tafel

Italy: Associazione Banco Alimentare della Lombardia
Danilo Fossati

Nordics: Helsingborg, Hemlösas hus, Matakuten, Matmissionen – Jakobsbergs Centrum, Matsentralen, Skåne Stadsmission

New Zealand: KiwiHarvest

United Kingdom: Fareshare, The Felix Project

United States: American Cancer Society - Chicago, Alameda County Community Food Bank, Atlanta Community Food Bank, Bay Area Rescue Mission, Bridging the Gap, Community Food Share, Food Bank of Contra Costa and Solano, Food Bank of South Jersey, HoJo Family Assistance, Midwest Food Bank, North Texas Food Bank, Philabundance, Project 22:9, Redwood Empire Food Bank, Ronald McDonald House Chicagoland, Second Helpings Atlanta, St. Mary's Food Bank, Tarrant Area Food Bank, Table to Table, We Don't Waste, White Pony Express.



In Canada we donated 160,000 kg of food to food banks and charities. We also donated almost 5,000 meal kits during a severe flooding event in British Columbia in November which left people stranded. The boxes that could no longer be delivered were donated to those facing food insecurity, through local charities, and our customers who were unable to receive their boxes due to the flooding were reimbursed. Additional meal kits were also donated through a holiday donation drive in December.

In 2021 we scaled up our Meals with Meaning program in the US which enables customers to contribute the value of their meal kits or make monetary contributions, while still receiving their box. The program was expanded to two new areas in 2021: Grand Prairie, Texas; and Atlanta, Georgia. This supplements our ongoing program work in Newark, New Jersey; and Brooklyn, New York. Customers contributed approximately 1.5 million meals through this program in 2021, double our 2020 distribution, while monetary contributions from customers amounted to \$934,000. HelloFresh donated an additional \$123,000, taking the total to \$1.06 million. For Thanksgiving we donated more than 3,500 turkeys and almost 9,000 side dishes to four different charity partners in the US.

Towards the end of 2021, we launched our Donate your Box program in the UK, partnering with The Felix Project, a London-based food redistribution charity. Our teams work directly with local community organizers and volunteers to pack and distribute the donated boxes. The program generated over 52,000 donated meals in the two months that it was operational in 2021.

In Australia, our customers donated AU\$77,000 to OZHarvest in 2021 through our Donate your Box program, together with other donation options, while HelloFresh donated an additional AU\$123,000 to the charity. We also partner with Foodbank Australia to donate our surplus food, and in 2021 we were named as one of their top ten nationwide donors by volume. In that year, we donated 1.6 million meals to the FoodBank network.

In the DACH region we partner with local food-sharing organizations to donate 100% of our surplus from overproduced meal kits. In the Benelux region we donated 450,000 kg of food to local food banks in 2021.

Culinary education in schools

In 2021 we partnered with the US Food Education Fund and the Fund for Public Schools to support culinary education in schools during the COVID-19 pandemic. The @TheTable program provided students with hands-on, experiential learning in a virtual setting, with HelloFresh donating 8,000 meal kits to culinary students at 14 high schools across New York City.

Summary of the highlights

Australia

- Over 1.6 million meals donated through Donate your Box
- AU\$200,000 donation to OzHarvest

Benelux

- 700,000 surplus meal donated to food banks

Canada

- 490,000 meals donated to food banks and charities
- 5,000 meal kits donated during a severe flooding event in British Columbia in November 2021

UK

- 1.9 million meals donated and over £101,000 worth of food donated through Donate your Box
- 10 tonnes of turkey, resulting in equivalent of 42,183 meals donated during holiday

US

- 1,5 million meals donated through our Meals with Meaning program (50% more than in 2020)
- \$1.06 million in monetary contributions
- Thanksgiving: 3,500 turkeys and almost 9,000 side dishes
- 8,000 meal kits donated for culinary education in 14 New York High Schools

“We know meaningful change cannot occur on its own”

Interview with Pooja Pelham,
Social Impact Manager at HelloFresh (US)



What is food insecurity?

According to the USDA, food insecurity is when an individual or family lacks consistent nutritious food to lead an active, healthy life. It can transpire from issues such as lack of affordable housing, economic and social disadvantages from systemic racism, health problems which lead to high medical costs, living in rural communities where access to fresh, nutritious food is nearly impossible, or being employed on low wages. At HelloFresh we have created a program called Beyond the Box to advance our mission of changing the way people eat, forever, by targeting a fragmented food system to ensure fresh, nutritious food is available and accessible to those experiencing food insecurity and to anyone in their time of need. This is a multifaceted social impact program that encourages in-kind and monetary donations, seasonal product drives, and employee volunteerism.

How do the HelloFresh donation programs work, and how do you ensure the food reaches those that need it most?

HelloFresh partners with third-parties, such as food rescue or food bank 501(c)3 nonprofit organizations, to donate our unsold, edible inventory. We know that meaningful change cannot occur on its own, which is why we build strategic charity and local government partnerships for our food donation programs. Many of these trusted partners have developed case management and studies of the people they serve, and can therefore direct food and monetary donations from HelloFresh to the communities that have the greatest need. Distribution models range from home deliveries to mobile markets to mass drive-through distribution events, and each of our partners have been vetted for their capacity and capability to store and distribute perishable, temperature-sensitive products in high quantities once they leave a HelloFresh facility.

How do you track progress and assess the impact of the donation programs?

We track our program metrics through internal data and financial tracking tools. We conduct assessment of quantitative measures of the number of meals and families impacted along with qualitative measures of impact of our donation recipients. Recently, we revamped our Meals with Meaning program by introducing four new recipes into rotation. The revamp was driven by feedback from our partners on how the program was operating and ways to continue to grow and evolve our impact.

In 2021, we received widespread industry recognition for our commitment to combating food insecurity, and were awarded with the Progressive Grocer Impact Award in Food Security and Nutritional Leadership. The Progressive Grocer Impact Awards are designed to recognize outstanding efforts by companies in the food industry in changing lives and impacting communities. We were praised for our surplus food donations, our Meals with Meaning program, and other initiatives such as our educational work with high school children through the @TheTable partnership.

Are there any other ways HelloFresh employees are personally helping to tackle food insecurity?

We run an internal social impact platform focused on giving and volunteerism that helps connect employees to their local communities. As part of the giving initiatives, we offer our employees a donation matching program whereby HelloFresh matches the amount donated by our employees to their chosen food charity (from a broad list of charities we support). More than half of our employee donations were directed towards organizations that focus on ending food insecurity in the United States in 2021.

The employee social impact program enables our employees to embrace and support a cause that they are passionate about, helping to make a real difference in the communities where we each live and work. Hunger tends to be much closer than most of us think and you never know who might be struggling. Our working culture at HelloFresh echoes values of kindness, support, and taking action, and many of our employees feel compelled to support our work in this area.

What do you hope to see in the future regarding HelloFresh's approach to supporting those facing food insecurity?

As a food company, we have a duty to gain a better understanding of how and why food insecurity and food waste concurrently exist. HelloFresh is leveraging its expertise and scale with collaborative partnerships that uplift people out of food insecurity through a range of initiatives. These include job placements in our fulfillment centers; developing wholesome recipes and nutritional education; providing cost-saving tips through our “neighbors in need” outreach; and identifying opportunities to support home delivery to those who lack transportation and therefore have barriers to easily accessing food.



Customer and product responsibility

Ensuring the quality and food safety of all the products and meals we distribute across our markets is of critical importance to us. All HelloFresh employees who have a direct influence on ingredients, packaging, manufacturing, storage and the delivery of meals to customers have a commitment to uphold our quality and food safety standards.

We have established policies which set clear requirements for continually monitoring our quality and food safety systems and we develop these as necessary to ensure our processes remain optimized as the business develops. We ensure our standards are aligned with all relevant legislation and approved codes of practice and we implement performance objectives to ensure continuous adherence to our standards, with regular compliance checks in place. Internal and external audits measure, evaluate, and validate the effectiveness of these processes.

We expect our suppliers and contractors to adhere to similar high standards of quality and food safety. As such, we have a standardized onboarding process for all new suppliers through our Food Safety and Quality Assurance (FSQA) team. In 2021, the FSQA team updated supplier standard requirements in the US to ensure that all HelloFresh and subsidiary companies are certified under the Global Food Safety Initiative (GFSI). We also established an internal second-party auditing team that performs onsite audits to review compliance of regulatory and food safety and quality standards. The team carried out 88 in-person audits and 26 virtual audits in 2021. Our target for 2022 is to audit all high-risk suppliers across the US network.

Product information and labeling

Providing our customers with information on various aspects of our products, such as the source of the products, allergens within the products (in line with applicable allergen labeling legislations), storage instructions and how to dispose of the packaging are all important touchpoints for us and help ensure quality and safety for our customers. In some of our markets we provide QR codes on the packaging which allows customers to scan and access more information about the suppliers and farmers we're working with to produce our products.



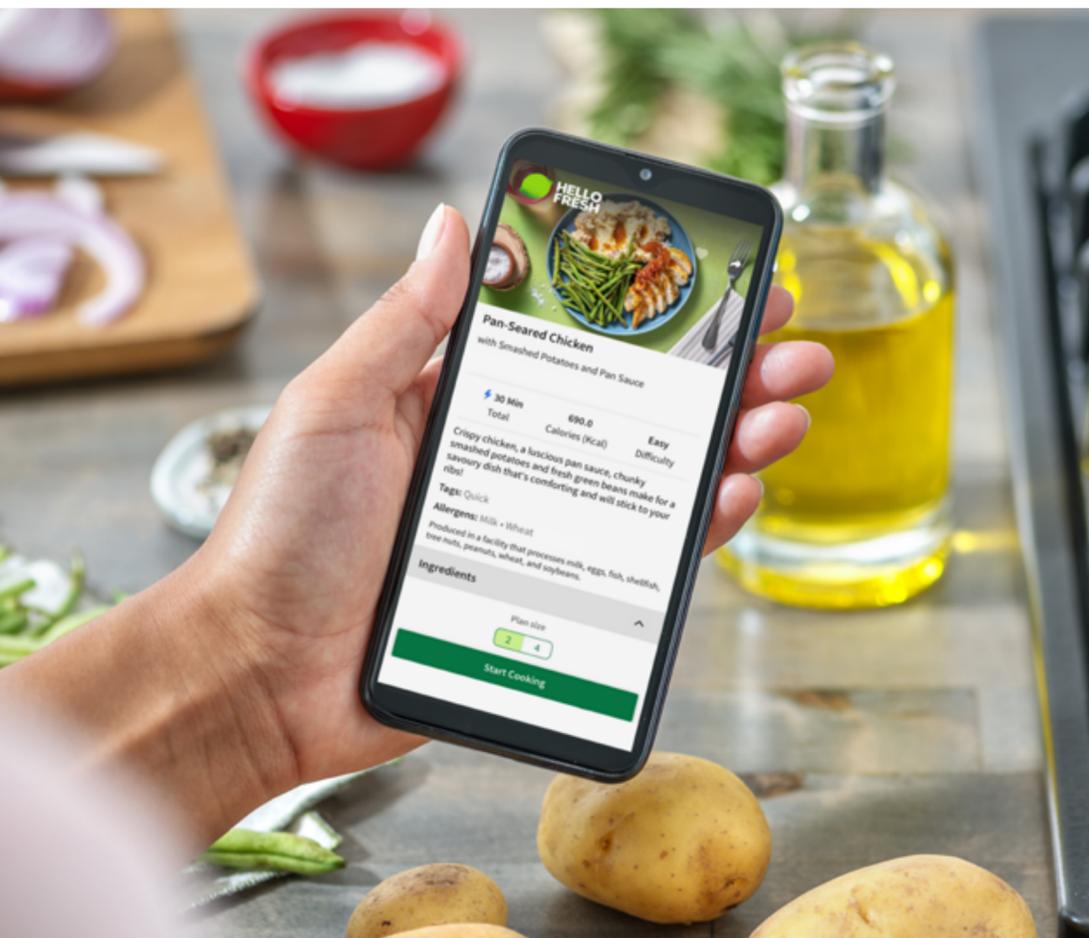
Carbon Impact Labeling: HelloFresh Climate Heroes

We know that making climate-friendly choices is important to many of our customers. A recent customer sentiment study conducted in Germany, Austria and Switzerland showed that 67% of respondents wanted to be informed on ingredient climate impact above all else. In 2021 we launched our “Klimahelden”, or “Climate Heroes”, in Austria and Germany and will be expanding this initiative to more markets in 2022. Each week we highlight up to five Climate Heroes — the most climate-friendly options based on the overall GHG emissions (CO₂ equivalents) of the meals to empower our customers to make more conscious choices for the planet. Our Climate Hero recipes have to fulfill two requirements: they need to be within the top five lowest carbon emissions recipes of the week and generate 50% fewer CO₂e emissions than an average recipe (based on over 1,000 recipes). We calculate the overall GHGs by considering all ingredients needed to create the recipes, which includes production and processing, as well as emissions emitted during transport of the ingredients to HelloFresh distribution centers. Agricultural emissions are quantified through Agribalyse, a public open-access agricultural database. Transport emissions for ingredients which cannot be sourced locally are calculated based on the Global Logistics Emissions Council (GLEC) framework, while transport emissions for locally-sourced ingredients are calculated in-house.



Responsible marketing guidelines

The meal kit concept is still relatively new, especially for some of our recently-opened markets and we rely on marketing and advertising to inform people about the HelloFresh concept and offerings. We use targeted marketing techniques to inform potential customers of the benefits of our products, both from a health perspective as well as value and convenience point of view; to communicate new product innovations, product ranges or brand launches, and to engage with consumers around topics that matter to them, such as sustainability.



We fully recognize our responsibility to portray our products and services in an accurate and truthful way, and as such, we subscribe to the following marketing principles:

- We fully support a consumer's right to know what is in our products and will strive for transparency in terms of ingredients, and the health and nutrition properties of our products.
- We are committed to not making unsubstantiated product claims (health or otherwise) when advertising our products.
- Visual representation of food products, alongside how they are described, should accurately represent the advertised characteristics of our products.
- Our communications should not encourage or condone excess consumption and portion sizes should be appropriate for the intended consumers.
- We are committed to the responsible marketing of alcoholic products, i.e. not encouraging excessive or anti-social drinking.
- We are committed to excluding any content from our marketing communications that could be judged offensive based on current prevailing standards of decency.
- We are committed to inclusive marketing to enable under-represented groups to connect with the HelloFresh product.
- We exclude the promotion of products that are not suitable for children in a media environment targeted at children.

In the US, we aim to follow the Federal Trade Commission (FTC) Green Guides to ensure we are communicating our sustainability messaging responsibly.

Customer-centric approach

Monitoring and responding to the needs of our customers is an integral part of our development and we actively collect and analyze feedback from our customers through a range of internal and external sources, including our net promoter score (NPS), on aspects from food quality, recipe success, packaging and our environmental and social activities. We use this information as valuable input for our future sustainability action plans.

Whenever we wish to introduce a new initiative, we always run small-scale pilot projects first, which allow us to obtain detailed feedback from our customers in order to adapt and develop the initiative in the best possible way. A key topic among our customers is our use of packaging, specifically plastic packaging, and feedback from our customers is factored into our ongoing efforts to reduce our impacts in this area. As detailed earlier, we successfully introduced several innovations in 2021 to reduce the impact of our packaging, which were all well received by our customers, enabling us to expand the initiatives on a wider scale. Some initiatives we tested however, have not proven as successful. In 2021, we conducted a test of paper packaging for herbs to further reduce our use of plastic. Based on feedback from our customers, who noted that the food quality was negatively affected by the change in packaging, we chose to discontinue the initiative.

Communicating on key sustainability topics

It is essential that we develop ways to communicate with our customers on topics they value, which increasingly involves sustainability topics. In 2021 we ran a food waste myth busting campaign across all our markets, drawing attention to the impact of food waste on the environment, [sharing tips on avoiding food waste](#) and preventing food spoilage in everyday life. The campaign also informed consumers on how HelloFresh contributes to lower levels of food waste, based on data from our recent food waste studies. We also provide advice to our customers on how to recycle HelloFresh packaging, and how we take care to source our suppliers based on ethical principles.

Promoting nutrition and health

We want to empower our customers to lead healthy lifestyles when it comes to the food they eat. We design our weekly menus so that they cater to various dietary requirements and are portioned based on national nutritional guidelines. All markets contain vegetarian, meat, and fish options, while our Green Chef brand in the US offers five core, nutritionist-approved dietary preferences: keto, lower carb, flexitarian, vegan, and vegetarian, which our customers select when they sign up, enabling them to easily see their preferred choices, while still being able to browse all options. We also provide tips or suggestions for those on low sodium diets, and suggestions for reusing ingredients if our customers wish to have smaller portions of certain ingredients, for example less rice or use less cream or cheese in their recipes.

In the UK we established a partnership with Weight Watchers in 2021 to give our customers more confidence in selecting recipes which meet the Weight Watchers dietary criteria.

Six recipes each week feature the WW Smart Points, which means they contain less than 600 calories, and make use of leaner-cut proteins (chicken, fish, tofu, for example), fruit, vegetables and balanced carbohydrates.

As mentioned in Responsible Sourcing, we are continuing to expand our vegetarian and vegan meal options and we are also developing more plant-based dairy alternatives to cater to the growing demand from our customers and to reduce the carbon footprint of our meals.

Data protection and information security

As we work in the e-commerce space, our business depends on our customers being comfortable to provide us with their personal data, which we need to perform our services. Similarly, our employees, partners and other stakeholders also provide us with personal or sensitive data. It is crucial that we build and maintain trust within our community and with the public regarding data protection and security at HelloFresh. We deploy significant resources to ensure the safety of our data, the security of our IT systems 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).

Our Code of Ethics outlines our principles on data security, which all employees are required to familiarize themselves with. Specific measures include having an Incident Response Plan for mitigating the risk of data breaches and outlining the actions

to take in the event of such a breach; establishing practices for handling of personal data by third parties and ensuring consent is provided for this. We have also established encryption and de-identification techniques to protect personal and sensitive data. For more details on our data security measures, see the Data Security section on page 70 of the Non-Financial Report adjoining this Sustainability Report.

Tax policy

Conducting tax practices responsibly is not only a core principle of good governance, it supports the economic and social development of the markets in which we operate. HelloFresh acts transparently and responsibly in all tax matters and works closely with experts, auditors and tax authorities in the disclosure and payment of taxes. We prepare and file all required tax returns and comply with international tax regulations and local laws for all jurisdictions in which we have an operational presence. Transfer prices are determined in accordance with national and international rules and standards.

Clear processes ensure complete, accurate and timely disclosure of all necessary information to all relevant tax authorities, and open, constructive dialog enables us to provide and gain clarity and predictability on tax-related matters.

We continuously monitor and review our Tax Compliance Management System to ensure that the right culture, uniform principles and processes are in place.

Relevant UN SDGs for this section



Goal 2: Zero Hunger

SDG Target 2.1: By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round

We work with food banks and other food distribution charities to help support those facing food insecurity in the local communities. In 2021 we donated 10,000 tonnes of surplus food through our donation programs.



Goal 3: Good health and wellbeing

Target: 3.4: By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and wellbeing.

Specifically, Indicator 3.4.1: Mortality rate attributed to cardiovascular disease, cancer, diabetes or chronic respiratory disease

We communicate the nutritional value of our meals, helping our customers to make healthier choices, and we also provide tips within the recipes for customers looking to reduce their salt or fat intake.



Goal 16: Peace, justice and strong institutions

Target 16.5: Substantially reduce corruption and bribery in all their forms.

We strictly follow all applicable anti-bribery laws and avoid any behavior that raises questions about our integrity, as stated in our Code of Ethics.

Looking ahead

Environmental focus

2021 was a year of growth and progress on a number of environmental topics. We reduced our emissions in our production facilities by 10% per euro of revenue compared to 2020, and we will continue to reduce these Scope 1 and 2 emissions in 2022 in line with our goal of achieving a 60% reduction on our 2019 level by the end of 2022. Currently, 51% of our energy comes from renewable sources, and switching to an even greater share will play a role in reaching our target. We have new solar installations planned for our existing sites in Canada, Germany and the UK, and for a new site in Perth, Australia. We will also continue to work on greater efficiency optimizations across our operations.

A further area for improvement in 2022 is our work on waste diversion in order to meet our target of reducing our waste sent to landfill or incineration by 50% from the 2019 baseline, by the end of 2022. This will require an even greater drive to reduce surplus food from our operations, greater collaboration with charity partners to ensure even more of the fresh and non-perishable surplus is shared with our local communities (helping to further contribute to SDG 2: Zero hunger), and an increase in the rate of composting and aerobic digestion.

Outside of our own production, the most exciting and intensive focus area for 2022 will be broadening our work on reducing our environmental footprint across our value chain. This is a significant, long-term project to accelerate our progress on reducing greenhouse gas emissions in line with the goal set out in the Paris Climate Agreement and the SDG 13: Climate action. The process begins with creating an entire inventory of our most significant Scope 3 emissions, from which we will establish science-based emissions reduction targets, ultimately verified by SBTi. These verified targets will form the basis of a clear roadmap to becoming 100% carbon-neutral across our entire value chain in the future.



Setting and verifying targets with SBTi can take up to two years, but there are already measures we can take while this groundwork is being set. Data from the 2021 Life Cycle Assessment has helped us identify the areas in which we can have the greatest impact on lowering our environmental footprint within our value chain: largely, upstream in food production. 2022 therefore, will see a strong focus on prioritizing the development of lower-carbon recipes — specifically vegetarian and vegan options which typically have a lower carbon footprint, and helping our customers to make more informed, lower-carbon meal choices by introducing our Climate Hero labels to more markets. We will also continue our solid efforts to improve the sustainability of our packaging. Over the longer term, we want to work with our suppliers to help them develop more sustainable farming and production practices to mitigate any negative impacts from food production on local habitats, soil quality, biodiversity and other important impact areas, while also taking into account potential risks of climate change which can affect growing conditions.

In 2021, we made significant progress on switching from plastic to more recyclable and renewable forms of packaging for many ingredients, and we are now working towards achieving 100% reusable, recyclable or compostable packaging by 2025 in Australia and New Zealand, in alignment with Australia's 2025 National Packaging Targets. This work will feed into our global packaging processes and help us make solid contributions to SDG 12: Responsible consumption and production.

Our dynamic packaging configurator (DPC), which we use in a number of markets to help reduce our overall secondary packaging through optimization configurations, won numerous sustainability and supply chain management awards in 2021, and we will continue enhancing the DPC in 2022. We will develop the tool to calculate more optimizations such as the number of ice packs required based on duration of delivery, live weather data and the ingredients contained within the box. This next-generation DPC will mitigate errors from changes in external conditions, which will reduce food and packaging waste further.

Social focus

Our rapid expansion of the workforce in 2021 and the years prior, has called for a more cohesive approach to various employee aspects such as health and safety; diversity, equity and inclusion; and employee wellbeing, across our global markets. Our Global Talent Acquisition will implement a DE&I strategy for hiring and recruitment to ensure fairness and non-bias in the process, based on lessons learned from our work previously carried out in the US. We will also increase our leadership training on important DE&I elements, and the 2021 DE&I executive leadership training will be made available to other levels of staff in 2022, helping us to further contribute to the SDG 5: Gender equality.

The creation of employee resource groups (ERGs) has proven to be very popular with employees, and we have plans to expand these to include religion-based groups in the future. Australia and New Zealand will establish their first ERGs in 2022 to support our diversity and inclusion efforts in the region. In the US, we will additionally measure Asian representation within our diversity

metrics, together with veteran and LGBTQIA+ self-identification to ensure we develop even more tailored initiatives to enhance inclusion of these races and identities in the workforce.

We will work to bring more cohesion within our global approach to health and safety in 2022, which will allow for greater scalability in the future. A new Operating Policy and OHS Framework will be established across many of our markets, which will include a dedicated OHS training program for staff that will deliver competency assurance and compliance with safe ways of working. The program will include leadership standards expected for managing occupational safety. We will also deliver cultural development programs to explore creative initiatives for safety improvements to fully empower our employees to contribute to our health and safety approach.

Employee wellbeing will continue to be a strong focus area in 2022 and beyond, with our Wellbeing Taskforce at our global HQ in Berlin rolling out new initiatives to expand on the holistic wellbeing initiatives developed for employees during the COVID-19 pandemic.

In terms of business growth, we will focus on establishing firm foundations for our newest operations in Italy, Norway and Japan, along with further expansion within our existing markets and to new regions. In keeping with our strong sustainability principles, we will ensure that all developments and decisions that we make in 2022 and beyond are framed on our three sustainability focus areas: our planet, our people and our governance, while staying true to our core mission: to change the way people eat — forever.



Non-Financial Report 2021

Non-Financial Report 2021

About this report

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

This report has been reviewed by KPMG AG Wirtschaftsprüfungsgesellschaft, to obtain limited assurance relating to the disclosures legally required in accordance with Sections 289b through 289e, 315b and 315c HGB. Please see the assurance statement on page 72.

Group structure and business model

Founded in 2011, HelloFresh SE is one of the first innovators in the meal-kit industry. Over the past decade we have built a strong, trusted brand for providing personalized, home-delivered meal solutions in numerous regions around the world. In addition to our most prominent brand, HelloFresh, the Group also owns Chefs Plate, EveryPlate, Factor75, Green Chef and YouFoodz, and operates in 17 countries: Australia, Austria, Belgium, Canada, Denmark, France, Germany, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Sweden, Switzerland, the United Kingdom and the United States. In certain instances in this report, we differentiate our operations between our US segment and our International (all other countries) segment.

Our mission at HelloFresh is to change the way people eat forever. We provide customers with a convenient way to source fresh ingredients so that they can enjoy home-cooked or fully prepared meals with no planning and no shopping required. Our meal kits and fully prepared meals are delivered directly to our customers’ homes within the time frame of their choosing. Our meal kits contain nearly everything required to create varied, nutritious meals, and our recipes are developed and tested to ensure ease of use and successful outcomes regardless of the customer’s level of cooking experience. Our overarching goal is to enable more people to enjoy fresh, wholesome meals at home. 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.

EU Taxonomy

As defined by the European Commission, the EU Taxonomy is a classification system establishing a list of environmentally sustainable economic activities that are aligned to specific environmental objectives.

HelloFresh supports and welcomes the efforts made by the EU in developing a comprehensive set of regulatory tools that are necessary for the appropriate functioning of mainstream sustainable finance markets, which will be needed to achieve the ambitious EU objective of becoming climate-neutral by 2050 – an economy with net-zero greenhouse gas emissions.

Under Article 8(1) of the Taxonomy Regulation, large undertakings, such as HelloFresh, that are required to publish non-financial information pursuant to the Non-Financial Reporting Directive (NFRD) shall disclose information to the public on how and to what extent their activities are associated with environmentally sustainable economic activities.

To the date of this report, companies are required to report on the eligibility of their activities against two climate objectives: climate change mitigation (as defined in Annex I to the first delegated act on sustainable activities) and climate change adaptation (as defined in Annex II).

The first delegated act on sustainable activities for climate change mitigation and adaptation objectives focuses as a starting point on the sectors that are most relevant for achieving climate neutrality and delivering on climate change adaptation. It includes sectors such as energy, forestry, manufacturing, transport and buildings, but does not include retail, consumer staples or e-commerce, for example. As such, the core activity of HelloFresh - meal kits production and distribution - and more broadly, food production and distribution as an economic activity, is not defined in the first delegated act under the EU Taxonomy.

Article 8(2) specifies the key performance indicators (KPIs) related to turnover, capital expenditure (CapEx) and operational expenditure (OpEx) that non-financial undertakings must disclose.

In addition to direct economic activities, Annex I also defines enabling activities and transitional activities, which, according to the European Commission's FAQs published on 2 February 2022, can be reported on a voluntary basis. HelloFresh is not making these voluntary disclosures. The FAQs also clarified that only turnover that relates to enabling activities is to be reported for economic activities in Annex II. Furthermore, for direct economic activities in Annex II, expenditures for CapEx and OpEx only need to be considered if these substantially reduce the activity's main physical climate risks.

Revenue

0% | Taxonomy-eligible revenue (% of total revenue)

Revenue is defined as net turnover applying IFRS (IAS 1 Paragraph 82(a)) and is disclosed on page 3 of the Group's 2021 Annual Report as Group Revenue for a total consideration of MEUR 5,993 per FY 2021).

As mentioned above, the core revenue source for HelloFresh - the sale of meal kits and ready-to-heat products and subscriptions - is not eligible under the first delegated act of the EU Taxonomy. While other revenue sources might be taxonomy eligible, such as the revenue we derive from offering our refrigerated courier services to third parties (activity 6.5 "transport by motorbikes, passenger cars and light commercial vehicles" identified in Annex I to the EU Taxonomy Climate Delegated Act), these were immaterial to the business in 2021 as per the 1% revenue threshold applied to the taxonomy analysis.

CapEx

10% | Eligible CapEx (% of total CapEx)

Total CapEx as defined by the EU taxonomy shall cover additions to tangible and intangible assets during the financial year considered before depreciation, amortization and any remeasurements for the relevant financial year and excluding fair value changes (IAS 16, 38, 40, 41, IFRS 16). CapEx shall also cover additions to tangible and intangible assets resulting from business combinations (applying IFRS). Total CapEx movements for the FY 2021 for HelloFresh SE amounts to MEUR 465.6 as per pages 74 (for Property, Plant and Equipment) and 76 (Intangible Assets) of the Group's 2021 Annual Report. Acquired goodwill is not included.

10% of the CapEx is considered to be eligible under the definition of the EU Taxonomy, and includes the following activities:

- Activity 5.5: Collection and transport of non-hazardous waste in source segregated fractions (Annex I)
- Activity 6.5: Transport by motorbikes, passenger cars and light commercial vehicles (Annex I)
- Activity 6.6: Freight transport services by road (Annex I)
- Activity 7.2: Renovation of existing buildings (Annex I)
- Activity 7.3: Installation, maintenance and repair of energy efficiency equipment (Annex I)
- Activity: 7.4: Installation, maintenance and repair of charging stations for electric vehicles in buildings, and parking spaces attached to buildings (Annex I)

- Activity 7.5: Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (Annex I)
- Activity 7.6: Installation, maintenance and repair of renewable energy technologies (Annex I)
- Activity 7.7: Acquisition and ownership of buildings (Annex I)
- Activity 8.1: Data processing, hosting and related activities (Annex I)

OpEx

76% | Eligible OpEx (% of total OpEx)

OpEx as defined by the EU Taxonomy shall cover direct non-capitalized costs relating to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third-party outsources that are necessary to ensure the continued and effective functioning of such assets, including in the case of HelloFresh the cleaning of buildings and IT maintenance. This is not to be confused with a more standard (and broad) definition of OpEx, or in the case of HelloFresh, with their fulfillment expenses. Under the EU Taxonomy definition, total OpEx for the FY 2021 amounts to MEUR 75.8.

76% of that OpEx is considered to be eligible under the definition of the EU Taxonomy, and includes the following activities:

- Activity 5.5: Collection and transport of non-hazardous waste in source segregated fractions (Annex I)
- Activity 5.7: Anaerobic digestion of bio-waste (Annex I)
- Activity 5.8: Composting of bio-waste (Annex I)
- Activity 6.5: Transport by motorbikes, passenger cars and light commercial vehicles (Annex I)
- Activity 6.6: Freight transport services by road (Annex I)
- Activity 7.7: Acquisition and ownership of buildings (Annex I)
- Activity 8.1: Data processing, hosting and related activities (Annex I)

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

The full scope of the EU Taxonomy regulation is yet to be implemented and therefore the reporting approach taken for fiscal year 2021 reflects the current legislative status on Taxonomy eligibility. In coming reporting periods, when the remaining Delegated Acts are published in 2022, our reporting approach will be adjusted accordingly.

Sustainability approach and ambitions

As the world's largest meal-kit company by sales, we recognize our responsibility 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 ensuring the welfare of our stakeholders, including our workforce, supply chain network, customers and local communities. To us, this means creating safe and inclusive working conditions for all, engaging in ethical trading practices, providing data protection and more. As our business continues to grow, we see an even greater responsibility together with exciting opportunities for progressing the sustainability agenda. Our team of sustainability experts in our offices around the world help to ensure we deliver on our sustainability goals, which are anchored in three pillars of our sustainability approach: our planet, our people and our governance.

Since the start of our operations in 2011, we've prioritized a lean, short supply chain, favoring locally sourced products, and operating on a make-to-order basis. These components remain central to our operating principles and sustainability agenda. As new technologies emerge and our understanding of sustainability impacts deepens, we seek to forge new ways of working to optimize our positive influence on identified material topics, while adding increased value for our customers and other stakeholders. Our sustainability approach guides us in our efforts across our operations and value chain, and includes the following aspects:

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

People: Ensuring employee diversity, equity and inclusion; promoting employee health and wellbeing; maintaining stringent workplace safety measures; and enabling employee growth and development.

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

Through targeted, structured action across these elements, we aim to make important contributions towards the UN Sustainable Development Goals (UN SDGs), specifically, Goal 2: Zero Hunger, Goal 3: Good Health and Well-Being, Goal 5: Gender Equality, Goal 8: Decent Work and Economic Growth, Goal 12: Responsible consumption and production, Goal 13: Climate action, Goal 14: Life below water, and Goal 15: Life on land.

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

Management approach

An essential step for achieving our environmental, social and governance (ESG) goals is establishing a clear governance structure that allows us to monitor, measure and communicate our progress.

Each identified material ESG topic is led by an appointed international topic lead who drives company-wide measures, monitors progress on the targets and supports regional sustainability managers. Regional sustainability managers are responsible for implementing local measures and aligning with global targets. All regional and international sustainability managers formally exchange on their experience, progress and challenges at least once a month. The operations executives (SVP Supply, Product & Sustainability for HelloFresh International and VP Operations for HelloFresh US) oversee progress with sustainability topic leads and meet with regional top management for strategic alignment on ESG topics at least bi-annually.

A Sustainability Forum is held every quarter with C-level management and others, where roadmaps and initiatives are shared. This helps us prioritize and align on different projects to maintain the necessary strategic oversight. We have also formed

an ESG committee of our supervisory board members to monitor and advise the Management Board on all topics related to ESG matters, in particular on the establishment of a monitoring system. It also assists the Audit Committee with reporting and disclosures related to ESG. The Committee meets quarterly (twice in 2021 following inception at the annual general meeting) to discuss progress on the sustainability topics. Co-founder Thomas Griesel takes overall responsibility for ESG topics within the HelloFresh Management Board.

To incentivize sustainable and future-oriented action, we've directly linked our two key environmental goals – reduction of food waste and reduction of CO₂ emissions – to management key performance indicators (KPIs) and consequently to long-term remuneration. Together, these ESG targets represent 20% of the short-term variable compensation for the HelloFresh Management Board.

We are rapidly growing and expanding our business by acquiring new companies with diverse business models. In case of major acquisitions, goals baseline adjustment may be necessary.

Materiality & risks analysis

In 2021, we conducted a double materiality assessment to determine and prioritize the ESG issues which have the biggest potential influence on our enterprise value and our stakeholders, while simultaneously identifying the ESG areas in which HelloFresh has the most significant impact. In compliance with the HGB (German Commercial Code), our Non-Financial Report includes all topics deemed material for HelloFresh relating to environmental matters, employee matters, social matters, respect for human rights, anti-corruption and bribery as well as the additional topics of customer privacy and data security,

and compliance. This built on previous work that created the foundation for earlier sustainability reporting efforts.

During the materiality assessment, we reviewed reporting guidance developed by the Sustainability Accounting Standards Board (SASB); the Sustainable Development Goals (and targets) established by the United Nations; national and international regulations; media content; and the disclosures of some of our food service and e-commerce peers. We held several internal workshops and called on the ESG expertise of 22 internal specialists in Europe, North America and Australia. We took into account a variety of stakeholder opinions to assess the impact of HelloFresh on ESG topics. This included input from NGO representatives, academia and sustainability consultants, collected during two workshops conducted in 2020. We also collected key supplier views through our sustainability surveys, and employee opinions through our regular employee satisfaction surveys. Consumer insights were gathered by closely monitoring customer care data and consumer research insights, while investor expectations on HelloFresh ESG performance and reporting were collected during regular dialogs with our investor partners.

Gathering all internal and external stakeholder input enabled us to compile a list of topics for the materiality analysis, which we plotted on a materiality matrix. We calculated an average relevance rating for the impact of each topic on HelloFresh and vice-versa, based on collected stakeholder perspectives and our internal topics experts. If the average score was higher than 3 out of 5, the topic was deemed material and therefore a priority. Of the 22 topics on the short list, 13 were identified as material. These topics were reviewed and agreed by the HelloFresh ESG subcommittee of the Supervisory Board.

Ten material topics for 2021 reporting period

For three of the 13 topics (ecosystem services, fair labor practices and health, nutrition and food safety) we are working on measures, which we report on in the 2022 Non-Financial Report and thereafter.

HelloFresh has a dedicated risk management function that identifies and assesses ESG risks linked to our business operations that could have a high negative impact both internally and externally, and outlines the actions to mitigate them. The risk assessment conducted in accordance with HGB (German Commercial Code) at the end of 2021 did not identify any non-financial risks regarding our business activities, business relations, our products or services which are very likely to have an adverse impact on the non-financial aspects deemed material and listed above. The Combined Management Report contains further information on opportunities and risks, as well as a detailed presentation of our risk management.

	Report section	Identified material topic	HGB (German Commercial Code)
OUR PLANET	Food waste and donations	Waste management and reduction	Environmental matters
	Carbon footprint	Climate change from GHG emissions	Environmental matters
	Packaging	Packaging life cycle management	Environmental matters
	Responsible sourcing	Responsible procurement	Environmental matters
	Ethical trading	Human rights	Human rights
OUR PEOPLE	Employee health & safety	Employee health and safety	Employee matters
	Employee diversity & inclusion	Diversity, equity and inclusion	Employee matters
	Employee development	Talent management	Employee matters
OUR GOVERNANCE	Ethics & compliance	Compliance	Anti-corruption and bribery
	Data security	Customer privacy	Social matters
Identified as material, to be disclosed for financial year 2022 and onwards		Ecosystem services	Environmental matters
		Fair labor practices	Employee matters
		Health, nutrition and food safety	

Planet

Food waste and donations

Food waste

HelloFresh recognizes food waste as a global challenge with extensive financial, ethical and environmental costs. With food production and distribution at the core of our operations, the topic of food waste is fundamental to our sustainability approach.

Our business model inherently supports the reduction of food waste compared with traditional retail models on two levels: within our own operations and at the point of consumption by our customers. By utilizing a make-to-order system, we can source more accurate quantities of ingredients based on known consumer selections, rather than general demand estimates. As such, a benchmark analysis carried out in 2021 found that HelloFresh operations generated 63% less food waste per euro revenue than those for traditional food retailers.¹ At the consumer level, through the use of pre-portioned ingredients, HelloFresh meal kits reduce food waste by 21% (in weight) compared to traditional shopping and cooking methods, and generate 72% fewer food scraps during meal preparation compared with non-HelloFresh meals.²

While our business model contributes to lower levels of food waste, we recognize that we can and must do more to lower these levels further. HelloFresh's Management Board, together with sustainability experts, determined food waste to be one of the most material sustainability topics for the organization, and as such, set a target of reducing the food waste sent to landfill or incineration from all of our facilities by 50% per euro revenue by 2022 (from a 2019 baseline).

Progress in achieving the food waste target is monitored quarterly by the Zero Waste Manager for the international segment and by the regional sustainability team for the US segment. Progress is reported to both the Management Board and the Supervisory Board. By setting an ambitious target for reducing our food waste, which is oriented towards external food waste goals, for example SDG 12.3,³ and by establishing the necessary governance and reporting framework for our food waste reduction activities, we aim to make significant progress in this area.

The key components of our food waste reduction strategy are: reduce, donate, and divert. By optimizing our operations and using data monitoring software, we can track, analyze and manage our food waste, contributing to overall source reduction. Surplus fresh food is then donated to local charity partners, such as food banks to support those facing food insecurity (see Food donations). For the inedible food waste, we work to find local organics recycling options like composting, anaerobic digestion, land application or animal feed, thus diverting the food waste from landfill or incineration. We prioritize diverting according to the EU Waste Framework Directive, the US EPA's Food Recovery Hierarchy in the US and AU National Food Waste Strategy in Australia.

Our production and operations teams use a digital meal-kitting platform to accurately monitor kitting performance and to help decrease overproduction rates. Data on donated food and disposed waste from local markets is also tracked through

advanced warehouse management systems and inventory management, and analyzed in food waste dashboards. Our US operations have been using a US-specific food waste dashboard in partnership with a tool designed by Spoiler Alert since 2017 to track food waste disposition and to verify donations. Our international segment began using an international food waste dashboard in 2019.

In 2021, weekly donation and waste reporting was incorporated as a performance metric for US distribution center operations, and food waste reports are now sent to all distribution centers and relevant HQ teams quarterly. Through the weekly tracking of meal kit overproduction, the number of kits overproduced as well as the cost of ingredients that are sent to donation and discards are reported. The distribution centers are benchmarked against each other on these surplus metrics and are required to report weekly, not only on surplus rates and the associated lost cost of goods sold (COGS), but also on diversion and donation rates.

¹ Based on figures published by 13 leading traditional food retailers worldwide between 2019 and 2021

² Based on a [2019 global food waste study](#) in collaboration with scientific researchers in Germany from the Wuppertal Institute in Germany. The study asked almost 1,000 customers in Belgium, Canada, Germany, the Netherlands, the UK and the US to track the amount of food they wasted when cooking with HelloFresh compared to conventional cooking with ingredients from grocery stores.

³ SDG 12.3: By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses

Technology plays an important role in supporting our food waste reduction measures in our own operations and upstream in our supply chain. We have regular contact with our upstream suppliers and provide them with demand forecasts weeks in advance, enabling them to plan ahead more accurately. In our international segment, our procurement teams use a dynamic ordering tool, which gives multiple suppliers the opportunity to fulfil orders based on their existing stock. This approach works similar to a reverse auction and contributes to efficiency of the whole upstream food system, consequently reducing suppliers' unsold and wasted food. A sustainability survey of our largest suppliers, carried out in November 2020, showed that the majority of our suppliers generate the same or less food waste through HelloFresh orders compared to orders from their other partners.

All our distribution centers enforce on-the-ground waste avoidance processes, including the adherence to First-Expiry-First-Out stock management and meal kit overproduction tracking. Our production and operations departments draft standard operating procedures (SOPs) for waste management, design training for international teams, and continuously look to improve our waste tracking tools and waste reporting.

We increased our recycling capacity of inedible food waste in 2021 by transitioning four of our international distribution centers away from using landfill or incineration and switching to composting or anaerobic digestion instead. A further four international distribution centers are currently planning their transition. In the US, this year we reintroduced organics recycling at several sites, where earlier space constraints prevented organic waste recycling. By the end of 2021, seven out of eight HelloFresh meal kit distribution centers in the US had an organics recycling option in place, and we are aiming to implement a solution for the remaining site by the end of 2022.

We incorporate these end-of-life solutions into our standard processes for any new operations that we launch, for example our Italian and Japanese operation launched in 2021, and our new distribution center in Australia. By integrating optimal waste tracking systems and waste management facilities such as food composting, we can take measures to reduce our food waste from the outset.

Global Food Waste and Donations	2019*	2020*	2021
Total Operational Food Waste	1,103 T	1,328 T	4,691 T
Food Waste per euro of revenue	0.60 g	0.40 g	0.78 g
% of Surplus Food Donated	77%	73%	68%

Ongoing disruptions caused by the Covid-19 pandemic over the last two years created additional challenges for our food waste reduction initiatives. The introduction of social distancing measures within our production facilities, a disruption in the labor force as workers either isolated or became ill, and additional complexity in the supply chain all contributed to a higher than anticipated level of food waste. However, our existing food waste reduction measures helped us to avoid any surge driven by complications from the Covid-19 pandemic and maintain a relatively low level of food waste for 2021. The total operational food waste for the HelloFresh Group in 2021 was 0.78 grams per euro of revenue. In 2021, 49% of food waste was diverted from landfill or incineration.

Food donations

Our make-to-order business model enables us to procure precise quantities of ingredients; however, we still rely on small stock buffers for our operations, and supply errors and last-minute changes are inevitable. This leads to surplus food in our distribution centers. Donations provide a beneficial way of reducing the fresh food waste, while also contributing to food security in local communities. HelloFresh donates unsold food to charitable organizations around the world on a weekly basis. In 2021, 10 thousand tons of unsold, fresh edible food was donated to charities that help support communities facing food insecurity. This represents 68% of our total surplus food.

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

Donations beyond surplus food

As the issue of food insecurity within our communities became more prevalent during the Covid-19 pandemic, we decided to expand our community outreach by establishing a meal kit donation program alongside our existing surplus food donations. Known as “Meals with Meaning”, this program enables our customers to donate funds when they place their weekly HelloFresh box order, and was launched in the US in 2020.

We distributed over 1.5 million meals through the US program in 2021. This was twice as many meals as those donated through the program in 2020, and due to the success we plan to roll out the program to other regions in 2022. As our UK food donation program was launched in October 2021, we do not have a full year of data, so we will begin reporting on this program’s achievements in the 2022 Non-Financial Report.

US Meals Donations	2020*	2021
Meals with Meaning program	0.75 mln meals	1.50 mln meals

* Year 2020 is out of the external assurance scope

Carbon footprint

We account for our carbon emissions in orientation to the Greenhouse Gas (GHG) Protocol methodology, which is considered best practice for carbon accounting. GHG Protocol involves the measurement of company emissions on a per-scope basis:

- Scope 1: Direct emissions from heating, air-conditioning and the HelloFresh vehicle fleet;
- Scope 2: Indirect emissions from purchased electricity,

steam, heat, or cooling consumed by HelloFresh but generated externally;

- Scope 3: Other categories of indirect emissions not included in Scope 2, which for HelloFresh Global 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 losses and distribution;
 - Category 4 Downstream transportation and distribution: third party outbound logistics; excluding emissions already offset by carriers;
 - Category 6 Business travel: employee corporate travel.

We report our carbon emissions of the following brands: HelloFresh, Green Chef, Chef’s Plate, EveryPlate, Factor75, Youfoodz, BeCool. Our minor and newly acquired entities will be included in the 2022 reporting cycle.

Additionally, we track our carbon emissions on a per-source basis, which allows us to measure progress on emissions reductions across our business processes. The 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 strategy based on the source of the carbon emissions and not solely on scopes as defined by the Greenhouse Gas Protocol.

Given our lean and centralized distribution network of production facilities worldwide, we inherently produce fewer carbon emissions related to electricity consumption on a per euro of revenue basis compared to traditional food retailers. A benchmark analysis carried out in 2021 found that our carbon emissions per euro of revenue from electricity consumption (Scope 2 emissions) are 90% lower than those for traditional food retailers.⁴ Based on this analysis, our business model enables us to consume less electricity per euro sales compared with traditional retailers, we still aim to go further in reducing our carbon footprint.

In 2020, we took a conservative approach to managing our carbon emissions, applying Renewable Energy Certificates (RECs) in the same manner as Carbon Offsets to compensate for our carbon footprint. We changed this methodology in 2021 to align with best practices for carbon accounting, also following the methodology used in the carbon certification report from TÜV Rheinland, acquired in 2020 for HelloFresh Global. We now account for RECs as a direct reduction to our Scope 2 electricity emissions, rather than as a compensation for our emissions. 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 during the HelloFresh consumption period, which HelloFresh then acquires through a virtual Power Purchase Agreement (vPPA) or through a third party. For comparability, we restate our 2019 and 2020 footprint in the tables below.

⁴ Scope 2 emissions, average, based on figures published by 13 leading traditional food retailers worldwide between 2019 and 2021.

Emissions per scope

HF GLOBAL tonnes CO ₂ e	2019*	2020*	2021
Scope 1 -Fuels (TTW for HelloFresh fleet and heating) -Natural Gas (heating) -F-Gas (air-conditioning)	1,884	5,457	18,321
Scope 2, market-based Location-based where market-based emission factor is not available	10,536	7,834	11,070
Scope 2, location-based	12,979	17,010	32,685
Scope 3, selected categories Category 1 - Purchased Goods & Services (Third Party Storage & Production, External Servers) Category 3 - Fuel- & Energy-Related Activities (Fuel Production and Distribution, Electricity Transmission losses and Distribution) Category 4 - Downstream Transportation & Distribution (Third Party Outbound Logistics; excluding emissions already offset by carriers) Category 6 - Business Travel (Employee Corporate Travel)	35,432	78,156	101,517
Total tonnes CO₂e	47,852	91,447	130,908

*Year 2019 and 2020 are out of the external assurance scope

**Logistic hubs of HelloFresh owned logistic operations

Emissions per source

HF GLOBAL tonnes CO ₂ e	2019*	2020*	2021
Production Facilities (Scope 1 & 2) F-gas, natural gas, electricity and fuels at distribution centers, excluding logistics hubs	10,997	11,200	18,843
Non-production Facilities Offices (Scope 1 & 2) F-gas, natural gas, electricity and fuels at offices, logistics hubs**	1,423	2,089	6,762
Production & Non-production Facilities, (Scope 3) Fuel Production and Distribution, Electricity Transmission losses and Distribution), external data storage servers	722	2,959	2,192
Third-party offsite production and storage Natural gas, electricity	56	6,426	8,283
Outbound Logistics Fuel of HelloFresh Fleet and third-party carriers	31,473	67,503	92,570
Business Travel	3,182	1,270	2,258
Total tonnes CO₂e	47,852	91,447	130,908

Total emissions on a per euro revenue basis

HF GLOBAL grams CO ₂ e	2019*	2020*	2021
Per € revenue	26.44	24.39	21.84

Carbon reduction

Our CO₂ mitigation approach is designed around four steps: avoid, reduce, replace, and offset. Making our operations more energy efficient, thereby avoiding and reducing emissions, and transitioning to renewable forms of energy such as solar, wind and hydropower are key components of this approach. Our emissions target for 2022 is to reduce carbon emissions from our production facilities by 60% per euro of revenue, from a 2019 baseline, and this target will be directly linked to C-level remuneration.

The total reduction as of 2021 was 48% compared to 2019 baseline.⁵ This includes Scope 1 and 2 emissions related to consumption of refrigeration gas, natural gas, electricity and fuels at our distribution centers. We believe a comparison of emissions relative to sales is more meaningful than a comparison of absolute numbers, due to the rapid organic growth that HelloFresh experienced over the last few years.

Global HelloFresh Production Facilities Emissions on a per euro Revenue basis	2019*	2020*	2021
Global Production Facilities managed by HelloFresh, Scope 1&2 (Energy, Natural Gas, Fuels, F-gas)	6.08 g	2.99 g	3.14 g
Third-party operated sites (Energy, Natural Gas)	0.03 g	1.71 g	1.38 g



● Production facilities managed by HelloFresh ● Third-party operated sites

Within our packaging operations we have made gains by introducing smarter processes that reduce the amount of shipped air and allow the smallest possible box size (see Packaging). This allows more boxes to fit in one truck or van, which reduces emissions on a per-product basis.

Our food waste reduction initiatives, outlined in Food waste, also play an important role in reducing indirect emissions associated with resources put into food production. The remaining carbon emissions that can't be avoided from our direct operations are fully offset through various carbon offset programs around the world, managed by external parties, TerraPass, Blue Source and Planetly. All of our offset credits are Golden Standard, VCS or ISO 14064-3 certified.

We recognize that a large proportion of HelloFresh product emissions are generated upstream in our supply chain, within food agriculture and production. We are looking into acquiring carbon emissions' data for our ingredients and using it to

provide more climate friendly meals to our customers. We are also currently evaluating measures to closer align our reduction targets with global best practices on environmental disclosures. Specifically, in 2022 we plan to formally initiate our commitment to developing science-based targets based on guidance developed by the Science Based Targets initiative (SBTi). We prepare to develop and validate our targets within the two-year time frame allocated to this process.

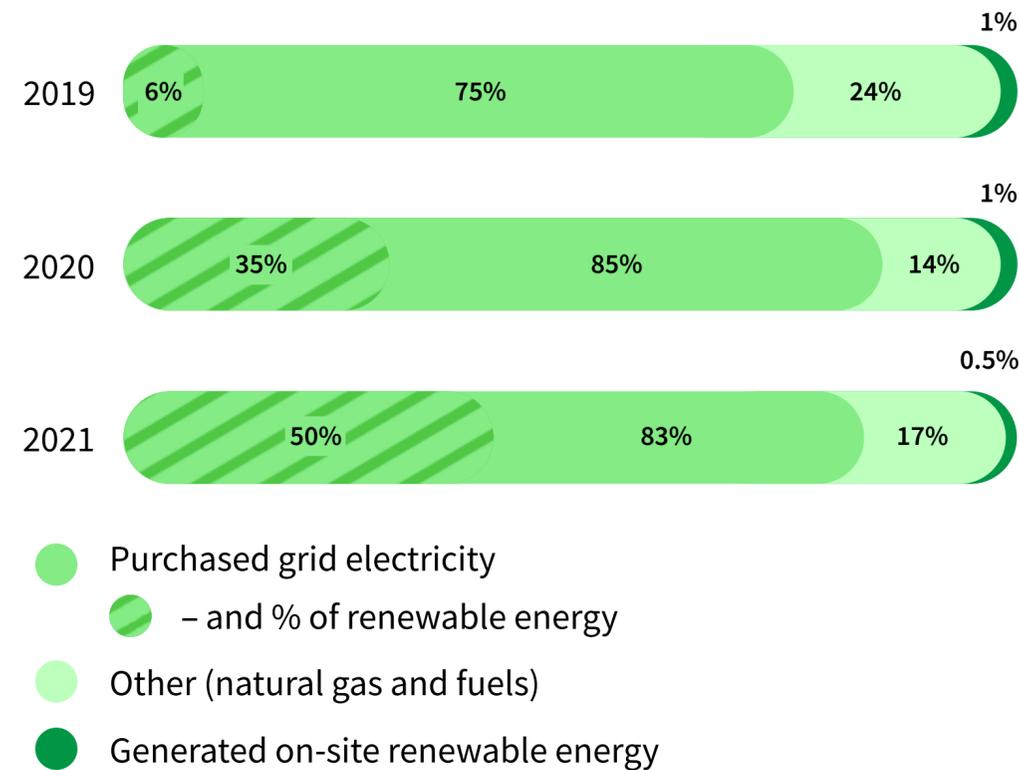
Energy efficiency & green energy

A new energy policy was introduced across our operations in the Benelux, Germany and the UK in 2020, with plans to extend the policy to all major markets within HelloFresh globally. The policy promotes a more holistic approach to reducing our energy consumption and increasing our energy efficiency through a number of measures, such as the use of energy criteria when selecting new equipment or energy suppliers; defining sustainable guidelines for the design of new production sites; training of staff on energy reduction practices and sharing best practices across all our markets. A further component of the energy policy involves working to attain the ISO 50001 certification for our distribution centers. By the end of 2021, four distribution centers were ISO 50001 certified, in addition to our global HQ in Berlin.

⁵ * Year 2019 and 2020 are out of the external assurance scope

Another measure we are taking to reduce our carbon emissions is switching to renewable sources of energy for new and existing facilities. We installed solar photovoltaic installations with 600 kWp capacity in 2021, to supplement those already in place at our production facilities in Sydney and in the Benelux region. Our US distribution centers are either under a renewable electricity contract or covered by renewable energy certificates (RECs). We also apply a green energy strategy in the procurement of renewable energy contracts in facilities we operate in a number of our international markets. The share of green energy we consumed in our distribution centers and offices increased to 51% in 2021, from 36% in 2020 and 7% in 2019.

Total operational energy consumption and intensity at HelloFresh facilities: distribution centers, offices	2019*	2020*	2021
Energy consumption, GWh	50	73	140
Purchased grid electricity	75%	85%	83%
– and % of renewable energy	6%	35%	50%
Generated on-site renewable energy	1%	1%	0.5%
Other (natural gas and fuels)	24%	14%	17%



In one of the regions in Benelux where we own the outbound logistics fleet, we work on a per box carbon footprint reduction of our deliveries through the optimization of routes and integration of electric vehicles. We plan efficient routes based on the lowest fuel consumption, and have increased the number of routes completed by e-vans powered by renewable energy. This enabled us to deliver our product with zero transport emissions on 10% of all delivery routes across the Benelux region in 2021. Together, these measures have helped us to gradually reduce our logistics-related carbon emissions over the last four years and, specifically by 29% per box in Benelux in 2021, compared to 2020. We are also employing more sustainable build practices for new facilities, for example our new production facility in Melbourne uses natural light and skylights in ambient areas, motion sensors and timer-controlled lighting to reduce energy use. The site will also provide charging stations for electric vehicles.

HF BENELUX Outbound Logistics Fleet	2018*	2019*	2020*	2021 ⁶
kg of CO ₂ e/box	1.1	1.0	0.8	0.6
% emission-free routes	0%	1%	1%	10%

* Year 2019 and 2020 are out of the external assurance scope

⁶ Data points for weeks 10-18 of 2021 were missing and excluded from the calculation

Packaging

Packaging plays a vital role in our operations, and as part of our work to manage our environmental impacts, we continuously look for ways to minimize the packaging we use and to incorporate sustainable forms of packaging into our operations. Since some packaging is necessary, for example to protect, contain, or keep food fresher for longer, we've designed a packaging management approach around the following measures: avoid, reduce, promote recyclability, and innovate.

Compared to 2020, there was an overall reduction of 11%⁷ in packaging per meal. The decrease in plastics and mixed was driven by the switch of several SKUs from plastic packaging to paper. For example, we introduced paper pouches for our rice and grains, and multi-material cartons for yogurts and creams. The highest share of paper reduction was mainly driven by secondary packaging, due to packaging optimization measures, such as our "Box Fit" program in the US (more details below), while in other markets there was a slight increase in paper consumption, due to the packaging reduction initiatives we implemented across the international markets and by switching many SKUs from plastic to paper. We are working on setting overall reduction targets for the future which are supported by actionable KPIs on reusability, recyclability, composability and similar properties.

We also develop and adapt our packaging based on our customer needs and wishes, gained through direct feedback from our customers. In 2021, we launched a global consumer survey to understand consumer perceptions of our packaging, as well to obtain insights into the potential adoption rate of reusable box solutions. The data we collected enabled us to identify the main aspects of our primary and secondary packaging that we could improve for our customers, as well as identifying a potential adoption rate for reusable box solutions.

Avoiding & reducing packaging

In 2021, we began standardizing the packaging we use across our international operations, enabling us to use the same packaging in multiple markets. This helps reduce complexity within our supply chain, lowers transportation costs and minimizes packaging waste as any excess can be shared across markets. We also increased our in-house production of ice packs and our freezer capacity. This shorter supply chain helps reduce our use of third party logistics and ultimately avoid additional forms of packaging. In the US, we implemented a linerless solution for winter boxes, which reduced the amount of packaging used during the winter months.

In January 2021, we rolled out our "Box Fit" program in the US, following a successful pilot project in 2020. The program assigns boxes on the actual size and weight of the ingredients rather than the meal plan size. An updated methodology introduced in 2021 assigns secondary packaging configurations dynamically based on the volume of a customer's order. As a result of this update, the number of small box assignments increased from 18% to 50% of the total boxes shipped over the 2021 winter months (December-March) in the US. The program is now being rolled out to the EveryPlate brand and third-party sites. We also introduced a packaging optimization measure, our Dynamic Packaging Configurator (DPC), to several of our international markets.

Packaging per meal**	Primary (Ingredient)		Secondary (Outer)		Total	
	2020*	2021	2020*	2021	2020*	2021
Plastics and mixed	12.8 g	12.2 g	25.1 g	13.5 g	37.8 g	25.7 g
Paper	0.3 g	0.7 g	99.3 g	95.7 g	99.7 g	96.4 g
Total	13.1 g	12.9 g	124.4 g	109.1 g	137.5 g	122.0 g

⁷ Years 2018, 2019 and 2020 are out of the external assurance scope

*Year 2020 is out of the external assurance scope; year 2020 data was adjusted based on improved accuracy

**Values based on procured mass evaluated in 70% of markets by Revenues, meal-kit operations; Excluding glass and metal (<1% by weight)

The DPC uses data on dimensions of our ingredients, and volume, to calculate the exact amount of packaging required for each individual customer order. It allows us to calculate the optimal packaging size (meal kit, insulation and boxes) and the required quantity of ice. We are continuously testing and optimizing this software for use in all international market segments. By using the Box Fit program and the DPC, we can transport more meal kits per delivery, for example we can fit an average of four extra boxes onto each pallet based on trials of our DPC improvements. At scale, this will lead to notable carbon emissions reductions from our delivery operations, as well as paper and plastic weight reductions. Further measures we took to reduce packaging in 2021 involved introducing four-portion protein packs to replace our standard two-portion packs (for four-portion orders) in the US and New Zealand. This initiative led to a 25% reduction in packaging for these products.

Increasing the recyclability of our packaging

Increasing the use of more custom-made, durable and recyclable packaging to replace conventional plastics is a key component of our packaging strategy. In 2021, we switched the rice and grain packaging in our European markets to 100% recyclable paper packaging. This switch replaced about 71 metric tonnes of plastic and mixed packaging with recyclable paper in 2021.⁸ We plan to further reduce our use of plastic packaging for applicable products in the future.

We also increased the sustainability of our ice packs by developing our own version in-house. Gel-based ice packs produced by third-party suppliers can contain microplastics and are transported over long distances. The ice packs we designed are water-based, thereby avoiding microplastics, and by producing these in-house we can avoid the related carbon

emissions from transportation. Additionally, third-party ice packs can contain multilayers of foils, which are not recyclable in many markets. We are working on incorporating a monolayer foil which can be recycled across all HelloFresh markets.

Recycling is not only an important component of our internal packaging strategy at HelloFresh we also aim to contribute to recycling efforts on a wider scale. In 2021, we partnered with Plastic Bank[®] to set up three plastic collection centers in Indonesia, where plastic pollution poses an acute problem. These collection centers aim at stopping over 37.5 million plastic bottles from entering the ocean over the next three years, while also supporting local communities.

Packaging innovations

We collaborate with suppliers and last-mile delivery partners, along with universities and research institutions, to establish projects that help us optimize our packaging and explore innovative primary and secondary packaging solutions. This involves researching the latest developments in packaging, testing and piloting trials to ensure that any new solutions we adopt will adhere to our high safety and quality standards. Our Dynamic Packaging Configurator is a good example of utilizing the latest innovations in packaging to optimize a core aspect of our operations.

Data plays an important role in managing our sustainable packaging approach. We closely monitor ice usage and inventory levels, and we are working on improving packaging data transparency to set accurate packaging reduction targets for the future.

Keeping our customer needs at the center of any new packaging initiatives is a key priority for HelloFresh. We continued to monitor our net promoter score (NPS) and customer feedback throughout 2021 to gain more customer insights on our packaging. We also have plans to simplify our consumer messaging on sustainable packaging to enable more conscious choice and consumption, and improve the overall customer experience.

⁸ This data refers to DACH, BENELUX and France, but the measure was implemented in seven markets: Austria, Belgium, France, Germany, Luxembourg, the Netherlands, and the UK

Responsible sourcing

We prioritize the search for better ways to source sustainable, high-quality ingredients from suppliers that actively manage their environmental and social impacts. This includes suppliers that comply with industry certificates and standards. Furthermore, by favoring locally grown ingredients and in-season produce, we can minimize unnecessary food miles within our operations and support local agriculture and food production. For example, in winter 2021, HelloFresh operations in France began piloting an initiative to stop using out-of-season vegetables (excluding cucumber). Vegetables such as peppers, tomatoes, zucchinis and eggplants will no longer be used in HelloFresh meal kits in France during the winter, to help reduce the number of imported ingredients.

The safety and quality of our produce is of paramount importance to HelloFresh. All HelloFresh suppliers go through an onboarding process with our Food Safety and Quality Assurance (FSQA) team, which includes approving their manufacturing facility by reviewing certifications, asking risk-based questions and auditing suppliers classed as high risk. The FSQA team also approves each ingredient used, which includes allergens and nutritional content, and the labelling of these.

We seek to source our produce from suppliers that focus on sustainable production and comply with the Global G.A.P. (Good Agricultural Practices) or market equivalent, and the Global Food Safety Initiative (GFSI).

We have identified SEDEX as our main provider of ethical assurance for companies within our supply chain. SEDEX is an online assessment tool which allows companies to submit, review and risk assess data on ethical and responsible business

practices. We are in the process of setting up online assessments for our suppliers across our international segment. Once the assessment of the system is completed across our international segment, high risk suppliers would then require actions such as an audit, which would be completed via a third-party organization with ethical expertise.

In 2021, 97.3% of the fresh produce we purchased came from suppliers that are Global G.A.P. or equivalent compliant, or GFSI-certified. Additionally, 99.5% of total fish and seafood (by weight) purchased in 2021 is from a recognized scheme (Global G.A.P, MSC, ASC, BAP or equivalent). And in EU markets, 98% of our chicken volume by weight is procured from farms where the stocking density is above EU legislative minimum, and 21% met or exceeded the requirements of the Better Chicken Commitment. In the US, we follow the Monterey Bay Aquarium Seafood Watch rankings which provide sustainable seafood advisory lists, to assist our sustainable purchasing decisions.

Ethical trading

We expect our supply chain partners to adhere to the same high ethical standards to which we hold ourselves accountable. To promote responsible business practices across our supply chain, and to minimize risks from any potential human rights violations, our Ethical Trading Policy sets clear minimum requirements for doing business with any company of the HelloFresh Group. The policy defines how HelloFresh expects workers to be treated, respecting human rights as outlined within the International Bill of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. The requirements include, but are not limited to, the prohibition

of any kind of modern slavery, child labor, discrimination, harassment or inhumane treatment and excessive working hours. We are in the process of following up with our suppliers to sign off on the policy.

HelloFresh reserves the right to conduct unannounced visits or audits of direct suppliers and facilities where a brand name owned by HelloFresh is used, to check compliance with our Ethical Trading Policy. We continue to roll this out with the first supplier visits or audits to follow in 2022. If a breach of the policy is found, we will work with suppliers within policy scope to agree on a corrective action plan. Corrective action plans must detail clear timescales, responsibilities and specific actions to achieve compliance. Failure to agree or deliver a corrective action plan to an acceptable standard will result in no further business being awarded until HelloFresh is satisfied there is full commitment to the corrective action plan process. [The Ethical Trading Policy](#) is publicly available on our Group website.

People

Employee health & safety

Supporting the mental and physical wellbeing of all HelloFresh employees and providing a safe working environment that strives for “zero harm” is an integral part of our business. Our organization-wide health and safety approach is working on providing global oversight and direction, while local entities and offices are responsible for implementation and alignment of the procedures with the respective national or regional legal requirements.

Our health and safety vision and strategy, developed in 2021 to bring greater cohesion to our global approach, is formed of six pillars: compliance, incident prevention, risk management, culture, leading by example and occupational health and safety (OHS) management systems. The international and US operating sites collaborate closely on similar health and safety strategies, enabling scalable future growth plans. This includes targeting potential exposures before incidents happen.

All operational levels play a part in setting and maintaining our safety standards. Employees who own specific processes provide input into the design and definition of safe ways of working that establish clear accountabilities.

Our health and safety strategy is fully aligned with our operating model, and a Plan, Do, Check, Act (PDCA) approach has been established to implement activities within the strategy. All major operational locations received a health and safety audit in 2021 to address compliance, carried out by certified external auditors. Following the audits, clear action plans were established to address any issues identified.

In addition, the US market launched a Culture Amp survey asking three specific safety questions, which provided valuable information to help shape and improve our safety culture. Building on work in 2020, the 2021 strategy aimed at not only reducing injury severity, but largely focused on preventative actions. As a result, we saw a significant reduction in injury rates and increased participation on our workplace health and safety teams. The improvements made in 2021 have enabled the US operations to participate in the Occupational Health and Safety Administration’s voluntary protection program (VPP). This program recognizes high-performing businesses that have achieved or are taking significant steps towards achieving safety excellence.

Additional measures taken during the Covid-19 pandemic

In light of the ongoing Covid-19 pandemic, we continued measures implemented in 2020 to reduce the risk of virus transmission across our operations. We aim at adhering to the guidelines set out by local governments, while maintaining additional health and safety measures in all our facilities such as requiring the use of face masks in all operation areas and providing hand sanitizing stations; enforcing social distancing and utilizing plexiglass screens where social distancing was not possible; and installing thermal monitoring cameras to monitor staff temperatures. We supported workers who tested positive for Covid-19 with sick leave payment based on local regulatory requirements, and in some cases provided support beyond this. In the US, we coordinated with local health authorities and conducted on-site vaccination clinics for employees across our US sites.

Office staff were supported in working remotely through a mixture of technical, physical and emotional support. We held wellness workshops and established Employee Assistance Programs in a number of markets in our International segment to provide employees access to confidential counseling and support on a variety of issues such as work-life balance, managing work stress, leadership challenges and personal issues. These programs were run in collaboration with local providers such as Fürstenberg Institute Berlin, Open Up in Belgium, Luxembourg and the Netherlands, and EAP Assist in Australia and New Zealand. Furthermore, all employees have access to the Headspace app, which guides users in relaxation and meditation techniques, and we also offered free virtual yoga and fitness classes every week, with subsidized memberships to fitness studios and exercise apps in many of our markets.

In July 2021, we initiated a Wellbeing Taskforce at our global HQ in Berlin to further develop a holistic wellbeing offering for employees. This taskforce is supported by leadership, and activities are due to be launched in the first quarter of 2022.

As part of our health and safety strategy, we have set a number of targets for the coming years. We plan to develop and deploy a dedicated OHS training program in 2022 for all international markets that delivers competency assurance and compliance with safe ways of working, encompassing all operation levels. The program will include leadership standards expected for managing occupational safety and will be underpinned by a documented Operating Policy and OHS Framework.

We also plan to continue deploying risk reduction initiatives, aligned with the six pillars mentioned earlier, while ensuring data accuracy to allow for meaningful trend analysis and dynamic management strategies.

We will increase the visibility of our health and safety performance among company executives and stakeholders, ensuring understanding, positive action and accountability across all levels of our business. We also aim to deliver cultural development programs founded on employee and stakeholder consultation, bias for action, leadership principles and creative initiatives in safety improvements to empower our workforce when dealing with potential workplace hazards.

Furthermore, we will carry out due diligence by implementing our internal health and safety audit programs annually and verifying our international OHS management system. Additionally, we will continue to align the health and safety approaches of our international and US operations to ensure cohesive actions across the HelloFresh Group.

Employee diversity & inclusion

With more than 20,000 employees at HelloFresh, and over 90 different nationalities at our Berlin HQ alone, we recognize the importance of acknowledging and celebrating the different cultures, backgrounds and identities that make up our diverse workforce. We continue developing an inclusive work environment that attracts and nurtures talent from diverse backgrounds. Our working culture is based on mutual respect and appreciation, diversity, and equal opportunity.

[Our Code of Ethics](#), which applies to all employees within the HelloFresh Group, across all markets, including our Management Board, managing directors and executive officers, is anchored on three aspects: respect, responsibility and integrity. We work in the basis of a inclusive culture with respect to age, race, ethnicity, national origin, gender, marital status, political opinion, sexual orientation and gender identity, culture, physical or mental disability, religion, or how employees identify or express themselves. We aim at providing equal opportunities and fair treatment within the hiring and promotions process, which is based upon individual qualifications and ability to perform the role. We also take measures to identify and eliminate barriers that might prevent the full participation of some employee groups.

Maintaining a balanced workforce in terms of gender is an important aspect of our diversity and equal opportunity approach. In 2021, women accounted for 35% of the associate director and above positions across HelloFresh. Fostering a working culture which empowers women, especially within male-dominated fields such as technology, continues to be a significant focus area for HelloFresh. We collaborate with LeWagon Bootcamp to offer scholarships for women interested in making a career switch to technology, and in 2021 we welcomed our first three participants as permanent employees in the HelloFresh technology team, following completion of their six-month Women in Technology scholarships.

To monitor our adherence to and progress towards gender equality within employee development, our Employee Experience team in Berlin holds an annual review of all promotions awarded throughout the year. The team has a specific function for Diversity, Equity and Inclusion (DE&I) and is responsible for

a bias-proof analysis ensuring fairness in the promotions process, from nomination to appointment. In 2021, females accounted for 59% of the promotions (out of eligible for promotions) across HelloFresh SE. Within technology functions, females accounted for 32% of promotions (out of eligible for promotions).

Providing training on DE&I is a key way of fostering an inclusive culture, and in 2021 we held DE&I training for our executive leadership in Berlin, the UK and the US. This training will be extended to other levels of leadership in 2022. To ensure we maintain our commitment to diversity and inclusion during the hiring process, all recruiters and hiring managers will undertake bias training where they learn techniques for diversity sourcing, writing inclusive job descriptions, reducing candidate screening bias and inclusive interviewing. For 2022, HelloFresh has set Objective Key Results (OKRs) to increase diverse representation at Associate Director level and higher by setting up unbiased decision-making processes for promotions and hiring, and achieving a significant increase in hiring diverse talent from underrepresented groups, based on company, industry or country benchmarks. Our Global Talent Acquisition DE&I team is in the process of developing a dashboard to track this data.

We believe that an inclusive culture can be enhanced through the empowerment of employees within diversity-related topic groups, known as Employee Resource Groups (ERGs), and we encourage employees to form ERG's to give a voice and platform to the myriad intersectional identities within our community. In Berlin, the US, Canada and the Benelux region, our ERGs meet regularly for training, discussion, networking and to mark important occasions. The ERGs are formed of volunteer employees with a shared interest in specific diversity-related

topics such as gender equality, LGBTQIA+ representation and inclusion, cultural diversity, and support for working parents and caregivers, and we have plans for developing religion-based and neurodiversity ERGs in the future. We also implemented monthly updates on key diversity metrics for executive leaders and teams, with live quarterly debriefs to develop action plans that address diversity, equity and inclusion across HelloFresh.

Employee development

Continued professional development is a part of the company culture at HelloFresh, with “Learning never stops” being one of our core values. This strong focus on employee development across our business units helps to foster a learning culture, gives our employees the development they need to achieve organizational objectives and key results, whilst supporting the retention of highly motivated, talented and engaged employees. Global learning and development teams are responsible for overseeing the HelloFresh learning and development activities.

In 2021, we ran a three-month Own Your Development program to empower employees at our global headquarters in Berlin to take ownership of their personal development. Workshops, career spotlight sessions and digital learning sessions were held to give guidances on various aspects of driving future career growth, and nearly 1000 employees participated in the program. Colleagues are also encouraged to support one another through the sharing of resources, advice and collaboration on topics related to learning and development via the HelloFresh Academy Slack channel. In addition to our central budget to support organization-wide development opportunities, employees have

access to an annual personal learning and development budget, and we also provide a number of locally-based training initiatives in various markets. In 2021 more than EUR 3,000,000 was spent on learning and development globally.

Employees receive bi-annual performance reviews based on feedback from their line managers and peers. The review cycle is transparent and designed to help our employees reach their professional goals at HelloFresh. In 2021, 50% of open management positions were filled internally. Our international Future Leaders Program (FLP), launched in 2019, supports high potential employees in developing their careers within HelloFresh, and our first cohort of FLP employees graduated from the program in May 2021. All cohorts are mentored by senior management across the HelloFresh Group, and they receive bi-annual reviews and check-ins with C-level executives. We establish up to six C-level led strategic project teams per year.

2021 saw the continuation of our international Fast Stream Rotational Program with the second cohort of participants successfully onboarded in September 2021, and more expected to join in 2022. The two-year program provides university graduates with the opportunity to accelerate their path to leadership through high-impact, challenging rotational assignments at HelloFresh, within four different business areas, giving them a solid foundation for their future careers. Organization and planning of the program is steered by HelloFresh Co-Founder, Thomas Griesel.

We also run a three-month Leadership Development Program, and this was extended in 2021 to include leaders across our international offices. Eight successful cohorts have participated so far, including employees from Berlin, France, the Nordics region, and the UK. We plan to extend the program to other markets in 2022. Additional leadership pillars for the program, for example Leadership Basics and Advanced, are currently being developed in close collaboration with our CEOs, and will be launched in 2022.

Governance

Ethics & compliance

We believe that an organizational culture founded on integrity, respect and responsibility is essential for achieving success across our sustainability initiatives. In April 2021, we replaced our Code of Conduct with a new, comprehensive Code of Ethics stressing our commitments and ethical standards reflecting these three core values. [The Code of Ethics](#) is available on our Group website and is communicated to all employees at HelloFresh.

Our Code of Ethics is structured around four pillars: our planet; our people; our community, which also addresses governance; and our business. It provides clear guidance on how we expect all employees at HelloFresh to uphold our values in their daily work and to help us to deliver on our commitments. All employees are required to comply with applicable laws and our ethical standards on topics including anti-corruption, non-discrimination and harassment, data protection, fair competition, the respect for human rights, financial crimes and inside trading. 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.

Our global compliance management function together with local compliance officers provides the development, maintenance and continuous improvement of our compliance program including, but not limited to, regular compliance communication, policy management and the management of reporting on and investigating of ethics concerns. The global compliance management function reports directly into the CFO, and the Management Board has overall responsibility for global compliance.

We have regular communications to promote a speak-up culture, and we maintain a number of different reporting channels for employees as well as external stakeholders to address any concerns regarding violations of applicable laws or our ethical standards. This includes reporting via the HelloFresh Speak Up! platform, which is a whistleblowing system hosted by an external vendor. The platform is accessible via our Group website and allows for open and anonymous reporting (if preferred) in various languages. All reported issues are diligently assessed by our Ethics & Compliance Team based on a Group-wide standardized investigation process and further investigated where necessary. In the reporting period, no breaches or violations of corruption laws were registered. There were no confirmed cases resulting in a warning or dismissal of an employee due to corruption. In the future, we aim to expand the reporting on quantitative information linked to compliance.

Data security

Customer privacy and protection of employee, supplier, and other stakeholder data are vital components of our global operations. Data Privacy is managed by our team of legal experts that reports directly to the Chief Financial officer. The team and the whole HelloFresh company deploy significant resources to provide the safety of our customer data and to 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 and 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. The measures and instruments implemented by HelloFresh to provide data privacy compliance comprise the following:

Training: Employees handling personal data undergo online data protection training with a final examination 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 contract.

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.

Provision of guidelines: General Data Protection and Data Privacy Incidents documents explain how personal data is defined, which general rules apply to personal data, and, for example, how to react in cases of a data incident. Our Data Request Policy formulates how to respond to data subject requests from our customers and other stakeholders.

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 have to enter into respective Data Protection Agreements with us, including Standard Contractual Clauses, where required.

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

Control guidelines: Systems containing access to sensitive information are covered by policies, processes and controls implemented by IT and periodically reviewed by Security. 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 CRM system is audited on a quarterly basis, reviewing access granted throughout 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 no confirmed cases of data privacy breaches or violations resulting in a warning or dismissal of an employee and a fine over 100 thousand euros. In order to measure our success at protecting our customer data, we are developing various KPIs that are designed to help us to understand if and how we can improve data privacy in our operations. Such yearly KPIs will include the number of sanctioned privacy breaches, the number of completed due diligence processes for vendors, the number of answered data subject requests, the number of employees having passed the online privacy examination, among other items. In the future, we aim to report new confirmed cases of data privacy breaches or violations resulting in a warning or dismissal of an employee and a fine over 100 thousand euros.

Limited Assurance Report of the Independent Auditor regarding the combined separate non-financial report¹

To the Supervisory Board of HelloFresh SE, Berlin

We have performed an independent limited assurance engagement on the non-financial statement of HelloFresh SE (further “Company” or “HelloFresh”) and on the non-financial statement of the parent company that is combined with it, which are published in the form of a separate report outside of the Management Report, (further “combined separate non-financial report”) for the period from January 1 to December 31, 2021.

Management’s Responsibility

The legal representatives of the Company are responsible for the preparation of the combined separate non-financial report in accordance with §§ 315b, 315c in conjunction with 289b to 289e HGB and with Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (further „EU Taxonomy Regulation“) and the supplementing Delegated Acts as well as the interpretation of the wordings and terms contained in the EU Taxonomy Regulation and in the supplementing Delegated Acts by the Company as disclosed in Section “EU Taxonomy” of the combined separate non-financial report. This responsibility of the legal representatives includes the selection and application of appropriate methods to prepare the combined separate non-financial report and the use of assumptions and estimates for individual disclosures which are reasonable under the given circumstances. Furthermore, the legal representatives are responsible for the internal controls

they deem necessary for the preparation of the combined separate non-financial report that is free of – intended or unintended – material misstatements. The EU Taxonomy Regulation and the supplementing Delegated Acts contain wordings and terms that are still subject to substantial uncertainties regarding their interpretation and for which not all clarifications have been published yet. Therefore, the legal representatives have included a description of their interpretation in Section “EU Taxonomy” of the combined separate non-financial report. They are responsible for its tenability. Due to the innate risk of diverging interpretations of vague legal concepts, the legal conformity of these interpretations is subject to uncertainty.

Practitioner’s Responsibility

It is our responsibility to express a conclusion on the combined separate non-financial report based on our work performed within a limited assurance engagement. We conducted our work in the form of a limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): “Assurance Engagements other than Audits or Reviews of Historical Financial Information”, published by IAASB. Accordingly, we have to plan and perform the assurance engagement in such a way that we obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the combined separate non-financial report of the Company for the period from January 1 to December 31, 2021 has not been prepared, in all material respects, in accordance with §§ 315b and 315c in conjunction with 289b to 289e HGB

and with the EU Taxonomy Regulation and the supplementing Delegated Acts as well as the interpretation of the wordings and terms contained in the EU Taxonomy Regulation and in the supplementing Delegated Acts by the legal representatives as disclosed in Section “EU Taxonomy” of the combined separate non-financial report. We do not, however, issue a separate conclusion for each disclosure. As the assurance procedures performed in a limited assurance engagement are less comprehensive than in a reasonable assurance engagement, the level of assurance obtained is substantially lower. The choice of assurance procedures is subject to the auditor’s own judgement. Within the scope of our engagement we performed, amongst others, the following procedures:

- Inquiries of group-level personnel who are responsible for the materiality analysis in order to understand the processes for determining material topics and respective reporting boundaries for HelloFresh SE
- A risk analysis, including media research, to identify relevant information on HelloFresh SE sustainability performance in the reporting period
- Reviewing the suitability of internally developed Reporting Criteria

¹ Our engagement applied to the German version of the combined separate non-financial report 2021. This text is a translation of the Independent Assurance Report issued in German, whereas the German text is authoritative.

- 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 Newark, USA and Verden, Germany
- Assessment of the overall presentation of the disclosures
- Evaluation of the process for the identification of taxonomy-eligible economic activities and the corresponding disclosures in the combined separate non-financial report

The legal representatives have to interpret vague legal concepts in order to be able to compile the relevant disclosures according to Article 8 of the EU Taxonomy Regulation. Due to the innate risk of diverging interpretations of vague legal concepts, the legal conformity of these interpretations and, correspondingly, our assurance thereof are subject to uncertainty. In our opinion, we obtained sufficient and appropriate evidence for reaching a conclusion for the assurance engagement.

Independence and Quality Assurance on the Part of the Auditing Firm

In performing this engagement, we applied the legal provisions and professional pronouncements regarding independence and quality assurance, in particular the Professional Code for German Public Auditors and Chartered Accountants (in Germany) and the quality assurance standard of the German Institute of Public Auditors (Institut der Wirtschaftsprüfer, IDW) regarding quality assurance requirements in audit practice (IDW QS 1).

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the combined separate non-financial report of HelloFresh SE for the period from January 1 to December 31, 2021 has not been prepared, in all material respects, in accordance with §§ 315b and 315c in conjunction with 289b to 289e HGB and with the EU Taxonomy Regulation and the supplementing Delegated Acts as well as the interpretation disclosed in Section “EU Taxonomy” of the combined separate non-financial report.

Restriction of Use/General Engagement Terms

This assurance report is issued for purposes of the Supervisory Board of HelloFresh SE, Berlin, only. We assume no responsibility with regard to any third parties.

Our assignment for the Supervisory Board of HelloFresh SE, Berlin, and professional liability as described above was governed by the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 (https://www.kpmg.de/bescheinigungen/lib/aab_english.pdf). By reading and using the information contained in this assurance report, each recipient confirms notice of the provisions contained therein including the limitation of our liability as stipulated in No. 9 and accepts the validity of the General Engagement Terms with respect to us.

Berlin, April 14, 2022
KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Sternberg
Wirtschaftsprüfer
[German Public Auditor]

ppa. Baumann