



# Sustainability Report 2020



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

Looking back on 2020, it's impossible to talk about our sustainability achievements without acknowledging what an extraordinary year it was. Our mission is to change the way people eat forever – and the world has never needed new ways to enjoy fresh homemade meals more than it does today.

In 2020, we offered our customers a safe, convenient way to source fresh ingredients when they needed it most. With the growth we experienced came an even bigger responsibility, which is why we've continued to radically focus our efforts on progressing our sustainability agenda over the last year.

One of our most significant milestones (and one I'm most proud of) was becoming the first global carbon-neutral meal kit company. By offsetting 100% of our direct carbon emissions, we became our customers' eco-friendly meal kit of choice.

Another key aspect of our sustainability efforts in 2020 was strengthening our supply chain. Our short supply chain helps us significantly reduce carbon emissions as well as food waste. Last year, it also enabled us to react efficiently to the dynamic conditions of the global pandemic.

This year's report includes a promise to broaden our monitoring efforts across all key sustainability indicators in an effort to reduce our overall environmental impact. We've set ourselves two very ambitious goals: lowering our production facilities' carbon emissions by 60% per euro of revenue and reducing food waste at our facilities by 50% per euro of revenue from year 2019 to 2022. These targets, in two of the most important and impactful areas of sustainability, provide the necessary framework for significantly progressing our efforts and will enable us to set standards for measuring other areas of environmental impact.

Our sustainability goals aren't just limited to our impact on the planet, though. In this report, we also highlight how we ensure the welfare of all 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, ensuring data protection and more. While these are things to which we were already committed, 2020 made it more apparent than ever that it's obligatory to set exceptionally high standards for ourselves – and to hold ourselves accountable to them.



As HelloFresh grows, so does our responsibility to care for the planet, our people and our community. We take this duty very seriously, and it informs everything we do as a company. Our team of sustainability experts in our offices around the world ensures we deliver on this promise in a way that is transparent and, most importantly, measurable. I'm very happy to share the most recent results of these efforts in our Sustainability Report for 2020.

A handwritten signature in black ink that reads "Thomas". The signature is written in a cursive, slightly stylized font.

Thomas Griesel

# About the Sustainability Report 2020

Our Sustainability Report describes HelloFresh's sustainability strategy and related activities, including relevant key performance indicators. It includes the combined non-financial report provided jointly for HelloFresh SE and the HelloFresh Group in accordance with Sec. 289b (1) and (3) and Sec. 315b (1) and (3) HGB (German Commercial Code) for the fiscal year 2020.

HelloFresh operates under the following brands: HelloFresh, Green Chef, EveryPlate, Factor75 and Chefs Plate. In 2020, we provided over 600 million meals to customers in 14 countries.

HelloFresh operates an e-commerce membership model with distinct advantages over other e-commerce companies. However, our business model offers a high degree of flexibility and as a result our customers follow different usage patterns. The HelloFresh supply chain also presents an efficient and more environmentally friendly alternative to the traditional food supply chain. Detailed information on HelloFresh's business model is provided in section 1.1. of our Annual Report 2020.

## Reporting framework

For the 2020 Sustainability Report, HelloFresh is not following specific reporting standards, but instead using a framework that is more closely aligned to our business processes. The focus and topics of this report have been selected through the materiality assessment explained below.

In this report we have included goals for reducing our impact on the environment. Based on the material topics, we have defined the most crucial metrics – reduction of carbon emissions and food waste expressed in revenue. As our business grows in 2021 and beyond, additional metrics may become relevant and tangible. We will add those metrics to future sustainability reports.

Furthermore, we will integrate the reporting standards by the EU taxonomy when the legislation comes into force in 2022. This will further ensure unity and comparability across businesses

## Materiality assessment

We are always looking for ways to improve our transparency and dialogue with stakeholders. That is why in this report we have presented the results of a detailed materiality assessment of sustainability topics for HelloFresh. We have analyzed and discussed various areas of our sustainability efforts and their potential impact, both positive or adverse, across our core stakeholder groups. Our materiality assessment was conducted by using mixed methods, including internal data, deepened insights, interviews and workshops. Sustainability topics are also an important part of our consumer research and customer care, as well as employee satisfaction surveys and conversations with investors.

We have asked our customers, employees, senior management, investors and suppliers to share their opinions on topics that are relevant to them and how HelloFresh can become a more sustainable company in those areas.

Additionally, we have conducted two sessions of workshops to source feedback from food industry experts from ten countries across the world, including NGOs, academia, think-tanks, sustainability consultancies and our suppliers. We met with over 30 sustainability experts, who shared their highly targeted feedback and suggestions on our sustainability progress and strategy. Based on these sessions, we have managed to identify key areas for improvement, including greenhouse gas and carbon emissions, sustainable packaging, food waste, customer education, and food quality and safety.

Within the materiality assessment we mapped several areas that serve as highlights for this report. The three thematic chapters of this report reflect the weight of how relevant each topic is among analyzed stakeholder groups. Hence, the most significant among all stakeholder groups was environmental issues, such as the reduction of carbon emissions, food waste, packaging, responsible ingredient sourcing and animal welfare. These topics and our efforts are shown in the "Our Planet" chapter.

The next significant area was related to social issues, which included our response to the COVID-19 pandemic-related adversities, human rights matters, labor practices, employee diversity, and inclusion. These topics and more are detailed in the "Our People" chapter.

Lastly, topics relating to our various external stakeholders, such as multi-level support for our local communities, our suppliers' working conditions, and prevention of corruption and other related topics, are disclosed in the "Our Community" chapter.

The conducted materiality assessment of sustainability issues reflects not only a fair view of the information requested by our stakeholders in this report, but also helps us shape our vision of sustainability for months and years ahead.

## Risk management, involvement of management board and legal compliance

HelloFresh has a dedicated risk management function that identifies and assesses risks that could affect our business performance and sustainability efforts. Here, we define potential risks and the actions we take to mitigate them.

### Strategic and economic cycle risks

We operate in a competitive environment consisting of both direct and indirect competitors. HelloFresh strives to mitigate this risk by continuous investment and improvement of our product offering, investment into data collection and software development, investment into our state-of-the-art manufacturing site network, as well as leveraging scale benefits and strengthening customer relationships. Additionally, our Senior Management team constantly monitors the competitive landscape in order to address potentially adverse changes in an appropriate manner.

In case of broader economic risks, such as a global recession, HelloFresh performs scenario planning to understand what impact certain economic shifts and related customer behavior would have on our business. We then determine how this impact could be countered. A great benefit of the HelloFresh business model is the largely variable cost base, which can be quickly scaled up or down based on the business development.

### Food safety regulatory and compliance risks

As our core offering involves the sale of fresh food directly to our customers, we are subject to a number of laws, regulations and risks relating to health and safety, as well as the correct labeling of allergens.

One such risk is consumer harm or product recall due to contaminated food. We have established a number of processes and practices mitigating such risks, including a data-driven supplier management procedure, as well as a standardized supplier onboarding process. We also test all incoming goods at our distribution centers and adhere to strict food safety and hygiene standards during the production and repacking process. Furthermore, we have clearly defined recall plans along with crisis management manuals and escalation processes.

### Operational risks

#### Dependence on new customer acquisition for growth

Our growth substantially relies on new customer acquisition. HelloFresh utilizes data such as recipe ratings to optimize our product to appeal to a broader set of customers. We are also constantly developing our product portfolio based on customer feedback and external market studies. Furthermore, overall market penetration is still very low, pointing to promising growth opportunities.

#### Potential pandemics and COVID-19

Pandemics such as COVID-19 pose a threat to our production staff, office staff and just-in-time supply chain. We have implemented stringent hygiene standards at all our offices and distribution centers to ensure the health and safety of our staff. In most markets, we also work with a number of different suppliers for each core ingredient category to avoid interruptions in our supply chain. These measures allow us to avoid disruptions in our business processes.

#### Climate change

While we continue to reduce our environmental impact in the fight against climate change, extreme weather conditions like heat waves and floods still pose a threat to our supply chain. To mitigate these risks and avoid ingredient shortages, we have a large supply network spread across multiple regions. We also use innovative packaging solutions and short-term cooling zones in our distribution centers to keep our ingredients fresh even in extreme temperatures.

### Involvement of management board

The Management Board bears the overall responsibility for the sustainability strategy. It provides its guidance on the sustainability concepts pursued regarding each aspect and coordinates the respective measures with the responsible management levels.

To ensure accountability for our continued efforts around the sustainability of our business on the most senior levels of management, HelloFresh has formally appointed Thomas Griesel, co-CEO & co-founder of HelloFresh as the management board representative for environmental, social, and corporate governance topics. In 2020 we also created a dedicated ESG committee within the supervisory board.

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# HelloFresh: Sustainability in Numbers

*In 2020, we delivered more than 601 million meals to our customers and put the same effort into delivering a sustainable meal kit worldwide.*

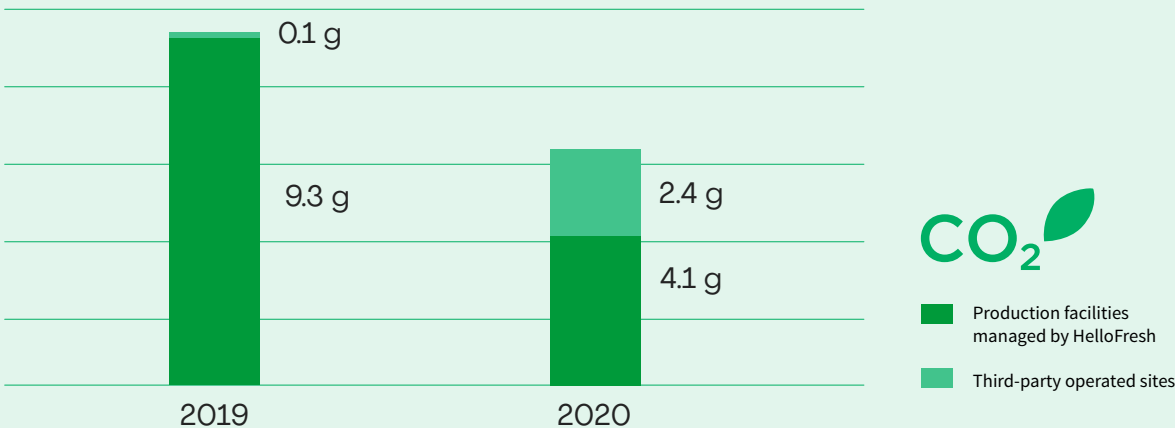
## HelloFresh operations at a glance

	2019	2020
Revenue	€1,809 M	€3,749.9 M
Carbon emissions	53,100 T	96,310 T
Total food waste	1,103 T*	1,328 T
Carbon emissions in our production facilities per euro of revenue	9.3 g	4.1 g
Food waste per euro of revenue	0.6 g	0.4 g

\*For the international segment based on Q4 2019 data.

## Carbon emissions

Carbon emissions in production facilities per euro of revenue\*



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

## Carbon emissions in tonnes by source

	2019	2020
Production facilities*	16,777	15,521
Non-Production facilities**	1,569	4,603
Third-party offsite production & storage	98	8,950
Outbound logistics***	31,473	65,846
Business travel	3,182	1,391
<b>Total carbon emissions</b>	<b>53,100</b>	<b>96,310</b>

\*Distribution centers, excluding logistics hubs. \*\*Offices, external data storage servers and logistics hubs.  
 \*\*\*HelloFresh fleet and third-party carriers.

## Carbon emissions in tonnes by scope

	2019	2020
Scope 1	4,347	5,286
Scope 2, market-based**	12,881	14,756
Scope 2, location-based	14,312	16,402
Scope 3***	35,872	76,268
<b>Total carbon emissions</b>	<b>53,100</b>	<b>96,310</b>

\*Fuels (TTW, for HelloFresh fleet and production), natural gas, F-Gas. \*\*Location-based where market-based emission factor is not available.  
 \*\*\*Category 1: purchased goods and services (third party storage and offsite production, external servers). Category 3: fuel- and energy-related activities (fuel production and distribution, electricity transmission losses and distribution). Category 4: upstream transportation and distribution (third party outbound logistics; excluding emissions already offset by carriers). Category 6 - business travel (employee corporate travel).

### How do we report our emissions?

We account for our emissions in accordance with Greenhouse Gas Protocol methodology and group them on a per-scope basis. Additionally, we track our carbon emissions on a per source base, which is more closely aligned to our business processes. The traditional per-scope reporting does not fully represent 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 our own fleet. Insourcing logistics has a lot of sustainability benefits, especially packaging reduction and the further 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. HelloFresh Corporate Carbon Footprint (Scope 1, 2 and Scope 3) for the year 2020 was certified by TÜV Rheinland in accordance with the GHG Protocol: 2004.

## Food waste



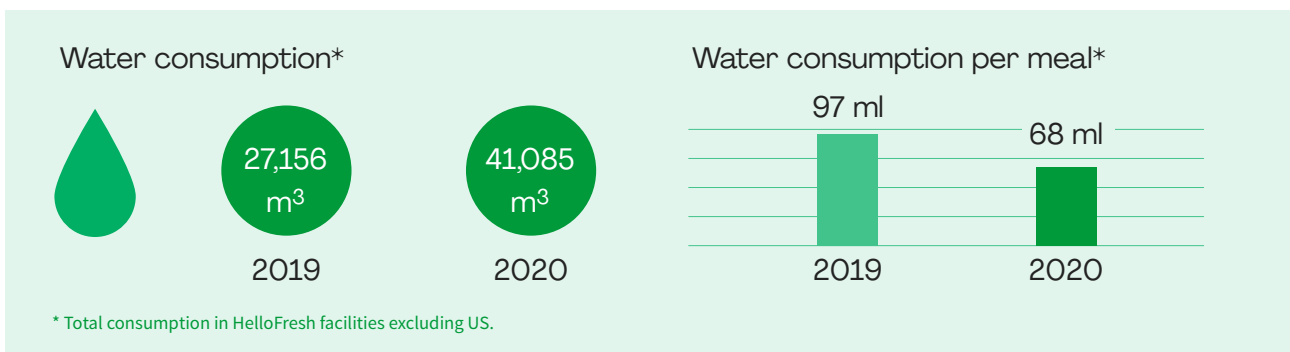
## Packaging



## Ingredient sourcing



## Water consumption in our facilities





## Our People

2019



5,300+ employees worldwide

2020



11,860 employees worldwide



47% female employees



41% management positions held by females (Associate Director and above)



86 nationalities at Berlin headquarters



57% + open management positions filled internally (Associate Director and above)

# Our Planet

*Our mission is to change the way people eat – forever.  
It also means providing better access to nutritious, fresh ingredients  
in a more sustainable way.*

Sustainability is at the center of everything that HelloFresh does. As the world's largest meal kit provider, we take our impact on the environment seriously. This report is our opportunity to share our sustainability efforts over the last year and outline some of our future plans.

We reached an exciting milestone in 2020. HelloFresh became the first global carbon-neutral meal kit company, committing to offset all the direct carbon emissions caused by our internal operations, offices and deliveries. While offsets are an excellent tool, we also focus on reducing emissions through efficiency initiatives and increased use of renewable energy.

Our innovative supply chain is sustainable by nature. It's a lean process that eliminates food waste, favors local ingredient sourcing and reduces carbon emissions. Whenever avoiding emission is not possible, we can offset them by investing in green initiatives through our contractors TerraPass and Planetly.

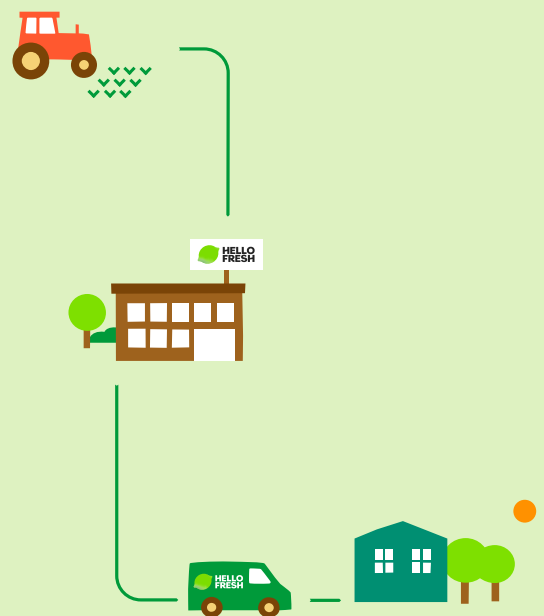
The HelloFresh direct-to-consumer business model is a more sustainable evolution of the traditional food system, and is consistent with multiple [United Nations Sustainable Development Goals](#). While HelloFresh can contribute to many of the 17 goals, four of them apply most directly to us:

- Goal 12 – Responsible consumption and production. HelloFresh supports safe and sustainable food growing and processing systems, and the minimization of food and packaging waste.
- Goal 13 – Climate action. HelloFresh's operations are energy efficient to reduce our greenhouse gas emissions and then offset those emissions that can't be avoided.
- Goals 14 – Life below water, and Goal 15 – Life on land. HelloFresh seeks to source ingredients from certified suppliers who use marine resources and land-based ecosystems sustainably.

## Traditional supply chain



## HelloFresh supply chain



HelloFresh is bringing constant innovation and improvement in sustainability by tracking and reducing our carbon emissions, reducing and avoiding food waste, reducing and improving our packaging, and responsibly sourcing ingredients.

Despite the challenges of the COVID-19 pandemic, HelloFresh helped provide for people throughout, while still managing to balance our carbon emissions. We've learned that our business model can continue to supply fresh, high quality and safe ingredients to customers, while ensuring the health and safety of our employees, and still tackle emissions. HelloFresh is future-proofing food supply in a healthy, innovative and sustainable way

## The first global carbon-neutral meal kit company

HelloFresh made history in 2020 by offsetting 100% of our direct carbon emissions, becoming the first global carbon-neutral meal kit company. This commitment includes offsetting all of our emissions produced in 2020 and going forward, caused by our internal operations and offices, corporate travel and deliveries.

Offsetting emissions is the final step, but there are many ways HelloFresh avoids and reduces carbon emissions through all of our operations. Sourcing ingredients locally means we are able to reduce transport time and our carbon footprint by making fewer stops between our suppliers

and customers. Fewer stops also means fewer buildings to light, heat and cool, using fewer energy and emitting less carbon emissions.

When delivering our meal kits, we plan routes efficiently to minimize carbon emissions and deliver food to customers fresher and faster. Finally, HelloFresh reduces food waste that would otherwise end up in landfill or incinerated and produce greenhouse gases, including carbon emissions. Our pre-portioned ingredients provide just the right amount needed for our recipes, cutting back on any leftovers or food waste.

## Food waste and greenhouse gas emissions

One of our targets at HelloFresh is to reduce food waste per euro of revenue in our distribution centers by 50% from 2019 to 2022. This goal is set in alignment with the UN Sustainable Development Goal 12, Target 12.3, which highlights the need to halve global food waste at the retail and consumer level, as well as along the production and supply chain by 2030.

We consider the surplus of food that we generate, with 73% of our total unsold food donated in 2020. Food waste accounts for between 8%<sup>1</sup> and 11%<sup>2</sup> of global greenhouse gas emissions. For every scrap of food that isn't disposed of properly, we have to consider the energy and invested labor behind it. The impact adds up quickly, so as a meal kit company we are focused on reducing and avoiding food waste. HelloFresh operations



1) Jan Ellen Spiegel, "Food Waste Starts Long Before Food Gets to Your Plate," Yale Climate Connections, May 6, 2019, <https://yaleclimateconnections.org/2019/05/food-waste-has-crucial-climate-impacts/>  
2) Food and Agriculture Organization of the United Nations, Food Wastage & Footprint & Climate Change, PDF file. November 1, 2015, <http://www.fao.org/3/bb144e/bb144e.pdf>

generated 82% less food waste than the average generated by 12 leading food retailers globally (internal study, based on figures published by 12 leading traditional food retailers worldwide between 2018 and 2020). That is just 0.4 grams of waste per euro of revenue versus 1.75 grams of waste per euro of revenue by traditional food retailers. For HelloFresh this means only 2.2 grams of food per every meal we sell is wasted in our operations.

There are a number of ways HelloFresh diverts food waste at our distribution centers. Where possible, we return surplus food back into inventory and allow employees to take surplus home. We rescue edible food and redirect it to feed people in our communities. In some HelloFresh markets we also send food waste to different non-landfill sources such as composting, land application, and anaerobic digestion when possible.

For many customers, food waste starts at the supermarket. Over-shopping often results in unnecessary ingredients (which are often over-portioned for the specific need) that don't get used and end up in the bin. At HelloFresh, we have a simple solution for this problem. Our ingredients are delivered to the consumer in pre-measured portions, which leave consumers with little to no food waste or leftovers. They receive and use exactly what they need based on their household size. We also educate our customers in meal planning and conserving the quality of food. Our global food waste study in 2019, in collaboration with researchers from the Wuppertal Institute, has been a milestone in affirming the reduction of food waste by using HelloFresh. We were able to collect customer-level data on how much food is wasted at each stage of the cooking process, when comparing meal kits and customers' own shopping habits without a meal kit.

## Carbon footprint

We minimize our carbon footprint in a number of ways throughout the lifecycle of our meal kits. Our short and innovative supply chain uses less energy by reducing the transport time of our ingredients and by eliminating the need for extra storage. Where possible, we install

solar photovoltaic panels at our distribution centers and use our own generated electricity. At the same time, we source renewable electricity, such as hydropower and wind energy.

Finally, we then offset the remaining carbon emissions that can't be avoided, caused by our operations and deliveries to customers. In this way, HelloFresh is taking climate action by tracking and reducing our per-meal carbon emissions, in line with UN Sustainable Development Goal 13.

## Carbon reductions

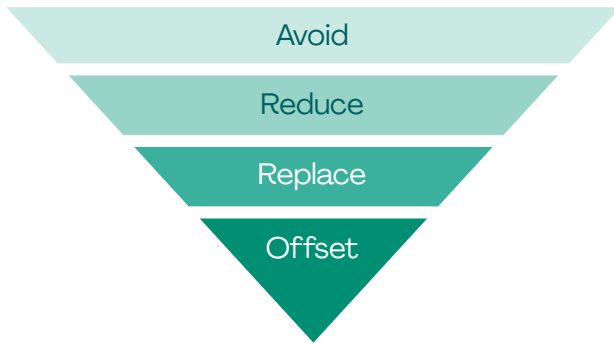
Due to the demand-driven nature of our supply chain, the HelloFresh business model inherently reduces food waste, which is a major contributor to carbon emissions in the traditional grocery supply chain. Additionally, HelloFresh tracks and reduces emissions derived from electricity and gas consumption in our facilities, and those generated by the transport of meal kit deliveries. Our global carbon emissions target is to reduce production facilities emissions per euro of revenue by 60%, from 2019 to 2022. In 2020, we launched a strategy that not only works to avoid and reduce carbon emissions, but also to offset all direct emissions. The strategy tackles carbon emissions on a large scale, including all emissions caused by our distribution centers and logistics, but also on a smaller scale, like our internal operations and offices. During 2020, emissions at our production facilities decreased from 9.3 to 4.1 grams per euro of revenue.

Given our lean and centralized distribution network of production facilities worldwide we already produce fewer carbon emissions on a per euro of revenue basis compared to traditional food retailers. In 2020 our emissions from electricity consumption (scope 2) decreased further, adding up to 3.9 grams of carbon per euro of revenue, down from 7 grams in 2019. This results in 82% less carbon per euro of revenue from electricity consumption than the average food retailer (internal study, based on figures published by 12 leading traditional food retailers worldwide between 2018 and 2020).



HelloFresh was recognized with an award for these efforts, as runner-up for the Nachhaltigkeitspreis Logistik (Supply Chain Sustainability Award), awarded by Bundesvereinigung Logistik Österreich and Bundesvereinigung Logistik Deutschland (Federal Logistic Associations of Austria and Germany). We were also nominated for the Deutscher Nachhaltigkeitspreis (German Sustainability Award) as one of 26 nominees in the category of Climate, for companies that implement real transformation in an exemplary manner.

### Our carbon management hierarchy



### Carbon offsets

Last August, HelloFresh committed to offsetting 100% of the carbon emissions we produced during 2020 as part renewable energy and carbon reduction strategy. This includes all of our emissions caused by our operations, delivery to customers, offices and corporate travel. Thanks to this initiative, HelloFresh became the first global carbon-neutral meal kit company.

HelloFresh US, in collaboration with TerraPass, purchased over 50,000 metric tonnes of carbon to offset through local projects, and to source over 20,000 MWh of renewable energy. HelloFresh US launched the offset program in April 2020, prior to Earth Day, with new box art that displays our carbon and food waste benefits.

For all other markets, we partnered with climate action experts Planety to invest in certified climate protection initiatives around the world. Each project is closely aligned with the meal kit model, which is why we focus on the agricultural, forestry and green energy industries – from large-scale renewable energy plants in Mongolia to farm-waste methane capture in the Netherlands and Turkey. This partnership is expected to have offset around 46,000 metric tonnes of carbon in 2020.

### Carbon offset project in the Netherlands

In the Netherlands, we offset our CO<sub>2</sub> emissions by supporting a VCS-certified (Verified Carbon Standard) project that captures methane emitted from farms. In rural areas of the Netherlands, where there is a high concentration of livestock, the soil exceeds its capacity to absorb nitrogen. Therefore, the manure from farms isn't disposed of into the surrounding fields, but instead used to generate renewable electricity, which also reduces methane emissions into the atmosphere.



## HelloFresh Energy Policy

Our energy policy was introduced in 2020 across HelloFresh's German, Dutch and UK operations, with the plan to apply it to all markets within HelloFresh's International segment. The policy defines our energy-related guidelines and principles, as well as the long-term goals to which we're committed. First and foremost, we avoid producing carbon emissions where possible and are increasing our energy efficiency in the long term.



10% of operational energy is coming from renewable sources

Our overarching principles are:

- We set binding energy targets, pursue them consistently and allow ourselves to be measured against them.
- In order to achieve these goals, we explore all necessary resources and information, taking into account economic conditions.
- We comply with the legal obligations within the scope of our activities.
- Our holistic approach ensures that we pay attention to energy efficiency, not only in our production, but also in the design and procurement of systems, components and services.
- We train our employees on the subject and ensure that everyone can make a contribution.

Based on our energy policy, HelloFresh is pursuing to be recognized for our energy efficiency successes in 2021, through certification to the ISO 50001 energy management system standard. The ISO 50001 is a global standard that outlines practical ways to improve energy use in a holistic way, through the development of an energy management system. This will allow HelloFresh to further improve in energy efficiency and awareness, and to reduce energy consumption on a per euro of revenue basis.

In 2020, 10% of the energy we consumed came from renewable sources, compared to 1% in 2019. However, our total energy consumption may increase in the future with our rapid growth and the possibility of insourcing more outbound logistics.

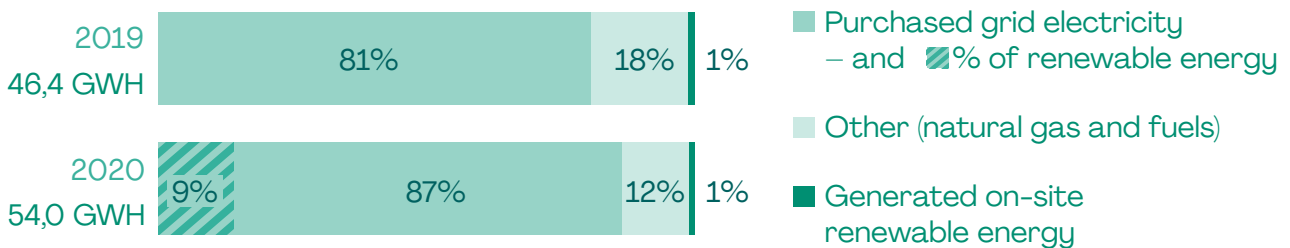
### US EPA SmartWay program and Green Power Partnership

HelloFresh US is a part of the US EPA SmartWay program, which helps companies advance supply chain sustainability by measuring, benchmarking and improving freight transportation efficiency. In 2020, we also joined the EPA's Green Power Partnership, which recognizes our efforts to reduce the negative health impacts of air emissions through the use of green power. HelloFresh US reported that 100% of our organizational-wide electricity requirements (24.9m kWh/yr) in 2020 were balanced with zero-emission renewable electricity certificates.



## Energy consumption

Total operational energy consumption and intensity at HelloFresh facilities\*



\*Distribution centers and offices.

## HelloFresh-owned logistics fleets and logistics efficiency optimization

We achieved significant reductions of carbon emissions in 2020 through more efficient route planning and an increase in shared emission-free routes. We are also working closely with external logistics providers to further introduce efficiency optimization and, where possible, use electric vehicles.

### Benelux electric vans

By the end of 2020, 5.5% of all routes were driven emission-free across the Benelux region with our own electric vans. We reduced our logistics carbon emissions per box by 16% in 2020, compared to 2019, through more efficient route planning and an increase in the share of routes driven emission-free.

Together with Mercedes-Benz Vans, HelloFresh Netherlands also co-created a customized model of refrigerated electric vehicles, which made their first appearance in Gent, Belgium last July. These new vans have an improved battery system, which uses less power for cooling so that more energy can be used for driving. Each of these new electric vehicles can now deliver more boxes to customers in a single delivery route.

### Fleet and logistic optimization across markets

**Benelux:** Aside from using our own fleet, we are collaborating with our transport providers to optimize the pick-up of ingredients at various suppliers on combined routes. Our drivers can go to multiple locations in one route to pick up ingredients, which maximizes the utilized space in our vans and greatly reduces the distance driven. It provides savings on delivery time, fuel and has reduced the carbon emissions for inbound goods by 20%.

**Australia:** In Australia we collaborated with courier service, Be Cool, to develop a number of new sub-depots in Albury (VIC), Orange (NSW) and Coffs Harbour (NSW). This initiative increases logistics efficiency and reduces overall transport time, so our vans no longer have to travel from several hours away to service these locations. We plan to continue this further in 2021 with several more locations in Australia.

**Canada:** Following the success of electric deliveries in Vancouver, we are currently trialing more sustainable options for deliveries in British Columbia, in cooperation with several partners. One of our providers has also implemented an electric cargo pilot project in Montreal.

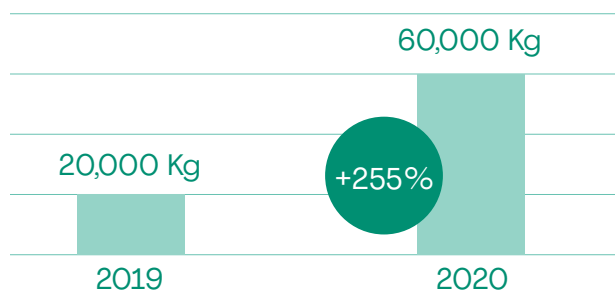
**DACH:** In 2020, we started piloting a HelloFresh-owned fleet in the DACH region, with the potential to introduce refrigerated delivery and unlock opportunities to further reduce transport packaging such as insulation material and ice packs.

We have been working with DPDgroup across all of our DACH markets. Aside from DPD being climate-neutral for all deliveries in those markets, in 2020 they developed various e-mobility and route optimization projects. Various other logistics partners are strengthening and promoting local emission-free deliveries with electric vehicles.

**New Zealand:** Our logistics partner South Island Linehaul operates on trailers with a mezzanine floor, which means they can efficiently pack more boxes into the space, resulting in more carbon-efficient deliveries.

**Nordics:** Our Nordic logistic partner Gordon has expanded its fleet with HVO (hydrotreated vegetable oil) fueled cars and have also started trialing electric vehicles. In addition, Gordon is initiating cooperative deliveries among its customers and thereby reducing the number of vehicles required to service their orders.

### Avoided CO<sub>2</sub> in kg by use of electric vans in BE and NL



## Best practices

See what HelloFresh is doing around the world to reduce carbon emissions:

**Australia:** In Australia we have installed solar panels systems into our production facility in Sydney, generating 148 MWh of electrical power and avoiding 104 tonnes of carbon since the beginning of 2020. In Melbourne, HelloFresh is currently building a new production facility that will begin operating in the second quarter of 2021. This warehouse will use natural light and skylights in ambient areas, motion sensors and timer-controlled lighting, and will provide charging stations for electric vehicles.

**Benelux:** Our distribution center in the Benelux region uses clean, emission-free energy. Eight percent of the energy is generated by our rooftop solar panels and the other 92% is from wind energy. This distribution center also has a BREEAM certificate of excellence, the world's leading sustainability assessment method for buildings.

**DACH:** In January 2021, our distribution center in Germany started using renewable energy through Lichtblick, Germany's largest green electricity provider.

**New Zealand:** Our team in New Zealand has partnered with the country's largest renewable energy power company, Meridian, to agree on a Certified Renewable Energy contract. This guarantees that the total energy consumed in our distribution centers comes from renewable sources, avoiding carbon offsetting altogether.

**United Kingdom:** Our operations in the UK currently run off 50% green energy from our distribution center in Banbury and 100% at our distribution center in Nuneaton. Going forward, all new energy contracts for HelloFresh in the UK will be from 100% renewable energy sources.

**United States:** Our distribution center in the Dallas-Fort Worth Area switched all energy sources to wind energy in November 2020. Our Green Chef distribution center in Swedesboro also changed to wind energy from June 2020. HelloFresh US has also secured wind energy contracts for two other US facilities that start in 2021.

## Leveraging plant-based offerings

In addition to our energy policy, our vegetarian meal options play a part in reducing carbon emissions. Food production is a significant contributor to global warming, with agriculture, aquaculture and land use accounting for up to 26% of global greenhouse gas emissions<sup>3</sup>.

In 2020, we increased the number of vegetarian and vegan recipes on our menus, and consulted with a specialized vegan chef to further develop recipe options for customers. Some markets are implementing these options faster than others, with 42% of the weekly menu in the Nordics consisting of plant-based options. We also plan to also offer plant-based dairy replacements.



3) J. Poore, T. Nemecek, "Reducing Food's Environmental Impacts Through Producers and Consumers," Science 360, no. 6392 (June 2018): 987-882, <https://science.sciencemag.org/content/360/6392/987>.



# Setting targets for 2021 and beyond

Interview with **Thomas Giesel**,  
Founder & CEO, HelloFresh International



## In 2020 HelloFresh became the first carbon-neutral meal kit company. How does this fit in with the overall CO<sub>2</sub> mitigation strategy?

Announcing the offset was an important step for us. Our partnerships with TerraPass and Planety have helped us to analyze our impact and match with local and global climate protection projects. While this has enabled us to offset our carbon emissions from 2020 onwards, it's just one aspect of our overall strategy.

Offsetting is a very helpful measure to kick-start the mitigation process, but our ambition is to go beyond simply reaching net-zero emissions. Our CO<sub>2</sub> mitigation strategy involves four steps – avoid, reduce, replace and offset. Now that we've successfully offset our emissions, we plan on further avoiding and reducing our CO<sub>2</sub> output in 2021.

## How do you assess your impact?

Throughout 2019 and 2020 we grew our sustainability team who helped build a robust system to calculate the impact of our operations. We're using a whole arsenal of data, consumer insights and findings from qualitative interviews to understand which issues are important to our customers, employees, partners and shareholders.

In 2020, we conducted a multifaceted materiality assessment with over 30 sustainability experts from the scientific community and food industry. Their feedback helped us verify our ongoing sustainability efforts for the first time. While their overall assessment was very positive, we've managed to identify key areas for improvement, including carbon emissions, sustainable packaging, food waste, educating our customers, and food quality and safety.

While all of these areas are of high priority to us, we've decided to set targets for two of the most pressing issues – carbon emissions and food waste.

## What are the environmental targets for HelloFresh?

For 2021, we've decided to publicly announce our environmental targets for the first time. Our first goal is to reduce emissions in our production facilities by 60% by the year 2022. This will be calculated per euro of revenue, using 2019 as our baseline.

We've already started to implement a number of initiatives to achieve this. The first step involved replacing energy that comes from coal-fired power plants with energy from renewable sources. We're investing in solar photovoltaic installations to cover part of our distribution centers' energy consumption. We're also in the process of receiving ISO 50001 certification, an internationally recognized certification that will verify our energy efficiency and help us meet our goal.

## What about food waste?

Reducing food waste is a very important aspect of our sustainability strategy. In many countries around the world, households are responsible for a vast amount of food waste. This is thanks to label date confusion, poor planning and buying more than is needed. For these reasons alone, meal kits are a great solution.

At the same time, we're very much aware of the food that is wasted on the other end of the supply chain. To address this issue, we will halve the food that is sent to landfills or incineration across our operations per euro of revenue by the year 2022.

## What are the next steps?

Our mission is to change the way people eat – forever. This goes beyond just changing the way our customers shop for and prepare food. It also means providing better access to nutritious, fresh ingredients in a more sustainable way. To this end, we're partnering with many other industry disruptors to improve our packaging, reduce food waste even more, improve responsible sourcing of our ingredients and, of course, reduce our CO<sub>2</sub> impact.

To us, one thing is clear – in a rapidly expanding category like the meal kit space, high standards are required in order to mitigate any environmental impact. As the global leader in the meal kit industry, we take our responsibility for setting a clear precedent very seriously.

## Food waste

The reduction and avoidance of food waste is at the core of how HelloFresh operates. Thanks to our lean, make-to-order business model, we generate less waste in general by sourcing exactly the right quantities of ingredients based on consumer orders, rather than estimating demand and wasting any unsold stock. Our approach to the food system also has a purpose in our commitment to reduce carbon emissions. Less food wasted means less food going to landfill or incineration, which in turn produces fewer greenhouse gas emissions – another way we are reducing our carbon footprint.

The HelloFresh model avoids oversupply, and our growing enterprise enjoys much lower levels of waste than traditional food retailers. As well as the minimization of food waste, HelloFresh supports safe and sustainable food growing and processing systems, which is in alignment with the UN Sustainable Development Goal 12.



2.2 g of food waste per meal at our production operations

HelloFresh US has developed a procurement dashboard to track yield from bulk orders, buffer volumes, supplier performance and food waste. By using this dashboard, we can immediately view necessary data from the previous week to help monitor our waste better.

There is only a small share of food in the HelloFresh production process that doesn't make it to our customers. We donate 73% of edible, unsold ingredients to local charitable organizations, directly benefiting people who face food insecurity.

HelloFresh also extends the responsibility to our customers by providing educational materials on how to be sustainable in the kitchen. Our Make It Right video series helps customers to be smart with any leftovers, providing tips on how to make the most out of meals and avoid any food waste.

### Global Food Waste Study

In 2019, HelloFresh commissioned a global food waste study in collaboration with researchers from the Wuppertal Institute in Germany. The study took place in the US, Canada, UK, Germany, Belgium and the Netherlands. Nearly 1,000 customers tracked the amount of food they wasted when cooking with HelloFresh compared to cooking with ingredients from grocery shopping or preparing ready-made meals.

The study revealed that households waste 21% less food in weight when cooking with HelloFresh, compared to the traditional home cooking process and shopping for food in grocery stores. HelloFresh meals generate 72% fewer food scraps during meal preparation than non-HelloFresh meals.

We wanted to capture how much food is wasted at each stage of the cooking process, including waste from excess shopping, ingredients discarded during cooking, and the amount of food left over after eating

meals. Our customers reported on their experiences for seven days using HelloFresh meal kits and seven days following their own shopping habits without a meal kit.

Cooking with HelloFresh also produces fewer greenhouse gas emissions after a meal is finished. Meal leftovers generate 29% fewer emissions when disposed, compared to a meal prepared without HelloFresh. This is due to our accurately portioned ingredients and also partly to our vegan and vegetarian meal options, which give customers the opportunity to further reduce their carbon footprint.

### Collaborations with food waste experts

HelloFresh is participating in a research project on food waste led by Wageningen University Research in the Netherlands. The project, titled Food Waste: Transition from Excess to Enough, investigates changes in the food system, focuses on consumer and retail concepts and aims to achieve a shift from having extensive food waste to a minimal amount of waste.

One experiment tested a shelf-life indicator, Keep-it, on fresh salmon packaging in a control group of households receiving their HelloFresh box. Keep-it measures the temperature of a product's storage environment and shows the true remaining days of shelf life. The study revealed that the indicator has potential to help reduce food waste, as it allowed participants to distinguish when food is still edible, even if it's stored beyond the use-by date.

Results of the Keep-it experiment are under review by several government ministries in the Netherlands. The objective is to check if the indicator can be used to replace the classic shelf-life dating system. It has been identified by Together Against Food Waste (Samen tegen voedselverspilling) as one of the top 10 most impactful regulatory changes for reducing food waste on a national scale.

In April 2020, HelloFresh became the official member of the Dialogue Forum of Wholesale and Retail of Federal Ministry for Food and Agriculture (Dialogforum Groß- und Einzelhandel of the Bundesministerium für Ernährung und Landwirtschaft). The aim of the forum is to support UN Sustainable Development Goal 12, Target 12.3 to halve food waste per capita globally by 2030. Members commit to concrete food waste reduction initiatives and support research by the Thünen Institute by providing meaningful food waste data.

HelloFresh US is participating in the expert network of ReFED, a multi-stakeholder non-profit committed to reducing food waste in the United States. ReFED takes a data-driven approach and has identified a number of solutions through its "Roadmap to Reduce U.S. Food Waste" and new Insights Engine, which has revolutionized the way the industry looks at food waste.

The ReFED Expert Network is a group of over 75 experts who share their knowledge and time with key projects at ReFED and ReFED partners, as well as connect with, teach and learn from their Expert Network peers. Experts bring perspectives from all parts of the food system and a diverse set of backgrounds. Together, experts are influencing and strengthening impactful food waste-reducing work in pursuit of our shared goal: to halve food waste by 2030.

## Food donations

HelloFresh is proud to support those in need by donating unsold food to charitable organizations around the world. Throughout 2020, from the overall operation surplus, over 3.6 thousand tonnes of unsold food were donated and 1.3 thousand tonnes were disposed as waste. During the COVID-19 pandemic, we decided to step up our efforts, with donations valued at over €13 million to charities in 2020. We also made sizable monetary donations to these charities on several occasions, especially when they were hit hard during the first outbreak of the pandemic.

HelloFresh regularly supports the following food charities around the world:

**Australia:** Foodbank Australia, OzHarvest

**Belgium:** Belgian Federation of Food Banks

**Canada:** Edmonton Food Bank, Langley Food Bank, Daily Bread Food Bank, Services and Housing In the Province, Second Harvest, Positive Living Fraser Valley Society, Inasmuch Community Society,

The Pacific Community Resources Society, NightShift Street Ministries, Alexandra Park Neighborhood Literacy Centre, and Scadding Court Community Centre

**France:** Restaurants du Coeur

**Germany:** Die Tafel

**Netherlands:** Voedselbanken NL, Buurtbuik

**New Zealand:** KiwiHarvest

**Sweden:** Värmestugan Helsingborg

**United Kingdom:** The Felix Project, Alexandra Rose, Banbury Community Fridge, Oxford Food Project.

**United States:** Table to Table, Tarrant Area Food Bank, Food Bank of Contra Costa & Solano, We Don't Waste, South Jersey Food Bank, Second Helpings of Atlanta & Solano, Alameda Food Bank, We Don't Waste, South Jersey Food Bank, Second Helpings of Atlanta



€13 million worth of food donated to charities in 2020



# Packaging

The shortness and efficiency of HelloFresh’s supply chain helps to reduce plastic packaging, as ingredients travel between fewer stops. However, if ingredients require packaging, it is always in full compliance with safety regulations. Our highest priority is to ensure excellent food quality and freshness, and for our food to arrive safely at our customers’ doorsteps. We are able to balance our carbon impact of food waste by using packaging for some HelloFresh produce to keep it fresher for longer. With less food going to waste throughout the supply chain, our packaging is also helping to reduce our greenhouse gas emissions.

HelloFresh is always working to find, test and introduce new forms of packaging. Our continuous innovation in packaging is consistent with the UN Sustainable Development Goal 12, for responsible consumption and production.

## Our packaging commitment

The HelloFresh packaging commitment is to:

- avoid it completely when possible;
- reduce it when packaging is necessary;
- optimize it for recycling.

## Packaging best practices

In a traditional food supply chain there are many stops and middle-men along the way, which also means hidden impact and additional carbon emissions. At HelloFresh, our lean supply chain gives us better control over our ingredients, packaging and logistics. Many times, the packaging that arrives at a customer’s door is the same packaging the food was packed in by the original producer.

## Packaging per meal in 2020\*

	Ingredient packaging (primary)	Outer packaging (secondary)	Total
Plastics**	13 g	25 g	38 g
Paper	1 g	96 g	97 g
Total	14 g	121 g	135 g

\* Estimated values based on data sourced from 63% of our markets.  
 \*\* Plastic, carton, mixed.

We select packaging under different conditions than other companies. Our philosophy is to use packaging as sustainably, efficiently and consciously as possible. Our system allows us to monitor and track our carbon emissions, waste and demand. And, because all orders are planned on a weekly basis, we can adapt and react quickly.

In 2020, HelloFresh continued to focus on ways to reduce the amount of plastic packaging used for our ingredients. Innovating our packaging is an ongoing effort; without compromising on the quality and freshness of our products, or the recyclability of the packaging materials.

Our HelloFresh Packaging Labs in the UK and the US are centers for innovation, knowledge exchange and quality control. Our experts constantly work on optimizing packaging to be more sustainable and regularly collaborate with universities and research institutes to tackle packaging related challenges.

## 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.

## Food waste vs. plastic waste

Before a HelloFresh box is delivered to a customer’s door, we make sure to secure all ingredients to keep them fresh and avoid spoiling.

We provide customers with the exact amount of ingredients they require for our recipes, and we apply the same thinking to our packaging. We only use what’s necessary to ensure the safety and freshness of our food.

For some ingredients and produce, plastic packaging is necessary. The shelf life for some items can increase from a few days to up to two weeks, which allows us to forego select produce items and ensure a fresher product for the customer at home. This approach leads to less food waste and far fewer associated greenhouse gas emissions, which balances the carbon impact from what can feel like an excess of packaging to the end customer<sup>4</sup>.

As part of our ongoing commitment to innovative food packaging, we use custom-made, durable paper packaging to replace conventional plastics in food packaging. These materials ultimately reduce the amount of plastic waste, which means less plastic needs to be produced and put into recycling streams.

4) Jim Erickson, “Those Home-Delivered Meal Kits are Greener Than You Thought, New Study Concludes,” Michigan News, April 22, 2019, <https://news.umich.edu/those-home-delivered-meal-kits-are-greener-than-you-thought-new-study-concludes/>.

## 2020 packaging innovation highlights

### Improved plastics

In many of our markets we switched to thinner and softer plastic packaging, ultimately leaving less packaging to be recycled. In Canada, we changed from wax-coated plastic packaging to regular plastic and eliminated sticker labels on protein packages. Simplifying this packaging gives more options for recycling and reduces plastic packaging by weight.

In Canada we have also moved from hard plastic pots to pouches for yogurts and other dairy products. Similarly in the UK, we moved our most popular spice blends from plastic pots to sachets. Both of these changes made the ingredients lighter to transport and easier for customers to recycle.

We also encourage our suppliers to switch to better packaging solutions. For example, most baked goods we use in the DACH region now come in fully recyclable packaging that is also reduced in size.

Our team in Australia worked with local soft plastics recycler partner, RedCycle, to ensure all soft plastics delivered to customers are recyclable through their scheme. Additional information has been added to this packaging to ensure customers recycle these items correctly.

### Eliminated packaging

With the changing seasons and weather conditions, it has been possible to completely eliminate packaging for certain ingredients. In DACH, we are able to eliminate packaging for certain produce, such as sweet corn which is now shipped loosely. Lettuce and radishes are now shipped loose in the delivery box during the summer months, too, rather than with plastic packaging.

In the Benelux region, we conducted in-house tests on the packaging for some produce. Our findings have helped us to eliminate packaging for several herbs such as bay leaves, thyme and rosemary, as well as for parsnips and chicory.

Regardless of the season, in the UK we are now able to loosely pack potatoes, single tomatoes and fresh rosemary in our delivery boxes.

### Switch to paper

In all European markets, HelloFresh is switching from plastic to fully paper-based packaging for grains and rices, and our Australia and New Zealand operations are now testing paper solutions for these ingredients as well. In some regions, we successfully replaced all plastic trays with paper.

When packing boxes for bigger orders, we now avoid multiple sachets of the same ingredient and instead pack larger sachets. For all remaining ingredients in sachets, we are currently testing the transition from plastic-lined sachets to ones made entirely of recyclable paper.

Our recycled paper cooler pouches in our DACH and Nordic regions have reduced the use of plastic in every box by approximately 50%. Invented in our Packaging Lab, this new sustainable packaging is planned to go out to our customers around the world.

### Fresh and safe protein

When it comes to packaging, the most difficult part of every meal is the protein – especially when we're shipping meat, fish or dairy. These ingredients are usually the most sensitive and energy-demanding to produce, but in 2020 we were able to make some innovative changes to our protein packaging.

- In Benelux, the plastic trays used to package salmon and marinated duck have been replaced with vacuum packing. This has reduced packaging for our salmon by 25% and for marinated duck by 80%.
- Hard plastic cups for liquid dairy products in the DACH region have been replaced with a sustainable stand-up pouch, which is more durable and helps to keep dairy fresh for longer. This innovation has reduced food waste and the proportion of plastic for these products by around 70%.
- In the UK, Thermoform plastic trays have replaced vacuum-packaging for chicken, lamb and salmon, achieving a 30% reduction in the plastics we use to package proteins.

### In-house ice pack production

In 2019, we launched our first in-house production of water-based ice packs to avoid the microplastics required for gel-filled cool packs. After launching this in the UK we rolled the solution out to Australia, New Zealand, Germany and Canada. Our new ice packs not only



minimize the environmental impacts of the manufacturing process and inbound shipping of gel-filled cool packs, but also enable us to avoid unnecessary transport routes and therefore carbon emissions. In 2020 we used 68 ml of water on a per-meal basis in our operations, including for internally produced ice packs in distribution centers and in our offices.

In Germany we have partnered with the Fraunhofer FEP Institute to develop a more sustainable packaging solution for ice packs in our DACH region. Our current ice pack is sealed in a plastic film to assure passive cooling for our temperature-sensitive products, such as proteins and dairy. Together with FEP, we are looking at replacing the current laminate structure with a mono-foil, which will improve the recyclability of our ice packaging. And while we're at it, we plan to add some extra features to extend the frozen state of the ice packs, by using lower thermal conductivity material.

### Secondary packaging improvements Better planning for packaging optimization

As well as continuously innovating, we are using tools to help us better plan and optimize our packaging to fulfil only exactly what is needed for our customers' orders. Our US, Benelux, UK and DACH teams now have a database to calculate the grams of plastic shipped in every

box. We have also made significant changes to the size of our boxes and the packaging that comes with it so that there is no unnecessary packaging, no invisible wrapping or packaged air.

In Australia we are using a program called Tetris to help us adapt packaging to the real size and weight of the ingredients, rather than boxing each order based on the meal plan size. Thanks to this tool, we are also using smaller cool pouches in deliveries for temperature-sensitive products.

Our Benelux team uses the program to calculate orders in the same way and find the ideal box size based on both the ingredients and add-ons. By using this intelligent tool, we never unnecessarily ship packaged air and have significantly reduced the quantity of cardboard secondary packaging.

HelloFresh US has created a similar tool called Box Fit that assigns customer orders to boxes based on the volume of contents. A pilot project, which took place in Q4 2020, resulted in a 60% increase in the use of small boxes, instead of medium or large. This also reduced the use of cold packs and box insulation, while increasing the number of boxes that fit on distribution trucks. Box Fit 2.0 is being implemented in 2021 based on the lessons learned from this pilot.



Together with our logistics partner South Island Linehaul, our team in New Zealand is working on using smaller boxes in trucks with mezzanine floors. This ensures we are optimizing the space during shipping, as well as taking fewer routes.

In Australia we are now using reusable plastic containers (RPCs) and pallets to transport food from suppliers to warehouses. This simple initiative has saved about 4,000 tonnes of carbon emissions and 3,000 tonnes of solid waste a year, equivalent to almost 6,000 trees planted and 27,000 garbage cans emptied.

### Plastic Bank

Our US brand Green Chef is proud to be partnering with Plastic Bank to offset the plastic waste that is used in every box. With Plastic Bank, we have offset 100% of the direct carbon emissions and plastic packaging for every Green Chef box in 2020. Our offsetting supports plastic collection centers in maritime regions like the Philippines, Indonesia and Haiti. This way we have a tangible impact on reducing plastic pollution in our oceans. We are now in the process of extending our Plastic Bank collaboration to HelloFresh operations globally.

## Responsible ingredient sourcing

Quality and sustainability are the two most important criteria when selecting our partners for ingredients and fresh produce. In 2020 we further strengthened our supply chain and relationships with our suppliers. We prioritize suppliers that make sustainable use of marine resources and land-based ecosystems. The way HelloFresh manages the supply chain is consistent with UN Sustainable Development Goals 14 – Life below water and 15 – Life on land.

This year, we kept searching for even better ways to source the high quality ingredients for our recipes, including industry certificates and standards. All suppliers must undergo a detailed assessment before we select their ingredients for our meal kits. HelloFresh prioritizes local and sustainable producers whenever possible. We also focus on seasonality, optimizing our supply chain, logistics and carbon emissions. Seasonal produce not only provides fresher and tastier ingredients for our recipes, but sourcing from local suppliers means we travel less and produce fewer carbon emissions.

The safety and quality of our produce is of paramount importance to HelloFresh, as we also seek to source from sustainable agriculture, fishing, and animal farming. In 2020, 96.4% of the produce items we purchased were granted a standard certification of Global GAP, GFSI-Certified or Equivalent



Fresh Produce Compliance. Additionally, at least 97.2% of our fish and seafood products by weight have been certified with ASC/MSC/BAP compliance standards.

In 2020, HelloFresh UK embarked on a plan to increase transparency in our supply base, using the Supplier Ethical Data Exchange (Sedex). Sedex is an online database which allows companies to store and view data on ethical and responsible business practices. All direct suppliers for HelloFresh UK are now registered on the Sedex platform.

### Sustainable suppliers: Giannone Poultry

Our largest chicken supplier in Canada, Giannone Poultry, developed its own wastewater treatment process that reduces the presence of contaminants in poultry. Giannone Poultry has a biomass combustion system that uses wood to heat and create the steam required for production and plant needs.

This system eliminates the use of diesel fuel, largely reducing the plant's environmental footprint. They have also implemented a system that converts the waste from all of their processes into fuel, greatly reducing the plant's demand for electrical energy.

### fTRace

We are in the process of rolling out a trial with fTRACE in our German operation to improve the traceability of our highest volume protein. The system, which was implemented in December 2020, allows customers to scan a QR code to receive information about an ingredient's journey from the farm to its destination.

### Nordics - GGN label

In our Nordic markets, we have included GGN (GLOBAL G.A.P. Number - a universal mark of good farming practices) label certification in our salmon packages, as well as a QR code which allows customers to scan and read more information about the suppliers and farmers we're working with. From 2020, we decided to only source GGN salmon due to its higher animal welfare requirements.

## European Chicken Commitment 2026

The European Chicken Commitment was formed by a group of NGOs with the aim of improving broiler chicken welfare at scale. In our European markets, HelloFresh has partnered with Compassion in World Farming to develop a roadmap for achieving the six standards dictated in the commitment by 2026.

1. Comply with all EU animal welfare laws and regulations
2. Implement a maximum stocking density of 30kg/m<sup>2</sup> or less
3. Adopt slow-growing breeds of chicken that exhibit higher welfare
4. Meet improved environmental standards
5. Adopt controlled atmospheric stunning using inert gas or multi-phase systems
6. Demonstrate compliance with the above standards via third-party auditing

HelloFresh has already seen an improvement in the quality of chicken for customers, as well as improved farm inspections, which reduce the possibility of food pathogens. HelloFresh US already signed on to the American equivalent of the European Chicken Commitment in 2019.

### Responsible sourcing in the DACH region

In July 2020, HelloFresh implemented additional initiatives to improve our ingredient sourcing for Germany, Austria, and Switzerland, and to make a contribution to raising overall animal welfare in livestock husbandry in Germany.

From July 2020, HelloFresh in Germany offers customers poultry only from producers who keep animals at least to the Initiative Tierwohl animal welfare criteria. This means, among other things, that the farmers provide their animals with more space and offer additional manipulable material for animals.

Initiative Tierwohl not only provides information to customers about animal welfare standards, but also supports farmers financially to implement such measures and improve them. HelloFresh pays into the Initiative Tierwohl with every sold kilogram of chicken and pork. This subsidy goes back to farmers as an incentive to improve the animal welfare on their farms.

Prioritizing local suppliers is also important when it comes to other types of sourced meat, especially beef. We offer customers Simmentaler beef sourced locally from Germany, Austria, or the Czech Republic, reducing transport carbon emissions in comparison to sourcing beef from South America



# Our People

*At HelloFresh, we celebrate all dimensions of diversity by equally including unique perspectives and empowering our teams to bring their whole selves to work.*

Changing the way people eat forever is an ambitious goal that can only be achieved with smart, innovative, driven people. That's why creating a working environment that attracts and nurtures exceptional talent from diverse backgrounds is extremely important to HelloFresh.

We're proud to say that in light of the challenges of the past year, our commitment to employee happiness, health and safety as well as diversity and professional development strengthened quantifiably.

Our company saw unprecedented growth in 2020, allowing us to create over 5000 new jobs throughout the year. We believe our dedication to making HelloFresh a great place to work is one of the key reasons our 11,860 employees were able to reach and exceed even our most ambitious targets.

## Employee health and safety

### COVID-19 support

In the midst of the COVID-19 pandemic, the safety of our customers and all our staff became more important than ever. At the beginning of 2020 we were faced with a strong increase in demand. Thanks to our dedicated employees around the world, we were able to continue to supply our customers with fresh, high-quality ingredients without putting our employees at risk.

Here is how we ensured the health and safety of our employees in 2020.

### Distribution centers

With 20 distribution centers around the world, we were faced with the tremendous task of keeping the thousands of employees who prepare and distribute our boxes safe and healthy. We did this by following the guidelines set out by local governments, while also implementing additional health and safety measures in all our facilities:

- We restricted access at all distribution centers, with visitors filling out a mandatory health questionnaire and passing a temperature screening before entry.
- We invested in face masks before local governments made them mandatory. This careful planning meant we were able to provide

our staff with enough masks which they were required to wear in all operational areas.

- Social distancing was enforced, with plexiglass screens installed in places where distancing was not possible.
- We installed thermal monitoring cameras to monitor our staff's temperature.

We also offered workers paid 14-day sick leave if they tested positive for the virus. In some cases, we offered additional paid leave to employees who had to go into isolation after coming into contact with a confirmed case.

### Food safety and COVID-19

While the pandemic had a significant impact on many parts of our business, one of our toughest challenges was safely managing our global supply chain. Our Food Safety and Quality team already had clearly defined

COVID-19 risk mitigation strategies in place, even before the pandemic spread to our markets across the world. For this reason, we were able to react quickly and efficiently to the dynamic circumstances and their effects on our supply chain, enabling us to meet the growing demand for our product.

"Our main priority was about remaining focused on our existing processes," says Adam Best, Senior Director of International Food Safety and Quality Assurance. "It was also quickly established that COVID-19 could not be transmitted by food<sup>5</sup>."

Still, we increased our hygiene standards within our operations with additional checks of goods from badly affected regions. We also formed a dedicated crisis team who worked closely with the authorities and used learnings from across the industry and within HelloFresh to ensure we had industry-leading risk mitigation measures in place.

"I'd like to take this opportunity to thank all the team members for their continued hard work," says Alex Bayerlein, Vice President of Production. "It is thanks to them that we have been able to provide our customers around the world with fresh meals in the safe space of their home."

5) "Coronavirus disease (COVID-19): Food Safety for Consumers," World Health Organization, 14 August 2020, <https://www.who.int/news-room/q-a-detail/coronavirus-disease-covid-19-food-safety-for-consumers>.

## Drivers

To protect both our drivers and the staff at our distribution centers, we did not allow our drivers into our distribution facilities. All deliveries were contactless and our delivery partners were instructed to follow the same strict hygiene procedures as our own drivers.

## Office staff

Our offices, spread across 10 different cities across the world, are powered by talented teams of people who pave the way for innovation at HelloFresh. As these cities started going into lockdown, the majority of our office workforce began to work from home. We're pleased to say that our staff quickly adapted to working from remote locations. An internal survey showed that our employees were able to maintain and sometimes even increase their productivity while working from home.

To support our employees who were working from home, we offered the following benefits:

- Wherever possible, we provided office equipment (extra screens, keyboards, chairs, laptops, etc.) depending on their needs.
- In some countries, we offered our employees work-from-home subsidies to cover expenses such as internet costs.
- We also provided various forms of mental health support for issues relating to isolation, stress and anxiety due to the effects of COVID-19.



11,860 employees worldwide

As cities began to open up again towards the middle of the year, some employees opted to return to the office. To ensure everyone's safety while working in our Berlin offices, we took various health and safety measures. We also shared these measures with our teams worldwide who adapted them based on regulations in their respective regions.

## Well-being and working from home

We asked our employees at HelloFresh headquarters how they felt about working from remote locations during the pandemic



91% of employees reported feeling safe and confident carrying out their role



86% felt their line manager cares about their wellbeing



89% felt they received sufficient support to effectively work remotely

These measures included:

- Coming into the office was optional for non-essential staff, and we offered reimbursement for parking or taxi services for our essential office workers.
- All staff members were required to fill out a regular health questionnaire to determine whether they could safely return to the office.
- Our offices had a maximum capacity of 50% at all times, allowing employees to keep a safe distance while at work.
- Hand sanitizing stations, plexiglass screens and social distancing reminder signs were placed throughout the offices.
- Masks were mandatory where social distancing was not possible and were provided by office management.
- We sent our employees regular health and safety updates containing the latest company and regional COVID-19 regulations and news, as well as additional educational resources.

## Employee mental and physical well-being

Besides ensuring the safety of our employees during the COVID-19 outbreak, we also offered various resources and benefits for physical and mental support:

- In the UK and Canada we offered Wellness Wednesday workshops focusing on different mental and physical health topics.
- Various internal virtual communities and events gave our employees the chance to form connections with each other, even from a distance.
- We partnered with local counselors and psychologists to make therapy more accessible for employees in the UK and Germany.
- All employees received free access to Headspace, a meditation mobile app.
- We offered free virtual yoga and fitness classes every week and, in some markets, subsidized memberships to fitness studios and exercise apps.

## Employee diversity

Everyone is welcome at HelloFresh's table, and we extend this principle to the partners we seek, the communities we serve and the people we hire. Our Berlin headquarters alone is home to over 80 different nationalities, including people of all colors, ethnicities, creeds and sexual orientations. Furthermore, our inclusive company values are made clear in our [Code of Conduct](#), where we state our commitment to non-discrimination and diversity on the basis of mutual respect, trust and fairness.

In 2020 we both strengthened and acted on our commitment to diversity in tangible, measurable ways. These include our newly formed Diversity & Inclusion committees, diversity training, and company-wide events and initiatives. We also held regular, open and transparent dialogues between various stakeholders, employees and Senior Leadership. These efforts, among others, have laid the foundation for HelloFresh to emerge as a leader in diversity.

### Diversity committees

HelloFresh is committed not only to celebrating diversity but also to taking action that has a positive, tangible effect on the lives of our employees – no matter their background or identity. Our Diversity & Inclusion (D&I) committees in several of our offices around the world are the driving force behind our diversity-related initiatives. Led by teams of employees on a voluntary basis, our diversity committees work closely with senior leadership to ensure the activities, processes and management of our company reflect our commitment to diversity.

Our D&I committees set out to formalize their structure and mandate in 2020. This was accelerated by the global social justice movement, generating company-wide interest to listen, learn and get involved. The committees implemented various initiatives throughout the year. These included diversity and anti-racism training, D&I forums involving multiple stakeholders, establishing Employee Resource Groups (ERGs), community outreach and events like Diversity Awareness Month, Pride and International Women's Day celebrations.

*"We, the HelloFresh Diversity & Inclusion Committee (Berlin offices), are committed to continually fostering an environment of inclusion, respect, and appreciation of differences. We believe that different ideas and backgrounds create a stronger and more creative work environment that delivers better results. Our efforts, grounded in the belief that all employees deserve a safe and inclusive work environment, will support these goals through action, education and outreach."*

**-HelloFresh SE Diversity & Inclusion Mission Statement, as agreed to by the committee on 28 September 2018.**

*"I feel strongly that everyone should be able to celebrate their background and grow personally and professionally because - not despite - of it. HelloFresh is already a very diverse place. My hope is that the D&I committee can help bring any issues, whether systemic or anecdotal, to the forefront so we can address them in an effective and transparent manner."*

**-Dina Mehrez, Senior Director of Strategic Product Development and D&I committee member.**



## Diversity and inclusion initiatives at HelloFresh

### ERGs

In Berlin, the US and the Benelux region, our Employee Resource Groups (ERGs) meet regularly for training, discussion, networking and to mark important occasions. The ERGs are made of volunteer employees with a shared interest in specific diversity-related topics such as women in leadership, LGBTQIA+ representation, cultural diversity, and support for working parents and caregivers.

### Empowering women

HelloFresh aims to foster an environment for women to emerge as leaders. In the US we do this primarily through our ERG, Gender Equality Team (GET), which organizes professional development, networking and community engagement initiatives promoting gender equality. Likewise, in 2020 we established Power of Women, our Berlin-based ERG aimed at supporting our women employees. Last year we also launched our Women in Tech scholarship – a program that aims to achieve greater gender diversity in a field that is traditionally male-dominated. In 2021 we will scale this project and award two additional scholarships to talented women in technical roles.

We also contributed to women empowerment on a larger, more general scale by participating in McKinsey's Women in the Workplace Report – a comprehensive study of the state of women in business. We joined a cohort of over 600 companies to supply our workflow data as well as qualitative responses from women inside our organization.

### Black Lives Matter

In the wake of the Black Lives Matter movement, we wanted to make sure our Black employees felt safe and supported at HelloFresh. In several of our offices worldwide, we held virtual professionally moderated listening sessions to ensure all voices in our company were being heard. We also held town hall meetings to discuss our commitment to anti-racism, and, in some offices, our Senior Leadership teams underwent equity, anti-racism and implicit bias training. In our US offices, our ERGs put their quarterly budgets together to make unprecedented cash donations to local organizations serving Black communities. Finally, our HelloVoices social media campaign elevated Black voices and organizations in the food and beverage industry.

### LGBTQIA+ awareness

FreshPride committees in our offices around the world work to create and maintain an inclusive, safe work environment while fostering the professional development of our LGBTQIA+ employees. Part of this is organizing outreach opportunities for LGBTQIA+ staff at HelloFresh, as well as various events and internal awareness campaigns throughout the year.

### Recognizing diversity within

With a company as diverse as HelloFresh, we recognize the importance of acknowledging and celebrating the different cultures, backgrounds and identities that make up our workforce. Through various communication channels, events and initiatives, we celebrated occasions like NAIDOC Week, International Women's Day, Indigenous People's Day and Hispanic Heritage Month.



47% female employees



86 nationalities at Berlin headquarters



41% management positions held by females (Associate Director and above)



57% + open management positions filled internally (Associate Director and above)



# Our inclusive hiring process

Interview with **Kasia Feng**,  
Director, Diversity Equity & Inclusion, HelloFresh US



At HelloFresh, we celebrate all dimensions of diversity by equally including unique perspectives and empowering our teams to bring their whole selves to work. Here, Kasia Feng explains the measures we're taking to ensure our hiring process reflects our commitment to diversity and inclusion.

## **What efforts is HelloFresh making to attract a diverse range of candidates for job openings in the US?**

We do this by building awareness across a diverse range of candidates and by providing true insight into our culture. For awareness, we partner with Mathison and Jopwell for targeted diversity sourcing – for example, by the end of 2020, Mathison pipelined more than 2,400 diverse candidates for HelloFresh US. We also post on diversity-focused job boards. Finally, we use platforms such as LinkedIn to give candidates insight into our company culture including our ERG initiatives.

## **How do we make sure our hiring process is fair and inclusive?**

In 2020, all people managers at HelloFresh US completed implicit bias training and created an action plan for real change. Key players in our hiring process also completed inclusive hiring training. Here, our team learned about diversity sourcing, writing inclusive job descriptions, reducing candidate screening bias and inclusive interviewing. To ensure real behavioral and cognitive change, we will continue to meet quarterly with our Talent Acquisition teams to address inclusive hiring as we strengthen Diversity, Equity & Inclusion (DE&I) at HelloFresh.

## **How do we monitor the effectiveness of these measures to create a more diverse workforce?**

We use Mathison's Equal Hiring Index (EHI) to dynamically measure our diversity efforts across two dimensions: hiring and retention. The hiring index looks into areas like applications, interviewing and onboarding while the retention index evaluates our programs in professional development, empowered feedback, community and culture. We had a 37% score improvement from February to November 2020. Importantly, this isn't just a static number – it's part of a dynamic dashboard our team uses to prioritize and implement key actions that make sustainable, measurable change.

## **How does HelloFresh nurture our increasingly diverse workforce and ensure we remain true to our commitment to diversity?**

In early 2020, HelloFresh's first-ever DE&I function was announced as part of our commitment to diversity. To support our workforce in an increasingly tough year, we hosted several safe-space Listening Sessions. We also restructured our ERGs, launched a new one (FreshParents), and named executive sponsors. We committed to monthly cultural celebrations and engaged with various local diversity-focused organizations. Finally, we launched a DE&I Council that includes external experts to help us stay focused and innovative.

## Employee development

Learning never stops at HelloFresh. This is one of our core values. Continued professional development is intrinsic to our company culture and applies to the employees in our distribution centers, local offices and international headquarters in Berlin. Here are some of the processes, trainings and subsidies we offer our staff to help them grow their professional skills:

- In 2020 the Global Learning & Development (L&D) team launched their first learning campaign – a series of workshops and talks about data literacy offered for free to all employees in our Berlin offices over a two-month period.
- In Germany, the UK, the US, Canada and Australia our office employees receive a yearly budget for learning and development that may be used for training sessions, webinars, books, conferences or coaching sessions.
- All 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.
- Our Australian employees have access to external training from the Australian Institute of Management. These courses cover topics such as emotional intelligence, analytics and coaching.
- In our Canadian office, we launched our own Learning Management System, Bridge, in 2020. The platform features over 50 courses from both internal and external speakers.
- In most countries, we offer free in-house training on a regular basis covering a wide variety of topics such as negotiation, project management and SQL.
- In our Berlin offices, where we have employees from over 80 different nations, we offer a German language learning budget. Likewise, we offer English support classes to our employees in the UK.
- In the US, our stretch assignment program gives our customer care employees a chance to work on short term projects with another team, such as our Menu and Culinary Operations team. This allows participants to broaden their skills and prepare for their next role, either within customer care or in a new team.



# Our Community

*Supporting the local communities in which we work and live is a priority at HelloFresh.*

As the world's largest meal kit provider, we have a responsibility to give back to our community and extensive supplier network. The world faced unprecedented challenges in 2020, and we saw more opportunities to give back to our communities. We did this through various cash donations and outreach projects. We also developed and implemented policies to ensure our partners and suppliers adhere to the same ethical standards we do.

## Ethical Trading Policy

HelloFresh works hard to develop close relationships with our trusted suppliers around the world. In 2020, an unprecedented global demand for our product meant we had to work even closer with an increasing

number of suppliers. Just like we ensure the rights and welfare of our own staff members, we are committed to ensuring fair and ethical labor conditions of the employees of our suppliers and service providers. This means no forced labor, no child labor, no discrimination, no inhumane treatment and no excessive working hours. Additionally, all suppliers must respect the worker rights of their employees, maintain a safe and hygienic workplace and must pay all wages on time.

We released our [Ethical Trading Policy](#) in 2020 as a means to formalize this commitment. The policy defines how HelloFresh expects workers to be treated and follows the standards set by the International Bill of Rights and the International Labour Organization's (ILO) Declaration on the Fundamental Principles and Rights at Work.



The policy applies to the whole HelloFresh group in all geographies, its direct and indirect suppliers, service providers and subcontractors. All parties are subject to unannounced visits or audits to ensure compliance with the Ethical Trading Policy.

## Donations

In 2020 we made various cash and in-kind donations to organizations around the world. We focused our efforts on those affected by some of the most hard-hitting challenges of the year, such as social injustice, COVID-19 and environmental disasters.

HelloFresh made donations to the value of over €13 million to organizations around the world. This helped families and communities – especially those affected by COVID-19 – to put food on the table. This included cash donations of over €170,000 to food banks throughout the world. For example, we made a joint donation together with our customers to Food Banks Canada’s COVID-19 Response Fund. This money helped to provide over 50,000 meals with fresh ingredients to Canadian families facing food insecurity due to the pandemic.

To further support those affected by the pandemic, we made a cash donation in the UK of over £100,000 to the NHS to aid their frontline workers.

We were also able to support families affected by environmental disasters in 2020. In January, severe weather in Newfoundland, Canada, made it impossible to deliver our boxes to families in the affected areas. Instead, we delivered the unused food, amounting to over 7000 fresh meals, to families of military service people at the CFB Gagetown military base in Oromocto, New Brunswick.

On the other side of the world, in the wake of the Australian bushfire crisis at the start of 2020, we rallied our employees to raise funds for the New South Wales Rural Fire Service. We then matched their contribution to make a cash donation. At the end of 2020, we paired up with our Australian customers in a donation matching program to give a \$200,000 Christmas gift to OzHarvest to help feed families in need. The donation matching program is continuing into 2021.

HelloFresh also took a stance in the fight for social justice in the US and made a cash donation to the NAACP of Brooklyn in response to the Black Lives Matter movement.





## Community outreach and education

We want to change the way people eat forever, and this doesn't stop at our customers. In a world where so many families live off fast food and processed ingredients, we believe it's important to teach children about where food comes from.

In Germany, we renewed our partnership with Ackerdemia e.V. in 2020. This initiative supports a school garden near our headquarters in Berlin. Through this project, the schoolchildren learn to plant, grow and harvest their own food while discovering the value of fresh ingredients and healthy eating habits. Similarly, our partnership with Evergreen in Canada helps support their School Ground Greening Program. Together with our customers, we make a yearly donation that goes towards planting vegetable gardens in schools across Canada.

### Giving back to the community: Beyond the Box

Supporting the local communities in which we work and live is a priority at HelloFresh. Beyond the Box, the US social impact program, was created to support those in need by increasing accessibility to nutritious food. The multifaceted program encourages in-kind and monetary

donations, seasonal product drives and employee volunteerism. Its principle charge is donating the vast majority of our fresh, unsold ingredients to local charitable organizations which support those facing food insecurity. Thanks to our weekly recipe rotation, we identify our surplus ingredients long before they spoil, so they can find their way more quickly to those in need, rather than landfills. Through our Beyond the Box initiative and with the help of our charity partners we donated over 3.6 million meals in 2020.

In addition to donating surplus ingredients to those in need, we launched our Meals With Meaning program in the US. Through this program, we donated over 700,000 complete meals (valuing over €1.4 million) to individuals and families facing food insecurity exacerbated by the COVID-19 pandemic. As part of this program, we partnered with the state of New York and its Nourish New York Program, as well as the City of Newark, to deliver meal kits directly to residents' doorsteps.

*"HelloFresh has been an integral partner in the City of Newark's COVID-19 food relief program and we are extremely grateful for their help in providing meals to our residents and families who have been deeply impacted by this pandemic,"*

*- Ras Baraka, Mayor of Newark.*



One of the keys to Beyond the Box's success has been substantial, lasting partnerships. Table to Table, our long-term food rescue partner in Newark, has found strategic opportunities to make the biggest impact possible in New Jersey communities. Not only does the food we donate provide nourishment, but it also affords hope and dignity to people who need it most.

Some of our Beyond the Box distribution partners (both new and existing) include:

- City of Newark (NJ)
- State of New York and New York State Division of Veterans' Services
- City Harvest (NY)
- Memorial Sloan Kettering Cancer Center (NY)
- Texas National Guard
- Multiple Sclerosis Association of America

In addition to our ongoing food surplus and newly established meal donation programs, we have supported the NAACP and numerous local community organizations through in-kind and monetary donations. Through our HelloPerks program, we delivered in-box inserts for St. Jude's Children's Hospital and Feeding America to support their fundraising efforts, helping them reach over two million consumers.

*"The partnership with HelloFresh has allowed us to bring food to an astounding 198 new community groups feeding the hungry over the last seven years. We have been able to open free produce markets, neighborhood distribution sites and HUBS in all four of the counties we work in and exponentially increase the fresh produce available to the people living in the food deserts of Newark. What an incredible gift HelloFresh has been to Table to Table, and to the hundreds of thousands of people that benefit from their generous donations."*

*-Julie Kinner, Director Recipient Relations & Community Affairs, Table to Table*

## Anti-corruption and bribery

HelloFresh does not tolerate corruption or bribery of any kind. Our Code of Conduct sets out clear guidelines to avoid conflicts of interest. HelloFresh employees are not allowed to offer or request money, benefits, special services, gifts or any other object of value for the purpose of securing a contract with a business partner.

In addition, our group-wide Anti-Corruption Guideline provides clear behavioral rules and expectations for all employees in this context. Our Code of Conduct also prohibits practices that go against our commitment to fair competition such as anti-competitive agreements and price-fixing agreements.



## Looking Ahead

We started 2020 with the intention of emerging as a leader in sustainability. With this in mind, we're proud of what we achieved throughout the year – particularly becoming the first global carbon-neutral meal kit company. However, we know that progress must continue so the benefits can be even greater in the coming years.

Looking ahead, we plan to fully understand and minimize our impact on the environment at every step of the HelloFresh supply chain. This includes reducing our carbon emissions in our production facilities by 60% per euro revenue by the year 2022, increasing our energy efficiency and developing more innovative, eco-friendly packaging solutions. We also plan on optimizing our packaging waste with the help of a trusted partner and expert in waste management. In addition, by 2022 we aim to reduce our food waste sent to landfill or incineration by 50% per euro revenue.

We remain firm in our commitment to diversity and employee well-being too, ensuring that HelloFresh is a place that welcomes and nurtures talent from all walks of life. We will continue to support local communities across the globe as well.

Finally, we commit to supporting our customers in making more conscious choices and empowering them with environmentally friendly mealtime options.

We've come a long way over the last 10 years, but this is only the beginning of our sustainability journey. We are committed to building on our sustainability efforts from 2020 through 2021 and beyond, as we believe this is the best way that we can change the way people eat – forever.

### For the first time, we are setting targets to:

- Reduce production facilities CO2 emissions per euro of revenue by 60 % by 2022.
- Reduce food waste to landfill or incineration per euro of revenue by 50 % by 2022.

The baseline for both targets is 2019.

