



ESG

Report

2022



Environmental
Social
Governance

ZERTUS

Environmental Social Governance (ESG)

Our ESG strategy is the centrepiece of our corporate philosophy. We firmly believe that social responsibility, environmental awareness and good corporate governance are not only the foundations for long-term success, but also reflect our commitment to our stakeholders.

We are proud that our ESG commitments are not just words on paper, but become visible in tangible results. From reduced energy consumption to promoting diversity and inclusion in our workforce, our ESG initiatives are evidence of our commitment to a better future.

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Message from the Board



Alessandra Cama
Zertus Group CEO



Stephan Tendam
Zertus Group CFO



Paul Tripp
Zertus UK & Ireland CEO

Welcome to our first ESG report for the Zertus Group. As a board, led by Group CEO Alessandra Cama, we wanted to first start with putting the past year into perspective. We are certain we are not alone in saying that the past twelve months have been tough, possibly one of the biggest challenges we have faced in business in recent years. Transitioning to 'the new normal', the war in Ukraine, a significant rise in fuel prices, commodity price increases and the ever-growing impact of climate change have presented several challenges that have tested our resilience and tenacity as a business.

We are impressed and encouraged by our response! Despite the challenges faced from a commercial perspective, we have made time to progress our Environmental, Social and Governance (ESG) topics; ensuring we are creating a diverse and representative workforce, developing supply chain transparency, and taking our first key step on our Net Zero journey.

The fantastic thing about sustainability is that it extends far further than our business and into peoples' personal passions. That has really become clear over the past year. To align with and commit to our Zertus value of 'Responsibility' and 'Leaving the Planet in a better place than we found it', an international team guided by Paul Tripp has worked together on the ESG Group initiative. It really is more important now than ever for us as people and as businesses to do our part in protecting the planet and the people on it. We are proud to say that this has got off to a flying start, including:

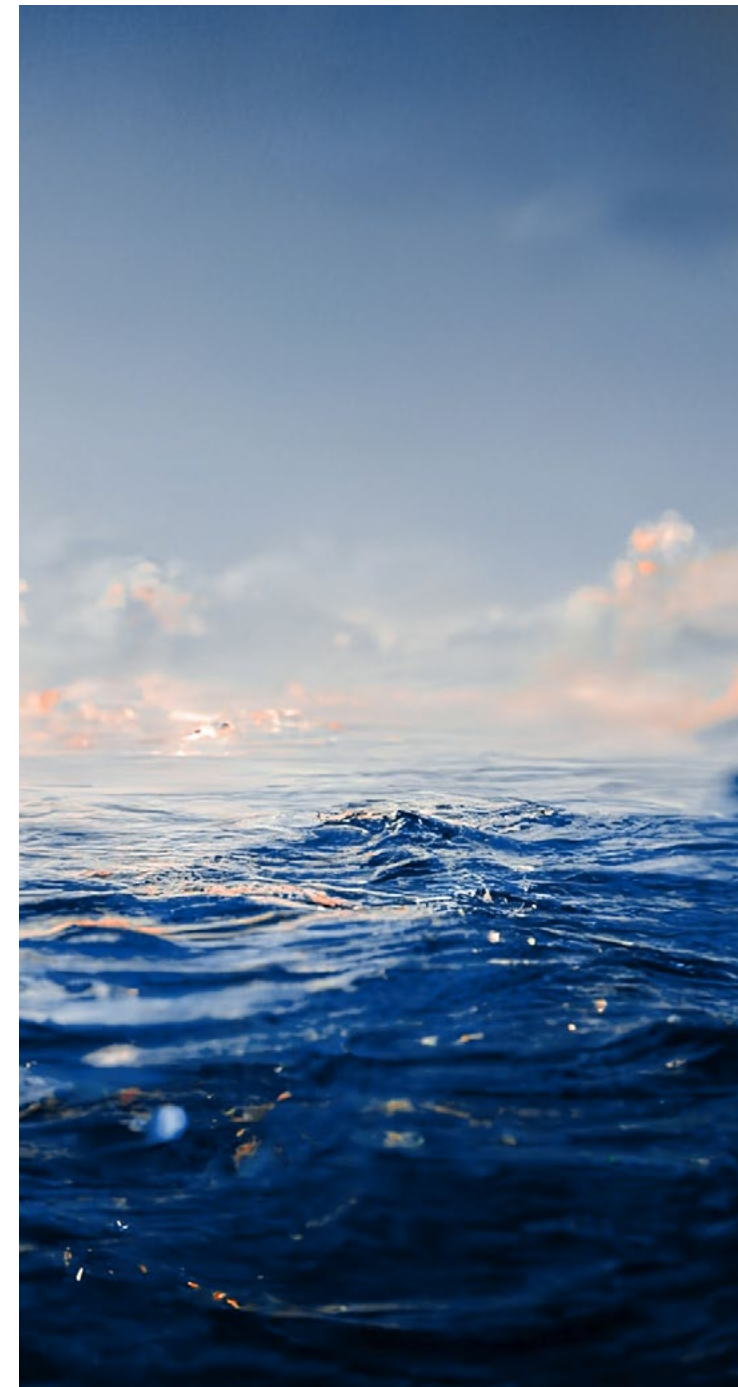
- **We have begun the roll out of ESG across the Zertus Group, meaning that now every corner of our business has a ESG representation on the working Group, ensuring strong governance and ownership at local business levels.**
- **We introduced the engagement survey all across our subsidiaries, allowing us to get a first true insight into how our employees feel about working at Zertus.**
- **We have conducted the first carbon accounting for the complete Group, establishing our baseline for achieving Net Zero.**

There are a number of priorities on our agenda for 2023 and beyond. Most notably developing a plan with the necessary steps to achieve Net Zero by 2040. To be transparent, there is a lot of work still to do. This is our first year measuring our carbon impact as a whole Group. We have already seen a positive impact in the UK&I from doing this, notably an enhanced focus and investment on efficiency and energy reduction projects on site. But we must continue to widen our focus into the complex and opaque supply chains that make up many of our products, driving transparency and looking at human rights. We will also be focusing on promoting diversity, equality and inclusion across our sites, to ensure everyone feels supported and respected at work.

Finally, Stephan Tendam and his team will ensure compliance. New legislation in the form of the new EU Corporate Sustainability Reporting Directive (CSRD), the EU Sustainability Reporting Standards (ESRS), Taxonomy and the Supply Chain Due Diligence act will help guide our priorities for the coming years as we prepare for these. We are looking forward to watching this area of the business develop and to see projects flourish that we should all be proud of.

The fantastic thing about sustainability is that it extends far further than our business and into peoples' personal passions. That has really become clear over the past year. To align with and commit to our Zertus value of 'Responsibility' and 'Leaving the Planet in a better place than we found it'.

Paul Tripp



Company

Zertus History Tradition & Development

Zertus has been a food entrepreneur since 1826, making it one of the oldest family-owned companies in Germany.



The business started as a humble sugar processing site, founded by Friedrich Theodor Meyer in the town of Tangermünde. Once taken over by his sons, the business went from strength to strength, exporting sugar over-seas.

Going from strength to strength, the company began producing high-quality chocolates under the brand Feodora, until the factory suffered a fire in 1903, where it destroyed most of the factory.

This was rebuilt as a modern sugar cube factory which was a sizable operation until it was largely expropriated by the soviet forces in 1945.

Since then, the business was rebuilt. The business was named "Zuckerraffinerie Tangermünde Fr. Meyers Sohn GmbH", but despite its name harking back to the sugar factory roots, they began producing chocolate at their new location in Hamburg.

Zertus eventually transformed from a producer to a holding company, that has acquired a number of businesses over the past 40 years to create a portfolio of high-quality food companies, and Importhaus Wilms, one of the leading importers and distributors of fine foods.

Today, four members of the supervisory board are part of the family that founded Zertus as they remain to have an active involvement in the business. The other three members of the board are independent and provide a level of industry expertise.

1984	
2002	
2003	
2005	
2007	
2012	 
	 
2015	
2017	
2021	 
2022	

Company

Zertus Family Mindset & Vision

Interview with two supervisory board members from the Zertus founding family.



In August 2022, we interviewed two members of the family and supervisory board on leadership and company values: Dr. Marc-Angelo Bisotti has been Deputy Chairman of the Supervisory Board since 2019, and is also Managing Partner RPP Group, and Anna Sophie Meyer, member of the Supervisory Board since 2022, who also takes the role of Planning & Execution Lead Strategic Products, Johnson & Johnson Europe.

We wanted to understand from the people who have been building Zertus for so many years, what part of their family values had influenced the development of the business and what are the values that underpin Zertus.

The business has overcome so many challenges, economic crisis, wars, relocations and so much more and is now in the 7th generation of family ownership. There are over 160 shareholders at Zertus, all with the same interest, to ensure the sustainability of Zertus. ***“It’s less about checking the balance sheet and the nitty gritty details, it’s about the trust they put in the company,”*** Marc-Angelo told us. Since the business is no longer directly run by the family, and rather overseen from board level, trust in the new leaders is paramount.

These new leaders must have alignment with the traditional family values to ensure this trust is upheld. ***“I truly believe it is very important to have very empathetic leaders,”*** Anna Sophie told us. Having leaders that are comfortable with change and are able to engage and empower teams is crucial.

Marc-Angelo and Anna Sophie both agreed on putting people and culture first, ***“culture eats strategy for breakfast”*** replied Anna Sophie quoting Peter Drucker. Cultivating an environment that promotes innovation and entrepreneurial mindset, being able to learn fast and adapt to new challenges were mentioned by both as key values needed in business. To do this there must be investment in learning and development, an ability to drive sustainable growth organically and via acquisitions and to be responsible for the communities and environments in which we work.

Looking to the future, we wanted to understand what their vision for Zertus’ future development is. Marc-Angelo drew on the questions, ***“What is the shareholder role? And what is the expectation that shareholders should meet?”*** Creating a space where strategies can be challenged, discussed and assessed is critical for the future success of the business, which is the environment we have created today with the current leadership. Anna Sophie talked of ‘clear vision, clear mission and clear strategy’ whilst having ‘the right people, in the right mindset’.

Together, the family, shareholders and leadership of Zertus are aligned on creating a business that we will be proud of.



Anna Sophie Meyer
Member of the Supervisory Board



Dr. Marc-Angelo Bisotti
Deputy Chairman of the Supervisory Board

Company

Zertus Values Commitment & Culture

The Meyer family has a long-standing tradition that spans over 200 years. Although our family business is now managed by external executives, the more than 160 family members still actively participate in the development of the company. These eventful two hundred years are characterized by the development of a set of values that we, as a family, also expect to be reflected in the company culture.



These values, however, only function in combination with each other, balancing and reinforcing each other.

We firmly believe that a company that embraces these values and pursues them with passion and commitment on all its levels will be capable of delivering the expected business success.

By integrating our family values into the company culture and considering them in the selection of our executives, we create an environment characterized by integrity, trust, and strong collaboration.

With this strong foundation, we are confident that our 200-year-old family tradition will continue to thrive, and our company will be successful in the future as well.



Perseverance

Through endurance, continuity, focus and positivity, we have succeeded across generations in a changing world. Whilst striving for excellence, we always remain humble.



Unity

We support and respect one another, and this unity extends to our culture of discussion and decision-making. We value the contributions of our employees, customers, business partners and shareholders, and recognise their achievements for our family business.



Trust

We trust in our employees, business partners, and customers, thereby creating a foundation for successful positive collaboration. We have confidence in our strengths, experience, and opportunities in the market.



Responsibility

We take responsibility for our companies, employees, customers, community and the planet, by working diligently and we expect the same from others.



Courage

We have the courage to stand up for our values. We encourage each other to bring forth innovative ideas and take considered risks to advance the company.

Company

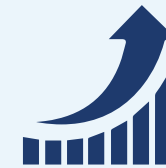
Zertus Business Focus & Brands

The Zertus Group is split into four market units, supported by the central functions and group services.



2312

Employee
Count



€517m

Group
Revenue



11

Operating
Sites



5

Operating
Countries



16

Brands



Gourmet



Functional Nutrition



Snacking & Chocolate



Custom Sweets



Group Services

Corporate
Strategy

M&A

Digital
Innovation

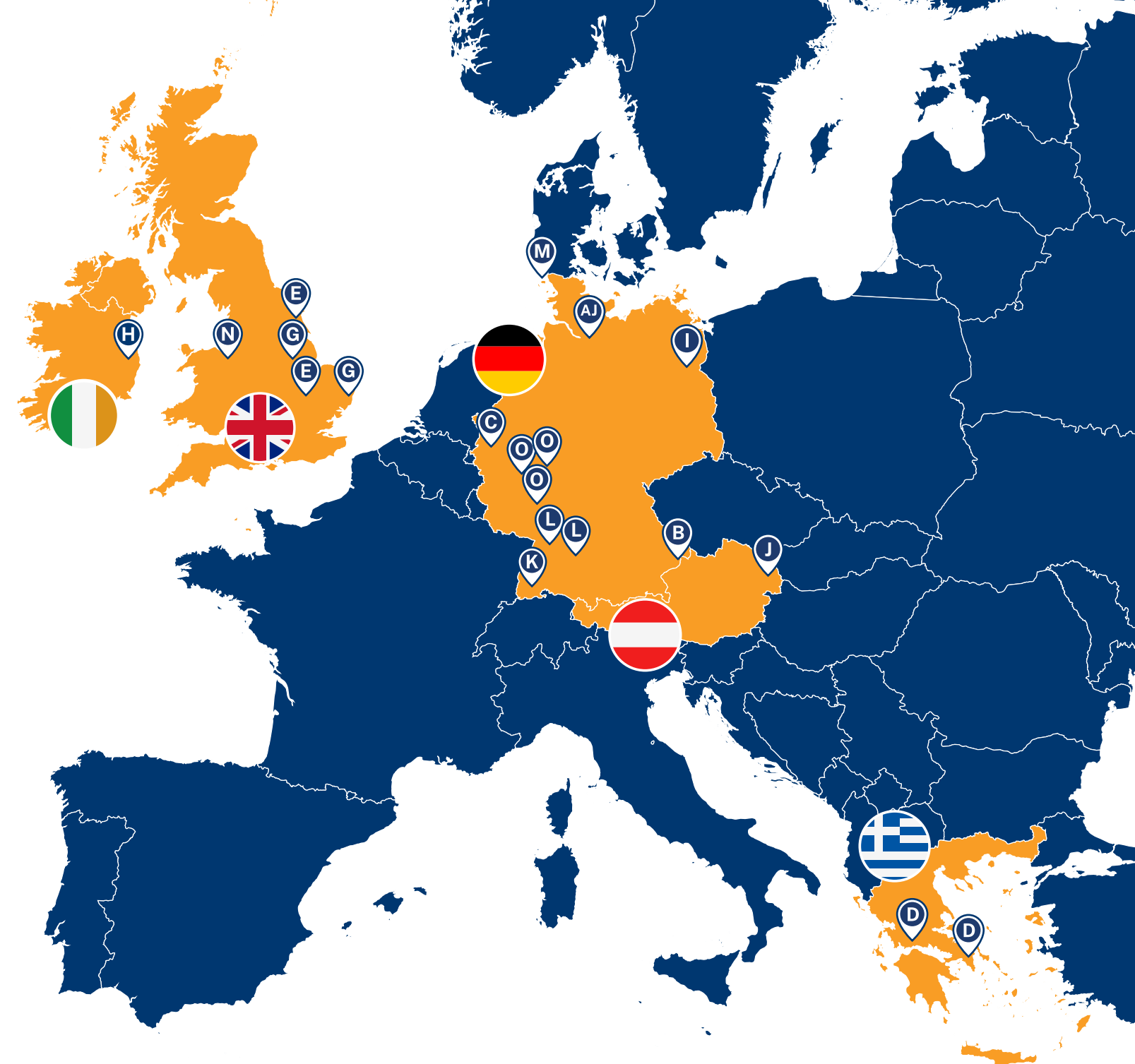
Financial
Services

Investor
Relations

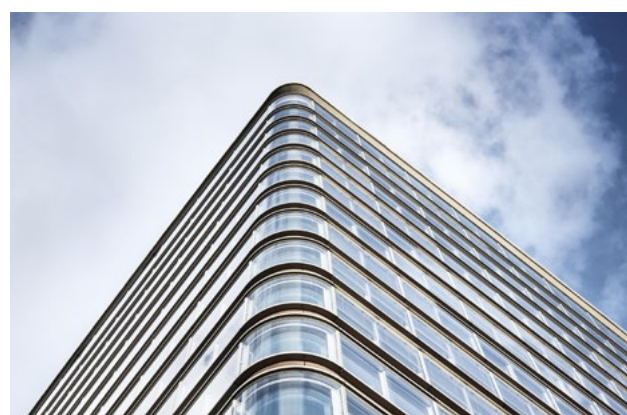
Company

Zertus Headquarter Strategy & Governance

The conglomerate, headquartered in Hamburg, operates four market units with subsidiaries in Germany, Greece, Austria, UK and Ireland that produce and market high-quality food and beverages.



With the Group CEO and Chairwoman Alessandra Cama at the helm, the Group focuses on gourmet, custom sweets, functional nutrition and snacking & chocolate. With its own product development and production, professional quality management, a modern distribution centre and administration in Hamburg, the Group employs over 2,300 people. The focus of the Corporate Group is to develop high quality foods and build premium food brands in growing market niches, empowering its people to develop them sustainably with an entrepreneurial spirit.



Zertus Head Office, Hamburg, Germany

The Group now operates in five countries across Europe but sells its products all over the world. The map indicates where each of our businesses are located across Europe.

- | | | | | |
|------------------------|--------------------|--------------------|-----------------------|-------------------------|
| A Zertus HQ HH | D GAEA | G Kinnerton | J Power System | M Sylter Brisen |
| B Bio-Zentrale | E Humdinger | H Lir | K Pulmoll | N The Sun Valley |
| C Dextro Energy | F Kalfany | I Lotao | L SüBe Werbung | O Wilms |

ESG Strategy

The Zertus ESG approach

We are committed to upholding the highest ethical standards.

The Group maintains several ethical policies and commitments to ethical standards. It is the longer-term plan as part of the ESG strategy to extend these across the Group, strengthening our ethical commitment.

Policies are reviewed on an annual basis and shared with our customers and suppliers so that the entirety of our supply chain is aware of the standard we aim to uphold.

Policies include:

- Whistle blowing
- Code of Conduct
- Anti-Bribery and Corruption
- Diversity, Equality and Inclusion
- Human Rights
- Modern Slavery Statement (UK&I)
- Gender Pay Gaps (UK&I)



United Nations Frameworks

When designing our ESG strategy and pulling this report together, we have striven to contribute to and align with the United Nations Sustainable Development Goals, known as the SDGs. Adopted by all United Member Nations in 2015, they set out a roadmap to addressing some of the most pressing social and environmental issues, such as poverty, climate change and social inequalities.

They are a commonly used framework by companies striving to set out their ESG targets in a way that contributes to an internationally recognised standard. They also help to organise efforts in identifying and tackling the most salient issues commonly included in an ESG agenda.

Throughout the report you will see the colourful squares on each page to indicate which of the SDGs that topic within our ESG strategy is contributing to.

SUSTAINABLE DEVELOPMENT GOALS



Four pillars for a better world



People

- Protecting the physical and mental health of our colleagues and promoting positive wellbeing
- Ensuring our employees are engaged through equipping them with the right skills to do the job and rewarding everyone fairly for their commitment
- Creating the right environment for diversity and inclusion to become a foundation at our sites
- Ensuring the human rights of our workers and those in our supply chain are respected and upheld



Responsible Sourcing

- Impactful Sourcing: Identifying, understanding and mitigating the potential negative social and ethical impacts of sourcing throughout the supply chains
- Enhanced Transparency: The sharing of information between suppliers and Zertus to enable more accurate supply chain mapping and drive best practice
- Collaborative Action: A combined effort towards tackling sustainability challenges through increased supplier customer communication



Communities

- Developing responsible brands that contribute to positive consumer wellbeing, including responsible NPDP
- Giving back to the communities in which our sites reside, dedicating our time to building positive partnerships, especially with those in need
- We will fund raise both as colleagues and as a company to be able to help with issues our colleagues feel passionately about and use our platform to make a difference



Planet

- Reducing our carbon footprint through setting and working to science-based targets
- Being conscious about the resources we use and dispose of
- Removing, reducing, reusing and recycling the plastics and packaging associated with our operations

People

People are the very backbone of our company. They bring the skills, knowledge, creativity, and energy needed to drive business success. Our success depends on our ability to attract, retain, and develop talented individuals who can drive innovation, productivity, and growth. Happy, engaged and satisfied employees are the key component of a stable and sustainable business, which is our most important goal for the future.

To achieve this, the projects and actions within our people pillar aim to ensure that human rights across our supply chains are respected, that the needs of our employees are fulfilled and that our workplace is diverse and inclusive.

We have four key areas of focus within the people pillar: Mental and Physical Wellbeing, Employee Engagement, Diversity and Inclusion, and Human Rights. The pillars have been chosen based on salient topics of our business and to be structured around some of the legislative requirements surrounding employment.



Happy, engaged and satisfied employees are the key component of a stable and sustainable business, which is our most important goal for the future.

Employee Wellbeing

The topic of wellbeing has risen the health agenda in recent years, and it has become a key topic when it comes to maintaining a healthy workforce. Wellbeing for us refers to both physical and mental health and safety. We are continuously working hard to educate ourselves and improve the physical and mental health of our colleagues.

Wellbeing Week in UK&I

One of the great initiatives we do in the UK&I is the Wellbeing Week, a week of various activities happening every day to increase awareness about different wellbeing topics like physical and mental health, nutrition, exercise and finance. The week is a mix of information pieces and activities on site to drive engagement and raise awareness of issues colleagues might be facing that aren't often talked about.

Health and Safety Engagement in Humdinger

In our Humdinger business there was an increased focus on Health and Safety engagement in 2022. Led by HSE Manager, Derek Thompson, implemented a new QR code to be able to easy report near misses and hazard, increasing reporting by 65%.

Safety at Kalfany Süße Werbung (KSW)

At KSW, we noticed a potential health and safety hazard as people were lifting heavy weights. To avoid this, we have invested in a vacuum lifting system which limits the number of times our employees have to lift heavy stuff.

Mental Health First Aiders

We have several mental health first aiders around the business as we know there is just as much need to look after peoples' mental health as well as physical. We currently have around twenty people trained in the UK&I. Over the next year we will be looking at extending this support across the rest of the Zertus Group.

Diversity and Inclusion

93% of people were trained in diversity and inclusion in UK&I! Diversity, equality and inclusion is a topic we feel passionately about at Zertus. In the UK&I we implemented mandatory diversity and inclusion training for everyone in the business. We did this to ensure that everyone was equipped with the right knowledge about diversity and inclusion and to let everyone know about the behaviours and language that will not be tolerated at Zertus. It's important to us that we create an environment that everyone feels respected.

We do not currently track gender mix within the German business, and this is something we will do working on in 2023, so that we are transparent about our workforce.

Communication

We are constantly striving for new ways to improve communication with our employees and drive employee engagement. We want our employees to feel listened to, valued and importantly, informed about what is happening in the business and about our plans for the future. Sharing our vision and values with our employees is one of our top priorities within the people pillar where we are constantly looking for ways of improving these area by creating dialogue between our workers and management.

At the Dextro Energy site in Germany, we have established regular meetings with employees and higher management to promote information sharing. Bio-Zentrale has implemented town hall meetings and GAEA now have quarterly team meetings to ensure importation is shared and to share positive business news.

The Gummy Bear Mail at Kalfany Süße Werbung

Communication was an area that KSW wanted to work on, so we came up with the Gummy Bear Mail! Every month all employees receive a small gift which allows them to get to know our products and colleagues from different departments and locations. It always includes something to snack on and an interview that focuses on an employee and their work and, if desired, something private, such as hobbies. It's a fun and engaging way to share news with our employees.



General Workforce Split UK&I	42%	women
	58%	men
Senior Manager Positions UK&I	40%	women
	60%	men
General Workforce Split Greece	30%	women
	70%	men

Business Improvement Groups 'BIG', in the UK&I

Back in 2021, the UK&I recognised the need for a forum where employees could communicate their needs to the site management. We established the Business Improvement Groups at each site, or BIG Group for short.

Employees from every department choose their representative who can provide feedback and make requests as well as find out about future plans and challenges being faced on the site.

Wilms

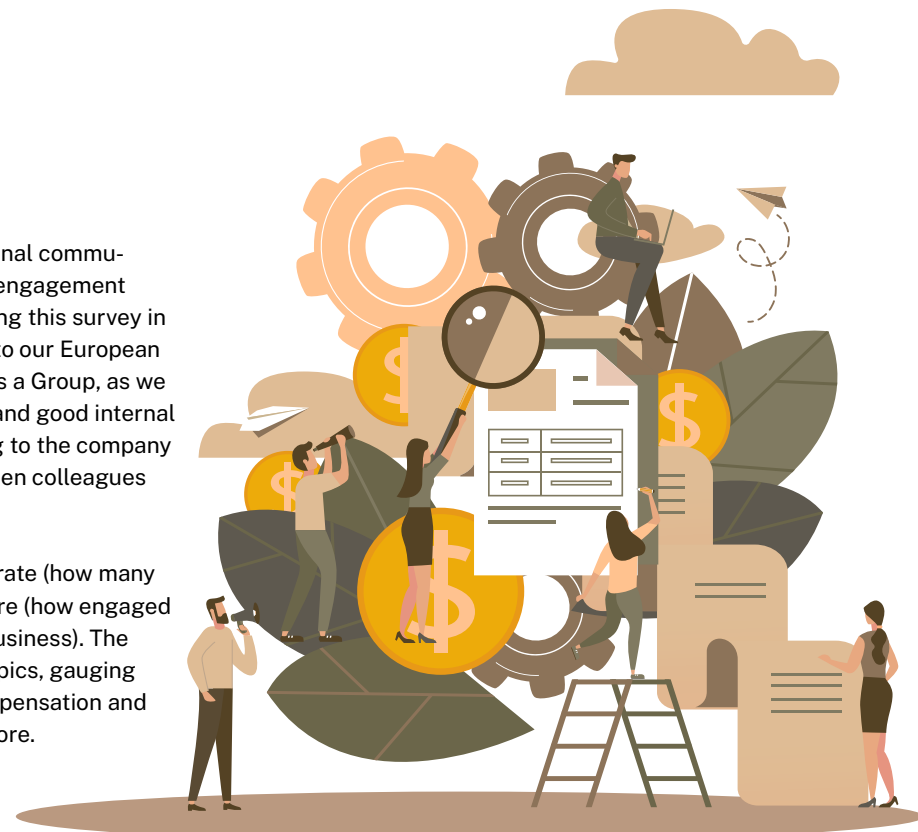
At Wilms we have recently introduced a management information meeting that takes place on a regular basis. All employees are invited to this meeting and there is an update from each business area, there is the possibility to ask questions to the management, which are answered in this context. There are also several other tools that are used to report on the activities of the company and our brands: The 'Marketing News', published weekly. Three times a year there is also a condensed version of the brand activities in the form of the 'Food News'.

Employee Engagement

Engagement Survey

One of the ways we try to improve our internal communication and employee engagement is the engagement survey. Since 2020 we have been conducting this survey in the UK&I, and in 2022 we expanded this into our European businesses. This is a huge success for us as a Group, as we recognise that high levels of engagement and good internal communication foster a sense of belonging to the company and promote trust and transparency between colleagues and the management.

We look to measure both the participation rate (how many people took part) and the engagement score (how engaged people are with salient topics across the business). The engagement survey covers a range of 11 topics, gauging opinions on food safety, management, compensation and benefits development opportunities and more.

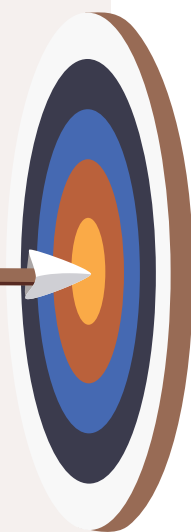


We set a target of 75% engagement across the Group, and we are pleased to say we achieved this target.

UK&I Engagement Score	75%
Europe Engagement Score	78%
Zertus Group Average Engagement Score	77%

The engagement survey allows HR and senior management to get a view of satisfaction levels amongst colleagues and identify areas we can improve upon. It also gives us a measure of how well we are improving according to our colleagues.

We are really proud of the consistently high engagement levels across our Group and the feedback we receive from colleagues as a result.



Acting on Engagement Surveys

Each year following the survey, each site develops an action plan to respond to the results of the survey. Below are some of the things that have been achieved in 2022 through listening to our workforce:

Actions from the engagement survey

- The social area at Kalfany Süße Werbung was extended to include a BBQ to promote social interaction between colleagues
- **A salary benchmarking exercise was conducted at GAEA which led to pay rises for the business**
- Gaea and Bio-Zentrale introduced more regular communication to share business updates
- We introduced more structured line leader training for line leaders in Hull
- **Introduction of a near miss reporting system in Humdinger that allows people to scan a QR code and report hazards, contributing to our health and safety culture**
- UK&I completed a pay review in August, and all roles will be subject to a pay increases
- **Enhanced family benefits are now in place at all sites**
- Sun Valley shift patterns have changed so that our employees knew their shifts well in advance and had a better work life balance



Human Rights Due Diligence at Zertus

We first started our Human Rights Due Diligence Programme in the late 2021. To guide our journey, we have adopted the six-step process in line with the UN guiding principles on business and human rights to protect, respect and remedy: commit, assess, act, remedy, monitor and communicate.

In 2021, we primarily focused on the commitment stage, by developing our human rights policy, and establishing a human rights working group, made up of key stakeholders from ESG, HR and Procurement. Our aim for 2022, was to assess main human rights risks in our operations, understand how we can address them and start implementing actions to mitigate these risks.

So, this year, we set KPIs for the Programme, established regular progress review meetings, nominated our HR Director for UK&I as our Human Rights lead in higher management and started an extensive risk assessment.

Additionally, to guide our progress in addressing human rights risks, we partnered with Stronger Together, a non-profit, impact driven organisation which provides companies with a practical resources, training and services to ensure responsible recruitment and eradicate modern slavery. Our goal is to reduce and eliminate modern slavery, forced labour and hidden labour exploitation in our operations.



Human Rights Due Diligence Programme (UK&I)

Commit

Through a combination of Board level commitment to Human Rights Due Diligence (HRDD), inclusion of the approach within the overarching business strategy and establishment of a dedicated forum, it has been possible to begin a real shift towards promoting a HRDD approach within Zertus UK&I.

Assess

As we continue on our HRDD journey, we are in the process of assessing our most salient human rights risks both internally and externally through the use of risk assessments, third-party information and stakeholder mapping. We will continue to develop these during 2022 to ensure that the areas we choose to focus on are those where we can have the greatest impact.

Act

As we work through the process of identifying where it is most crucial to focus our attention, we are still taking action where we can to mitigate risks of human rights violations. We already have grievance mechanisms and a whistle blowing procedure in place, and have identified key staff within our teams who would benefit from further training to assist in spotting the signs of Modern Slavery early on. The next phase will be centered around the outcomes of the external risk assessment and how we use this to define our salient issues.

Remedy

Providing re-mediation through a HRDD approach is currently at a similar stage in development to acting upon human rights risks. We have a number of comprehensive procedures in place internally to support employees, however we are in the process of developing more robust standards for our supply base. We aim to work with our suppliers and wider industry to understand the processes at play to support in the development of our broader approach.

Monitor

For the year 2022, we have implemented a number of KPIs to allow us to keep track of our progress. Not only will this enable us to monitor both our own achievements and areas to focus upon, but it will also provide data to open up conversations with suppliers. By monitoring progress in this way, we hope to truly drive change both within our operations and down our supply chains.

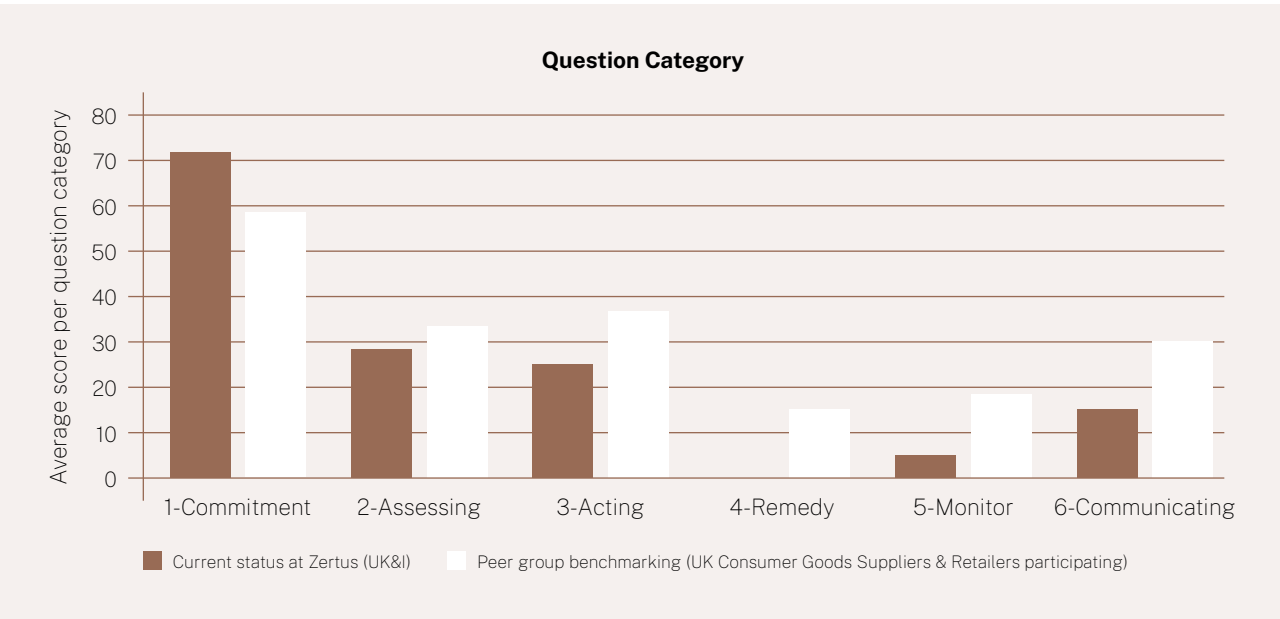
Communicate

At present, we publish an annual Modern Slavery Statement detailing the steps we take as a business to reduce risk to our people.

As our HRDD approach develops, we will also use our annual ESG report to demonstrate the progress we have made both internally and through our supply chains. Enhanced Transparency is a key aspect of our Responsible Sourcing pillar, and we are committed to ensuring that this works in all directions.

This year, we used **Stronger Together Progress Reporting Tool** to assess and guide our efforts in addressing modern slavery risks. Progress reporting tool is a self-assessment allowing businesses to assess their actions in addressing the risks of modern slavery and provides guidance on how to improve these actions. We use this tool to quantitatively measure our progress, benchmark and implement meaningful actions based on international research and experience.

Thanks to our work in 2022, we increased our score on the reporting tool by 9%. We established a business wide commitment to tackling modern slavery and assessed the risks in our operations. We have also been raising awareness on modern slavery, trained key people on forced labour risks and indicators as well as reviewed our policies, procedures and audits to minimise these risks and to ensure that we are doing and asking the right things.



Date Completed	Score
16 Mar, 23	32% 7%
14 Feb, 23	30%
14 Feb, 23	30%
07 Jul, 22	30% 43%
03 May, 22	21%

Human Rights in Europe

Going into 2023, we will start implementing the six steps into the European businesses. We understand this is a crucial part of being a responsible business and we would like to do a deep dive into our supply chains, ensure we have all the relevant policies and procedures compliant with the upcoming Supply Chain Due Diligence legislation that will impact our business.



Nicola Lamb
HR Director UK&I,
Human Rights Lead

“Zertus UK&I is committed to the highest standards of business and ethical behaviour and strives to respect and promote human rights in our relationship with our employees and suppliers. We are committed to ongoing human rights due-diligence to assess, address and mitigate potential human rights infringements and we work to ensure those who do business with us do the same.

As we expand our manufacturing and sourcing capabilities, supply chain workplace conditions are increasingly scrutinised. The conditions under which products are manufactured have become a dimension of quality and an important part of the business value proposition. Our committed Human Rights Due Diligence programme is therefore of upmost importance to us. Ensuring the safeguarding of our workforce, labour providers and supply chains enables us to ensure we are doing our upmost to protect those most vulnerable in how we carry out our business activity.”

Responsible Sourcing

Being a food company, we have complex and sometimes opaque supply chains. Incorporating responsible sourcing into our ESG strategy was important to us as we wanted to ensure it has the focus needed to make an impact; such as building relationship with suppliers, ensuring ingredient certifications are upheld, mapping our supply chains, ethical auditing, risk assessments and more.

Our responsible sourcing pillar is made up of three subsections:

- **Impactful Sourcing:** Identifying, understanding and mitigating the potential negative social and ethical impacts of sourcing throughout the supply chains
- **Enhanced Transparency:** The sharing of information between suppliers and the Zertus Group to enable more accurate supply chain mapping and drive best practice
- **Collaborative Action:** A combined effort towards tackling sustainability challenges through increased supplier-customer communication

These three sections have been designed to be responsive to challenges that we might face, and the projects that reside in these sections are likely to change annually depending on the salient issues at the time. They are also heavily interchangeable, echoing the nature of our supply chains which often present competing challenges.



Incorporating responsible sourcing into our ESG strategy was important to us as we wanted to ensure it has the focus needed to make an impact.

ESG Strategy

Supplier Relationships & Supply Chain Transparency

Supply chains pose one of the biggest sustainability challenges to us as a business. Complexity, conflicting priorities as well as lack of transparency, cooperation and competing regulations make it challenging to achieve a common goal. Achieving sustainability in supply chains requires a significant commitment from companies, suppliers, and other stakeholders. It involves addressing multiple challenges and collaborating to implement sustainable practices throughout the entire supply chain.

To begin addressing this issue, all our businesses in the UK, Ireland and Greece are members of Sedex, the **Supplier Ethical Data Exchange**. It is a platform that helps companies to share and manage information about ethical and social performance. It helps to improve supply chain transparency, increase efficiency and facilitates supplier cooperation and supply chain risk management. Being a member of Sedex has given us the much-needed platform for cooperation with our suppliers as well as customers to share ethical information and promote transparency.

Additionally, Sedex offers an audit methodology called SMETA which covers four key areas: **labour standards, health and safety, environment, and business ethics**. It is a widely recognised audit methodology used to evaluate businesses performance in ethical, environmental and social performance.

Although it is not a requirement for our suppliers, we aim to have high SMETA completion rates across our businesses we are linked to with Sedex.

GAEA

At GAEA, we are committed to building supplier relationships with quality suppliers that have enhanced levels of transparency and ethical standards. All our suppliers are certified with at least one of the ISO22000, BRC, IFS, FSMA. GAEA is certified with all above Food Safety Systems plus BIO, KOSHER and non-GMOs. For “Planet” Extra Virgin Olive Oil (EVOO), GAEA has a collaboration with an estate to be sure that all the cultivation and post-harvest standards are observed for this special EVOO.

UK&I: Total Suppliers	516	
>95% SAQ	402	78%
Smeta Audit in last three years	187	36%
GAEA: Total Suppliers	13	
>95% SAQ	12	92%
Smeta Audit in last three years	8	61%



Cocoa Responsible Sourcing

Raw materials sourcing is a critical part of our sustainability strategy because of the huge social, environmental, and economic impacts that can be had throughout the supply chain from the farming and processing of these ingredients. How and where we source our raw materials from affects our carbon footprint, human rights risks, reputation and costs.

The sourcing of cocoa-based products is a huge part of what we do at Zertus. We couldn't make our wide range of retailer and own-brand products without it, but we are also aware of the challenges faced in the cocoa supply chains. They are notoriously complex for traceability and implementing sustainability is challenging even where we have strong leverage. Our aim is to work with our key suppliers and cocoa-focused NGOs to exert positive impacts where we can.

Fairtrade

Fairtrade is about better prices, decent working conditions, social sustainability, and fair terms of trade for farmers and workers. It's about working towards the living income farmers deserve for their hard work. Both our Kinnerton and Lir sites are Fairtrade certified, allowing us to procure Fairtrade cocoa products for our customers as well as our own brand products. Through supporting Fairtrade, Kinnerton and Lir's support generated £32,100 for Fairtrade in 2022.

At Kalfany Süße Werbung and Lotao we also only use Fairtrade certified chocolate to ensure we source our cocoa responsibly wherever possible. Every time we use Fairtrade certified ingredients, we pay a premium price. This premium goes towards improving the lives of farmers and growers and educating them on best and sustainable farming practices.

Rainforest Alliance

Rainforest Alliance is another great organisation improving the sustainability of our cocoa. Rainforest Alliance is about environmental, social and economic sustainability with an emphasis on forest protection, biodiversity and greenhouse gas emissions. To increase the scope of our positive impact, we source all our own-brand Kinnerton and NOMO chocolate responsibly by buying Rainforest Alliance Certified products. This was a commitment which we proudly began in April 2019 and continue to support as we approach the fourth anniversary of this. This year, we've also added Humdinger to the certification so that all our Humdinger chocolate products can be certified. The Rainforest Alliance seal is visible on our Kinnerton and NOMO chocolate products, providing assurance to consumers that farmers follow more sustainable farming practices that protect forests, improve their livelihoods, promote human rights of farm workers, and help them mitigate and adapt to the climate crisis.

Organic Certification



Organic products are produced without the use of synthetic pesticides, fertilizers, genetically modified organisms (GMOs), or other artificial additives. They are nutrient dense, more sustainable and richer in taste – great for you and for the world!

Organically certified farms need to follow several practices to ensure that the farms are sustainable such as crop rotation, humus management for healthier soils and chemical free weed control. All these practices increase soil's health and productivity; ensuring a long-term sustainable use.

GAEA, Kalfany Süße Werbung and Lotao are all EU Organic Certified adhering to the EU regulations on organic farming and production.

Naturland at Lotao

At Lotao, much of our product range is certified by Naturland. To achieve this certification, our producers not only must follow strict guidelines of EU Organic sustainable cultivation of crops, raising of animals and processing of food but also a range of additional standards introduced by Naturland. These include:

- **Social standards to address human rights and equality issues**
- **Standards for aquaculture (fish and sea-food)**
- **Standards for non-food products: Forest & timber (forest management and timber processing), textiles and cosmetics**
- **Voluntary Fair certification available for Naturland farms all around the world**

This means that our product range fulfils strict criteria on environmental and social sustainability allowing you to do good by eating well.

It is also another way to further support and strengthen our social, ecological and quality standards with our partner in India. **We purchased circa 13 tonnes of Naturland certified products in 2022.**

Palm Oil Responsible Sourcing

Palm oil is one of the most versatile vegetable oils and it can be found in all sorts of products starting from shampoos and toothpastes to pizzas, doughnuts and confectionery. It keeps products from oxidation giving them longer shelf life, is very stable in high temperature, helps to achieve the desired texture, and is very efficient – producing plenty of oil from a single plant!

However, palm oil, naturally growing only in Africa, is also a major driver of deforestation affecting the most diverse forests in the world. It is also often grown on peat soils, carbon rich soils contributing to the global warming. What is more, there are social issues related to palm oil production such as child labour and worker exploitation.

That doesn't mean, however, that the palm oil has to be completely eliminated from the products, for them to be sustainable. RSPO round table is a non-for-profit organisation which sets the palm oil production standards ensuring that the palm oil is produced in a sustainable way and its negative impacts on the environment are limited. RSPO certified palm oil is a sustainable palm oil alternative, where RSPO certifies that the palm oil has been produced sustainably. There are two certification options – mass balance and segregated. Mass Balance is when Palm Oil from certified sources is mixed with ordinary palm oil throughout the supply chain and segregated is when the certified palm oil is kept separated from non-certified sources.

So, our strategy to minimize the negative effects of palm oil in our products is two-fold. First, we reduce the amount of palm oil we use wherever possible to facilitate sustainable production, second, we only purchase RSPO certified palm oil.

OUR PROGRESS:

At Lotao and GAEA we don't use palm oil at all in our own products.

At Bio-Zentrale, Dextro Energy, Kinnerton, Humdinger, Lir, Sun Valley and Kalfany Süße Werbung we only use RSPO certified palm to ensure that the palm oil we use doesn't contribute to deforestation.

At Kalfany Süße Werbung, there is some palm oil used in some of the brought in finished goods we purchase. Due to this, we do not currently have sight of the breakdown but all this palm oil is RSPO certified, but we are currently reconsidering future palm oil use all together.

Please also note that there is palm oil in a number of products imported by Wilms, but this is harder to influence due to not having ownership of the brands. But we are continuously working with suppliers to find alternatives to palm or remove it where possible.



By 2025, all of the Palm Oil used in our products will be certified 100% RSPO Segregated

Business	SG or IP Palm	MB Palm
Dextro	0%	100%
Bio-Zentrale	100%	0%
Kinnerton	74%	26%
Humdinger	55%	45%
Lir	66%	33%
Sun Valley	0%	100%

Communities

Our communities pillar covers the community from two different aspects. It firstly covers the community that buy our products. We want to ensure we are doing our bit to improve the nutritional value of our existing products and keep consumer wellbeing in mind when developing new products. This might be taking account of health trends such as high fibre or protein, or it might be making environmental choices such as enhancing our plant-based offering. It is also ensuring we make things as responsible as possible, by removing unnecessary fats, salt and sugar.

The second aspect of our community pillar is giving back to the communities where our sites reside or supporting causes important for our employees. There are several charitable initiatives happening across the Group in the form of fundraising, sponsorship and volunteering.

We have increased our social impact over 2022 and have further plans to keep growing this for years to come. We are really proud of the relationships we have built and the passion for this which is driven by our workforce.



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Responsible Products

One of the most important aspects in our community pillar is how the products we make affect our consumers. Some of our products are intrinsically high in salt, fat or sugar such as chocolate, sweets and nuts so being mindful in how we produce these products and what ingredients we use is extremely important. Having this responsibility in mind, we always strive to improve our product range by making it healthier, more natural and better for our consumers. For example, Dextro Energy now only use natural flavourings and all GAEA products are free from preservatives and other chemicals as well as high in nutritional value.



Product Improvements

Humdinger

At Humdinger, our new product development team is working with our customers to improve our product range. In 2022 only, we have done a major product reformulation by reducing salt. **This equates to 200kg salt reduction annually.** What's more, in cooperation with our customers, Humdinger has launched 13 new product lines with a UK health score under 4 – low in salt, fat and sugar which for a nuts and snacking business is a real achievement.

Bio-Zentrale

In 2022, we made some changes to our product range to enhance our healthier choices. We discontinued the cocoa syrup from the BioKids range. We also made improvements to the recipe for the BioKids tomato sauce, reducing the sugar content by 20%. **This resulted in approximately 5,380kg of sugar saved annually.**

What's more, in response to the raising demand for healthy, high in protein products, we also launched a new protein chocolate and pure muesli, which is not only high in protein, but also organic and vegan.

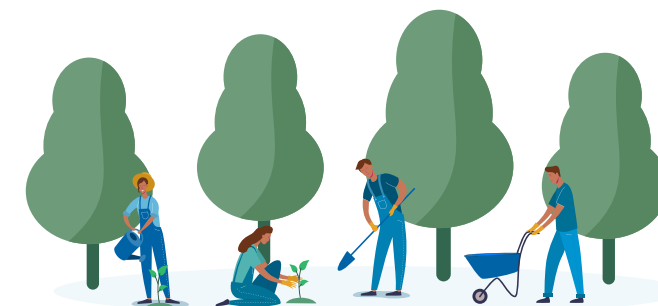
Plant-Based Offering

UK&I

The plant-based market is growing, not only do we have the number one free from brand in the UK, NOMO, but also our snacking division is naturally plant based being derived from nuts. In 2022, **there was a 31% increase in plant-based product sales across the UK&I market unit.** This was driven by the acquisition of Sun Valley but also by growing the NOMO brand. It is important to us that we cater for a range of dietary requirements and for those who seek to be more environmentally and ethically conscious.

Wilms

Wilms have developed a specific catalogue to showcase their 'better for you' products, compiling all vegan and organic. This was designed in response to helping our customers in sustainable shopping habits.



Jackfruit sourcing project

Lotao

A few years ago, Lotao started developing jackfruit based products to meet the demand for vegan and vegetarian products. Jackfruit is a great meat alternative, thanks to its taste, texture, nutritional value and environmental credentials. It is also good for the environment as one plant produces plenty of fruit, doesn't require a lot of water and is not very susceptible to pests. Jackfruit sourcing, however, can pose social risks related to agriculture in countries where jackfruit naturally grows such as Brazil and India.

As a response to this, Lotao started a sourcing project to holistically increase the sustainability of sourced jackfruit, at the very start of the supply chain before it is even cultivated.

The project was set to simplify production, build an environmentally friendly and socially responsible jackfruit supply chain for the European market. In partnership with local agricultural research foundation, funded by the German Investment Corporation, Lotao developed a jackfruit sourcing business plan contracting a family-run farming foundation in Bangalore, India.

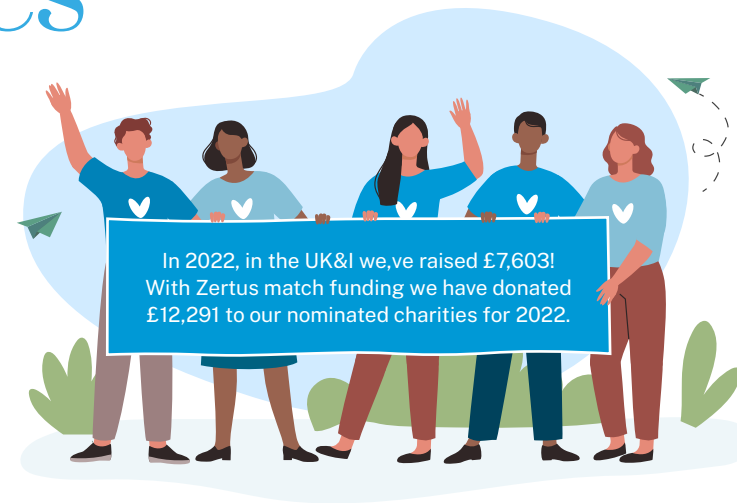
To improve the production stage, all participating farmers were trained on sustainable and organic farming. Thanks to the training, together with a total of 15,000 jackfruit seedlings from organic farming, support during the cultivation and harvesting phase, the farmers were given the best starting conditions to secure their share of the booming market for meat substitutes. To support farmers, the programme also included the expansion of local infrastructure and the construction of refrigeration, storage and packaging facilities in the next largest city of Bangalore.

All farmers who participated in the programme became certified organic jackfruit growers and have secured contracts for the purchase of harvested fruits. This resulted in a stable income and living security ensuring that the farmers are paid fairly for their work.

To date, over **15,000 trees have been distributed for planting** and over 600 farmers are now involved in the project (raising from 80 farmers when the project was set up). Now all of our jackfruit based products are uncompromisingly good for all parties.

15,000 trees have been distributed for planting

Communities (UK&I)



One of the ways we are building a lasting impact is by working with and supporting local charities. We have built an extensive charity support programme including donations, volunteering and sponsorship.

In the UK&I, each year our sites partner with a local charity, chosen by popular vote. Throughout the year, our HR teams organise various fundraising events such as raffles, bake sales and different contests. All the money raised during these events are donated to a site's charity of the year. It is a great way for our employees to engage and socialise, but also to support important causes in our communities! We then match fund the donations raised for up to a £1,000 per site and transfer the money to the charities.

Additionally, across the Group, we are always on the look-out for other ways to support local charities. If we have any spare stock, or if there is an event or an occasion where our help would be appreciated, we include it in our programme.

For example, in 2022, we organised a Christmas Toy Appeal in our Kinnerton site in Sherburn in the UK, where we've managed to raise hundreds of toys for Leeds Children Charity to support children in this difficult time of the year.

Sponsorship and Volunteering

Apart from fundraising and donations we also have a sponsorship fund and a volunteering programme set up for all of our businesses in the UK&I.

Our sponsorship fund means that each site has £1,000 available per year to sponsor different events and causes chosen by our employees. Whether it is a marathon, a community event or a fundraising page, the fund is there to support our communities! Last year, we have donated further £1,724 with the sponsorship fund. We had the honour to support several amazing initiatives last year like a Sahara trek aiming to raise awareness about breast cancer.

Additionally, we have a volunteering programme, where our employees have one paid volunteering day per year, which they can spend volunteering at a charity of their choice. This year in 2022, our employees volunteered with Fareshare and First Focus foodbank.



Communities (Europe)

Although the charity support programme has not been formally formulated, we always support local communities wherever possible. You can find examples of different ways our German businesses engaged with their local communities.

Kalfany Süße Werbung

At KSW, we regularly donate to the Tafel a local foodbank which fights food waste by donating to those in need. We also donated our products to schools and hospitals, as well as local charities.

Bio-Zentrale

We regularly donate food to fire brigade and local charities to minimise waste and support our community. We also sponsor Bio-Zentrale local football club in Wittibreut with yearly donations.

Zertus Holding

Some organisations are only donations funded and sometimes are in need of an immediate support. **This year, we have supported to Sternenbrücke Children Hospice with a donation of 5,000€ in Hamburg.** The Hospice provides care for the final days of terminally ill children, support families enabling them to recuperate and gain strength to deal with the grief.

We also donated another 5,000€ Stiftung Mittagskinder, an organisation based in Hamburg which supports socially disadvantaged children by providing healthy meals as well as social and educational safe space.



Wilms

This year, at Wilms, we have seen an amazing sustainability initiative where instead of purchasing Christmas presents to Wilms partners, we have donated 2,000€ to the non-profit organisation McDonald's Kinderhilfe. The organisation runs McDonald Houses in various cities in Germany, enabling families of seriously ill children to live close to their children so that they could always be at their child's side.

What is more, the company has organised internal fundraising events to encourage our employees to support the organisation. To carry on with the great work, Wilms have taken on a one-year sponsorship for the "dining room" in the Ronald McDonald House in Mainz for 2023 – giving families great food in a pleasant atmosphere, making life easier for families in daily hospital routine.



This year, we have supported to Sternenbrücke Children Hospice with a donation of 5,000€ in Hamburg

Planet

Moving towards a sustainable future should be paramount for business operations, in all sectors, across the globe and we all have a responsibility to the planet and future generations to prioritize sustainable practices. One of the Zertus Group core values is responsibility, as we believe that we should leave the planet in a better place than where we found it. To ensure that we are upholding this value, we have incorporated a planet focused pillar into our strategy. This pillar covers our Net Zero ambition, our commitment to more responsible packaging choices and the reduction of waste and water.

From reducing carbon emissions and waste to improving packaging, every effort we make towards a healthier planet is a step towards a better future for all. Prioritizing sustainable business practices help us future proof our business both in terms of upcoming regulations but also as consumers become more aware of the impact business has on our planet as they make more environmentally conscious decisions. Lets take action towards a more sustainable future for ourselves, our customers and our planet.



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ESG Strategy

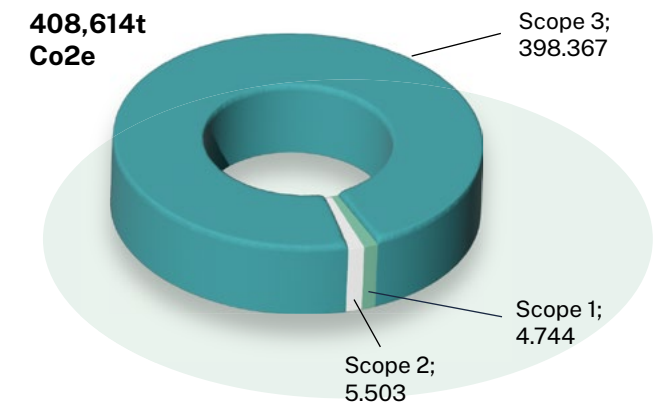
Zertus Group Carbon Footprint

This year we did our first Carbon Accounting for the whole Zertus Group. We partnered with Climate Partner to help us complete the calculations and understand our hotspots across the three scopes.

Our total footprint came to 408,614T of CO₂e, which, to put into perspective, is equivalent to the yearly footprint of 584,318 average people, which is about the population of the Maldives.

Carbon Footprints are split into three scopes:

- Scope 1** refers to the operations associated with process heating
- Scope 2** are all emissions associated with purchased electricity
- Scope 3** are all other emissions associated with our business and supply chain, up and down stream. This includes all our purchased goods and services (packaging and raw materials), logistics, waste, all the way to the end of life of our products and how consumers dispose of the packaging.

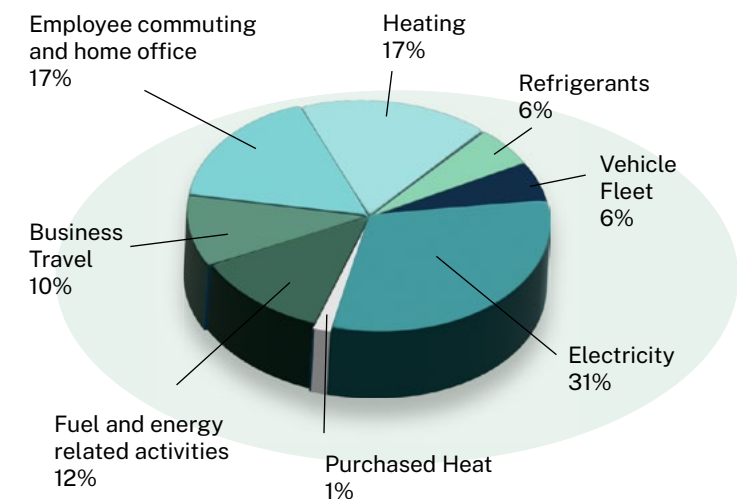


Our footprint is in line with a typical food manufacturing business with the majority of emissions –97% in our case – coming from our scope 3.

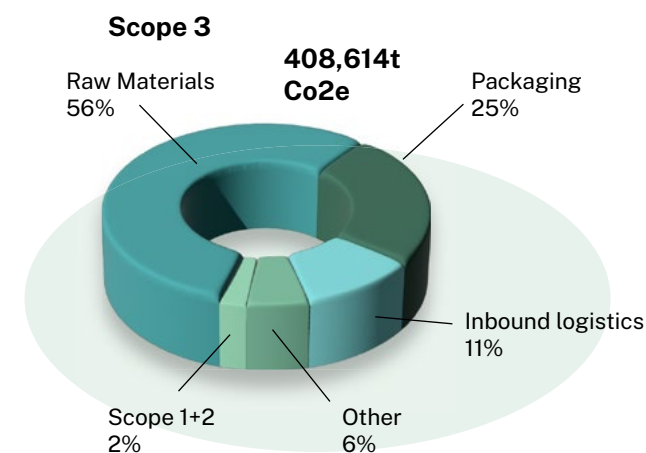
Operational Footprint

16,764t of CO₂e is attributed to our operational footprint. This refers to everything within our immediate operational control - this includes heating, electricity, water, waste, employee commuting and business travel. In these areas we have the most influence emission reductions.

As part of our commitment to Net Zero, we will be looking at ways to reduce our footprint across the whole Zertus Group. Completing our first carbon accounting has enabled to see which areas we should focus our efforts on and where there are reduction opportunities.



Scope 3 makes up a huge proportion of our overall footprint and it is also the scope that we have the least influence over. Reducing this part of our footprint will require strong collaboration with our suppliers, especially the smaller suppliers that haven't even considered this journey yet. Through completing our carbon accounting, we were able to identify our three hotspot areas that are responsible for the largest proportion of our emissions; raw materials, packaging and logistics. Whilst the total scope 3 accounts for 98% of our total footprint, these three categories account for 92% of this, leaving all the other categories responsible for just 6% of the footprint, showing just how many emissions are associated with these hotspots.



Raw Materials are our largest source of emission

Packaging makes up a significant portion of our footprint especially at Lotao and GAEA

Inbound logistics of our ingredients and packaging made up 11% of our total emissions

Packaging - 25% of Footprint

Packaging is a hot topic in sustainability. There has been a shift to more recyclable materials and material with recycled content within, led by a legislation introduced in the UK where businesses will pay modulated fees depending on the status of recyclability and recycled content within their packaging. To work towards reducing this, we have set the goal that all our branded products in the UK will be in 100% recyclable packaging by 2025. We are also continuously making improvements throughout the year on packaging, working with retailers to create more environmentally friendly products.

Raw Materials - 56% of Footprint

By far, raw materials make up the largest proportion of our footprint. This is common for food manufacturing businesses, particularly ones that manufacture commodities with inherently high emissions. Chocolate, peanuts and cashews attributed to the UK&I businesses make up 27.6% of our overall footprint. These emissions come from things such as land use change and the amount of processing these ingredients need to go through before they can be used in manufacturing. Some of our businesses, like the chocolate and nut manufacturers, are faced with procurement challenges in reducing scope 3 due to being limited in what we can do to reduce emissions from these commodities. Despite this, we will work with suppliers to improve data quality, educate them on carbon reduction and make reductions where possible.



Our Climate Commitment

We have set an ambition to become Net Zero by 2040. 2022 is the first year Zertus has measured its footprint as a Group, an important first step in understanding our baseline and now being able to set credible emissions targets. We will continue to work with Climate Partner towards setting validated Science Based and Net Zero targets as part of our journey, whilst the teams work on driving down our operation footprint. We can't achieve Net Zero alone, therefore we will engage with our supply base to reduce scope 3 and make sure all our suppliers are aware of our commitment.

Energy Efficiency and Reduction Projects

Increasing resource efficiency is a great way to reduce our carbon footprint and increase sustainability of our products. We are working hard to always increase the efficiency of our operations, minimise waste and make sure that we always make the most of the valuable resources we get from the planet. This is why we have implemented a number of resource efficiency projects across the Group.

Energy Efficiency at Kinnerton Sherburn

Sherburn have saved an impressive **243,222 kWh per year** through fixing the air conditioning systems in the factory, preventing temperature fluctuations. They have also formalised shut-down and start up procedures, eliminating unnecessary consumption of energy.

Climate Neutrality at Bio-Zentrale

Climate awareness is ingrained in our business. Following the 2021 assessment of our carbon footprint, we made the decision to offset our emissions. We started a carbon offsetting project in Chad, introducing portable solar cookers in refugee camps. They are more energy efficient option, give off fewer emissions and are healthier for the users.

Always Optimal at Bio-Zentrale

In our production site at Bio-zentrale, we are always looking to optimise the resource use. We use water to clean the production systems, necessary to maintain the required level of hygiene.

This year, we installed steam cleaning equipment following a recent evaluation and achieved a reduction in energy and water use.

Photovoltaics at Bio-Zentrale

Photovoltaic systems are climate friendly, cost effective and a great source of renewable energy. This is why, this year at Bio-Zentrale, we introduced a photovoltaics systems helping us achieve an energy use reduction.

The introduction of this system has saved 42,231 kWh annually.

Energy Efficiency at Dextro Energy

In 2022, we implemented a lightning project, where we switched all our standard lights to the LED illumination in the production areas. LED lights have a longer lifespan and are up to 80% more energy efficient – increasing the sustainability of our operations. **This has saved around 15,000kWh per year.**

Climate Neutrality at Wilms

Like Bio-Zentrale, Wilms also has a photovoltaic system. In 2022, we had an electricity yield of 141,000 kWh of solar power, which represents a share of 16.84% of total consumption.

The remaining unavoidable emissions were offset by the purchase of climate protection certificates, resulting in Importhaus Wilms being certified climate-neutral.



Tackling Waste across the Group

Within our planet pillar, reducing and minimising waste is one of the areas of our focus. Using the precious resources, we get from our planet to the absolute maximum is a very important part of fulfilling current demand for food while minimizing the negative impacts. This is why we are always working to improve our operational processes to minimize plastic, water, operational and food waste. Read on to see what we've achieved in 2022.

Improving operational processes at Humdinger

In our Heckington site, our employees have discovered unnecessary waste resulting from the fact that tote bags were treated as general waste and thus not recycled. This was immediately rectified, and all tote bags are now properly recycled saving 12t of plastic this year only!

Waste reduction at Fakenham

There has been 31% reduction in waste at our chocolate site in Fakenham in 2022. Thanks to the operational team's efforts to ensure all budgets, bill of materials, wastage and giveaway allowances were current through the processes. They also reassessed the NPD (new product development) trials, ensuring the length of trials was right and that trial stocks were reworked where possible.

Most importantly the introduction of the SPI (Sustainable Performance Improvement) programme, which includes improving the collection and accuracy of data, targeting lines and products with higher wastage levels to make reductions. on one line, the Aasted, year on year we have reduced the waste by 0.75% against tonnage of 119,120kg of product, a reduction of 9,000 kg.



WASTE REDUCTION AT BIO-ZENTRALE

Good For Longer

Bio-Zentrale have set themselves the goal to apply the “too good to go” logo to all products whose shelf life allows this. This will inform consumers that the product – provided it still looks, smells and tastes good – can still be enjoyed after the best before date has expired. This information is already being printed beside the date on many products so that it is clearly visible to consumers. Flexibility in shelf life decreases the chance that food will be wasted, helping both reduce waste and also reduce the carbon footprint of the product.

The Zero-Waste Approach

At Bio-Zentrale, we have adopted a zero waste approach, meaning that the rework produced by production runs is fed back into subsequent production runs or delivered to a local biogas plant. All waste from packaging material is also fed to the relevant disposal or recycling paths.

Packaging Improvements

Responsible packaging choices are crucial to protecting the environment. The hype around recyclability and recycled content packaging in the media is not unwarranted; it is estimated that by 2050 there will be more plastic than fish in the oceans.

As a society, we need to acknowledge this issue and take responsibility for the impact our packaging choices have on the environment. At Zertus, we know we need to make significant changes. Responsible packaging practices can include using recyclable materials, reducing excess packaging, and utilizing biodegradable materials. By implementing these practices, we can work towards a more sustainable future for our planet.

Each of the businesses have been working of several different initiatives throughout 2022, helping to get us closer to our aim of 100% recyclable packaging by 2030 for the whole Group.

Reinpapier® at Kalfany Süße Werbung

In 2022, at Kalfany Süße Werbung we launched a new fully recyclable advent calendar allowing companies to purchase fully customisable and recyclable advent calendar free from plastic. What is more, our advent calendar is not made of just normal cardboard. It is made of reinpapier®, which is one of the most sustainable packaging options on the market.

Advantages of Reinpapier®:

- Made from renewable raw materials
- Resource-saving From FSC®-certified forest
- 100% recyclable - Dispose of with waste-paper
- Biodegradable and compostable according to EN13432
- Non-toxic, food safe and environmentally friendly
- Low CO2 emission production
- Low water and energy consumption values during production



Dextro Energy

Dextro Energy completed a project to reduce the weight of paper pallets in a bid to remove unnecessary packing from the business.

We have reduced the grammage of paper pallet covers by almost 50%! We went from 210g/m2 to 110g/m2 resulting in over **2.9 tonnes of paper saved in 2022 only!**



Extending Shelf Life at Lotao

Switching the packaging can have many different environmental benefits, from biodegradability or recyclability to extending the product shelf life. In September 2022, at Lotao, we fully switched PE-coated cardboard jackpot cups to PP cups with a removable cardboard sleeve. This means the cups are now recyclable, as the materials in PP can be easily separated, which means that only in the last 3 months of 2022, we saved 700kg of non-recyclable packaging!

What is more, the new packaging allows us to use the packaging gas, which is used to slow down the fat in the crisps from oxidising and extending the product shelf life. This will help us and our customers to save food waste thank to the longevity of the products.



Made for recycling at Bio-Zentrale

Made for recycling seal is a standard developed by the BIFA environmental institute validated by the Fraunhofer Institute for Process Engineering and Packaging IVV, which means that the end user must be able to sort and that the packaging to the relevant collection system, the packaging must be of high quality and reusable. At Bio-Zentrale, 90% of our packaging has this seal.

Packaging Changes at Bio-Zentrale

In 2022, we have made some impactful packaging changes at Bio-Zentrale to 100% paper packaging for our lingune, wholegrain penne, spirelli as well as spaghetti.

This has allowed us to save a total of 2.23 tonnes of plastic film!

This Easter has been all about removing plastic for M&S and the packaging team have done an excellent job in meeting the brief. M&S took some time to agree strategically the packing format that they were happy to run with and the team have done a great job in getting to designs that support the product to ensure it passed the required drop and travel tests required.

There were concerns that the fixture would look like a wall of cartons, but the use of real photographic images has really helped with the appearance of the fixture. Compared to last Easter, the team have removed circa 29 tonnes of plastic in total and looking at individual items of plastic circa 2.9 million have been removed for M&S.



ESG Strategy

Zertus Targets

Our vision for 2023 and beyond is to continue strengthening our ESG focus across all businesses, integrating our ESG projects and initiatives across full European Group in order to achieve the KPIs we have set out. The primary areas of our focus in ESG for 2023 will be:

- **Continue to understand and reduce our carbon impact**
- **Working towards and setting targets for reducing our carbon footprint and becoming a carbon neutral business**
- **Improving the sustainability of our products and developing new responsible products**
- **Increase community engagement of our businesses**
- **Reduce the negative environmental impacts of our packaging by reducing the packaging used, improving the recyclability of the materials used**
- **Promote and engage in the wellbeing of our colleagues by introducing various wellbeing initiatives and raising awareness on physical and mental health**

To achieve this, we have set ourselves a series of targets for 2023 and beyond - as outlined on the next page.

ESG



	Pillar	Target Area	Proposed Group Targets	Target Year
	People	Mental and Physical Health	Introduce a wellbeing week across the Group to enhance wellbeing support and education. This will include a focus on topics such as mental health, physical health, nutrition, financial health. (Group)	2023
	People	Engagement	Engagement Score 77%. (Group)	
	People	Diversity and Inclusion	DEI Policy implementation (Europe) 95% DEI Training completion. (UK&I)	
	People	Human Rights	Human Rights and Modern Slavery Policy implementation (Europe) Improve score on Progress Reporting Tool by 10 points (UK&I)	
	Sourcing	Impactful Sourcing	100% Segregated Palm Oil - Applicable sites but understand how far away they are from achieving the 100% SG Palm Oil target and aim to switch ingredient specifications over completely by 2025.	2025
	Sourcing	Enhanced Transparency	To strengthen our ethical baseline and prepare for upcoming CSRD legislation we will complete an ethical gap analysis for each business across the Group.	2024
	Sourcing	Collaborative Action	Supply Chain Mapping - Complete Group supply chain mapping and risk assessment in preparation for the Supply Chain Due Diligence.	
	Communities	Consumer/ wellbeing Responsible NPD	NutriScore and HFSS Product Mapping - Compile product catalogue of all branded SKUs across the Group with information about NutriScore and High Fat Salt and Sugar compliance.	2024
	Communities	Community Engagement	Support children initiatives through brands - The Group would like to establish and grow key partnerships between Children's Charities or initiatives and brands. This will be supported centrally.	2023
	Communities	Fundraising	The Zertus Group will strengthen our Group Children's initiatives, both through work with our brands and our employees.	
	Planet	Waste	Zero to Landfill - Each business will complete the analysis on waste streams across the Group what it will take to achieve this. Food Redistribution - Included in 2030 plans, we will look at reducing food waste in factories and redistribution streams to help achieve food waste reduction and strengthen our charity position.	2030
	Planet	Packaging	100% recyclable packaging.	
	Planet	Carbon	Net Zero 2040 - Following the results of the carbon accounting, we will receive top line action plans to reduce our footprint at sites. From 2024, we will begin building 5-year plans for carbon reduction.	2040
	Planet	Compliance	Maintain Legal Compliance.	Rolling

Governance

Zertus Governance

Good (corporate) governance is the key to responsible decision-making and ethical behaviour. Transparent governance structures promote accountability, integrity, and transparency in all aspects of the Group, including our social and environmental impact.

To demonstrate our commitment to sustainability and responsible business practices, our policies, procedures and governance structure are clear and explicit. Thanks to this, we can easily identify areas where we can improve our ESG performance, engage with stakeholders, and build trust with our employees, suppliers and customers. Good governance is crucial to ensuring ESG becomes embedded into a companies practices and will help ensure the long term success and sustainable growth of the Zertus Group.



Zertus Governance Structure

ESG (Environmental and Social Governance) is a new area of focus for Zertus as a Group. Our sustainability programme was first established in October 2021, when we set up a sustainability team in the UK&I. Since then, we have established a sustainability governance structure within the business. Firstly, to drive the commitment to ESG across the Group, Paul Tripp, our CEO for Zertus UK&I, was appointed as the ESG lead in our management board. This helps us ensure that sustainability is given the attention it needs in the Group.

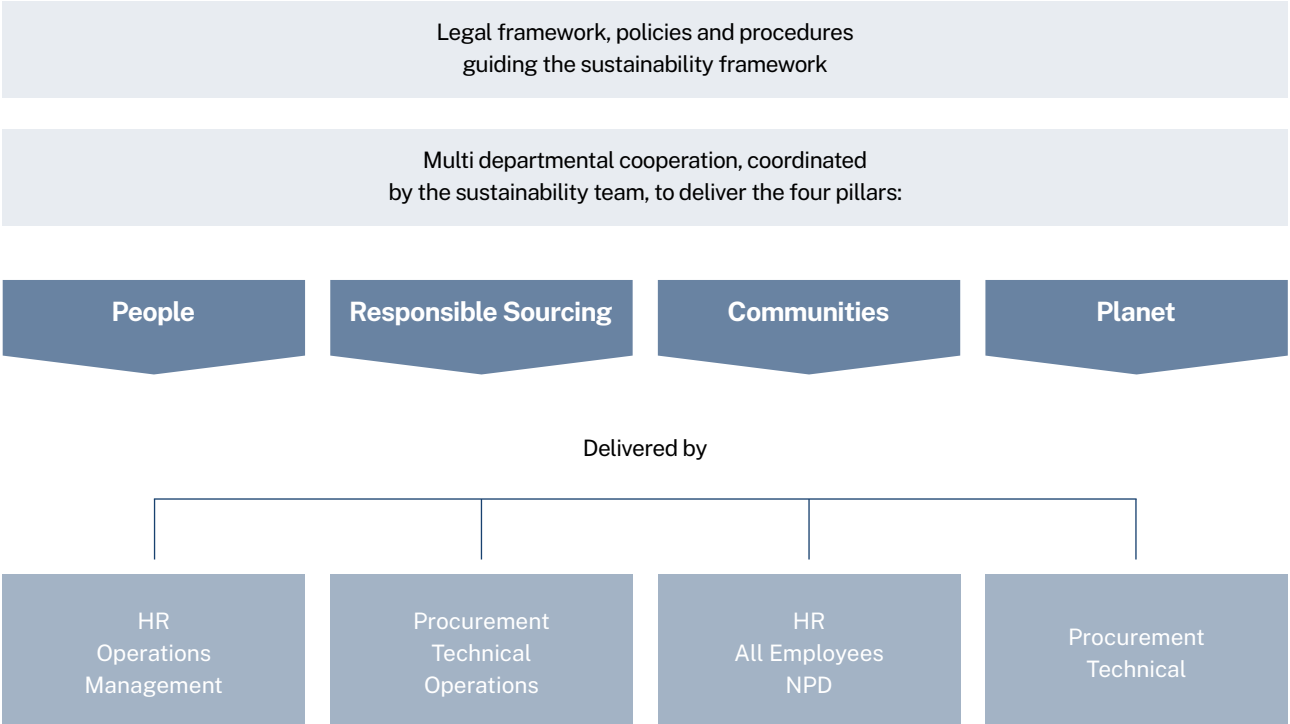
Then, we've established an ESG working Group in Europe, which works closely with the UK&I sustainability team. While in 2021 our sustainability strategy and targets were primarily related to the UK, in 2022 we worked hard to align targets and strategy for the whole Group. And finally, project implementation, tracking and managing

progress happen at a site level, allowing for a greater control, tailoring actions to each sites and better data quality. All this hard work has paid off and we now have an established sustainability governance structure with clear responsibilities division, targets and accountability.



Board Commitment to Sustainability

European Sustainability Team



Board Structure

Our company's board is two tiered, consisting of the management and supervisory board. Our supervisory board is responsible for appointing, managing and monitoring our management board, providing guidance and strategic direction for our company, approving budget and major investments as well as ensuring compliance with legal requirements. Our Management Board on the other hand is responsible for the day-to-day operations of the company, including making strategic decisions, managing the company's resources and implementing policies and procedures.

This model allows us for a balanced decision making and improved accountability. We also aim to bring a range of perspectives and experiences to our boards which helps us devise more innovative and effective solutions. Diverse boards help to avoid group think and ensure that a range of opinions are considered before making important decisions, reducing the risk of making decisions based on unconscious biases and improving the quality of decision-making.

Supervisory Board

Dr. Markus Conrad, Chairman

- Born in 1959
- Chairman of the Supervisory Board since 2017
- Member of the Supervisory Board since 2006
- Former Management Chairman at Tchibo GmbH, Hamburg

Dr. Marc-Angelo Bisotti, Deputy Chairman

- Born in 1980
- Deputy Chairman of the Supervisory Board since 2019
- Member of the Supervisory Board since 2017
- Managing partner of RPP Group

Gerhard Berssenbrügge

- Born in 1952
- Member of the Supervisory Board since 2014
- Former Chief Executive Officer of Nestlé Deutschland AG, Frankfurt/Main

Dr. Malte Herwig

- Born in 1972
- Member of the Supervisory Board since 2017
- Journalist/author, NDR

Karen Heumann

- Born in 1965
- Member of the Supervisory Board since 2022
- Co-founder and Chairwoman of the Board of thjnk AG

Andreas Krippner

- Born in 1966
- Member of the Supervisory Board since 2010
- Consultant

Anna Sophie Meyer

- Born in 1988
- Member of the Supervisory Board since 2022
- Head of Portfolio Management Strategic Products, Johnson & Johnson Europe

Management Board

AGE DIVERSITY		GENDER DIVERSITY	
Lower than 55	33%	67%	Men
55 - 59,9 years	67%	33%	Women
60 - 64,9 years	0%		
65 - 69,9 years	0%		
70 years or higher	0%		



Alessandra Cama

Zertus Group CEO

- Born in 1967
- In charge of the Zertus Group since 2019
- Previously a member of the Board of Directors of GfK, a partner at the management consultancy Roland Berger, and Managing Director at Warsteiner
- Ms Cama began her career in marketing management



Stephan Tendam

Zertus Group CFO

- Born in 1968
- In charge of financial management, controlling and IT at the Zertus Group since 2021
- Most recently Chief Financial Officer at Ludwig Görtz GmbH
- Previously he was CFO at Fressnapf Holding GmbH and Managing Director of Tchibo Logistik GmbH



Paul Tripp

Zertus UK & Ireland CEO

- Born in 1974
- Since October 2021 Member of the Executive Board
- In charge of Zertus UK and Ireland since 2019 and formerly Humdinger Ltd since 2017
- Previously Managing Director of Soreen and Group Director within McCambridge Group Plc
- Extensive career with the Food and Drink FMCG sector, involving advisory services to owner backed and private equity businesses and a variety of lead Technical roles within the divisions of ABF an RHM

AGE DIVERSITY		GENDER DIVERSITY	
Lower than 55	43%	71%	Men
55 - 59,9 years	29%	29%	Women
60 - 64,9 years	14%		
65 - 69,9 years	0%		
70 years or higher	14%		



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