

NON-FINANCIAL REPORT

Dear reader,

2022 was not an easy year in any way: the war in Ukraine led to turmoil around the world. Disrupted supply chains, increased raw material prices and, at the same time, reduced consumer spending as a result of high global inflation posed serious problems for many companies – including Veganz. The consequence for society as a whole is that many people have experienced a significant deterioration in their living conditions. Numerous climate and environmental problems were temporarily sidelined as governments attempted to deal with their acute energy crises.

One thing is clear: we cannot permanently ignore these social and environmental challenges. Even though the 1.5-degree target seems increasingly difficult to achieve, we must continue to work hard to reduce global CO₂ emissions. We ourselves were able to reduce our CO₂ emissions by 24% last year – due largely to the lower volume of food transported and correspondingly lower Scope 3 emissions. As a company, our daily challenge is to motivate as many people as possible to adopt a plant-based diet and to treat our environment responsibly. We achieve this by offering our consumers delicious and climate-friendly alternatives.

And we also try to set a good example as a company: although not yet obliged to report on sustainability due to our size, we are voluntarily providing detailed information for the second time on our current status with regard to environmental, social and governance (ESG) issues. In 2022, we took further steps in our development and conducted an ESG materiality analysis, together with our internal and external stakeholders and in line with international standards. For the first time, we defined the most important sustainability topics for Veganz and set ourselves the first concrete quantitative and qualitative ESG targets on the basis of these topics.

We are particularly proud of our large share of women – both in the workforce as a whole and at management level. However, it is not only gender representation that is important to us, but also gender-neutral and appropriate pay. One of the targets we have set ourselves is therefore to keep the adjusted gender pay gap at Veganz within a narrow range of -3% to +3%.

In 2023, we want to build on this and take another step towards our targets. After all, the demands placed on companies to make a positive contribution to combating climate change and establishing socially acceptable working conditions will continue to grow. We will therefore maintain our close and regular contact with investors, business partners and experts to share thoughts on environmental and social issues while also intensifying our dialogue with suppliers to ensure high sustainability standards along the entire supply chain.

Because one thing is clear: we can only overcome the challenges of our time if we tackle them together. With this in mind, we hope you will join us once again this year on our path to a sustainable future!

Berlin, 8 May 2023



**Jan
Bredack**
CEO



**Anja
Brachmüller**
COO

**Moritz
Möller**
CMO

ABOUT THIS REPORT

As a company whose shares are traded exclusively on the Open Market, we are not yet subject to the Corporate Social Responsibility (CSR) reporting obligation requiring the disclosure of material non-financial information as defined by sections 289b-e and 315b-c of the German Commercial Code ('Handelsgesetzbuch', HGB).

Nevertheless, we attach great importance to providing our stakeholders with regular updates on our ESG progress. When preparing this non-financial report for 2022, we based our approach on established ESG standards and frameworks: for the first time, we are structuring the report according to the GRI's 'Universal Standards 2021' and have created a GRI index for this purpose, which can be viewed on our website. As in the previous year, the non-financial key performance indicators (KPIs) reported below are based on the internationally recognised ESG criteria of the Sustainability Accounting Standards Board (SASB) for our sector (Processed Foods) and the Global Reporting Initiative (GRI) criteria – which can be found under SASB and GRI indices on our website: <https://vegan.com/sustainability/> – and the cross-sector core metrics of the World Economic Forum (WEF) from the WEF white paper 'Measuring Stakeholder Capitalism'.

In the chapter 'Our Strategy', we explain how we went about defining our ESG strategy for the first time in 2022. We openly explain the results of our materiality analysis and how we involved our stakeholders in the strategy process. We recorded the actual results of our strategy development in the chapter 'Our Targets'. Divided into our most material ESG topic areas, we present the concrete targets we have set ourselves as a company, while the section 'Our Contribution to the SDGs' describes how we actively contribute to the achievement of several of the 17 Sustainable Development Goals (SDGs) of the United Nations (UN) with our products and our corporate activities.

In the following chapters, we go into detail about our ESG work: the chapter 'Better for the Environment' contains environmental KPIs from our corporate activities and their development. Under 'Better for Society', we show how we continue to ensure the highest quality and safety standards for our food and how we remain committed to our employees. And last but not least, the section 'Better Corporate Governance' describes the structure of our Supervisory Board and our principles of ethical corporate governance.

One last note: the environmental KPIs presented in this non-financial report apply to the entire Vegan Group, which consists of the individual companies Vegan Group AG, Vegan Retail Berlin GmbH & Co. KG and Vegan Food Factory Austria GmbH. All KPIs and information relating to social and governance issues are limited to Vegan Group AG.

OUR ESG STRATEGY

With the aid of our products, we want to motivate people to treat our environment responsibly on a daily basis and thus create a sustainable future for our planet. However, we have no intention of simply relying on our fundamentally climate-positive business model, which is why we developed a sustainability strategy in 2022 whose objective is to continuously improve our environmental and social performance as well as our corporate governance.

A sustainability strategy like this needs a solid foundation. In 2022, we therefore conducted an ESG materiality analysis to involve all relevant Vegan stakeholders in the prioritisation of our main ESG issues and the development of key ESG targets.

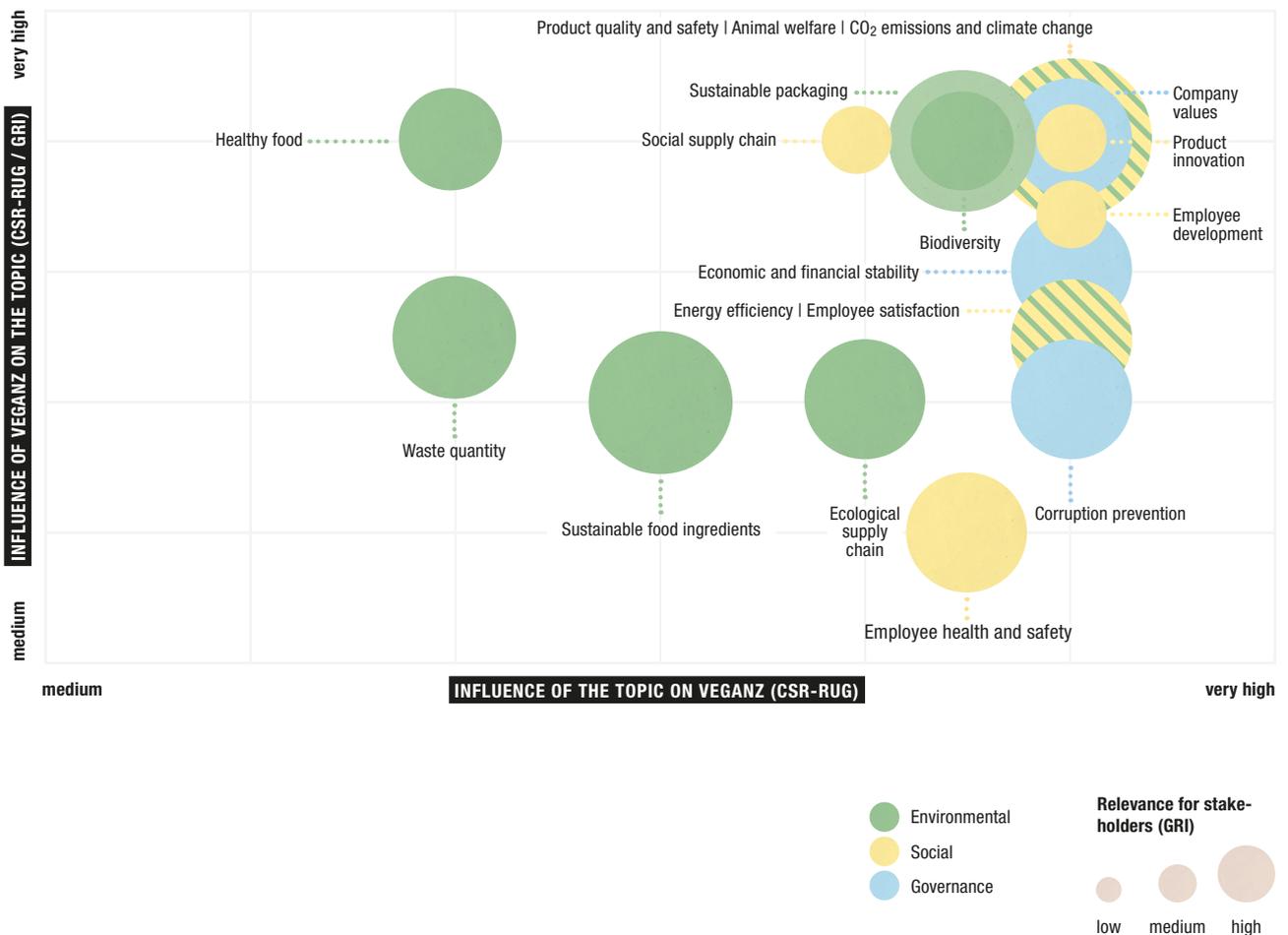
The materiality analysis was based on the GRI Universal Standards 2021 and the current requirements of the German Corporate Social Responsibility (CSR) reporting obligation (sections 289b-e and 315b-c HGB). In future, this reporting obligation will be replaced by the introduction of an EU-wide Corporate Sustainability Reporting Directive (CSRD), which will change the requirements for materiality analyses yet again. At the time of reporting, however, the requirements for determining material topics under the CSRD were only available in draft form. As soon as the requirements have been finally adopted, we will review our process for determining material ESG topics.

The first step of our materiality analysis was to identify potentially relevant ESG topic areas and stakeholder groups for the stakeholder survey. In a preliminary analysis based on various ESG laws, frameworks and standards (including CSR-RUG, GRI, SASB, WEF) and with reference to the key ESG topics of predefined peer group companies, 20 potentially relevant ESG topic areas were identified for Veganz. At a strategy workshop, the entire Veganz Executive Board reviewed and confirmed these topics as well as adding five additional potentially relevant ESG topic areas for Veganz. The most important stakeholder groups for the stakeholder survey as part of the materiality analysis were also discussed and defined: consumers, B2B customers, investors, suppliers, banks, employees and the Veganz Supervisory Board.

The stakeholder groups were then invited by email, via social media or by contacting them personally to participate in the stakeholder survey. The survey was conducted with the aid of a programmed online tool which asked the stakeholders for their assessment of the 25 pre-selected ESG topic areas. A total of 259 valid responses were subsequently evaluated and are presented in the materiality matrix below, whereby the size of the bubbles corresponds to the importance of the ESG topic area for the stakeholders.

At a second ESG strategy workshop, the 25 topics were discussed in detail by the Veganz Executive Board and assessments were made regarding the materiality dimensions 'Influence of Veganz on the topic' (y-axis of the chart below) and 'Influence of the topic on Veganz' (x-axis of the chart below). These assessments, in combination with the findings of the stakeholder survey, resulted in seven ESG topic areas of low materiality for Veganz. The original 25 topics were thus reduced to the 18 topics shown in the matrix below.

MATERIALITY MATRIX



OUR TARGETS

Based on the results of the materiality analysis, the Veganz Executive Board has identified seven of the 18 ESG topic areas as particularly relevant ESG focus topics and therefore defined concrete targets:

QUALITY MANAGEMENT

Product quality and safety

As a company, we need to ensure – by means of training, certification and audits – that both we and our suppliers work to the highest standards at all times so that we can continue to offer our customers food of the highest quality.

From 2023 onwards, we therefore aim to provide at least 15 hours of food safety training per year for our quality and production staff. In addition, we have set ourselves the target of conducting at least three detailed quality audits of our suppliers and production partners per year from 2023 onwards.

HUMAN RESOURCES

Employee satisfaction

Our employees are our top priority, as they are indispensable for the successful implementation of our objectives. We have therefore set ourselves the target of maintaining an average Employee Net Promoter Score (eNPS) of more than +15 points each year as a measure of employee satisfaction. When it comes to equal opportunities, we also attach great importance to the 'hard facts' and aim to keep the adjusted gender pay gap – as an indicator of equal pay – within a range of -3% to +3% at all times.

Employee health and safety

In addition to satisfaction and pay, health and safety is our third important employee indicator: we therefore aim to keep the absence rate due to illness and accidents at Veganz Group AG permanently below 5.5%.

SUPPLY CHAIN

Social supply chain

Our Code of Conduct for Business Partners should apply in the same way to everyone: we are therefore aiming for a signature rate among our suppliers of 100% from 2023 onwards.

Ecological supply chain

We not only want to operate sustainably ourselves, but also accept responsibility for our supply chain. We will therefore continue to guarantee organic certification for 100% of our purchased cashews. We will also continue to ensure that none of the ingredients in our products (including soy and palm oil) come from rainforest areas. We demonstrate this with an Eaternity rating of three stars for the category 'Rainforest'¹ or by collecting precise geodata.

PRODUCT

CO₂ emissions and climate change

Our vegan alternatives already have a significantly lower carbon footprint than their animal counterparts. Instead of resting on our laurels, however, we want to reduce the carbon footprint of our products by 6% to 2.5 kg of CO₂ emissions per kilogram of product by 2025.

Sustainable packaging

What's inside is the most important thing – but what's outside has to be right, too. This is why we aim to use packaging made from fully recycled or renewable raw materials for 50% of our products by 2025. Moreover, we are committed to using permanently recyclable packaging materials for all products in our portfolio.

¹ The Swiss institute Eaternity is an independent organisation that has developed a solution to measure the ecological footprint of food. Using state-of-the-art methods and our detailed raw material, supplier and producer data, Eaternity calculates a specific sustainability score for each of our products in a total of four categories: CO₂ emissions, water consumption, animal welfare and rainforest protection. Three stars are the maximum value in each category, and for the category 'Rainforest' this means that the basic ingredients demonstrably come from a non-critical area and no deforestation was caused for the cultivation.

OUR CONTRIBUTION TO THE UN SDGS

In 2015, the 17 UN Sustainable Development Goals (SDGs) were adopted by all UN member states as part of the '2030 Agenda for Sustainable Development'. Among other things, they contained concrete goals to protect the environment, end poverty and improve economic prospects for public and private sector actors around the world.

With our efforts to promote a plant-based diet, as well as our business model and corporate policies, we are contributing in particular to the achievement of the following UN SDGs:



SDG 6: Clean Water and Sanitation

According to a study published in the *Water Science & Technology Journal* in 2013, the total annual water consumption for the diet of a person living a vegan lifestyle is around

710 m³.¹ This is less than half the amount of water used in a meat-based diet, estimated at just under 1,580 m³ per person per year on average. Veganz promotes the shift to a plant-based diet with a wide product range from breakfast to dinner. Via our products, we specifically support the achievement of the sub-goal to increase water efficiency in the agricultural sector and thus address the global threat of water scarcity (SDG sub-goal 6.4).

¹ Source: Vanham (2013). The water footprint of Austria for different diets. Retrieved from https://foodethics.univie.ac.at/fileadmin/user_upload/p_foodethik/Vanham_2013_WST_The-water-footprint-of-Austria-for-different-diets_01.pdf on 18.04.2022.



SDG 12: Responsible Consumption and Production

For us, it's not only what's inside that counts, but also what's outside: for example, Veganz developed the first compostable packaging for

refrigerated products that can be completely biodegraded within 90 days. This means that a Veganz plant-based cheese alternative only causes a total of 473 g of CO₂ per pack, and thus less than a quarter compared to an animal-based cheese in conventional packaging, which consumes at least 1,942 g of CO₂ per item. With packaging innovations like this, we actively contribute to SDG sub-goal 12.4 (avoid release of chemicals and waste into the environment). We also actively contribute to sub-goal 12.5 (significantly reduce waste generation) by significantly reducing our waste generation through reuse and recycling: in 2022, around 20% of our product packaging was made entirely from renewable or recycled material – we aim to increase this proportion to 50% by 2025 and thus make our product packaging even more sustainable.



SDG 13: Climate Action

The German Federal Environment Agency puts the carbon footprint of a purely vegan diet at 940 kg per year, which is almost 50% less than that of an omnivorous diet, which is as much as 1,760 kg per year. A study on ways to reduce negative environmental impacts in the agricultural sector showed that a global switch to a purely plant-based diet would reduce CO₂ emissions in the food sector by almost 50%.¹ With our exclusively plant-based product portfolio, we are therefore helping to significantly reduce negative climate effects in the field of nutrition.

¹ Source: Poore, J. & Nemecek, T. (2018). Reducing food's environmental impacts through producers and consumers. Retrieved from <https://www.science.org/doi/full/10.1126/science.aag0216> on 31.01.2023.



SDG 14: Life Below Water

Ever more overfishing is a global problem which SDG 14 in particular aims to address. With a broad range of attractive fish substitutes, such as vegan smoked salmon and tuna alternatives, Veganz also helps people used to fish products to reduce their fish consumption. The result: better protection of global fish stocks.

BETTER FOR THE ENVIRONMENT

BETTER FOR THE CLIMATE

Since 2020, we have regularly reported on our key climate indicators, as we did again this year. As a food supplier, we have a smaller environmental footprint than other players in the food industry. Nevertheless, we want to set a good example and be transparent about our consumption. We also want to motivate our customers and business partners to be aware of their own consumption and to make their own contribution to climate protection.

Our CO₂ emissions from Scope 1 according to Greenhouse Gas Protocol (GHG) increased last year (2022: 88.7 t CO₂e, 2021: 13.8 t CO₂e). This was mainly due to high refrigerant consumption. CO₂ emissions from Scope 2 according to GHG also in-

creased (2022: 25.1 t CO₂e, 2021: 7.2 t CO₂e), primarily as a result of the gradual decline of the pandemic and the return to increased use of our own fleet. In addition, we opened two more production facilities in 2022 – in Spielberg and Neu-brandenburg – which led to higher consumption. The 2021 figures for CO₂ consumption were corrected in this report, as the previously reported figures were calculated on the basis of an incorrect emission factor. This results in new, corrected consumption figures, which are listed in the tables on our Scope 1, 2 and 3 consumption.

CO₂ EMISSIONS: SCOPE 1¹

	2022	2021	Δ 2021-2022
Emission sources	(in t CO ₂ e)	(in t CO ₂ e)	(in %)
Natural gas	2.7	1.8	+50
Fuels	7.2	12.0	-40
Refrigerant	78.9	0	n/a
Total	88.8	13.8	+543

¹ Figures for the central warehouse are not included. Some data are estimated, extrapolated or based on prior-year figures.

CO₂ EMISSIONS: SCOPE 2¹

	2022	2021	Δ 2021-2022
Emission sources	(in t CO ₂ e)	(in t CO ₂ e)	(in %)
Electricity and district heating	9.4	6.5	+45
E-vehicles	15.7	0.7	+2,143
Total	25.1	7.2	+249

¹ Figures for the central warehouse are not included. Some data are estimated, extrapolated or based on prior-year figures.

As a food supplier, a large part of our emissions occur along the value chain – more precisely within our upstream supply chain. Our Scope 3 emissions according to GHG come almost exclusively from the cultivation, production and upstream

transport of our food. As we distributed fewer products in 2022, Scope 3 emissions decreased accordingly to 8.1 thousand t CO₂e (prior year: 10.8 thousand t CO₂e).

CO₂ EMISSIONS: SCOPE 3¹

	2022	2021	Δ 2021-2022
Emission sources	(in t CO ₂ e)	(in t CO ₂ e)	(in %)
Purchased goods and services	6,267.9	7,532.8	-17
Upstream transport	1,755.3	3,188.4	-45
Other sources	97.1	84.6	+14
Total	8,120.3	10,805.8	-25

¹ Figures for the central warehouse are not included. Some data are estimated, extrapolated or based on prior-year figures.

In 2022, our emissions decreased by around 24% across all three scopes and thus fell more strongly than sales (2022: -22.7%). Our CO₂ intensity in 2022 amounted to 318 t CO₂e per €1 million sales and was thus below the intensity of the previous year (prior year: 323 t CO₂e per €1 million sales).

Our original goal was to set a binding temperature target for our own CO₂ emissions during the fiscal year 2022 which would be in line with the targets of the Paris Climate Agreement. The X-Degree Compatibility (XDC) model was to be used for this purpose. In the course of the target-setting project, the methodology underlying the XDC model proved to be increasingly impractical for comparatively small companies like Veganz – on the path to sustainable profitable growth. As a substitute, we have therefore initially set a product-related CO₂ target which aims to reduce the carbon footprint of our products by 6% to 2.5 kg CO₂ emissions per kilogram of product by 2025. However, we will maintain our plan of setting an overarching CO₂ temperature target for Veganz and will review alternative and more cost-effective models and methods in 2023.

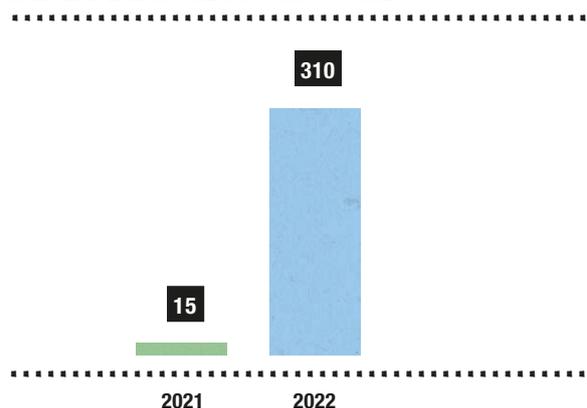
BETTER PRODUCTS

Everyone can reduce their diet-related CO₂ emissions by almost half by adopting a vegan diet. As a flexitarian, you can also help reduce emissions by a quarter.¹ We are therefore convinced that plant-based nutrition is an important lever for slowing climate change. With our purely vegan product range, we want to motivate as many people as possible to try plant-based alternatives and thus make their diet more climate-friendly.

With our plant-based foods we already cause significantly less CO₂ than comparable animal products, but emissions cannot be completely avoided yet. Last year, we were able to reduce the carbon footprint of the products we purchase by 16.8% to 6.3 thousand t CO₂e, which was slightly less than the decrease in sales (2022: -22.7%).

We want to continue to develop ourselves and our products in the future and are therefore focusing on constant innovation: in 2022, we invested around €310.0 thousand in our research and development, more than 20 times as much as in the previous year (prior year: around €14.8 thousand).

R&D EXPENDITURE IN € THOUSAND



We attach great importance to being transparent for our consumers – and not only with regard to our product ingredients. Since 2019, we have therefore been one of the few companies worldwide to disclose detailed figures for the respective eco-balance of all our products, thus making the climate impact of our products directly visible to everyone. In order to reliably collect this data, we cooperate with the Swiss institute Eaternity, an independent organisation that calculates the ecological footprint of food. With the aid of modern methodology and our extensive data on raw materials, suppliers and producers, Eaternity calculates a specific sustainability score for each of our products. This is recorded for a total of four categories: CO₂ emissions, water consumption, animal welfare and rainforest protection.

Of our basic ingredients, we consider palm oil, cocoa, cashews and soy to be the ones that require special attention. In order to guarantee minimum social and ecological standards, we rely on various certifications of our suppliers and producers. For example, 100% of our palm oil processors have RSPO (Roundtable on Sustainable Palm Oil) certification (prior year: 100%). With regard to our cocoa-processing producers, we were able to increase the proportion who can demonstrate either Fairtrade or UTZ certification – and thus confirm the socially and ecologically sustainable cultivation of cocoa – to 71% (prior year: 64%). The cashews we process in our in-house production are supplied by a company in Vietnam with several certifications: BIO, Fairtrade, IFS and BRC (Brand Reputation through Compliance). This supplier has also undergone an ethical trade audit to document its social responsibility and ethical behaviour, conducted by the organisation Sedex, an agency for sustainable supply chain studies.

¹ German Federal Environment Agency (n.d.). CO₂ calculator of the German Federal Environment Agency. Retrieved from: https://uba.co2-rechner.de/de_DE/ on 31.01.2023.

BETTER FOR THE WATER – AND BETTER ENERGY

Due to the easing of pandemic-related restrictions, more employees returned to the office in 2022. As a result, our water consumption increased by 33% to 1,934 m³ (prior year: 1,454 m³), resulting in a water intensity of 74.7 m³ per €1 million of sales (prior year: 43.4 m³). We source our water exclusively in Berlin and thus did not draw any water from areas with a high or very high groundwater stress level according to the World Resource Institute (WRI). Once again, there were no violations of official water safety regulations in 2022.

More employees in the office not only means higher water consumption, but also higher electricity consumption: our electricity and district heating consumption in 2022 was 484 MWh (prior year: 455 MWh) – both purchased exclusively from external energy suppliers. Our electricity consumption from renewable energies is exactly the same as last year at 99.4%. The miss-

ing percentage points to the full 100% are due to the charging stations for electric vehicles, as these are not yet supplied from renewable energies.

Similar to water and electricity consumption, our natural gas consumption also increased slightly to 13 MWh (prior year: 9 MWh). Taken together, these increases result in an energy intensity of 18.7 MWh per €1 million of sales (prior year: 13.6 MWh).

Veganz will continue to use energy sparingly in the future. In 2022, we published our energy policy and thus reiterated our commitment to energy efficiency: <https://veganz.de/wp-content/uploads/2022/05/2022-04-25-energiepolitik-veganz-group-ag-en-signed.pdf>

ENERGY CONSUMPTION¹

	2022	2021	Δ 2021–2022
	(in kWh)	(in kWh)	(in %)
Emission sources			
Electricity and district heating	484,323	455,147	+6
thereof: share of fossil energies	0.6%	0.6%	0
Natural gas	13,128	8,890	+48
Total	497,451	464,037	+7

¹ Figures for the central warehouse are not included. Some data are estimated, extrapolated or based on prior-year figures

BETTER PACKAGING

Although our products are at the heart of what we do, we also care about everything around them – such as the packaging. We are therefore proud that in 2022, 100% of our product packaging was recyclable, reusable or compostable. The total weight of the products we sold in 2022 was 3,426 t. Of this, 436 t was pure packaging material (prior year: 649 t), the majority of which (295 t) consisted of easily recyclable paper

for transport. This means that our packaging intensity fell to 16.8 thousand kg per €1 million sales (prior year: 19.4 thousand kg per €1 million sales). The previous year's figures on packaging types were corrected within the scope of this report, as they were partly calculated incorrectly. This results in new, corrected values, which are listed in the table on packaging material.

PACKAGING MATERIAL

	2022	2021	Δ 2021–2022
	(in kg)	(in kg)	(in %)
Packaging type			
Paper/cardboard/carton	295,361	478,721	-38
Plastics	83,535	111,968	-25
Glass	48,255	46,705	+3
Iron	5,457	3,037	+80
Other composite packaging	3,139	3,187	-2
Aluminium	127	242	-48
Composite beverage carton	91	4,812	-98
Wood	0	7	n/a
Total	435,965	648,679	-33

In 2022, our waste volume decreased significantly year on year due to operational reasons and a lower specific weight of the products sold. We want to continue to move towards a circular economy in the future and have therefore set ourselves the target of using packaging made of fully recycled and/or renewable material for at least 50% of our products by 2025 – documented, for example, with the Blue Angel or the FSC seal (Forest Stewardship Council). In 2022, the proportion of packaging made from fully recycled materials was just under 20%.

Furthermore, we have implemented special measures in the area of packaging, such as the use of compostable films made from NatureFlex™ material, renewable packaging materials made from cellulose and starch, and almost exclusively mineral oil-free printing inks.

BETTER FOR SOCIETY

FOR GREATER SATISFACTION

In order to respond to the needs and wishes of our employees, we believe it is particularly important to frequently exchange information with them. We therefore conduct regular surveys of our employees and measure their current satisfaction with the Employee Net Promoter Score (eNPS), which ranges from -100 to a maximum of 100 points.

In 2022, we conducted a total of two wide-ranging surveys across Veganz Group AG. In addition to the macroeconomic developments and the adverse business environment, the results also reflect the associated challenges for Veganz and its structural changes in the fiscal year 2022, which affected both the Company itself and each individual employee: After all, it was with a heavy heart that we had to part with numerous employees from a wide range of departments as part of the cost reduction and efficiency improvement programme, in order to reposition ourselves under the changed framework conditions and, above all, make ourselves fit for the future. In the survey in the first half of 2022, we still achieved an eNPS of 10.9 points, which was significantly below the very strong prior-year score (32.7 points), but only slightly below the industry average (13.0

points). In the survey in the second half of the year, the eNPS fell further to -9.0 points so that the average value of the eNPS for 2022 was 1.0 points. Whereas satisfaction with the individual aspects of the employee's field of activity and their direct superiors declined moderately and remained at a good level, satisfaction with the other categories fell – in some cases significantly. In particular, the areas 'Information on corporate strategy' and 'Work processes at Veganz' were rated as in need of improvement with an average of 6.4 and 5.7 points out of a possible 10 – no doubt also in connection with the macroeconomic uncertainties and the correspondingly changeable business development. We have therefore used this economic crisis to work on our future viability: as well as repositioning ourselves from a retailer to an innovative food tech company, continuously expanding our in-house production, optimising our product range and focusing more on our licensing business, we have secured a promising licence for printing milk alternatives with 'Mililk'. Despite all these topics, however, we never lost sight of our core concern – climate and environmental protection – and are striving to enhance our internal communication.

SATISFACTION DIMENSIONS

	2022 (scale of 0-10 pts.)	2021 (scale of 0-10 pts.)	Δ 2021–2022 (in pts.)
Satisfaction with direct superiors	8.4	8.7	-0.3
Satisfaction with own field of activity	7.7	8.4	-0.7
Loyalty to Veganz	7.1	8.2	-1.1
Satisfaction with management	7.0	8.1	-1.1
Belief in Veganz products	6.7	7.7	-1.0
Information on corporate strategy	6.4	7.1	-0.7
Work processes at Veganz	5.7	6.6	-0.9

The lower overall rating was also reflected – at least in part – by the fluctuation rate of Veganz Group AG, which rose slightly to 16.7% from 15.0% in the previous year.

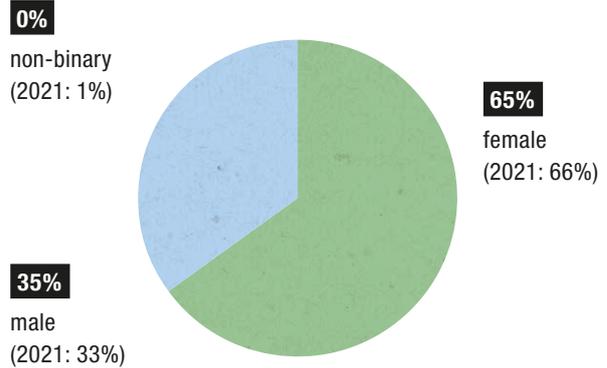
BETTER OPPORTUNITIES FOR EMPLOYEES

Reconciling work and private life is becoming increasingly important these days. To ensure that all our employees are able to meet their private and professional commitments, they are free to work their contractually agreed working hours within the framework of our 'trust-based working hours' scheme. In addition, we offer them the possibility to work part-time – which 42% of employees utilised in 2022 (prior year: 40%). And if the respective life situation changes again, this is also no problem for us: every part-time job can be converted back to a full-time position on request. In order to avoid uncertainties, most employment contracts at Veganz are open-ended. In 2022, the ratio of fixed-term contracts at Veganz was just 18% (prior year: 11%) and only applies to our working students.

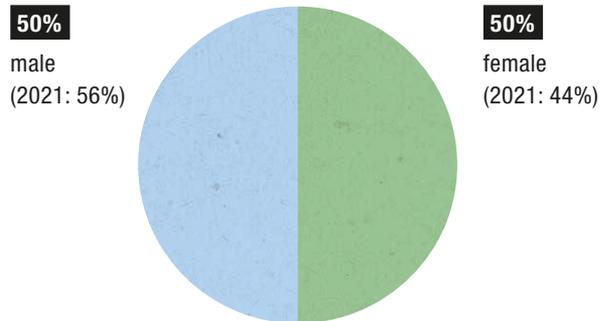
We also want to make it easier for staff – beyond the statutory regulations – to handle important private matters. As in the previous year, we therefore offer paid days off for moving home, birthdays, weddings and the birth of a child, and grant employees paid vacation days if a child is ill.

We are particularly proud of our consistently high level of gender diversity at Veganz. The proportion of women was 65% in 2022 (prior year: 66%) – and even increased to 50% at management level (prior year: 44%). In 2022, we hired a total of 19 new employees, of which ten were women. Eight of the new employees were aged under 30, eight between 30 and 50, and three over 50. Within the existing workforce – including the new employees – a total of 24 employees are aged under 30, 56 employees are aged between 30 and 50 and 13 employees are older than 50.

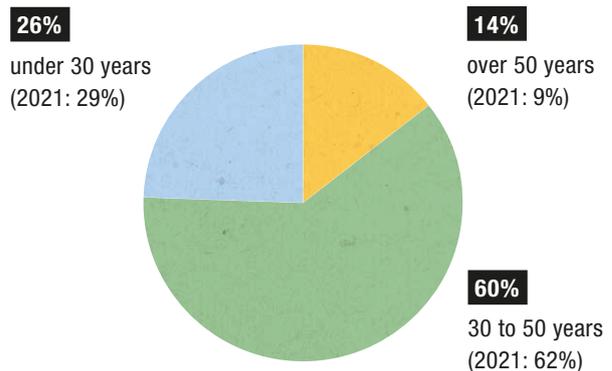
GENDER DIVERSITY AT VEGANZ 2022



GENDER DIVERSITY AT MANAGEMENT LEVEL AT VEGANZ 2022



AGE DISTRIBUTION AT VEGANZ 2022



BETTER CAREER PROSPECTS WITH VEGANZ

Fair and appropriate remuneration for our employees is vital for us – and of course independent of personal characteristics, such as gender or origin. This is why we also monitor the difference in salaries between female and male colleagues – the gender pay gap – throughout the Company.

As of 31 December 2022, we had 93 employees in total (prior year: 72). As some of our staff work part-time, the number of full-time equivalents (FTE) is somewhat lower and currently amounts to 73.4 (prior year: 61.2). Due to our comparatively low headcount, individual salary differences have a major impact on the gender pay gap – even if they result from non-gender-related factors such as greater work experience. In 2022, these factors led to an unadjusted gender pay gap in the remuneration of men and women across the whole of Veganz Group AG of -8.8% (prior year: -0.1%).¹ Adjusted for the 'position' factor, the salary difference in 2022 was -2.5% (prior year: +1.2%). As a result, our adjusted gender pay gap continues to be in the low single-digit percentage range and within our target corridor of -3% to +3%. To ensure that all employees can earn a decent living, Veganz Group AG has set a minimum wage of €12.50 per hour – and thus above the statutory minimum.

As in the past, all employees attend performance review meetings with their supervisors once a year. This is an opportunity to discuss the achievement of individual targets, as well as cooperation and the outlook for the next twelve months.

In addition to a salary commensurate with performance, we also offer our employees various benefits: to promote sustainable mobility, we subsidise (e-)bike leasing and provide local public transport tickets. We are also keen to promote the health of our employees and offer free subscription memberships in the field of sports and wellness, so that employees can choose the offer that suits them best. In addition to physical health, we are also conscious of the importance of mental health for our employees. We therefore entered into a cooperation with the leading platform for mental health in the workplace in 2022 and offer this possibility for our employees – of course completely anonymously and free of charge.

Besides promoting fitness and health, we also invest in the professional and personal development of our employees: in addition to self-organised internal training, we invested around €431 per FTE in external continuing education and training in 2022 (prior year: €102). The courses are both general and technical: for example, we regularly train our Quality Assurance staff on food legislation and safety topics as well as HACCP (Hazard Analysis Critical Control Points) requirements, so that we are always up to date on the key topic of food safety. From 2023, we will also be able to record all internal and external education and training hours.

¹ Excluding Veganz Retail Berlin GmbH & Co. KG, Veganz Food Factory Austria, apprentices and interns.

BETTER HEALTH, BETTER SAFETY

The risk of occupational accidents is comparatively low for us, as only a small part of our team is employed in food production. Nevertheless, we are aware of our responsibility as an employer to protect our employees from accidents as effectively as possible. We therefore take various measures to ensure health and safety: these include safety officers in the Company, the availability of Company doctors and regular first aid courses.

As in previous years, there were no work-related fatalities at Veganz in 2022 and only one reportable occupational accident resulting in 19 lost days. The Lost Time Injury Rate (LTIR) was 6.1 in 2022 (prior year: 6.3). The Total Recordable Injury Frequency Rate (TRIFR) was also 6.1, as there were no further accidents resulting in restricted working capacity and/or medical treatment (prior year: 6.3).

We also want to avoid work-related accidents as far as possible in future and therefore provide regular staff training as well as systematic checks on the appropriateness of our health and safety measures in the workplace.

BETTER PRODUCT QUALITY

When it comes to our products, only the best quality is good enough. We want to use these products to promote a plant-based diet and encourage more people to try something new – thus making the switch to vegan alternatives as easy and delicious as possible.

The many positive properties of our food help us achieve this: 'Cashewbert' is based on high-quality nuts with just a few ingredients and no coconut oil or starch base. Our premium chocolates are also of exceptional quality: they come from a traditional Swiss chocolate maker and are conched there for up to 40 hours. Our customers also benefit from the nutritional value of our products, such as the high level of omega-3 in our vegan smoked salmon.


49% of our product range
is **certified organic**

Another focus in the production of our products is on their organic (or 'bio') status: as of 31 December 2022, a total of 49% of our products were certified organic (prior year: 55%). This demonstrates that not only the contents of the products are important to us, but that we also pay attention to the external conditions during the production process. An organic certificate denotes the protection of environmental aspects in connection with the production of raw materials, with a positive impact on the environment and our products. No genetic engineering is used in any of our products.

Quality is also important when it comes to food safety: in 2022, we received the top rating once again according to IFS Broker (International Featured Standards Broker), Version 1.3¹, with a 'Higher Level' rating and a compliance rate of 97.7% (prior year: 95.7%).

As announced, our first in-house production site, the cheese factory in the heart of Berlin, was certified in 2022 with a compliance rate of 95.0% according to IFS Global Market Food Audit.

As in the previous year, there were no recalls of Veganz products in 2022. Likewise, no violations of official food safety regulations were identified.

We also pay attention to fair play in our marketing: we are aware of our responsibility and always communicate openly and honestly. As a result, we have not breached any statutory labelling and marketing regulations in the past three years and thus not incurred any legal costs for marketing violations.

¹ The International Featured Standard (IFS) Broker is an auditing standard for food intermediaries recognised by the Global Food Safety Initiative (GFSI). The requirements relate to the quality management system, the HACCP (Hazard Analysis & Critical Control Points) system and other prescribed programmes such as Good Manufacturing Practice (GMP), Good Laboratory Practice (GLP) and Good Hygiene Practice (GHP).

BETTER SUPPLY CHAINS

Our responsibility does not stop at the boundaries of our Company premises. Most of our products are currently manufactured by contractors – and here too we pay particular attention to suitable quality standards.

In 2022, all 32 of our active suppliers were certified according to an internationally recognised food management system standard. Of these, 25 were certified according to IFS Food, two were certified according to BRC, FSSC 22000 and IFS Broker, and one was certified according to IFS Global Market.

Under normal circumstances, we conduct our own random audits of our suppliers. However, no audits were conducted in 2022 due to the ongoing after-effects of the pandemic. As the overall situation is gradually easing, we have set ourselves a target of at least three detailed audits per year from 2023 onwards.

In our Code of Conduct for Business Partners, which all our suppliers must sign before they can do business with us, we set out further detailed requirements: <https://ir.veganz.com/compliance-management/>. These range from dealing with inappropriate behaviour and sexual harassment, to expectations of compliance with minimum legal requirements on remuneration and working hours, to our zero-tolerance policy on child and forced labour.

We plan to strengthen our initiative for more transparency in the food industry, which we launched with Eaternity. Beginning with our own self-manufactured products, we have started to make our supply chains fully transparent for consumers by entering the relevant data on the Seedtrace platform: <https://products.seedtrace.org/bio-veganz-cashewbert>

The first product for which we uploaded data is 'Cashewbert'. By simply scanning the QR code on its packaging, the customer is automatically directed to the 'Cashewbert' product page where its full journey can be traced – from the origin of the raw materials, via our two production sites in Berlin and Spielberg to our warehouse. The page also lists further details about the production of our delicious cheese alternative, such as its carbon footprint, water consumption and information about animal and rainforest protection.

We intend to add other products in future and gradually expand the information provided.

If violations of the minimum requirements of our Code of Conduct are not remedied, we reserve the right to terminate the partnership. This has not occurred so far, as we are not aware of any violations. The risk of problematic business practices among Veganz suppliers is relatively low, as almost all of our direct suppliers are based in the EU and the standards applicable here are comparatively high. For this reason, we do not currently see any risk of child or forced labour among our suppliers or in other areas in which Veganz operates.

BETTER CORPORATE GOVERNANCE

BETTER BEHAVIOUR

We want to help make the world a little better for everyone with our products. It is also important to us that we as a Company meet the highest ethical standards. For this reason, all Veganz employees sign a commitment in accordance with the German General Act on Equal Treatment ('Allgemeines Gleichbehandlungsgesetz', AGG) and our Veganz Code of Conduct when they join the Company.

To give our team members and all other stakeholders the opportunity to report any suspicion of a possible breach of ethical conduct, we have set up a whistleblower system, which is available on our corporate website at <https://ir.vegan.com/whistleblowing-system/>. This online portal enables people to anonymously obtain information on the topics of ethical and law-abiding behaviour and to anonymously report any observed violations of integrity at Veganz itself or at our business partners. Such notifications are always treated as strictly confidential. In 2022, no reports were received via the newly introduced whistleblower system.

OUR CODE OF CONDUCT: WORKING FOR VEGANZ

Our Code of Conduct sets out in detail what behaviour is permitted – and what is not. Among other things, it describes:

- The non-discriminatory appreciation of all people we have contact with – irrespective of age, gender, religion, abilities, origin or sexual orientation.
- The prohibition of any unauthorised granting of benefits to, or acceptance of benefits from, our business partners.
- The protection of operational, corporate and personal data by using all appropriate and reasonable means.
- The avoidance of conflicts of interest that might arise from secondary employment or equity investments.

Our full Code of Conduct can be viewed online at: <https://ir.vegan.com/compliance-management/>

With regard to breaches of ethical behaviour or cases of corruption, we continued to have a clean slate in 2022 with zero cases (prior year: 0). That is why we are continuously working on the further development of our Code of Conduct, offer staff training on ethical behaviour and regularly review the effectiveness of our anti-corruption measures.

BETTER DATA PROTECTION

Although personal data is not central to our business model, we are very aware of our responsibility in terms of the General Data Protection Regulation (GDPR) and want all persons in contact with Veganz to feel secure in this regard.

In order to identify possible risks with regard to data management in good time, we work together with an external service provider in the field of data protection and privacy. We follow a defined step-by-step model to classify risks according to the probability of their occurrence and the severity of any possible consequential damage.

Among other things, we regularly conduct data protection audits to ensure compliance with data protection requirements. The last audit conducted by our external service provider was successfully completed in early 2022 and the several recommended actions were implemented in 2022.

In addition, we make use of various tried and tested measures. These include the use of encryption protocols and software as well as physical, electronic and procedural security precautions in connection with the collection, storage and disclosure of personal data.

Our Data Protection Officer is responsible for all questions concerning data protection. This person can be contacted by mail at datenschutz@vegan.com.

BETTER SUPERVISION

As the highest governing body at Veganz, our Supervisory Board ensures that our corporate strategy is being implemented as effectively and sustainably as possible. This kind of self-regulation is important and requires expertise. The Supervisory Board currently consists of one female and four male members, all of whom are non-executive members in accordance with the German Stock Corporation Act. The longest-serving member has been on the Supervisory Board for more than

three years, two other members have served for more than two years, and the most recently elected members have performed their duties as Supervisory Board members for over a year. They have a wide range of expertise in the field of sales, marketing, operations, finance and sustainability. In addition, four of the Supervisory Board members have experience in the food industry:

OUR SUPERVISORY BOARD

Name	Function & roles at Veganz ¹	Sector expertise	Professional expertise	First elected on	Elected until
Roland Sieker	<ul style="list-style-type: none"> ▪ Chairman of the Supervisory Board ▪ Member of the Audit Committee ▪ Independent 	Food (manufacturing)	Marketing; strategy; sustainability	27 August 2019	Annual General Meeting 2023
Janina Mütze	<ul style="list-style-type: none"> ▪ Deputy Chairwoman of the Supervisory Board 	Market research	Marketing	24 June 2021	Annual General Meeting 2023
Dr Jens Pippig	<ul style="list-style-type: none"> ▪ Supervisory Board member ▪ Chairman of the Audit Committee ▪ Independent 	Food (retail)	Sales; marketing; finance	20 August 2020	Annual General Meeting 2023
Michael Durach	<ul style="list-style-type: none"> ▪ Supervisory Board member ▪ Independent 	Food (manufacturing)	Sales; marketing; sustainability	24 June 2021	Annual General Meeting 2023
Ronny Gottschlich	<ul style="list-style-type: none"> ▪ Supervisory Board member ▪ Independent 	Food (retail)	Operations; Marketing	20 August 2020	Annual General Meeting 2023

¹ Definition of independence in accordance with recommendations C.6 and C.7 of the current German Corporate Governance Code (GCGC): https://dcgk.de/files/dcgk/usercontent/de/download/kodex/220627_Deutscher_Corporate_Governance_Kodex_2022.pdf

Further information on the activities of the Supervisory Board members and their remuneration can be found on pages 10–13, in the Remuneration Report on page 49 and under Other Disclosures on page 60 of this Annual Report. Information on the current mandates of Supervisory Board members and their detailed professional backgrounds is provided on our website: <https://ir.vegan.com/supervisory-board/>

BETTER FINANCIAL TRANSPARENCY

Certain financial KPIs are also relevant from a sustainability perspective. In this section, we therefore highlight some of the figures that are regarded as core financial KPIs by the ESG standard of the World Economic Forum (WEF): in 2022, Veganz paid €1,790 thousand in corporate tax (prior year: €1,930 thousand). The employer's share of social security contributions was €702 thousand in 2022 (prior year: €471 thousand). As in the previous years, expenses for property tax and non-creditable sales taxes were not incurred.

In 2022, Veganz qualified for various government financial grants and received a total of €14 thousand (prior year: €21 thousand). This amount consisted of prize money for the Food Industry Innovation Award, the Brandenburg Innovation Award and funding for participation in the Anuga food fair.