



# 2022 SUSTAINABILITY REPORT

BECAUSE OUR PETS, ENVIRONMENT,  
TEAMS, AND SOCIETY MATTER







## Foreword from our Chief Executive Officer

2022 has been a defining year for Partner in Pet Food (PPF), with the launch of our sustainability strategy. The market is evolving, it is no longer acceptable for businesses to push their sustainability agenda further down the line. Investors expect businesses to have well established sustainability strategies that take all stakeholders into account, while consumers expect businesses to be doing what is right for their people, their local communities, and the planet. We recognise this, our partners recognise this, and our customers and pet parents recognise this.

As a European leader in private-label pet food, producing over 800,000 tonnes of pet food annually, we have an obligation to lead by example and drive the sustainability agenda in our industry forward. We now need to deliver on what we have set out to achieve and motivate others in the industry to follow.

Launching our sustainability strategy and beginning to report annually against our sustainability targets are building blocks towards better integrating sustainability into our business.

They allow us to showcase our ambition and performance and support us to lead by example within our industry.

### Our 'PETS' strategy

We are committed to fully embedding sustainability in our operations and value chain in order to ensure continuous growth and profitability. To achieve this, sustainability needs to be a key part of our culture and ways of working. In 2022, we developed and launched our PETS strategy in collaboration with teams across PPF. We sought to ensure our strategy incorporates our most pressing material sustainability issues while also being aligned with who we are as a business, hence 'PETS' (Performance, Environment, Team, and Society).

As part of our internal strategy launch at the end of 2022, we facilitated a roadshow to introduce the strategy to our teams across PPF. This was an essential step to ensuring everyone understands the importance of sustainability and is aligned with our new strategy.

**"WE ARE COMMITTED TO FULLY EMBEDDING SUSTAINABILITY IN OUR OPERATIONS AND VALUE CHAIN IN ORDER TO ENSURE CONTINUOUS GROWTH AND PROFITABILITY."**

With our teams preparing and introducing initiatives to progress on our strategy, we are excited to provide our investors, partners, and customers with a first view of our sustainability performance.

### Highlights for 2022

As part of our PETS strategy, we have set ourselves targets to measure our performance and progress. We are on a long-term journey, and this is reflected in the level of ambition we have built into each target – ensuring they reflect our business, stretch our capabilities, and have an impact across our value chain.

Food waste is a sustainability topic that represents a significant challenge for our business and we are pleased with the steps we are already taking towards improving our performance in this area. In 2022, we have been working to identify opportunities to reduce our operational food waste and share best practice between factories. During the second half of the year, we managed to reduce our operational food waste by approximately 138 tonnes across six factories.

Another important milestone for 2022 has been submitting our greenhouse gas (GHG) emissions reduction target to decrease our Scope 1, 2, and 3 GHG emissions by 42% by the end of 2030 to the Science Based Targets initiative (SBTi) for validation.

The targets will help us establish clear roadmaps to reduce our GHG emissions in line with the commitments made as part of the Paris Agreement. One challenge we face as a fast-growing business is decoupling our emissions from our growth. We believe this can be achieved by increasing our investment in renewable energy, energy efficiency, and innovative product solutions.

Finally, in 2022 we made progress with our responsible sourcing ambitions. For instance, we developed our responsible sourcing policy. The policy will enable us to engage more explicitly with our suppliers on environmental and social issues.

### Looking forward to 2023

We want to be recognised for our sustainability performance within our industry. To us, this means actively progressing our sustainability practices and leading by example. In 2023, we plan to focus on setting up initiatives and running projects to progress against our targets, including rolling out our responsible sourcing policy, training our factory-based teams on anti-bribery and corruption, and establishing a local community support policy. We also plan to continue shifting to recyclable packaging for our dry pet food range.

Gerald Kühr  
Chief Executive Officer



2022  
HIGHLIGHTS  
PETS

## PERFORMANCE

Ensuring that our business is resilient and operates according to principles that benefit all of our stakeholders.

Redesigned our anti-bribery and anti-corruption training programme and ensured 100% of our office-based colleagues completed the training, including new colleagues.

Established internal procedures and data collection mechanisms to being publishing a Sustainability Report on an annual basis.

Began the process of implementing an anti-bribery and corruption training programme for our factory-based colleagues.

Strengthened our Supplier Code of Conduct and merged it with our newly developed Sustainable Sourcing Policy.

## TEAM

Creating a safe, diverse and empowering working environment for all our team members to thrive in the long term.

Achieved a company-wide engagement survey score of 58%, an increase of 11% since its launch in 2020.

Launched our learning and development programme accessible for all permanent office-based colleagues with a wide variety of attractive training modules.

Recorded a lost time injury (LTI) rate of 12.7 across our operations, an improvement on last year of 17%.

Kicked-off our Wellbeing Programme in October 2022, where we discussed six different types of wellbeing over the course of six months, to support our colleagues with health and wellbeing insights.

## ENVIRONMENT

Meeting today's demand for our products whilst minimising our impact on the environment for future generations.

Submitted our GHG emissions reduction goal of 42% by 2030 on a 2021 baseline to the SBTi for validation.

Began external and internal assessments to determine the energy efficiency programmes that we can implement across our operations.

Undergoing review to install solar panels in our warehouses and factories, with the project completed at our Westervoort factory in the Netherlands.

Reduced our operational food waste by 138 tonnes, under our Zero Waste Initiative.

## SOCIETY

Taking care of the people and pets in our value chain and the communities around us.

Provided 48 community support projects, across 64% of our factories for the year.

Ran multiple campaigns across several countries to support local animal shelters and associations, including a donation focused media campaign with our PreVital brand for the NOÉ animal shelter in Hungary.

Ran an employee volunteer day for our colleagues in our offices which included many different charitable activities.

Worked with the DierenLot Foundation in the Netherlands to donate several pallets of pet food to independent, local, and regional animal aid organisations.

# ABOUT


## PPF


Partner in Pet Food

PreVital  
cat food

## Our mission

We aim to provide our passionate team, pet parents and their pets, our customers and suppliers with the best experience so that they choose PPF and stay with us.

 10 countries where PPF operates in

 Serving over 33 countries in Europe





## Our business

PPF is one of Europe's largest private label pet food producers, delivering quality pet food products at competitive price points across Europe. We are relentless in developing and improving our systems and standards to ensure the highest quality and product safety throughout our entire value chain.

Our high customer service levels, category management expertise, ability to supply large volumes, superior price to quality ratio, and product development are our key differentiators. In 2022, we produced over 800,000 tonnes of pet food and reported sales of approximately €710 million.

PPF operates across 10 countries and distributes products to more than 600 customers, including supermarkets, specialist pet shops, and veterinarians across over 33 countries. With 11 factories and 8 distribution centers across Europe, we are the only private-label pet food market operator with an integrated pan-European production network, which allows us to deliver products quickly and efficiently to our customers. At the end of 2022, we had 2,600 colleagues working across our business.

Expanding further into premium products and ranges and allocating additional, dedicated resources to customer teams across our markets are key areas of focus to advance our customer offering.



## Our product offering

Our pet parents feel that choosing the right food is one of the most important parts of pet ownership.

To meet their evolving needs, we have developed an extensive variety of pouches, cans, tetra, and dry food products that range from premium to economy and single serving to 20 kg packs.

We also have special ranges for dogs and cats with particular needs, including food for junior and senior animals, and pets with special diets.



### Dry

Extruded dry dog and cat food products made for a complete and balanced diet. Extrusion technology cooks the product at high temperatures for a short period of time to guarantee its digestibility and safety.



### Pouch

Wet, single serve products offering convenience and high-quality to pet parents. These products are made for a complete and balanced diet.



### Can

Wet, multi-serving products that are offered in various sizes and price points to cover a wide range of pet parents. These products are made for a complete and balanced diet.



### Tetrapack

As cans, Tetrapack is a multi-serve offering that covers all type of wet technologies (chunks and pate). Product offer is a complete and balanced diet.



### Alucup

Alucup, as pouches, are a convenient offering for single serve. Products are complete and balanced and cover all the different technologies offered in wet products.



### Snacks

Snacks and treats contribute to strengthening the connection between the pet and the owner. They can be functional like the dental sticks or treats for indulgence. These are complementary products.



## Our Brands

Available at  
**Pet Stores**

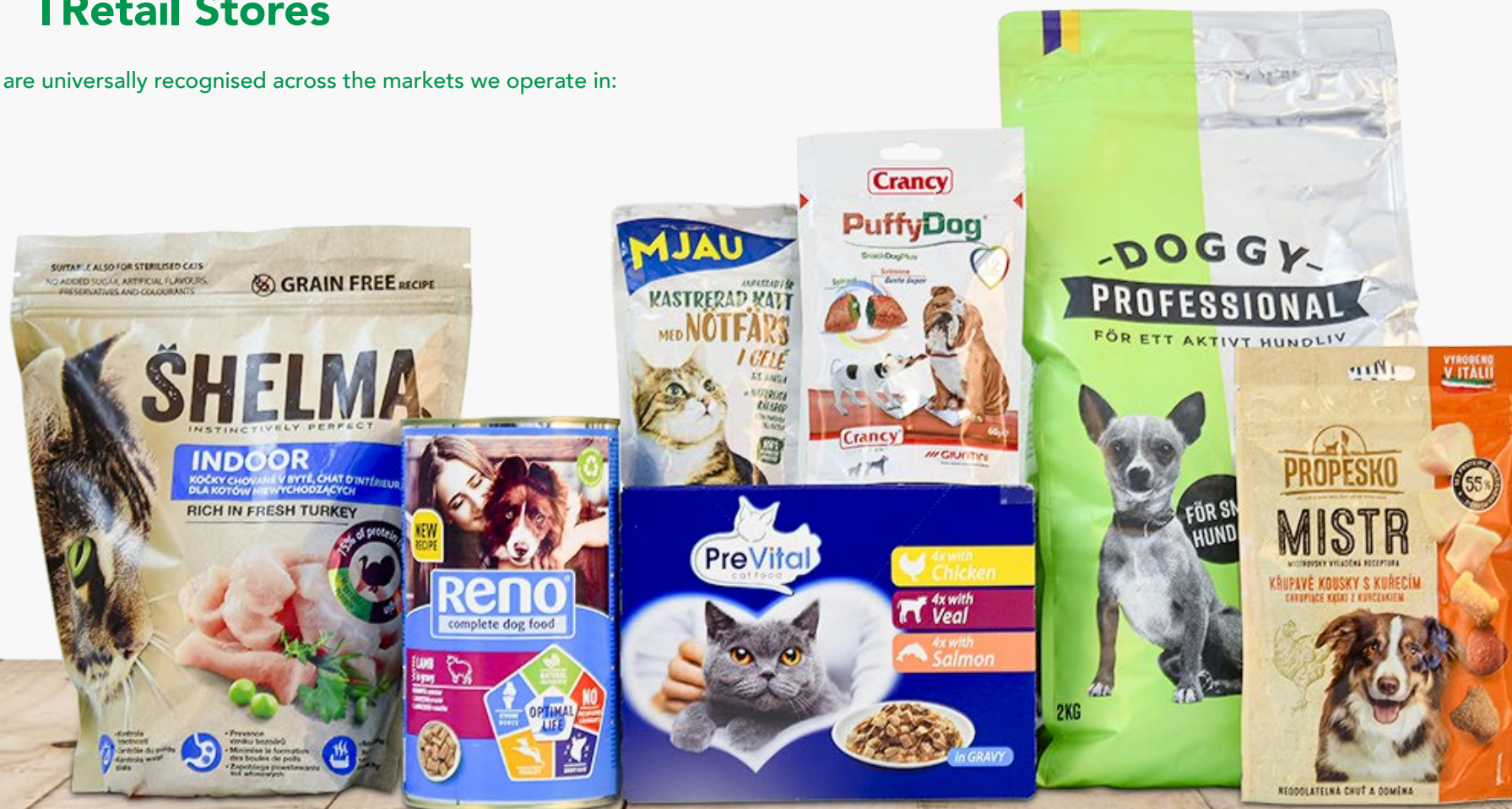
PPF's own brands are universally recognised across the markets we operate in:



## Our Brands

Available at  
**Retail Stores**

PPF's own brands are universally recognised across the markets we operate in:





# OUR PETS STRATEGY



## Our sustainability strategy

The launch of our own sustainability strategy is an important milestone for our sustainability ambitions. The strategy covers four key pillars, Performance, Environment, Team, and Society, and each pillar has its own strategic focus areas that correspond with the topics that are most material to our business and stakeholders.

## Materiality assessment

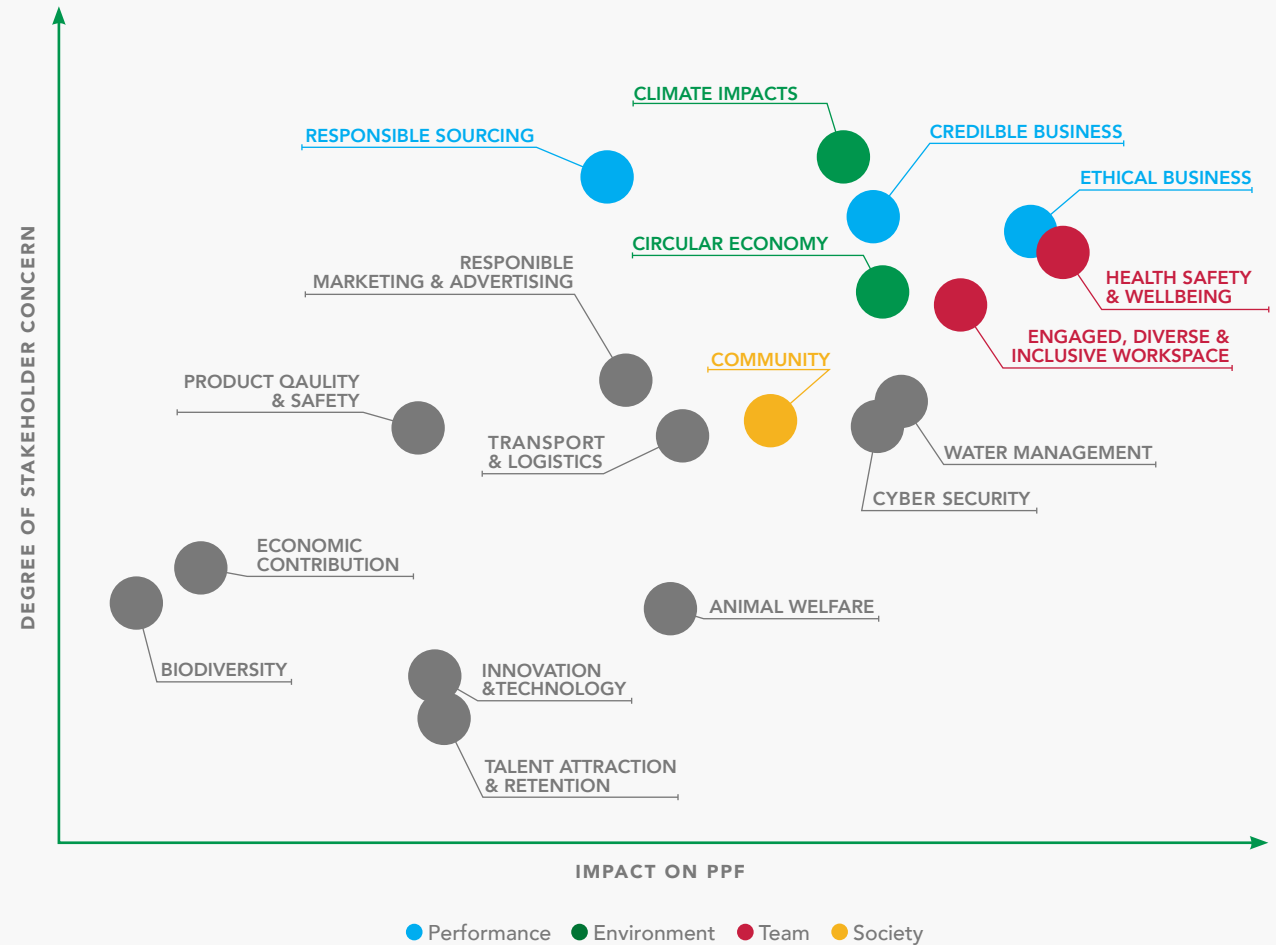
Our PETS strategy is informed by our first materiality assessment, which ensured we focus on the right topics that present the most material risks and opportunities for us. The materiality assessment was conducted using inputs from external and internal stakeholders, as well as key external resources. The assessment was supported by global sustainability consultancy Environmental Resources Management (ERM).



The first step in our materiality assessment was to develop a list of topics using desk-based research that incorporated peer reviews, industry association materials, trends reports, and publicly available materiality assessment resources.

Once the list of topics was completed, we held a series of internal and external stakeholder engagements to validate and prioritise the topics. For internal stakeholders, we conducted surveys with our employees and leadership team. For external stakeholders, we conducted a customer and supplier survey, as well as interviews with customers and members of the financial community.

The final assessment measures our material sustainability issues against their potential impact on PPF and the degree of stakeholder concern. The matrix is a simplified version of our final matrix that incorporates views from nearly 700 stakeholders and was presented to our Sustainability Steering Committee (further details on page 18) for validation in early 2022.



PPF’s materiality matrix which details our material sustainability issues, measuring them against their potential impact on PPF (x-axis) and the degree of stakeholder concern (y-axis).



## Strategy overview

Following the completion of our materiality assessment, we developed our PETS strategy with core targets and clear action pathways to create a positive impact across our business, society, and the environment. Our strategy and its continuous development is intended to be iterative. As we reach individual targets, we plan to review them to consider how we can extend our ambition.

PILLAR	STRATEGIC FOCUS AREA	TARGETS & COMMITMENTS
PERFORMANCE	<b>ETHICAL BUSINESS</b> Ensuring strong internal governance processes are in place and upheld to lay the foundation for ethical business practices and protect the integrity of our business.	We are committed to zero tolerance towards anti-bribery, corruption, and anti-competitive behaviour. <ul style="list-style-type: none"> <li>▶ 100% of our permanent office-based employees to complete training by the end of 2022 and refresh annually.</li> <li>▶ 100% of our factory-based employees to complete training by the end of 2023.</li> <li>▶ 100% of our new employees to receive training.</li> </ul>
	<b>CREDIBLE BUSINESS</b> Transparently and regularly communicating our sustainability activities and progress to our key internal and external stakeholders and considering ESG (Environmental, Social, Governance) within our risk framework.	We are committed to being fully transparent with all our stakeholders across PPF, by providing annual quantitative updates on our progress towards our ESG ambitions and targets.
	<b>RESPONSIBLE SOURCING</b> Establishing and implementing policies to support socially and environmentally responsible sourcing, to ensure compliance with regulation and our standards within our entire supply chain.	We are committed to sourcing our products responsibly and sustainably. We will develop environmental and social compliance policies by the end of 2023 and begin to assess our top suppliers.
ENVIRONMENT	<b>CLIMATE IMPACTS</b> Reducing our GHG emissions in accordance with the Paris Agreement.	We are committing to decreasing our Scope 1, 2, and 3 GHG emissions by 42% by the end of 2030 on a 2021 baseline. Our target has been submitted to the SBTi for validation.
	<b>CIRCULAR ECONOMY</b> Minimising our impact on the environment by managing our operational waste and optimising our packaging solutions through cross industry collaboration to improve our products circularity.	<ul style="list-style-type: none"> <li>▶ Ensure 100% of our dry portfolio's own sourced packaging material is recyclable by the end of 2024.</li> <li>▶ Initiate development projects for all externally sourced packaging materials that are not recyclable by 2025.</li> <li>▶ Ensure 50% of our pouch packaging is recyclable or made from recycled materials by 2030.</li> <li>▶ Reduce operational food waste by 30% by 2025 and 50% by 2027.</li> </ul>
TEAM	<b>ENGAGED, DIVERSE, AND INCLUSIVE WORKPLACE</b> Creating a working environment that attracts, engages, and retains diverse talent, byempowering our people to feel motivated, respected, appreciated, and accepted.	We are committed to ensuring that our employees can be themselves in the workplace, free from any obstacles due to bias or discrimination. <ul style="list-style-type: none"> <li>▶ Reach employee engagement levels of 75% by 2025.</li> <li>▶ Reach a minimum of 40% female representation within our leadership team by 2030.</li> </ul>
	<b>HEALTH, SAFETY, AND WELLBEING</b> Maintaining a safe working environment for all our people and supporting a healthy and balanced lifestyle.	We are committed to ensuring our people feel safe, healthy, and supported within the workplace by: <ul style="list-style-type: none"> <li>▶ Having zero fatalities.</li> <li>▶ Strengthening zero accidents culture and aiming for zero injuries.</li> <li>▶ Keep our employee absence rate below 7%.</li> </ul>
SOCIETY	<b>COMMUNITY ENGAGEMENT</b> Taking care of the people around us by cooperating with governments and social organisations to support local communities.	We are committed to establishing a local community support policy for our operations by the end of 2023 and to implement at least one initiative with local communities across 100% of our factories by 2023.



# GOVERNANCE





PPF’s **Executive Committee**, led by our Chief Executive Officer (CEO) Gerald Kühn, is responsible for progress against our business objectives and performance. Delivery against our objectives is overseen by the Board of Directors, which is made up of three executive and five non-executive directors.

We began to revise our approach to sustainability in 2021, starting with the appointment of a Group Sustainability Manager Márta Zincsenko-Záhorszki, who is responsible for developing our sustainability strategy and coordinating our business practices related to sustainability, including tracking our sustainability targets and delivering our annual Sustainability Report. The Group Sustainability Manager

reports to our CEO, who maintains overall responsibility for the progress against our strategy. In addition to bi-weekly progress updates with the CEO, the Group Sustainability Manager maintains regular communication with the Executive Committee on an ad hoc basis.

PPF has a Sustainability Steering Committee, which is responsible for overseeing our overall progress against our PETS strategy. The Committee is made up of five internal and four external members who meet twice a year. In 2022, the Steering Committee’s role was to guide the sustainability strategy development. Going forward the Steering Committee will support both the review of our performance against the strategy and its periodical refresh.

Members of our Sustainability Steering Committee are listed below:

INTERNAL	EXTERNAL
Gerald Kühn, Chief Executive Officer	Xavier Belison, Chairman of the Board, PPF
Stéphane Re, Chief Financial Officer	Allegra Day, ESG director, Cinven
Torsten Jacobs, Chief Operating Officer	Jenny Wassenaar, Chief Sustainability Officer, Trivium
Livia Sarkadi, Chief Human Resources and Legal Officer	James Bone, Partner, ERM
Márta Zincsenko-Záhorszki, Group Sustainability Manager	

# INTRODUCTION TO PERFORMANCE



## PERFORMANCE

Ensuring that our business is resilient and operates according to principles that benefit all of our stakeholders.

### ETHICAL BUSINESS

Ensuring strong internal governance processes are in place and upheld as a foundation for ethical business practices and to protect the integrity of our business.

We are committed to zero tolerance towards anti-bribery, corruption, and anti-competitive behaviour.

- 100% of our permanent office-based employees to complete training by the end of 2022 and refresh annually.
- 100% of our factory-based employees to complete training by the end of 2023.
- 100% of our new employees to receive training.

### CREDIBLE BUSINESS

Transparently and regularly communicating our sustainability activities and progress to our key internal and external stakeholders and considering ESG within our risk framework.

We are committed to being fully transparent with all our stakeholders across PPF, by providing annual quantitative updates on our progress towards our ESG ambitions and targets.

### RESPONSIBLE SOURCING

Establishing and implementing policies to support socially and environmentally responsible sourcing, to ensure compliance with regulation and our standards within our entire supply chain.

We are committed to sourcing our products responsibly and sustainably. We will develop environmental and social compliance policies by the end of 2023 and begin to assess our top suppliers.

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# 2022 HIGHLIGHTS

**Ensuring that our business is resilient and operates according to principles that benefit all of our stakeholders.**


Redesigned our anti-bribery and anti-corruption training programme and ensured 100% of our office-based colleagues completed the training, including new colleagues.

Established internal procedures and data collection mechanisms to being publishing a Sustainability Report on an annual basis.

Began the process of implementing an anti-bribery and corruption training programme for our factory-based colleagues.

Strengthened our Supplier Code of Conduct and merged it with our newly developed Sustainable Sourcing Policy.

## Ethical business



Operating ethically is the foundation of our business practice. It forms our license to operate, allowing us to engage openly with our suppliers and compete in a global market. Respect for human rights and the principles of integrity, honesty, trust, respect, humanity, tolerance, and responsibility form the foundation of all our business operations. We ensure these principles are safeguarded through strong internal governance processes.

Our main document for maintaining these principles is our ESG Policy. The Executive Committee has overall responsibility to ensure we uphold this policy, while oversight on the implementation of our policies sits with the Human Resources (HR) and Legal teams. To hold ourselves accountable, we are committed to upholding zero tolerance towards anti-bribery, corruption, and anti-competitive behaviour. We have set out the below targets to support this commitment:

- 100% of our permanent office-based employees complete anti-bribery and corruption training by the end of 2022 and to refresh this training annually.
- 100% of our factory-based employees complete anti-bribery and corruption training by the end of 2023.
- 100% of our new employees to receive anti-bribery and corruption training.

## ESG Policy

We address PPF's ethical business conduct topics, including our policies on anti-bribery, anti-corruption, anti-competitive behaviour, freedom of association, and human rights through our business wide ESG Policy which was introduced in 2020. The Policy, which is available on our [website](#), has been shared with all our colleagues and our office-based colleagues receive mandatory training on the topics.

Additionally, the ESG Policy details our approach to whistleblowing and rights to collective bargaining. Our Whistleblowing Policy and approach have been in place for four years, allowing colleagues to voice their concerns through various means, including via email and feedback boxes in factories and offices. Issues raised are directed to our HR team and kept anonymous. We also respect an employee's right to form and join groups representing employee interests, without any negative consequences or retaliation. Currently, 8.9% of our colleagues are covered by a collective bargaining agreement.

In 2022, PPF had no significant instances of non-compliance with our ESG Policy or any relevant laws and regulations.

## Ethical business

### Training programmes

To ensure our ethical business practices are understood internally, we have put in place an ESG, anti-bribery, and anti-corruption training programme. In 2022, we made the programme compulsory for all our office-based colleagues, and met our target to ensure 100% of our permanent office-based colleagues complete the training.

### Looking forward

In 2023, we intend to extend the scope of our anti-bribery training to our factory-based colleagues. The training will be conducted across our 11 factories and will be available

in 9 different languages. To accommodate our factory-based colleagues who do not have regular access to computers while at work, we are planning to design specific training, including a comprehensive video and classroom demonstration.

We are also intending to complete a revision of PPF's ESG Policy in 2023, which will follow a new structure based on our PETS strategy and include a new Equal Opportunity Policy, Environmental Policy, Modern Slavery Policy, and Community Support Policy as well as a renewed approach to our Whistleblowing Policy, considering channels and mechanisms to make it more accessible. An approach we are considering for our Whistleblowing Policy is the launch of a digital platform. This should enable easier access for our colleagues as well as make it possible for our customers and suppliers to raise concerns.

## Credible business

Our ambition is to communicate our sustainability activities and progress with all our stakeholders. To achieve this, we need to provide regular and transparent updates against our sustainability goals to our key internal and external stakeholders as well as embed sustainability practices into the core of our business.

With the launch of our sustainability strategy, we are committing to regularly communicating our activities and progress to our stakeholders.

We have also begun looking at external frameworks we can use to better understand our sustainability performance and progress against our sustainability goals. In 2022, we conducted a SMETA audit in one of our factories. SMETA is a widely used supply chain audit that is used to improve understanding of ethical, environmental, and social supply chain issues, including supply chain working conditions.

### SMETA audit

In 2022, we conducted a SMETA audit at our largest factory in Veselí nad Lužnicí, Czech Republic. SMETA audits are conducted

by SEDEX (Supplier Ethical Data Exchange), one of the world's leading consultants for supply chain sustainability solutions. The audit is designed to provide insights into business ethics issues among other topics, such as factory working conditions.

In the past, SMETA audits have helped us better understand the standards of labour, health and safety, and ethics within our factories. For instance, the Veselí nad Lužnicí audit reviewed topics such as fire safety, collective bargaining, working hours, and anti-discrimination.

### Looking forward


We are committed to reporting against our sustainability goals on an annual basis and will review our strategy and underlying goals on an ongoing basis to ensure they are ambitious and reflect our business objectives.

We are planning to also conduct an additional SMETA audit at our Citta di Castello, Italy factory in 2023.

# CREDIBILITY



## Responsible sourcing



As one of Europe's largest private label pet food providers, we need to ensure we establish policies and compliance tools that verify we are sourcing incoming materials ethically and responsibly.

The two main inputs we need to source for our final products are packaging and raw materials. Our packaging and raw material suppliers are predominantly based in Europe and our largest suppliers are verified by SEDEX. We also have a well-established procurement process which ensures new suppliers meet a specific set of criteria.

To strengthen our supplier management approach and meet the expectations of our pet parents, business partners, and other stakeholders, we have upgraded our **Supplier Code of Conduct**.

### Supplier Code of Conduct and Sustainable Sourcing Policy

We have updated PPF's Code of Conduct to include a Sustainable Sourcing Policy and Supplier Code of Conduct.

The Supplier Code of Conduct has been extended to include additional environmental and social aspects to build on the environmental, ethical, and legal areas already covered. The new Sustainable Sourcing Policy and Code of Conduct were finalised and approved by the Executive Committee in 2022.

### Looking forward

For 2023, our focus will be on ensuring the new policy is communicated to and signed by our suppliers. Once achieved, we plan to engage suppliers through an assessment to obtain a better understanding of how they are currently performing against our priority sustainability issues, including energy consumption and waste.

The findings of the assessment will be used to assess the overall sustainability risk of our suppliers. Suppliers with a higher risk rating will be the focus of our ongoing engagement. We intend to also develop training materials for smaller, less well-resourced suppliers covering our material sustainability issues.



# INTRODUCTION TO ENVIRONMENT

## ENVIRONMENT

Meeting today's demand for our products whilst minimising our impact on the environment for future generations.

### CLIMATE IMPACTS

Reducing our GHG emissions in accordance with the Paris Agreement.

We are committing to decreasing our Scope 1, 2, and 3 GHG emissions by 42% by the end of 2030 on a 2021 baseline. Our target has been submitted to the SBTi for validation.

### CIRCULAR ECONOMY

Minimising our impact on the environment by managing our operational waste and optimising our packaging solutions through cross industry collaboration to improve product circularity.

- Ensure 100% of our dry portfolio's own sourced packaging material is recyclable by the end of 2024.
- Initiate development projects for all externally sourced packaging materials that are not recyclable by 2025.
  - Ensure 50% of our pouch packaging is recyclable or made from recycled materials by 2030.
- Reduce operational food waste by 30% by 2025 and 50% by 2027.

# 2022 HIGHLIGHTS

## ENVIRONMENT

Meeting today's demand for our products whilst minimising our impact on the environment for future generations.



Submitted our GHG emissions reduction goal of 42% by 2030 on a 2021 baseline to the SBTi for validation.

Began external and internal assessments to determine the energy efficiency programmes that we can implement across our operations.

Undergoing reviews to install solar panels in our warehouses and factories, with the project completed at our Westervoort factory in the Netherlands.

Reduced our operational food waste by approximately 138 tonnes across six factories.



## Climate impacts

The science behind global warming can no longer be ignored. PPF's investors, partners, communities, and customers expect us to act responsibly and with respect for the environment. Demonstrating our commitment to this topic, we are in the process of validating our GHG emissions reduction target of 42% by the end of 2030 with the SBTi.

Our focus for 2022 was on establishing an accurate baseline of our GHG emissions. A key challenge and opportunity for us has been gathering accurate data on our Scope 3 purchased goods and services, specifically our raw materials, including animal by-products. An important distinction for us as a pet food business is that we mainly purchase category 3 animal by-products from our suppliers. Category 3 animal by-products include parts of animals that were fit for human consumption, but which are not intended for human consumption, usually for commercial reasons.

In addition to establishing our baseline, we also determined four approaches to reducing our GHG emissions:

- Examine recipes to determine the possibility of replacing raw materials which have a higher GHG emissions footprint.
- Reduce our energy consumption and utilise renewable energy in our factory production processes.
- Reduce emissions within our distribution network.
- Improve the circularity of our products to reduce waste- and packaging-related emissions (discussed in further detail within the Circular economy section on page 32).

# Climate impacts



## Recipe development

A key approach we can take to reduce emissions is to develop recipes that use raw materials with a smaller environmental impact. Purchased goods and services are a large contributor to GHG emissions, making up approximately 65% of our total emissions. A significant part of our purchased goods and services is derived from our ingredients which are difficult to adjust. Pet food needs to provide complete nutrition to the animal, meaning our recipes need to provide pets with their daily nutrient requirements (energy, protein, minerals, and vitamins) to keep them healthy and sustain them throughout their life.

Similar to human diets and foods, a pet food product can deliver excess protein surpassing an animal's daily requirements. This excess would ultimately go to waste. Over the past two years, we have focused on ensuring our recipes do not deliver in excess of the nutrients an animal requires. This not only optimises costs but also contributes to waste and emissions reductions.

## Energy consumption

We are undertaking a review of energy usage across PPF's factory production processes and are identifying ways to increase our use of renewable energy. The most energy intensive processes in our factories involve the use of steam, water heating and cooling, product drying, and compressed air. We are drawing in the expertise of external specialists in these fields to determine how we can make these processes more energy efficient.

We have also begun looking at ways we can install more solar energy in our warehouses and factories. In 2022, we approved a solar project for our Dunajský Klátov factory in Slovakia. The solar panels are projected to generate approximately 4% of the factory's annual energy consumption. We have also been working with our warehouse suppliers to shift to renewable energy, and currently have solar panels installed at our warehouse in Westervoort, the Netherlands.

# Climate impacts

## Transport & logistics

PPF's two major sources of emissions within transport and logistics stem from warehousing and freight transport. Other than seeking to switch our warehouses to renewable energy, we have also switched all our forklifts to electric.

To reduce our transport emissions, we work to ensure our trucks take the shortest routes possible. To support this process, we carry out 'centre of gravity' calculations with our warehouses. Additionally, we are using a digital platform to provide a centralised approach to transport. The platform allows us to cross-check product lines and confirm if loads can be combined across PPF to improve our distribution efficiency.

We transport around 67,000 tonnes in pallets and products each month. Traditionally, products are transported on Euro Pallets that are used to distribute products to partners, and empty pallets are brought back to the supplier. This causes additional emissions as trucks are used to bring back the pallets with largely empty loads.

To counteract this, we have begun using a system called pallet-pooling, which is a method that allows us to share pallets within a network. For this, we are partnering with a pallet pooling provider which has agreements with retailers and suppliers around Europe. Using their service, trucks can leave pallets with our partners and move on to other jobs, ensuring trucks with empty pallets do not have to drive back to our factories. The service provider can then return a full load of pallets to us from a separate distribution hub that is closer to our warehouse.

## Looking forward

We are reviewing a wide variety of projects to further reduce our GHG emissions. Our ambition is to validate these project options and focus on those that will have the highest impact in the shortest timeframe. In 2023, we plan to continue working with energy providers to install solar panels in our factories and warehouses.

## Circular economy

Another key area we are focusing on to improve our environmental impact is managing operational waste and optimising packaging solutions. We believe we can best achieve this by collaborating with our partners to improve the circularity of our products.

To pursue this ambition, we have set ourselves several targets around packaging and operational food waste:

- Ensure 100% of our dry portfolio's own-sourced packaging material is recyclable by the end of 2024.
- Initiate development projects for all externally sourced packaging materials that are not recyclable by 2025.
- Ensure 50% of our pouch packaging is recyclable or made from recycled materials by 2030.
- Reduce operational food waste by 30% by 2025 and 50% by 2027.

### Packaging

We produce a variety of different types of packaging for our dry and wet food portfolio. Our wet food packaging

portfolio covers pouches, tetra packs, aluminium cups, carton laminates, and metal cans, whilst our dry food portfolio includes recyclable mono-materials and other more complex laminates. Our metal cans, shrink foil, and stretch foil tertiary packaging are already 100% recyclable, and approximately 90% of our paper packaging volume is FSC certified. We are focused on making our dry and pouch packaging fully recyclable.

Work to transition our pouch packaging to become recyclable is in progress but is constrained by technological and supply challenges. The extreme demand for retort heat treatment and strict food safety requirements are two key challenges facing the industry for shifting to recyclable pouch packing. We are actively engaged with our suppliers to follow the latest available solutions.

For our dry product portfolio, we are working closely with our partners to switch to recyclable packaging alternatives, using laminates that derive from one source of plastic, making the packaging recyclable. Currently, around 30% of our dry private label items and 20% of branded dry products are recyclable.



## Circular economy

### Operational food waste

Reducing our operational food waste<sup>1</sup> has both a strong environmental and financial incentive. As a business, we want to ensure we are getting the best out of our input materials, which means optimising our factory processes to ensure that waste is kept to a minimum. Most of our food waste is generated during food processing.

We split our processing food waste into three categories:

- Technical: Cannot be easily removed without a complete overhaul of the production process.
- Process: Can be removed through smaller changes in the production process.
- Operational: Can be more easily avoided through better production controls.

PPF's food waste is either disposed of by incineration or used to manufacture biogas. To support in reducing our food waste, we launched our Zero Waste Initiative in 2022 that began with an internal review. As part of the project, we conducted 'waste walks' at six of our factories during the year to see where we can further reduce food waste and share best practices. Each factory now has internal KPIs linked to our group food waste target and, during the second half of the year, we reduced our operational food waste by approximately 138 tonnes across six factories.

### Looking forward

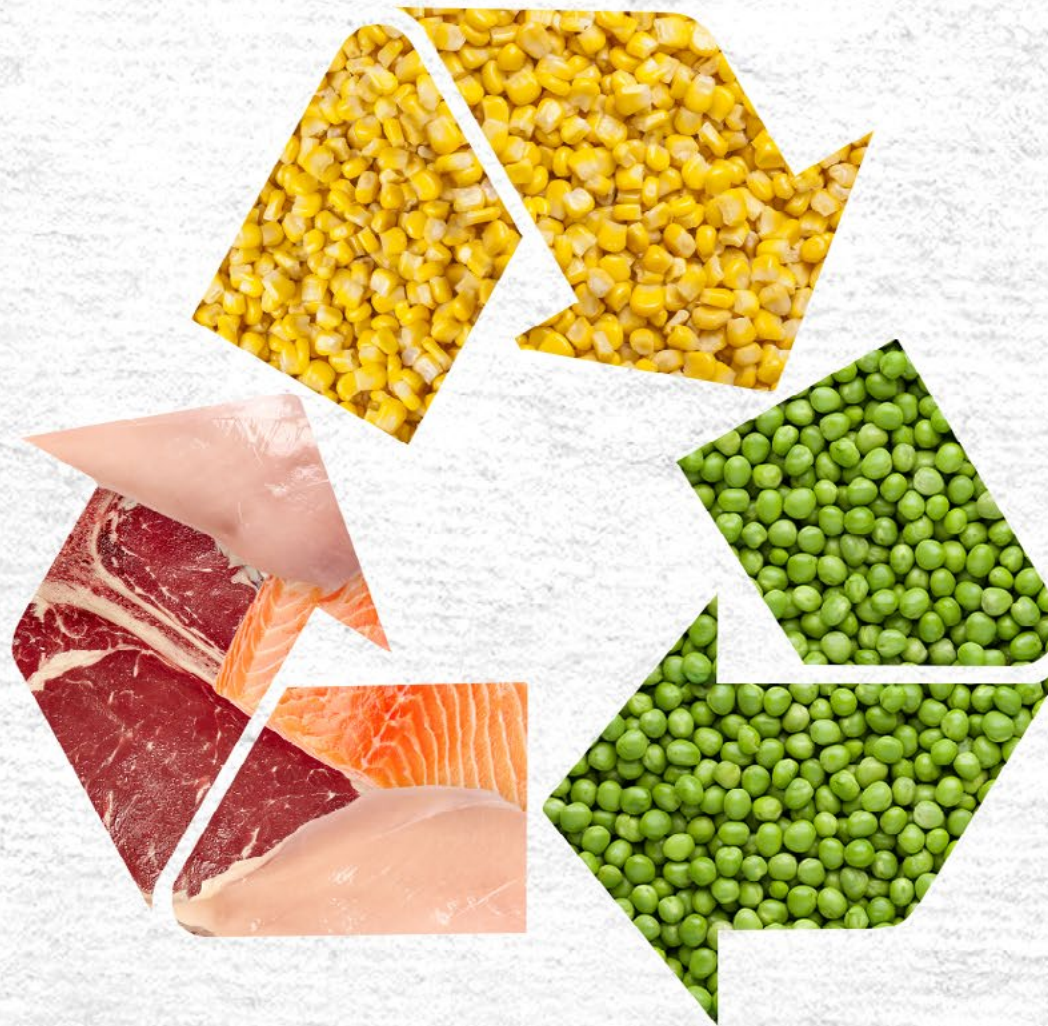
Our focus is on improving our dry and pouch packaging recyclability. For 2023, we plan to improve our dry packaging recyclability to meet our dry packaging target. We intend to also continue to address food waste by executing on the actions we identified through the waste walks conducted in 2022, and we intend to conduct five additional waste walks in 2023.

<sup>1</sup> Any raw material or finished product that was intended to be sold as pet food but is discarded. It covers:

- All raw materials (animal by-product, cereals, etc.) which enter our production facilities but do not end as finished product fit to be sold.
- Semi-finished product not fit to be packed.
- Finished product that is not fit to be sold and needs to be handled as waste.

## Case study

At our Vårgårda factory in Sweden, we conducted a waste walk that led to immediate actions to address our processing and operational food waste, installing magnets before the metal detector to decrease product rejection, optimising metal detector settings, optimising shift patterns for start-up and shut down processes, and transportation chain modification to stop the overflow of raw materials. These actions are expected to result in a food waste reduction of 20 tonnes per month.



A photograph of four people in a meeting room. A woman with glasses and a black shirt is leaning forward, high-fiving a man in a blue shirt and a woman in a white shirt. They are all smiling. In the foreground, a man in a light blue shirt is partially visible, looking towards the group. There are laptops, a coffee cup, and glasses on the table.

# INTRODUCTION TO TEAM

## TEAM

Creating a safe, diverse, and empowering working environment for all our team members to thrive in the long term.

### ENGAGED, DIVERSE, AND INCLUSIVE WORKPLACE

Creating a working environment that attracts, engages, and retains diverse talent, by empowering our people to feel motivated, respected, appreciated, and accepted.

We are committed to ensuring that our employees can be themselves in the workplace, free from bias or discrimination.

- Reach employee engagement levels of 75% by 2025.
- Reach a minimum of 40% female representation within our leadership team by 2030.

### HEALTH, SAFETY, AND WELLBEING

Maintaining a safe working environment for all our people and supporting a healthy and balanced lifestyle.

We are committed to ensuring our people feel safe, healthy, and supported within the workplace by:

- Having zero fatalities.
- Strengthening zero accidents culture and aiming for zero injuries.
- Keep our employee absence rate at or below 7%.

# 2022 HIGHLIGHTS

**Creating a safe, diverse and empowering working environment for all our team members to thrive in the long term.**

## TEAM



Achieved a company-wide engagement survey score of 58%, an increase of 11% since its launch in 2020.

Launched our learning and development programme accessible for all permanent office-based colleagues with a wide variety of attractive training modules.

Recorded a lost time injury (LTI) rate of 12.7 across our operations, an improvement on last year of 17%.

Kicked-off our Wellbeing Programme in October 2022, where we discussed six different types of wellbeing over the course of six months, to support our colleagues with health and wellbeing insights.



## Engaged, diverse, and inclusive workplace

We want to foster a work environment that attracts, engages, and retains diverse talent. This means promoting an inclusive and supportive workplace culture, as well as creating a secure work environment for our colleagues. In 2022, as part of our strategy we committed to ensuring our colleagues can be themselves in the workplace, free from any obstacles due to bias or discrimination. To support this, we set ourselves two targets:

- Reach employee engagement<sup>2</sup> levels of 75% by 2025.
- Reach a minimum of 40% female representation within our leadership team<sup>3</sup> by 2030.

<sup>2</sup> Engagement is the state of emotional and intellectual involvement that motivates employees to do their best work. We measure employee engagement based on the proportion of employees who score "moderately engaged" or "highly engaged" in our annual employee engagement survey.

<sup>3</sup> The leadership team is an internal group of professionals, including managers and executives, who are responsible for the engagement of their teams and for a significant amount of the organisation's decision-making processes. It includes executives, general managers, functional leaders, and plant managers.

# Engaged, diverse, and inclusive workplace

## Employee engagement

In 2020, we launched our employee engagement survey. The survey is conducted annually, and we use the results as key internal metrics to explore what matters to our colleagues, what issues they may be facing, and what PPF can do to support them. We use an external provider to produce each survey, which covers 50 questions addressing 16 dimensions, including engagement, wellbeing, career development, and diversity & inclusion.

Findings from the employee engagement survey are analysed and presented to senior leaders, who present the findings to their departments. Once the findings have been presented, we aim to complete department level feedback rounds to gain additional insights before considering what actions we can take to further support our colleagues.

Given the importance of understanding how our colleagues feel, we have set ourselves a target of reaching employee engagement

levels of 75% by 2025. This year, we achieved an engagement level of 58%, which is an 11% increase since our launch of the survey in 2020.

As a result of our 2021 survey, in 2022, we focused on implementing a more transparent approach to internal communications and offering additional training and development opportunities. We launched a learning and development programme accessible to all permanent office-based colleagues with a wide variety of attractive training modules. We have also newly created the PPF internal news channel accessible to all colleagues across the business. To support training and development post-Covid we refreshed our leadership development programme where high performing colleagues participate in a series of classroom style training sessions to improve their leadership capabilities. We also launched the Shift Leader development training programme to enable our line managers to offer the best leadership experience to our factory-based colleagues. This programme is currently available in three factories, and there are plans to expand it further in 2023.



# Engaged, diverse, and inclusive workplace

## Diversity & inclusion

Given PPF's European footprint, we have over 28 different nationalities communicating with and working alongside each other on a regular basis. We are also a fast-growing business that regularly acquires new sites into the PPF family. These factors create a diverse work environment, with a variety of different nationalities and cultures. To be a successful business, we need to utilise the diversity of thought we have across PPF and foster an inclusive work environment.

New company acquisitions require integration processes. As this is a key part of our business strategy, we are heavily focused on considering how best to integrate new colleagues into PPF to ensure they are welcomed and aligned with our values and culture. From day one of the integration, we build up a strong communication plan, including town halls, physical and virtual meetings, and visual and online communication

elements. We offer trainings in cultural diversity and PPF values and leadership, and implement PPF operating models, including organisation structure, ways of working, methods, and best practices to strengthen employee engagement, team spirit, and sense of belonging.

We are focused on improving gender diversity across our organisation. PPF's current gender split is 71.8% male and 28.2% female. The skew towards men within the organisation is largely driven by some factory positions being traditionally male dominated. We are working on balancing this effect by trying to attract more women to specific factory roles, such as forklift drivers and automated line operators. In our offices we see the opposite trend where there are more women than men.

The gender balance within our leadership team is 74% male and 26% female. Our aim is to achieve a gender balanced leadership team<sup>4</sup>.

<sup>4</sup> Reach a minimum of 40% female representation within our leadership team by 2030.



## Looking forward

We are looking to continue investing heavily in our training functions, with a particular focus on developing group level training programmes. For 2023, this will include the launch of our refreshed leadership development programme and cultural awareness sessions, as well as an expansion of our company values training to all colleagues, including our factory-based colleagues.

We intend to increase our engagement survey score to 65% in 2023, in line with our target. To support this, we have set out an action plan at a group, site, and team level, and we plan to look closely at how we can continue growing engagement within our factories.



# Health, safety, and wellbeing

As a food production business, we must ensure we are maintaining a safe working environment as well as enabling our colleagues to lead a healthy and balanced lifestyle. To support this ambition, we have set ourselves several ongoing goals:

- Strengthening our zero accidents culture and aiming for zero injuries.
- Ensuring we have zero fatalities.
- Keep our employee absence rate at or below 7%.

## Factory health & safety

We believe health and safety (H&S) needs to be at the forefront of everyone's minds, particularly for our factory-based colleagues. All our factories adhere to the relevant European H&S standards and each factory has a dedicated H&S manager.

Our H&S managers hold monthly committee meetings to track progress against our priority H&S issues and action potential improvements. A focus is reviewing findings from our H&S maturity gap assessments, which we conduct every two years. Key findings from the 2022 assessment were looking at how we can improve our H&S meeting structures and ensure we have the right people within those meetings to cover all H&S topics.

We also set ourselves an annual target for near misses and record these through an employee submission programme. Colleagues are able to submit near misses through email, physical form, and web form. Over the course of the year, we recorded 5,938 near misses.

We are continuously looking to strengthen our H&S performance. To support this, we run an internal audit every two years covering our 11 factories. Our first audit was conducted in 2020, and our second audit began in 2022.

# Health, safety, and wellbeing

The audits look at our 11 priority H&S issues as listed below:

- 1) **Employee training:** Ensuring employees have the correct training to carry out their role safely and successfully.
- 2) **Near misses:** Encouraging employees to report near misses avoiding that those lead to incident in the future.
- 3) **Lost time injury (LTI)<sup>5</sup>:** Minimising the number of hours lost due to injury in a given period.
- 4) **LTI completion:** Preparing insights on what can be actioned to reduce the risk of injuries in the future.
- 5) **Behaviour optimisation safety:** Looking at how people behave regarding safety in our factories.
- 6) **Safety talks:** Ensuring safety is grounded in our everyday discussions.

7) **Safety visualisation:** Looking at how we can minimise H&S risks through visualisation strategies.

8) **Campaigns:** Running safety campaign programmes within our factories.

9) **Risk assessments:** Defining and minimising risks that may emerge from a change in scope of work.

10) **Maturity gap assessments:** Conducting internal reviews to ensure we assess and minimise H&S gaps.

11) **Six Gold Standards:** Upholding written standards, for example personal protective equipment standards or permit to work standards, that factories need to apply.

This year we took several steps to improve our LTI rate<sup>6</sup>. In 2022, we recorder LTI rate of 12.7 across our operations, an improvement on last year of 17%.

<sup>5</sup> LTI (Lost Time Injury) is calculated based on the total number of injuries sustained at work by employees that results in a loss of productive work time.

<sup>6</sup> LTI rate is calculated based on the total number of injuries sustained at work by employees that results in a loss of productive work time on a per 1000 employees working in operations.

# Health, safety, and wellbeing



Through our LTI completion reports we found that in our factories, injuries occurred most frequently on staircases. As a result, we implemented further staircase safety measures, such as painting staircases in brighter colours, and incorporating staircase safety into our safety talks.

We also regularly run safety campaigns in our factories. In 2021, we developed a 'Silence Kills' campaign to encourage our colleagues to speak-up when facing a H&S issue.

In 2022, we sadly had one fatality which arose from a driving accident. We have offered our condolences to the family and colleagues impacted and we are taking action to learn from the incident, including looking at our driver safety and awareness training which will help ensure we minimise the risk of these types of accidents in the future.

## Employee wellbeing

Providing a supportive work environment for our colleagues is important to the success of our business. We want to strengthen employee wellbeing by sharing physical and mental health resources across PPF.

In 2022, we launched our Wellbeing Programme where we discussed six different forms of wellbeing (physical, mental, emotional, spiritual, social, and sensory) over six months. We kicked off the programme with physical wellbeing in October. Leaders supported the programme by sharing videos, tips, books, and articles related to each type of wellbeing. For the physical wellbeing month, we developed a challenge where colleagues could create teams and log their physical activity.

We also encourage physical activity, including local sporting events. For instance, we are supporting our colleagues in the Veselí nad Lužnicí factory in the Czech Republic who are running a local marathon, and we run pilates and yoga classes at our headquarters in Budaörs, Hungary. We have also launched running groups for our colleagues based in Hungary, where we are able to further support them in joining running competitions.

## Looking forward

For 2023, we are planning to progress against the findings of our internal review, using our H&S committee meetings to see where we can strengthen our H&S measures. We intend to also action the findings from this year's maturity gap assessment, and we expect to start implementing them in 2023. For our internal H&S campaigns, we will be asking our factory-based colleagues to engage with their children on the topic of safety. The children will also be asked to draw what safety means to them, for the drawings to be displayed throughout our factories.

For employee wellbeing, the Wellbeing Programme will continue as planned with spiritual, social, and sensory wellbeing to be picked up from January and another movement challenge will be made available to all our colleagues. We will also be establishing a Wellbeing Committee that will be responsible for understanding the needs of our colleagues, assessing what we can do to improve wellbeing at PPF, and developing an ongoing wellbeing strategy.



VOLUNTEER



VOLUNTEER

# INTRODUCTION TO SOCIETY





## SOCIETY

Taking care of the people and pets in our value chain and the communities around us.

## COMMUNITY ENGAGEMENT

Taking care of the people around us by cooperating with governments and social organisations to support local communities.

We are committed to establishing a local community support policy for our operations by the end of 2023 and to implement at least one initiative with local communities across 100% of our factories by 2023.

# 2022 HIGHLIGHTS

**Taking care of the people and pets in our value chain and the communities around us.**

## SOCIETY



Provided 48 community support projects, across 64% of our factories for the year.

Ran multiple campaigns across several countries to support local animal shelters and associations, including a donation focused media campaign with our PreVital brand for the NOÉ animal shelter in Hungary.

Ran an employee volunteer day for our colleagues in our offices which included many different charitable activities.

Worked with the DierenLot Foundation in the Netherlands to donate several pallets of pet food to independent, local, and regional animal aid organisations.



VOLUNTEER

## Community

We want to leave a positive impact on the people around us by cooperating with governments and social organisations to support local communities. Given that we operate in a variety of regions within Europe, we are a diverse business with presence in several local communities.

We currently have 11 factories across Europe and employ 2,600 people across 28 different nationalities. PPF's factories are important providers of local income, not only directly but also indirectly through the raw materials we purchase, including animal by-products and cereals.

Because of this, we believe community engagement and support is incredibly important for the growth and longevity of our business. To support this, we are committed to:

- Establishing a local community support policy for our operations by the end of 2023.
- Implementing at least one initiative with local communities across 100% of our factories by 2023.

## Community



Donations

### Local community support

In 2022, we ran approximately 48 programmes across 64% of our factories. These programmes focused on infrastructure and public services, adults and children in need, sports and education, and animal support.

For instance, we ran an employee volunteer day in our Budaörs office in Hungary. Our colleagues took the opportunity to support in seven different community initiatives, including attending a career day at a local school and supporting a local homeless shelter.

To support local schools with education, we offer factory tours as part of their excursion programmes. These programmes help us engage more closely with local schools and improve the awareness of PPF for those that may consider a factory-based career out of school.

We also run several pet food donation programmes, where we provide our overstock to local animal shelters and care homes that have support animals. For instance, we worked with the DierenLot Foundation in the Netherlands to donate several pallets of pet food. The Foundation supports more than 250 independent, local, and regional animal aid organisations by offering financial support and support in kind. Further detail on these programmes can be found within our animal welfare section on page 55.

Additionally, the Hungarian government has in place a scheme where 1% of a person's income can be shared with a charity of their choice. In 2022, our pet food brand Reno ran a campaign to support the Baráthegeyi guide dog school. The campaign in April and May, encouraged Hungarians to direct their allowance to the guide dog school. Similarly, our brand PreVital has been supporting the NOÉ animal shelter in Budapest, Hungary for over five years and this year we ran another fundraising campaign alongside a volunteer day and pet food donation programme.

## Looking forward

A focus for 2023 will be defining our group Community Support Policy. We will use this policy as a basis for the key areas we would like to focus our attention on.

To meet our 2023 target, we want to ensure all our factories are running local community initiatives and will look to tie these initiatives more closely to our policy. Alongside this, there will be a group level initiative to donate pet food to local animal shelters across all our locations.





# FURTHER MATERIAL TOPICS

There are several additional topics covered by our materiality assessment that are critical to our business performance but do not fall within our current sustainability strategy. Our approach to these topics is outlined in detail below.

## Cyber security

As one of Europe's largest private label pet food providers, we take matters on cyber security and data privacy seriously. Cyber security challenges, such as ransomware attacks and email hijacking, can have a significant impact on our business operations, including financial implications.

There are two key challenges relating to cyber security that we are currently managing to maintain the security of our systems:

- Firstly, as our factories become more connected, automated, and digitalised, the threat to cyber security is heightened. As a business, we are continuing to expand in size and implement various forms of automation in our production lines. This growth can leave us more open to cyber-attacks if left unmanaged.
- Secondly, cyber-attacks are becoming more sophisticated. In the world of AI and deep-fake, our business, like many others, is facing far more complex and convincing cyber-attacks.

To counteract these challenges, we continually focus on improving in two key areas, IT procedures & controls, and employee awareness.

To improve our procedures & controls, we look at how we can improve the preventative measures we take, and what actions we implement to improve our reactive procedures. This includes regularly upgrading our IT system solutions, improving our policies, such as access control management, and conducting attack simulations for internal and external network vulnerability.

To improve awareness, employees with a computer username undergo mandatory IT security training, which is refreshed annually and incorporates cyber security best practices as well as practical advice on physical IT risks. We also simulate phishing emails, including more sophisticated attacks for more exposed departments. This is an annual practice, and we aim to minimise the ratio of employees clicking on our phishing emails by providing further IT support and advice.

In 2022, we updated our company firewall to support a more tailored network that is suitable for a hybrid work environment. We have implemented more advanced intrusion, prevention, and detection capabilities as part of the firewall update. We also implemented multifactor authentication on all Microsoft cloud services, including e-mail and OneDrive. Multifactor authentication setup is also part of all business-critical cloud/SaaS implementations.

A woman with blonde hair, wearing a white hairnet and glasses, is smiling and looking towards the right. She is wearing a white lab coat. In the background, other people in white lab coats and hairnets are visible, suggesting a factory or laboratory setting.

## Product quality & safety

As a pet food production business, our aim is to provide our customers with products that meet all their needs and preferences as well as specifications, in the case of private label products. A critical part of this is ensuring we meet high level of quality & food safety standards in our operation. We adhere to all local and EU regulations related to pet food, which are regularly supervised by veterinarians and local authorities. All our factories are certified by Global Food Safety Initiative (GFSI) audits, according to the IFS (International Food Standard). The factories also follow the unannounced audit principles, with the exception of our two newly acquired factories in Poland which will be added to the scheme in 2024, to ensure compliance and demonstrate the high levels of food quality and safety to our customers.

Pets generally need a complete mono diet, which means they need all their essential nutrients in one meal. This involves developing recipes that deliver an animal's daily nutrient requirements (i.e. energy, protein, vitamins, etc). We also regularly conduct palatability tests to ensure the acceptance of our products.

## Water management

Water use and wastewater are important environmental issues for PPF, and we are actively looking at ways to improve our water management. The need to reduce our water usage and wastewater is primarily driven at a factory level, particularly within cleaning phases at our factories.

Reducing water use and wastewater links back to our own zero-waste initiatives. Efforts include reducing steam consumption and reusing water from distillation processes. We are also looking at ways to improve our cleaning measures within our factories, including installing pre-treatment facilities to reduce contaminants and making cleaning measures more efficient to reduce water waste.



## Talent attraction & retention

Despite a challenging macroeconomic environment, companies worldwide continue to face a global talent shortage. We focus on talent attraction and retention by creating an attractive and engaging working environment. We offer a competitive and appealing compensation structure to all our colleagues, and we pay close attention to improving our employer branding in all our markets, particularly using social media communication to achieve this.

From a retention standpoint, our employee turnover numbers have remained unchanged, 22% both in 2021 and in 2022. We have also implemented the unified service award system across all PPF companies to reward loyalty and seniority within the organisation and we have created the Spot On award to recognise outstanding performance and offer instant positive feedback to our colleagues.

## Animal welfare

Supporting animal welfare is linked to our core business values. Within our communities, we regularly support local animal shelters, including supplying pet food directly from our factories and providing volunteer support.

For instance, in 2022 we donated 250kg of food to the Čáslav (Czech Republic) cat shelter and produced a **three-part series** for the shelter with Czech Influencer Carly, discussing how people can adopt and prepare for owning a cat. Our brand Bozita also runs a cat shelter in Sweden. The shelter operates as a forever home for around 30 displaced cats, where they are given space to play and climb. We provide the cats with meals twice a day, and often send new product recipes for the cats to taste test.

# ANNEX

Team A 98%  
 Team B 75%  
 Team C 50%  
 Team D 30%  
 Team E 20%

1st 2nd 3rd 4th 5th





## ABOUT THIS REPORT

Our 2022 Sustainability Report aims to provide a complete picture of PPF's sustainability activities, which are informed by our material topics, for the year ending 31 December 2022.

If you have any questions regarding this report, please reach out to our Group Sustainability Manager Márta Zincsenko-Záhorszki at

[info@ppfeurope.com](mailto:info@ppfeurope.com)



# Reporting scope, boundaries, and methodology

This report provides an overview of our progress towards our commitments outlined by our PETS strategy. The activities, initiatives, progress, and metrics mentioned in this report cover all of our businesses under PPF as of 31 December 2022 and its subsidiaries, unless otherwise noted. PPF is defined as the business activities performed by Partner in Pet Food Hungária Korlátolt Felelősségű Társaság ('Partner in Pet Food' or 'PPF') and its consolidated subsidiaries. We plan to continue maturing the collection and reporting of our sustainability data management systems. The reporting period is for the financial year 2022 (FY22), which runs from 1 January 2022 to 31 December 2022.

Relevant policies, reports, and other documents referenced throughout this report are intended to inform our stakeholders. PPF retained ERM as a professional third party to support in the development of this report, and our GHG emissions were calculated by Denkstatt using Denxpert's software tool.

## Reporting frameworks

The information in this year's report is, where indicated, aligned with the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) recommendations.

## Data Tables

The following section provides our available 2022 data for corresponding sustainability performance indicators. The performance indicators have either been developed internally or taken from a relevant ESG framework, e.g. GRI, as marked in the left column of the tables.

## GENERAL DISCLOSURES

FRAMEWORK	PERFORMANCE INDICATOR	2021	2022
	ORGANISATION DETAILS		
GRI 2-1	Legal name	Partner in Pet Food Hungária Korlátolt Felelősségű Társaság	
	Nature of ownership and legal form	Limited Liability Company	
	Location of headquarters	Budaörs, Hungary	
	Countries of operation	Page 8	
GRI 2-2	ENTITIES INCLUDED IN SUSTAINABILITY REPORT	Page 58	
GRI 2-3	REPORTING PERIOD, FREQUENCY, AND CONTACT POINT	Page 57–58	
GRI 2-4	RESTATEMENTS OF INFORMATION	Not applicable (inaugural report)	
GRI 2-5	EXTERNAL ASSURANCE	This report has not been externally assured	
GRI 2-6	ACTIVITIES, VALUE CHAIN, AND OTHER BUSINESS RELATIONSHIPS	Page 8	
	EMPLOYEES		
GRI 2-7	Total number of employees	1,745	2,229
	Male	1,124	1,420
	Female	621	809
	Total number of permanent employees	1,745	2,229
	Male	1,124	1,420
	Female	621	809
	Total number of temporary employees	0	0
	Male	0	0
	Female	0	0
	Total number of full-time employees	1,682	2,163
	Male	1,111	1,400
	Female	571	763
	Total number of part-time employees	63	66
	Male	13	20
	Female	50	46

## GENERAL DISCLOSURES

FRAMEWORK	PERFORMANCE INDICATOR	2021	2022
GRI 2-8	WORKERS WHO ARE NOT EMPLOYEES	306	432
GRI 2-9	GOVERNANCE STRUCTURE AND COMPOSITION		Page 18
GRI 2-11	CHAIR OF THE HIGHEST GOVERNANCE BODY		Page 18
GRI 2-12	ROLE OF THE HIGHEST GOVERNANCE BODY IN OVERSEEING THE MANAGEMENT OF IMPACTS		Page 18
GRI 2-13	DELEGATION OF RESPONSIBILITY FOR MANAGING IMPACTS		Page 18
GRI 2-14	ROLE OF THE HIGHEST GOVERNANCE BODY IN SUSTAINABILITY REPORTING		Page 18
GRI 2-22	STATEMENT ON SUSTAINABLE DEVELOPMENT STRATEGY		Page 14
GRI 2-23	POLICY COMMITMENTS		Page 22
GRI 2-24	EMBEDDING POLICY COMMITMENTS		Page 22
GRI 2-25	PROCESSES TO REMEDIATE NEGATIVE IMPACTS	<a href="https://www.ppf europe.com/compliance">https://www.ppf europe.com/compliance</a>	
GRI 2-26	MECHANISMS FOR SEEKING ADVICE AND RAISING CONCERNS		Page 22
GRI 2-27	COMPLIANCE WITH LAWS AND REGULATIONS		
	Total number of significant instances of non-compliance with laws and regulations	0	0
	Total number of fines for instances of noncompliance with laws and regulations that were paid	Not available <sup>7</sup>	Not available <sup>7</sup>
GRI 2-28	MEMBERSHIP ASSOCIATIONS		FEDIAF
GRI 2-29	APPROACH TO STAKEHOLDER ENGAGEMENT		Page 15
GRI 2-30	COLLECTIVE BARGAINING AGREEMENTS		
	Percentage of employees covered by collective bargaining agreements	17.3%	15.7%
	How working conditions and terms of employment are determined for employees not covered by collective bargaining agreements	Working conditions and terms of employment are determined based on labour law and works council agreement for employees not covered by collective bargaining agreements.	

<sup>7</sup> Data is not available for this year, but a solution is being developed for future reporting periods.

## ETHICAL BUSINESS

FRAMEWORK	PERFORMANCE INDICATOR	2021	2022
GRI 205-2	COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES		
	Governance body		
	Received communication on anticorruption policies and procedures	100%	100%
	Received training on anti-corruption	100%	100%
	Employees		
	Received communication on anticorruption policies and procedures	100%	100%
Internal KPI	Received training on anti-corruption	Not available <sup>8</sup>	32.5%
	Permanent office-based employees completed the anti-bribery training	Not available <sup>8</sup>	100%
GRI 205-3	INCIDENTS OF CORRUPTION AND ACTIONS TAKEN		
	Total number of confirmed incidents of corruption	0	0
	Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	0	0
	Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	0	0

## CREDIBLE BUSINESS

FRAMEWORK	PERFORMANCE INDICATOR	2021	2022
Internal KPI	REPORTING AGAINST SUSTAINABILITY STRATEGY ON AN ANNUAL BASIS		

To ensure we are providing our stakeholders with transparency regarding the sustainable, credible, and ethical performance of our operations, we intend to publish this report on an annual basis with 2022 serving as our inaugural year of reporting.

## RESPONSIBLE SOURCING

FRAMEWORK	PERFORMANCE INDICATOR	2021	2022
Internal KPI	NUMBER OF DIRECT MATERIAL SUPPLIERS WHO HAVE HAD CODE OF CONDUCT COMMUNICATED TO THEM	100%	100%

<sup>8</sup> Data is not available for this year, but a solution is being developed for future reporting periods.

## CLIMATE IMPACTS



FRAMEWORK	PERFORMANCE INDICATOR	2021	2022
GRI 302-1	ENERGY CONSUMPTION		
	Total fuel consumption from non-renewable sources	234 658 MWh	232 475 MWh
	Total fuel consumption from renewable sources	Not available <sup>9</sup>	Not available <sup>9</sup>
	Total energy consumption	304 369 MWh	299 781 MWh
GRI 302-3	ENERGY INTENSITY		
	Energy intensity ratio	0.391 MWh/t	0.416 MWh/t
	Energy included in the intensity ratio	Fuels, Electricity & heat non-renewable, renewable electricity	Fuels, Electricity & heat non-renewable, renewable electricity
GRI 305-1	DIRECT (SCOPE 1) GHG EMISSIONS		
	Gross direct (Scope 1) GHG emissions	47,731 t CO <sub>2</sub> e	47,139 t CO <sub>2</sub> e
GRI 305-2	ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS		
	Gross location-based energy indirect (Scope 2) GHG emissions	21,684 t CO <sub>2</sub> e	21,155 t CO <sub>2</sub> e
	Gross market-based energy indirect (Scope 2) GHG emissions	31,570 t CO <sub>2</sub> e	30,629 t CO <sub>2</sub> e
GRI 305-3	OTHER INDIRECT (SCOPE 3) GHG EMISSIONS		
	Gross other indirect (Scope 3) GHG emissions	520,123 t CO <sub>2</sub> e	503,934 t CO <sub>2</sub> e
	Other indirect (Scope 3) GHG emissions categories and activities		
	1. Purchased goods and services	393,326 t CO <sub>2</sub> e	379,592 t CO <sub>2</sub> e
	2. Capital goods	16,643 t CO <sub>2</sub> e	18,563 t CO <sub>2</sub> e
	3. Fuel and energy related activities	11,408 t CO <sub>2</sub> e	9,999 t CO <sub>2</sub> e
	4. Upstream transportation & distribution	46,816 t CO <sub>2</sub> e	54,942 t CO <sub>2</sub> e
	5. Waste generated in operations	3,036 t CO <sub>2</sub> e	4,179 t CO <sub>2</sub> e
	6. Business travel	99 t CO <sub>2</sub> e	103 t CO <sub>2</sub> e
	7. Employee commuting	2,608 t CO <sub>2</sub> e	2,517 t CO <sub>2</sub> e
	8. Upstream leased assets	2,842 t CO <sub>2</sub> e	2,335 t CO <sub>2</sub> e
	9. Downstream transportation & distribution	21,179 t CO <sub>2</sub> e	9,782 t CO <sub>2</sub> e
	10. Processing of sold products	n/a	n/a
	11. Use of sold products	n/a	n/a
	12. End-of-life treatment of sold products	22,166 t CO <sub>2</sub> e	21,923 t CO <sub>2</sub> e
13. Downstream leased assets	n/a	n/a	
14. Franchises	n/a	n/a	
15. Investments	n/a	n/a	

<sup>9</sup> Data is not available for this year, but a solution is being developed for future reporting periods.

## CLIMATE IMPACTS

FRAMEWORK	PERFORMANCE INDICATOR	2021	2022
GRI 305-4	GHG EMISSIONS INTENSITY		
	GHG emissions intensity ratio	0.769 t CO <sub>2</sub> e /t	0.782 t CO <sub>2</sub> e /t
	Types of GHG emissions included in the intensity ratio	Direct Scope 1, indirect Scope 2, indirect Scope 3	Direct Scope 1, indirect Scope 2, indirect Scope 3
	Gases included in the calculation	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub>	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub>

## CIRCULAR ECONOMY

FRAMEWORK	PERFORMANCE INDICATOR	2021	2022
SASB FB-PF-410a.1	PACKAGING LIFECYCLE MANAGEMENT		
	Total weight of packaging	54,829,028 kg	59,544,708 kg
	Percentage made from recycled materials	33.8%	37.0%
	Percentage that is recyclable, reusable, and/or compostable	83.8%	84.5%
GRI 306-3a	TOTAL WEIGHT OF WASTE GENERATED	16,320.44 t	17,672.67 t
	Composted	7,325.55 t	7,780.38 t
	Incineration	1,585.64 t	1,723.63 t
	Landfill	1,661.93 t	2,403.46 t
	Recycled	5,747.32 t	5,765.20 t
Internal KPI	TOTAL WEIGHT OF OPERATIONAL FOOD WASTE GENERATED	Not available <sup>10</sup>	Not available <sup>10</sup>

<sup>10</sup> Data is not available for this year, but a solution is being developed for future reporting periods.

## ENGAGED, DIVERSE, AND INCLUSIVE WORKPLACE:

FRAMEWORK	PERFORMANCE INDICATOR	2021	2022
GRI 404-1a	AVERAGE HOURS OF TRAINING THAT EMPLOYEES HAVE UNDERTAKEN:		
	Employee category		
	Blue-collar	Not available <sup>11</sup>	Not available <sup>11</sup>
	White-collar	490 minutes <sup>12</sup>	645 minutes <sup>12</sup>
GRI 404-3a	PERCENTAGE OF TOTAL EMPLOYEES WHO RECEIVED A REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEW:		
	Employee category		
	Blue-collar	53.0%	62.3%
	White-collar	30.1%	36.9%
GRI 405-1b	PERCENTAGE OF TOTAL EMPLOYEES:		
	Gender		
	Male	64.4%	63.7%
	Female	35.6%	36.3%
	Employee category		
	Under 30 years old	14.3%	16.8%
	30-50 years old	56.1%	55.3%
	Over 50 years old	29.6%	27.8%
Internal KPI	PERCENTAGE OF LEADERSHIP TEAM		
	Gender		
	Male	74.4%	74.0%
	Female	25.6%	26.0%

<sup>11</sup> Data is not available for this year, but a solution is being developed for future reporting periods.

<sup>12</sup> This is an estimate based on the time needed to complete our mandatory trainings and workshops.



## HEALTH, SAFETY, AND WELLBEING

FRAMEWORK	PERFORMANCE INDICATOR	2021	2022
	FOR ALL EMPLOYEES:		
	The number of fatalities as a result of work-related injury	0	1
	The rate of fatalities as a result of work-related injury	0	Not available <sup>15</sup>
	The number of high-consequence work-related injuries <sup>13</sup> (excluding fatalities)	0	0
GRI 403-9a	The rate of high-consequence work-related injuries (excluding fatalities)	0	0
	The number of recordable work-related injuries <sup>14</sup>	47	50
	The rate of recordable work-related injuries	Not available <sup>15</sup>	Not available <sup>15</sup>
	Lost time injury (LTI) across our operation	26	20
	The number of hours worked	Not available <sup>15</sup>	Not available <sup>15</sup>
Internal KPI	LOST TIME INJURY RATE (LTI RATE) ACROSS OUR OPERATION	15.3	12.7
Internal KPI	AVERAGE EMPLOYEE ABSENCE RATE	9.4%	7.0%

<sup>13</sup> Work-related incident that results in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months.

<sup>14</sup> Negative impacts on health arising from exposure to hazards at work.

<sup>15</sup> Data is not available for this year, but a solution is being developed for future reporting periods.

## COMMUNITY



FRAMEWORK	PERFORMANCE INDICATOR	2021	2022
GRI 413-1a	PERCENTAGE OF OPERATIONS WITH IMPLEMENTED LOCAL COMMUNITY ENGAGEMENT DEVELOPMENT PROGRAMMES	36%	64%

TERM	DEFINITION
Alucup	Alucup, as pouches, are a convenient offering for single serve. Products are complete and balanced and cover all the different technologies offered in wet products.
Category 3 animal by-product	Includes parts of animals that have been tested fit for human consumption, but which are not intended for human consumption, usually for commercial reasons.
Canned pet food	Wet pet food products stored in steel cans. PPF produces a varied range of canned products, both in terms of size and price points.
Complete mono diet	Refers to a diet involving only one source of food each day, meaning that the source needs to have all the required daily nutrients to sustain a healthy living.
Dry pet food	Dry pet food products such as kibble is made using extrusion technology.
Employee engagement	Engagement is the state of emotional and intellectual involvement that motivates employees to do their best work. We measure employee engagement based on the proportion of employees who score "moderately engaged" or "highly engaged" in our annual employee engagement survey.
ESG	An abbreviation for Environmental, Social, Governance.
Greenhouse Gas	Greenhouse gasses (GHG) include water vapor, carbon dioxide CO <sub>2</sub> , methane CH <sub>4</sub> , nitrous oxide N <sub>2</sub> O and fluorinated gases (HFCs, PFCs, SF <sub>6</sub> ). These gases in the atmosphere are absorbing and re-emitting heat, which is causing the planet's atmosphere to warm overtime.
GRI	The Global Reporting Initiative is an international independent organisation that develops non-financial reporting standards.
Leadership team	The leadership team is an internal group of professionals, including managers and executives, who are responsible for the engagement of their teams and for a significant amount of the organisation's decision-making processes. It includes executives, general managers, functional leaders, and plant managers.
LTI	LTI (Lost Time Injury) is calculated based on the total number of injuries sustained at work by employees that results in a loss of productive work time.
LTI rate	LTI rate is calculated based on the total number of injuries sustained at work by employees that results in a loss of productive work time on a per 1000 employees working in operations.
Operational food waste	Any raw material or finished product that was intended to be sold as pet food but is discarded. It covers: <ul style="list-style-type: none"> <li>• All raw materials (animal by-product, cereals, etc.) which enter our production facilities but do not end as finished product fit to be sold.</li> <li>• Semi-finished product not fit to be packed.</li> <li>• Finished product that is not fit to be sold and needs to be handled as waste.</li> </ul>
Pouch pet food	Pouch pet food is wet food made to offer convenience for pet parents, whilst also providing their pets with balanced and complete nutrition. The pouch packaging is made of a laminate.
PPF	Partner in Pet Food Hungária Korlátolt Felelősségű Társaság ('Partner in Pet Food', 'PPF') and its consolidated subsidiaries.
Raw materials	Raw materials refer to all ingredients we use to develop our recipes, such as animal by-products and cereals (including their by-products and derivatives).
SASB	The Sustainability Accounting Standards Board is a non-profit organisation that supports companies to disclose relevant sustainability information to their investors.
SBTi	The Science Based Targets initiative (SBTi) is a partnership between CDP, the United Nations Global Compact, World Resources Institute, and the World Wide Fund for Nature. The SBTi aims to drive ambitious climate action in the private sector by enabling organisations to set science-based emissions reduction targets.
Snack	Snacks and treats contribute to strengthening the connection between the pet and the owner. They can be functional like the dental sticks or treats for indulgence. These are complementary products.
Sustainability Steering Committee	Responsible for overseeing our overall progress against our PETS strategy. The Committee is made up of internal and external members who meet twice a year.
Tetrapack	As cans, Tetrapack is a multi-serve offering that covers all type of wet technologies (chunks and pate). Product offer is a complete and balanced diet.



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