



NON FINANCIAL REPORT

BERLIN 2017



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HELLOFRESH FUTURE

**A COMMITMENT TO OUR PEOPLE,
OUR COMMUNITY AND OUR PLANET**

LETTER FROM DOMINIK RICHTER AND THOMAS GRIESEL

Six years ago we set out to “Change the way people eat. Forever”. We wanted to take away all of the reasons why people weren’t cooking simple, nutritious and healthy meals from scratch.

Looking back, it was an optimistic mission considering that we were creating the recipes in our home kitchens and personally delivering them to our first handful of customers. But today we’re fortunate to be helping millions of people around the world to enjoy home-cooked meals again.

The core mission and business model of HelloFresh are inseparable and we’ve always believed that successful business and sustainability are not mutually exclusive. Putting employees, the wider community and the planet front of mind isn’t just the right thing to do, it creates a solid platform for future growth that resonates with people inside and outside the company. Prevention of food waste in the supply chain and customers’ homes is a great example of this sustainable symbiosis and one that we’ll discuss later in the report.

We are fortunate that our product has been created to improve the lives of our customers, not only by eating well, but by having the chance to connect in the kitchen and around the dinner table every day with their loved ones. And we also know that our operations create a wider responsibility, which is why we are excited to launch the HelloFresh Future Committee, whose task it will be to weave a formal sustainability structure into all the elements of our business.

We look to the future with incredible optimism and we look forward to introducing our next sustainability report in a year’s time.

Dominik Richter and Thomas Griesel

INTRODUCTION LETTER FROM CORPORATE RESPONSIBILITY AMBASSADOR PATRICK DRAKE

To be writing our first sustainability report feels like an exciting milestone in the history of HelloFresh. From the outset we believed that prioritising the interests of our colleagues, our customers and the environment wasn't simply 'the right thing to do', but would create the foundations of our future. The reporting process has been a wonderful opportunity to take stock of our progress and establish our targets for the coming years.

It's been an incredibly positive exercise to work alongside 'HelloFreshers' across multiple continents and at every level of the company to write this report. Hearing the personal stories of customers for whom our service has changed their lives, seeing the extent of our efforts to reduce food waste and seeing our teams uniting to help their local communities are just a few of the indications that our values are stronger than ever.

But sustainability reporting is indeed a 'process'. This report has been an opportunity to understand the more formal reporting structures used by those with a longer history of non-financial reporting and in the coming years we are committed to setting up the processes needed to follow their path.

I hope you find the report as insightful to read as we have found it to compile and I welcome any feedback that you have.

Patrick Drake



**WE WANT TO CHANGE THE WAY
PEOPLE EAT FOREVER.**

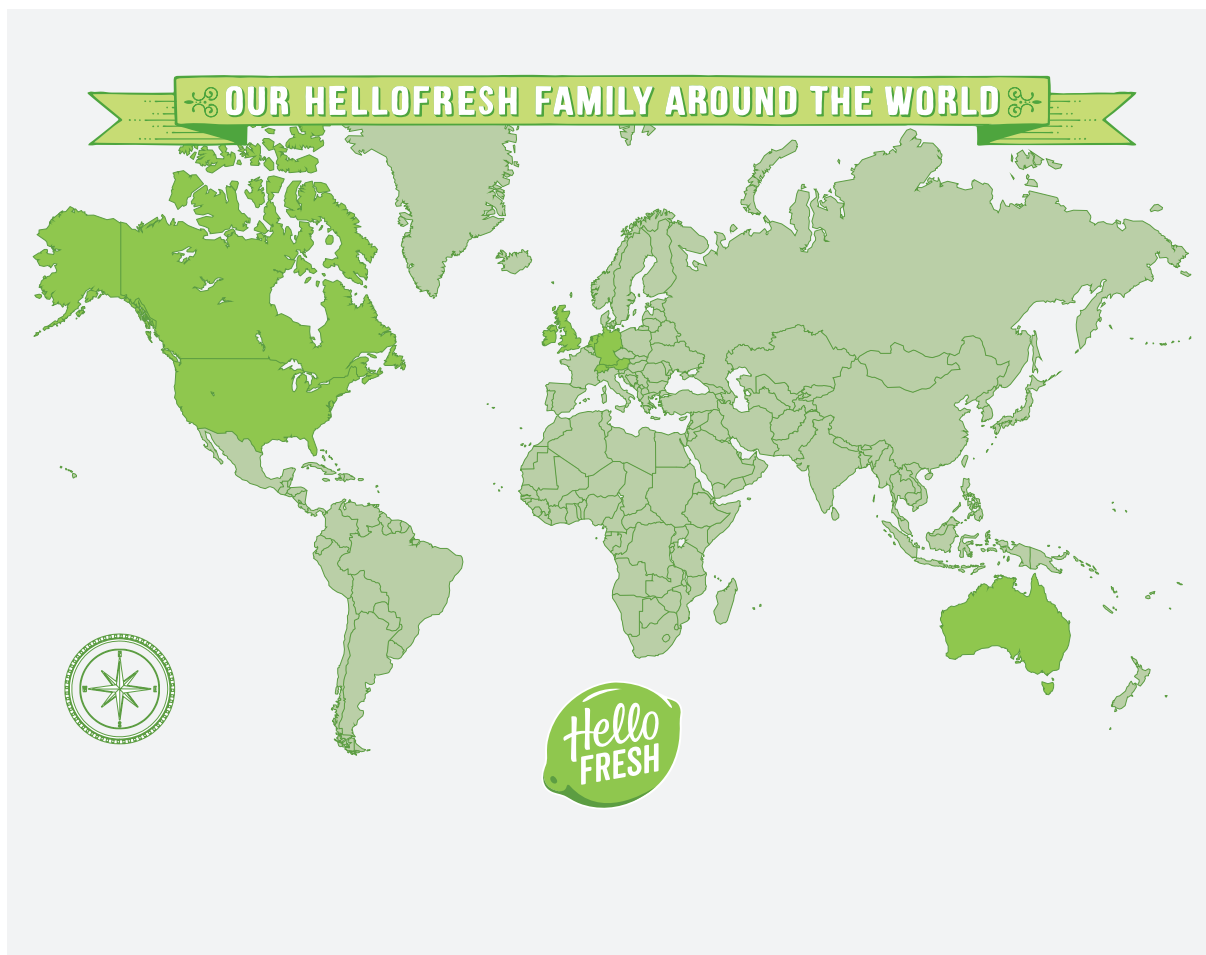
**TO GET THEM AROUND THE DINNER TABLE ONCE MORE,
TO ENJOY THE SIMPLE VICTORY OF
A HOME-COOKED MEAL.**

HelloFresh is the world's leading online food delivery services. Our core business sends illustrated recipes, with the exact fresh ingredients needed to cook them, to our customers' homes every week.

We source our ingredients from trusted, sustainable suppliers as locally as possible and by accurately forecasting customer numbers we only order the amount of ingredients we need to fulfil their orders. Combined with only sending exactly what our customers need to cook their meal, we are able to prevent considerable food waste in both the supply chain and in homes.



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Back when we started in 2012 we could see a seismic shift of public awareness around the importance of eating fresh, nutritious food as part of a healthy, fulfilled lifestyle. This trend is gathering greater momentum with each year and HelloFresh now has over 1.45 million active customers in 10 countries.

By taking away all of the planning and the shopping we only leave our customers with the best bit: home-cooking nutritious, tasty meals with fresh ingredients from scratch.

THE THREE PILLARS

OUR BUSINESS MODEL SITS ATOP 3 CORE PILLARS: OUR PEOPLE, OUR COMMUNITY AND OUR PLANET.

Since the beginning of HelloFresh in 2012 we knew that creating a business that was intrinsically tied to the furtherance of our employees, the wider community and our environment wasn't merely the 'right thing to do'. It also makes sound business sense by creating a long-term foundation for growth.

OUR PEOPLE

The lifeblood of our organisation, we attract and retain the best talent in the world by fostering an environment of diversity, equality and above all meritocracy. We are fortunate that while our product is delivered through a tech platform, the end result is very much tangible and has an instantaneous, significant impact on the lives (and wellbeing) of our customers. That is a huge motivator for us and employees at every level of the company are given the chance to meet and socialise with our customers through regular events so that we can really understand the WHY of what we do. Later in the report we will go into detail about the work we have been doing to engage, grow and nourish our team.

Some of our rising stars



Maisha Billingsley, Senior Customer Care Agent was featured in Destination Newark Magazine's 2017 Best Places to Work In Newark. Maisha said: "If you are a young professional looking for career advancement and a work environment filled with friendly and dedicated colleagues, this is the place to be. Not only has working here provided me with new skills, but I feel passionate about what HelloFresh brings to Newark. Having a service connected to bringing fresh food to your doorstep is so important in any urban area, and I am glad to be a part of the history that we are making."



Michelle Bailey began her HelloFresh journey as a temporary employee at our Newark, New Jersey fulfilment center in Housekeeping. She is known affectionately as the "mother of the fulfilment center" for her enthusiasm, positive energy and infectious smile. Michelle was promoted twice, worked her way up, and is now the **Associate Manager** for the Facilities and Sanitation department. Michelle developed interpersonal skills, professional skills, and a sense of independence. Her favorite part of working for HelloFresh is coming to work and making an impact on employees' lives. She sees herself growing with the company and making associates happy, as they continue making our customers happy.



Mimi Morley joined HelloFresh 3 years ago in our UK Customer Care team. During her first year she gained recognition for her friendly and empathetic approach to customers and it also became apparent that she was a very talented cook. When Mimi asked if she could join the culinary team she developed some recipes, we sent them out to our customers and they loved them. Mimi was immediately promoted to the recipe development team where she has been creating some of our highest scoring recipes for the last two years. Mimi said “Having spent a year in Customer Care it gave me a strong sense of the types of recipe our customers love and I think about that every time I create something new”.

OUR COMMUNITY

It is not trite to call our customers our community. We quite literally break bread with them every day and a core part of our business revolves around connecting us and them through good food. Whether this be through our thriving social media channels where people can swap tips and proudly display photos of their recipes, through our recipe survey (which receives over 250,000 pieces of feedback a month) or through real world cooking and social events. But community stretches further than this. HelloFresh is now active in 11 countries with a fairly large physical footprint. And so we tread lightly, by ensuring that our presence in any community is adding value through employment and engaging local people with aid and/or education. More on this later.



OUR PLANET

It is estimated* that globally \$3 trillion of food is thrown away every year and that \$160 billion of this happens in the United States alone. Across HelloFresh we are doing our part to try and reverse those statistics. By having implemented a very direct just in time supply chain, by only ordering what we need from our suppliers (with a small buffer) and only sending what the customer needs for their recipe, we are working to cut down food waste in the supply chain and in the home. Where we do have surplus from the buffer, we work with local food charities who provide meals to disadvantaged people. We are also conscious that there needs to be a balance between sending a fresh, high quality, safe product and ensuring that our packaging is not excessive and can be recycled. Later in the report we will tell you more about our drive toward zero food waste, our approach to sustainable sourcing and our work to improve packaging.

*United Nations Food and Agriculture Organisation statistics

OUR NON-FINANCIAL REPORT 2017

This Corporate Social Responsibility report includes our combined non-financial report for HelloFresh SE and the HelloFresh Group in accordance with Sec. 289b (1) and (3) and Sec. 315b (1) and (3) HGB (German Commercial Code). All information, including relevant key performance indicators (KPIs), are provided jointly for HelloFresh SE and HelloFresh Group. In our Corporate Responsibility strategy and related activities we do not distinguish between HelloFresh SE and HelloFresh Group. Since this is our inaugural report we have not previously set-up the data collection systems to use an official reporting framework, however we have drafted the report in the spirit of a formal report structure and given as much detail as possible. We are looking forward to building out a more comprehensive reporting capability in the coming year.

The information on our business model can be found in section 1.1. Business Model in our Combined Management Report. Our integrated risk and compliance function monitors risks that might impact our business performance in bi-annual risk workshops. The risks also include social and environmental risks and those risks with a high probability and high impact are summarized in section 5.

HOW HAVE WE CREATED THIS REPORT?

IDENTIFYING OUR STAKEHOLDERS

To drive sustainability in the food industry, we actively engage our stakeholders and rely on dialogue with our partners. We want to learn about their expectations and ideas and involve them in our commitment as closely as possible. To identify stakeholders we asked ourselves a simple question: “Whose lives or livelihood are touched either directly or indirectly by HelloFresh?” The concentric circles span out in much the same way as the 3 pillars mentioned previously. In the first instance our customers, our employees (both direct and in the supply chain), our shareholders and the communities within which we have operations.

Internally we carry out regular ‘employee happiness’ surveys to better understand the priorities and needs of our ‘Freshers’ whilst externally we have developed one of the most comprehensive customer feedback loops in the food industry. In addition to proactively calling many of our customers for feedback and having a dialogue across our social media pages, each week we send our customers a questionnaire asking for feedback on their HelloFresh recipes and the service they are receiving. We receive over 250,000 pieces of feedback a month and have created software to machine-read the comments and pull out trends. This information is then fed directly into our recipe development and product pipelines. In the same way we have also taken the feedback from the other stakeholders mentioned above and incorporated it into our business flow as you will see later in the report.

To communicate our performance, strategy and governance topics with shareholders we arrange individual meetings, an annual general meeting and publish annual and quarterly reports on our group website.

SUSTAINABILITY CONTEXT

The HelloFresh Future Programme uses both local and global considerations and parameters to provide context to our sustainability approach. On a local level we consult with and consider the particular needs of communities within which we have operations. This also includes adhering to guidelines and regulations on topics as diverse as packaging materials, recyclability and labelling. On a global level we draw inspiration from sources including the Sustainable Development Goals and the best practices of our peers.

THE THREE PILLARS OF HELLOFRESH FUTURE

In establishing materiality we asked ourselves:

“WHERE DO OUR ACTIVITIES MOVE THE NEEDLE THE MOST?”

The answer to that question can be both negative and positive, which is why we looked both inside and outside the organisation for a rounded view. Feedback from representative focus groups within our customer base (covering varied ages and demographics), our employees, local community feedback, suppliers, industry peers, shareholders and thorough media analysis highlighted 9 topics which form the crux of this report and inspire the targets to which we commit in the coming years.



OUR PEOPLE

- Employee Welfare
- Employee Diversity and Equality
- Employee Development



OUR COMMUNITY

- Creating Products that Improve Lives
- Community Outreach
- Employee Welfare in our Supply Chain



OUR PLANET

- Food Waste
- Packaging
- Responsible Ingredient Sourcing

BUILDING FOUNDATIONS FOR THE FUTURE

This is our first sustainability report and the beginning of the HelloFresh Future Programme. This report will substantially cover the year 2017 and where possible will make comparisons to data collected from previous years.

Since this is our first sustainability report we recognise that there are areas where we can develop a more consistent and comprehensive set of key performance indicators going forward so that we provide further visibility on our progress, enhance comparability and reliability.

OUR PEOPLE

Employee Welfare

At every level of our company our employees carry both responsibility and significance to our end product: delicious, nutritious food cooked from scratch. From the senior procurement manager in one of our head offices who creates a partnership with a new avocado supplier, to the person on the production line putting that avocado in the box for our customer. Though the former may objectively appear more senior it is the latter who will actually feel that avocado for freshness to make sure our customer is getting the best possible quality. Safe, happy, engaged employees are the lifeblood of our business and their welfare is our priority.

Employees by Gender and Region						
	DACH-SE	Benelux	United Kingdom	Canada	Australia	United States of America
Total	789	207	282	43	210	1.458
Female	310	112	128	26	123	742
Male	479	95	154	17	87	716

We pay our staff competitive salaries in each of our markets. In addition, we have a broad based equity participation program, where more than 200 of our employees are beneficiaries of HelloFresh share or option programs and therefore directly participate in the value created through their work.

The first points of contact for employee welfare are the human resources or health and safety representatives at each of our locations. They feed back to the global human resources team who is empowered to support the employees and resolve any issues as appropriate. Any welfare initiatives requiring larger investment or policy change are escalated to the weekly senior management meeting in each territory.

We believe that good food is the key to a fulfilled life and so all of our employees enjoy a substantial discount on HelloFresh deliveries. Because so many employees use this benefit it creates incredible internal engagement and a rich source of feedback for our products. In Benelux our employees enjoy free, healthy lunch and dinner, whilst in the UK we are also piloting a Flexible Work Hours scheme to allow employees more autonomy over their working day. Initial feedback has been incredibly positive, with employees more able to plan quality recreation time.

Across both our warehouses and our offices we carry out health and safety inspections in line with local authority regulations and guidelines. We also have nominated fire and first aid wardens in each location and carry out regular fire drills. At our fulfilment centers we provide all necessary protective clothing and equipment for the comfort and safety of our 'packing heroes' (our name for the global teams who carefully pack ingredients in our meal-kits), whilst in the offices we provide postural training and ergonomic desk solutions on request. Many of our offices also include activities such as yoga / stretching, group fitness activities and lectures from visiting experts on optimal nutrition.

HELLOFRESH FUTURE

We remain committed to:

- Pay our colleagues market competitive remuneration;
- Offer a broad based company equity plan;
- Complement compensation locally with benefits such as medical insurance and transportation support;
- Observe strict health and safety standards in all our operations;
- Further additional wellbeing initiatives, such as in-office yoga, gym memberships and weekly group events.

Employee Diversity and Equality

Our workforce is a multi-cultural melting pot, with nationalities as diverse as the recipes we send to our customers. From the very first days of HelloFresh we sought diversity as a means of engendering creativity and this spirit is still part of our ethos today.

To ensure employee diversity and equality across the HelloFresh group the human resources team in each location tracks key metrics such as gender, age and international diversity.

As a testament to how our company engages, grows and nourishes our talent, HelloFresh was awarded **Mogul 's 2017 Top 100 Companies for Millennial Women** . Influential online magazine Mogul conducted two years of HR interviews, employee surveys, and research conducted from 2016 to 2017 to recognise organisations who create supportive workplace environments. In Berlin last year we also hosted 5 events to encourage underrepresented groups to get into tech careers.

As with our core product we have always found that food is an incredible way of celebrating diversity and creating new connections. In the UK we held a 'Fresh Explorer' event where each of the 14 nationalities represented in that office set up a themed stand with their national food and drinks. Employees visited each stand to try the local delicacies and find out a bit more about that country and its culture. Each employee was given a 'passport' for the evening and those who collected all 14 stamps and answered trivia on the numerous countries won a prize.



Local human resources teams are the guardians of their respective Equality and Non-Discrimination Policies which are drafted in line with local government guidelines. In these policies we outline the values we uphold for the creation of a harmonious working environment and the manner in which grievances are addressed within HelloFresh. New employees are introduced to these policies during their on-boarding process.

HELLOFRESH FUTURE

Diversity and Equality will continue to be a primary focus for our human resources teams moving forwards, both in terms of formal processes but also through social events that highlight and celebrate our cultural diversity. HelloFresh USA will pilot internal employee resource groups to ensure that we nurture diverse and inclusive teams for HelloFresh. These groups will have a variety of formal components, including regular company sponsored meetings, speaking events, learning opportunities, community outreach and mentor programs. We will also develop a Power of Women Network, designed to foster an environment for women to emerge as leaders in the company through networking, mentoring, and career development.

Employee Development

Our employees are the foundation of our company and we strengthen those foundations as we grow, spending well over half a million Euros last year in learning and development initiatives. In the past 12 months, we have committed to giving all full-time employees a performance review and part-time employees and packing-heroes in our warehouses receive regular performance feedback.

For each new full-time hire there is a structured onboarding process introducing them to everything from the HelloFresh vision and values to company policies, key points of contact and relevant health and safety considerations for their position.

Furthermore, the human resources team in each HelloFresh country works closely with both employees and their managers to understand both their developmental needs and those of the company. From this information they are able to present proposals to the senior management team where budget is allocated to a learning and development curriculum.

In 2017 we spent EUR 576k for learning and development initiatives on a global level.

In the past year the learning and development curriculum has covered topics including:

- Management training;
- Public speaking;
- Excel training;
- Project management;
- Data analytics;
- Brand tone of voice for external communications;
- Customer care writing and call-handling training and
- Food safety training.

Across our territories we also invite inspiring speakers and business leaders for 'Lunch and Learn' talks on subjects ranging from personal development through to industry specific topics.

HELLOEXCHANGE

In 2017 we also introduced “HelloExchange” to give employees the chance to work in a foreign HelloFresh office for between 4 to 6 weeks. Exchanges have seen employees across a range of our teams building connections with their HelloFresh counterparts and sharing best practices to accelerate our development.



“For my “HelloExchange” I spent a month in our New York office working with the culinary team. After a few days in the kitchen we could see a number of quick wins that both our teams could implement immediately and make a significant difference to recipe scores. It is great to put faces to names as well and I have worked more closely with the US team since getting home.” - **André, UK Chef**



“For my “HelloExchange” I was lucky to spend 6 weeks in the Marketing-BI team in Berlin to work on a AU Tableau project and learn technical skills through it. I felt immediately part of the team and my learning curves in SQL and Tableau were exponential. I was also able to meet other teams and exchange on best practices making the overall experience highly valuable and recommendable. Ich bin ein Berliner!” - **Nico, AU Marketing Analyst.**

Whilst we recruit top global talent to deepen our knowledge base, we are also passionate about internal career development. New positions within the company are advertised on our jobs pages and employees are encouraged to put themselves forward. In the last year alone we have seen ‘HelloFreshers’ from across the world graduate from positions such as customer care into the more operational side of the business, with the advantage that they already have extensive knowledge of our customers’ needs.

We have also filled important leadership positions, such as COO International and VP Finance US through high potential internal candidates.

HELLOFRESH FUTURE

While continuing to recruit top talent into the business, we are committed to continue investing into learning and career development of our existing employees:

- Following a successful pilot in HelloFresh Australia we are committed to rolling out the HelloFresh Academy concept in our other territories. The Academy will include workforce and leadership development, technical skills development, behavioural competency development;
- We will continue to have a strong focus of internal hiring for key leadership roles;
- We will continue to actively encourage exchange between our country operations through formalized programs
- A recent analysis of our UK operation showed that we have a gender pay gap of only 2.1% (compared to a UK national average of 18.4%). Equally we are working to close the gender pay gap across all of the HelloFresh territories in the coming year.

OUR COMMUNITY

Creating Products that Improve Lives

Every day we see headlines relating to the ‘global epidemic’ of diet-related issues. Though the immediate cause may be inadequate nutrition, the root of the challenge is education. It is hard for people to follow a more balanced diet if they have not been taught how to cook from scratch. We don’t simply want to send high quality ingredients to our customers, we want to give them the tools to cook nutritious, tasty meals themselves, whether they are using HelloFresh or not.

That is why our teams of chefs create a whole new menu of illustrated, step-by-step recipes every week. We are teaching our customers how to cook delicious, balanced dishes from all around the world using clear, approachable instructions that never assume prior cooking knowledge.

But how do we really know if we are improving their lives? Because every month we seek and receive in excess of 250,000 pieces of feedback on our recipes and our service and have a team in each country to analyse the results. In the early days we would sit down and read every comment and now we combine our own reading with AI analysis that pulls trends from the data. As a result we are not just guessing what people would like, we know what they want and we build this directly into our product evolution. Our recipes are amongst the most tested in the world. Overall, we are using more than one billion data signals collected from our customers to continuously enhance the quality, appeal and relevance of our product.

Customer Health and Safety

Customer Health and Safety is paramount to us. At pages 133-137 of our IPO prospectus you can find a detailed explanation of the regulatory framework within which we operate to ensure that these needs are always met. We also constantly monitor and make improvements to the health and safety aspects of our products across the whole value chain.

Customer Privacy

In light of the online nature of its business, protecting personal data is of utmost importance to HelloFresh SE and its subsidiaries. To make sure personal data is treated responsibly and to protect personal data from unauthorized access, HelloFresh Group has engaged internal and external data security experts and has substantially invested in state-of-the art technology. We believe these investments are essential to ensure a trusted relationship between our valued customers and us.

To ensure a high level of data protection, HelloFresh Group has created internal guidelines to be followed by every employee. In addition, we use online trainings on data protection and data security to convey the importance of data protection on a group level. Information requests from customers on the handling of personal data are duly taken care of by dedicated employees. Our internal and external data protection experts advise stakeholders on data protection matters on a daily basis and report directly to the management board of HelloFresh SE.

HELLOFRESH FUTURE

Customer feedback will always be at the heart of our product development and we are committed to collecting, analysing and acting upon it as we move forwards. In the future we are targeting:

- To make our healthy products even more relevant to an increasing number of people by (i) broadening the choice of meals, (ii) further personalising our offering, (iii) offering more flexibility as to household size or meal occasion;
- Continue to expand the family of trusted farmers and suppliers in each of our geographies ;
- Maintain and further develop best-in-class food safety and hygiene standards in our fulfilment centres.

Building Community

THE BEST KIND OF FOOD IS THE FOOD WE SHARE...

We didn't set out to simply deliver food to people's homes. There was a far larger ambition at play: to bring people together again through the joy of a shared meal.

The HelloFresh community begins in the home, where couples and families are spending their evenings in the kitchen cooking together. Often we hear of the children who are becoming curious about vegetables they are helping prepare and therefore trying ingredients they had never previously considered. Or couples who are switching off their digital devices to (re)connect over dinner.

We also nurture a thriving online community where over 2.2 million followers are able to discover new recipes and cooking tips whilst connecting with fellow cooks from around the world. In 2016 we also launched our app and decided to open source our entire recipe database, so that even non-customers have access to all of our tried and tested recipes.

COMMUNITY BEYOND HELLOFRESH

Since the start of HelloFresh we have wanted to share our love of good food beyond our customer base. Across the globe we have set up initiatives to feed and educate those less fortunate than ourselves. We engage with our local communities through outreach to charities, local bodies such as churches or institutions like the Chambers of Commerce. In our US operation this outreach has been of great mutual benefit, where we teamed up with the Mayor of Newark and a local initiative called Work on Wheels to carry out recruitment drives in low-income areas.

Rather than discard surplus product at the tail end of the week, we identify local organisations (food banks and community kitchens) near our production facilities and we have set up a system for weekly pickups. Every week, HelloFresh donates ingredients including proteins, produce, and grocery items to help feed the local community.

Here is just a small snapshot of the last 18 months...

HELLOFRESH USA

We know that getting fresh food can be a challenge for those without resources, and the benefits both nutritionally and emotionally of being able to make a home cooked meal with family is tremendous over the holidays.

During 2017 HelloFresh USA donated just under 18,000 boxes of HelloFresh meals to those less fortunate, particularly around national holidays and national disasters (e.g. Hurricane Harvey). In addition to weekly ingredient donations, over holiday periods where customers might pause their weekly delivery, instead, they are invited to donate the value of their box with HelloFresh matching their gift, which allows us to donate even more to those who need it most.

Hurricane Harvey

Hurricane Harvey was one of the most catastrophic tropical cyclones in the US with rainfall-triggered flooding in the Houston, Texas area. HelloFresh redirected proceeds from our paused customer donation program to customers in Texas, providing them with food, free of charge. The program raised nearly US\$100,000. On top of this donation, we raised approximately US\$12,000 for the Red Cross relief program, thanks to our generous customers and employees.

Thanksgiving

HelloFresh teamed up with community based food rescue Table to Table to donate 25,000 meals. We asked customers who paused their delivery for Thanksgiving, if they wanted to donate the value of food in their box. US VP of Production Ray Gonzales said:

“The holiday season is a busy time and folks are traveling. What’s great about HelloFresh is we give our customers the option of donating the value of a box to those less fortunate for the holidays. In addition to matching the donation of the box, because Hellofresh is a food company, we are able to source ingredients like turkeys and other seasonal items to make a material impact on feeding the most vulnerable in our community during the holidays.”

Those items are then brought to Table to Table location in Newark, a community-based food rescue program that collects prepared and perishable food that would otherwise be wasted. Table to Table delivers the collected food to more than 100 organisations that serve the hungry.

Christmas

HelloFresh increased number of boxes donated year-over-year from 2016 to 2017 by 46%, going from 3,834 boxes to 5,612 boxes. The donation value total was over US\$245,000.

HELLOFRESH UK

The Felix Project

The Felix Project was set up in London to redirect surplus food from the retail sector to those in need.

In the UK we sold 2,500 boxes of HelloFresh meals (with a retail value of almost £70,000) to the public at whatever price they wished to pay. Over the course of two days employees across the company were given the chance to set up sales stands across London and use their salesmanship to raise money. The team raised well over £30,000 with all the proceeds going to The Felix Project.



HELLOFRESH AUSTRALIA

Oz Harvest is the first perishable food rescue organisation in Australia collecting quality excess food from commercial outlets and delivering it to more than 1,000 charities providing much needed assistance to vulnerable men, women and children across Australia. In 2017, HelloFresh Australia CEO Tom Rutledge participated in their annual event, CEO Cookoff and raised \$50,000 AUD. Donations were received from a large network of HelloFresh stakeholders including suppliers, customers, staff and the HelloFresh community.

We believe that community building is a big part of employee development and should be open to all. For that reason employees across the company can group together to propose and execute projects that align with our focus on improving lives through good food.

HELLOFRESH FUTURE

Helping others is also an exercise in helping ourselves. HelloFreshers tell us that they feel more engaged with the company mission when they are given the chance to work on relevant philanthropic projects, so 2018 will see us create more opportunities for them to get out there and help our communities.

Across all of the HelloFresh territories we will also continue our work to provide food through ingredient and box donations to food banks and community kitchens.

And excitingly we will be releasing the first HelloFresh cookbook in May 2018 with a charity gala at which all proceeds from the sale of the book will be going to London based food charity The Felix Project (see above).

Employee Welfare in our Supply Chain

The people in our supply chain are our extended family and their welfare is every bit as important as those with whom we have everyday contact.

Werksaam, our partner and supplier for various packaged ingredients in the Netherlands, takes pride in its socially responsible business model. Werksaam is committed to the Dutch Participation Act, employing and training people with disabilities and learning difficulties who would otherwise struggle to find employment on the free labour market.

HELLOFRESH FUTURE

We will continue to regularly visit suppliers to understand their operations and how they are complying with local regulations governing the care of their workers. In the UK we also use SEDEX to capture and map ethical risk in our supply chain.

OUR PLANET

Food Waste Building Community

IT IS ESTIMATED THAT A THIRD OF ALL FOOD PRODUCED GLOBALLY FOR HUMAN CONSUMPTION IS WASTED EITHER IN THE SUPPLY CHAIN, RETAIL SECTOR OR IN HOMES.

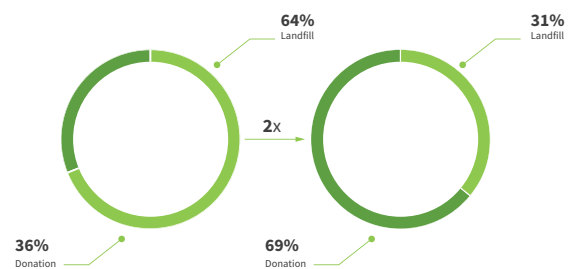
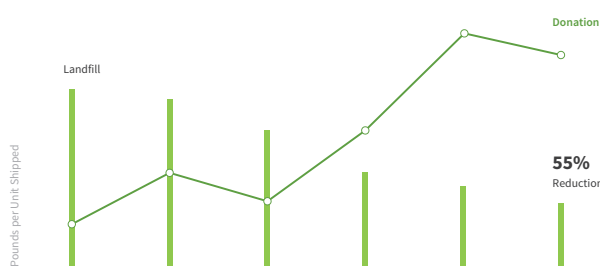
When HelloFresh started we were no stranger to food waste in our own homes. The all too familiar half bag of unused salad in the fridge that we didn't have the time to eat, or the packets of spices we had only used once for a recipe (sometimes years) previously. We wanted to change that.

Each week we have a cut-off point for customer orders so that we know exactly how many boxes of ingredients we will be sending to them. Combined with an increasingly accurate forecasting system, based on the wealth of data we have collected on the ordering pattern of our customers, that means we are able to order only what we need (with a small buffer) from our suppliers in order to fulfil the orders. At the end of each production day in our fulfilment centers we have minimal surplus ingredients. Our supply chain is therefore significantly more efficient and produces substantially less wastage than a traditional supermarket supply chain. Any high quality items that are leftover in our fulfilment centers are either sold at local markets or given to food charities that re-distribute them to less fortunate people.

To further manage fresh ingredients that are left over each week in the US, we introduced Spoiler Alert, a data driven technology platform that enables us to find the best possible outlets for our surplus food. We created a scalable tracking solution to more effectively assess shrink levels and trends, and manage process improvements. Our operations and supply chain teams, as well as third party partners learned how to leverage data dashboards to quickly track product volumes, categories, and reasons for surplus product.

By deploying a standardized approach for managing unsold inventory, we further reduced landfill volume by 55% over a six month timeframe.

MONTHLY TREND OF DONATION AND LANDFILL VOLUME



In the UK last year HelloFresh sent any surplus ingredients to The Felix Project who cook hot meals for homeless and disadvantaged people in Massimo Bottura’s community kitchen “Refettorio Felix”. In total we helped the team at Refettorio serve 15,000 meals.

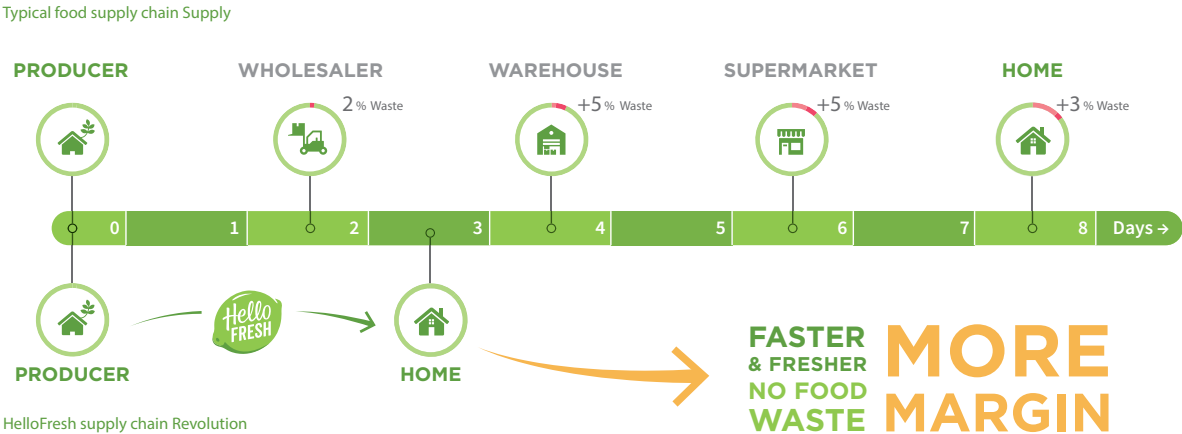
Since a lot of food waste can occur in the home we only send our customers what they need to cook each of our recipes. If the recipe only needs 1 tsp of turmeric then that is all we will send. One clove of garlic? We won’t send them more. That means our customers get to cook different recipes every week but without the need to buy ingredients in larger pack sizes that they may never use again. It is also a great way to give people a better understanding of portion sizes and the amount of ingredients needed to create a meal without excess.

HELLOFRESH FUTURE

We will continue to minimise wastage in our supply chain, primarily by (i) further optimising our demand forecasting models through continued investment into our tech infrastructure and data science teams, and (ii) further refining our just-in-time supply chain. In addition, we will continue to support local communities and charities through our food donation programs.

Packaging

Our aim is to reduce packaging across our supply chain and in our recipe boxes as much as possible whilst balancing the need to maintain freshness and prevent food waste. With that balance in mind we are constantly working to reduce the volume of packaging and increase the percentage that can be recycled.



One key lever for us in reducing packaging materials, is to have a holistic view of our complete supply chain and make it as direct as possible. For example where possible, every year we increase the share of “direct growers” so that we can purchase ingredients directly from farmers. This avoids ingredients going through multiple intermediaries and warehouses, which often involves packaging and repackaging goods several times, (and increased ingredient wastage produced by the convoluted traditional supply chain).

In addition, our procurement teams in each territory challenge themselves to work with suppliers in finding innovative packaging solutions and breakthroughs are then communicated to the global procurement team before being rolled out. Using this approach of constant experimentation and knowledge sharing across multiple territories has led to quicker innovation.

In 2017 we significantly cut down on our cardboard waste by optimising cardboard thickness and size. This reduced for example our total box weight 244,676 tonnes in the UK and 208,670 tonnes in Germany, adding up to an annualised total of 453,346 tonnes for the UK and Germany together.

The reduction of our box sizes and weight also resulted in further supply chain efficiencies. In the UK this meant an annualised reduction of box transports by 38 absolute full truck loads and 4,020 miles.

In the UK, we started producing the majority of our ice (used for keeping ingredients fresh in our boxes) in-house, eliminating inbound logistics of 2,784 miles and equivalent to a reduction of 58 absolute lorry loads.

In addition to the reduction in cardboard waste, all of our global markets are using exclusively meal-kit bags made from 100% recycled paper. Furthermore, the cool pouches which keep the proteins in our boxes chilled, are in most geographies either produced from recycled PET or sheep wool.

HELLOFRESH FUTURE

In 2018, we are targeting similar box weight reductions in Australia and the Netherlands to those achieved in the UK and Germany, whilst HelloFresh Australia will move to in-house ice production. We will also work towards increasing the direct nature of our supply chain by increasing the share of direct growers and therefore eliminating the need to repackage goods. By further segmenting our delivery areas by length of travel and temperature zones we are also aiming to optimise and reduce our use of the ice packs required to keep our produce fresh.

Responsible Ingredient Sourcing

What is in a label? Does organic mean better? How does a supplier define sustainable? Responsible ingredient sourcing means getting to know our suppliers on a level that goes beyond merely reading their product specs. We get to know each supplier and where possible we will visit their operation so that we can feel proud to include them in our recipes.

We are committed to sourcing locally as often as possible, and over 90% of our proteins are sourced in the same region in which they are sold.

US: Monterey Bay Aquarium Seafood Watch

In January 2017, HelloFresh US started a formal partnership with the Monterey Bay Aquarium Seafood Watch, which empowers consumers and businesses to choose sustainable seafood options. Our US division has pledged to only source seafood caught or farmed in ocean-friendly ways. This means using seafood rated a Best Choice, Good Alternative, or seafood that is eco-certified to a standard recommended by Seafood Watch. We are also aiming to improve struggling fisheries through Fishery Improvement Projects, in order to ensure that the seafood supply chain is fully traceable and socially responsible.

“We are passionate about bringing fresh, healthy ingredients straight to subscribers’ doorsteps,” Uwe Voss, HelloFresh US COO said. “We are proud to have established a partnership with Seafood Watch that brings our customers the best quality ingredients, while simultaneously continuing our larger commitment to the environment.”

Germany: Suckower Wels

HelloFresh Germany sources sustainable catfish from the Sukower Bioenergie and Welsfarm in northern Germany. This family business runs a biogas plant using renewable raw materials and utilises the excess heat from this process to maintain warm pools for tropical catfish. The catfish feed mostly comes from vegetable protein sources with a small portion of fishmeal added to maintain fish health. Furthermore, processing occurs in the plant, which eliminates unnecessary stress on the fish and emissions from transportation.

Benelux: Fish Tales

Our tuna in the Netherlands comes from a Dutch seafood company named Fish Tales. All of their fish is responsibly caught using pole and line, which minimises bycatch. Their fish has also been certified by the Marine Stewardship Council and the Aquaculture Stewardship Council.

HelloFresh Benelux also replaced one meat dish in its default recipe box with a vegetarian recipe to reduce our carbon footprint. After one year we estimated that the CO₂ saved by not ordering that quantity of meat was the equivalent to 4077 cars being on the road for 12 months.

We have also noticed a growing trend in those customers who want to reduce their meat consumption for both personal and environmental reasons. To support our 'flexitarian' customers we introduced a flexitarian option which allows customers to replace meat dishes in their box with vegetarian options.

HELLOFRESH FUTURE

We are committing to increase the use of responsibly sourced ingredients, such as higher welfare meats. Furthermore, we remain strongly committed to reducing food waste and inefficiency in the supply chain by sourcing directly from growers whenever possible.

ANTI-BRIBERY AND ANTI-CORRUPTION INITIATIVES AT HELLOFRESH

At HelloFresh we do business with integrity which means avoiding corruption in any form, including bribery, and complying with the anti-corruption laws of every country in which we operate. Bribery can take a variety of forms, e.g. offering or giving money or anything else of value. Under certain circumstances even common business practices or social activities – such as an invitation to a sport event – can constitute corruption. For HelloFresh, the Code of Conduct and the Anti-Corruption Directive provide guidance on how to conduct business in a fair, ethical and legal manner. All employees of the HelloFresh group must read, understand and follow their precepts. Our global Anti-Corruption Directive establishes the limitations we must adhere to when interacting with officials and business partners around the world. Violations of our Code of Conduct and the Anti-Corruption Directive are thoroughly investigated by our internal and external legal experts and involved employees are held accountable.

In addition to Code of Conduct and Anti-Corruption Directive, we implemented the Procurement Policy as one of the instruments to fight against corruption. It is essential that we work with all our suppliers in a fair, consistent and ethical way. Procurement policy ensures a proper supplier selection and onboarding process to avoid any conflict of interest and collusion with suppliers.

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