ppf.

SUSTAINABILITY REPORT 2023

BECAUSE OUR PETS, ENVIRONMENT, TEAMS, AND SOCIETY MATTER

DECEMBER 2024 UPDATE

ppf.

PETS

Foreword from our Chief Executive Officer

2023 was a significant year for Partner in Pet Food (PPF) as we defined and began to embed our corporate purpose through the business. We also made strides towards realising our sustainability ambitions, as outlined in our 'PETS' (Performance, Environment, Team, and Society) strategy.

Our corporate purpose defines who we are and the reason we come to work every day. We believe in our people, and we are passionate about pets. Together, we make tomorrow's world a better place to live in, for people and pets. In 2023, we focused on embedding our corporate purpose throughout the business with the aim of making it personal and relatable for all our colleagues. We also progressed against our sustainability targets and celebrated gaining our first EcoVadis bronze medal. We have begun implementing a programme to continue improving our EcoVadis rating in future years. As we look beyond 2023, we look forward to building on our accomplishments to date and further elevating our progress across performance, environment, team, and society.

While we are proud of our current progress, we also acknowledge the sustainability challenges we still face. We are working hard to deliver

on our circular economy targets, but we recognise we are now unlikely to meet our target of achieving a 100% recyclable dry packaging portfolio in 2024. To address this, we will be continuing to discuss recyclable packaging solutions with our partners and switch our own brand packaging to recyclable packaging by the end of 2024. Equally, as we continue to grow and acquire new businesses, we are cognisant we need to remain focused on integrating our sustainability standards into their everyday business practices. Our progress also needs to work in tandem with the development of our wider industry's sustainability credentials. Therefore, to deliver fresh, sustainable pet food that our customers are seeking, we need to communicate and work collaboratively within and outside of PPF.

As a European leader in private-label pet food, we believe leading by example is a core responsibility of our organisation. We are proud to showcase the commitment to our sustainability objectives and motivate others in the industry to drive the sustainability agenda forward. We are pleased with the steps we have taken towards engaging with our customers and suppliers, and in 2024 we hope to see more stakeholders joining us on this journey.

Defining our purpose

Since inception, our mission has been to provide the best experience for our customers, pets and pet parents, and our passionate team. This year, we took a major step to define our corporate purpose, aligning it with who we are and what we do. We held an initial workshop with a small diverse range of colleagues to understand what we want PPF to be and how we can uniquely contribute to the world around us. We then engaged 200 of our PPF colleagues from across the business to feedback and define our purpose and create our purpose statement and declaration.

We have begun embedding our purpose throughout the business which relies on everyone at PPF living by it day to day. We are helping our colleagues uncover and articulate their personal purpose and think about how it fits with our overall purpose. To achieve this, we have been running immersion sessions and mobilising an ambassador network that has been actively involved in our purpose journey. More information on our purpose, including our new Purpose Statement and Declaration is available on page 9. We are excited with the progress we have made so far and delighted to have entered this next chapter of our business.

Our 'PETS' strategy

Our PETS strategy guides our sustainability journey across our operations and value chain. Our strategy draws together our most important material sustainability topics. Our short- and long-term sustainability targets, set out in our PETS strategy, support us in measuring our performance and progress. In 2023, we met several short-term sustainability targets; notably, ensuring zero fatalities, and have since developed new targets, ensuring these reflect our business, stretch our capabilities, and have an impact across our value chain. Our new targets are outlined in our strategy overview on page 18.

"WE ARE PROUD THAT OUR NEAR-TERM GREENHOUSE GAS (GHG) EMISSION REDUCTION TARGETS WERE VALIDATED BY THE SCIENCE BASED TARGETS INITIATIVE (SBTI)."

Highlights for 2023

The progress we have made in 2023 outlines our commitment to our PETS strategy. Notably, in 2022 we developed our Supplier Code of Conduct and Sustainable Sourcing Policy; in 2023 we began to ask our direct suppliers to commit to our updated policy and assess their sustainability capabilities through an online survey. We also began developing a new governance, risk, and compliance framework; the framework will set the tone at the top of our organisation, defining good governance that provides the foundation for the implementation of initiatives and operating effectiveness.

Finally, we are proud that our near-term greenhouse gas (GHG) emission reduction targets were validated by the Science Based Targets Initiative (SBTi), committing us to reduce our absolute Scope 1 & 2 GHG emissions and our applicable **Scope 3 emissions categories** by 42% by 2030 from a 2021 base year. To ensure maximum transparency, accountability, and corporate leadership, in accordance with the requirements of the SBTi, we will continue to publicly report our progress against these published targets on an annual basis, along with our company-wide GHG emissions inventory in our annual Sustainability Report. Using our updated emissions methodology across all years, we are able to monitor progress against our SBTi target. We have so far reduced our Scope 1 and 2 emissions by 2%, and our Scope 3 emissions by 7%, relative to a 2021 base year.

Looking forward to 2024

We are committed to improving our sustainability performance and maturing PPF's sustainability practices year-on-year. As our largest emissions are generated by the purchased goods and services we procure to develop our pet food products, we will need to closely collaborate with our suppliers and continue investing in product and packaging innovation to overcome this challenge. In 2024, we will continue to engage with our customers and suppliers to support emissions reduction initiatives and our overall PETS strategy. Finally, we are focused on delivering against our packaging recyclability targets, particularly with the rollout of our recyclable pouch packaging pilot programme.

Gerald Kühr
Chief Executive Officer

2023
HIGHLIGHTS
PETS

2023 HIGHLIGHTS

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

- Obtained an EcoVadis bronze medal with strong improvements achieved across our environmental and sustainable procurement topics compared to 2022.

- Delivered anti-bribery and anti-corruption training to 94% of our permanent office- and factory-based employees.

- Began to develop a new internal governance, risk, and compliance framework to reflect our growing business.

- Progressed with the implementation of our Supplier Code of Conduct and Sustainable Sourcing Policy across our supplier base, with 78% of our direct material suppliers confirming their agreement with our updated policy.

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 63%, an increase of 9 percentage points compared to 2022.

- Reduced our employee absence rate to 6.7%, compared to 7% in 2022.

- Launched an emotional safety training programme to ensure our factory-based employees understand the importance of safety in the workplace.

- Installed safety devices to ensure that forklifts and pedestrians are warned when they are too close to each other.

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

- Received validation by SBTi for our near-term targets: 42% reduction of absolute GHG emissions across Scope 1, Scope 2, and applicable **Scope 3 categories** by 2030 from a 2021 base year. Progress made against our targets: reducing Scope 1 and 2 emissions by 2%, and Scope 3 emissions by 7%, relative to a 2021 base year.

- Installed and operated solar panels at our Dunajský Klátov factory in Slovakia, which now cover 4% of the factory's overall energy requirements.

- Switched 28% of our dry portfolio packaging to recyclable materials. A further 60% of our dry portfolio packaging is in progress to switch to recyclable materials.

- Reduced our operational food waste by 13.6% compared to 2022 by implementing measures identified through waste walks in 2022.

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

- Delivered 126 community support initiatives, more than doubling the number of projects we supported last year.

- Introduced our first Community Support Policy to govern our engagement and support for local communities.

- Ran multiple campaigns across several countries to support animal shelters and associations, including donating over 180 pallets of pet food in Sweden to organisations such as Swedish Animal rescue and Bromölla Cat Shelter, as well as pet shelters in Ukraine.

- Supported employees to volunteer time to many charitable organisations and accredited schools through our volunteer day for colleagues in our offices.

ABOUT

ppf. PARTNER IN PET FOOD

Our purpose

In 2023, we conducted a deep dive review of our corporate purpose and began to embed our newly defined purpose statement and declaration throughout PPF. Our ambition is to work in an inclusive, highly collaborative culture where we all feel empowered to grow and thrive. We firmly believe that clarity of our purpose will help us to successfully progress against this ambition. Together, with 200 colleagues representing all parts of PPF, we defined what we want PPF to be and how we can uniquely contribute to the world around us.

We have been focused on embedding our purpose throughout the business, so that it reflects who we are and where we are headed. To support this and bring our purpose to life, we have been running pilot programmes, including 'immersion sessions'. We want to ensure we establish a sense of belonging by our shared purpose, helping us to motivate and encourage everyone at PPF to engage and translate it into business action.

Purpose statement

We believe in our people, and we are passionate about pets. Together, we make tomorrow's world a better place to live in, for people and pets.

Purpose declaration

We, as PPF, are passionate about pets, and we partner with our people, pet parents, customers, and suppliers in caring for every aspect of pets' lives.

We believe in the power of trust and respect, and we bring our passion to our business. We believe in the power of innovation; we see mistakes as learning opportunities. We believe in our people and inspire them to contribute, embrace diversity, and freedom to act. We care because today we make tomorrow's world a better place to live in for people and pets, contributing to the wellbeing of our communities and planet.

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.

PPF operates in 10 countries

Serving over **35 countries** in Europe

Our business

PPF is one of Europe's largest private-label pet food producers, with a unique product offering. PPF is the only pet food producer in Europe offering all product categories across all quality tiers and corresponding price tiers in Retail Brands and in PPF own Brands for all distribution channels. 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 2023, we produced c.700,000 tonnes of pet food and reported sales of approximately €790 million. PPF operates across 10 countries and distributes products to more than 300 customers, including supermarkets, specialist pet shops, and veterinarians across more than **35 countries**[i]. With 12 factories and 8 distribution centres 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. Our expansion in 2023 was also driven by our acquisition of Kollmax in Hungary. Kollmax has a long history of producing high-quality snacks for pets across Europe, including hypermarkets, supermarkets, discounters, and specialty pet food retailers. At the end of 2023, we had 2,355 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 pouch, can, tetra, snack, and dry food products that range from premium to economy, and from single serve to multi-serve. We also have special ranges for pets with particular needs, including food for junior and senior animals, and pets with special requirements.

wet

dry

snack

Can

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

Pouch

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

Tetrapack

Wet, multi serve products that cover various types of technologies, including chunks and pate. These products are made for a complete and balanced diet.

Alucup

Wet, single serve products that are provided for convenience. These products are made for a complete and balanced diet.

Dry

Kibble, multi-serve products that are offered in various sizes and quality points to cover the entire range of pet parent needs.

Snacks

Snacks and treat products that 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.
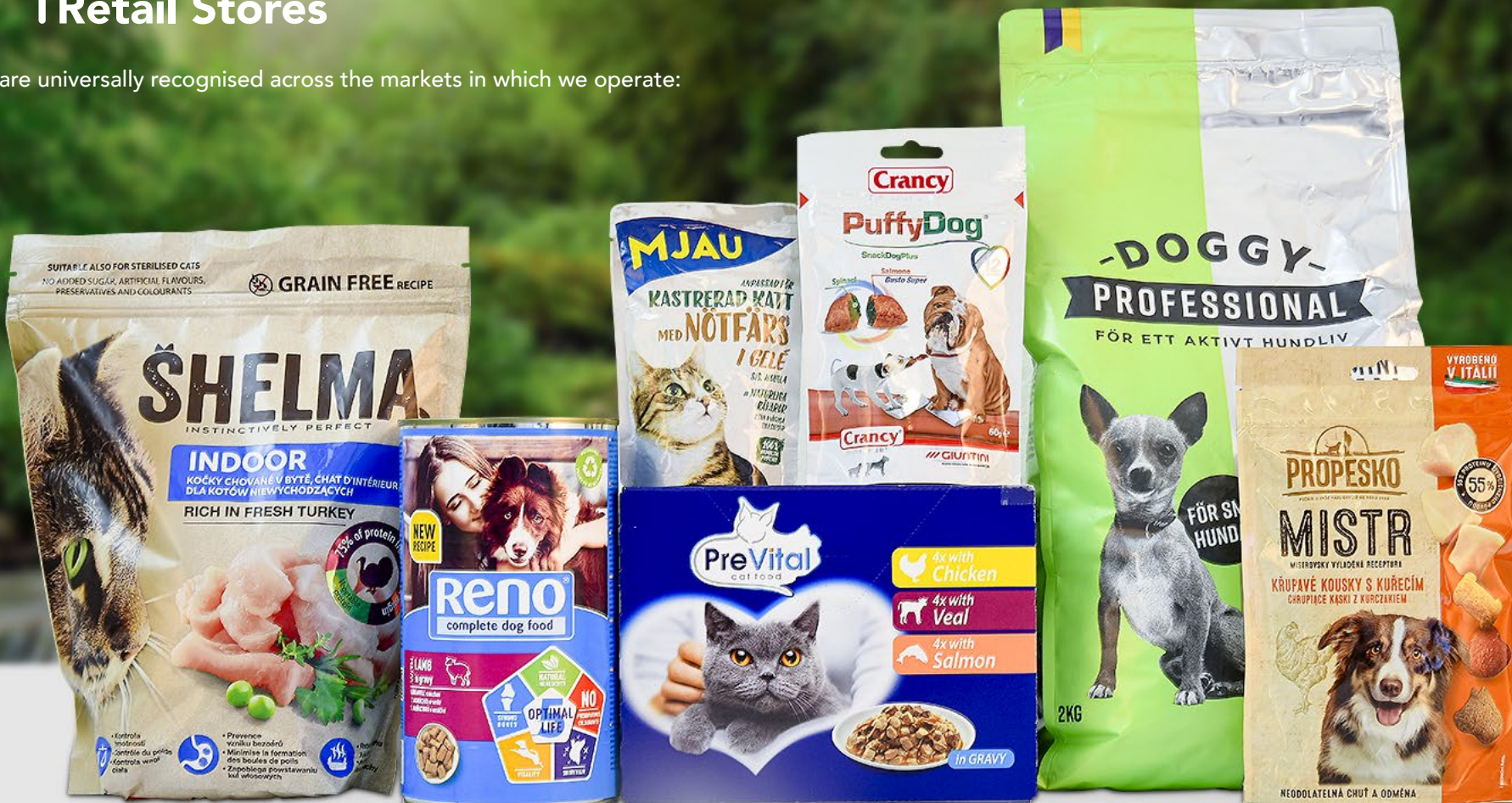
Our Brands | Available at Pet Stores

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

Our Brands | Available at Retail Stores

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

OUR PETS STRATEGY
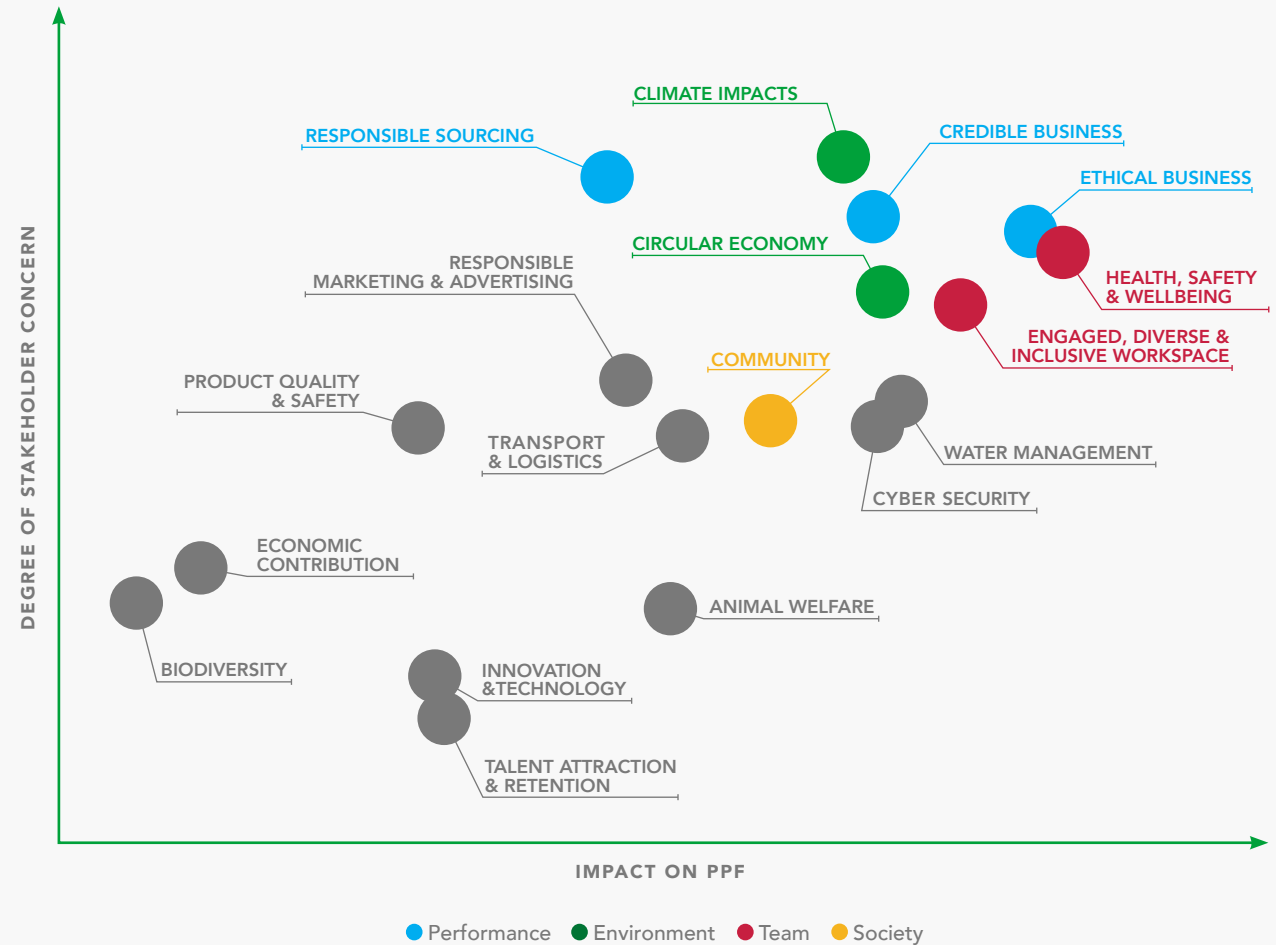
Our sustainability strategy

The launch of our PETS strategy was a major milestone for our sustainability ambitions. The strategy covers our four key pillars, Performance, Environment, Team, and Society. Each pillar has its own strategic focus areas that correspond with the topics that are most material to our business and stakeholders. See page 18 for a list of targets that underpin each strategic focus area.

Our materiality assessment

Our PETS strategy was informed by our first materiality assessment, conducted in 2022, to ensure that we focus on the sustainability topics most critical to our business. The materiality assessment was conducted according to GRI and used 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, sustainability trends, 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 shows our material sustainability topics 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 21) for validation in early 2022. In 2024, we will be conducting a double materiality assessment aligned with the European Union's Corporate Sustainability Reporting Directive (CSRD), this will support our sustainability compliance obligations as well as ensure our material sustainability topics are up to date.

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).

PETS

Strategy overview

In alignment with the results 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. This year, we have connected our PETS strategy to relevant United Nations Sustainable Development Goals (SDGs) which represent a universal action plan for the long-term prosperity of the planet and society. Our strategy is intended to support the protection of the environment and society, manage our impacts in the supply chain and demonstrate our appetite for sustainability progress. As we reach individual targets, we plan to review and update them to assess how we can elevate our ambition.

In 2023 for example, we met several of our short-term targets relating to key material sustainability topics identified in our materiality assessment. As a result, we developed new, updated versions of these targets – marked with bold at the right side – that will lead to further progress against our strategy. The targets were developed with the support of our topic leaders and were approved by our Executive Committee.

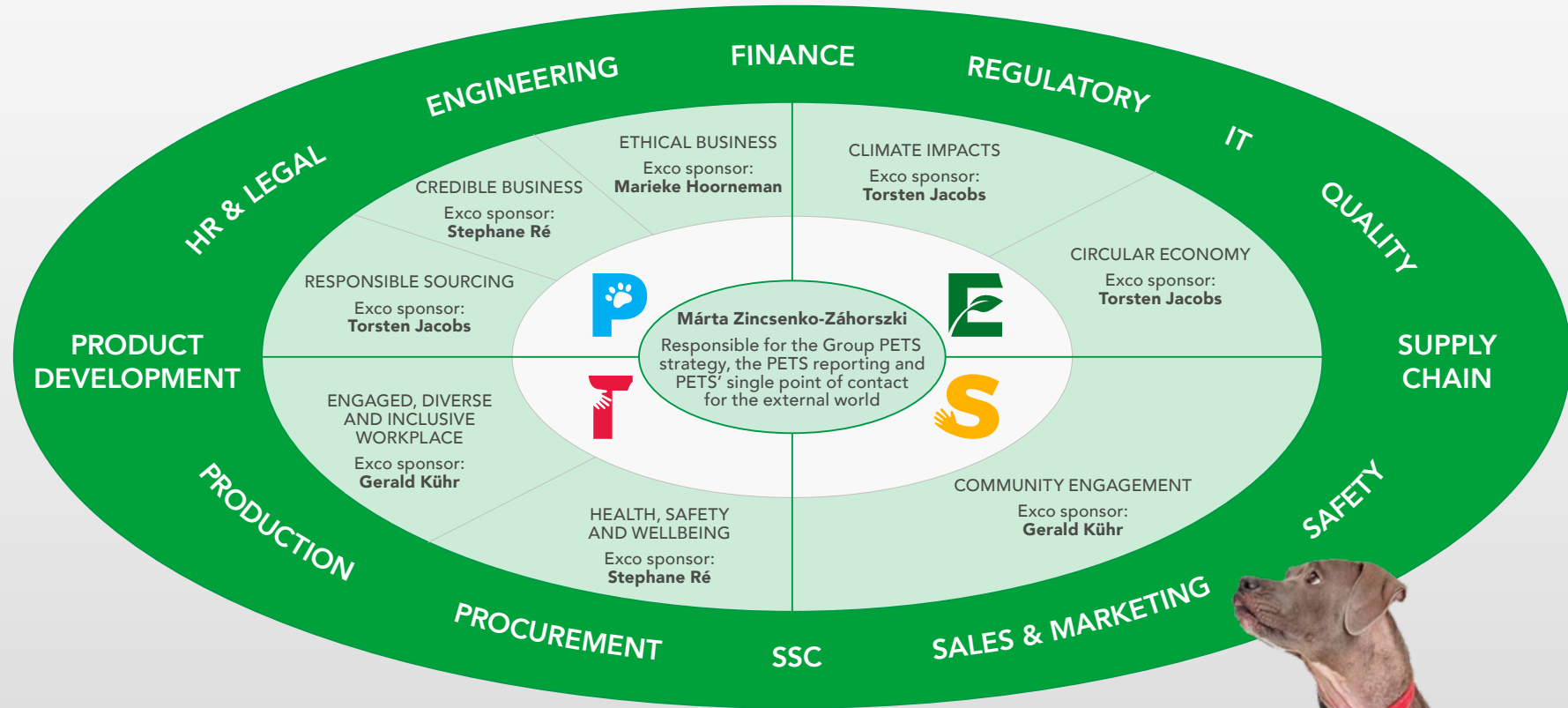| PILLAR	STRATEGIC FOCUS AREA	SUPPORTED UN SDG	TARGETS & COMMITMENTS
PERFORMANCE	ETHICAL BUSINESS	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	We are committed to: ▸ Zero-tolerance towards bribery, corruption, and anti-competitive behaviour. ▸ 100% of our permanent office-based and factory-based employees completing anti-bribery and anti-corruption training annually. ▸ 100% of our new employees receiving anti-bribery and anti-corruption training on day 1.
	CREDIBLE BUSINESS	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	We are committed to: ▸ Being fully transparent with all of our stakeholders across PPF, by providing annual quantitative updates on our progress towards our ESG ambitions and targets. ▸ **Deploying and cascading adequate and relevant actions stemming from the industry recognised GRC framework, notably within the field of internal control assessment and compliance monitoring systems over the course of 2024 and 2025.**
	RESPONSIBLE SOURCING	12 RESPONSIBLE CONSUMPTION AND PRODUCTION / 17 PARTNERSHIPS FOR THE GOALS	We are committed to: ▸ **Reaching 90% supplier acceptance** ⓘ of our Supplier Code of Conduct and Sustainable Sourcing Policy by the end of 2024. ▸ **Aligning our suppliers to our waste reduction targets with at least 50% of our suppliers** ⓘ agreeing to waste reduction initiatives by the end of 2024.
ENVIRONMENT	CLIMATE IMPACTS	13 CLIMATE ACTION	We are committed to decreasing our absolute GHG emissions across Scope 1, Scope 2, and applicable **Scope 3 categories** ⓘ by 42% by the end of 2030 against a 2021 baseline **in accordance with our SBTi validated near-term targets.**
	CIRCULAR ECONOMY	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	▸ Ensuring 100% of our dry portfolio's own sourced packaging material is recyclable by the end of 2024. ▸ Initiating development projects for all externally sourced packaging materials that are not recyclable by the end of 2025. ▸ Ensuring **100%** of our pouch packaging is recyclable or made from recycled materials by the end of 2030. ▸ Reducing operational food waste by 30% by the end of 2025 and 50% by the end of 2027 against a 2021 baseline.
TEAM	ENGAGED, DIVERSE, AND INCLUSIVE WORKPLACE	5 GENDER EQUALITY / 10 REDUCED INEQUALITIES	We are committed to: ▸ Reaching employee engagement levels of 75% by the end of 2025. ▸ Reaching a minimum of 40% female representation within our leadership team by the end of 2030.
	HEALTH, SAFETY, AND WELLBEING	8 DECENT WORK AND ECONOMIC GROWTH	We are committed to: ▸ Having zero fatalities. ▸ Strengthening our zero accidents culture and aiming for zero injuries. ▸ Keeping our employee absence rate below 7%.
SOCIETY	COMMUNITY ENGAGEMENT	17 PARTNERSHIPS FOR THE GOALS	We are committed to: ▸ Implementing local community support initiatives across 100% of our factories in accordance with our Community Support Policy. ▸ **Cooperating at Group level with an international charity by the end of 2024.** ▸ **Establishing a fund to support people and pets around us by the end of 2025.**

GOVERNANCE

Governance

At PPF we are all responsible for sustainability and we want to work together to make this world a better place for people and pets. PPF's **Executive Committee,** led by our CEO Gerald Kühr, is responsible for delivering against our business objectives and performance, including our PETS strategy. Progress against our objectives is overseen by the Board of Directors which is made up of three executive directors and five non-executive directors. Each PETS pillar has an executive sponsor, who is responsible for actioning and supporting sustainability initiatives as well as overseeing and tracking the progress of our initiatives against our PETS strategy.

FINANCE
ENGINEERING
REGULATORY
IT
HR & LEGAL
QUALITY

ETHICAL BUSINESS
Exco sponsor:
Marieke Hoorneman

CREDIBLE BUSINESS
Exco sponsor:
Stephane Ré

CLIMATE IMPACTS
Exco sponsor:
Torsten Jacobs

RESPONSIBLE SOURCING
Exco sponsor:
Torsten Jacobs

CIRCULAR ECONOMY
Exco sponsor:
Torsten Jacobs

PRODUCT DEVELOPMENT

Márta Zincsenko-Záhorszki
Responsible for the Group PETS strategy, the PETS reporting and PETS' single point of contact for the external world

SUPPLY CHAIN

ENGAGED, DIVERSE AND INCLUSIVE WORKPLACE
Exco sponsor:
Gerald Kühr

COMMUNITY ENGAGEMENT
Exco sponsor:
Gerald Kühr

HEALTH, SAFETY AND WELLBEING
Exco sponsor:
Stephane Ré

PRODUCTION
PROCUREMENT
SSC
SALES & MARKETING
SAFETY

Governance

Our Head of Sustainability, Márta Zincsenko-Záhorszki, is central to the development of our sustainability strategy and coordinating our business practices related to sustainability, including tracking our sustainability targets and delivering our annual Sustainability Report. The Head of Sustainability reports directly to our CEO, who maintains overall responsibility for the progress against our sustainability strategy.

In addition to bi-weekly progress updates with the CEO, the Head of Sustainability also holds formal updates with our Sustainability Steering Committee which is responsible for overseeing progress against our PETS strategy. The Committee is made up of five internal and four external members which meets twice a year.

Members of our Sustainability Steering Committee are listed below:

INTERNAL	EXTERNAL
Gerald Kühr, Chief Executive Officer	Xavier Belison, Chairman of the Board, PPF
Stéphane Re, Chief Financial Officer	Allegra Day, ESG director, Cinven
Torsten Jacobs, Chief Operations Officer	Jenny Wassenaar, Chief Sustainability Officer, Trivium
Marieke Hoorneman, Chief Human Resources Officer	James Bone, Partner, ERM
Márta Zincsenko-Záhorszki, Head of Sustainability	

INTRODUCTION TO PERFORMANCE

"We are a growing business. The Executive Committee and Management teams need to set the tone and regularly review and update our policies, processes, and practices to ensure good corporate governance is maintained."

Stéphane Re, Chief Financial Officer

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 bribery, corruption, and anti-competitive behaviour.

• 100% of our permanent office-based and factory-based employees completing anti-bribery and anti-corruption training annually.

• 100% of our new employees receiving anti-bribery and anti-corruption training on day 1.

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 of our stakeholders across PPF, by providing annual quantitative updates on our progress towards our ESG ambitions and targets.

• Deploying and cascading adequate and relevant actions stemming from the industry recognised GRC framework, notably within the field of internal control assessment and compliance monitoring systems over the course of 2024 and 2025.

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:

• Reaching **90% supplier acceptance** of our Supplier Code of Conduct and Sustainable Sourcing Policy by the end of 2024.

• Aligning our suppliers to our waste reduction targets with at least **50% of our suppliers** agreeing to waste reduction initiatives by the end of 2024.

2023 HIGHLIGHTS

Ensuring that our business is resilient and operates according to principles that benefit all our stakeholders.
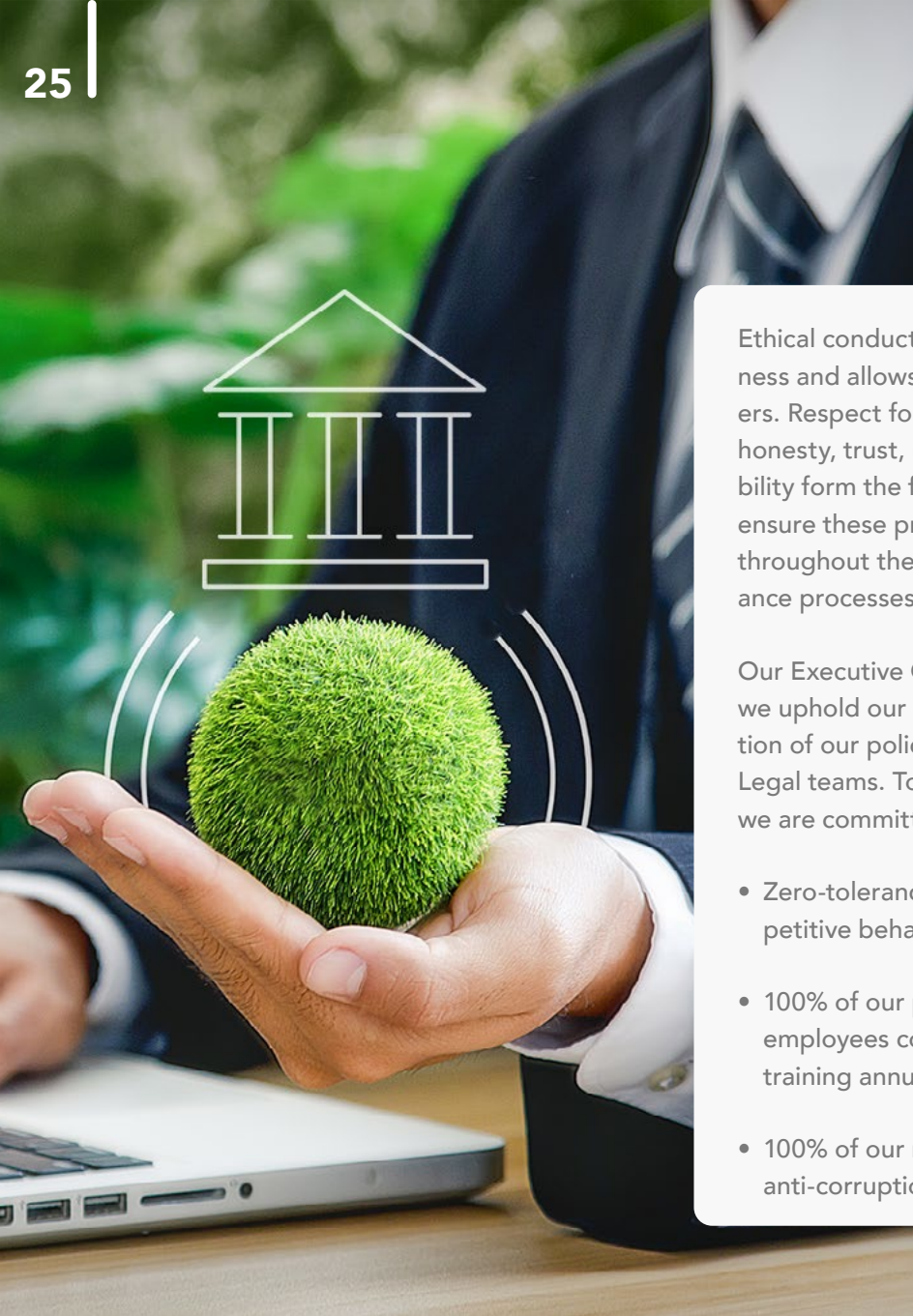
Obtained an EcoVadis bronze medal with strong improvements achieved across our environmental and sustainable procurement topics compared to 2022.

Delivered anti-bribery and anti-corruption training to 94% of permanent office- and factory-based employees.

Began to develop a new internal governance, risk, and compliance framework to reflect our growing business.

Progressed with the implementation of our Supplier Code of Conduct and Sustainable Sourcing Policy across our supplier base, with 78% of our direct material suppliers confirming their agreement with our updated policy.

Ethical business

Ethical conduct establishes our license to operate as a business and allows us to credibly engage with our stakeholders. Respect for human rights and the principles of integrity, honesty, trust, respect, humanity, tolerance, and responsibility form the foundation of our business operations. We ensure these principles are safeguarded and incorporated throughout the organisation through strong internal governance processes and training programmes.

Our Executive Committee has overall responsibility to ensure we uphold our policies, while oversight on the implementation of our policies sits with the Human Resources (HR) and Legal teams. To ensure we hold ourselves to a high standard, we are committed to:

- Zero-tolerance towards bribery, corruption, and anti-competitive behaviour.

- 100% of our permanent office-based and factory-based employees completing anti-bribery and anti-corruption training annually.

- 100% of our new employees receiving anti-bribery and anti-corruption training on day 1.

ESG policy

Our ethical business performance is guided by our group ESG Policy which was introduced in 2020 and covers topics such as anti-bribery, anti-corruption, anti-competitive behaviour, freedom of association, whistleblowing, and human rights. In 2023, we reviewed and refreshed our sustainability-related policies to strengthen our policy commitments. As part of this, we added new policies to sit within our group ESG Policy, including an Environmental Policy, Modern Slavery Policy, and Equal Opportunities Policy.

Our approach to whistleblowing is outlined within our ESG Policy. Colleagues are able to voice their concerns through various means, including through email and feedback boxes in factories and offices. All our stakeholders can provide anonymous feedback through our website. Issues raised are directed to our HR team and kept anonymous. In 2023, PPF had no significant instances of non-compliance with our sustainability-related policies or any relevant laws and regulations. We also respect our employees' right to form and join groups representing employee interests without any negative consequences or retaliation. In 2023, 21% of our colleagues were covered by a collective bargaining agreement.

Ethical business

Training programmes

As part of our approach to maintaining ethical business practices, we are continuing to refresh and build on our ESG, anti-bribery, and anti-corruption training programmes. We require all permanent office- and factory-based employees to complete our anti-bribery and anti-corruption training annually.

In 2023, 94% of our employees completed our mandatory anti-bribery and anti-corruption training, which is available in **ten languages**ⓘ. We did not reach our target of 100% due to internal constraints in delivering the training to our factory-based employees on day 1. This is because we were unable to provide computer access to all factory-based employees on day 1 to complete the training. All our office-based employees completed the training through our online e-learning platform whilst our factory-based employees received the training through video format managed by our local HR representatives. The video detailed why anti-bribery and anti-corruption is relevant to them and provided real life examples to support their understanding. We applied two different approaches to deliver the training to have the broadest possible reach based on the target audience and availability of equipment to support the training. In addition, we have one mandatory sustainability training programme for our office-based employee. The programme, which is also available in **eight languages**ⓘ, introduces our approach to sustainability and our PETS strategy.

We also offer nine non-mandatory sustainability training programmes for our office-based colleagues which cover topics such as circular economy & waste, climate impacts & energy management, responsible sourcing, and engaged, diverse & inclusive workplace. These training programmes are only available in English. For our factory-based colleagues, we have created a video introducing them to sustainability and why it is important. This video can be watched alongside their anti-bribery and anti-corruption training and is also available in local languages.

Looking forward

Our focus for 2024 will be to continue reviewing and refreshing our training programmes and sustainability policies to ensure they are aligned with our PETS strategy. We are working on our internal HR processes to be able to provide computer access to factory-based employees so that they can complete our anti-bribery and anti-corruption training on day 1. We are also developing a sustainability webinar series, where we will be inviting external stakeholders to share their sustainability insights with our colleagues.

Credible business

Our PETS strategy sets out a clear ambition to drive positive impact across our priority sustainability topics. We will continue to measure performance through our targets and are taking steps to embed our strategy throughout the business. To credibly demonstrate our sustainability performance, we are committed to communicating regularly and transparently with all of our stakeholders. We have been using EcoVadis to better understand our sustainability performance and the improvements we can make. We are also focused on developing our internal governance, risk, and compliance framework to reflect our growing business. To hold ourselves accountable against these ambitions, we updated our credible business targets this year. We are committed to:

- Being fully transparent with all of our stakeholders across PPF by providing annual quantitative updates on our progress towards our ESG ambitions and targets.

- Deploying and cascading adequate and relevant actions stemming from the industry recognised GRC framework, notably within the field of internal control assessment and compliance monitoring systems over the course of 2024 and 2025.

Governance, risk, and compliance framework

This year, we began the development of our governance, risk, and compliance framework to ensure we are continuously strengthening our governance practices. Our focus, in 2023, has been on further defining what good governance means to PPF and its leadership team, which will set the tone throughout the organisation. To support this, we reviewed our business practice standards and sustainability policies, ensuring that they are comprehensive, up to date, and regularly communicated throughout the business.

We are also considering our approach to enterprise risk and control management, including how we analyse macro risks (e.g. geopolitical, economic, and sustainability risks) as well as micro (internal) risks. To support this, we began the development of an internal risk questionnaire, which will support our understanding of how country-level divisions manage risk.

Credible business

EcoVadis

EcoVadis is a globally recognised assessment platform that rates business performance across four categories: environment, labour & human rights, ethics, and sustainable procurement. Businesses are provided a score out of 100 across these four categories, reflecting the quality of a company's sustainability management system at the time of the assessment. In 2023, we completed an assessment with EcoVadis, achieving our first bronze medal and an overall 38% improvement over our previous assessment in 2022. A bronze medal ranks PPF in the top 50% of companies rated by EcoVadis. The improvement in our overall score was largely driven by our score improvement for the environment and sustainable procurement topics.

Looking forward

Our focus in 2024 will be to continue the rollout of our governance, risk, and compliance framework. This will include the distribution and data collection of our internal risk questionnaire. Information gathered from this questionnaire will help us to identify required actions and establish a roadmap to development our enterprise risk management framework. We will also be reviewing our EcoVadis result and considering required actions to improve our score for future assessments.

Responsible sourcing

As a private-label pet food producer, we have established policies and compliance tools that verify we are sourcing materials ethically and responsibly. The two main components we source through our direct suppliers are packaging and raw materials, and we primarily source these components within Europe.

In 2023, we met our target to update our Supplier Code of Conduct and Sustainable Sourcing Policy. We also met our target to begin assessing the sustainability capabilities of our direct supplier base. As we met our 2023 targets, we updated our responsible sourcing targets this year to reflect our ambition to work with suppliers to support our sustainability objectives. We are now committed to:

- Reaching **90% supplier acceptance**ⁱ of our Supplier Code of Conduct and Sustainable Sourcing Policy by the end of 2024.

- Aligning our suppliers to our waste reduction targets with at least **50% of our suppliers**ⁱ agreeing to waste reduction initiatives by the end of 2024.

We are now actively engaging with and assessing our direct supplier base, reviewing their capabilities across our performance, environment, team, and society sustainability pillars. This will enable us to facilitate the progress of our suppliers on areas of sustainability such as reducing their GHG emissions and maximising their use of sustainable energy sources.

Supplier code of conduct and sustainable sourcing policy

In 2023, we began implementing our updated Supplier Code of Conduct and Sustainable Sourcing Policy across our direct supplier base. This year, 78% of our direct material suppliers by **value-based coverage**ⁱ have signed our updated policy. We plan to reach **90% supplier acceptance**ⁱ of our Supplier Code of Conduct and Sustainable Sourcing Policy by the end of 2024. We are actively engaging with our suppliers to build their maturity and understanding of sustainability (inclusive of supplier environmental practices and supplier social practices). This year, we held discussions with several suppliers to see how they can align with the topics covered by our PETS strategy; 32% of them are committed to implementing waste reduction initiatives.

Responsible sourcing

Supplier sustainability survey

To support our supplier engagement in 2023, we issued a sustainability survey to our direct suppliers which covered questions on their company policies, ethics & business conduct, and environmental topics, including energy, waste, and climate impact. Findings from the survey highlighted that 83% of respondents have an established sustainability policy, 82% are focused on reducing their waste-related impacts, 61% are working on GHG emissions reduction initiatives, and more than

75% are focused on reducing their energy-related emissions. We are using the results from this survey to form the base for further sustainability discussions with our suppliers.

Looking forward

In 2024, we will further focus on engaging and supporting mid-size suppliers to develop their sustainability knowledge and understand how we can collaborate to deliver against our sustainability ambitions. As part of this, we are also looking to implement a supplier sustainability incentive programme.

INTRODUCTION TO ENVIRONMENT

"We have set ourselves clear objectives to reduce our environmental footprint through emissions and waste reductions. The validation of our GHG emissions target with the SBTi underscores our high ambition."

Torsten Jacobs, Chief Operations Officer

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 committed to decreasing our absolute GHG emissions across Scope 1, Scope 2, and applicable **Scope 3 categories** by 42% by the end of 2030 against a 2021 baseline in accordance with our SBTi validated near-term targets. Further details on progress associated with our targets can be found on page 33.

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.

We are committed to:

• Ensuring 100% of our dry portfolio's own sourced packaging material is recyclable by the end of 2024.

• Initiating development projects for all externally sourced packaging materials that are not recyclable by the end of 2025.

• Ensuring 100% of our pouch packaging is recyclable or made from recycled materials by the end of 2030.

• Reducing operational food waste by 30% by the end of 2025 and 50% by the end of 2027 against a 2021 baseline.

Progress against our emission reduction targets

Scope 1 and 2 GHG target

Total Scope 1 and 2 emissions (tCO₂e)

Bar values:
- 2021: 85,276
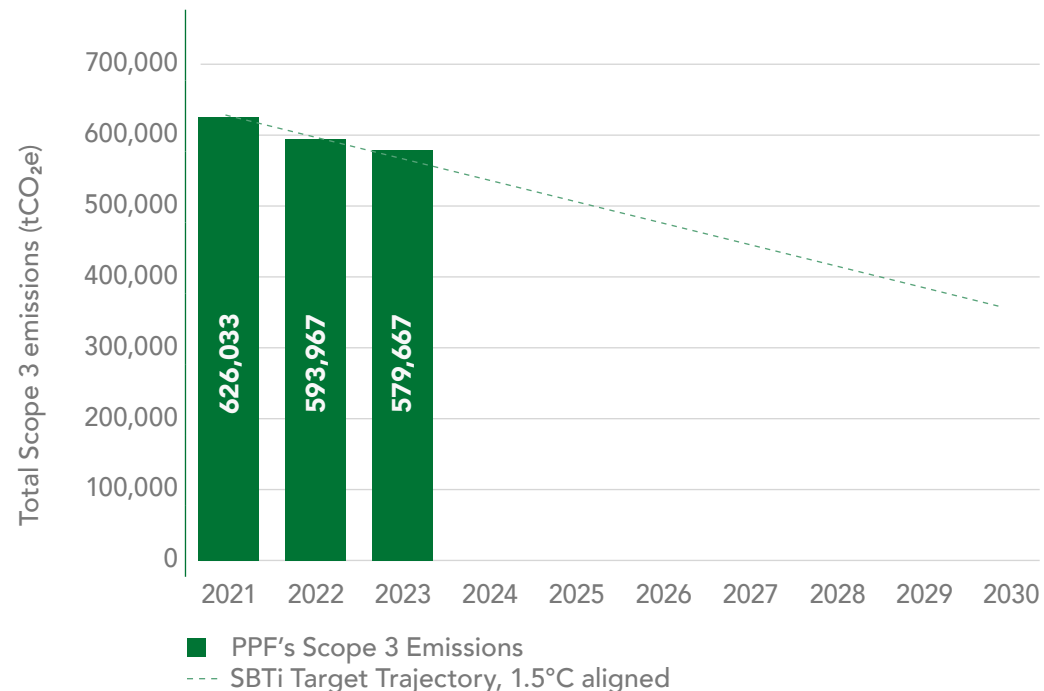- 2022: 84,249
- 2023: 83,634

■ PPF's Scope 1 & 2 Emissions
--- SBTi Target Trajectory, 1.5°C aligned
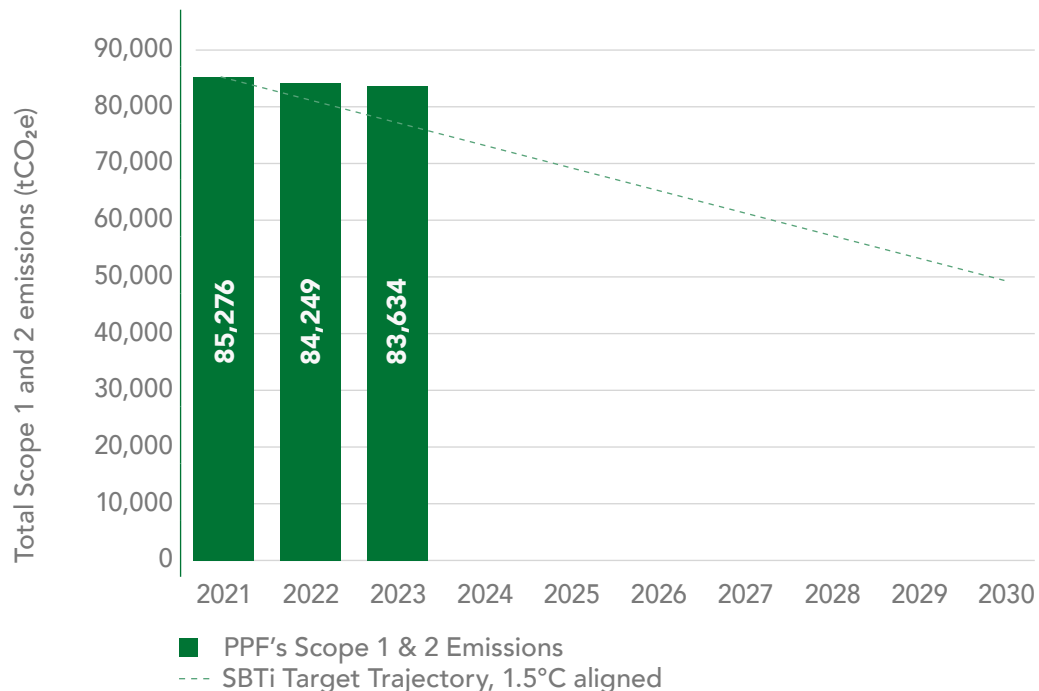
Our Scope 1 and 2 emissions have decreased by 2% from a 2021 base year in line with a reduction in energy consumption. We are committed to increasing our renewable energy procurement going forward to improve our progress towards our 2030 SBTi target.

Scope 3 GHG target

Total Scope 3 emissions (tCO₂e)

Bar values:
- 2021: 626,033
- 2022: 593,967
- 2023: 579,667

■ PPF's Scope 3 Emissions
--- SBTi Target Trajectory, 1.5°C aligned

Our Scope 3 emissions have decreased by 7% from a 2021 base year.

Note: Our Scope 3 target includes the following Scope 3 categories: Purchased goods and services, capital goods, fuel and energy-related activities, upstream transportation and distribution, waste, business travel, upstream leased assets and downstream transportation and distribution.

2023 HIGHLIGHTS

ENVIRONMENT

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

Received validation by SBTi for our near-term targets: 42% reduction of absolute GHG emissions across Scope 1, Scope 2, and applicable **Scope 3 categories** by 2030 from a 2021 base year. Progress made against our targets: reducing Scope 1 and 2 emissions by 2%, and Scope 3 emissions by 7%, relative to a 2021 base year

Installed and operated solar panels at our Dunajský Klátov factory in Slovakia, which now cover 4% of the factory's overall energy requirements.

Switched 28% of our dry portfolio packaging to recyclable materials. A further 60% of our dry portfolio packaging is in progress to switch to recyclable materials.

Reduced our operational food waste by 13.6% compared to 2022 by implementing measures identified through waste walks in 2022.

Climate impacts

This year, the SBTi validated our near-term targets to reduce our absolute GHG emissions across Scope 1, Scope 2, and our applicable Scope 3 categories by 42% by the end of 2030 against a 2021 baseline.. Our Scope 3 target covers purchased goods and services, capital goods, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, upstream leased assets, and downstream transportation and distribution. We are the first EU private-label pet food company to validate our target with the SBTi, demonstrating our commitment to reducing our environmental impact. We continue to focus on a wide variety of projects to reduce our GHG emissions, including within our purchased goods and services, factory-based emissions, and transportation.

The following approaches are key to reducing our GHG emissions:

- Examining recipes to determine the possibility of replacing raw materials that have a higher GHG emissions footprint than more sustainable alternatives.

- Reducing our energy consumption and use renewable energy in our factory production processes.

- Reducing emissions within our distribution network.

- Improving the circularity of our products to reduce waste and packaging-related emissions (discussed in further detail within the Circular economy section on page 39)

Our primary focus this year has been on identifying opportunities to reduce our Scope 1, 2, and 3 GHG emissions. Further detail on this is outlined in the procurement & recipe development, energy consumption, and transport & logistics sections. In 2023, we selected a software provider to further mature our GHG emissions management and digitalise our calculations. We updated and improved our GHG emissions accounting methodology to increase the accuracy of our GHG emissions calculations. As a result, we have provided new GHG emissions for 2023 and recalculated our 2022 emissions and 2021 baseline emissions using updated emissions factors. Full details of our Scope 1, 2 and 3 emissions between 2021 and 2023 can be found on page 76. See page 68 and 69 for a full description of the improvements and changes that have been are being integrated into our GHG emissions calculations.

Climate impacts

Procurement & recipe development

Purchased goods and services make up approximately 71% of our total emissions. The packaging and raw materials we procure to develop our pet food products have the largest impact on our overall emissions. In 2023 and 2024, we worked to better understand our emissions from these sources and the emissions factors for our raw materials, including Category 3 animal by-products. Category 3 animal by-products include parts of animals that are fit for human consumption, but not intended for human consumption, usually for commercial reasons. We render these materials, upcycling what would traditionally be a waste by-product into nutrient rich pet food.

This year and into 2024, we updated our emissions factors for our raw materials and recalculated our GHG emissions for 2021 and 2022. We will continue to look for opportunities to better understand and measure our emissions. This includes reviewing the accuracy and functionality of different approaches including that of a wider life cycle analysis. We expect FEDIAF, the European Pet Food Industry Federation, to update its product environmental footprint categories in 2026 which will allow us to develop a full cradle-to-grave overview of our products.

We recognise that sustainability is important to our customers, and it is our plan to work together with our stakeholders to deliver against our sustainability objectives. With the help of our supply chain partners, we are identifying ways to minimise recipe-related emissions. We are achieving this by identifying alternative ingredients, reducing the use of ingredients with the highest associated emissions, and reducing nutrient wastage for the pets we cater for by optimising our recipes to meet and not exceed their nutrient requirements.

This year, we also focused on developing new recipes with sustainability in mind. Whilst these products are not yet on the market, we have been evaluating alternative proteins from sources such insects and single cell proteins. As part of this effort, we conducted a review of lab-grown meats using single-cell proteins from algae. These new, alternative sources of protein are undergoing a process of evaluation to establish their benefits and challenges before we identify ways to incorporate them into our products; this will allow us to maintain high-quality and nutritional value whilst reducing the environmental footprint of our products.

Climate impacts

Energy consumption

In 2023, we continued to review the energy usage across our factory production whilst also looking for opportunities to transition to renewable sources. The most energy-intensive processes in our factories involve the use of sterilisation, drying, steam, extrusion, building heating, and compressed air. To reduce our factory-based energy consumption, we have agreed to conduct a net zero pilot programme with two factories, Sopronhorpács, a can food factory in Hungary, and Citta di Castello, a dry and snack food factory in Italy. We will be reviewing opportunities identified from the pilots as well as implementing operational learnings that can be reflected across our wider factory portfolio. We also continued to validate and implement energy-saving projects within our factories both through our own internal reviews and through engagement with external advisors. Both programmes focus on identifying and implementing energy efficiency initiatives, including installing insulation, boiler efficiency measures, and utilities management. As a result of these energy consumption reduction measures, we have delivered a 3,596 MWh reduction in energy consumption, which is equivalent to a 1,302 tCO2e reduction in Scope 1 & 2 emissions.
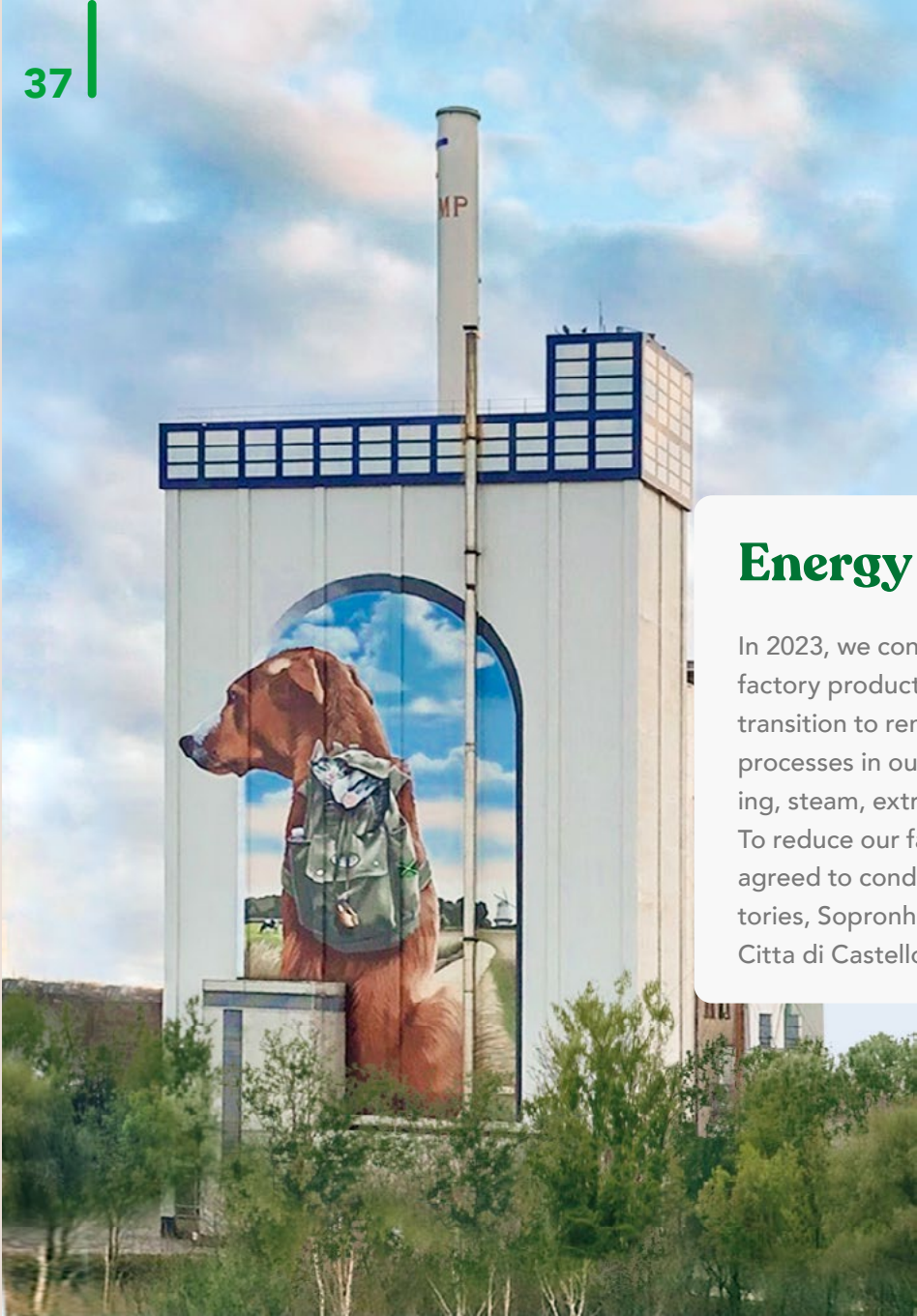
Case study

We continue to explore options for onsite solar power generation within our factories. In 2022, we began a pilot solar project at our Dunajský Klátov factory in Slovakia. The solar panels became operational in August 2023, contrib- uting 81.84 MWh per year. This is roughly 4% of our total electricity usage at this factory and equivalent to a 71.82 tCO2e reduction in emissions. We are reviewing our remaining factories to install onsite solar power; currently two factories in Czech Republic are in the pipeline for solar power installation.

Climate impacts

Transport & logistics

Emissions from transport and logistics primarily originate from our warehouse electricity usage as well as our freight transport. We transport around 58,300 tonnes in products and pallets each month. These products are manufactured, stored, and delivered to customers mainly across Europe.

In 2023, we focused on reducing our delivery frequencies with customers to increase the volume of deliveries with full loads. We also implemented several efficiency measures to reduce the mileage of our freight transportation and reduce our transport-related emissions. This included engaging with our customers to deliver directly to their warehouses from our production facilities, combining loads to deliver to multiple customers with one truck, and increasing load volumes to reduce our delivery frequency. Other initiatives included switching to more fuel-efficient trucks, using train networks where possible, and using double-floor systems within our trucks. To reduce our environmental impact within our warehouses, we engaged with providers to use renewable energy and improve heating efficiency by reducing temperatures for product storage.

Looking forward

In 2024, we will continue to implement emissions reduction initiatives throughout our procurement, recipe development, production processes, and logistics. This will include an evaluation of the GHG emission factors for our most significant ingredients so that we can more easily calculate the emissions for our recipes and work with our suppliers to select more environmentally friendly ingredients. We will also be creating a net zero roadmap for two factories, Sopronhorpács and Citta di Castello, as well as continuing to install solar panels across our other factories. We anticipate solar panels for our Veselí nad Lužnicí and Brniště factories in the Czech Republic to become operational in 2024. Finally, we will continue to investigate the use of electric trucks for short-distance warehouse freight as well as the use of hydrogenated vegetable oil (HVO) fuel.

Circular economy

Transitioning to sustainable packaging and managing our operational waste are two key focus areas for us as a manufacturing business. In 2023, we updated our pouch packaging target to meet the European Union's (EU) provisionally agreed Packaging and Packaging Waste Regulation (PPWR). To pursue our objectives on this topic, we have set ourselves several targets relating to around packaging and operational food waste. We are committed to:

• Ensuring 100% of our dry portfolio's own sourced packaging material is recyclable by the end of 2024.

• Initiating development projects for all externally sourced packaging materials that are not recyclable by the end of 2025.

• Ensuring 100% of our pouch packaging is recyclable or made from recycled materials by the end of 2030.

• Reducing operational food waste by 30% by the end of 2025 and 50% by the end of 2027 against a 2021 baseline.

To confidently report on our progress and achievement of our packaging and operational waste targets, we also need to ensure we gather accurate and timely data. This year we upgraded our packaging database to be able to track the different types of plastics in our packaging portfolio, including the weight of flexible packaging. We also firmly believe that we need to collaborate as an industry, working with our partners and customers to improve the circularity of the products we offer.

Circular economy

Packaging

As a private-label producer, we need to manage the end-of-life of a variety of packaging materials. Our wet food packaging portfolio covers pouches, tetra packs, aluminium cups, salamis, and metal cans, while our dry food portfolio includes recyclable mono-materials and other more complex laminates. Our metal cans, shrink foil, and stretch foil tertiary packaging, used in part of our wet food packaging portfolio, are already 100% recyclable, and approximately 90% of our paper packaging volume is certified by the Forest Stewardship Council. We remain focused on switching our dry and pouch packaging to fully recyclable materials.

For our dry product portfolio, we are working closely with our partners to switch to recyclable packaging alternatives; this includes using laminates that derive from one source of plastic, thus making the packaging recyclable. As of December 2023, 28% of our dry packaging is recyclable. A further 60% of our dry portfolio packaging is in progress to switch to recyclable materials, however we are unlikely to meet our target of 100% recyclability by 2024. This is due to timeline constraints as we switch our dry portfolio products to recyclable packaging in line with when recipes are changed. This approach stops us from wasting packaging that is ready to use. We will be continuing to discuss recyclable packaging solutions with our customers and suppliers, we will also be switching most of our brand packaging to recyclable packaging by the end of 2024.

We are also working hard to switch our pouch packaging to recyclable mono-material. The limited market availability of appropriate materials and the shortened product shelf life associated with using current recyclable packaging alternatives are two key industry challenges. We are engaging closely with our suppliers to deliver against this target, and we are currently conducting technical studies with two brands.

Circular economy

Operational food waste

Reducing our operational food waste has clear economic and environmental benefits. We want to ensure that we use our raw materials efficiently, which means optimising our factory processes to ensure food waste is kept to a minimum. Operational food waste includes waste generated through start up and shut down of production, production change over, cleaning processes, and quality control. We largely generate operational food waste through our production processes, including milling, grinding, extrusion, filling, and sealing. Some level of waste is unavoidable due to the technologies used during the production processes. However, we are working to optimise these processes to minimise and avoid operational waste as much as possible.

We are continuing to review and identify our waste reduction initiatives through 'waste walks' in our factories. In 2023, we conducted four waste walks. These were performed at our Bialystok, Kalisz, Veselí nad Lužnicí, and Citta di Castello factories where we identified a range of actions to reduce approximately 290 tonnes of food waste annually. We also conduct a bi-weekly 'zero waste call' to share

ideas, cross-facility progress, and achievements. This year, we reduced our operational food waste to 13,812 tonnes which is a 13.6% reduction compared to 2022 and a 7.7% reduction compared to our 2021 baseline.

Looking forward

Our target for 2024 is to reduce our operational food waste by another 10% compared to 2023. We will be utilising our bi-weekly zero waste call to identify and implement reduction opportunities across our factories as well as share best practice processes. In 2024, we will also be able to review operational food waste data per site on a monthly basis, allowing us to track progress and action any deviations from our operational food waste target.

We also plan to further improve our dry and pouch packaging recyclability to meet our targets. In 2024, this will include the rollout of our recyclable pouch packaging pilot programme. For our dry packaging, we will be focused on switching our own brands to recyclable packaging and holding further discussions with our partners.

INTRODUCTION TO
TEAM

"As a pet food manufacturer; operating across multiple European regions; creating a safe, diverse, and empowering work environment is critical to the success of our business."

Marieke Hoorneman, Chief Human Resources Officer

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:

- Reaching employee engagement levels of 75% by the end of 2025.

- Reaching a minimum of 40% female representation within our leadership team by the end of 2030.

HEALTH, SAFETY, AND WELLBEING

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

We are committed to:

- Ensuring we have zero fatalities.

- Strengthening our zero accidents culture and aiming for zero injuries.

- Keeping our employee absence rate below 7%.

2023 HIGHLIGHTS

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 63%, an increase of 9 percentage points compared to 2022.

Reduced our employee absence rate to 6.7%, compared to 7% in 2022.

Launched an emotional safety training programme to ensure our factory-based employees understand the importance of safety in the workplace.

Installed safety devices to ensure that forklifts and pedestrians are warned when they are too close to each other.

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 and creating a secure work environment for our colleagues. In 2023, 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:
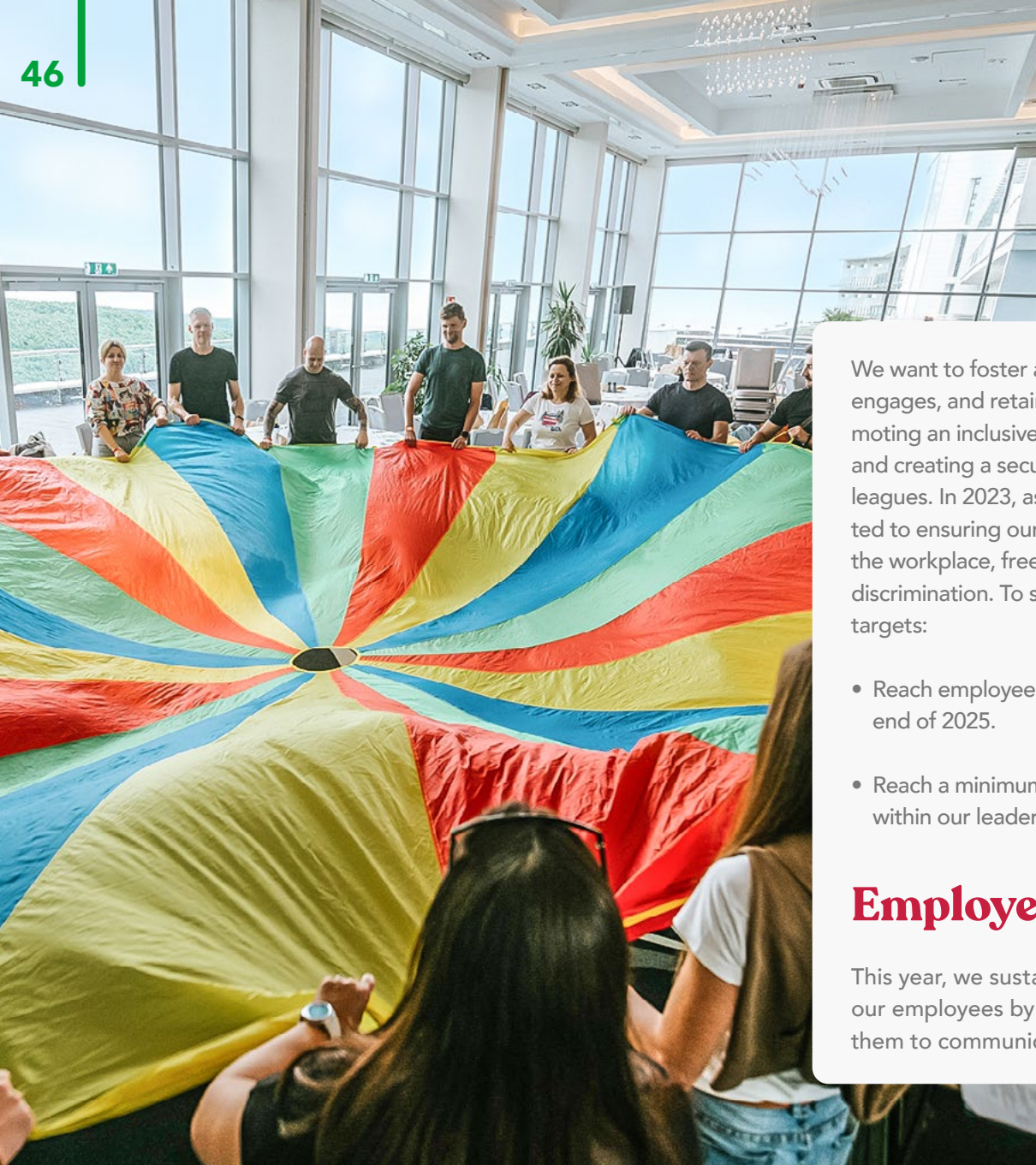
- Reach employee engagement levels of 75% by the end of 2025.

- Reach a minimum of 40% female representation within our leadership team by the end of 2030.

Employee engagement

This year, we sustained the social dialogue with our employees by continuing to offer channels for them to communicate with their managers or head office. We manage and monitor concerns and grievances through our whistleblowing procedure and the formal channels provided by our HR Team, as an alternative, concerns and grievances can be raised by factory employees via discussion in our monthly townhalls. This year, we also reviewed, refreshed, and distributed our employee engagement survey. We use the results of this survey as a key internal indicator 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 our employee engagement survey, which covers 58 questions addressing 18 dimensions including engagement, wellbeing, career development, and diversity & inclusion.

Findings from the survey are analysed and disseminated throughout the business. We conduct employee feedback rounds to gain additional insights before considering what actions we can take to further support our colleagues.
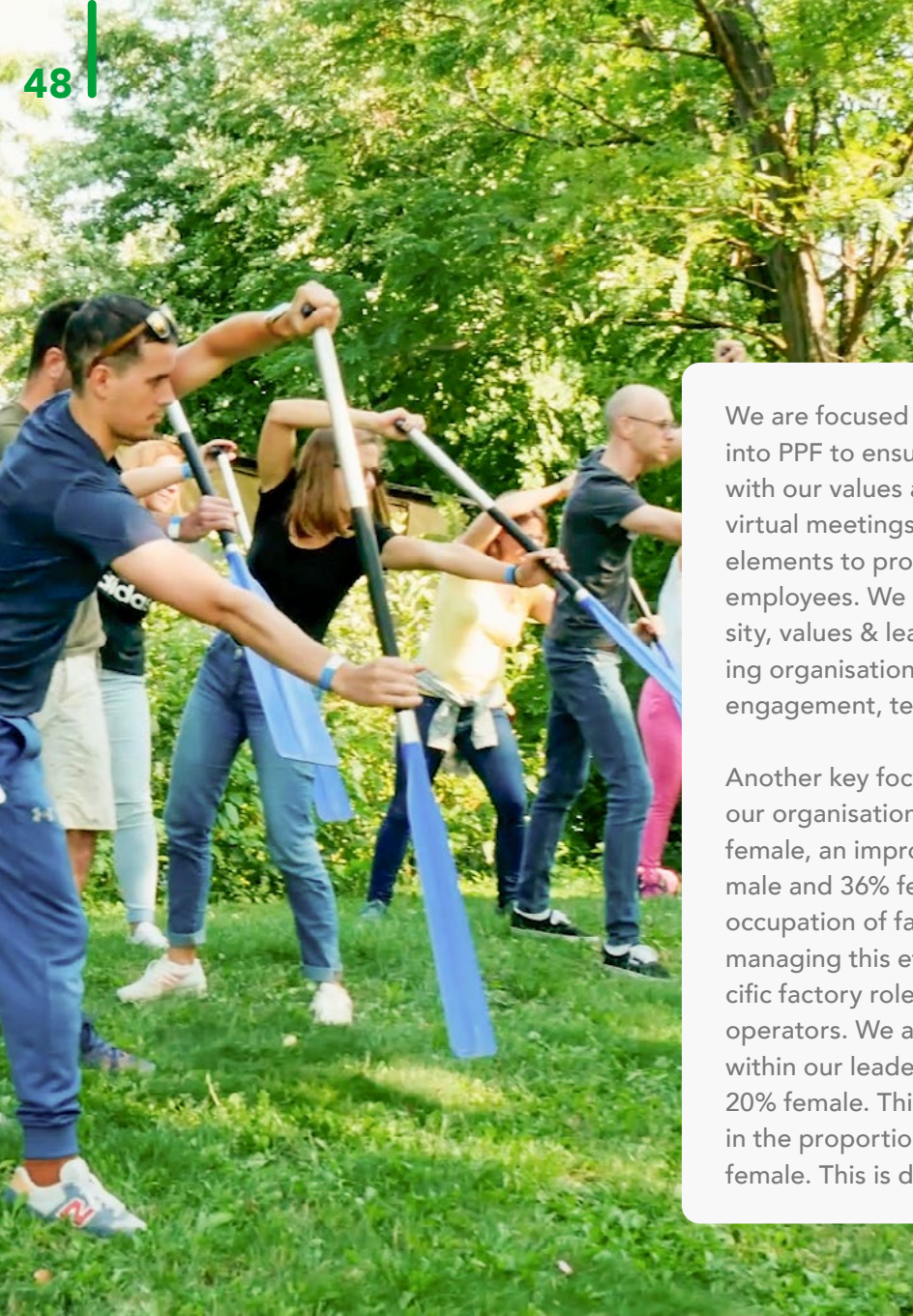
Engaged, diverse, and inclusive workplace

Given the importance of understanding how our colleagues feel, we set ourselves a target of reaching employee engagement levels of 75% by 2025, as measured by employee responses to our employee engagement survey. In 2023, we achieved an engagement level of 63%, an increase of 9 percentage points from 2022, but lower than our internal interim 2023 target of 65%. As a result of our 2022 survey, in 2023 we made improvements across areas such as performance management, career development, diversity & inclusion, and employee values. This was achieved through efforts such as unifying performance evaluations for all office-based employees, focusing on the training and development of our leadership team, messaging on our purpose and values, and providing more transparency on internal career opportunities.

Diversity & inclusion

Given PPF's large European footprint, we have over 32 nationalities communicating and working with each other daily. As a fast-growing business that regularly acquires new sites into the PPF family, we expect this number to continue to rise in the future. In 2023, we acquired Kollmax, which has one site in Hungary. The expansion of our team contributes to our exciting and diverse work environment at PPF and allows for greater diversity of thought to be integrated across the business.

Engaged, diverse, and inclusive workplace

We are focused on effectively integrating new colleagues into PPF to ensure that they feel welcomed and are aligned with our values and culture. We use town halls, physical and virtual meetings, as well as visual and online communication elements to provide an open line of communication to our employees. We also offer training sessions in cultural diversity, values & leadership, and PPF operating models, including organisational structure, ways of working, employee engagement, team spirit, and sense of belonging.

Another key focus for us is improving gender diversity across our organisation. PPF's gender balance is 61% male and 39% female, an improvement on last year's gender balance of 64% male and 36% female. This is largely driven by the historical occupation of factory positions by men. We are working on managing this effect by trying to attract more women to specific factory roles, such as forklift drivers and automated line operators. We are also aiming to improve the gender balance within our leadership team, which is currently 80% male and 20% female. This constitutes a 6 percentage point decrease in the proportion of members of our leadership team that are female. This is due in part to our acquisitions and hiring which

increased the number of our male leaders at PPF. To meet our target of 40% female representation within our leadership team by 2030, we have been considering diversity characteristics in our hiring processes and have been promoting diversity & inclusion amongst our leadership team and in training. Within our hiring process, where we have instances of two equally qualified candidates in consideration for a leadership position, we now include diversity metrics in the final hiring decision. Cultural awareness training has also been implemented at PPF to support the promotion of diversity in our wider workplace.

Looking forward

In 2024 we will focus efforts on reward and recognition, at our Veselí nad Lužnicí factory we will be piloting an extension of our benefits and reward system to implement a women's day celebration overseen by our HR Department; the success of this activity will be tracked through the employee engagement survey and associated employee satisfaction results.

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 are committed to:

- Ensuring we have zero fatalities.

- Strengthening our zero accidents culture and aiming for zero injuries.

- Keeping our employee absence rate below 7%.

Factory health & safety

We believe health & safety needs to be at the forefront of everyone's minds, particularly for our factory-based colleagues. All of our factories adhere to the relevant local and European H&S standards and each factory has a dedicated H&S manager. This year we met our target of ensuring zero fatalities and our aim is to continue strengthening our H&S culture and mitigation measures to ensure ongoing attainment of this target. Our H&S managers continue to hold monthly committee meetings to track progress against our priority H&S risks and opportunities. These meetings are driven by our six gold H&S standards:

- Personal Protective Equipment (PPE);

- Lockout tagout (LOTO);

- Permit to work;

- Working at height;

- Workplace transport; and

- Contractor management.

Health, safety, and wellbeing

We also continue to take learnings from our lost time injuries (LTI) and push our colleagues to report near misses through our employee submission programme. Colleagues can submit near misses through email, a physical form, or an online form. Over the course of the year, we recorded 6100 near misses, an increase of 3% compared to last year. We had 32 LTIs this year, which was primarily driven by our newly acquired sites (18 LTIs). This underscores the importance of onboarding new factories and businesses and implementing our H&S policies and practices quickly and effectively. In addition, 30% of LTIs involved forklift use. In response, we acted quickly and installed stronger safety devices for both forklift users and pedestrians. Notably, we implemented the LoposAlert software at our Ittervoort factory. The software warns operators and pedestrians via a wearable device when they become too close to one another. In 2023, we launched our emotional safety training, sharing examples of real safety stories and looking beyond incident technicalities and toward victim impact. The first phase of this programme involves training with factory management and extended management teams, with the aim to roll this out across all factory teams in phase two.

We also regularly run safety campaigns in our factories. In 2023, we developed a drawing contest for the children of our colleagues. The children submitted 135 drawings, PowerPoint slides, and short animations, outlining 'what safety means to them'. The winning designs were sent to each site for display.

Health, safety, and wellbeing

Employee wellbeing and purpose

Creating a supportive environment for the wellbeing of our colleagues across the business is critical to our success. We want to strengthen employee wellbeing through physical and mental health support.

In 2023, we started to embed our newly defined corporate purpose statement and declaration into our business with the aim of developing a purpose driven culture. To support this transformation, we have been communicating our purpose throughout all layers of the organisation. We ran a series of immersion sessions and mobilised an ambassador network aimed at touching the minds and hearts of all our people through sharing the higher meaning of our organisation.

After the launch of our wellbeing programme in 2022, this year we focused on developing training and continuing to improve the happiness and wellbeing of our employees. Our Training and Development Manager is leading wellbeing-related initiatives alongside her basic training and development responsibilities, in cooperation with our wellbeing committee which is composed of colleagues from different PPF countries. In Sweden, we hired an HR Specialist to collaborate with managers on the structured reintegration of colleagues returning to the workplace after long-term sick leave through a return-to-work plan. Every return-to-work plan is phased and tailored to consider each individual's case. Alongside this, we have also been holding fruit days to support balanced diets and we have been providing regular opportunities to participate in other physical activities such as biking, football, yoga, and Pilates. To enhance not only the physical wellbeing of employees but also their mental wellbeing, we have been running wellbeing webinars with an external expert and we assembled a Wellbeing Committee in September to prepare for a Group-wide wellbeing week in 2024.

Case study

In June 2023, we partnered with YuMuuv to run the Defeat the Distance challenge. Over 250 employees across 10 countries participated in this initiative which encouraged employees to boost their physical activity through for example walking, running, or cycling via a distance-based challenge. Collectively, employees covered 60,347 km in 2023, a distance that is equivalent to circling the earth over one and a quarter times.

Looking forward

For 2024, we will continue to roll out our safety initiatives, including phase two of our emotional safety training where we will be conducting the training programme with all remaining factory colleagues. Currently, this programme is underway in two plants; it is our intention in 2024 to expand this training across more sites. We also intend to further develop our forklift safety measures, including piloting the integration of an intelligent camera detection system that informs us of unsafe activities, at our Veselí nad Lužnicí factory. This intelligent camera is an anti-collision system for timely reduction of vehicle speed, detecting pedestrians up to 12m away from the forklift, signalling a warning, and reducing vehicle speed.

Additionally, as a result of the 2023 employee engagement survey, we have identified four key focus areas of engagement for each of our geographies. For instance, at PPF in Budapest, one of our focus areas will be smooth, cross-functional collaboration to create more efficient ways of working and increase cross-departmental collaboration. This will be achieved through activities such as implementing an internal careers fair, running cross-functional corporate social responsibility events, and delivering assertive communication training. At PPF Sopronhorpács, Hungary, in response to employee feedback, one of our focus areas will be work-life balance and increasing the understanding of the benefits we offer. This will be achieved through a benchmark analysis of local compensation, restructuring of roles based on our current training matrix and competency levels, and conducting performance appraisals for factory colleagues. In 2024, the effectiveness of our activities will be tracked through the next employee engagement survey results. Finally, to further enhance our employee wellbeing, in 2024 we will continue several of our initiatives including our partnership with YuMuuv as well as running wellbeing webinars and holding a wellbeing week.

INTRODUCTION TO
SOCIETY

"We are committed to taking care of the pets and people around us. To support this, we need to ensure that we are strengthening the communities we operate in."

Márta Zincsenko-Záhorszki, Head of Sustainability

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

COMMUNITY

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

We are committed to:
• Implementing local community support initiatives
across 100% of our factories in accordance
with our Community Support Policy.
• Cooperating at Group level with an
international charity by the end of 2024.
• Establishing a fund to support people and
pets around us by the end of 2025.

2023 HIGHLIGHTS

SOCIETY

S

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

Delivered 126 community support initiatives, more than doubling the number of projects we supported last year.

Introduced our first Community Support Policy to govern our engagement and support for local communities.

Ran multiple campaigns across several countries to support animal shelters and associations, including donating over 180 pallets of pet food in Sweden to organisations such as Swedish Animal rescue and Bromölla Cat Shelter, as well as pet shelters in Ukraine.

Supported employees to volunteer time to many charitable organisations and accredited schools through our volunteer day for colleagues in our offices.

Community

We want to leave a positive impact on the people around us by cooperating with local governments and organisations that support local communities. We are a diverse business with a presence in several local communities across Europe. We currently have 12 factories across Europe and employ 2,355 people of 32 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.

As a result 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:

- Implementing local community support initiatives across 100% of our factories in accordance with our Community Support Policy.

- Cooperating at group level with an international charity by the end of 2024.

- Establishing a fund to support people and pets around us by the end of 2025.

Community

Local community support

In 2023, we reached our target of introducing a Community Support Policy which guided the implementation of 126 initiatives with at least one initiative in each of our factory-based countries. This has assisted knowledge sharing amongst different countries and ensured the continuous development of our community support schemes and involvement of colleagues across all areas of business. These programmes focused on adults and children in need, sports and education, and animal support. We aim to support organisations that are registered as charities, not-for-profit or tax-exempt organisations, accredited schools, and local authorities that are aligned with our Community Support Policy.

This year, PPF Italy took part in a number of schemes aimed at providing support to public services and people in need. We have pledged €8,000 over three years as a contribution to the construction of vehicles equipped to transport the elderly and people with disabilities. An additional €8,000 will be distributed over three years in the form of scholarships for students at Istituto Istruzione Superiore to participate in a project to improve the city of Città di Castello, where our factory is based. We also ran several pet food donation programmes, where we donated petfood to local animal shelters and care homes that have support animals. Please see our 'animal welfare' section of the report (page 64) for more information.

Every year, we provide a fixed amount of financial support to Baráthegyi Guide Dog School in Hungary. The Hungarian government has a public scheme where 1% of a person's income tax can be shared with a charity of their choice. In 2023, our pet food brand Reno continued its campaign to support the Baráthegyi guide dog school, encouraging Hungarians to direct their allowance to the guide dog school. In addition, PPF Czech Republic supports sports in our communities. Our Shelma brand was the major sponsor of the Brniště regional half-marathon where both of our Prague team participated and successfully completed the half-marathon distance. Brniště also gifted 15 footballs for the children's local football club.

Case study

In 2023, PPF entered into a partnership with the charitable organisation Handi'Chiens, initiated and organised by our French team. Its mission is to train and provide assistance dogs free of charge to children and adults with disabilities and/or who are in vulnerable situations. Handi'Chiens provides six types of assistance dogs depending on the needs of beneficiaries, from social support to epilepsy alerts. The training of each assistance dog takes 22 months from the selection of puppies, to being given to a beneficiary. PPF's first assistance dog named Saï was officially transferred to his new family at the end of 2023, during a ceremony in Kunheim, France. Our ambition looking forward is to sponsor one dog per year. In 2024, we are welcoming a new PPF family member named Utop, a 4-month-old golden retriever. He will stay with his foster family until he is 18 months old and then he will begin training at one of the four training centres for assistance dogs.

Looking forward

Our focus for 2024 will be to establish a relationship with an international charity to support our community engagement ambition. It is our aim to continue to support pets and people in need in a well-organised and governed way, and we believe that this can be facilitated by identifying partners with a presence across multiple regions. We will also develop a company 'yearbook', so that we can detail our community support initiatives and share key insights to colleagues across the business.

FURTHER MATERIAL TOPICS

There are several additional topics covered within our materiality assessment that are core 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

We place a high emphasis on responsible information management and maintaining a robust and secure IT environment. We achieve this through the application of industry best practices and the implementation of comprehensive security measures. Our approach includes regular system updates and patches, rigorous testing of our infrastructure, and continuous monitoring for potential threats and vulnerabilities. We have several policies and procedures to control our security framework, including an Antivirus Policy, a Data Centre Access Policy, and computer & software deployment procedures. These are regularly reviewed and updated, as a minimum, once per annum.

Key recurring procedures which govern our cyber security management are:
- Annual disaster recovery testing;
- Annual prohibited software review and regular user account reviews, including a privileged user account review on a monthly basis;
- Regular backup checks;

- Issuance of a monthly IT operations report, with a strong focus on security measures; and
- External and internal vulnerability scanning and phishing tests were executed to keep the organisation alert and raise awareness of information security matters.

In 2023, regular security updates were applied to enhance the security of all of our IT systems. Notable security improvement projects included:
- IT general controls implementation for newly acquired companies;
- Spam filter replaced by advanced solution with self-learning capabilities;
- Rollout of two-factor authentication to all domain logins, including VPN connections; and
- Stricter user account management.

At PPF, we believe in the importance of education and awareness. We provide ongoing training for our staff to ensure they are up to date with the latest cyber security threats and prevention techniques. These training materials are refreshed regularly to include information on the latest threats and best practice materials. In addition, we have implemented a one-click process for reporting suspicious emails to our IT security personnel. This streamlined process makes it easier for employees to report potential threats, thereby enhancing our ability to respond quickly and effectively.

Product quality & safety

As a business specialised in pet food production, our goal is to manufacture products for our customers that meet all their customer health & safety needs and preferences as well as specifications. A key component of achieving this is ensuring that our operations meet high quality & food safety standards. We comply with all pet food-related local and EU regulations, which are regularly reviewed by veterinarians and local authorities, and all our factories are certified by the Global Food Safety Initiative (GFSI) audits, according to the IFS (International Food Standard). **Our factories also abide by unannounced audit principles** , ensuring compliance and evidencing the high standards of food quality and safety our products and operations meet. To continue the improvement of product quality and safety, in 2023 we integrated Infor

software for use by our quality and plant departments to support production process control. This software leverages data insights from machines and production processes to improve quality and traceability.

As well as prioritising the safety of our products, product quality is of the utmost importance to PPF. Pets depend on their pet parents to provide them with a complete and balanced diet. This means that all of their daily essential nutrients should be contained in one meal serving. Attaining this involves developing nourishing recipes that deliver daily nutrient requirements (i.e. energy, protein, vitamins, etc) in one meal. In addition to meeting pets' nutrient requirements, at PPF, we also regularly conduct palatability tests to ensure our products are not only healthy for customers' pets but appetising as well.

Water management

The environmental issues of water use and wastewater are material for PPF as a manufacturer, therefore we actively comply with water management requirements and assess how we can improve our water management. PPF water management is aligned with local legal requirements and all sites analyse water use and water discharges as per legal requirements. Water usage and wastewater generation are predominantly driven by the operation of our factories, particularly concerning the essential cleaning processes undertaken to ensure we maintain the high quality and safety standards of our products.

Minimising water use and wastewater is connected to our zero-waste initiatives. These include decreasing our steam consumption and reusing the water from sterilisation procedures where feasible. We are also assessing the efficiency of our cleaning measures within our factories and streamlining cleaning measures to reduce water waste.

Talent attraction & retention

We actively manage talent attraction and retention by ensuring our working environment is a supportive environment that prioritises employee wellbeing and an inclusive workplace culture. We offer flexible working hours and remote working options to accommodate different lifestyles and needs, such as the needs of parent with small children. Our benefits and compensation packages offered to all colleagues are competitive and match or exceed industry standards, and we closely evaluate ways in which we can highlight and improve our employer branding in our relevant markets, relying for example on social media platforms and employee testimonials on our website. Our recruitment processes are efficient and we offer streamlined application processes, timely communication with PPF's candidates and positive candidate experience that is refined through our recruitment feedback process.

Regarding our retention, our 2023 employee turnover improved in comparison to 2022. In 2023 employee turnover stood at 15%, a 5 percentage point decrease compared to 20% in 2022. Based on the results of our employee engagement survey in 2023, we identified a number of talent attraction and retention-specific initiatives that will be rolled out across targeted geographies in 2024. These include improving communication within and between departments and increasing the number of free activities provided to employees to enhance their work-life balance.

Animal welfare

Supporting our pets and pet parents is a core business value. Within the communities we support, we regularly donate to and volunteer at local animal shelters as described in our Society pillar. In 2023, more than 460 pallets of pet food were donated to various organisations in Hungary to support our pets. In Hungary, PPF has been a steadfast supporter of several shelters, including the National Animal Protection Foundation, Noé Animal Shelter, and Help Dombóvár Association. In the Netherlands, we worked with over 20 organisations, including the DierenLot Foundation, to donate 420 pallets of pet food. The DierenLot Foundation supports more than 250 independent, local, and regional animal aid organisations by offering financial support and support in kind.

ANNEX

ABOUT THIS REPORT

Our 2023 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 2023.

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

info@ppfeurope.com

Reporting scope, boundaries, and methodology updates

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 our businesses under PPF as of 31 December 2023 excluding Kollmax, 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 2023 (FY23), which runs from 1 January 2023 to 31 December 2023.

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 EY Denkstatt using Denxpert's software tool. GHG emissions were determined based on the Greenhouse Gas Protocol standards (Corporate Standard and Corporate Value Chain (Scope 3) Standard). In December 2024, we re-published our 2023 Sustainability Report to share updates we have made to our GHG emissions accounting methodology. This updated report includes details of refreshed GHG emissions calculations, and the resulting adjustments made to our 2022 emissions and 2021 baseline emissions.

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 data tables section provides our available 2023 and 2022 (and our 2021 base year for GHG emissions) 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.

GHG emissions methodology updates

In 2023, we updated our GHG emissions accounting methodology to improve the accuracy of our GHG emissions calculations. As a result, we have recalculated our 2022 emissions and 2021 baseline emissions using updated emissions factors over the course of 2024. Full details of our Scope 1, 2 and 3 emissions between 2021 and 2023 can be found on page 76.

The following changes to our emissions calculation methodology have been made to our 2023 emissions data and have also been used to recalculate into our 2022 and 2021 emissions data:

Scope 1 GHG emissions

- Additional emissions sources have been added to our Scope 1 emissions calculations to include company vehicles (truck fleet) and fuels combusted on site.

- Additional measurements to allow calculation our Scope 1 GHG emissions for company vehicles (kWh in the case of electric cars and l/kwh in the case of hybrid cars) have been added.

Scope 2 GHG emissions

- Consumption and emissions associated with Scope 2 purchased electricity has been structured in two sub-categories, renewable and non-renewable electricity.

GHG emissions methodology updates

Scope 3 GHG emissions

- We have undertaken a review of the categorisation of ingredients to improve the completeness and accuracy of our Scope 3 purchased goods and services related emissions (category 1).

- We have sourced a supplier specific emission factor from our main meat and meat by-product ingredient supplier, which has been used to improve the relevance of our Scope 3 purchased goods and services (category 1) calculations (and resulted in an increase in calculated emissions).

- Emissions factors for other ingredients (cereals and animal proteins and fats) emissions have been updated using Agri-footprint, a life cycle inventory (LCI) database focused on the agriculture and food sector. Using this improved information has resulted in an increase in our calculated Scope 3 purchased goods and services emissions (category 1).

- We have sourced a supplier-specific emission factor from our primary steel provider for calculation of Scope 3 purchased goods and services (category 1) emissions related to canned pet food.

- Emissions factors for packaging emissions (category 1) have been updated and restructured in two sub-categories (recycled and non-recycled packaging), allowing specific emission factors to be used for packaging with recycled content (currently includes canned packaging).

- Categorisation of our Scope 3 capital goods emissions (category 2) was updated and reviewed to improve relevance and accuracy of our emission calculations.

- The accuracy of emissions calculations for our Scope 3 upstream transport and distribution emissions (category 4) has increased by aligning all calculations with the GHG Protocol Corporate Standard definition of category 4.

- Scope 3 waste and wastewater generation emissions (category 5) have been restructured into waste disposal methods and waste types to allow for use of more specific emission factors.

- In case of emissions calculations for our Scope 3 downstream transportation and distribution emissions (category 9) country-specific estimations were used, where possible, to improve the accuracy.

- Emissions calculations for our Scope 3 end-of-life of sold products emissions (category 12) were split into pet food waste, recyclable packaging and non-recyclable packaging to allow improved emission factor mapping.

GENERAL DISCLOSURES

FRAMEWORK	PERFORMANCE INDICATOR	2022	2023
GRI 2-1	ORGANISATIONAL DETAILS		
GRI 2-1a	Report its legal name	Partner in Pet Food Hungária Korlátolt Felelősségű Társaság	
GRI 2-1b	Report its nature of ownership and legal form;	Limited Liability Company	
GRI 2-1c	Report the location of its headquarters;	Budaörs, Hungary	
GRI 2-1d	Report its countries of operation.	Hungary, Sweden, Slovakia, Poland, the Netherlands, Czech Republic, France, Italy, Germany, Romania	
GRI 2-2	ENTITIES INCLUDED IN THE ORGANISATION'S SUSTAINABILITY REPORTING		
GRI 2-2a	List all its entities included in its sustainability reporting;	Partner in Pet Food CZ s.r.o Partner in Pet Food Hungária Kft. Partner in Pet Food NL B.V. Landini Giuntini S.p.A. Partner in Pet Food Poland S.A. Provimi Petfood SK Doggy AB	
GRI 2-3	REPORTING PERIOD, FREQUENCY AND CONTACT POINT		
GRI 2-3a	Specify the reporting period for, and the frequency of, PPF's sustainability reporting;	Page 67, 74	
GRI 2-3c	Report the publication date of the report or reported information;	31 July 2024	
GRI 2-3d	Specify the contact point for questions about the report or reported information.	Page 66	
GRI 2-4	RESTATEMENTS OF INFORMATION		
GRI 2-4a	Report restatements of information made from previous reporting periods and explain: i. the reasons for the restatements; ii. the effect of the restatements.	N/A	PPF is in the process of recalculating its GHG emissions for 2021 and 2022, reasons are detailed on page 34, 68-69
GRI 2-5	EXTERNAL ASSURANCE		
GRI 2-5a	Describe its policy and practice for seeking external assurance, including whether and how the highest governance body and senior executives are involved;	This report has not been externally assured	
GRI 2-6	ACTIVITIES, VALUE CHAIN AND OTHER BUSINESS RELATIONSHIPS		
GRI 2-6a	Report the sector(s) in which it is active;	Page 10-11	

FRAMEWORK	PERFORMANCE INDICATOR	2022	2023
GRI 2-7	EMPLOYEES		
GRI 2-7a	Total number of employees	2,229	2,358
	Male	1,420	1,442
	Female	809	916
GRI 2-7b	Total number of permanent employees	2,229	2,358
	Male	1,420	1,442
	Female	809	916
	Total number of temporary employees	0	0
	Male	0	0
	Female	0	0
	Total number of full-time employees	2,163	2,301
	Male	1,400	1,425
	Female	763	876
	Total number of part-time employees	66	57
	Male	20	17
	Female	46	40
GRI 2-8	WORKERS WHO ARE NOT EMPLOYEES		
GRI 2-8a	Total number of workers who are not employees and whose work is controlled by the organisation	432	426
GRI 2-9	GOVERNANCE STRUCTURE AND COMPOSITION		
GRI 2-9a	Describe its governance structure, including committees of the highest governance body	Page 20-21	
GRI 2-11	CHAIR OF THE HIGHEST GOVERNANCE BODY		
GRI 2-11a	Report whether the chair of the highest governance body is also a senior executive in the organisation	Page 20-21	
GRI 2-12	ROLE OF THE HIGHEST GOVERNANCE BODY IN OVERSEEING THE MANAGEMENT OF IMPACTS		
GRI 2-12a	Describe the role of the highest governance body and of senior executives in developing, approving, and updating the organisation's purpose, value or mission statements, strategies, policies, and goals related to sustainable development	Page 20-21	

GENERAL DISCLOSURES

FRAMEWORK	PERFORMANCE INDICATOR	2022	2023
GRI 2-13 GRI 2-13a	DELEGATION OF RESPONSIBILITY FOR MANAGING IMPACTS Describe how the highest governance body delegates responsibility for managing the organisation's impacts on the economy, environment, and people, including: i. whether it has appointed any senior executives with responsibility for the management of impacts ii. whether it has delegated responsibility for the management of impacts to other employees	Page 20-21	
GRI 2-14 GRI 2-14a	ROLE OF THE HIGHEST GOVERNANCE BODY IN SUSTAINABILITY REPORTING Report whether the highest governance body is responsible for reviewing and approving the reported information, including the organisation's material topics, and if so, describe the process for reviewing and approving the information	Page 20-21	
GRI 2-22 GRI 2-22a	STATEMENT ON SUSTAINABLE DEVELOPMENT STRATEGY Report a statement from the highest governance body or most senior executive of the organisation about the relevance of sustainable development to the organisation and its strategy for contributing to sustainable development	Page 4, 16	
GRI 2-23 GRI 2-23a	POLICY COMMITMENTS Describe its policy commitments for responsible business conduct	Page 25	
GRI 2-23b	Describe its specific policy commitment to respect human rights	Page 25	
GRI 2-23c	Provide links to the policy commitments if publicly available, or, if the policy commitments are not publicly available, explain the reason for this	https://www.ppfeurope.com/media/uploads/PPF%20ESG%20Policy%202023.pdf	
GRI 2-23d	Report the level at which each of the policy commitments was approved within the organisation, including whether this is the most senior level	Page 25	
GRI 2-23e	Report the extent to which the policy commitments apply to the organisation's activities and to its business relationships	Page 25	
GRI 2-23f	Describe how the policy commitments are communicated to workers, business partners, and other relevant parties	Page 25	
GRI 2-24 GRI 2-24a	EMBEDDING POLICY COMMITMENTS Describe how it embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships	Page 25, 29	
GRI 2-25 GRI 2-25a	PROCESSES TO REMEDIATE NEGATIVE IMPACTS Describe its commitments to provide for or cooperate in the remediation of negative impacts that the organisation identifies it has caused or contributed to	https://www.ppfeurope.com/compliance	
GRI 2-25b	Describe its approach to identify and address grievances, including the grievance mechanisms that the organisation has established or participates in	https://www.ppfeurope.com/compliance	

FRAMEWORK	PERFORMANCE INDICATOR	2022	2023
GRI 2-26	MECHANISMS FOR SEEKING ADVICE AND RAISING CONCERNS		
GRI 2-26a	Describe the mechanisms for individuals to: i. seek advice on implementing the organisation's policies and practices for responsible business conduct ii. raise concerns about the organisation's business conduct	Page 25	
GRI 2-27	COMPLIANCE WITH LAWS AND REGULATIONS		
GRI 2-27a	Total number of significant instances of non-compliance with laws and regulations	0	0
GRI 2-27b	Total number of fines for instances of noncompliance with laws and regulations that were paid	Not available ⓘ	Not available ⓘ
GRI 2-28	MEMBERSHIP ASSOCIATIONS		
GRI 2-28a	Report industry associations, other membership associations, and national or international advocacy organisations in which it participates in a significant role	FEDIAF	
GRI 2-29	APPROACH TO STAKEHOLDER ENGAGEMENT		
GRI 2-29a	Describe its approach to engaging with stakeholders, including: i. the categories of stakeholders it engages with, and how they are identified ii. the purpose of the stakeholder engagement iii. how the organisation seeks to ensure meaningful engagement with stakeholders	Page 17	
GRI 2-30	COLLECTIVE BARGAINING AGREEMENTS		
GRI 2-30a	Report the percentage of total employees covered by collective bargaining agreements	16%	21%
	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.	

ETHICAL BUSINESS

FRAMEWORK	PERFORMANCE INDICATOR	2022	2023
GRI 205-2	COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES		
	Governance body		
GRI 205-2a	Received communication on anticorruption policies and procedures	100%	100%
GRI 205-2d	Received training on anti-corruption	100%	100%
	Employees		
GRI 205-2b	Received communication on anticorruption policies and procedures	100%	100%
GRI 205-2e	Received training on anti-corruption	33%	94%
GRI 205-3	INCIDENTS OF CORRUPTION AND ACTIONS TAKEN		
GRI 205-3a	Total number of confirmed incidents of corruption	0	0
GRI 205-3b	Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	0	0
GRI 205-3c	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	2022	2023
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.	

RESPONSIBLE SOURCING

FRAMEWORK	PERFORMANCE INDICATOR	2022	2023
Internal KPI	DIRECT SUPPLIERS		
	Number of direct material suppliers who have had code of conduct communicated to them	100%	100%
	Number of direct material suppliers who have signed on to PPF's Supplier Code of Conduct and Sustainable Sourcing Policy	Not available	78%

CLIMATE IMPACTS

FRAMEWORK	PERFORMANCE INDICATOR	UNIT	2021 (BASE YEAR)	2022	2023
GRI 302-1	ENERGY CONSUMPTION				
GRI 302-1a	Total fuel consumption from non-renewable sources	kWh	326,256,292	295,234,190	289,963,400
GRI 302-1b	Total fuel consumption from renewable sources	kWh	16,010,000	11,893,000	15,350,496
GRI 302-1e	Total energy consumption	kWh	342,266,292	307,127,190	305,313,896
GRI 302-3	ENERGY INTENSITY				
GRI 302-3a	Energy intensity ratio	t CO2e/MWh	1.81	1.81	1.83
GRI 302-3c	Energy included in the intensity ratio		Natural gas, Fuels, Non-renewable electricity, Renewable electricity, Renewable steam	Natural gas, Fuels, Non-renewable electricity, Renewable electricity, Renewable steam	Natural gas, Fuels, Non-renewable electricity, Renewable electricity, Renewable steam
GRI 305-1	DIRECT (SCOPE 1) GHG EMISSIONS				
GRI 305-1a	Gross direct (Scope 1) GHG emissions	t CO2 e	53,276	50,935	49,351
GRI 305-2	ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS				
GRI 305-2a	Gross location-based energy indirect (Scope 2) GHG emissions	t CO2 e	22,479	22,254	26,217
GRI 305-2b	Gross market-based energy indirect (Scope 2) GHG emissions	t CO2 e	32,000	33,314	34,283
GRI 305-3	OTHER INDIRECT (SCOPE 3) GHG EMISSIONS				
GRI 305-3a	Gross other indirect (Scope 3) GHG emissions	t CO2 e	650,884	617,230	599,380
GRI 305-3d	OTHER INDIRECT (SCOPE 3) GHG EMISSIONS CATEGORIES AND ACTIVITIES				
	1. Purchased goods and services	t CO2 e	515,818	481,785	481,867
	2. Capital goods	t CO2 e	17,960	16,612	16,641
	3. Fuel and energy related activities	t CO2 e	14,672	14,117	13,775
	4. Upstream transportation & distribution	t CO2 e	65,071	69,053	57,330
	5. Waste generated in operations	t CO2 e	4,393	4,905	3,478
	6. Business travel	t CO2 e	76	191	256
	7. Employee commuting	t CO2 e	3,094	3,139	3,430
	8. Upstream leased assets	t CO2 e	2,224	2,457	2,457
	9. Downstream transportation & distribution	t CO2 e	5,819	4,847	3,863
	10. Processing of sold products	Not available [i]	Not available [i]	Not available [i]	Not available [i]
	11. Use of sold products	Not available [i]	Not available [i]	Not available [i]	Not available [i]
	12. End-of-life treatment of sold products	t CO2 e	21,756	20,125	16,283
	13. Downstream leased assets	Not available [i]	Not available [i]	Not available [i]	Not available [i]
	14. Franchises	Not available [i]	Not available [i]	Not available [i]	Not available [i]
	15. Investments	Not available [i]	Not available [i]	Not available [i]	Not available [i]

CLIMATE IMPACTS

FRAMEWORK	PERFORMANCE INDICATOR	2021 (BASE YEAR)	2022	2023
GRI 305-4	GHG EMISSIONS INTENSITY			
305-4a	GHG emissions intensity ratio	0.79 t CO2 e/t	0.75 t CO2 e/t	0.81 t CO2 e/t
305-4c	Types of GHG emissions included in the intensity ratio	Direct Scope 1, indirect Scope 2 (location-based), and indirect Scope 3	Direct Scope 1, indirect Scope 2 (location-based), and indirect Scope 3	Direct Scope 1, indirect Scope 2 (location-based), and indirect Scope 3
305-4d	Gases included in the calculation	CO2, CH4, N2O, HFCs, PFCs, SF6, NF3	CO2, CH4, N2O, HFCs, PFCs, SF6, NF3	CO2, CH4, N2O, HFCs, PFCs, SF6, NF3

CIRCULAR ECONOMY

FRAMEWORK	PERFORMANCE INDICATOR	2022	2023
SASB Processed Food	PACKAGING LIFECYCLE MANAGEMENT		
SASB FB-PF-410a.1	Total weight of packaging	59,547 t	58,836 t
	Percentage made from recycled materials	35%	11%
	Percentage that is recyclable, reusable, and/or compostable	89%	91%
GRI 306-3	WASTE GENERATED		
	Total weight of waste generated	20,328 t	21,435 t
	Composted	7,780 t	7,095 t
306-3a	Incineration	4,151 t	601 t
	Landfill	1,882 t	3,876 t
	Recycled	5,973 t	9,472 t
Internal KPI	OPERATIONAL FOOD WASTE		
	Total weight of operational food waste generated	15,992 t	13,812 t

ENGAGED, DIVERSE, AND INCLUSIVE WORKPLACE:

FRAMEWORK	PERFORMANCE INDICATOR	2022	2023
GRI 404-1	AVERAGE HOURS OF TRAINING THAT EMPLOYEES HAVE UNDERTAKEN		

GRI 404-1a	Employee category
	    Blue-collar
	    White-collar
		Not available ⓘ
		Not available ⓘ
			Not available ⓘ
			Not available ⓘ

GRI 404-3	EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS		

GRI 404-3a	Employee category
	    Blue-collar
	    White-collar
		62%
		37%
			55%
			100%

GRI 405-1	EMPLOYEE DEMOGRAPHIC		

	Gender
	    Male
	    Female
		64%
		36%
			61%
			39%

GRI 405-1b	Age category
	    Under 30 years old
	    30-50 years old
	    Over 50 years old
		17%
		55%
		28%
			17%
			57%
			26%

Internal KPI	LEADERSHIP TEAM DEMOGRAPHIC		

	Gender
	    Male
	    Female
		74%
		26%
			80%
			20%

HEALTH, SAFETY, AND WELLBEING

FRAMEWORK	PERFORMANCE INDICATOR	2022	2023
GRI 403-9	WORK-RELATED INJURIES		
	All employees		
	The number of fatalities as a result of work-related injury	1	0
	The rate of fatalities as a result of work-related injury	Not available[i]	0
	The number of **high-consequence work-related injuries**[i] (excluding fatalities)	0	1
GRI 403-9a	The rate of high-consequence work-related injuries (excluding fatalities)	0	Not available[i]
	The number of recordable work-related injuries	50	37
	The rate of **recordable work-related injuries**[i]	Not available[i]	Not available[i]
	Lost time injury (LTI) across our operation	20	32
	The number of hours worked	Not available[i]	4,891,453
Internal KPI	LTI RATE AND EMPLOYEE ABSENCE		
	LTI rate across our operation	12.7	6.5
	Average employee absence rate across our operation	7.0%	6.7%

COMMUNITY

FRAMEWORK	PERFORMANCE INDICATOR	2022	2023
GRI 413-1	LOCAL COMMUNITY ENGAGEMENT		
GRI 413-1a	Percentage of operations with implemented local community engagement development programmes	64%	100%

GLOSSARY

TERM	DEFINITION
Anti-comptetitive behaviour	Action of the organisation or employees that can result in collusion with potential competitors, with the purpose of limiting the effects of market competition.
Anti-trust and monopoly practice	Action of the organisation that can result in collusion to erect barriers for entry to the sector, or another collusive action that prevents competition.
Baseline	Starting point used for comparisons. In the context of energy and emissions reporting, the baseline is the projected energy consumption or emissions in the absence of any reduction activity.
Base year	Historical datum (such as year) against which a measurement is tracked over time.
Business partner	Entity with which the organisation has some form of direct and formal engagement for the purpose of meeting its business objectives. Business partners do not include subsidiaries and affiliates that the organisation controls.
Carbon dioxide (CO2) equivalent	Measure used to compare the emissions from various types of greenhouse gas (GHG) based on their global warming potential (GWP). The CO2 equivalent for a gas is determined by multiplying the metric tons of the gas by the associated GWP.
Circularity	Measures taken to retain the value of products, materials, and resources and redirect them back to use for as long as possible with the lowest carbon and resource footprint possible, such that fewer raw materials and resources are extracted, and waste generation is prevented.
Confirmed incident of corruption	Incidents of corruption that has been found to be substantiated. Confirmed incidents of corruption do not include incidents of corruption that are still under investigation in the reporting period.
Corruption	Abuse of entrusted power for private gain', which can be instigated by individuals or organisations. Corruption includes practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the enterprise's business. This can include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage, or that can result in moral pressure to receive such an advantage.
Direct (Scope 1) GHG emissions	Greenhouse gas (GHG) emissions from sources that are owned or controlled by the organisation. A GHG source is any physical unit or process that releases GHG into the atmosphere.
Dry portfolio	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.
Employee category	Breakdown of employees by level (such as senior management, middle management) and function (such as technical, administrative, production).
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.
Energy indirect (Scope 2) GHG emissions	Greenhouse gas (GHG) emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organisation.

TERM	DEFINITION
ESG	Acronym for Environmental, Social, and Governance.
Governance body	Formalised group of individuals responsible for the strategic guidance of the organisation, the effective monitoring of management, and the accountability of management to the broader organisation and its stakeholders.
Global warming potential (GWP)	Value describing the radiative forcing impact of one unit of a given greenhouse gas (GHG) relative to one unit of CO2 over a given period of time. GWP values convert GHG emissions data for non-CO2 gases into units of CO2 equivalent.
Greenhouse gas	Gas that contributes to the greenhouse effect by absorbing infrared radiation.
Grievance	Perceived injustice evoking an individual's or a group's sense of entitlement, which may be based on law, contract, explicit or implicit promises, customary practice, or general notions of fairness of aggrieved communities.
Grievance mechanism	Routinised process through which grievances can be raised and remedy can be sought.
High-consequence work-related injury	Work-related injury that results in a fatality or 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.
Highest governance body	Governance body with the highest authority in the organisation. In some jurisdictions, governance systems consist of two tiers, where supervision and management are separated or where local law provides for a supervisory board drawn from non-executives to oversee an executive management board. In such cases, both tiers are included under the definition of highest governance body.
High-potential work-related incident	Work-related incident with a high probability of causing a high-consequence injury (e.g., incidents involving explosions, malfunctioning equipment, vehicle collisions with a high probability of causing a high-consequence injury).
Landfilling	Final depositing of solid waste at, below, or above ground level at engineered disposal sites. In the context of waste reporting, landfilling refers to depositing of solid waste in sanitary landfills and excludes uncontrolled waste disposal such as open burning and dumping.
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.
Local community	Individuals or groups of individuals living or working in areas that are affected or that could be affected by the organisation's activities.
Material topics	Topics that represent the organisation's most significant impacts on the economy, environment, and people, including impacts on their human rights.
Mono-material	A product which is only composed of a single type of material (e.g. paper, plastic, glass, metal).

TERM	DEFINITION
Non-renewable material	Resource that does not renew in short time periods, e.g. coal, gas, minerals, oil.
Other indirect (Scope 3) GHG emissions	Indirect greenhouse gas (GHG) emissions not included in energy indirect (Scope 2) GHG emissions that occur outside of the organisation, including both upstream and downstream emissions.
Operational food waste	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.
PETS	Acronym for PPF's ESG strategy - Performance, Environment, Team, Society.
Recordable work-related injury	Work-related injury that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.
Regular performance and career development review	Review based on criteria known to the employee and his or her superior. The review is undertaken with the knowledge of the employee at least once per year. The review can include an evaluation by the employee's direct superior, peers, or a wider range of employees. The review can also involve the human resources department.
Recycled material	Material that replaces virgin materials, which are purchased or obtained from internal or external sources, and that are not by-products and non-product outputs (NPO) produced by the organisation.
Renewable source	Material that is derived from plentiful resources that are quickly replenished by ecological cycles or agricultural processes, so that the services provided by these and other linked resources are not endangered and remain available for the next generation.
Upcycled	Use of materials that would otherwise be discarded in such a way as to create a product of higher quality or value than the original.
VPN	VPN is an acronym for virtual private network. It is a mechanism for creating a secure connection between a computing device and a network, or between two networks, using an insecure communication medium such as public internet.
Waste	Anything that the holder discards, intends to discard, or is required to discard. Waste can be defined according to the national legislation at the point of generation. A holder can be the reporting organisation, an entity in the organisation's value chain upstream or downstream (e.g., supplier or consumer), or a waste management organisation, among others.

ppf. PARTNER
IN PET FOOD

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