



Sustainability Charter 2022





Agenda

Our promise for a sustainable and future-proof agricultural and food industry

The overarching aim is to improve the quality of life and health of humans on our planet in addition to promoting animal welfare. For us, sustainability means balancing environmental, social and economic activities in a way that conserves resources.



Animal Welfare

Animal welfare Regionality

Expansion of higher animal husbandry levels and demand for mandatory origin indicators for all sales channels.

Currently: approx. 95% of our German poultry production already comes from animal welfare programs.



Climate Action

Climate protection

Implementation of additional climate protection measures in order to reduce/eliminate CO₂ emissions.

Currently: 6 sites are already climate-neutral, 7 operations use green electricity.



Circular Economy

Environmental protection Animal feed Packaging Food Waste

Further enhance and strengthen our existing circular system with the aim of avoiding adverse environmental impacts.

Currently: All stages of the poultry integration value chain are represented in the PHW Group. All by-products are further processed within this integration in a continuous improvement process.



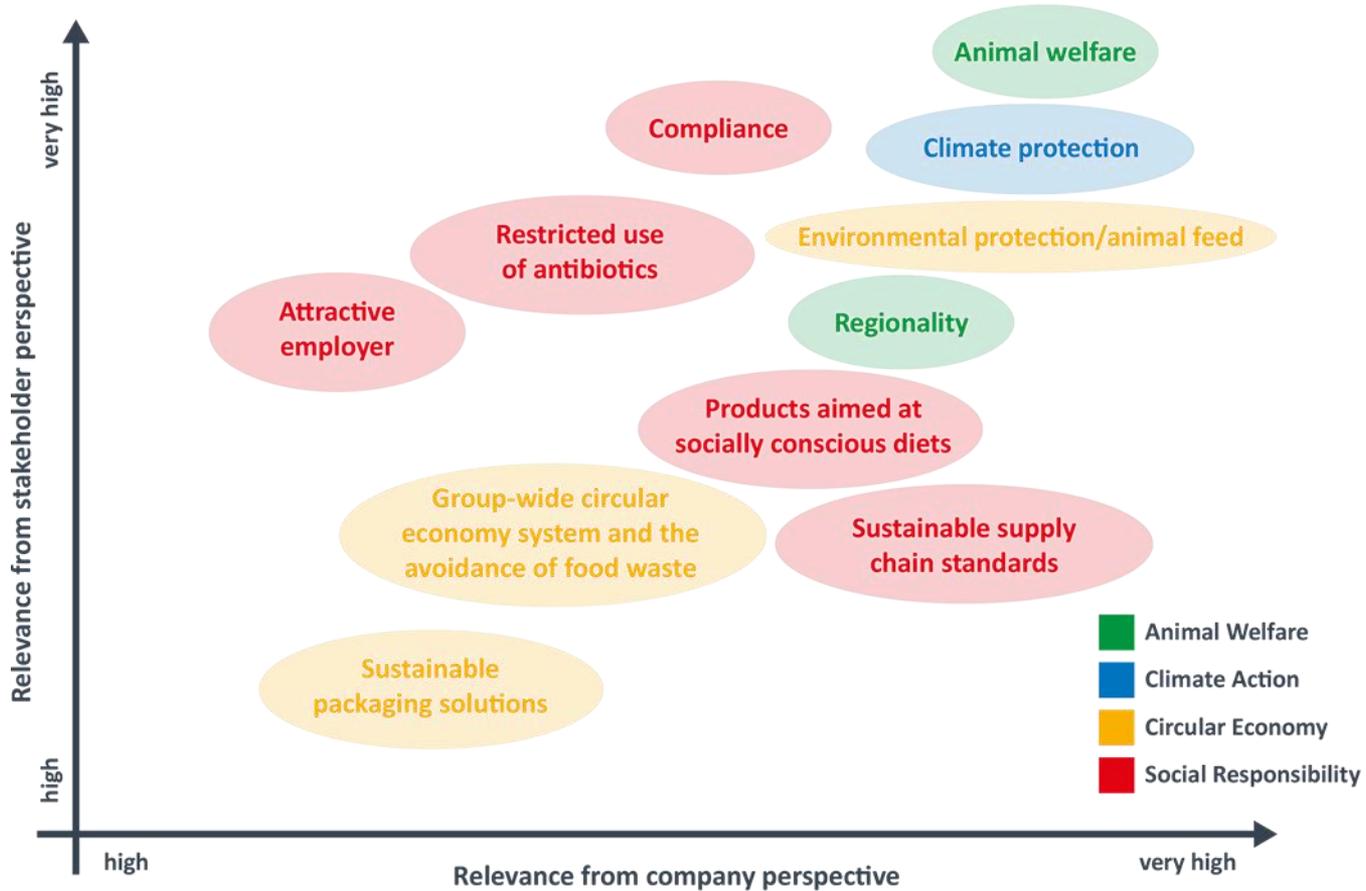
Social Responsibility

Nutrition Employment Governance One Health

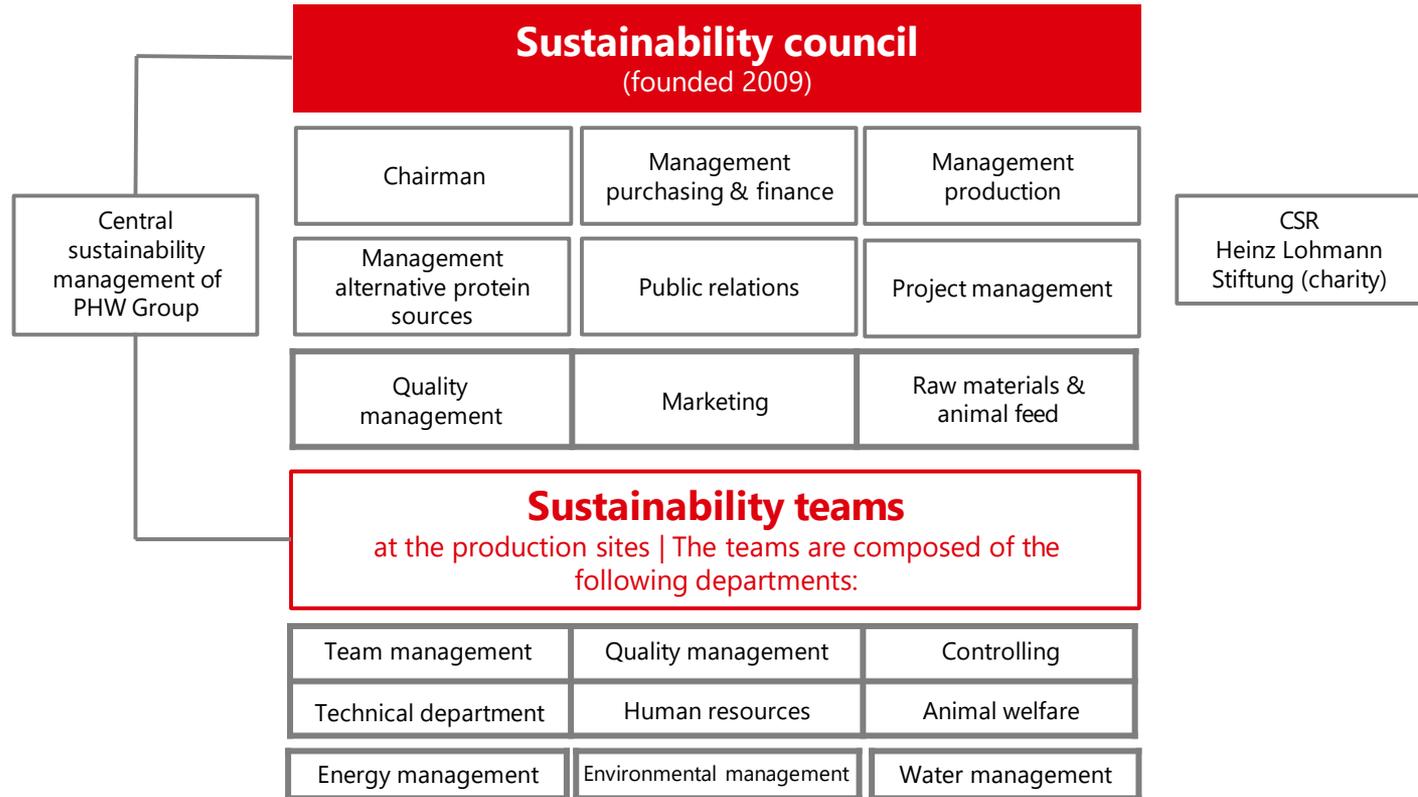
Embracing our responsibility as employers in terms of social aspects, the environment and health within the PHW Group and along our supply chains.

Currently: We are positioning ourselves as a supplier of high-quality protein products for a nutritional mix of the future. In 2018, the area of "alternative protein sources" was added to the PHW Group portfolio as a strategic business area. We have anchored social justice in our group of companies via the Code of Conduct, Code of Ethics, binding guidelines and various institutions. With responsibility for our employees, for our animals and our raw materials.

Materiality matrix

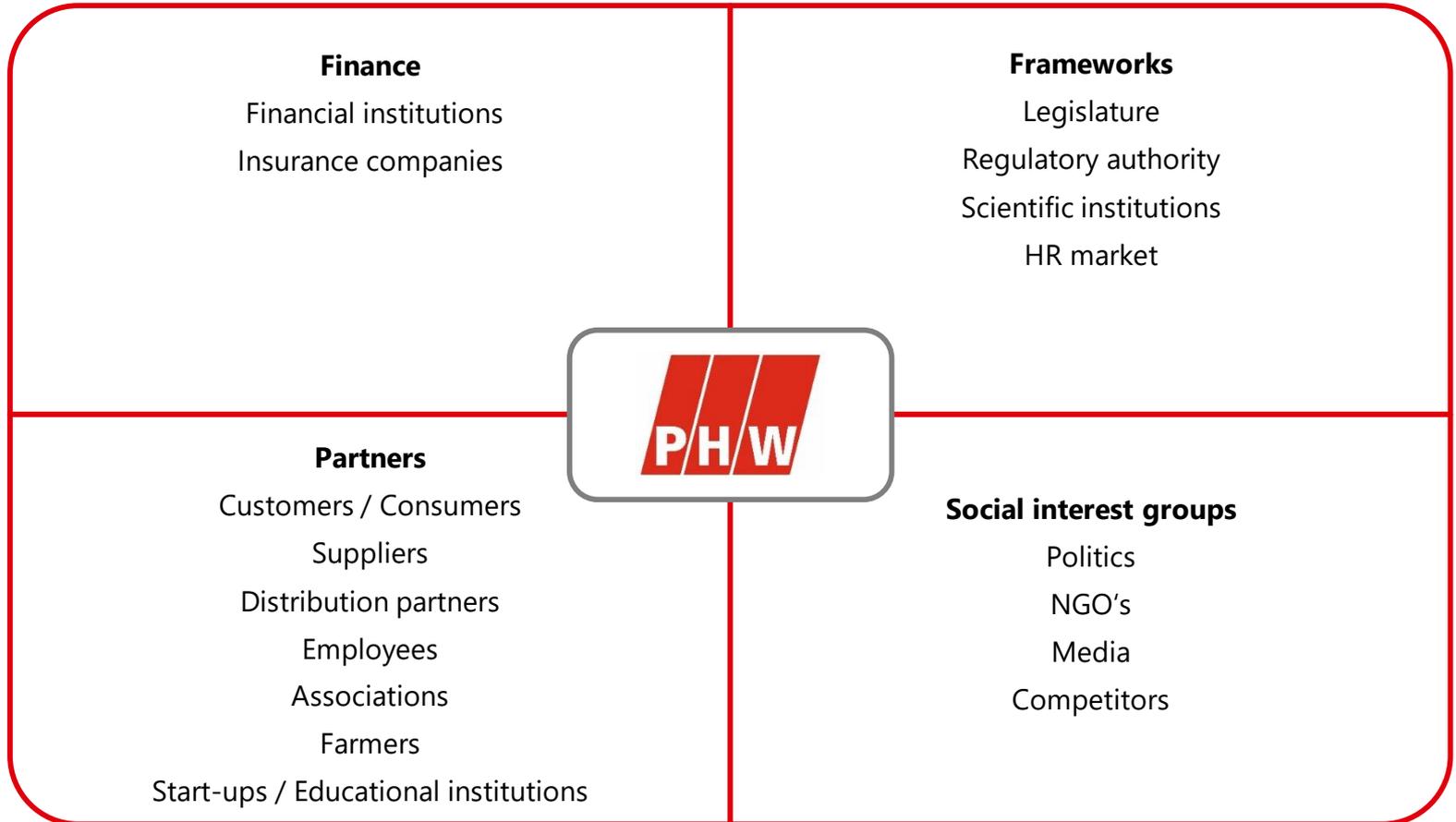


Sustainability management





Key stakeholder





Animal welfare



Targets

- ✓ Through active cooperation in German and European associations as well as in various working groups, our aim is to drive mandatory higher standards of animal welfare for all market players.
- ✓ We are striving to expand animal husbandry levels 3 and 4. For more than two decades already, we have been involved in the area of alternative husbandry concepts and will seek to ramp up our activities here. We endorse mandatory animal welfare labelling combined with indication of origin across all sales channels.
- ✓ Expansion of husbandry type 3 by the end of 2040 to a 100 % share in the overall portfolio of the PHW Group for chicken products in the fresh produce sector (Germany). This goal is dependent on corresponding market demand and appropriate surcharge payment.
- ✓ Our aim is to increase our range of WIESENHOF speciality sausages produced based on husbandry type 3.

Milestones

Criteria	Conventional WIESENHOF rearing	Initiative Tierwohl (animal welfare initiative)	Donaufutur Premium Poultry	WIESENHOF Private Farm (German Animal Welfare Federation 1-Star)	Kip van Morgen 2020+	Beter Leven 1 star
Stocking density:	35 kg/ m ² up to a weight of 1,600g, thereafter 39kg/m ²	35 kg/ m ² for all weight classes	Up to a max. 30 kg/m ² plus 10% when higher sitting level (perches) are available	Closed barn with winter garden: 17 birds/m ² , max. 29 kg/m ² . Without additional winter garden: 15 birds/m ² = 25kg/m ²	38 kg/m ²	25 kg/m ²
Breed:	Ross or Cobb	Ross or Cobb	Ross or Cobb	Slow growing, approved by German Animal Welfare Federation, and recording of key indicators for regular assessment	Slow growing, approved by Dutch Animal Protection Authority, 'De Dierenbescherming'	Slow growing, approved by Dutch Animal Protection Authority, 'De Dierenbescherming'
Rearing period:	approx. 30 - 40 days	approx. 30 - 40 days	32 - 40 days	approx. 42 days	approx. 42 days	At least 56 days
Type of rearing:	At least 3% of the floor space daylight, minimum 20 lux (new buildings as from October 2009), regulated day-night cycle	At least 3% of the floor space has daylight, minimum 20 lux (new buildings as from October 2009) regulated day-night cycle	Winter garden or free-range scratching area	Winter garden or similar free-range area	At least 3% of the floor space natural daylight, minimum 20 lux regulated day-night cycle	At least 20 % winter garden
Feed:	Non-GMO soy*	Non-GMO soy*	NonGMO	NonGMO	100 % RTRS soy	70% cereal content/ non-GMO soy
Equipment layout:	Straw, hay or other bedding materials	Picking objects, straw, hay or other bedding materials	Straw bales, picking objects, perches, cereal picking litter	Straw bales, picking objects, perches, cereal picking litter	Straw bales, picking objects, perches, cereal picking litter	Straw bale and grain in litter for picking

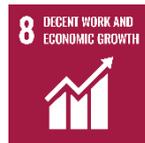
More than **95 %** of our German poultry production comes from **six animal welfare programmes** categorised as animal husbandry level 2 or higher within the food retailing industry.

More than a decade ago, we developed the alternative concept **WIESENHOF Privathof-Geflügel** (initiative that certifies greater animal welfare in the production of poultry products) in conjunction with the German Animal Welfare Federation with scientific support from LMU Munich.





Regionality



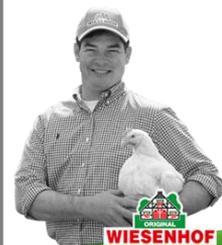
Targets

- ✓ Our aim is to guarantee sustainable added value along the entire PHW Group supply chain.
- ✓ We demand mandatory origin indicators for 100 % of animal products and across all sales channels in Germany.
- ✓ We intend to play our part as a strong partner for the transformation process of the agricultural and food industry in addition to sustaining and strengthening the poultry production location of Germany.

Milestones

We will strengthen our cooperation with approximately 1,000 independent contracted farmers (regional farms) in Germany.

We ensure short transport pathways via decentralised, regional organisational structures.





Climate protection



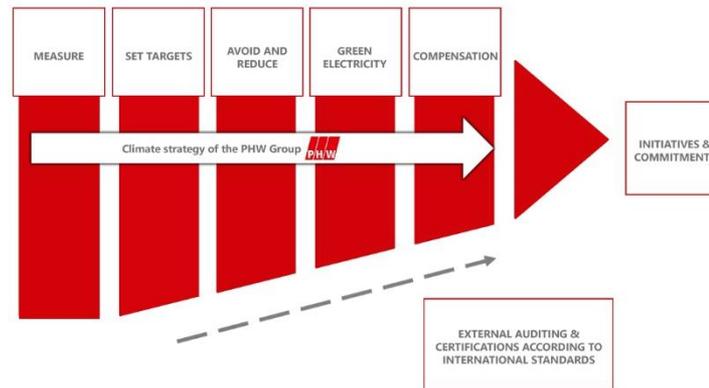
Targets

- ✓ By 2040, we intend to have achieved climate-neutral* operations at all PHW Group production sites in Germany, assuming the mantle of industry pioneers in the area of climate protection in the process. *in accordance with the Kyoto Protocol
- ✓ Our aim is to achieve a reduction of 30 % versus the baseline year 2019/20 in unavoidable emissions at our German production sites for chicken, turkey and sausage from Scope 1 and Scope 2 by 2030.
- ✓ By participating in the ZNU goes Zero initiative, the PHW Group is committed to demonstrating that we have successfully implemented measures to avoid, reduce and offset GHG emissions. This year and next, the focus will be on measures aimed at generating our own CO₂-free electricity on the basis of renewable energies.

Milestones

Holistic climate management

A holistic approach forms the basis of our climate management strategy with the Avoid and Reduce component at its heart.



At present, we are in the process of transitioning to the use of green energy to power seven PHW Group production plants.

The entire process is subject to an external audit carried out by independent third parties. Since 2015, the energy management system along the whole PHW Group value chain in Germany has been certified in accordance with ISO 50001. Moreover, every site has its own dedicated energy management team.



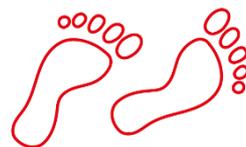
Climate protection



Targets

- ✓ Draw up plans for another PV system by the end of 2022, e.g., to be installed on rooftop areas at one PHW production site at least, in addition to a ground-mounted solar power system with the aim of generating emissions-free electricity and increasing the share of this in our power mix. Up to this point, we have installed three cogeneration units at our production facilities, a further cogeneration unit is in the process of being built and installed at the KWH site in 2022, while additional locations are being checked for feasibility for by the end of 2022.
- ✓ We will seek to further drive optimisation measures in the area of logistics: use of new technologies and optimisation of route planning, e.g., by using additional materials to further reduce fuel consumption. New tests of electric trucks are taking place in 2022, while the number of LNG trucks will also be increased from 2 to 6 in 2022. Long trucks for our fleet are also being tested.
- ✓ In 2022, the e-charging infrastructure at the PHW Group is to be further expanded. We are planning to nearly double the number of available charging points from 17 to 30.

Milestones



The PHW Group has already calculated its carbon footprint in the poultry business six times. The most recent value dates back to 2017: **2.2 kg CO2 per 1 kg of chicken meat** (net slaughter weight)

Since January 2020: We have operated on a climate-neutral basis at our ZNU-certified locations for chicken and turkey products as well as cold cuts!





Environmental protection



Targets

- ✓ We intend to reduce the negative impacts of our business on water, land usage, biodiversity and non-renewable sources to an unavoidable minimum. Our environmental management system is certified in accordance with ISO 14001.
- ✓ Determination of the status quo along the value chain by collecting comprehensive Product Environmental Footprint (PEF) data for poultry meat products from the areas of conventional and alternative husbandry as well as vegan items (implementation by the end of 2024).
- ✓ Digitalisation of resource management successfully implemented at two production facilities, with another set to follow before the end of 2022, in order to further enhance transparency and control mechanisms by using digital solutions.

Milestones

Responsible sourcing of raw materials

RSPO | Roundtable on Sustainable Palm Oil

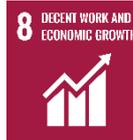
Since as early as 2019, we have exclusively used sustainable palm oil in line with the SEGREGATED standard in our processing sites for chicken, turkey and speciality cold cuts.



We have received international awards for our commitment and were named as one of the **50 Sustainability and Climate Leaders**. This is a global initiative of the United Nations and the TBD Media Group for international companies to discuss goals, strategies, progress and ideas for their own sustainability efforts.



Animal feed



Targets

- ✓ From the second quarter of 2022, we will guarantee deforestation-free supply chains for our mixed feeds in relation to the raw materials soya and palm oil for poultry bred in Germany.
- ✓ Expansion of domestic contract farming for protein feed. Optimal use of locally produced feed such as rapeseed meal or grain legumes (e.g. peas). The "peas from the region" contract cultivation project is to be continued in 2022. In this context, roughly 200t was harvested in 2021. The aim is to continuously increase this amount.
- ✓ We take part in scientific research projects to evaluate sustainable raw materials sources and innovative alternatives (e.g. insect proteins) with the aim of strengthening the local market.
- ✓ There will continue to be a focus on NP-reduced animal feed in 2022. The aim here is avoid as far as possible the use of phosphorous with a view to safeguarding animal health.
- ✓ In 2022, additional certification and risk assessment systems along the entire supply chain will also be checked.

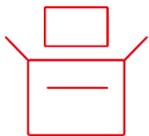
Milestones

Responsible sourcing of raw materials

In general, we prioritise the responsible use of all available raw materials with a distinct focus on sustainability with regard to animal welfare and animal health. The goal when selecting all raw materials that are available globally is to focus even more on the respective local production conditions and to take them into account for procurement processes.

 <p>SCREENING</p> <p>Identify risks and promote transparency in supply chains.</p>	 <p>STANDARDS</p> <p>Certification of critical raw materials in poultry compound feed.</p>	 <p>ALTERNATIVES</p> <p>Promotion of alternative raw materials in poultry compound feed.</p>	 <p>DIALOGS</p> <p>Involvement in initiatives and projects.</p>
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Packaging



Targets

- ✓ Our goal is to further reduce plastic and optimise packaging recyclability while taking absolute product safety into account. Our focus in 2022 is on reducing film thicknesses and continuously improving recyclability by conducting further tests with our packaging suppliers.
- ✓ Our strategy is based on integrative and cooperative approaches to generate holistic improvements across the entire product cycle.

Milestones

Optimised packaging

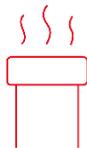
Sharp reduction in film thickness used for **side gusset pouches**.

Less material used in **PP trays** for fresh produce.

Marked reduction in the use of **top films for freshness**.

Reduction of the film thickness used in packaging for poultry cold cuts.





Food waste

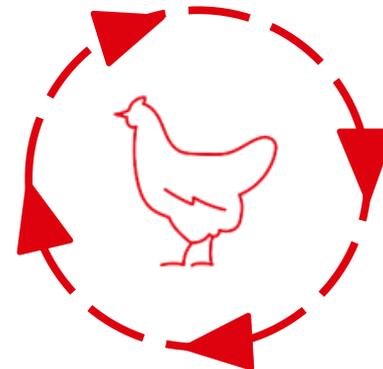


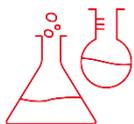
Targets

- ✓ Identification of improvement potential for the recycling of by-products in our pre-existing internal circular economy in 2022 and beyond. The poultry, including all by-products, is fully utilized as part of this integrative system.
- ✓ Control of surplus production in the production facilities, e.g., via factory sales and donations to regional social institutions (Tafel e.V. and other similar socially minded organizations).

Milestones

No matter whether it's chicken thigh or breast meat – when the PHW Group slaughters poultry, the result is high-quality meat. But what actually happens to the parts of the poultry that are not suitable for human consumption? The PHW Group sensibly ensures that abattoir by-products are processed into **high-quality protein and fat products**.





Targets

- ✓ Our goal is to actively support research on the One Health approach as a real-world, practical partner. This approach is based on the understanding that human, animal and environmental health are closely related. The One Health approach serves as a preventive measure and promotes interdisciplinary cooperation, especially between human medicine, veterinary medicine and environmental sciences.
- ✓ The target is to limit the use of antibiotics in poultry livestock farming to an absolutely necessary, animal welfare-compliant level in 2022 and to combat multi-resistant, ubiquitously occurring germs through targeted interventions.

Milestones

PHW is a leading business partner for projects funded by the Federal Office for Agriculture and Food (BLE)

PAC Campy focuses on the topic of campylobacter in an interdisciplinary manner with human medicine (Charité, Uni Erlangen, RKI) and veterinary medicine organisations (FU Berlin, TiHo Hannover, BfR). In our area, attempts are being made to develop reduction strategies in rearing and slaughtering animals.

KontRed is a new project that focuses on the slaughtering process for poultry and pigs. In addition to the issues covered by PAC Campy, plans have been drawn up to test crust freezing and to consider aerosols.

Oasis – EU project: Use of a novel sampling system for broilers in antimicrobial resistance surveillance as part of the One Health approach. Focus: ascertaining the resistance profile of the bacterium *E. coli* in chicken fattening.



Employment



Targets

- ✓ We actively promote diversity and make this visible throughout the company and our activities. We review processes and proactively promote integration campaigns. Corresponding programmes will be implemented at all our PHW sites in Germany by the end of 2023. In 2022, we have started the targeted implementation by, for example, establishing online programmes at our production sites in Lohne (Old.) and in Wildeshausen. These activities are being supported by local partnerships.
- ✓ As in previous years, an inspection by external, independent third parties (SGS) is to take place in 2022 for the communal accommodations inhabited by our employees/provided by us.
- ✓ The range of further training measures and training courses for employees is to be expanded.

Milestones

PHW training

Various campaigns to promote the appeal of vocational training:

Komm in unser Team - Join our team
 Fahr das dicke Ding – Drive that massive thing
 Mischen Impossible – Mixing Impossible

Training award for the PHW companies MEGA Tierernährung and MEGA Logistics & Service in the form of the "TOP AUSBILDUNG" quality seal from the IHK (Chamber of Commerce and Industry).



Company health management scheme

In the area of company health management, the focus is on assistance for psychosocial stress, vaccinations and the implementation of health-promoting campaigns.



Fit für Gesundheit



Nutrition



Targets

- ✓ We aim to create diversified product offerings which fit in with a conscientious, healthy diet. These products are to be produced out of sustainable raw materials obtained from various sources. A growing global population leads to an increase in food demand, which cannot be satisfied by a solitary protein source. We are determined to developing and offering high-quality, sustainable proteins as part of our product portfolio for the protein mix of the future.
- ✓ Leveraging consumer education by providing facts about diets based on animal and plant products, which highlight their respective environmental and social impacts.
- ✓ Participation in associations dedicated to enhance transparency in the value chain.
- ✓ The Alternative Protein Sources business division will be heavily strengthened and it will be established as a central pillar within the PHW business unit portfolio. Sales in the previous financial year of around EUR 23 million are to be increased to EUR 65 million per year over the next five years due to a sophisticated investment plan.
- ✓ Expansion of our strategic and academic partner network in the area of Alternative Protein Sources in order to create business opportunities for the future and to evaluate and promote sustainable food systems.

Milestones

In 2018, the “Alternative protein sources” division was added to the PHW Group’s portfolio as a strategic business unit.

Strategic partnerships



PHW production sites & product development



PHW brands vegan



National & international distribution





Governance



Targets

- ✓ Participation in and implementation of the global G7 initiative for sustainable supply chains. The initiative for a sustainable and resilient food and agricultural sector aims to bring about an industry-wide transformation. The ecological, social and nutrition-related impacts of supply chains are to be improved and climate impacts from business activities are to be gradually scaled back.



- ✓ Secure a further sustainability certification for another PHW location by the end of 2022.
- ✓ Publish a revised and updated mission statement for the PHW Group by the end of 2022.

Milestones

ZNU-Standard „Nachhaltiger Wirtschaften“

We have been a partner of the Center for Sustainable Leadership (ZNU) at the University of Witten / Herdecke since 2010.

As a pioneering business , we actively support the further development of the ZNU Standard „ Driving Sustainable Change“

These sites have been certified successfully:

- 2014** Märkische Geflügelhof-Spezialitäten
Geestland Putenspezialitäten
Donautal Geflügelspezialitäten
- 2015** Anhaltinische Geflügelspezialitäten
- 2016** WIESENHOF Geflügelwurst
- 2019** Oldenburger Geflügelspezialitäten
- 2020** Headquarter of PHW-Gruppe

