Seeding a better world •

Sustainability Report 2023



Data collected 2021-2022



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President and CEO messages •



From left: Hannes Berger, CEO, and Ulrich Ladurner, Founder and President.

Looking forward with continuity and trust

We are very pleased to present Dr. Schär's first sustainability report, an important milestone for our company. This is how we plan to ensure the continuity of our story and to build trust as we step into the future. We want to honor the many years (100!) that our company has dedicated to the development of products and solutions for people with special nutritional needs.

As a family company, we want to shape our future. We feel responsible in all our activities to protect the environment for our children and grandchildren. Having strong roots in the Alps reminds us every day that the environment has a direct impact on the quality of the products because our ingredients are only as good as the soil they grow in.

We have built relationships with our consumers who trust the quality of our products, made with only the best ingredients, which we follow from field to fork. The quality and flavor of our food comes from the dedication and care across the entire life cycle.

Ulrich Ladurner, Founder and President

A sustainable future

Sustainability is a vital issue in our company. It is a commitment that requires a contribution from us at every step of the value chain, for the environment and future generations.

Our sustainability strategy, which is firmly rooted in our vision of an increasingly conscious future, encompasses four main commitments: guaranteeing biodiversity and sustainable farming, more sustainable packaging solutions, better use of natural resources, and fostering a more inclusive work environment that values diversity.

As you flip through the following pages, you will read about some milestones we have reached and some current projects underway. Some examples include our work to preserve biodiversity by restoring and promoting minor cereals, such as sorghum, buckwheat, millet and oats, or the use of a biostimulant as an alternative fertilizer, part of our efforts to support more sustainable farming practices.

This first report is a step in the wider path to more sustainable practices that we consider a crucial responsibility. It is a journey that involves every individual and drives us to move forward with foresight and a sense of responsibility.

Hannes Berger, CEO

About our reporting •



This is Dr. Schär's first Sustainability Report, having decided to report and disclose our activities, performances and impacts related to social and environmental sustainability for the 2021-2022 period.

In the document, "Dr. Schär" refers to the Parent Company Dr. Schär Spa and its subsidiaries included in the Group's scope of business as of December 31, 2022. The performance data, unless otherwise stated, covers the Group's entire scope of business and refers to the reporting period between January 1, 2021, and December 31, 2022.

Preparation of this document complies with the "GRI Sustainability Reporting Standards" published by the GRI (Global Reporting Initiative).

To facilitate reading, the "GRI Content Index" shows the GRI indicators and where to find them within the report.

The collection of information involves the main organizational areas of the Group with coordination and supervision from our sparring partner.

This document was validated by the Board of Directors.

This report will be published on a two-year basis. The document is also available on our company website under <u>www.drschaer.com/</u><u>uk/a/seeding-a-better-world</u>.

For more information, please contact: *info@drschaer.com*.



Company •



Dr. Schär's headquarters, Postal

Growing together

Our roots go back to 1922 in South Tyrol, in the heart of the Alps, with the goal of making special nutrition a joyful and pleasurable experience. Our values - responsibility, progress, and proximity - have enabled us to establish ourselves as a leader in the gluten-free market and to break into new nutritional areas.

Our path to making nutrition more inclusive and sustainable is paved with big and small changes that we continue to implement in every aspect of our business and research activities. This commitment is outlined in our first Sustainability Report.

Brands



Gluten-free products, designed for those with gluten-related disorders, it covers all dietary needs, from breakfast to dinner.



Kidney-friendly products that support the positive effects of treating chronic kidney disease through diet.

Financial



revenue

Supply chain



500 active suppliers



Wide range of products rich in MCT fats, specifically designed to support very high-fat diets, such as the ketogenic diet.



Nutritional supplementation for gut-brain well-being, especially in the case of gluten-related disorders.

Products



200+ products available in over 100 countries

The Dr. Schär vision

Our journey began in 1922 in response to the nutritional needs of children. Over the past century we have evolved from gluten-free pioneers to become a world leader in gluten-free and other special dietary products.

Our vision

Responsibility.

The foundation for honest and sustainable action.

We take responsibility for the well-being of our consumers, and their well-being comes from the quality of our ingredients and the environment in which they are grown and processed. We maintain a responsible approach to resource use, so that our products and services can offer the best in quality and nutritional value to our consumers.

Progress.

The engine of our development.

Through our strength in innovation, we improve the lives of our consumers and pursue better, more sustainable ways of growing and developing food. For us, progress is found not just in technological advancements but also sustainable practices, a commitment we believe continues to inspire our customers.

Proximity.

The cultivation of quality.

Proximity to everything we do and everyone involved is key to our success. Creating a deep understanding of the needs of our consumers through proximity is the foundation for developing products and services that improve lives. Furthermore, proximity to the environment in which our products are grown and processed helps us minimize our impact.

Our world

We are constantly surrounded by the beauty of the natural world, a permanent reminder of our personal impact. And we know that our food is only as good as the soil it grows in. That's why we are committed to protecting the planet. Our consumers trust us to deliver high-quality products, and the environment has a direct impact on this quality. From research and development to production and packaging, sustainability is integrated into every phase of our company's activities.

We are committed to the United Nations Sustainable Development Goals (SDGs) and strive to continuously contribute to better and more sustainable practices.



The future we envision is growing together. To help us reach our ambitious sustainability goals, we have established four pillars:

- Promoting biodiversity and sustainable farming
- Reducing the impact of our packaging
- Reducing our CO2 footprint
- Encouraging diversity and inclusion.

Mission

We improve the lives of people with special nutritional needs.

Vision

We are our consumers' first choice worldwide, by being close and offering innovative and tasteful products of the highest quality.

Our ethics

Inclusive culture

We focus on nurturing a diverse and inclusive culture.

We are an equal opportunity employer and do not discriminate against any employee or applicant for employment because of race, color, sex, age, national origin, religion, sexual orientation, gender identity and/or expression or disability.

Legal conformity

We are committed to fair and transparent business conduct. We mostly cooperate with suppliers who have achieved certifications such as the Global Standard for Food Safety (BRCGS), the International Featured Standards (IFS), the Food Safety System Certification (FSSC) and the Safe Quality Food (SQF). In cases where this requirement is not satisfied, we conduct audits in order to assess the supplier.

Compliance

We strive to maintain an exemplary compliance culture, therefore, we have set up an internal whistleblowing system. Through our internal suggestion system (Idea Lab), employees can make suggestions on issues, including the environment and occupational safety. We have plans to extend this system to all our subsidiary companies.

Incidents can be anonymously reported to <u>whistleblowing@drschaer.com</u>. Employees can report any observed or suspected cases of non-compliance from suppliers or partners, and the relevant office will duly investigate and correct issues. For the reporting period, no instances of non-compliance with laws and regulations were reported.

Transparent communication with stakeholders

Our consumers are at the center of everything we do. That is why, in accordance with our values, we provide accurate and reliable information to our consumers to enable them to make conscious decisions regarding their nutrition. We do not make misleading promises and focus our communication on the functional and emotional benefits of our products. The information and claims about our products are scientifically based and transparent. In our communication with healthcare professionals, we ensure that all information transferred via our platforms and channels is scientifically sound, neutral and verified.

International labour and social standards

Our companies operate according to international labor and social standards and conduct business following the conventions of the International Labour Organization (ILO), the United Nations (UN) Declaration of Human Rights and Declaration of the Rights of the Child and the Guidelines for Multinational Enterprises of the Organisation for Economic Cooperation and Development (OECD).

We promote fair working conditions and respect all applicable regulations and prohibitions concerning corruption, bribery, fraud and extortion. Business integrity also means that we observe trademark and patent rights and avoid copying existing concepts of other market participants. Our companies are certified, and the certificates are subject to various external controls and audits and are published on the Dr. Schär website. Furthermore, for every certification, we have an annual plan with relevant goals, as well as a strategic five-year plan with corresponding goals, timetable and designated responsible team.

The story of Dr. Schär

A century of strong roots and big ambition drives Dr. Schär, from pioneering a niche market to connecting a global community.

The world has changed a lot in the past 100 years, and Dr. Schär has continued to adapt to meet the needs of a global community of people with diverse nutritional needs and tastes. Founded on the premise of delivering specifically tailored food to meet the nutritional needs of children, the importance of health has never wavered.



Dr. Anton Schär, founder 1922

1922 Driven by innovation

and a pioneering spirit, this South Tyrolean family business has evolved over the past 100 years into a global player with 18 locations in 11 countries and around 1,500 employees.

1930s

The brand flourishes with new products like rice cream, sago and tapioca, expanding their mission to develop healthy products for food-related illnesses and intolerances in adults and children.

010

1979

The Dr. Schär brand is bought by businessman Ulrich Ladurner, who planned to use it for healthy, natural, and sustainable products.

1985

The first gluten-free pasta arrives on the scene.

2022

Dr. Schär celebrates 100 years of improving the lives of people with special nutritional needs.

The company publishes its first Code of Conduct.

The Simbios brand is born. The line of nutritional supplements supports gut-brain bidirectional well-being, through innovative blends of specifically chosen ingredients.

1989

The first gluten-free white bread hits shelves.

Dr. Schär moves its research and development center to Trieste.



1988

The company begins

to expand its reach

throughout Europe,

starting with Spain.



0





2010

The company lands on U.S. shores.

2013

The brand heads for new horizons by expanding its portfolio to meet the nutrition needs of a diverse range of consumers.



Global community

Dr. Schär Spa is a privately owned company that has 18 locations in 11 countries around the world.

The companies that make up the group are distinct and organized by activity and production sector according to the functions and competencies delegated to them. They are specialized in the production of specific products.

Dr. Schär Spa located in Postal, Italy, is the world headquarters and parent company. It gives direction to the subsidiaries and coordinates their activities to guarantee criteria for homogenous activity and the highest standards of quality and safety of the specific products manufactured and distributed by the Group.

A home in South Tyrol, a community across the globe.



	1.539 Employees
•	
	11 Countries
	18

Locations

Bolzano
Germany • Production plant & head office
Dreihausen, Ebsdorfergrund
Production plant Apolda
ළිදි 371 employees
UK● Head office

USA • Production plant & head office Swedesboro

Lyndhurst

Brazil • Head office Curitiba

> **Production plant** Campo Largo, Paranà **多**合 employees

France •

Head office Lyon

身子 **34** employees

Russia •

Warrington

Glasgow

Turkey •

Istanbul

head office

Production plant

多合 **70** employees

Production plant &

身子 **35** employees

Head office Moscow 身子 1 employee

Headquarters and production plant

Italy

Dr. Schär AG/SPA Winkelau 9 Postal

Production plant Laives

R&D Center Trieste

Production plant & head office Borgo Valsugana

Office

nployees

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Spain • Production plant & head office Alagón, Zaragoza

名子 **131** employees

身子 **125** employees

Austria • Production plant Klagenfurt

名子 **42** employees

Argentina • Head office **Buenos Aires**

身子 6 employees

Dr.Schär - 15

Areas of expertise

Pairing special diets with joy for life

Following a special diet is a life-long burden, but it doesn't have to sacrifice taste or peace-of-mind.

Dr. Schär is committed to improving the lives of those with specific nutritional needs. That's why we develop dietary products that make enjoyment a part of daily life.

Gluten-free nutrition

We have been the market leader in gluten-free nutrition for years and we use our expertise to develop new, groundbreaking nutrition solutions for coeliac disease, an autoimmune disease triggered by gluten. A gluten-free diet is effective also for people with gluten wheat sensitivity and IBS (Irritable Bowel Syndrome).

Renal nutrition

We aim to be a leading food company in the dietary management of chronic kidney disease, which affects 10% of the world's adult population. Disease progression can be managed and slowed down with a diet low in protein.

Keto nutrition

We want to sustainably improve the quality of life of those who have special dietary needs in terms of fats. Medium-chain fatty acid fats (MCT fats) support a ketogenic diet, which is beneficial for people with seizures, fat utilisation disorders and malassimilation syndrome (diseases of the bile ducts, liver, pancreas and cystic fibrosis) and oxidation disorders in the breakdown of long-chain fatty acids.

Nutritional supplements

We have applied all the research and knowledge we have gained over the years to create nutritional supplements that support gut-brain well-being, especially for those with gluten-related disorders.

Value chain

At Dr. Schär, we take our responsibility as a manufacturer of gluten-free products very seriously. After all, a gluten-free diet is not only a matter of taste, but also of trust. We promise to consistently meet the highest standards of quality, safety and sustainability and this is reflected throughout the entire value chain.

We define our value chain as "accompanied" because we are there every step of the way. We monitor our products throughout their entire life cycle. Thanks to close cooperation with scientists, farmers and millers, we are involved in every phase, implementing quality controls from seed research to supermarket.

Northern Italy is the heart of our supply chain, although in recent years we have built up a network of selected partner farmers that stretches across the globe. We work closely with our farmers to develop a cultivation plan. This is crucial to protect the harvest from contamination.

To check the health of the plants and the harvest, Dr. Schär's agronomists regularly visit the fields to take measurements and samples.

At our R&D Centre, located in the area **Science Park** in Trieste, we have a dedicated research team of agronomists, food technologists and food chemists, who investigates which varieties are best suited for our gluten-free products. Before our flour is used in production, it passes our in-house quality control. We use no artificial preservatives, sweeteners, flavor enhancers, colorings or GMOs in our products.

Partnership

One company, one team

Ongoing research and innovation play a pivotal role in our activities and allow us to stay one step ahead of the needs and demands of our consumers and market trends. Our cooperation with scientific stakeholders is a multifaceted and mutually beneficial relationship. We also collaborate with universities, research centers and scientific societies and support educational events, organise advisory boards and provide consulting services. To support research in the fields that are important to us now and in the future, we fund research projects, provide scholarships and occasionally sponsorships.

Rooted in science: our relationship with healthcare professionals

Our partnerships with healthcare professionals enable us to expand our involvement in scientific, informational and clinically oriented areas. We collaborate with representatives in the fields we care about and to ensure our consumers receive the best products and treatments, we support continued medical education and scientific research and seek out feedback and consultation regarding our products and services.

Our relationships with healthcare professionals are based on respect and transparency. In all our partnerships, our primary aim is to



create outcomes that benefit patients. We never grant personal favours or illegal benefits to any of our partners.

Teamwork in the field: our partnerships with farmers

Our long-standing partnerships with farmers nurture a common pool of expertise so that we can better identify areas for research and further development, and ultimately make better products.

Valuing trusted relationships: our partnerships with suppliers and distributors

We are very selective about who we work with, seeking out suppliers and retailers who uphold the same standards for social, ecological, ethical and economic values. When choosing new suppliers, we have a set of quality criteria and carry out on-site audits – crucial for the strict standards of quality we must maintain for our consumers. Strong relationships with distributors are the basis for gaining long-term trust from consumers.

Due to the special nutritional needs of our customers, the availability of our products is enormously important.

Without our distribution partners, being where we are needed is impossible.

Employees

Part of the community

Dr. Schär runs as one with the contribution of many. And we make sure to create a positive environment for every employee.

In keeping with our values and principles, we offer our employees numerous attractive benefits. We are aware that, due to varying degrees of development of our sites, we

cannot yet offer the same opportunities worldwide. However, we are working continuously to harmonise these benefits for our employees internationally as much as possible. There are no non-guaranteed hours employees at Dr. Schär. All employees are covered by collective bargaining agreements.

Employment type



People







Employment contract type



	38% (499)		1279
	38% (534)		1397
+10%		+9%	+10%

	133
	142
+2%	+3%

Leading in special nutrition

Scientific rigor is the foundation of all that we do.

This goes beyond simply developing safe and nutritional products. We want our food to taste good too. Our scientists are also committed to defining the aromatic profile, performing texture analyses, and studying the properties of our doughs to make our products delicious as well as nutritious.

Nutrition service

The international, interdisciplinary team of our in-house nutrition service is tasked with raising awareness and disseminating knowledge about special nutrition, especially gluten intolerances and gluten-free diets. They address various aspects of nutritional quality and support internal and external stakeholders (trading partners, consumers, patient organizations as well as nutritionists and physicians) with targeted information and training opportunities.

Dr. Schär Institute

The Dr. Schär Institute is a resource for healthcare professionals dedicated to gluten-related disorders where healthcare professionals can find the latest research, valuable tools for dietary consultations, online education, and webinars. The Dr. Schär Institute works closely with the primary key opinion leaders worldwide.



Research & development

The Area Science Park in Trieste is the location of our world-renowned Dr. Schär R&D Center, where a team of highly qualified scientists and researchers work closely with our partners in agriculture, seed production, service providers, machinery manufacturers as well as research institutes. Together, we carry out a wide variety of research and innovation projects to develop new food solutions with nutritional requirements and support sustainable practices in our fields.

The department is focused on three main areas:

- Basic research to develop projects in the fields of food chemistry and biology, generating input and ideas to help us improve our products.
- Raw materials & packaging to study and research new raw materials and packaging solutions to guarantee the maximum quality of our products.
- Applied research to study new formulations as a basis for new products, and carry out research on technologies and innovative system solutions for production and packaging.



Awareness & education

Raising awareness of gluten and other food-related disorders is part of our mission. We provide ongoing, continuous support for consumers to accompany them step by step in coping with coeliac disease, without having to make too many sacrifices.

2022 initiatives



and amaranth, then watched them explode into a field of color over the summer before harvesting in the fall. Finally, we gave the harvested seeds to the research center for educational purposes. Biodiversity is not only crucial for global food security, but also for our ability to meet different nutritional needs and respond to the increasing challenges of climate change. Local varieties in the Alps are struggling to resist the shifting weather and rising temperatures, whereas some exotic plants find themselves well-adapted to the warmer environments. For the moment, we found the two can coexist.

Gutsense: a portal all about your gut health

We want people to lead a symptom-free life. Digestive problems from coeliac, IBS (irritable bowel syndrome) or another food-related illness are confusing and frustrating. That's why we created the portal for intestinal health called Gutsense. We want those suffering to get reliable information from experts and the support they need from medically backed knowledge throughout their diagnosis and beyond. The portal includes an info-magazine, explainer videos, a wiki with answers to gut health questions and a symptom test.



Field100: Fighting climate change in the field

To celebrate Dr. Schär's 100th anniversary, in 2022, we launched Field100 in collaboration with Laimburg Research Center. We sought to gain new knowledge and evaluate new approaches to agriculture.

The goal was to create one of the most biodiverse fields ever. We planted 100 varieties of plants, such as sorghum, quinoa

Water-saving technology

In July 2022, we presented the results of a long-standing partnership with farmers and experts from the irrigation machinery manufacturer Toro and Eurac Research, which specializes in data science and sensing technology. The objective was to find alternative water-saving practices to improve the irrigation of cropland.



Health and safety

Our consumers expect us to do our due diligence in guaranteeing the safety of our products. We closely monitor each step of the process, and our quality assurance teams work tirelessly to make sure every product fulfills all legal requirements.

Quality checks

An international team of over 40 trained employees guarantees production quality and safety, using the VITAL concept (Voluntary, Incidental, Trace Allergen Labeling), and supports our production teams in standardizing processes. They monitor and control the raw materials as well as the end products.

Technologies and processes for safety

One of the ways we ensure food safety is by developing the right production technologies in cooperation with our suppliers. Our machinery and plants are maintained and serviced exclusively by gualified, specially trained personnel. Regular controls guarantee consistent product quality. We offer our employees and partners all of the legally required continuous training programs in hygiene regulations and rules of conduct. Advanced training is also available. We bear responsibility for product as well as site safety. This means protecting our raw materials and end products against deliberate manipulation or adulteration through biological, chemical, physical or radiological means. At the same time, we protect our production sites from unauthorized interference, sabotage or other deliberate illegal acts. With our food defense concept, we can identify and monitor weak points of products or plants in order to minimize risks and take preventive measures.

International certifications

When developing new products, we don't just

assess their technical and commercial factors but also consider ethical implications as well as the impact of our choices on the environment and society. Since 2016, we have been using only certified sustainable palm oil. In 2020, we achieved UTZ certification. As part of this system, we support an organization that is committed to making cocoa farming more sustainable and improving the working conditions of laborers in this industry. Our company has an Integrated Management System (IMS) where the requirements of different norms and standards have been unified in one system. By using synergies and bundling resources, a leaner, more efficient Integrated Management System is possible. All our plants operate under an identical standard with set procedures, quality requirements and key performance indicator systems.

Our production sites are certified in accordance with leading international standards such as the Global Standard for Food Safety (BRCGS), the BRCGS - Gluten-Free Certification Program, the Safe Quality Food Certifications (SQF) and various ISO standards. Through our compliance with the HACCP concept (Hazard Analysis Critical Control Points), we ensure the safety of the entire production process from the field to the consumer. Certificates confirming the safety of our products worldwide can be viewed on our website: www.drschaer.com/uk/locations.

Conflicts of interest

Dr. Schär repudiates any and all corruption and prohibits it at any level, with public entities and public officials or public service officers working for them, as well as other private entities. Dr. Schär also contributes to the fight against corruption by preventing the Company or its operators from accessing money and/or cash to avoid bribery. The Company is committed to stopping any corrupt conduct by taking the necessary measures.

The inner world of Dr. Schär

Pursuing responsible leadership

Leadership is about open collaboration and transparency. We make our intentions clear to every member of our teams, take into consideration other perspectives in decision-making and encourage everyone to be open and honest about how we can do better. We address problems with a constructive eye, seeing them as opportunities to grow and improve.

We set high demands for our people in leadership roles but always provide the necessary training to help them succeed.

Corporate governance

Dr. Schär Spa is a joint stock company with a corporate structure consisting of 5 individuals. The corporate purpose of Dr. Schär Spa is the production, purchase, and sale of foodstuffs in general and in particular gluten-free food-stuffs and special dietary products. The company's organization is based on the "Model 231".

An overview of how Dr. Schär works

The Supervisory Board is the executive body of the company which is entrusted with the task of implementing the decisions made by the assembly during its deliberations and carrying out the business activity. It is made up of councilors, elected by the shareholders' meeting, and is led by its president, who is responsible for the legal representation of the company.

The definition of the number of members, if it is not established by the deed of incorporation, is up to the assembly which also establishes their remuneration. The members remain in office for three years.

The Supervisory Board has all the broadest powers for the ordinary and extraordinary management of the company except for

- those reserved by law to the assembly. It has the functions and responsibility of determining the strategic and organizational directions for the company. The Supervisory Board may appoint any authorized representative, attributing functions and/or tasks which also involve external representation.
- If the company intends to confer this qualification on some individuals, a notarial power of attorney is required, and the appointment of the attorneys must be registered in the Company Register.
- The Board of Directors is responsible for the company's operational activities within the framework of its mission statement, corporate culture, and strategy. The Supervisory Board appoints the CEO, confirms the members of the Board of Directors, and assigns them their respective areas of responsibility.
- At the various locations, the company's activities are managed by a Managing Director³. The members of the Supervisory Board keep each other informed of all significant events affecting the company. Meetings are organized regularly and at least monthly. In urgent cases, extraordinary meetings may be called. The executive committee reaches a quorum if a majority of members, including the CEO or CFO, are present.

translation, we have chosen to use the term Supervisory Board to indicate the group composed of CEO, CMO, CSO, COO and CFO.

³Legal Italian term is "amministratore delegato"

¹ Consiglio di amministrazione

²Also in this case, the legally appropriate term in Italian would be "Consiglio di aministrazione" but for greater clarity and adherence to the internal nomenclature in the

ESG Governance

Role of ESG governance body

For each corporate procedure, the corporate figure responsible for drafting the documents and any additions to the protocol has been clearly identified. In cases where the process involves control according to the "four eyes" principle, the person responsible for the signing has also been clearly designated.

Along with the operating procedures and instructions, the company has adopted a Code of Ethics, which contains the principles and values to which every employee at any level, from managers to low-level employees, must adhere to in carrying out their activities. The operating procedures and principles contained in the Code of Ethics are fully aligned with the elements required by Legislative Decree 231/01 and are suitable for preventing the crimes listed therein.

During the 2022-2021 reporting period, the company did not register any incidents of corruption. This applies to Dr. Schär AG, but not to the subsidiaries since we do not have a group-wide compliance management system.

Collective knowledge of governance body

The procedures and policies have been explained to employees through special informational brochures, training days and e-learning tools. In addition, policies are freely and constantly available for consultation through intranet computer systems and company software.

In order to achieve continuous improvement in the company's quality standards and to align and make effective the procedures and controls of specific areas, the company has provided a specific policy for internal communications. In addition, through a special application and the company intranet, special control and reporting procedures between the Italian offices and other Group companies have been set up.

Remuneration policies

Services and relationships between and with related parties are governed by a special transfer pricing policy, the "Cost Sharing Agreement," which is evaluated, discussed, reviewed and approved annually. The remuneration policies for members of the highest governance body and senior executives, including:

- fixed pay according to local benchmark, plus MBO bonus for management
- recruiting incentive for employees who bring on a new employee
- termination payments depending on the local legal regulations
- no clawbacks
- retirement benefits, no differences in levels.

Despite the MBO bonus, the whole remuneration is fixed and not connected to any objective or performance. The MBO bonus, however, is set at the beginning of the year and will be paid out partially or fully depending on the fulfillment of the goals.

The process to determine remuneration policies

There are several remuneration guidelines that give direction on which kind of remuneration one can receive. However, the HR department checks if the agreements are in line with the official targets. The Supervisory Board check the remuneration of the board members. No external consultants involved, support for specific requirements will be involved if necessary. Stakeholders are not involved in the detailed planning but give a strategic input and approve the final guideline.

Operating models of subsidiaries

The head Group company organizes ad hoc teams composed of highly specialized personnel, which provide information, training, verification and continuous updating of the Group companies, so as to maximize production cycles and economic results, in compliance with the quality and product safety standards sought by Dr. Schär Spa.

The activities of the Group's corporate audit also focus on the operating models of the individual companies in the administrative cycles and the verification of due diligence and regulatory compliance with respect to the legislation in force in each state or country in which each individual Group company operates, as well as the respect and sharing of all Core Values and the Operating Model of Dr. Schär Spa.

The organizational structure of the parent company is the one that inspires the organization of the other group companies and is replicated at every level.

Internal controls

The internal control system follows Dr. Schär Spa's core values and operating model, the scope of which extends continuously through the different levels of the company's organization.

The Supervisory Board, management and all other members of the corporate and group structure ensure the achievement of the following objectives:

- effectiveness and efficiency of activities;
- preservation of product safety and quality and public and consumer health;



- reliability of accounting/financial information and reporting;
- compliance with applicable legislation;
- safeguarding of corporate assets;
- safeguarding the safety and health of personnel;
- safeguarding the environment.

Internal controls are summarized in the "Integrated Management System," which contains all procedures and checks in accordance with the standards of ISO 9001 Quality Management System, ISO 14001 Environmental Management System, of the BRCGS Global Food Safety Standard (the basis of the BRCGS is the directive developed by GFSI - Global Food Safety Initiative) for the creation of food safety standards which also contains the requirements referred to in the HACCP methodology, to a set of GMP (Good Manufacturing Practice), GLP (Good Laboratory Practice) and GHP (Good Hygiene Practice) requirements, and the requirements of ISO 45001 standard on SGSL and others.

The same policies and controls are extended and apply to each Italian production plant as well as at the Trieste Research and Development Center. Each individual division and location of the company has the right to ask the functions in charge of drafting and validating the procedures for the appropriate adaptations to the individual corporate reality.

Certifications

Certifications are obtained, extended and verified at each location and operating plant (Dr. Schär site www.drschaer.com/it/sedi#location - Italy).

Postal certifications

ISO 9001:2015

- ISO 14001:2015
- ISO 45001:2018
- BRCGS
- BRCGS-GFCP
- BRCGS-AB
- BIO
- RSPO
- Rainforest Alliance
- AIC
- Comunicazione annuale per il mercato e la concorrenza - esercizio 2019
- Comunicazione annuale per il mercato e la concorrenza - esercizio 2020
- Comunicazione annuale per il mercato e la concorrenza - esercizio 2021
- Modello 231

Laives certifications

- ISO 9001:2015
- ISO 14001:2015
- ISO 45001:2018 BRCGS
- BRCGS-GFCP
- RSPO
- Rainforest Alliance

Borgo Valsugana plant and administrative headquarters certifications

- BRCGS
- IFS

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Sustainability •



Seeding our potential to grow together in the future

Our actions have always been guided by our dedication to people, products and the environment. We promise to offer our consumers nothing but the best products and services. Sustainability today is not simply about awareness but is about taking responsibility. Dr. Schär's relationship with sustainability is defined by its ongoing projects, which aim to decrease the impact that the production, consumption of raw materials, products and energy have in the short and long term.

We believe our business will only remain successful and grow long term if we commit ourselves 100% to our core values and act in an ethical manner. This belief and our holistic commitment drive us forward every day.

Our sustainability strategy has divided the priorities of our commitment into four areas of action.



Our Sustainability program is aligned with the United Nations 2030 Sustainable Development Goals (SDGs). Furthermore, we strive to contribute to the following SDGs:



Material topics

We have identified 13 relevant material topics, classified into our four areas of action.

Material topic	Pillar 1 Biodiversity & sustainable farming	Pillar 2 Sustainable packaging	Pillar 3 CO2 footprint	Pillar 4 Diversity & inclusion
Natural resources management	٠			
Forest degradation	٠			
Indirect socio-economic impacts	٠			
Supply chain traceability	٠	•		
Sustainable and regenerative agriculture	٠			
Product information and labeling		•		
Waste		•		
GHG emissions			•	
Employment practices				٠
Non-discrimination, diversity and equal opportunity				•
Occupational health and safety				•
Extra pillars				
Anti-corruption	•	•	•	•
Food safety	٠	•	٠	•

Pillar 1: Biodiversity and sustainable farming

One of Earth's most invaluable resources is its biological diversity, yet biodiversity loss has increased alarmingly in recent years. Today, 40% of plant species are at risk of extinction. Rapid climate change, drought, deforestation, urbanization, pollution and intensive monocultures are some of the major causes.

Some of the elements underpinning the company's strategy to oppose the climate emergency and seed a better world include supporting sustainable agriculture, carefully sourcing natural resources in a way that avoids negative impacts in terms of deforestation, and implementing research projects aimed at recovering grains that are naturally gluten-free.

We do our part to preserve biodiversity by protecting and promoting minor crops such as buckwheat, sorghum, oats and millet through our Field100 project to celebrate the company's 100th anniversary and the Re-Cereal research project. In Poland, in order to stem the decline of pollinators, essential for maintaining the biodiversity of our planet, we are promoting the cultivation of phacelia fields close to our buckwheat ones alongside farmers with the aim of increasing the presence of bees and other pollinators and improving the pollination of both fields.

Most of our products are made of ingredients that grow in fields, and for this reason we work closely with a network of researchers, farmers, millers and suppliers to monitor our raw materials from sowing through production to the final product. However, we don't ignore our ingredients of animal origin and work to guarantee their welfare as well.

We are focusing on the cultivation and regener of minor crops, we encourage sustainable farm practices such as input optimization, soil enrice activities, increasing pollinators, and water protion training for farmers

We are committed to achieving a deforestation supply-chain for palm oil, soy, cocoa, paper an by 2023 (RSPO, FSC, UTZ 2)

For our products we use exclusively cage-free from hens raised on the ground

SDGs



ration		
ning ching eserva-	Sustainable and regenerative farming	
1-free d board	Avoiding deforestation	(J)
eggs	Guaranteeing animal welfare	



Sustainable and regenerative farming

When cultivating cereals, we choose local areas where crops can flourish naturally and without intensive farming, while being as close as possible to our milling areas, with the aim of reducing the environmental impact of transportation.

We also strive to encourage our farmers and suppliers to optimize resources like soil and water and the use of fertilizer. As we move toward a closer relationship with our partners, we consider our "filiera" (production chain) to be "accompagnata" - 'accompanied'.

We have made great progress and are proud to make a daily contribution to the sustainability of our environment with high quality products made from selected inaredients grown in harmony with the land, says Hannes Berger, CEO of Dr. Schär. At Dr. Schär, we care about the well-being of people and the planet and will continue to strive to pursue our mission.

Cultivation and regeneration of minor crops

Unlike other companies, we have invested in the cultivation of minor crops because we know the importance it plays in preserving biodiversity and providing greater food security. To demonstrate this commitment, every year, Dr. Schär carries out several variety trials involving gluten-free minor crops such as sorghum and buckwheat.

Here are a few of our projects that support biodiversity and the regeneration of minor crops.

Maire-cereal

Reviving and promoting the agricultural tradition of Alpine regions

Producers are becoming more and more aware of the need to improve soil health for the resilience of crops and the impact of their companies. The Re-Cereal project was initiated in 2016 by the R&D Center. The project aimed to study millet, buckwheat and oats through cultivar evaluation trials for millet and buckwheat three project areas (South Tyrol, Carinthia, and Friuli Venezia Giulia), breeding activities on buckwheat and millet and optimization of cultivation methods. It also sought to develop efficient processing technologies for buckwheat, millet. and oats, as well as innovative quality analysis methods for flours with special nutritional properties. And it promoted the use of buckwheat, millet, and oats in the production of gluten-free and traditional foods such as bread, pasta, and pastries.

For more information visit: www.re-cereal.com

Field100

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Our commitment to champion biodiversity Making nutrition inclusive and enjoyable for everyone while promoting minor crops is what Dr. Schär has been striving to do for the past 100 years. To celebrate our 100th anniversary, we launched Field100. Our mission was to create one of the most biodiverse fields ever cultivated, with 100 different crops in a single plot, thanks to the 100 years of Dr. Schär expertise.

We worked closely with CropTrust and Genebank Tyrol to carefully select 100 diverse plant varieties that can adapt to the specific conditions of the field in the South Tyrolean Alps. After the selection process, we planted local oats and buckwheat next to Nepalese amaranth and guinoa from the Andes so they grow together in our front yard. *https://www*. drschaer.com/uk/a/field100

VItaMI

Varietà Italiane di Miglio project (Italian Varieties of Millet)

The VItaMì project seeks to develop new millet varieties that will be grown by partner farmers to produce the Schär products of the future. In 2020, the first crosses between selected millet varieties were implemented and proceeded with the greenhouse cultivation of around 6,000 millet lines from four different crosses and the selection of 1,000 plants to be brought into the field. In 2022, the first field trials and the initial selection and evaluation of the best lines began. A thorough and meticulous analysis process will continue over the next few years before distributing the first seeds to farmers in 2025 and integrating it into the supply chain by 2026.

"Today, Italy and Europe in general are suffering from increasingly critical climatic conditions, and millet is a resilient, adaptable crop," says Ombretta Polenghi, Director of Global **Research & Innovation at Dr. Schär.** *"Our goal with VItaMì is to obtain new, high-quality* millet varieties with improved agronomic, technological and nutritional characteristics, to be included in the supply chain, capable of responding not only to the new demands of an ever-changing environment and growing areas, but also to the needs of our consumers who have to follow a gluten-free diet. A project that strengthens our bond with the local area, the environment and society."

Encouraging sustainable farming practices

We encourage our partners to join us in our quest to pursue more sustainable farming practices. Therefore, we offer advice and training on cultivation techniques to improve, for example, water management and build a relationship of trust for this common goal.

For this purpose, we strictly follow the FAO Strategic Framework 2022-31, which embraces the five basic principles that feed into all SDGs, or the "Five Ps": People, Planet, Partnership, Peace and Prosperity.



Farm inputs optimization

The agricultural landscape today presents both challenges and opportunities. The increasing environmental costs caused by inappropriate use of agricultural inputs, directly linked to common agricultural practices, require urgent changes to avoid biodiversity loss.

To achieve this, our network of trusted farmers is encouraged to adopt innovative strategies: through field inspections, soil analysis, yield and satellite monitoring we guide them to improve crop well-being and site-specific treatments, promoting a lower impact set of practices to help ecosystems and crop production thrive and ensure food security.

Of all the farm inputs that can be evaluated – water, fertilizers, phytosanitary – from 2021/22, Dr. Schär decided to focus on fertilizers and irrigation.

Improving field irrigation with drip tape

Water is a valuable asset that must be protected, which is why we are committed to optimizing its use in our fields.

Thanks to technology and advanced knowledge, in a 2022 project involving corn, which took place in the Veneto region, we achieved 20% water savings compared to traditional practices. In this project, our Research and Development team collaborated with one of our long-standing partner farmers and experts from an irrigation machinery manufacturer and a research center specialized in data science and sensing technology to determine how alternative, innovative water-saving practices can improve the irrigation of cropland.

During the last week of July 2022, we presented the results, generated on our pilot project field in the Veneto region, to farmers, stakeholders and reclamation bodies on our Irrigation Field Day in Este (PD). As mentioned, the use of drip tape improved water efficiency by up to 20%, and we used sensors and an innovative eIR-Camera to gather data on the efficiency of the system.

https://www.drschaer.com/uk/n/researchanddevelopment

Optimizing fertilizer use

Our Research & Development team in Trieste has initiated a broad range of projects to promote sustainable agricultural practices through the use of an alternative fertilizer, a biostimulant rather than common nitrogen.

The biostimulant was sprayed rather than buried on the Sorghum filiera 22 crop in Emilia Romagna alongside Dr. Schär's trusted farms.

This fertilizer method is easier to apply, does not harm field workers and is compatible with organic farming. The result of the first year was quite promising with a 15% increase in yield and greater plant development.

Avoid deforestation

We are committed to achieving a deforestation-free supply chain for raw materials such as palm oil, soy, cocoa, paper and board by 2023 (RSPO, FSC, UTZ). For some crops, including palm based raw materials, cocoa raw materials, paper and board, we are certified deforestation-free.

For soy, we are not yet certified, however, we use EU suppliers with an EU supply chain, and when not possible, we seek out suppliers outside the EU that are not in sensitive areas like South America. For all other raw materials, the creation of the "sustainable procurement scheme" and related documents is a work in progress.

Guaranteeing animal welfare

Although most of our products come from grain-based food grown in a field, some ingredients are of animal origin, such as eggs. For any contact we have with animals, we strive to maintain high standards of animal welfare.

> For the production of Schär gluten-free products, we have used eggs from cage-free hens since 2016.

Newly acquired production facilities will match this standard by 2025.





Budget spent on cocoa and palm oil that is certified "deforestation-free supply chain"



Pillar 2: Sustainable packaging

"Packaging is an integral part of the experience we offer our consumers, so we have enthusiastically taken up the challenge of sustainability on this important touchpoint as well", says Hanner Berger, CEO of Dr. Schär. "Consumers who hold our Master Baker product in their hands will know that our commitment to seeding a better world is indeed concrete."

Packaging plays an important role in our products. Our consumers rely on us to deliver food that is healthy and safe. At the same time, we want to reduce the ecological footprint of our products without compromising quality or safety.

Plastic has been proven to be a safe and efficient packaging material; however, we are all aware that its careless disposal can be considerably damaging to the environment. This fact and our sense of responsibility have led us to rethink how we use plastics and to find new solutions for preserving the safety, shelf life and sensory qualities of our food products.

For us, the way forward lies in well-conceived packaging processes. High quality is essential, but we can save substantial amounts of resources if we use only the necessary amount for each product. We are therefore continuously reducing the quantity of plastic film and other materials we use in our packaging as much as possible. The cardboard used in our packaging is made exclusively of wood from FSC-certified (Forest Stewardship Council) forests. Together with our suppliers, we are exploring the possibility of using alternative environmentally friendly packaging materials.

 Launch 1st bread with recycled packaging in 2021 Ongoing trials with recyclable flowpack and thermoforming foils Beginning in 2024, we will start the final phase of the transition to fully recyclable, recycled, or compostable packaging materials 	Pursuing the recyclability of packaging	
 Reduce the use of plastic materials in product packaging by 25% by the end of 2024 Move towards paper over plastic whenever sensitive Optimize packaging size and thickness whenever possible 	Reducing unnecessary packaging and plastic	
 Help increase awareness around pack sustainability and circularity Work on a general communication concept about sustainability for Dr. Schär Ongoing evaluation of detailed local recyclability indication (for website) 	Increase awareness on packaging and circularity themes	

SDGs



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Our journey to more sustainable packaging

2024

We plan to make the foil of the Master Baker's product series recyclable. We have also set ourselves the ambitious target of reducing the use of plastic materials in product packaging by 25% by the end of 2024. To reach this goal, we are constantly working to optimize our current packaging and try to move from plastic to paper whenever possible. Furthermore, we will start the final phase of the transition to fully recyclable, recycled, or compostable packaging materials.

2023

We started to eliminate the tray and reduce the foil from the Master Baker product series in some markets. Master Baker's packaging represents 39% of the overall Schär plastic packs: the perfect place to initiate impactful change. This will account for an overall reduction of 15% of plastic packaging.

2021

We launched new packaging for first gluten-free bread from recycled plastics. The new packaging of the Panini Rolls is made with 46% recycled plastic from chemically recycled mixed post-consumer plastics.

2020

Since 2020, 35% of our product packaging has been made from recyclable materials. We use only FSC-certified paper and cardboard.

Source: <u>https://www.drschaer.com/uk/a/sustainable-packaging</u>



Pursuing the recyclability of packaging

Panini Rolls Packaging Product

The new packaging of Schär Panini Rolls allows us to deliver the same great taste and quality in a more planet-friendly package. It is a real innovation in the gluten-free category and a big step towards a greener world!

Creating recycled plastics that are high enough quality to package food is not as easy as you might think. The materials used to wrap our gluten-free foodstuffs need to meet strict hygiene, strength, and safety standards, and the plastics produced by traditional mechanical recycling processes struggle to make the grade.

The new material is of the same quality as brand-new virgin plastic, allowing us at Schär to package our products to the same rigorous taste, quality and safety standards, while also helping build a more sustainable world.

Dr. Schär trusts in the expertise of the food packaging specialist Niederwieser Spa to jointly offer an innovative and sustainable packaging solution while maintaining the taste, quality and safety of their products.

The new sustainable recipe for the bread market

Packaging made with 46% recycled plastics. A first step towards a greener world. Mixed and contaminated plastic waste can be chemically recycled. The end products have the same quality as virgin material and can be used in food contact.

How does this process work?



Reducing unnecessary packaging and plastic

We will continue to incorporate more paper packaging to replace plastic packaging whenever we can, which can be a challenge given that Dr. Schär products are free of preservatives. Any changes to packaging must undergo thorough analysis and testing to ensure they meet the high standards of freshness and quality we are committed to delivering.

New Packaging for Master Baker Bread

In the food sector, plastic has proven to be a highly effective packaging material for ensuring the freshness, preservation and safety of food, especially when it comes to specific products like gluten-free. However, it is causing significant damage to the environment.

The challenge is combining sustainability, safety and good product storage. However, Dr. Schär has set a goal to ensure that all packs of more than 200 Schär branded products are recycled, recyclable and /or compostable.

"Keeping the promise we made to our consumers to offer them products with a high standard of quality is essential for us. Most of our references, including the Master Baker range, are preservative-free and so our packs need to be able to maintain freshness and taste," says Nicole Mattei, Head of Global Design and Packaging Strategy at Dr. Schär. "Our approach to sustainable packaging and the actions we put into practice are the result of extensive research into solutions that meet our quality and safety requirements."

Increasing awareness

Another major aspect of our sustainability strategy is communicating our choice to increase awareness. We are currently working on a general communication concept about sustainability and circularity. We are also in the process of evaluating detailed local recyclability indications for the website and doing work on the communication strategy for the next projects.

Zero non-compliance with

regulations and/or voluntary codes concerning product and service information and labeling identified during the 2022-2021 reporting period.

Materials used for packaging purposes







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Pillar 3: CO₂ footprint

Climate change is massively impacting the world and every individual should come to terms with the realities of our future. Companies have to adapt their way of doing business to take into consideration their personal impact on the world.

Sustaining the broader transition to a lower carbon economy is important to us not only because we believe we have a role to play but because we see the value in it for our people, consumers and our business.

The integration of renewable energy sources and process optimization in our plants and logistics are crucial to reducing CO₂ emissions and contributing to protecting the climate. In order to reduce our emissions, Dr. Schär is implementing energy savings wherever possible and supplementing our conventional energy supply with lower-polluting, more environmentally friendly sources.

To do so, we will work alongside our partners, consumers and suppliers to reduce our impact along the entire value chain.



SDGs





Our action plan



Renewable energy

We are progressively switching to solarpowered sources.

We already use green electricity wherever possible at our plants and facilities. We are now pursuing this path at other locations as well.





Plant efficiency

We are introducing process control and heat recovery systems and optimizing material consumption (glue, carton, foil). At a number of sites, we have installed charging stations for electric cars and bikes.

We use groundwater for cooling at our production site in Borgo Valsugana and at our offices in Postal, Italy, after which it is returned to the ground. At our headquarters, we use heat from air compressors and vacuum pumps to heat the offices. Some of our plants have air handling units with integrated heat recovery systems.

Our green roof in Postal has a cooling effect and thus helps save energy. At the same time, they enhance biodiversity and reduce the loss of rainwater. Some of our plants also have water treatment systems.

Almost all of these measures have already been realized at our headquarters and offices in Italy. We plan to implement them at our other subsidiaries in the future and expand our pool of collected data.

We seek to accompany supply chain actors on their journey to more sustainable production and consumption patterns.

Sustainable logistics

We are working together with customers and partners on a sustainable logistics process. We are doing this by trying to improve the ordering behavior of customers, reestablishing the norms of the frequency and amount of goods shipped to optimize transport and stock.

We are optimizing pallet schemes in order to increase the saturation of our deliveries.

We are encouraging our partners to use state-of-the-art vehicles, increasingly using also LNG (Liquefied Natural Gas) Trucks.

Improved truck saturation can be achieved by optimizing the processes (planning/production) or pallet schemes. We encourage our logistic partners to use efficient vehicles and select new partners based on their fleet type.

Direct and indirect greenhouse gas emissions in tCO



Today and beyond

The following projects have been carried out or approved.



9.813
9.984

9.273	
	10.178

Pillar 4: Diversity and inclusion

We believe people make a company what it is. Therefore, we strive to create a positive work environment centered on lovalty, reliability and responsibility, in which everyone feels motivated to do their best. We all work towards a shared goal and deal with conflicts openly and honestly. When we grow as individuals, we grow as a company.

People from 55 nations currently work at Dr. Schär, so a diverse work environment is important to us. We foster international recruiting between sites and from external locations and provide global work opportunities and new work models.

We want our employees to feel part of our community and business plan; therefore, we plan several initiatives that help them deal with the challenges we all experience in a changing world. Our ongoing and customized occupational training programs offer each employee the chance for continued personal and professional development tanks to our in-house Dr. Schär Academy. Our employees can take advantage of many opportunities to expand their expertise and even learn a new language.





Occupational health and safety

We are focused on continuously improving our occupational health and safety performance. A top priority at Dr. Schär has always been reducing the number of work-related risks and injuries as much as possible. We take preventive measures and targeted actions to strengthen our employees' awareness of health and safety risks and encourage them to take responsibility for their own actions.

But safety must be paired with constant attention to services that support a positive work-life balance for those who work with us.

The Executive Board supports the company's occupational safety management by setting operational occupational safety and health protection goals and providing the necessary resources and infrastructure and all our offices comply with ergonomic specifications and are subject to ongoing checks. We attend to correct air quality, lighting conditions and noise levels; use natural materials; and, wherever possible, provide access to green outdoor spaces.

All of our employees are offered regular medical examinations in accordance with legal requirements. We ensure that personal protective equipment is always up to date and that suitable work clothing is always available for those working in technical and production areas. We review all of our processes for potential safety risks and continually update our risk assessments. Our senior management team monitors and reports accident data on an ongoing basis.

We are proud to say that we have been able to keep the number of workplace accidents to a consistently low level through various preventive measures, such as risk assessments and targeted staff training.

100% Percentage of employees receiving regular performance and career development reviews



Network exchange

We believe it is important that the people at Dr. Schär are increasingly interconnected. Connections between departments and through initiatives allow them to work more efficiently on projects and mean they are more likely to stay at the company.

Covid-19 interrupted our intercompany exchange programs, but we still managed to organize various international experiences. HR departments at all sites are currently working to increase international collaboration.



Global onboarding weeks at our headquarters

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Our onboarding program introduces new employees to the company in a professional, social and cultural context. The goal is to give them an overview of the company and help them feel integrated into the international team and company culture. About 50 people participated this past year.

Goal by 2025



Participation of at least 10 people per year in one of the exchange programs

>10

Participation of at least 10 people per year in a job-shadowing program or interdepartmental change

Employment practices for work-life balance

We strive to meet the needs of our employees by fostering a work-life balance. Subsidiaries have adapted and created guidelines based on their specific needs.

Depending on the kind of job and local policies, employees can work flexible hours or from home. During the reporting period, most of our employees took advantage of remote working policies. By contract, employees (excluding blue-collar workers) are allowed to work remotely two days a week: our "Remote working" KPI by gender, age and employee category measures the number of employees who use remote working to perform their tasks during the reporting period.

We offer numerous attractive benefits that fit into our approach to a work-life balance. Some of our sites have a canteen and/or daycare facilities for young children. We also offer yoga and sports activities, depending on the number of employees and space available. We promote these aspects not as a benefit but rather as a normal and healthy part of the work environment today and find that employees use them regularly.

Global Remote Working

A Global Remote Working Policy (A 0062 01 EN) was published in October 2021 in our Integrated Management System (IMS). Although employees appreciate this possibility, many prefer to spend most of the work week in the office (1.1 days at home/week in Italy).

Goal by 2025



Global Remote Working Guideline implemented at 100% of administration offices.

Non-discrimination, diversity and equal opportunity

We appreciate, respect and celebrate diversity. Therefore, we reject any and all kinds of discrimination based on race, color, sex, age, national origin, religion, sexual orientation, gender identity and/or expression or disability.

Women leadership – Goals by 2030



Increase the number of women in top management (Board & Level 1) to 50%

We are an international community in which each individual plays an important role every employee, consumer, supplier and business partner. Our success is built on cooperation and collaboration because we know that we can achieve more together.



Intercultural understanding is an important skill for future growth. We are also committed to supporting diversity and inclusion within the company and making it a principle of our hiring practices in order to bring out potential and innovation and attract talents.





Eliminate the potential gender pay gap per level

Dr. Schär enhances the abilities and competencies of individuals by empowering them through our values. We ensure multiculturalism is a prominent factor in management training programs, so all managers are trained to respect diversity in recruiting.

Reading guide •



Average training hours per year per employee

Similarly, we believe it is important to increase the possibility of integrating employees with special needs at our company.



Goal by 2025



100% of managers trained to respect diversity, starting with recruiting.





Methodology

The Dr. Schär Sustainability Report presents, for fiscal years 2021 and 2022, the quantitative and qualitative data on sustainability topics and impacts assigned to each pillar of the Dr. Schär sustainability strategy "Growing together".

The Report's structure and content is aligned with the Global Reporting Initiative Standards (GRI).

The data, collected first at country level and at a later time, aggregated for the entire Dr. Schär group, refer to the fiscal years 2021 (01.01.2021/31.12.2021) and 2022 (01.01.2022/31.12.2022).

The Dr. Schär way to identify the impacts

Following the guidelines provided by the Global Reporting Initiative (GRI), Dr. Schär sought to identify the most significant sustainability impacts, those that best reflect its contribution, both positive and negative, towards the goal of sustainable development.



1. Assess the organization's context

For every pillar of the "Growing Together" strategy, a list of potential material sustainability topics has been defined by setting a threshold to determine which topics could be material or not for Dr. Schär.

The sources were a benchmark analysis, sector trends, media analysis, macrotrends, and internal documents.

Considering their relevance, "anti-corruption" and "food safety" have been included in the overall strategy, without assigning them to a specific pillar.

2. Identify actual and potential impacts

The main objective of this step was to identify the actual and potential impacts for each potential material sustainability topic. Through their activities and relationships, all organizations have an impact on the economy, environment and business.

Twenty-three actual and potential, positive and negative impacts were identified under the sustainability topics, 21 grouped under the four pillars of the strategy and two general impacts.

3. Assess the significance of identified impacts and priorities

A double materiality assessment was conducted for the identified sustainability impacts following the 2021 GRI and the CSRD European Sustainability Reporting Standards (ESRS).

The main goal of this was to determine the significance for the company and its stakeholders from an impact and financial perspective.

Material	Main impact	Linked to	Type of	Impact	Financial
topic	generated		impact	materiality	materiality
Topics that represent potential organization impacts on the economy, environment and people, including im- pacts on their human rights	Effect the organization has or could have on the economy, environment, and people, including on their human rights	Activities that generate and/ or contribute to generating the impact	If the impact is positive or negative, actual and potential for sustainable development	Corporate impact on planet and society	Sustainability impact on enterprise

- Impact materiality view: to what extent do the potential and actual impacts generate positive and negative externalities on society and the surrounding environment in the short, medium and long term?
- Financial materiality view: to what extent do the potential and actual impacts generate risks or opportunities for the Company, influencing its future cash flows and therefore the enterprise value in the short, medium and long term?

"Growing together" pillar name	Topic name	Impact name	lmpact type	Impact materiality	Financial materiality
	Natural resources management	Depletion of water resources	Negative	Critical	Significant
		Exploitation of natural resources	Negative	Critical	Significant
Biodiversity		Air quality	Negative	Critical	Important
and sustainable	Sustainable and regenerative agriculture	Protection and restoration of ecosystems affected by the business	Positive	Critical	Significant
farming	Indirect socio-economic impacts	Local impacts	Positive	Critical	Important
	Forest degradation	Forest destruction	Negative	Critical	Important
	Supply chain traceability	Sustainable procurement	Positive	Critical	Significant
		Conservation of resources	Positive	Critical	Critical
	Waste	Contribution to circular pro- duction and consumption	Positive	Critical	Significant
Sustainable packaging		Discharge of non-recyclable resources	Negative	Critical	Important
	Supply chain traceability	Sustainable procurement	Positive	Critical	Significant
	Product information and labeling	Sustainable consumption	Positive	Critical	Important
	GHG emissions	Global warming	Negative	Critical	Critical
CO₂ footprint		Sustaining the transition toward a lower carbon economy	Positive	Critical	Significant
		Sustainable logistics	Positive	Important	Significant
	Occupational health and	Sustainable workload	Positive	Critical	Critical
	safety	Employee health and well-being	Positive	Important	Significant
Diversity		Culture enhancement	Positive	Important	Significant
Diversity and inclusion	Employment practices	Work-life balance	Positive	Important	Significant
		Employee personal and professional development, motivation and engagement	Positive	Important	Important
	Non-discrimination, diversity and equal opportunity	Gender equality and women's empowerment	Positive	Important	Important
France 10	Anti-corruption	Fight against corruption	Positive	Important	Significant
Extra pillars	Food safety	Product health and safety	Positive	Important	Significant

The following list categorizes the impacts by priority: critical, significant and important. This was established through dialogue with relevant stakeholders and experts in order to validate the sustainability impacts identified.

Prioritization of the most significant impacts for the strategy

Critical/Very significant impacts

- Global warming
- Conversation of resources
- Employee health and well-being
- Protection and restoration of the ecosystem affected by the business
- Sustainable procurement
- Contribution to circular production and consumption
- Sustaining the transition toward a lower carbon economy
- Work-life balance
- Exploitation of natural resources

Significant impact

- Pressures on employees due to the workload
- Depletion of water resources
- Sustainable procurement
- Sustainable logistics
- Culture enhancement
- Product health and safety
- Forest destruction
- Air quality
- Local impacts
- Sustainable consumption
- Gender equality and women's empowerment

Medium/important impacts

- Fight against corruption
- Discharge of non-recyclable resources

• Employee personal and professional development, motivation and engagement

GRI content index •

To facilitate reading, the table below shows the GRI indicators and where to find them, within the report and in other corporate content.

GRI = GRI standard / other source

GRI	Indicator	Location
The or	rganization and its report	ing practices
2-01	Organizational details	Legal name: Dr. Schär AG/S.p.A. Nature of ownership and legal form: Privately owned company Headquarters: Winkelau 9, 39014 Postal (BZ), Italy.
		• This Report: ch. 1 pp. 14-15
2-02	Entities included in the organization's sustainability reporting	18 sites in eleven countries make up the Dr. Schär Group: Italy (Postal, Laives, Trieste, Borgo), Germany (Dreihausen & Apolda), Austria (Klagenfurt), Spain (Alagon), France (Lyon), UK (Warrington & Glasgow), USA (Lyndhurst & Swedesboro), Brazil (Curitiba & Campo Largo), Russia (Moscow), Turkey (Istanbul), Argentina (Buenos Aires).
		• This Report: ch. 1 pp. 14-15
2-03	Reporting period, frequency and contact point	• This Report: About our reporting pp. 6-7
2-04	Restatements of information	No restatement of information has been made to this first edition of Dr. Schär Sustainability Report.
2-05	External assurance	The Board of Directors has overseen and approved the content and quality of the information reported within the Dr. Schär Sustainability Report. The current Dr. Schär Sustainability Report has not been externally assured. External assurance will be applied to forthcoming Dr. Schär Sustainability Reports.
		• This Report: About our reporting pp. 6-7
Activi	ties and workers	
2-06	Activities, value chain and other business relationships	Sector: Private Sector (Dietary) Food Industry (Südtiroler Hersteller von Produkten für die glutenfreie Ernährung).
		• This Report: ch. 1 pp. 16-17
		https://www.drschaer.com/us/n/transparency-supply-chain (Our Filiera - How transparency in the supply chain ensures greater safety for the consumer)
		Code of Conduct (1.2 One company, one Team/Our distributors are the interface with our consumers)
2-07	Employees	• This Report: ch. 1 pp. 18-19, Annex, pp. 68-69
2 0/		

Governance

2-09	Governance structure and composition	• This Report: ch. 1 p. 23
2-10	Nomination and selection of the highest governance body	• This Report: ch. 1 pp. 24-25
2-11	Chair of the highest governance body	• This Report: President and CEO messages p. 5
2-12	Role of the highest governance body in overseeing the management of impacts	• This Report: ch. 1 pp. 23-25
2-13	Delegation of responsibility for managing impacts	• This Report: ch. 1 pp. 23-25
2-14	Role of the highest governance body in sustainability reporting	• This Report: ch. 1 pp. 23-25
2-15	Conflicts of interest	• This Report: ch. 1 p. 22
2-16	Communication of critical	• This Report: ch. 1 pp. 23-25
	concerns	"231 Organization Model" / Modello 231
2-17	Collective knowledge of the highest governance body	• This Report: ch. 1 p. 23
2-18	Evaluation of the performance of the highest governance body	• This Report: ch. 1 p. 24 "231 Organization Model" / Modello 231
2-19	Remuneration policies	• This Report: ch. 1 p. 24
2-20	Process to determine remuneration	• This Report ch. 1 p. 24
2-21	Annual total compensation ratio	Not included
2-22	Statement on sustainable development strategy	• This report: President and CEO messages p. 5
2-23	Policy commitments	• This Report: ch. 1 p. 24
2-24	Embedding policy commitments	• This Report: ch. 1 pp. 10-11
2-25	Processes to remediate negative impacts	Included in every single material topic
2-27	Compliance with laws and regulations	• This Report: ch. 1 pp. 24-25
2-28	Membership associations	• This Report, ch. 1, pp. 16-17
Stakeł	nolder engagement	
2-29	Approach to stakeholder engagement	• This Report: ch. 1 pp. 16-17
2-30	Collective bargaining agreements	• This Report: ch. 1 p. 18

Pillar 1 Biodiversity and sustainable farming - Material Topics (2021)

GR

Location

Natural resources management

Indicator

GRI 301-1	Materials used by weight or volume	• This Report: ch. 2 pp. 31-35, Annex p. 60-62
GRI 303-3	Water withdrawal	• This Report: ch. 2 pp. 31-35, Annex p. 62
GRI 303-4	Water discharge	• This Report: ch. 2 pp. 31-35, Annex p. 63
GRI 303-5	Water consumption	• This Report: ch. 2 pp. 31-35, Annex p. 63
ESRS E3-4	Water management performance	• This Report: ch. 2 pp. 31-35, Annex p. 63
GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	• This Report: ch. 2 pp. 31-35, Annex p. 63

Forest degradation

Raw materials budget spent on raw materials being certified • This Report: ch. 2 p. 35, Annex p. 64 Own Kpi deforestation free supply

Indirect socio-economic impacts

GRI 204-1 Proportion of spending on local suppliers

• This Report: Annex p.65

Supply chain traceability

Own Kpi Animal welfare • This Report: ch. 2 p. 35, Annex p. 66

Sustainable and regenerative agricolture

GRI 13.5 Regenerative approach • This Report: ch. 2 pp. 31-35, Annex p. 66

Pillar 2 Sustainable packaging - Material Topics (2021) Indicator GRI Location Product information and labelling GRI 417-2 Incidents of non-compliance • This Report: ch. 2 p. 39, Annex p. 67

5 4 27 2	concerning product and service information and labeling				
Supply	Supply chain traceability				
GRI 13-23	Supply chain traceability (only refer to the sourcing of packaging materials)	• This Repo			
Waste					
FB-NB- 410a.1	Packaging lifecycle management	• This Repo			
GRI 301-1	Materials used by weight or volume	• This Repo			
GRI 301-3	Reclaimed products and their packaging materials	• This Repo			
GPI 206-2	Waste generated	This Papa			

GRI 306-3	Waste generated	• This Repor
Own Kpi	% of paper-based packaging certified "deforestation free supply chain"	• This Repor
GRI 3-3c	Commitment regarding the impact "Conservation of resources"	• This Repor

Pillar 3 Carbon footprint - Material Topics (2021)

RI	Indicator	Location

GHG emissions

GRI 3-3c	Current policies or commitment regarding the impact "Sustaining the transition toward a lower carbon economy"	This Report
GRI 302-1	Energy consumption within the organization	 This Report
GRI 305-1,2	Direct (Scope 1) GHG emissions (refrigerant gases) Direct (Scope 1) GHG emissions Energy indirect (Scope 2) GHG emissions	• This Report

ort: Annex p. 67

ort: ch. 2 pp. 36-39, Annex p. 67

ort: ch. 2 pp. 36-39, Annex p. 67

ort: ch. 2 pp. 36-39, Annex p. 68

ort: ch. 2 pp.36-39, Annex p. 69

ort: ch. 2 pp. 36-39, Annex p. 69

ort: ch. 2 pp. 36-39

ort: ch. 2 pp. 40-43

ort: ch. 2 pp. 40-43, Annex p. 70

ort: ch. 2 p. 43, Annex p. 70

11101 4	Diversity and metas	sion - Material Topics (2021)	Оссира	ational health and safety	y
GRI	Indicator	Location	403-9,10	Work-related injuries Work-related ill health	• This Report: ch
nploy	ment practices		GRI 401-2	Benefits provided to full-time	• This Report: An
3-3c	Current policies or commit- ment regarding the impact "Culture Enhancement"	• This Report: ch. 2 pp. 44-48		employees that are not provid- ed to temporary or part-time employees	
RI 2-7	Size and composition of workforce	• This Report: ch. 1 pp. 18-19, ch. 2 p. 44, Annex pp. 71-73	Own Kpi	Employee overtime	• This Report: An
2-8	Workers who are not employ- ees	• This Report: Annex p. 73			
401-1	New employee hires and employee turnover	• This Report: ch. 2 p. 47	Extra p	Extra pillars	
01-2	Benefits provided	• This Report: ch. 2 p. 46, Annex p. 74			
401-3	Parental leave	• This Report: Annex p. 75	Antico	rruption	
04-1	Average hours of training per year per employee	• This Report: ch. 2 p. 47, Annex p. 76	GRI 205-3	•	
3	Percentage of employees receiving regular performance and career development reviews	• This Report: ch. 2 p. 45, Annex p. 76			
wn Kpi	Remote working per gender,	• This Report: ch. 2 p. 46	Food s	afety	
	age group and employee category		GRI 416-2	Incidents of non-compliance concerning the health and	• This Report: ch.
19	Employment of persons with disabilities	• This Report: ch. 2 p. 49, Annex p. 79		safety impacts of products and services	
	Work stoppages	• This Report: Annex p. 79 nd equal opportunity	FB-PF- 250a.1.	Global Food Safety Initiative (GFSI) audit (1) non-confor- mance rate and (2) associated corrective action rate for (a) major and (b) minor nonconfor-	• This Report: ch.

GRI 405-1	Diversity of governance bodies and employees	• This Report: Annex pp. 77-78
GRI 406-1	Incidents of discrimination and corrective actions taken	• This Report: ch. 2 p. 47, Annex p. 78

rt: ch. 2 p. 45, Annex p. 80

rt: Annex p. 74

rt: Annex p. 81

rt: ch. 1 pp. 23-26, Annex p. 81

rt: ch. 1 pp. 22-26, Annex p. 81

rt: ch. 1 pp. 22-26, Annex p. 81

Key figures •

Pillar 1 | Biodiversity and sustainable farming - GRI3: Material Topics (2021)

Natural resources management

GRI 301-1 Materials used by weight or volume			Raw materials from renewable sources	
Materials	Unit	2021	2022	
I. Raw materials	kg	58.150.877	62.508.774	
Europe	kg	49.465.163	53.719.532	
Aroma	kg	21.894	23.374	
Cocoa products	kg	436.150	410.893	
Cereals	kg	1.999.829	2.019.888	
Corn	kg	18.913.428	20.969.833	
Egg	kg	533.808	594.860	
Fats	kg	2.439.590	2.604.219	
Fiber	kg	2.421.408	2.500.814	
Fruits	kg	121.658	120.174	
Meat products	kg	771.026	797.982	
Milk/whey	kg	991.116	1.082.790	
Pasta	kg	140.535	187.655	
Pasta gluten free	kg	3.980	4.300	
Potato	kg	771.259	579.918	
Raising agent	kg	1.920.561	2.478.23	
Rice	kg	9.822.922	10.666.498	
Seafood	kg	37.220	56.87	
Soy	kg	1.347.473	1.199.320	
Spices	kg	5.684	5.302	
Sugar/sweeteners	kg	2.130.543	2.329.993	
Thickeners	kg	1.057.770	1.100.26	
Tapioca	kg	192.000	192.000	
Various	kg	1.419.948	1.697.092	
Vegetables	kg	1.321.629	1.461.634	
Vitamins	kg	1.445	1.500	
Wheat	kg	642.290	634.118	

Rest of the world	kg	8.685.714	8.789.243	
Aroma	kg	477	735	
Cocoa products	kg	1.549	2.000	
Cereals	kg	431.292	318.530	
Corn	kg	2.230.863	2.243.491	
Egg	kg	13.765	19.294	
Fats	kg	290.135	376.444	
Fiber	kg	659.325	762.110	
Fruits	kg	-	-	
Meat products	kg	-	-	
Milk/whey	kg	3.102	2.470	
Pasta	kg	-	-	
Pasta gluten free	kg	-	-	
Potato	kg	1.644	779	
Raising agent	kg	161.110	176.559	
Rice	kg	3.317.046	3.464.206	
Seafood	kg	-	-	
Soy	kg	229.394	150.241	
Spices	kg	7.745	5.546	
Sugar/sweeteners	kg	795.327	751.213	
Thickeners	kg	334.225	382.157	
Таріоса	kg	-	-	
Various	kg	187.210	123.151	
Vegetables	kg	1.530	1.266	
Vitamins	kg	19.975	9.050	
Wheat	kg	-	-	

Dr. Schär Global (Turkey, Brazil escluded).

GRI 301-1 Materials used	Raw materials from non renewable sources		
Materials	Unit	2021	2022
Europe	kg	554.233	609.625
Chemicals	kg	39.326	50.850
Minerals	kg	4.083	-
Salt	kg	510.825	558.775
Rest of the world	kg	106.616	95.570
Chemicals	kg	2.116	4.070
Minerals	kg		-
Salt	kg	104.500	91.500

The reporting perimeter of this data does not cover the resources used for packaging purposes from the countries of Brazil and Turkey.

Perimeter: Klagenfurt, Lyon, Dreihausen, Apolda, Ahrensburg, Postal, Borgo Valsugana, Laives, Trieste, Moscow, Alagon, Warrington, Swedesboro, Lyndhurst.

GRI 301-1 Materials used by we	Associated process materials from renewable sources		
Materials	Unit	2021	2022
II. Associated process materials	kg	115.142	78.600
Europe	kg	113.700	74.100
Machinery oil	kg	113.700	74.100
Rest of the world	kg	1.442	4.500
Machinery oil	kg	1.442	4.500

GRI 301-1 Materials used by weight or volume			Resources used for packaging purposes
Materials	Unit	2021	2022
From renewable sources	kg	9.670.897	10.177
Paper	kg	1.269.459	1.374.521
Cardboard	kg	8.401.438	8.802.589
From non-renewable sources	kg	2.635.187	2.628.564
Plastic	kg	2.635.87	2.628.564
Total resources used for packaging purposes	kg	12.306.084	12.805.674

GRI 303-3 | Water withdrawal*

	Unit	2021		2022	
	m³	Total water withdrawal from all areas	Total water withdrawal only from areas with water stress or from sensitive locations	Total water withdrawal from all areas	Total water withdrawal only from areas with water stress or from sensitive locations
Total water withdrawal	m³	59.011	0	52.012	0

*Data refers to Dr. Schär supply chain

Water withdrawal: sum of all water drawn from surface water, groundwater, seawater, or a third party for any use over the course of the reporting period.

GRI 303-4 Water discharge*						
	Unit	20	021	20	22	
	m³	Total water discharge from all areas	Total water discharge only from areas with water stress or from sensitive locations	Total water discharge from all areas	Total water discharge only from areas with water stress or from sensitive locations	
Water discharge to surface water	m³	8.020	0	13.754	0	

*Data refers to Dr. Schär supply chain

GRI 303-5 Water consumption* Unit 2021 m³ Total water consumption from all areas Total water consumption from all areas Water consumption from all areas m³ 50.991 0

*Data refers to Dr. Schär supply chain

GRI 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions*				
Emission	Unit	2021	2022	
NH3	kg	160.442	152.806	
CH4	kg	559.546	492.677	
N20	Kg	6.739	6.315	

*Data refers to Dr. Schär supply chain

The GRI 305-7 indicator also covers the "ESRS E2-4 Pollution of air, water and soil" which requires to list pollutants that are generated or used during production processes. During the production process, the pollutant is generated and not used. Emissions are estimated on the basis of contracted hectares and involved crops. Perimeter: European sites.

	20	22
ter ption only as with ress or from e locations	Total water consumption from all areas	Total water consumption only from areas with water stress or from sensitive locations
	38.258	0

FB-NB-410a.1 | Packaging Lifecycle Management

Materials	Unit	2021	2022
Total weight of our packaging	kg	12.306.085,5	12.805.674
Percentage of our packaging made from recycled and/or renewable materials*	%	0,037%	0,148%
Percentage of our packaging that is recyclable, reusable and/or compostable*	%	85,7%	86,8%
Percentage of plastic primary packaging that is recyclable**	%	33,2%	35,6%

* The indicators cover both primary and secondary packaging. ** This indicator is an elaboration of Dr. Schär, calculated considering only the primary packaging of our products. Perimeter: Dr. Schär Global (Turkey, Brazil excluded).

Sites covered: All except Turkey, Brazil and Scotland.

Forest degradation

Own KPI % of raw materials budget spent on raw materials being certified "deforestation free supply chain"					
Raw materials certified deforestation free supply chain	Unit	2021	2022		
Total procurement budget spent on cocoa and palm oil products	€	3.323.111	3.964.688		
Total procurement budget spent certified cocoa and palm oil	€	3.321.798	3.960.663		

% of procurement budget spent certified cocoa and palm oil **99**% 99%

Perimeter: Production plants in Klagenfurt (Austria) | Curiciba (Brazil) | Dreihausen and Apolda (Germany) Postal and Borgo Valsugana and Laives (Italy) | Alagon (Spain) | Istanbul (Turkey) | Swedesboro (USA).

Indirect socio-economic impacts

	Unit	2021	2022
Total procurement budget spent on suppliers	€	78.981.677	106.642.293
Italy	€	24.456.489	33.028.961
Europe	€	45.935.314	61.596.127
Austria	€	29.203.375	39.230.944
Germany	€	13.477.537	16.911.750
Spain	€	3.254.402	5-453-433
Rest of the world	€	8.589.874	12.017.205
Brazil	€	400.333	1.472.246
USA	€	8.189.541	10.544.959
Turkey	€	non included	not included
Procurement budget spent on local suppliers	€	64.796.194	87.711.88
Italy	€	22.813.267	30.162.29
Europe	€	35.757.943	49.457.697
Austria	€	19.036.392	27.135.508
Germany	€	13.467.149	16.868.756
Spain	€	3.254.402	5-453-433
Rest of the world	€	6.224.984	8.091.895
Brazil	€	non included	not included
USA	€	6.224.984	8.091.89
Turkey	€	non included	not included
Percentage of procurement budget spent on local suppliers	%	82%	82%
Italy	%	93%	91%

	ocal suppliers	
	Italy	%
	Europe	%
_	Rest of the world	%

The reporting perimeter of this data does not include the countries of Brazil and Turkey.

93 78% 80% 72% 67%

Supply chain traceability

Own KPI Animal welfare					
	Unit	2021	2022		
Sourced volume of raw materials respecting animal welfare	kg	626.723	691.884		
Total sourced volume of barn eggs raw materials purchased	kg	612.958	672.590		
% of sourced volume of raw materials purchased from suppliers certified for respecting "animal health and welfare" standards	%	98%	97%		

Sustainable and regenerative agricolture

GRI 13.5 Regenerative approach					
	Unit	2021	2022		
Corn	scoring*	0,6	0,9		
Rice	scoring*	0,5	0,7		
Millet	scoring*	0,9	1,0		
Buckwheat	scoring*	0,8	0,8		
Sorghum	scoring*	0,9	1,0		
Oat	scoring*	0,5	0,7		

*On sustainable farming practices, we developed metrics to measure the success of our endeavours on a biannual basis. Under this self-assessment system, both Dr. Schär and the farmers who supply us raw materials have defined responsibilities, based on the technical implementation, extracted from FAO Principles linked here https://www.fao.org/3/19900EN/i9900en.pdf.

When an objective is successfully implemented, it receives a score of 1. If not, it scores o. These scores are then aggregated to generate a mean grade, ranging from 0.0 to 1.0. A mean grade of 0.3 signifies that actions are poorly implemented, 0.6 indicates adequate implementation, and 0.9 reflects an excellent implementation.

Pillar 2 | Sustainable packaging - GRI3: Material Topics (2021)

Product information and labelling

GRI 417-2 | Incidents of non-compliance concerning product and service information and labeling

Incidents of non-compliance concerning product and service information and labeling During the reporting period 2022-2021 the company has not identified any non-compliance with regulations and/or voluntary codes.

The reporting perimeter of this data does not cover the countries of Brazil and Turkey.

GRI 13.23 | Supply chain traceability only refer to the sourcing of packaging materials

We are able to track the origin of the purchased final films and packaging materials, but we're not able to track where the raw material comes from.

Waste

GRI 301-1 Materials used by w	Resources used for packaging purposes		
Materials	Unit	2021	2022
From renewable sources	kg	9.670.897	10.177.110
Paper	kg	1.269.459	1.374.521
Cardboard	kg	8.401.438	8.802.589
From non-renewable sources	kg	2.635.187	2.628.564
Plastic	kg	2.635.187	2.628.564

Total resources used for	ke
packaging purposes	kg

The reporting perimeter of this data does not cover the resources used for packaging purposes from the countries of Brazil and Turkey.

Perimeter: Klagenfurt, Lyon, Dreihausen, Apolda, Ahrensburg, Postal, Borgo Valsugana, Laives, Trieste, Moscow, Alagon, Warrington, Swedesboro, Lyndhurst.

12.306.084



12.805.67

GRI 301-3 | Reclaimed products and their packaging materials

Products sold	Unit	2021	2022
Bread Glutenfree	sales units	116.768.543	124.770.799
Bread Substitutes Glutenfree	sales units	11.609.231	11.476.546
Cakes Glutenfree	sales units	7.956.966	8.427.380
Biscuits/Sweets Glutenfree	sales units	26.111.432	26.894.353
Pasta Glutenfree	sales units	5.868.948	5.776.789
Snacks Glutenfree	sales units	36.375.296	38.235.631
Mixes Glutenfree	sales units	11.449.150	12.251.748
Cereals Glutenfree	sales units	3.635.769	4.005.914
Frozen Bread Glutenfree	sales units	5.775.519	6.401.248
Frozen Sweets Glutenfree	sales units	1.151.927	1.265.167
Frozen Pizza Glutenfree	sales units	4.123.211	4.422.155
Frozen Convenience Foods Glutenfree	sales units	4.958.516	5.441.515
Frozen Pastry Glutenfree	sales units	2.194.794	2.352.311
Ambient Pizza Glutenfree	sales units	3.410.778	4.031.622
Chilled Pasta Glutenfree	sales units	26.701	0
Chilled Sweets Glutenfree	sales units	347-944	607.862

Perimeter: Klagenfurt, Lyon, Dreihausen, Apolda, Ahrensburg, Postal, Borgo Valsugana, Laives, Trieste, Moscow, Alagon, Warrington, Swedesboro, Lyndhurst.

241.764.725

256.361.040

sales units

GRI 306-3 Waste generated			
Waste produced	Unit	2021	2022
Hazardous waste	t	30	26
Non-hazardous waste	t	6.195	7.023
Total waste produced	t	6.225	7.050
Waste produced by significant geographic areas	Unit	2021	2022
Italy	t	3.003	3.137
Europe	t	3.094	3.819
Austria	t	94	125
Germany	t	2.445	2.896
Spain	t	555	798
Rest of the world	t	128	94
Brazil	t	21	24
USA	t	107	69

GRI 306-3 Waste generated			
Waste produced	Unit	2021	2022
Hazardous waste	t	30	26
Non-hazardous waste	t	6.195	7.023
Total waste produced	t	6.225	7.050
Waste produced by significant geographic areas	Unit	2021	2022
Italy	t	3.003	3.137
Europe	t	3.094	3.819
Austria	t	94	125
Germany	t	2.445	2.896
Spain	t	555	798
Rest of the world	t	128	94
Brazil	t	21	24
USA	t	107	69

Total waste produced

Perimeter: Production plant in Klagenfurt, Campo Largo, Dreihausen, Apolda, Postal, Borgo Valsugana, Laives, Alagon, Swedesboro

Own KPI % of paper-based packaging certified "deforestation free supply chain"			
Paper-based packaging certified "deforestation free supply chain"	Unit	2021	2022
Percentage of our secondary packaging considered deforestation free supply chain*	%	100%	100%
Total weight of our secondary	Kg	9.670.898	10.177.110

Total weight of our secondary	Va
packaging	Kg

* Secondary packaging includes the purchase of 100% FSC-certified cardboard and paper

Note:

Deforestation free supply chain is a supply chain that is free from deforestation and conversion of natural habitats.
 The reporting perimeter of this data does not cover the countries of Brazil and Turkey.

Total

6.225

Pillar 3 | CO2 footprint - GRI3: Material Topics (2021)

GHG emissions

Energy consumption within the organization	Unit	2021	2022
a. From non-renewable sources	GJ	168.352	10.177.110
Propane	GJ	42.113	34.803
Natural gas	GJ	125.348	137.331
District heating (wood pellets/ wood chips)	GJ	891	657
b. Energy consumed or produced	GJ	114.521	124.277
Electricity	GJ	114.521	124.277
Total energy consumed	GJ	282.873	297.068
c. Energy sold	GJ	0	0

GRI 305-1,2 Direct and indirect greenhouse gas emissions			
Direct and indirect greenhouse gas emissions	Unit	2021	2022
GHG emissions - Scope 1			
Refrigerant gas refilling	tCO _{2eq}	77,0	558,3
Fuel consumption (Stationary combustion)	tCO _{zeq}	9.813,1	9.984,2
GHG emissions - Scope 2			
District heating (wood pellets/ wood chips)	tCO _{2eq}	0,3	0,3
Indirect emissions (Scope 2) Location-based	tCO _{2eq}	9.273,8	10.178
Indirect emissions (Scope 2) Market-based	tCO _{2eq}	2.841,75	3.272,7
Sum Scope 2	tCO _{2eq}	2.869,0	3.295,8

Sum of district heating plus indirect emissions (market based) + location based only Brazil due to missing market base data.

Pillar 4 | Diversity and inclusion - GRI3: Material Topics (2021)

Employment practices

GRI 2-7 Size and composition of workforce			
Size of workforce	Unit	2021	2022
a. Total workforce	no.	1.412	1.539
of which men	no.	794	878
of which men (%)	%	56%	57%
of which women	no.	618	661
of which women (%)	%	44%	43%
b. Workforce by type of contract and gender			
Permanent contract	no.	1.291	1.398
of which men	no.	746	817
of which women	no.	545	581
Temporary contract	no.	121	141
of which men	no.	48	61
of which women	no.	73	80
Total contracts	no.	1.412	1.539
of which men	no.	794	878
of which women	no.	618	661
Full-time contract	no.	1.279	1.397
of which men	no.	780	863
of which women	no.	499	534
Part-time contract	no.	133	142
of which men	no.	14	15
of which women	no.	119	127
Part-time + Full-time	no.	1.412	1.539
Percentage of part-time	%	9%	9%
N° of non-guaranteed hours employees	no.	0	0
of which men	no.	0	0
of which women	no.	0	0

Size of workforce	Unit	2021	2022
c. Workforce by type of contract and geographic area	no.	1.412	1.539
Italy	no.	658	70/
Permanent contract	no.	578	60
Temporary contract	no.	80	10
Full-time contract	no.	583	62
Part-time contract	no.	75	8
N° of non-guaranteed hours employees	no.	0	
Europe	no.	547	608
Austria	no.	40	4:
Permanent contract	no.	39	4
Temporary contract	no.	1	
Full-time contract	no.	38	4
N° of non-guaranteed hours employees	no.	0	
Germany	no.	343	37
Permanent contract	no.	323	34
Temporary contract	no.	20	2
Full-time contract	no.	303	32
Part-time contract	no.	40	4
N° of non-guaranteed hours employees	no.	0	
Spain	no.	112	13
Permanent contract	no.	101	12
Temporary contract	no.	11	
Full-time contract	no.	108	12
Part-time contract	no.	4	
N° of non-guaranteed hours employees	no.	0	
France	no.	23	3
Permanent contract	no.	18	3
Temporary contract	no.	5	
Full-time contract	no.	17	3
Part-time contract	no.	6	
N° of non-guaranteed hours employees	no.	0	
United Kingdom	no.	29	3
Permanent contract	no.	27	2
Temporary contract	no.	2	
Full-time contract	no.	25	2
Part-time contract	no.	4	

Rest of the world	no.	207	227
Brazil	no.	47	60
Permanent contract	no.	46	59
Temporary contract	no.	1	1
Full-time contract	no.	47	60
Part-time contract	no.	0	0
N° of non-guaranteed hours employees	no.	0	0
Argentina	no.	6	6
Permanent contract	no.	6	6
Temporary contract	no.	0	0
Full-time contract	no.	5	5
Part-time contract	no.	0	0
N° of non-guaranteed hours employees	no.	0	0
USA	no.	118	125
Permanent contract	no.	117	125
Temporary contract	no.	1	0
Full-time contract	no.	117	122
Part-time contract	no.	1	3
N° of non-guaranteed hours employees	no.	0	0
Turkey	no.	35	35
Permanent contract	no.	35	35
Temporary contract	no.	0	0
Full-time contract	no.	35	35
Part-time contract	no.	0	0
N° of non-guaranteed hours employees	no.	0	0
Russia	no.	1	1
Permanent contract	no.	1	1
Temporary contract	no.	0	0
Full-time contract	no.	1	1
Part-time contract	no.	0	0
N° of non-guaranteed hours employees	no.	0	0

GRI 2-8 Workers who are not employees				
Interns and agency workers	Unit	2021	2022	
of which interns	no.	28	36	
of which agency workers	no.	119	136	

Number of external workforce by occupational category and gender

GRI 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations

Benefit category		
	2021	2022
Life Provided in the national insurance collective agreement <u>https://spicy.drschaer.com/wiki/29/de</u>		Provided in the national collective agreement <u>https://spicy.drschaer.com/wiki/29/de</u>
Health care Various measures such as sports courses, fresh water and fruit, supplementary health insurance "Mutual Help" (BST, LFR and TRS) and "Fondo Fasa" (BVL)		Various measures such as sports courses, fresh water and fruit, supplementary health insurance "Mutual Help" (BST, LFR and TRS) and "Fondo Fasa" (BVL)
Disability and invalidity coverage Is regulated by law in Italy (INAIL), does not run via the employer		Is regulated by law in Italy (INAIL), does not run via the employer
Parental leave Legally regulated in Italy, additional time off possible https://spicy.drschaer.com/wiki/68/de		Legally regulated in Italy, additional time off possible <u>https://spicy.drschaer.com/wiki/68/de</u>
Retirement provision	Supplementary pension fund https://spicy.drschaer.com/wiki/72/de	Supplementary pension fund https://spicy.drschaer.com/wiki/72/de
Other	Subsidised canteen or full payment of lunch, free water, free frozen ready to eat meals for produc- tion staff, and many more: <u>https://spicy.drschaer.com/wiki/85/de</u> and <u>https://spicy.drschaer.com/storage/uploads/</u> <u>images/Benefits_agg-F6nsWgVwVyiapCsZDvQ-</u> <u>FYrcroFLNcOQ6tyAibvso.pdf</u>	Subsidised canteen or full payment of lunch, free water, free frozen ready to eat meals for produc- tion staff, and many more: <u>https://spicy.drschaer.com/wiki/85/de</u> and <u>https://spicy.drschaer.com/storage/uploads/</u> <u>images/Benefits_agg-F6nsWgVwVyiapCsZDvQ-</u> <u>FYrcroFLNcOQ6tyAibvso.pdf</u>

Italy

Germany

GRI 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations

BenefitStandard benefits provided by the Company to its full-time and part-time employees			
2021 2		2022	
		Occupational pension provision is supported with a subsidy of 15% of the investment sum	
Health care	Discount at local swimming pool, online yoga courses, rental bike "JobRad", fruit basket	Discount at local swimming pool, online yoga courses, rental bike "JobRad", fruit basket	
Disability and invalidity coverage Is regulated by law in Germany, does not run via the employer		Is regulated by law in Germany, does not run via the employer	
Parental leave Legally regulated in Germany, additional special leave day for birth of child		Legally regulated in Germany, additional special leave day for birth of child	
Retirement provision	Bonus on retirement incl. aperitif and farewell, furthermore invitation to all company parties (summer and Christmas parties)	Bonus on retirement incl. aperitif and farewell, furthermore invitation to all company parties (summer and Christmas parties)	
Other	Subsidised canteen, free water, free glutenfree frozen meals, Christmas gifts, Christmas and hol- iday bonuses, extra days off for births, weddings, special occasions, etc.	Subsidised canteen, free water, free glutenfree frozen meals, Christmas gifts, Christmas and hol- iday bonuses, extra days off for births, weddings, special occasions, etc.	

Number of employees with maternity entitlement	
Number of employees with materinty entitlement	

Number of employees with paternity entitlement
Total

GRI 401-3 Parental leave		
Туре	2021	2022
Number of employees who were entitled to parental leave in t	he reporting year (By law)	
Number of employees with maternity entitlement	618	662
Number of employees with paternity entitlement	794	877
Total	1412	1539
Number of employees who took parental leave in the reporting	g year (By law)	
Number of employees who took their maternity leave	29	47
Number of employees who took their paternity leave	7	15
Total	36	62
Number of employees who were entitled to parental leave in t	he reporting year (On voluntary	y base)
Number of employees with maternity entitlement	29	47
Number of employees with paternity entitlement	5	12
Total	34	59
Number of employees who took parental leave in the reporting	g year (On voluntary base)	
Number of employees with maternity entitlement	29	47
Number of employees with paternity entitlement	5	12
Total	34	59
GRI 401-3 Parental leave		
Туре	2021	2022
Number of employees who returned to work in the reporting p	eriod after parental leave ende	ed

Туре	2021	2022
Number of employees who were entitled to parental leave in t	he reporting year (By law)	
Number of employees with maternity entitlement	618	66:
Number of employees with paternity entitlement	794	87
Total	1412	153
Number of employees who took parental leave in the reporting	g year (By law)	
Number of employees who took their maternity leave	29	43
Number of employees who took their paternity leave	7	1
Total	36	6:
Number of employees who were entitled to parental leave in t	he reporting year (On volunta	ry base)
Number of employees with maternity entitlement	29	47
Number of employees with paternity entitlement	5	12
Total	34	59
Number of employees who took parental leave in the reporting	g year (On voluntary base)	
Number of employees with maternity entitlement	29	47
Number of employees with paternity entitlement	5	12
Total	34	59
GRI 401-3 Parental leave		

 Number of employees with maternity entitlement Number of employees with paternity entitlement
 Tatal

Number of employees who returned after their maternity	
leave ended	

Number of employees who returned after their paternity leave ended

Total

Number of employees who returned to work after parental leave ended that were still employed 12 months after their return to work

Total	28	5
Number of employees retained 12 months after returning to work following a period of maternity leave	5	1
Number of employees retained 12 months after returning to work following a period of maternity leave	23	3

Return to work rate

Women	92%	93%
Men	100%	100%
Total	97%	98%

Retention rate

Women	96%	95%
Men	100%	100%
Total	97%	96%

29	52
5	12
24	40

GRI 404-1 | Average hours of training per year per employee

Annual training hours by employment category	Unit	2021	2022
Average training hours per Executives (Board and directors)	h	26	31
Average training hours per Managers (Level II and III)	h	28	111
Average training hours per White collars (employees not managers nor blue collars dor directors and board members)	h	25	32
Average training hours per Blue collars	h	9	16
Average training hours per employee	h	17	34
Annual training hours by gender	Unit	2021	2022
Average training hours per female employee	h	20	42
Average training hours per male employee	h	15	28
Average training hours per employee	h	17	34

GRI 404-3 | Percentage of employees receiving regular performance and career development reviews

Unit	2021	2022
no.	48	49
no.	200	201
no.	417	481
no.	747	808
no.	1412	1539
Unit	2021	2022
no.	794	878
no.	618	661
no.	1412	1539
	no. no. no. no. no. no. Unit no. no. no.	no. 48 no. 200 no. 417 no. 747 no. 1412 Unit 2021 no. 794 no. 618

Non-discrimination, diversity and equal opportunity

G en

Bo

GRI 405-1 Diversity of governance bodies and employees		Directo 31 st December 2022	
Board of Directors by ger	nder and age	2021	2022
	< 30 years old	0	0
Women	between 30 and 50 years old	0	0
	> 50 years old	0	0
Total women directors		0	0
	< 30 years old	0	0
Men	between 30 and 50 years old	1	1
	> 50 years old	5	5
Total men directors		6	6
Total		6	6

GRI 405-1 | Diversity of governance bodies and employees

Se

ienior Management		2021	2022
Women	< 30 years old	0	0
	between 30 and 50 years old	7	7
	> 50 years old	5	5
Total women directors		12	12
	< 30 years old	0	0
Men	between 30 and 50 years old	23	22
	> 50 years old	15	17
Total men directors		38	39
Total		50	51

GRI 405-1 | Diversity of governance bodies and employees

Employees by employment by category and gender		2021		2022
	Women	Men	Women	Men
Executives (Board and directors)	11	37	11	38
Managers (Level II and III)	85	115	86	115
White collar (employees who are not executives, managers and blue collar)	273	144	301	180
Blue collar	249	498	263	545
Total	618	794	661	878

Senior managers as of 31st December 2022 by age

Employees by employment contract as
of 31 st December

GRI 405-1 Diversity of governance bodies and employees			Employe	es by emp	loyment co of 31 st D	ontract as December
Employees by employment by category and gender			2021			2022
	∢ 30 years old	between 30 and 50 years old	> 50 years old	30 ¥ years old	between 30 and 50 years old	> 50 years old
Executives (Board and directors)	0	33	15	0	34	15
Managers (Level II and III)	30	147	23	33	143	25
White collar (employees who are not executives, managers and blue collar)	86	252	79	108	289	84
Blue collar	114	413	220	134	449	225
Total	230	845	337	275	915	349

Discrimination incidents	Unit	2021	2022
Total number of discrimination incidents	no.	0	c
Number of incidents reviewed by the organization	no.	0	(
Number of remediation plans being implemented	no.	0	(
Number of remediation plans that have been implemented, with results reviewed through routine internal management review processes	no.	o	c
Number of incidents no longer subject to action	no.	0	(
Total	no.	0	

S1-19 Employment of persons with disabilities		Employees by employment contract		
Employment contract type Gender Unit		2021	2022	
Permanent	Women	no.	28	29
	Men	no.	26	28
	Total	no.	54	57
Temporary	Women	no.	5	5
	Men	no.	1	1
	Total	no.	6	6
Total employment contract type		no.	60	63

S1-19 Employment of persons with disabilities		Employees by employment contrac		
Employment contract type	Gender	Unit	2021	2022
Full-time	Women	no.	24	26
	Men	no.	20	21
	Total	no.	44	47
Part-time	Women	no.	9	8
	Men	no.	7	8
	Total	no.	16	16
Total employment contract ty	pe	no.	60	63

S1-19 Employment of persons with disabilities		Employees by employment contract		
Employment contract type	Gender	Unit	2021	2022
Non-guaranteed hours employees	Women	no.	0	0
	Men	no.	0	0
	Total	no.	0	0
Total employment contract type		no.		0

S1-23 Work stoppages						
Employment contract type	Work stoppages cat- egory	Unit	2021	2022		
Number of work stoppages (including both strikes and lockouts) because of disputes between the undertaking and its own workforce.	Strikes	no.	0	0		
	Lockouts	no.	0	0		
Total hours of strikes and lockouts	;	no.	0	0		

Occupational health and safety

GRI 403-9: Work-related injuries

Employees	Unit	2021	2022
Employee worked hours	no.	945.312,50	975.127,25
Total number of recordable work-related injuries, including fatalities	no.	31	32
of which work-related injury low-consequence (<6 months of absence) excluding fatalities	no.		
of which commuting incidents (only if the transport has been organized by the organization)	no.	o	0
of which high-consequence work-related injuries (>6 months of absence),excluding fatalities	no.	0	1
of which fatalities	no.	0	0
Rate of recordable work-related injuries	-	32,79	32,82
Rate of high-consequence work-related injuries	-	0	1,03
Rate of fatalities	-	0	0

The total number of employee worked hours do not include the worked hours of employees from Argentina, Russia and Turkey.

Work injury rate calculated as: (total number of recordable injuries/total number of hours worked) *1.000.000. Rate of occupational accidents with serious consequences calculated as: (total number of high-consequence work-related injuries (>6 months of absence)/ total number of employees) *1,000,000.

Rate of fatalities calculated as: (total number of fatalities/ total number of employees) *1,000,000.

GRI 403-10 | Work-related ill health

During the reporting period 2022-2021, the company has not registered any fatalities as a result of work-related ill health nor any case of recordable work-related ill health.

The total number of employee worked hours do not include the worked hours of employees from Argentina, Russia and Turkey.

Own KPI | Employees overtime by category and re Unit Overtime By employee category h h White collar % h Blue collar % By region h Italy % h Europe % h Rest of the world %

Perimeter: data only refer to Austria, Germany, Italy, Spain, UK, USA and not include Argentina, Brazil, France, Russia and Turkey.

Extra pillar

Anticorruption

GRI 205-3 | Confirmed incidents of corruption and action taken

During the reporting period 2022-2021 the company did not registered any incidents of corruption.

No incidents of corruption can be confirmed for Dr. Schär AG, but not for the subsidiaries, since we do not have a groupwide compliance management system.

Food safety

GRI 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and service

During the reporting period 2022-2021 the company has not identified any non-compliance with regulations and/or voluntary codes.

FB-PF-250a.1 | Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances

During the reporting period 2022-2021, the number of facilities that registered highest severity of non-conformances was equal to o.

2022
103.178
18.280
18%
84.898
82%
67.041
65%
24.516
24%
11.621
11%

