

Our Commitment

to People, Products and our Planet



Dr. Schär AG/SPA
Postal, Italy, January 2024

Preamble

Welcome!

Our world is constantly changing at a rapid pace. This makes it even more important for us all to clearly define who we are, what we stand for and what our aims are. *Our Commitment to People, Products and our Planet* sets this out for you. Based on the needs of our consumers and the environment, it is a living document describing our identity and our actions. It is also a promise made by every single member of the international Dr. Schär community.

The origins of Dr. Schär go back to 1922, in the heart of the Alps, where German and Italian culture come together and inspire one another. It all started with an encounter between a mill owner and a doctor who had seen in his practice the problems a poor diet can cause in children. His name was Dr. Anton Schär.

For over 100 years, we have been committed to providing consumers with holistic support. We have continuously developed and expanded our range of safe, delicious products for people with special dietary needs. We work for our consumers. Our close relationship with them is the inspiration for our innovation and development.

Today, we look back on four decades of success in producing gluten-free food – our first line of business and still the company's mainstay. We have poured the same passion and dedication into other areas of nutrition as well, to help people achieve and maintain good health.

Our consumers face the challenge of adjusting their lifestyle to the requirements of a new diet.

The word "diet" comes from the Ancient Greek $\delta\acute{\iota}\alpha\iota\tau\alpha$ (pronounced "díaita"), which means "way of life; lifestyle". Dietology is an umbrella term that initially encompassed all the aspects of a regimen which help to maintain or restore physical and mental health.

When someone changes their diet, they also have to change the way they look at life. In other words, shaping one's personal environment plays a key role in successfully changing one's way of living. We firmly believe that our consumers should not have to do this alone. They need understandable explanations of what is good for them and what they should avoid. That is why we offer them very good, suitable products and services as well as additional support via clear, consistently positive communication.

Our values of responsibility, progress and proximity shape our corporate culture. They constitute a promise to our consumers, a standard for us to uphold and a commitment to sustainability.

Personal responsibility has nothing to do with hierarchies, so we expect every member of our team to act responsibly to the best of their knowledge and belief. We value the opinions of every individual and welcome open discussion as the best way to drive improvement. Our working atmosphere is transparent and respectful, our work is clearly structured and we stay focused on our goal.

With our dedicated employees and our professional partners, including our suppliers and distributors, we develop and produce great-tasting food that brings people together around the same table. Whatever our consumers' specific nutritional needs may be, we always strive to offer something special. Read on to find out how we do this.

Yours faithfully,

Ulrich Ladurner and Hannes Berger

Founder and President | CEO



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Note:

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Vision, mission and maxim

In our mission statement, we have clearly defined what we strive for, what drives us and how we achieve our objective.

Our vision

We are the first choice for our consumers around the world because we are close to them and provide innovative, great-tasting, top-quality products that inspire them.

Our mission

We improve the lives of people with special dietary needs.

Maxim

Innovation is our means for fulfilling our mission and getting closer to our vision with every step.

Innovative spirit is our attitude. We are attentive and ambitious to understand regional needs and to identify new requirements. We work with independent scientists and invest in our own research and development to improve our products continuously and to develop new products.

Our quality creates quality in life. For us, a product is only an innovation when it improves the lives of our consumers. With this premise, we bring innovations to market and stay in the lead. For a better life for our consumers and for our corporate success.

1. People

“Improving the daily lives of people with special dietary needs has always been our mission.” Ulrich Ladurner

Our mission is what drives us. Everyone in the international Dr. Schär community is dedicated to constantly breathing new life into this undertaking. That includes our loyal, highly qualified employees along with our trusted partners and suppliers. All of the people who are crucial for us and our quality products – like farmers, millers, nutritionists, doctors, researchers and quality assurance experts – share our conviction that mealtimes should always be a wholesome, pleasurable experience.

On top of this, we are all bound together by the belief that our actions must be determined by our values and respect for each other and, at the same time, respect for the laws and regulations where we work. This is our recipe for long-term growth and success.

1.1 Responsibility, progress and proximity

Our company is active in markets across the world, so communicating in different languages comes naturally to us. However, there is one language that unites us the world over: our values. They form our foundation, provide us with stability, and guide us in everything we do. They are binding for everyone who works for or with Dr. Schär.

Responsibility is the foundation for reliable action. We take responsibility for the well-being of our consumers. We act responsibly and use our resources conscientiously, so that our products and services provide maximum benefit to our consumers.

Progress is the engine of our development. Through our strength in innovation, we improve the lives of our consumers. We are always open to innovation and we pursue it actively. For us, progress means inspiring our consumers over and over again.

Proximity engenders quality. We achieve proximity to our consumers through our actions and services, we stay close to what is happening in our markets, and we regularly exchange ideas with each other. All this creates a deep understanding of the needs of our consumers, which is the basis on which we develop products and services that improve their lives. And, it is the key to our success.

We all have a responsibility to live and act in accordance with our values in everything we do, both within the company and in the outside world. They are the standard for all our actions.



1.2 One company – one team

“People are our strength, and our consumers are the focus of our actions.”

Werner Strobl, Chief Sales Officer

As a family business, we encourage a personal, respectful way of working together. Whoever we are dealing with – an employee, a manager, a supplier or a partner – we are always honest with each other, fair and reliable. And we always act in accordance with the applicable guidelines and laws.

We love, respect and celebrate diversity. This means that we reject any kind of discrimination based on race, colour, sex, age, national origin, religion, sexual orientation, gender identity and/or expression or disability.

We are an international community and everyone is an important part of it – our employees, our consumers, our suppliers and our business partners. Our success is built on cooperation and collaboration because we know that we can achieve more together.



What does it mean to be part of the Dr. Schär community?

Whether you are an employee, a supplier or a partner: our working relationships and business are based on the following principles:

- ✓ We maintain respectful, fair and honest relationships with each other.
- ✓ We always put our consumers first.



We care for our employees

“At Dr. Schär, three factors influence personal development: professional expertise, experience and strong performance. Those who show commitment can achieve a lot in our company, and those who are willing to take on responsibility have great opportunities for successful career development here.”
Ulrich Ladurner

People make a company what it is. We create a positive working atmosphere in which everyone feels motivated to do their best, an environment centred on creativity, loyalty, reliability and responsibility. We all work towards a shared goal. We are ambitious and set ourselves professional challenges. We deal with conflicts openly and honestly. Our

occupational and continuing training options offer each employee the chance for further development. When we grow as individuals, we grow as a company.

In keeping with our values and principles, we offer our employees numerous attractive benefits:

- We strive to meet the needs of our employees and to promote work-life balance. Depending on the kind of job and on local policies, it is possible to work flexible hours or from home. Some of our sites have a canteen and/or day care facilities for young children. Depending on the number of employees and on the space available, we also offer yoga and sports activities, for example. In addition, we offer supplementary health insurance at some of our company sites.
- To support professional and personal development, our in-house Dr. Schär Academy provides customised training programmes in an optimal learning environment. Through these and other offerings, our employees can further their expertise and learn new languages.
- Our Intercompany Exchange programme opens up new opportunities and prospects. Employees can take part in this exchange in the framework of a structured project or on the basis of their know-how, development needs or experience.
- Nutrition is at the heart of everything we do, so it is important that everyone across the company is knowledgeable in this area. We organise initiatives and events and invite specialists to give presentations on topics that are of relevance and interest to us.
- A good team spirit creates a positive working atmosphere. We offer various sports activities at each of our sites throughout the year and organise Christmas parties and other joint events. This brings us closer together and makes us stronger for the future.



What does that mean for me as an employee?

- ✓ I feel responsible towards internal and external stakeholders and I am proudly committed to my work and to Dr. Schär.
- ✓ I strive for the highest quality in everything I do and participate proactively in further education and training programmes.
- ✓ I do my best to solve problems, correct mistakes and resolve conflicts in an honest, self-reflective and positive way.
- ✓ I support other people, help them and report any case of bullying or discrimination to my supervisor.

We focus on our consumers

“The better we listen to and understand our consumers, the better our products and services are.” Hansjörg Prast, Chief Marketing Officer

Proximity to our consumers is essential. It has been a key part of the way we do business ever since the founding of our company. We want to address consumers in a targeted fashion and get to know, involve and understand them so that we can cater for their special dietary needs. By offering them high-quality products that are good-tasting and safe, accompanied by helpful services and information, we make their everyday life easier and more pleasurable.

Intensive dialogue with our consumers also inspires new ideas and innovations. We constantly endeavour to understand their wishes and needs, so that we can offer them new solutions that will satisfy, delight and even surprise them. We listen carefully to our consumers and study their behaviour. In this way, we learn not only what products and services they want, but also which aspects are especially important to them.

Our consumers stay in touch with us even after purchasing our products. Wherever they are in the world, they can contact our highly qualified Consumer Service Teams at any time by email, on our website, using social media or live chat, or via our free telephone number. We always speak our consumers' language! We listen and do our utmost to respond to every query quickly and professionally. Our Nutrition Service provides consumers with helpful offerings such as our welcome boxes, which contain relevant and useful information for people transitioning to a new diet. Consumers can also consult our dietitians if they have any questions. We are open to feedback, suggestions and new approaches and ideas – because we know that this input helps us to keep improving.



Leadership based on values

“Be enthusiastic about the employees. They know their job and they make a valuable contribution to the company’s development. They deserve freedom.”

Ulrich Ladurner

We want to take Dr. Schär forward with a leadership culture that is based on our values and aligned with our mission and vision. For one thing, this means always making the reasons for our actions and our goals clear to our teams. But it also means considering other people’s positions, trying to understand them and taking responsibility for decisions. Strong relationships and intensive dialogue are decisive in this. We encourage everyone to talk openly and honestly about what can be done better. We aren’t afraid of weaknesses or mistakes; we address them constructively and take them as an opportunity to improve.

We know we put high demands on our people in leadership positions. Accordingly, we provide intensive training for new managers to ensure that they possess the necessary competencies to succeed in their roles.

Furthermore, we periodically assess the performance and goals of our employees. We regularly conduct formal, documented performance reviews to define, monitor and evaluate to what extent each person is achieving their immediate and longer-term development goals. This also offers employees an opportunity to give feedback on topics that concern

them. Whether the issue is working conditions, work-life balance or team collaboration – we place importance on a frank and open exchange.

Honesty is a great strength. It helps us to recognise potential errors and prevent them from occurring. By keeping an eye on how we are accomplishing our own tasks, as well as on the end result, we all contribute towards identifying and minimising risks. Mistakes naturally happen – we are all human! But we take these as a chance to learn and continually improve.



What does that mean for me as a manager?

- ✓ I lead my team in line with our company values. As my team develops, so do I. I work for my team as much as they work for me.
- ✓ I value feedback and I am committed to giving and receiving it in a constructive and open manner. I accept and reflect on the opinions of my team members.
- ✓ I conduct risk management and always focus on solutions.
- ✓ I resolve conflicts fairly and in the interest of my team and the company.
- ✓ I act as a role model for my team members and ensure that our actions are understandable to everyone. I encourage them to take on responsibility and to adopt an entrepreneurial approach.
- ✓ I contribute actively to the improvement of our management system.



Occupational safety guideline

Safety at the workplace and the health of our employees are our highest priority. Our company's occupational safety system is part of our integrated management system and meets the requirements of ISO 45001. All the company's activities are designed to ensure the maximum possible protection of the employees and their health, and to meet and implement legal requirements beyond the minimum standard.

We focus on continuously improving our occupational health and safety performance. Our primary goal is to reduce work-related risks and injuries to a minimum by means of prevention and to strengthen our employees' awareness of health and safety risks by promoting their self-reliance and encouraging them to take responsibility for their own actions. We provide our employees with instruction and training to this end, including our annual "Safety Days". These help to sensitise people to risks and to motivate them to suggest improvements. The Executive Board supports the company's occupational safety management by providing the necessary resources and infrastructure and setting operational occupational safety and health protection goals. All our office workplaces comply with the ergonomic specifications and are subject to ongoing checks. It is very important to us to ensure a low-risk, healthy working environment. We attend to air quality and lighting conditions, we use natural materials and, wherever possible, we provide access to green outdoor spaces.

Our safety rules apply throughout the company – including at production sites with shift work. Here, too, we provide our employees with healthy working conditions, for example through work rotations and good indoor air conditioning. We constantly monitor noise levels and light quality. 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 sufficient suitable work clothing is always available. We review all of our processes for potential safety risks and continually update our risk assessments.

Our senior management team monitors and reports accident figures on an ongoing basis. We have been able to keep the number of workplace accidents to a consistently low level by means of various preventive measures, such as risk assessments and targeted staff training.



What does that mean for me as an employee?

- ✓ I inform myself about our health and safety regulations and follow them.
- ✓ I am careful and mindful in everything I do, and I act on my own responsibility.
- ✓ If I see a risk, I report it. If necessary, I make suggestions for improvement.

- ✓ In case of emergency, I follow the emergency plan provided at each site and provide assistance.



Our suppliers are our partners for quality right from the start

“We see our relationship with our valued suppliers and retailers as a shared journey on a path to sustainable ingredients of the best quality.” Armin Santa, Director of Global Purchasing – Raw Materials

Trust is the basis of any relationship. Shared ethical yardsticks are immensely important for a good relationship between a company like ours and its suppliers and retailers. This is why we carefully choose who we work with looking for partners whose ways of doing business are in compliance with our own social, ecological and economic values and who can meet our demands in terms of quality and innovation. We welcome them in our company and seek to build long-standing relationships with them.

We choose new suppliers according to a defined set of quality criteria, always followed by on-site audits. To ensure that our suppliers fulfil our stringent quality requirements over the course of our partnership, we continuously evaluate their performance and standards. This allows us to work together to identify potential for improvement and minimise risks.

It is very important to us that we treat one another as peers. This encourages intensive, constructive exchange, helps us to be transparent and make comprehensible decisions, and gives us the confidence that we can rely on each other. Shared experience through cooperation on specific projects improves our mutual understanding. Through many years of close cooperation with our suppliers, we get to know each other very well. This creates relationships that often last for decades and continuously ensure the best quality.



How do we cooperate with our suppliers?

- ✓ We treat all our suppliers as partners and communicate with them in a solution-oriented, transparent and respectful way.
- ✓ We accompany every step of the value chain, from farm to fork.



Our distributors are the interface with our consumers

“The relationship to our distribution partners is characterised by a focus on our consumers’ needs and a clear, common goal to meet or exceed their expectations as best as possible. Consumer satisfaction is what connects us. We work together as equals, sharing values, milestones and successes.”

Werner Strobl,

Chief Sales Officer

Good and sustainable relationships with our distribution partners help improve the lives of our consumers. Our consumers trust the quality of our products and are loyal, regular users. This is also highly appreciated by our distribution partners. They are the final interface with our consumers and play a key role in ensuring that our top-quality products land on our consumers' tables every day. It is at the point of sale that it is decided whether our products are well received by the consumer and how they are perceived.

Our products are on the shelves of our partners in food retail, pharmacies, health food shops, drugstores, gluten-free shops in over 100 countries, and are also offered in hotels, restaurants, hospitals and airlines.

Due to their special nutritional needs, the availability of our products is enormously important to our consumers and is therefore a top priority. Our goal is to be present wherever consumers are looking for us. Without our distribution partners, this goal cannot be achieved. As a result, they contribute significantly to the satisfaction of our consumers. The constant joint focus on "maximising customer satisfaction" ensures success – both for us and for our distribution partners.

As market leader and expert in our niche market, we are happy to pass on our knowledge to our partners in order to achieve the optimum for our consumers at the point of sale and to open up new paths. This is why many of our partners have given us the status of a "Category Captain" for our category, i.e. we are considered "Consumer Understander" – a distinction for us.

Mutual appreciation and a respectful relationship at eye level characterise the cooperation with our distribution partners. Even in tough negotiations, fairness is a matter of course. We cultivate our business relationships in order to develop them successfully in the long term on the basis of our common goals. In this way, we achieve a win-win situation in the triangle between our consumers, our distribution partners and ourselves.

Sustainable action is becoming more and more important. With a specific "sustainability agenda", we develop measures together with our partners and thus contribute every day to reducing our ecological footprint step by step.



How do we work together with our distribution partners?

- ✓ We strive for business relationships with distribution partners that are based on the same values and quality standards.

- ✓ We work hand in hand with our distribution partners to provide our consumers with the widest possible choice of gluten-free products across all categories and to inspire them anew every day.
- ✓ We proactively bring our consumer knowledge to bear to secure mutual success.
- ✓ In the interest of our consumers, we focus on a sustainable and long-term cooperation with our distribution partners. Joint successes are the goal of all our actions, as this is the only way to create value in terms of consumer satisfaction.

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Our valued partners: the healthcare professionals

A business like ours doesn't act alone. Working with doctors, nutritionists, patient organisations and professional associations is crucial for us. Over time, we have built long-term relationships with our partners based on trust and common ethical principles. We always seek to work with partners who share our corporate values.

Our partnerships enable us to expand and deepen our involvement in scientific, informational and clinically oriented areas. We collaborate with representatives of all disciplines that are relevant to us, including gluten-free nutrition, renal nutrition and keto nutrition. The needs of our consumers are always foremost. To ensure they receive the best products and treatments, we support continued medical education and scientific research, and we seek feedback as well as consultation on our products and services. Our in-house Nutrition Service works closely with healthcare professionals.

Research and ongoing innovation play a pivotal role in our future- and consumer-oriented activities, enabling us to stay constantly a step ahead of the needs and demands of our consumers, and of market trends. Our cooperation with scientific stakeholders is as multifaceted as it is mutually beneficial. We collaborate with universities, research centres and scientific societies. We support educational events, organise advisory boards and provide consulting services. We fund research projects in areas of current or possible future relevance to us, and we provide scholarships and sponsorships. Our Dr. Schär Institute is a support platform for knowledge transfer and research that is used intensively by the food science community. You will find further information about the Institute here:

<https://www.drschaer.com/uk/institute/home>.



What does cooperating with healthcare partners mean for us at Dr. Schär?

- ✓ We communicate with our partners at eye level. Our relationships with them are based on respect and transparency.
- ✓ In all our partnerships, our primary aim is to create outcomes that are of benefit to patients or healthcare professionals. We never grant personal favours or illicit benefits to any of our partners.
- ✓ We ensure that the knowledge that is transferred via our platforms and communications channels is scientifically sound, neutral and verified.



1.3 We work for the common good

We are an internationally active company with strong regional roots. In keeping with our orientation, it is important and natural to us to develop good relationships with the people and places where we do business. For many years, we have supported a wide range of local projects, art and sport societies. This is how we show our appreciation for and solidarity with local communities.

All of our European and US production plants support local food banks. In Europe, most of these are part of the FEBA (European Food Banks Federation) network.



1.4 Legal conformity

We at Dr. Schär are committed to fair and transparent business conduct on the basis of the applicable rules and legislation in all the markets in which we operate. 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.

International labour and social standards

We operate worldwide according to international labour and social standards. We conduct our business based on the conventions of the International Labour Organization (ILO), on the United Nations (UN) Declaration of Human Rights and Declaration of the Rights of the Child and on the Guidelines for Multinational Enterprises of the Organisation for Economic Co-operation and Development (OECD).

We promote fair working conditions and respect all applicable regulations and prohibitions concerning corruption, bribery, fraud and extortion. For us, business integrity also means that we observe trademark and patent rights and avoid copying existing concepts of other market participants.

Our companies are certified. 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.

Integrity and appropriate behaviour

Integrity is essential for our long-term success. We conduct our business in accordance with applicable laws and guidelines. We treat our shareholders, consumers, employees, service providers, government and regulatory authorities and society as a whole with respect.

We protect our corporate property, systems and information. We do not make inappropriate use of them and we ensure that they are used correctly.

Information and communication

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, but focus our communication on the functional and emotional benefits of our products. The information and claims about our products are scientifically well-founded and transparent. The basis and model for our digital communication is our personal exchange with our consumers in accordance with our values.

Data protection

We protect the personal data of our consumers, partners, suppliers and employees in compliance with national and international data protection laws, including the European Data Protection Regulation (GDPR EU 2016/679). We take the utmost care in setting up and managing our databases, and take into account international information security standards, such as ISO/IEC 27001.

We work with an Information Protection RMS (Rights Management Service) to significantly increase the protection of our company's know-how through a process of classification and automatic encryption of electronic documents and emails.

Compliance

We strive to maintain an exemplary compliance culture and to optimise it on an ongoing basis. As part of this, we have set up an internal whistleblowing system which can be used to report any shortcomings or misconduct. Our heads of department at Dr. Schär AG have received training in connection with this. Through our internal suggestion system (Idealab),

employees in Italy, Germany, Austria, the UK and Spain can make suggestions on any issues that concern them, including the environment and occupational safety. We have plans to extend this system to all our other subsidiary companies.



What should I do if I observe non-compliant behaviour?

- ✓ If you become aware of any irregularities or of any non-compliant behaviour of a colleague, please take immediate action and inform your supervisor or report incidents anonymously via our email address: whistleblowing@drschaer.com
- ✓ Please also report any observed or suspected cases of non-compliance related to our suppliers or partners. The relevant office will inform them hereof and expect them to investigate and correct issues as soon as possible and within an agreed time frame.



2. Our Products

“Every meal is made up of a unique blend of physical and emotional ingredients. The greater the variety and the better the quality of these ingredients, the richer and more comprehensive the meal.” Jacqueline Pante, Director of Global Nutrition Service

At Dr. Schär, we make food products with love and care for all people who decide to, or need to, make a dietary change – whether for health reasons or simply by personal preference. We are here to make this change as easy and as pleasurable as possible, and to help people improve their quality of life too.

We care deeply about the quality and flavour of our products. With more than 250 products and our leading brands Schär, Flavis and Kanso, we meet a wide range of tastes and needs. In all our products, we mix nutritious ingredients with a splash of indulgence. The resulting meal conveys “joie de vivre”, or zest for life. And we ensure that everything we offer meets the highest safety and quality standards.

After all, when you sit down to enjoy a meal, it isn't just nutritional balance you are looking for – you also want great food that is a pleasure for the senses. We strive to offer food products that delight our consumers with their appearance, taste and texture, are easily integrated into their daily life and family meals and – most important of all – bring joy and a sense of togetherness.



2.1 Our consistent commitment to quality

“Great food, outstanding quality and fantastic taste – that’s what we’re passionate about and that’s exactly what we bring to our consumers.” Hannes Berger, CEO

At the heart of our constant dedication to added quality in what we produce is our desire to improve our consumers’ quality of life. That is what we strive to do every day.

We are committed to making food products of outstanding quality and flavour, which meet specific dietary requirements. To do so, we combine our expertise in food technology and nutrition with our understanding of the needs and wishes of our consumers. In this way, we consistently develop food products for a nutritionally balanced diet and continually strive to improve our processes and management systems.

Respect for the environment and human dignity are fundamental values, which are reflected in all our actions, because quality is essential to everything we do.

Quality inside and out

Our quality assurance teams ensure that we meet all legal requirements for the production of foodstuffs. We use a strict, seamless control system to avoid cross-contamination*.

** The unintentional transfer of contaminants such as pathogens (microorganisms which cause illnesses) or allergens (contamination occurring in the production facility due to residues of other products).*

We always make sure that our product packaging carries all the necessary information. The information on the outside is as important as the product inside. We know how much our consumers rely on the information on the packaging, so we make every effort to ensure it is always accurate and clearly understandable.

Innovation

Innovation for us is not just about developing new products that meet special nutritional requirements. It also always improves our consumers' quality of life. That is why it is crucial to our development process to test all our products for their sensory properties. Our expert tasters are specially trained to critically assess each product with regard to its sensory appeal. When we get the thumbs up from our taste testers, we know we are going in the right direction! They help us to ensure we maintain and develop the quality of all the products in our range. The result is a product range as delicious as it is nutritious.

Meeting a range of special nutritional requirements



Gluten-free products based on natural ingredients

Naturally gluten-free cereal varieties such as maize, rice, millet, buckwheat, oats, sorghum and quinoa are at the heart of our popular gluten-free products. These grains, together with the many other high-quality, digestible raw materials we use, give our products their distinctive taste and aroma. But that is not all: they also have a beneficial impact on nutritional quality. We don't add artificial flavourings, aromas or colourings, nor do we add artificial preservatives. In addition, we set high standards for ourselves and strive to keep the amount of sugar, salt and fats – particularly saturated fatty acids – in our products to a minimum. Wherever possible, we reduce the quantities of these ingredients in order to help our consumers eat a healthy, balanced diet. These standards are aligned with national and international guidelines.



Low-protein, low-salt nutrition for people with chronic kidney failure

We want to improve the lives of people with chronic kidney failure and assist them in regaining vitality they may have lost. For this reason, we offer a range of products and services for a low-protein and low-salt diet, as well as helpful, easy-to-understand information on the nutritional therapy. The goal of this therapy is clear: to delay initiation of dialysis and improve the quality of life of those affected. The nutritional profile of our products corresponds with the dietary recommendations for people with chronic kidney failure who don't require dialysis. We use high-quality ingredients and pay attention to a balanced nutritional profile. The ingredients are predominantly based on natural plant extracts and vegetable raw materials. Our products are low in protein, salt, phosphorus and potassium, while being a good source of energy and fiber. They're also free of preservatives and contain only the technologically absolutely necessary additives. Here, as with all our products, it is very important to us that their sensory quality is similar to that of conventional, well-known products. We work intensively to optimise our product range on a continual basis.



Nutritionally complete liquid formula, modular products as well as food, ketogenically formulated and enriched with MCT fats

These products are formulated ketogenically and enriched with MCT fats. They are designed for people who follow a MCT-containing or ketogenic diet due to illness. For people with specific medical conditions such as severe epilepsy, the ketogenic diet has been shown to improve seizure "situations" and thus improve quality of life.

The portfolio includes MCT oils and fats, drinkable foods, oils in bottles as well as sachets, spreadable creams and other formulations.



International certifications

We bear responsibility for the quality of our products. Accordingly, 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. As we are aware that our consumers have a range of views about palm oil, we offer a variety of solutions in this regard, including products made with sustainable palm oil and others that are entirely palm oil-free.

In 2020, we achieved UTZ certification. As part of this system, we support an organisation that is committed to making cocoa farming more sustainable and improving the working conditions of labourers 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.



2.2 How we ensure safety

“Quality begins in the smallest detail, and safety is the guideline for all of our processes.” Günther Augustin, Director of Global Quality Assurance

Our food products are important – essential, even – for our consumers. The consumer must be sure that our food products aren’t just healthy, but also flavourful and reliable. Therefore, we closely monitor each step of the process, from the field to the point of sale. Our quality assurance teams work continuously to make sure our food products fulfil every legal requirement.

Quality checks

We work hand in hand with each other and our partners. Our quality assurance teams support our production teams in standardising processes. They monitor and control hazards to safeguard the quality of the raw materials as well as of the end products. Together with our suppliers and processors, they ensure that we deliver only the best and safest product to the consumer. Using the VITAL concept (Voluntary, Incidental, Trace Allergen Labelling) an international team of over 40 trained Dr. Schär employees guarantee production quality and safety, from the raw materials to the finished product. You will find further information here: <https://www.drschaer.com/uk/a/quality-control>.

Technologies and processes for more safety

One of the ways we ensure food safety is by developing the right production technologies in cooperation with our suppliers. We employ highly specialised technologies for the entire process and invest in them every year to keep them up to date. Our machinery and plants are maintained and serviced exclusively by qualified, specially trained personnel.

Regular controls guarantee consistent product quality. Exacting hygiene standards at our production sites ensure product safety. We offer our employees and partners all of the legally required continuous training programmes in hygiene regulations and rules of conduct. Advanced training is also available. In this way, we ensure that by striving for perfection, we achieve our high quality standards.

Product protection

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 unauthorised interference, sabotage or other deliberate illegal acts. With our food defence concept, we can identify and monitor weak points of products or plants in order to minimise risks and take preventative measures.



2.3 Innovation in everything we do

“Innovation is what drives our development. We see this as a promise and an obligation to our consumers. Their trust is the basis for our future success.”

Virna Cerne, Senior Director of Global Research & Development

We never stand still. We work constantly to improve our products, expand our range and develop new groundbreaking nutritional solutions.

Our vision, unwavering dedication and scientific methods are the ingredients for our successful innovation, which is always centred on our consumers’ needs. Thanks to the innovations developed by our scientists in the areas of medical nutrition and gluten-free foods, our company has become a leader in these fields. With our innovative processes and the right selection of raw materials, we achieve the ideal balance between a natural diet and the fulfilment of nutritional requirements.

Our innovations are helpful. We don’t follow short-term trends, but rather seek to meet the needs of people with special nutritional requirements over the long term. Our marketing, too, is highly innovative, based on both data-driven market research and our creative approach to product concept and design. Aware that yesterday’s success is no guarantee of

success tomorrow, we constantly endeavour to develop our technological knowledge and expertise in order to provide products that will always lead the market.

At the heart of our innovative strength is the Dr. Schär R&D Centre, situated in the internationally known AREA Science Park in Trieste, Italy. Our employees at the R&D Centre are highly qualified in a range of scientific and technical disciplines. With a focus on developing new food solutions to meet specific nutritional requirements, they carry out research into innovative raw materials and new formulations, products and technologies, as well as improving existing products. Traditional manufacturing methods such as fermentation and the production of sourdough are reinterpreted and adapted to our current challenges.

Innovation is a tradition at Dr. Schär, where we have a long-standing, multifaceted programme of research and development. This has enabled us to take new approaches in grain cultivation and product development, and to make significant contributions to an improved understanding of coeliac disease, gluten/wheat sensitivity and further nutrition-related issues. By planning for the long term and maintaining a vision for the future, we offer innovations today that meet the demands of the evolving market of tomorrow.



3. Our Planet

Care and love – for people and for our planet – go into all of our actions, work and products. As a family-run business based in the heart of the Alps, where the German and Italian cultures inspire one another, we feel deeply connected to each other and the environment. We are driven by a strong sense of responsibility for our consumers, our employees and nature. Protecting our natural resources isn't just a question of good business sense for us. It is fundamental to our values and our ethical commitment, and is thus a primary concern for everyone in the company at all times. We always strive to do better, because what is at stake is the health of the one place that we all call home: our planet.



3.1 For a greener world

As inhabitants of Planet Earth today, we have a moral duty to protect the environment and pass it on in as intact a condition as possible to the coming generations – our children and grandchildren. Preserving our environment benefits us all: our consumers, our employees and our company. No company can truly be viable if it isn't also sustainable. We are committed to this core principle, following the guideline provided by the UN Sustainable Development Goals. We have examined how we can contribute towards meeting these targets.

To identify improvement potential, we scrutinise every aspect of our business. We analyse, evaluate and review all our policies and measures with the sustainability goals in mind. This often means considering many different factors and drawing expertise from a wide range of disciplines. We not only look at the technical and economic feasibility of our activities, but also examine in depth their ethical implications and their impact on the environment and society.

It starts with our plants and facilities. We believe in making an important contribution to sustainable development through the efficient use of resources. We have therefore committed ourselves to designing and operating our facilities in such a way as to minimise adverse impacts on the environment. Through sustainable improvement in the use of energy and our operational environmental protection, we aim to steadily decrease our energy consumption, improve energy efficiency and reduce environmental pollution.

Measure, evaluate, optimise

The internationally recognised ISO 14001 environmental management system and the ISO 50001 energy management system are central standards in these areas system and are part of our integrated management system and meets the requirements of ISO 45001. A number of our sites are certified accordingly. We are providing the necessary resources and setting strategic and operational energy and environmental goals. An input-output analysis is carried out separately for each certified production site to check the efficiency of the use of materials, water and energy. We have assigned specially trained staff to carry out these analyses. Our energy and environmental teams are responsible for our sustainability programmes. Their work includes proposing both measurable goals and policies that will reduce our environmental impact and improve our energy performance. Every factor is carefully considered in the environmental evaluation of each of our certificated plants.



3.2 Cutting down our carbon footprint together

We all depend on a healthy environment. And through our actions, we can all help to preserve it. It is down to us to improve our own quality of life and that of future generations. We must be mindful of every resource we use, and we must continuously strive to reduce our environmental impact and our carbon footprint.

At Dr. Schär, we aim to achieve this through three key commitments:

- the constant reduction of our energy use,
- a substantial decrease in waste generation in our production systems and supply chains and
- the optimisation of our raw material consumption – wherever possible in all our production facilities.

At the same time, we are increasing our use of renewable energy and materials. In the following, we describe what we are doing to realise these objectives.

I. Reducing waste

“We are committed to reducing our use of plastics wherever possible and replacing them with other raw materials.” Nicole Mattei, Head of Global Design & Packaging Strategy

Packaging plays an important role with regard to 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 proven over the years to be a safe and efficient packaging material. Yet we are all aware that its careless disposal can damage the environment considerably. 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 packaging is essential for our products, but we can save substantial amounts of resources if we use no more packaging than strictly necessary 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 from wood from forests certified according to FSC (Forest Stewardship Council) standards. Together with our suppliers, we are exploring the possibility of using alternative environmentally friendly packaging materials.

On our road to sustainable packaging, we are pursuing clearly defined aims.

Our three strategic goals in sustainable packaging:

1. Eliminate all unnecessary packaging; reduce the size of necessary packaging.
2. Support our consumers in disposing of packaging responsibly by communicating with them about recycling and providing simple instructions on the packaging.
3. Observe and evaluate advances in eco-friendly packaging that help us realise a future without waste.

Facts and figures:

- We use only FSC-certified paper and cardboard.
- Since 2020, 35% of our product packaging has been made of recyclable material.
- Beginning in 2024, we will start the final phase of the transition to fully recyclable, recycled, or compostable packaging materials.
- We have also set ourselves the ambitious target of reducing the use of plastic materials in product packaging by 25% until the end of 2024.
- We have already begun reducing package size and thickness, optimising the handling of pallets and rationalising transportation. This process is to be completed by 2024.

We can all make a contribution

“Separating waste and avoiding it altogether are important steps in reducing our ecological footprint. Both as individuals and as a company, we are committed to doing our part.” Hansjörg Prast, Chief Marketing Officer

Waste recycling and waste separation are extremely important in conserving resources and are therefore integral to our sustainability plans. The first step towards waste recycling is waste separation – and it only works if everyone plays their part.

We expect our employees to separate all waste in accordance with the regulations in their respective countries. Our offices are therefore equipped with separate bins for this purpose. In some subsidiaries, we have started to establish plastic-free coffee areas, and we provide reusable cups and bottles to our employees there.

We encourage our consumers to reduce their own waste as well. We provide them with important information about how to recycle our packaging so that they can actively contribute to protecting the environment.

II. Decreasing our carbon footprint

“What gives us energy is the smile of our consumers when they enjoy our products. Unfortunately, smiles alone don’t keep the machinery running. Our aim is for the energy we use to be generated as sustainably as possible. And we hope this will make our consumers smile even more.” Peter Hintner, Chief Operations Officer

At all our environmentally certified Dr. Schär plants, we analyse and evaluate the environmental impact of our operations and the emissions we produce. To reduce these emissions, we implement energy savings wherever possible and supplement our conventional energy supply with lower-polluting, more environmentally friendly sources such as photovoltaic systems and LED lighting. Almost all of these measures have already been realised at our headquarters and offices in Italy. We plan to implement them at our other subsidiaries in the future.

Concrete measures:

Green roofs have a cooling effect, which helps to save energy. At the same time, they enhance biodiversity and reduce the loss of rainwater.

We also use the heat from air compressors and vacuum pumps to heat the offices at our headquarters.

A further example of sustainability in action is our use of groundwater for cooling at our production site in Borgo Valsugana and in our offices in Postal, Italy – after which it is conveyed back into the ground.

In addition, some of our plants are equipped with air handling units that include an integrated heat recovery system.

At a number of sites, we have installed charging stations for electric cars and bikes.

And some of our plants also have water treatment systems.

Furthermore, we intend to increasingly introduce cogeneration plants in the next few years.

These technologies will enable us to continuously increase our energy efficiency and improve our company’s environmental compatibility. We will continue to monitor technological developments and to check their suitability for our processes, as well as to take into account both energy efficiency and environmental criteria when planning and procuring new equipment and maintaining existing systems. In all our activities, this will be play a central role in our decisions with respect to new and replacement investment.

Using green electricity

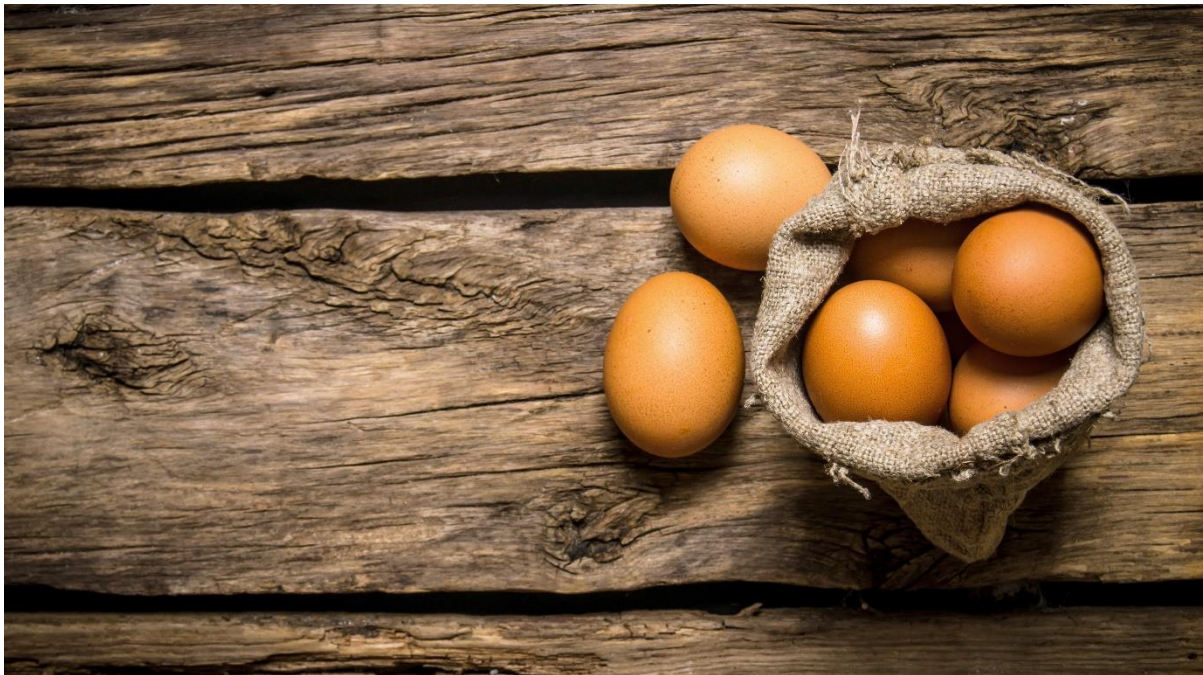
We are now using “green” electricity in our plants and systems wherever possible. The corresponding conversion of our facilities in Italy, Austria and the UK has already made a significant contribution to reducing our carbon footprint. Thanks to the use of green electricity, we saved 6,319,038 kg of CO₂ in 2022 in Italy alone.

In addition, we have installed a 756 sqm photovoltaic system at our plant at Laives in South Tyrol. In 2022, it delivered 75.213 kWh of power. Thus, all electricity for the plants in Italy is sourced 100% as certified clean energy from renewable sources. Our German and US subsidiaries are following on the same path, with other sites slated to make the switch in the future.

3.3 Our respect for animals

One of the Earth’s most precious resources is its great biodiversity. We couldn’t live without it. It is therefore of utmost priority that we treat the animals in our food chain with respect. In our view, this is part of what it means to live in harmony with nature.

Most of our products come directly from the fields and are based on grains, but some of our raw materials come from animal sources. We use these ingredients as sparingly as possible.



A greater commitment to animal welfare

For the production of Schär gluten-free products and for FSMP (Food for Special Medical Purposes) Kanso and Flavis, we have been using eggs from hens raised on the ground since 2016, the newly acquired production facilities will be matching this standard by 2025.

We only select suppliers who can guarantee consistent quality standards. In early 2020, we brought together a dedicated team consisting of employees from purchasing and quality assurance as well as experts in the area of agricultural and food innovation to analyse the status quo and evaluate all our suppliers in the dairy, poultry and fish sectors.

3.4 Sustainable business practices with our “filiera accompagnata”

“Our ‘filiera’ is the pride of our company: excellent raw materials from seed to finished product.” Marina Braidà, Global R&I Manager - Raw Materials & Agricultural Projects

With a view to the future, we are working on a project that will bring significant improvements in our sustainability. In collaboration with researchers, farmers and millers, we are providing advice on best practices and cultivation techniques to build a relationship of trust. We ensure that our raw materials meet the standards we require, not just in terms of quality and availability, but also for the good of the environment. For the cultivation of our cereals, we choose areas in which crops flourish naturally, without the need for excessive human interventions, and which are as close as possible to our milling areas. This allows us to reduce the environmental impact of transportation. We are improving the management of water, soil and fertiliser use, focusing on high-tech agronomy as a tool to achieve these results. We are in the process of forming a close peer-to-peer relationship with our farmers and consider our “filiera” (production chain) to be “accompagnata” – accompanied – as opposed to controlled.

This project strengthens cooperation and relationships between farmers, the agricultural and food industry and local communities. It also promotes the adoption of new process techniques that result in tangible benefits for both producers and consumers. All of this underscores our commitment to ethical values and our deep respect for the environment.



About Dr. Schär

Our actions have always been guided by our dedication to *people, products and the environment* and our promise to offer our consumers nothing but the best products and services. It is our firm conviction that our business will only remain successful and grow in the long term if we commit ourselves 100% to our corporate values and act in an ethical manner. This belief and our holistic commitment drive us forward, every day.

We all share responsibility for the reputation of our company and the trust we enjoy with our consumers. That is why it is the direct responsibility of each individual to do the right thing. Make our promise your promise. Please read, internalise and act on our canon of values and the professional standards that we expect from everyone who works for or with Dr. Schär: our management and employees, our suppliers and our partners.

Together, we can work actively towards a more sustainable world, where social responsibility and environmental and climate considerations go hand in hand with the development of our company.