



Sustainability report 2021–2022

Us. Together. Valensina.

The Valensina Group at a glance



approx. 550 products



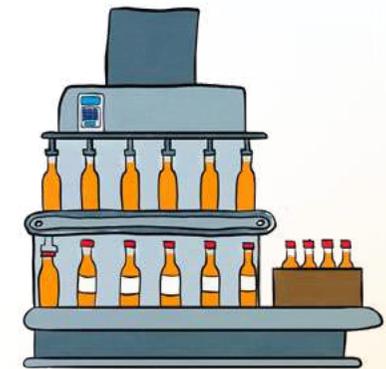
approx. 230 million euros
annual turnover



3 locations
across Germany



approx. 380 employees



approx. 230 million liters
produced annually

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Foreword

This sustainability report has been produced in line with the stringent requirements of the international GRI standards 2021. In meeting these standards, the Valensina Group becomes one of the first medium-sized businesses in its sector to achieve this benchmark. While we await the introduction of the Corporate Sustainability Reporting Directive (CSRD), we plan to continue to produce a report of this kind every two years to ensure that we remain accountable for our activities.

During the reporting period, we set out a new strategic direction for our business. Around 50 members of our team were involved in this process, and thanks to their hard work we succeeded in redefining our spheres of activity and establishing a new system of values that unites us as a company. This future direction will, in particular, see us investing even more in our employees and in strengthening our image as an attractive employer.

Another notable factor in the reporting period was the tense political and economic situation, which created challenges for the procurement of raw materials, as well as leading to rising costs. As a business, however, we were well placed to weather these difficulties thanks to the popularity of our brand and our strong relationships with both suppliers and customers that we have built over many years.

At the end of 2022, we once again went through an EcoVadis sustainability assessment of our business and were delighted to be awarded a gold medal. This is a real achievement for our business and provides us with the all-important motivation to take our sustainability efforts to the next level. One of our next goals is to identify effective ways to reduce our CO₂ emissions. To this end, we have set ourselves the science-based target of reducing our scope 1 and 2 emissions by 42% by 2030 in comparison with 2020 levels.

As a medium-sized business operating in a global market, we face a unique set of challenges. However, we are confident that our focus on sustainability is the right one.

Our trusted employees, customers, and suppliers are all vital partners in achieving our goals and we wish to thank you all for your continued support.

Yours



Tino Mocken (CEO)

Director of Marketing, Sales, HR, Legal Affairs, and Wolfra



Felix Müller (CFO)

Director of Finance & Accounting, Controlling, IT, Production, Logistics, and Copacking



Björn Vieten

Member of the Management Board

Director of CSR, Procurement, Research & Development, Business Development, Quality Management/Assurance

“The economic situation over the past two years has been challenging for the management and employees of the Valensina Group alike. Nonetheless, we have continued to work hard to make our business more sustainable. Our efforts were rewarded in 2022 with a gold rating in our EcoVadis sustainability assessment. In 2022, we also achieved (and exceeded) our goal of reducing our packaging volumes, well ahead of our original target of 2025. Plus, we began putting together a sustainable procurement strategy, which we plan to roll out incrementally across the business. Right now, our customers are looking to buy sustainable products more than ever before. And that’s great, because this growing consumer interest confirms our course and inspires us to do more.”



Rebecca Buch

CSR Manager

“Despite the difficult business environment, we have never lost sight of our key sustainability issues. We’ve made improvements in many areas, launched new projects, and also set ourselves further goals for the future. I’m proud that we continue to work in this direction and that, step-by-step, we are assuming greater responsibility for both people and nature. What’s really great is that sustainability has become a central topic in our discussions with our customers, suppliers, and employees. Our transparent reporting means we can continue to document the progress we’ve made and ensure we are making responsible decisions as we move towards more sustainable business practices. It’s a learning process for us all, and I’m excited to see what the future will bring!”

Our sustainability strategy

9 Dialog with stakeholders



Our sustainability strategy



Developing our sustainability strategy is an ongoing process based on regular discussions with our stakeholders.

We devised the first sustainability strategy for the Valensina Group in 2018/2019 and continue to actively develop our policies in this area. Our CSR manager maintains regular contact with the Management Board and keeps members up to date with details of any sustainability developments that are relevant for the company. In January 2023, the company management met for a full-day workshop to discuss whether the material sustainability topics identified in 2019 still applied in light of more recent developments, notably the introduction of more stringent legislative requirements. The conclusion was that they did.

This sustainability report covers the years 2021 and 2022 and has been produced in line with the updated GRI standards 2021. The report covers all production locations, as well as the headquarters of the Valensina Group. It has not been externally audited. The carbon emission figures were calculated by ClimatePartner.

In a departure from the previous report, we named our material topics more clearly, in order to better align with the updated GRI requirements.

The overarching topic of ‘Climate protection in production and administration’ has been divided into the following material topics – emissions, energy, water, and waste/recovery – which we increasingly want to address across our locations and beyond. The scope of these topics is defined in the individual sections of this report.



Gold medal from EcoVadis
Confirmation of the Valensina Group’s sustainable business operations

In 2021, the Valensina Group was awarded a silver medal by EcoVadis, an international provider of business sustainability ratings. In 2022, we successfully increased our score by eight points and were rewarded with a gold medal for our efforts.* The rating reflects our track record in the following areas: environment, labor rights, human rights, ethics, and sustainable procurement.

As a gold medal holder, we are among the top 8% of companies that have completed the EcoVadis assessment.

*Scorecard on 28/10/2022: 66 points (silver), upgraded on 21/02/2023 to 68 points (gold)



As well as complying with the GRI standards, our material topics also align with the 17 Sustainable Development Goals (SDGs) published by the UN. In particular, we believe we have an important role to play in the following three areas:

Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and humane work for all

The Valensina Group wishes to make an overwhelmingly positive contribution towards SDG 8 as both an employer and a customer. We support our employees and take our responsibilities across all stages of our supply chain very seriously.

Goal 12: Ensure sustainable consumption and production patterns

We understand that our extensive use of packaging has a negative impact in terms of SDG 12. We are seeking to reduce this impact by optimizing our products in partnership with our customers.

Goal 13: Take urgent action to combat climate change and its impacts

The Valensina Group is taking action to reduce its emissions, particularly at its production locations. In 2022, we set ourselves a science-based emissions reduction target, calculated in line with the methodology proposed by the Science Based Target Initiative (SBTi). We are also in the process of recording our scope 3 emissions, with the aim of identifying future actions in this area.

From the 2025 business year onwards, the Valensina Group is expected to fall under the EU's Corporate Sustainability Reporting Directive (CSRD), which sets out much broader requirements for business' sustainability practices. In light of this, we plan to review our sustainability strategy to ensure compliance with the new legislation.

Details of the materiality analysis conducted in 2019 are included as an appendix to this report. Our next full sustainability report is due to be published in 2025.

Dialog with stakeholders

Developing our sustainability strategy is an ongoing process and feedback from our stakeholders plays an important role in developing our policies in this area. Our day-to-day business interactions provide a vital opportunity to understand their concerns, and we also engage in targeted discussions with our networks and follow developments in the media.

We maintain an active dialog with all our key stakeholders through a wide variety of channels.

B2B customers

Our communication lines with our B2B customers are always open. Responsibility for these relationships lies primarily with our key account managers and our CSR manager also helps promote conversations around sustainability topics.

In 2021/2022, in addition to our annual customer meetings and workshops on climate protection, there was also a lively exchange on product labels, packaging materials and codes of conduct. The EcoVadis scorecard for the Valensina Group is also made available to any customers interested in learning more about our sustainability efforts.

End consumers and the general public

Our main point of contact with end consumers and the general public is our website. In 2022, we also ran a survey on the topic of deposit return schemes. Surveys such as this provide us with important information about market trends.

Employees

In addition to our internal blog and video communications, in 2022 we introduced a series of sustainability training sessions and also our ‘Breakfast with the Board’ initiative. Representatives from the different departments were invited to take part in our corporate strategy workshops between 2019 and 2021, and since 2022 they have been involved in workshops on sustainable procurement. In 2022, we also introduced an ‘Idea funnel’ app to encourage all employees to submit their ideas and suggestions. During the reporting period, a group of employees was established to coordinate a program of leisure activities available to all staff. The Valensina Group also has a system of staff councils and a complaints procedure in place. Further information about our dialog with our employees can be found in the ‘Our employees’ section of this report.

Suppliers

Contact with our suppliers is primarily at the point of purchase. Our sustainability manager supports the procurement team to address sustainability topics, including promoting conversations around EcoVadis ratings. More and more of our customers, are increasingly interested in the social certifications of our suppliers, which we requested as needed during the reporting period.

We also now ask for this information as part of our supplier survey. Further information about this can be found in the ‘Our supply chain’ section of this report.

Other

During the reporting period, we engaged in discussions with certification bodies (Rainforest Alliance), the German government’s Helpdesk on Business and Human Rights (with regards due diligence in the supply chain), and various other industry colleagues and associations (notably the Sustainable Juice Platform and AIJN Sustainability Expert Group).



The Valensina Group

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The Valensina Group



Our corporate strategy centers around a set of positive values that we live by as a company.

The Valensina Group is an owner-managed company with its headquarters in Mönchengladbach and 380 people employed across three locations in Germany. We are one

of Germany's leading fruit juice companies, offering a range of fruit juices, both from concentrate and not from concentrate, as well as nectars and juice drinks for the chilled and ambient segments. Our success story is based on many years of experience and our ongoing investment in our facilities.

The Valensina Group markets products under the HITCHCOCK and Valensina brands, some of which are produced in our own factories and some by external companies. In addition, our production locations in Mönchengladbach, Vechta, and Erding produce private label products for national and international customers in the food & drink industry, as well as providing copacking services for prominent drinks brands.

Our Erding site is operated by our subsidiary Wolfra Bayerische Natursaft Kelterei GmbH, which produces and markets products under the local Wolfra brand and also provides copacking services for alcoholic drinks.

Our brands and what they stand for:



HITCHCOCK

Open up your inspiration.



Valensina – Gift yourself some sunshine.



Wolfra

100% fruit, made with love in Bavaria.

Since 1930

Countries supplied in 2021/2022



Business areas and markets

The Valensina Group primarily produces premium fruit juices, nectars, juice drinks, and spirits. We produce and market these products under our own brand names, as well as supplying private label products and copacking services for prominent brand manufacturers and other food & drink retailers.

Our factory in Mönchengladbach produces chilled products, while our Vechta factory produces juices, nectars, and other drinks for the ambient segment i.e. products that can be stored at room temperature. Both factories package the majority of their drinks using single-use PET bottles. The ambient products, including alcoholic drinks, produced at our factory in Erding are packaged using glass bottles (both single-use and reusable).

Our business operations can be divided into five areas: our three brands – HITCHCOCK, Valensina, and Wolfra – plus our copacking services and private label products. All five areas are closely interconnected and all are of equal importance for our business. Our markets are Europe-wide, although around 98% of our business comes from western and central Europe.

The Valensina Group is a member of the German Federation of Food & Drink Industries (BVE) and our CEO, Tino Mocken, is one of the federation’s board members. We are also members of the Association of the German Fruit Juice Industry (VdF), SGF International e.V., and the Sustainable Juice Platform, a sustainability initiative run by the European Fruit Juice Association (AIJN).

Market conditions and turnover

The years 2021 and 2022 were marked by significant price increases caused primarily by the fallout from the COVID-19 pandemic and the war in Ukraine. In addition, we saw poor harvests for some of our raw materials and bottlenecks in the packaging sector. These developments had (and continue to have) a significant impact on the entire food & drink industry, since the biggest cost drivers in the sector are raw materials, energy, packaging, and logistics. As a business, we had limited opportunity to pass these cost increases onto our food & drink retailers (and only then retrospectively), since they too were facing enormous cost pressures, just as end consumers were. Consequently, our top two investment priorities over the past two years were to maintain our business operations and identify efficiency increases.

At the same time, market challenges around raw materials resulted in supply shortages in the fruit juice market, particularly during 2022. Demand from our B2B customers was therefore extremely high, but we succeeded in meeting this demand. This success was, in no small part, down to the strong and stable relationships that we have established with our suppliers over many decades. There's no doubt that during these two challenging years, these partnerships genuinely paid off.

Our business areas

Valensina Gruppe



Our five core business areas – i.e. our HITCHCOCK, Valensina, and Wolfra brands, plus our copacking services and private label products – are all equally important for our business. No area stands above any other. As a team, we always endeavor to think beyond the boundaries of our departments and locations, and keep the bigger picture firmly in mind.

Following a slight drop in turnover in the pandemic period, we saw our business returns increase once again in 2022.

With around 50% of this turnover generated by our own brands, in 2021 the Valensina Group's turnover stood at €255,888,000, and totalled €231,473,000 in 2022.

Turnover in the period 2019–2022 (in € thousand)

2019	2020	2021	2022
240,452	237,115	225,888	231,473

Sustainability is a growing focus for our B2B customer base and their requirements in this area have increased substantially. These customers are looking for climate-neutral products and a range of sustainability certifications; they want transparency around products' country of origin; and they want packaging that goes beyond – and in some cases well beyond – the current legislation, for example in terms of the rPET content. At the Valensina Group, we are able to meet all these requirements, which is an impressive achievement for a relatively small company such as ours.

End consumer interest in sustainability and health issues dropped slightly during the reporting period, as concerns around price and availability became the number one priorities.

In 2022, we launched an online shop for our premium HITCHCOCK products, in order to make these products more widely available, and in the coming years, we plan to further expand our e-commerce operations.

Corporate strategy

During the reporting period, we concluded our work to update and renew our corporate strategy. At the end of 2021 and start of 2022, members of the Management Board and senior management staff visited each of our locations, in person, to present our new vision, mission, and values. Work on the new strategy began in 2019 and a team of around 50 employees met regularly to discuss the future role of the Valensina Group, both as a market player and as an employer. Right from the outset, we also sought to involve as many employees as possible, in order to ensure we developed a set of values that everyone could get behind and that gave managers a credible foundation from which to bring about positive change.

We firmly believe that improving our company and management culture is the key factor in achieving our business goals and therefore put significant time and resources into this work. At the heart of our new corporate strategy are the values that we want to live by as a company and keep front of mind in our day-to-day work. To ensure these values remain firmly anchored in all our actions, in 2022 the Management Board began posting a series of short videos about our values on our company blog. The values are also reiterated and underlined during management seminars and feedback sessions.

OUR VISION

Gripping ideas
for genuine taste.

Us. Together.
Valensina.

OUR MISSION

Through the combined
power of strong brands,
a passion for our products
and a commitment to
respectful partnership we
achieve a position as
independent market leader.

Going forward, we intend to focus on the following strategic areas and projects:

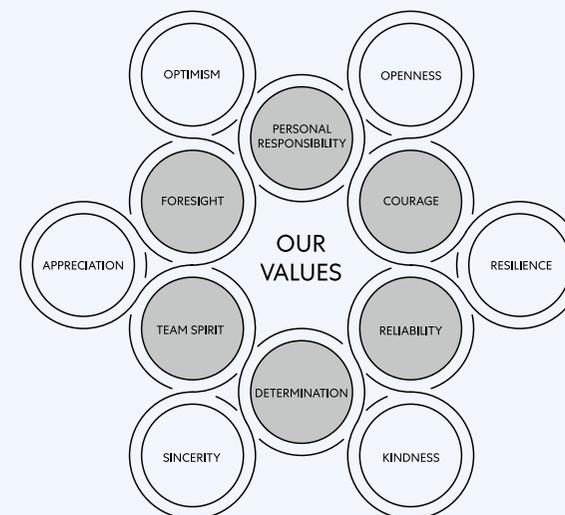
Business areas Secure the revenues from each of our business areas and implement focus projects, including the development and launch of HITCHCOCK fruit vinegars and the introduction of brainstorming sessions with customers.

Process management Introduce a standardized process management strategy for the group and harmonized business processes.

Data and analytics strategy Implement a data and analytics strategy for the group and expand our IT expertise.

Management development Empower management staff to be ambassadors for our vision, mission, and values.

Cultural change Strengthen collaboration between locations and departments, and establish a volunteer network to enhance the sense of team spirit and unity.





Our products

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Our products



The Valensina Group's strengths lie in its product development work, flexible filling systems, and high quality standards.

In 2021 and 2022, our product work focused on meeting several new trends as well as the increasingly high standards required for sustainability certification. In 2022, the Valensina Group also exhibited at the PLMA trade show in Amsterdam – an annual event dedicated to private labels – for the very first time. Our aim was to use the event to present our latest product innovations and establish contact with international B2B companies, and on both counts the event was a great success.

Product development

We develop new products based on our own ideas and also in response to customer requests. For complex products, feasibility studies and test production runs form an important part of the development process.

During the reporting period, we launched **FRUITS+** – a multi-fruit juice available in three flavors with added vitamins, iron, and zinc. This product was created in response to end consumer interest in leading active and healthy lives.

Our spicy **HITCHCOCK** ginger shots were also launched in April 2022. Unlike other shot drinks, this product is sold in 0.5-liter glass bottles, each containing 10 shots. We also presented our new Oat & Fruits drink to customers, although high oat prices have so far prevented us from getting this product to market.

In 2021, we opened a new sensory laboratory for professional tastings at our Mönchengladbach site. Sensory training sessions focusing on various topics are already planned for 2023.

To help us find even more creative product ideas and encourage all staff to get involved, in 2022 we also introduced a new app (created specifically for us) in MS-Teams, which employees can use to submit suggestions related to our products, business operations, and customers. Staff can also rate each other's ideas out of five stars. If an idea achieves three out of five stars, we sketch out a rough concept to see how the idea would work in practice.

Filling techniques

Each of our locations specializes in different filling techniques: Mönchengladbach is set up for ultra-clean filling, Vechta for cold aseptic filling, and Erding for hot filling.

Our Mönchengladbach factory produces chilled products, mainly premium juices not from concentrate, which are pressed in their country of origin, pasteurized, and transported chilled to our facilities, where they are heated very briefly in order to kill off microorganisms. When it comes to flavor, these juices are top of the range. The problem is that the cold chain, which runs right through from the place of origin to the consumer, is very energy intensive. We also press some citrus fruits in Mönchengladbach and process the juice directly on site. The products are packaged in PET bottles, drinks cartons, and HDPE jerry cans.

Our Vechta factory processes by far the highest product volumes of any of our locations. This is where we produce our ambient products, i.e. products that can be stored at room temperature. The juices are pressed in the country of origin, concentrated to around a fifth of their original volume, chilled and transported to us. We then reconstitute the juice by diluting the concentrate with specially treated water from our own wells and adding flavors, before bottling the juice ready for market. These products have no

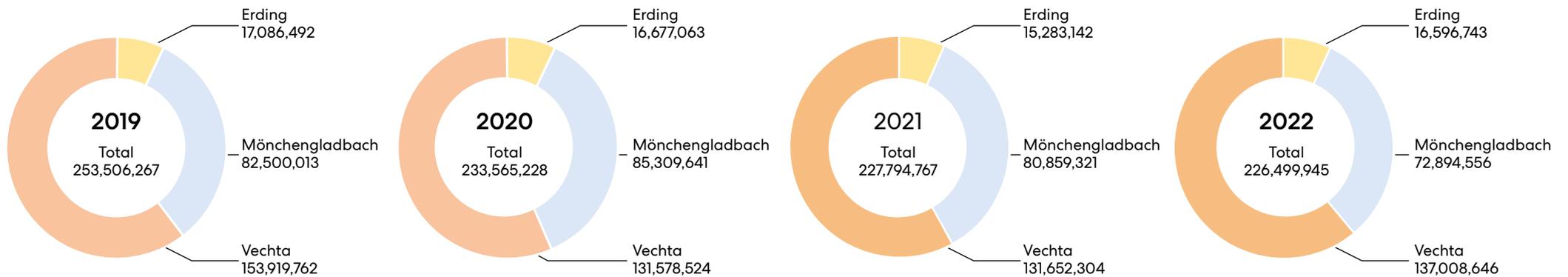
less nutritional value than their chilled counterparts and have a significantly longer storage life. Our Vechta factory processes large product volumes and often produces a single product for several days at a time. This production set-up is highly efficient as it eliminates the need to continuously reconfigure the filling lines. The products from our Vechta factory are packed in PET bottles, drinks cartons, and bag-in-box packaging.

Our factory in Erding specializes in hot filling and its products are primarily destined for customers in the hospitality and retail sectors. The factory presses apples and rhubarb from small-scale farmers and private individuals in the local region, as well as berries such as sea-buckthorn, and combines these with other raw materials from further afield. The resulting products serve a very local market and are always packaged in glass bottles. Demand for organic juices is also especially high in this market. At the end of 2022, we counted 15 organic products in our range, eight of which we market under the Wolfra brand. Moreover, our rhubarb juicing facilities in Erding give us an almost unique selling point, since very few companies in Germany are set up for this.

In addition to producing juices for our own brands and private labels, our factories also offer copacking services, including procuring raw materials for our customers or processing their raw materials, e.g. to produce iced tea and alcoholic drinks.

Product types	
Fruit juice not from concentrate	100% fruit juice pressed in the country of origin and transported directly to fruit juice producers.
Fruit juice from concentrate	100% fruit juice pressed in the country of origin before being concentrated to around a fifth of its original volume. (This process strips the water and flavor compounds from the juice; however, the flavor is not lost completely, since the extract is also collected as part of the process.) The concentrate is then transported to the fruit juice manufacturer's facilities, where it is reconstituted using water and fruit juice extracts.
Fruit nectar	Depending on the type of fruit, nectars contain at least 25%–50% fruit, plus water and sugar/honey as required.
Sparkling fruit juice	These carbonated drinks contain at least 25%–50% fruit, plus water and carbon dioxide.
Juice drink	These drinks contain at least 6%–30% fruit, plus water, sugar, or sweeteners, and (in some cases) carbon dioxide.

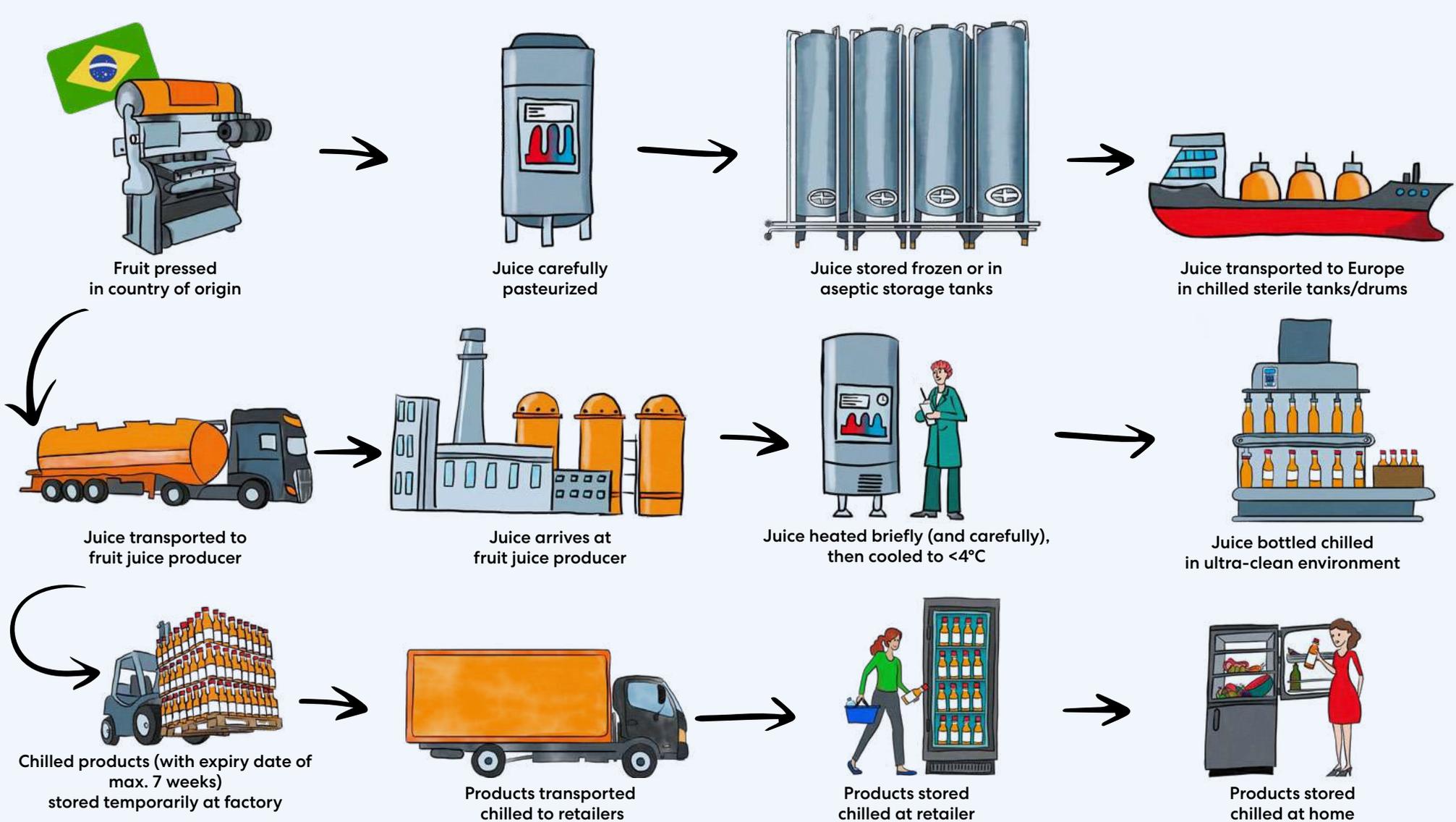
Product volumes (in liters)





Ultra-clean filling, Mönchengladbach

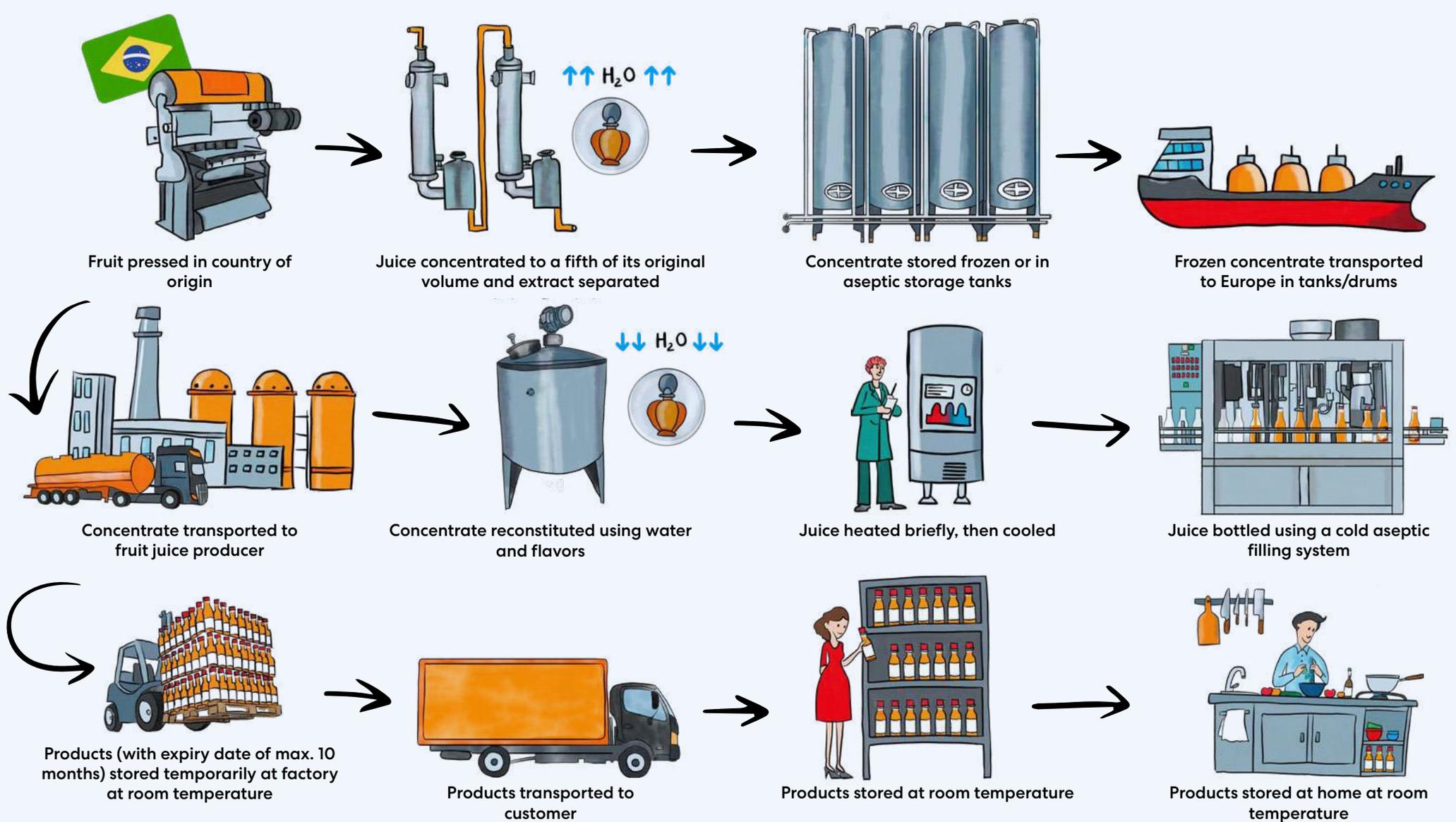
In this technique, the raw materials are usually processed very quickly. After pasteurization, the product is cooled to around 4°C and then bottled in an ultra-clean environment.



Cold aseptic filling, Vechta

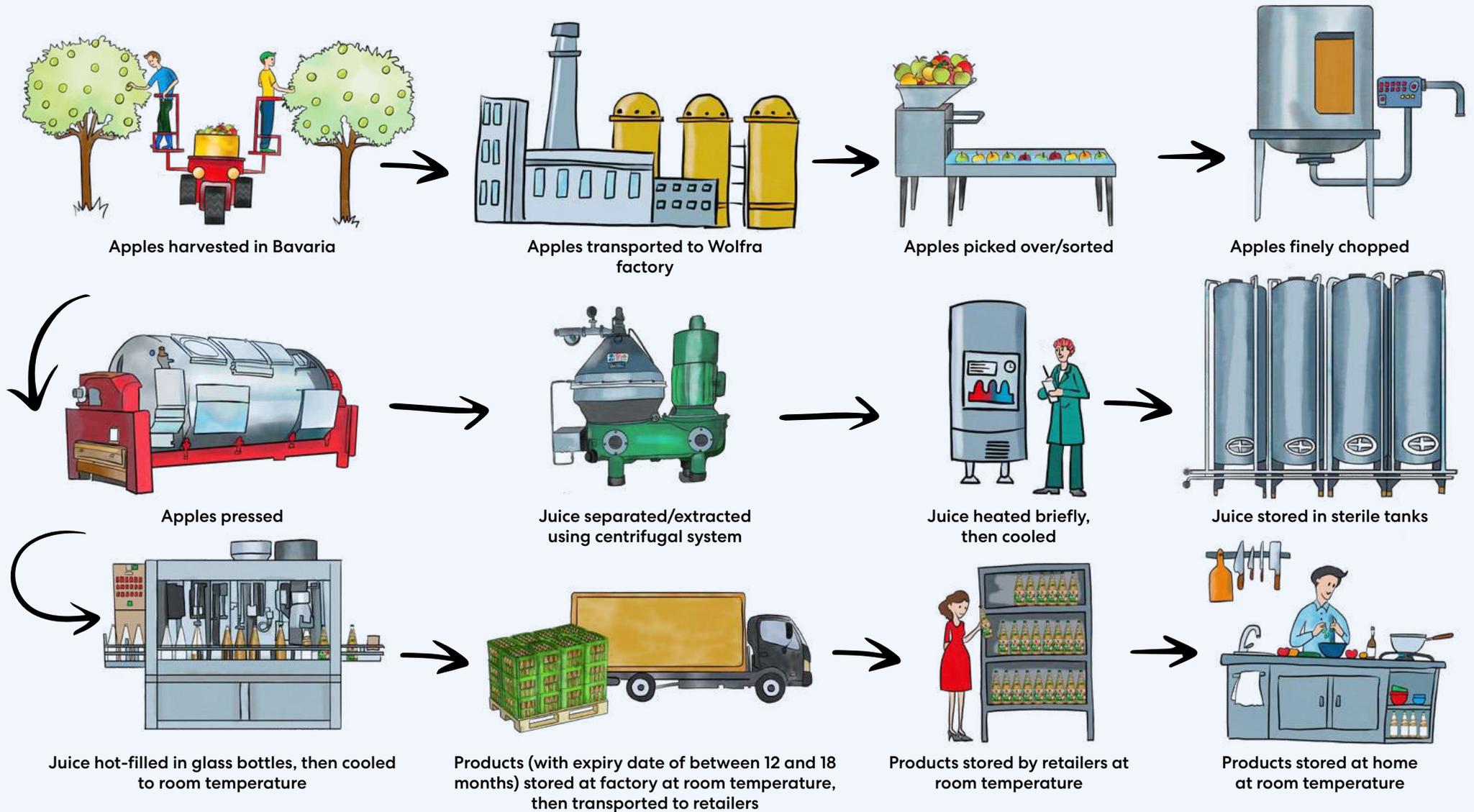
With this technique, the drinks are bottled under sterile conditions at around 20°C.

The products do not need to be chilled and can be stored for up to 10 months.



Hot filling, Erding

Among other products, our Wolfra factory in Erding processes locally grown apples and rhubarb, and packages its products in glass bottles.



Quality

It's extremely important to us that our products are safe and meet the same consistently high standards each and every time.

We maintain specifications for all of our raw materials, intermediate products, end products, and packaging items, which set out the components and composition of each product, as well as the physical, sensory, chemical, and microbiological parameters it must meet. Also included is information about legislative requirements, handling methods, packaging, shelf life, and storage and transport conditions. To ensure compliance with these specifications, we maintain and document strict internal quality control checks at every stage in the production process, from the procurement of our raw materials and packaging materials right through to the delivery of the finished products to our customers. Our raw materials and primary packaging materials also undergo regular inspections by external organizations.

Our IFS Certification (International Food Standard) provides confirmation of the quality and authenticity of our products. All of our factories are certified to the IFS Higher Level – the most important quality and food safety standard for suppliers in the food & drink industry. IFS certified companies must also demonstrate that they have proven mechanisms in place to prevent food fraud.

In addition, the Valensina Group is part of the voluntary self-regulation system of SGF (Sure Global Fair) and wherever possible sources its raw materials from SGF approved suppliers. SGF is an international organization that checks and verifies the authenticity of both finished and intermediate products, in order to prevent the addition of unauthorized ingredients and stop juices from being adulterated.

Our sites also undergo announced and unannounced audits by both our customers and food regulators.

In order to further reduce the potential risk of contamination and its associated costs, in 2021 we purchased a new laboratory system for our Mönchengladbach site, which automatically detects the presence of micro-organisms. We have been using the same system in Vechta for a number of years and it has helped reduce our reliance on microbiological techniques that are both time and resource intensive.

Also new is our laboratory information management system, which we are rolling out across all our locations. This software records the data from our tests and measurements and allows us to analyze this information in line with our requirements, so that we can run our laboratories more efficiently. The system is already up and running in Vechta; the test phase is ongoing in Erding; and the roll out in Mönchengladbach will begin in 2024.

In 2022, our Vechta and Mönchengladbach factories were once again awarded the prize for longstanding product quality from the German Agricultural Society (DLG). Our Erding factory plans to also apply for the society's quality assessment in 2023.

Our certifications

	Mönchengladbach	Vechta	Erding
IFS	✓	✓	✓
Organic	✓	✓	✓
Rainforest Alliance	✓	✓	
GMP+	✓		
ISO 50001	✓	✓	✓
SMETA		✓	
Kosher			✓

Food safety culture

Our staff are experts in their field. They all undergo the vital training needed to produce food and drinks products that are both safe and high quality:



Hazard analysis and critical control points for the food & drink industry

Product information

The EU regulation on the provision of food information to consumers is one of the most important pieces of consumer protection legislation. It defines the information that must appear, by law, on the label of every food and drinks product, including the legal description of the food, the list of ingredients, the expiry date, the quantities of ingredients, the name and address of the manufacturer/packer/seller, and information about any ingredients that may cause allergies or intolerances. In addition to these requirements, there are also a large number of product labels, notably sustainability labels, that we and our customers value.

We believe that labeling must be clearly comprehensible, transparent, and honest. This applies to both our own brands and those of our B2B customers, which is why we provide all our customers with detailed labeling recommendations. The information on the product labels should provide end consumers with guidance and assist them in their purchasing decisions.

All products from the Valensina Group meet the food labeling standards required by law. In the case of organic products, we also indicate the region of origin.

The products marketed under our Valensina and HITCHCOCK brands are produced using 100% vegan ingredients, with the exception of the honey used in our nectars. To help our customers choose the right product for them, our juices carry either the Pro-Veg label or our own label indicating that they are suitable for vegans or vegetarians. Our Wolfra products also now carry this same labeling, with the exception of just two products. Originally, we had hoped to move all products over to the new labeling by 2022; however, we decided to first use up any labels already printed in order to reduce wastage.

Depending on our customers' specific requirements, the labels for our private label products also include information about the proportion of recycled PET in the packaging, waste sorting, or an eco-score.



Since 2017, the Valensina Group has been sourcing a growing proportion of the ingredients for its orange juices from Rainforest Alliance certified suppliers. This certification is designed to ensure that minimum social, economic, and ecological standards are upheld in the production of agricultural products, particularly in the Global South. Demand for this certification among our commercial partners has risen sharply in recent years and, during the reporting period, we produced up to 29 products carrying this certification.

In 2020, we calculated the CO₂ footprint of some of our private label products as well as some of our own products marketed under the Wolfra and Valensina brands. In the case of our own brands, we decided not to take these calculations any further, since we found the size of the CO₂ footprint was largely due to the ingredients and materials used. Here we have little room to improve, since we are heavily dependent on harvests and prices. At the end of 2021 – at the request of one of our commercial customers – we launched an orange juice labeled as ‘climate neutral’. The use of the term ‘climate neutral’ in product advertising has been much criticized in recent times. However, the proposed Green Claims Directive from the EU – the first draft of which was published in March 2023 – should, in future, provide a helpful and legally binding framework for sustainability labeling on food and drinks products. Further information about the Valensina Group’s CO₂ emissions and climate protection efforts can be found in the ‘Climate protection and use of resources’ section of this report.

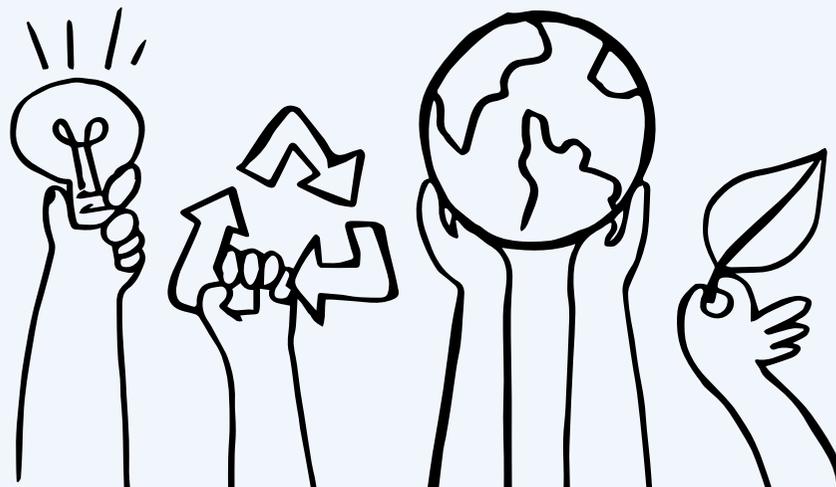
Currently, only a small number of our products are certified in line with the EU regulation on organic production and labeling of organic products. At the same time, we are seeing growing demand from our commercial partners for products certified to standards that extend far beyond this legislation, such as the Naturland standards. This trend towards organic is therefore one that we are watching closely. The big challenge for us now is to find suppliers that can deliver these organic juices and concentrates in large volumes and to a high quality, since very few producers currently have the relevant certification.

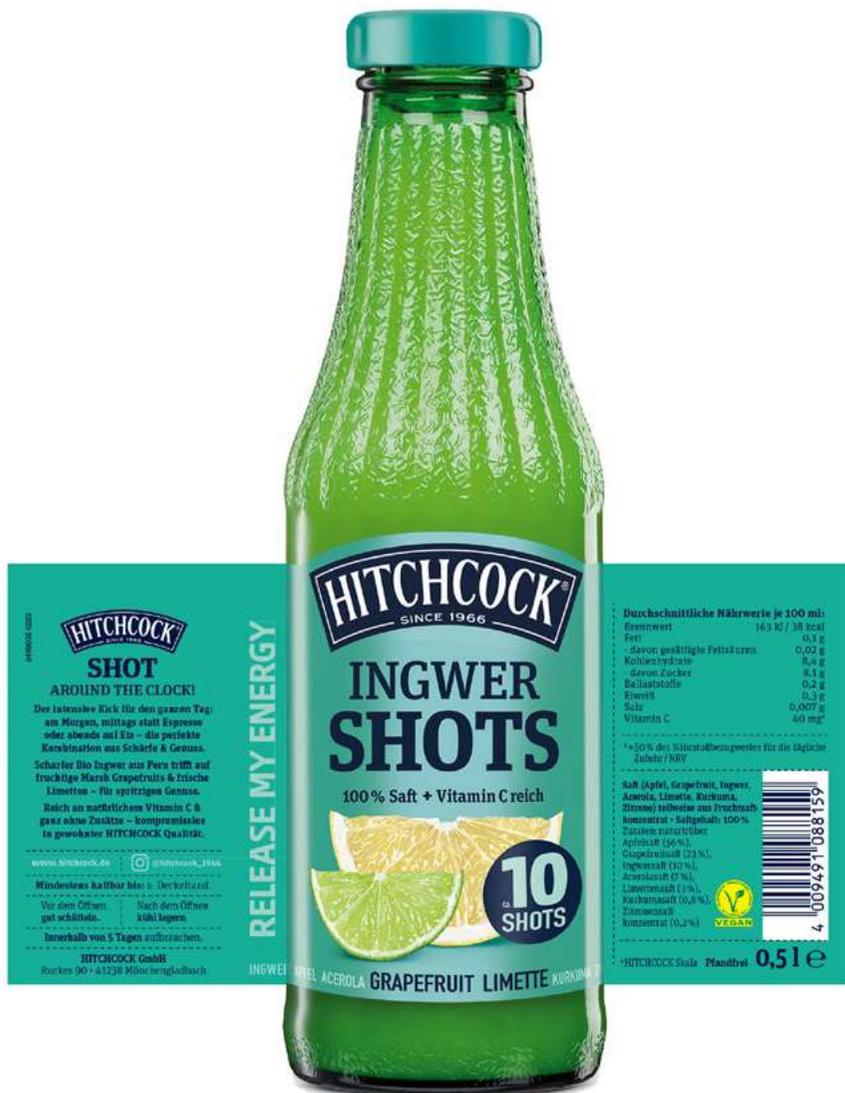
What does ‘climate neutral’ mean?

Most importantly, ‘climate neutral’ does not mean no CO₂! No matter how hard you try, it is simply not possible to live, run a business, or manufacture products without emitting some greenhouse gases.

Climate neutrality refers to companies, products, or processes whose CO₂ emissions are calculated and then offset by contributing financially to internationally recognized climate protection projects.

This offsetting is an important tool in protecting the future of our planet; however, it must be used alongside efforts to cut and reduce our emissions. Used on its own, CO₂ offsetting can easily look as if a company is attempting to buy its way out of the problem.





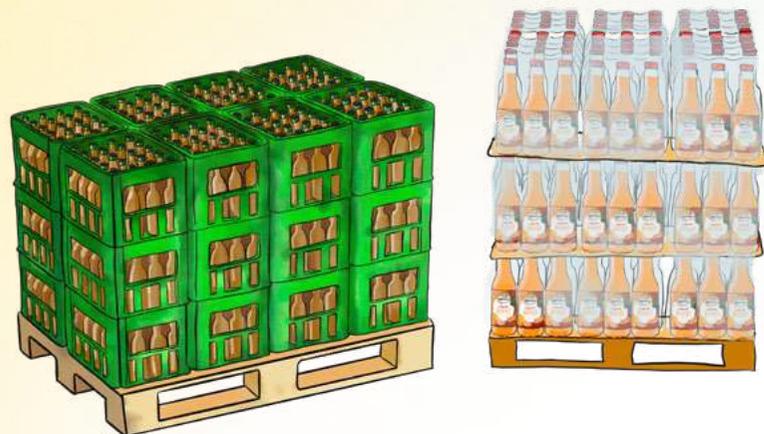
Complaint management

We take every possible step to ensure that our products are labeled correctly and that our lists of ingredients are 100% accurate. Any doubts or complaints raised by end consumers, B2B customers, or the authorities are therefore carefully recorded and investigated. We distinguish between two types of complaints: sales issues and quality concerns. The first covers any complaints arising from the sales process, such as pricing variations, incorrect order volumes, or delivery delays; the second covers complaints about the quality of the product itself. Quality complaints are passed from our sales staff onto our quality management team or can be submitted directly by email or post. The reasons for quality complaints can be wide-ranging and include changes to the look, smell, texture, or taste of a product, products that have spoiled, foreign bodies found in products, or errors in the product labeling.

In the case of a complaint regarding the product labeling, we check the labels, recipes, and product labeling recommendations to make sure they comply with the EU regulation on the provision of food information to consumers, the style guides of the customer or label producer, and any other formal requirements. We also run laboratory tests if, for instance, the complaint concerns the reference quantities for certain ingredients. If the complaint is upheld, we take the necessary corrective action and inform the stakeholders concerned of the steps taken.

Generally, we receive very few complaints about our product labeling. In 2021, we received complaints relating to the transposed digits on an expiry date, changes to the name of the food for some products, and the layout of the mandatory information on a label. In 2022, we received no legitimate complaints.

In both 2021 and 2022, we were not found to be in breach of any food labeling legislation.



Our packaging

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Our packaging



One of the biggest challenges facing the Valensina Group is to optimize our plastic packaging, and we are committed to achieving this task.

Packaging is one of the Valensina Group’s core areas of expertise. Our primary and secondary packaging comes

in a wide variety of materials and shapes, and we are always looking to improve our designs. Our focus is on plastic, since the majority of our products are packaged in plastic.

Plastic packaging is becoming subject to increasingly tight legislation. In 2022, Germany introduced mandatory deposits for single-use PET bottles; from 2025 onwards the percentage of recycled plastic required by law in PET bottles will increase incrementally; and by 2030 all packaging in Germany must be fully recyclable. In addition, the new requirements for tethered caps under EU Directive 2019/904 are due to come into force in July 2024. From this date onwards, all caps (including on single-use PET bottles) must be fixed to the bottle to prevent environmental pollution caused by loose caps. We are currently working together with our suppliers and customers to ensure that we meet all these requirements.

In 2019, we set ourselves three goals for our packaging: 1) to evaluate the recyclability of our packaging; 2) to save materials by reducing the weight of our packaging; and 3) to increase the proportion of recycled plastic in our PET bottles to at least 50%. We’ve already achieved our first goal and exceeded the second, but the third goal will need to be amended since it is no longer achievable. Full details on all these developments can be found on the following pages.

Packaging goals

Goal	Description	Measurable target	Target year
Evaluate the recyclability of our packaging	Evaluate the status quo of the recyclability of our product packaging and identify areas to optimize the designs	Baseline study	2021
Reduce the weight of our 1-liter PET bottles	Gradually reduce the packaging weight by optimizing the preforms and bottle designs (base year 2019)	Reduction of at least 7.5%	2025
Increase the proportion of recycled plastic used	Use as much recycled plastic in our PET bottles as possible without compromising on product quality	At least 50% rPET per bottle	2025

Materials

The vast majority of our packaging is made from plastic. Our Vechta factory, where we fill ambient juices in PET bottles, drinks cartons, and bag-in-box packaging, is particularly heavily reliant on plastic packaging. We also use plastic film to shrink wrap our products in six packs and other combinations, and for safe transport of our products on pallets.

Plastics have a critical environmental impact since the processes used to manufacture and recycle these products are very energy intensive. We therefore welcome the German government’s 2022 decision to introduce mandatory deposits for single-use plastic bottles for fruit juices and nectars. This legislation is an effective mechanism for promoting mono-material packaging and ensuring bottles are actually recycled rather than being sent to waste-to-energy facilities. In our European markets where mandatory deposit schemes are in place (Germany, Denmark, the Netherlands), returnable products with deposits accounted for 70% of our total sales of products in plastic packaging (PET/HDPE) in 2022.

Around 22% of our packaging is made from paper, paperboard, and cardboard, i.e. renewable raw materials. In most cases, these materials are used for secondary packaging, such as boxes and display materials, and contain around 92% recycled content. We do not consider our composite drinks cartons to be made from renewable raw materials, since the cardboard content is combined with other materials in the manufacturing process.

Finally, glass bottles make up 21% of our packaging. These are made from between 50% and 95% recycled glass depending on the color and supplier.



A big yes for more sustainability!
Consumers in favor of deposits
on single-use packaging

In December 2022, the Valensina Group commissioned the market research company GfK to conduct a survey of consumers aged between 18 and 74 on the topic of deposit return schemes. 90% of those surveyed thought these schemes were a good idea and the right approach from a sustainability perspective and wanted to see deposits introduced for single-use drinks bottles and cans in the fruit juice sector.

Our packaging by weight (kg)*

Packaging	Type of material	2019	2020	2021	2022
Bottles	Glass**	2,570,019	2,786,623	3,151,955	2,847,040
Jerry cans (HDPE)	Plastic	611,258	546,903	454,458	394,541
Bottles (PET)	Plastic	168,427	0	0	0
Bottles (rPET 30%)	Plastic	0	0	0	50,388
Preforms (PET)	Plastic	2,935,795	2,891,152	2,256,280	2,817,669
Preforms (rPET 50%)	Plastic	1,719,482	1,850,944	1,214,671	661,663
Preforms (rPET 100%)	Plastic	49,422	942,003	1,344,484	1,197,561
Blanks	Composite material	1,754,541	1,145,703	1,263,570	1,220,901
Caps	Plastic	778,334	729,738	665,214	665,404
Caps	Tin	46,264	52,461	66,776	46,069
Caps	Aluminum	24,844	23,373	16,220	19,034
Labels	Paper	311,824	294,487	279,590	336,545
Labels	Plastic	99,219	86,602	74,430	69,964
Film, stretch wrap	Plastic	394,061	494,526	253,307	327,730
Handles	Plastic	17,774	23,456	20,130	21,231
Cardboard packaging	Paper/paperboard/cardboard	2,795,883	2,720,765	2,101,964	1,955,764
Other packaging	Paper/paperboard/cardboard	86,552	77,337	491,620	572,103
Other packaging	Plastic	11,091	12,898	45,145	53,261
Total		14,374,790	14,678,971	13,699,814	13,256,868

*Packaging volumes listed include materials used for external producers.

**Purchasing data only includes single-use bottles.

Since our last sustainability report we have standardized our product packaging categories. This has altered the weights in some categories, notably ‘Cardboard packaging’ and ‘Other packaging – paper/paperboard/cardboard’. The weight calculated for some plastic packaging in 2019/2020 was also too low, which explains the sharp rise in the figure for the ‘Other packaging – plastic’ in 2021/2022.

Since 2020, we have reduced the amount of materials used for our ‘Cardboard packaging’ by introducing lower eight-corner trays. During the reporting period, some of our customers also switched from plastic labels to paper ones, as is reflected in the figures for ‘Labels’.

In 2020 and 2021, we blow molded the preforms for all our PET containers in-house using our own blow molding machines, so there was no need to purchase any ready-made PET bottles. In 2022, we switched from using HDPE jerry cans to a new two-liter bottle with 30% rPET content and therefore began buying some ready-made bottles again. In future, we plan to purchase a blow molding machine for these bottles, so that we can reduce the associated transport emissions and costs. In the case of preforms, revised customer specifications saw us increase our use of 100% rPET and virgin PET products in comparison with the previous reporting period.

The volume of single-use glass bottles was particularly high in 2021. This was due to changes in demand and our decision to purchase some particularly heavy bottles. We also chose to increase our stocks of glass bottles in the face of glass shortages.

Evaluating the recyclability of our packaging

By 2023, all packaging in Germany must be fully recyclable by law. To help us understand our current position, in 2021 we conducted an evaluation of our product packaging with the help of an external consultancy.

Much of our packaging is between 92% and 99% recyclable according to the minimum standards set out by the Central Agency Packaging Register (ZSVR) in partnership with the German Environment Agency.

Recyclability is just one of many factors that must be considered when designing sustainable packaging. Other important considerations include the ecological footprint, CO₂ footprint, and product safety standards.



Key factors for recyclability (ZSVR)

- The necessary sorting and recycling infrastructure is available to produce a quality recycled end product.
- The packaging can be sorted and the different components separated if necessary.
- The packaging contains no components or materials that could hamper the recycling process.

Reducing the weight of our packaging

In recent years, we have taken steps to reduce the weight of our 1-liter PET bottles. In 2020, we reduced the packaging weight for our own-brand ambient juices from 32 g to 28.5 g, and in 2021 we trimmed this figure even further to 28 g. Also in 2021, we successfully cut the weight of the bottles used for chilled juices for our commercial customers from 35.2 g to 28 g. Our work in both these areas is ongoing and further testing to optimize our designs is in the pipeline.

Our original aim was to reduce the weight of the 1-liter PET bottles across our range by at least 7.5% by 2025. By 2022, we had already achieved a 10.7% reduction in this figure, compared to our 2019 base year. But we're not stopping there ...

We are currently working to reduce our stretch wrap and shrink wrap volumes by systematically reducing the wrap thickness – most recently to 17 my in Mönchengladbach. Plastic films with recycled content have also been trialed across our factories, but so far have proven unsuccessful, since these products do not have the same elasticity and the thinner films in particular tear more easily. We are continuing to explore ideas in this area.



Replacing HDPE with PET 2-liter bottles for the Dutch market

Together with one of our suppliers, we have developed a 2-liter PET bottle to replace our HDPE jerry cans for the Dutch market. This new design is suitable for use with the standard reverse vending machines used in the Netherlands. The bottle also currently contains 30% rPET.

Increasing the proportion of recycled plastic

The Valensina Group has been using PET bottles containing post-consumer recycled plastic (rPET) since 2019, and our customers often specify that we use bottles with between 30% and 100% recycled content. The chemical properties of rPET are almost identical to PET, so from a technical point of view the switch to using rPET is straightforward. The difficulty is that, as a recycled secondary raw material, rPET remains more expensive than virgin PET. A growing number of market players are looking to use post-consumer recycled plastic to produce plastic films, textiles, and bottles for cleaning products, and consequently the availability of rPET is limited and prices are high. We are already working closely with our suppliers to ensure we are able to meet the new legal standards for PET bottles due to come into force in Germany from 2025 (which we expect will put further pressure on rPET supplies).

In 2021, 54% of the bottles we produced contained rPET. This figure fell to 42% in 2022 following some minor changes to our customer base. Given the current cost pressures and availability issues, it seems unlikely that we will achieve our original goal of ensuring all our PET bottles contain at least 50% rPET by 2025. Instead, our new target is to retain any bottles that already contain between 30% and 100% rPET at this level and ensure that those bottles still made from virgin plastic meet the new legal standards as a minimum. We are already working with our suppliers to sketch out the different scenarios and put plans in place to achieve these goals.

Our supply chain

32 New procurement strategy

33 Our raw materials



Our supply chain



We are increasing our focus on the social and ecological impact of our supply chains and working to produce a sustainable procurement strategy.

The Valensina Group has a large number of suppliers. Our packaging, operating materials, equipment, services, and capital goods are sourced primarily from Germany and other European countries with a strong track record on employee rights and environmental protection. Our raw materials, however, come from all over world, including from countries with less well-established environmental and social standards. In these countries in particular, we believe it is our responsibility as a business to demand that our partners uphold ethical business standards, and to verify – to the best of our ability – that these standards are being implemented in practice. We achieve this through a number of initiatives.

Wherever possible, we purchase our raw materials from members of SGF (Sure Global Fair), an international organization that verifies the authenticity of both finished and intermediate products. All SGF members agree to abide by the Code of Business Conduct of the European Fruit Juice Association (AIJN). In addition, all of our major suppliers are members of the SGF's voluntary self-regulation system.

97% of our orange juice and concentrate is sourced from Brazil – the world's biggest exporter of orange juice. Here, we work directly with the country's major producers, including visiting their facilities usually once a year. Our suppliers grow most of the oranges on their own plantations and the rest are all sourced locally. They then press the fruit and transport the juice/concentrate to Belgium or the Netherlands on their own ships. On arrival in Europe, the juice/concentrate is stored at the port terminal, before being transport to our facilities by delivery truck. Our Brazilian suppliers also undergo a SMETA 4-pillar audit. Developed by Sedex (Supplier Ethical Data Exchange), this process is designed to verify that all supply chain partners meet the requisite standards in terms of workers' rights, health & safety standards, environmental performance, and ethical business practices. Due to the COVID-19 pandemic, we were unable to visit our suppliers between 2020 and 2022, but these visits are due to restart from 2023. To date, we have only conducted our own social and environmental audits on an ad hoc basis. However, in September 2023, we plan to introduce random social audits at our suppliers' processing facilities and farms.

We received no reports of any negative impacts within our supply chains during the reporting period.

Sustainable supplier management

At the Valensina Group, the central procurement team takes primary responsibility for selecting and managing our suppliers. They are supported in this task by the operational procurement teams at each location, the quality management and research & development departments, and the CSR manager, who is responsible for improving our sustainability performance.

In addition, the group's purchasing activities are governed by our procurement strategy, which sets out the requirements for assessing suppliers, approving new business partners, and monitoring suppliers' sustainability performance.

During our internal workshops on sustainable procurement (further details to follow later in this report), we decided to create a sustainability/ESG questionnaire to serve as the basis for future audits. Starting from 2023/2024, we also plan to systematically identify the socio-economic risks within our supply chains and to use these findings to determine which of our suppliers we need to audit and in what areas.

In 2021, we introduced the EcoVadis supplier assessment system and we now ask all our suppliers with an annual turnover of €100,000 or more to register for this assessment. Each supplier is required to complete a detailed sustainability questionnaire and submit supporting documents and certifications. EcoVadis then assesses these submissions alongside other information sources such as media reports. In the case of any concerns about our suppliers, we are informed immediately.

The majority of our procurement contracts for raw materials already contain a clause stipulating that our suppliers uphold labor laws, human rights, and environmental protection standards. Under this clause, suppliers must permit the Valensina Group (or an external service provider mandated by us) to conduct on-site audits at their premises. In addition, in 2023/2024 we plan to revise all our contractual documents, notably our general terms & conditions of purchase, in line with the new German Supply Chain Due Diligence Act.

New procurement strategy

Since 2022, our customers that fall under the new German Supply Chain Due Diligence Act (LkSG) have been contacting us to confirm that we are taking the necessary action to comply with the new legislation. Moreover, we expect that the EU's upcoming Corporate Sustainability Due Diligence Directive (CSDDD) will apply to companies of our size. In response to these developments, we have decided to put some processes in place to better understand the socioeconomic risks within our supply chain and take transparent action to minimize these risks.

To ensure we meet the upcoming legislative changes, from June 2022 onwards we held a series of cross-departmental workshops, during which we mapped out our current situation and supply chain, and looked at the types of risks businesses face around human rights and the environment. We also set ourselves some initial goals, established our success indicators, and defined and documented our next steps. During 2023, we plan to consult an external adviser to help us further strengthen our sustainable procurement strategy.



Key components of our sustainable procurement strategy

- Risk analysis
- Tools and initiatives
- Communication
- Cooperation
- Measurable objectives
- Transparency
- Knowledge building

Climate protection and use of resources

35 Energy and emissions

37 Science-based
CO₂ reduction target

39 Water and effluents

40 Waste and its recovery



Climate protection and use of resources



By 2030, we aim to reduce our CO₂ emissions by 42 percent.

Many of the measures required to combat climate change present major challenges for

us as a business, just as they do for many other manufacturers. Climate protection and the circular economy are already top priorities for us, but we can see that other factors such as water consumption and biodiversity – particularly at the plantations where our raw materials are grown – are also key areas that we need to address. We are therefore working step-by-step to improve our contribution in each of these areas.

Energy and emissions

The Valensina Group is certified to the ISO 50001 standard across all its locations. We conduct regular internal energy audits with the help of external experts and our employees receive annual training on the topics of energy consumption and efficient use of resources.

Our interdisciplinary energy management team includes representatives from our technology, production, procurement, IT, and CSR departments across all three of our locations. The team is responsible for recording all our energy sources and other energy data; defining and analyzing our key performance indicators; developing action plans; and calculating our annual energy savings targets based on these plans, for both our

individual locations and the group as a whole. Our designated energy management officers for each site then action these plans in partnership with the relevant departments.

In the period 2021/2022, we introduced a series of measures to improve our energy efficiency: In Vechta, we switched the heating system for the returns warehouse and workshop over from gas to an air compressor heat recovery system. Likewise in Mönchengladbach, in 2021 we began using waste heat from the air compressors to heat the peracetic acid required for our disinfection processes. We also reduced the pressure used for blow molding our PET bottles, installed three charging stations for electric vehicles, and upgraded the window frontage on the administrative building at the site.

At the start of 2021, we commissioned a new, more efficient cleaning machine for glass bottles at our Erding factory, which is capable of processing up to 29,000 bottles every hour. Work to modernize and expand our machinery for single-use and returnable glass bottles at the factory also began in 2023 at a total investment cost of €7.5 million. Once this work is complete, the Erding factory will be able to process a much wider range of products and bottle types. We see glass as the packaging of choice for the future and we want to be ready for this trend. Other plans for 2023 include the installation of some new, more energy-efficient measurement technology for our wastewater treatment plant in Vechta and work to insulate the pasteurizers and steam pipelines in Mönchengladbach.

Our primary energy sources are natural gas and electricity, and we also use a very small amount of diesel and biogas. The major factors affecting our natural gas and electricity consumption are our production volumes and the outside temperature. In Mönchengladbach, our gas consumption rose during the reporting period because we increased the temperature of our cleaning process, so that we could stop using a particular chemical. Conversely, our electricity consumption declined due to lower production volumes and the installation of a new, more efficient refrigeration system. In Vechta, we cut our gas consumption by switching from gas heating to an air compressor heat recovery system.

The increased diesel consumption in 2021 is due to test runs conducted for an emergency back-up generator. Originally, we had planned to phase out heating oil in 2022 and therefore ran the tanks down to empty and decommissioned them in 2021. However, in light of the gas shortages and high gas prices resulting from the Russian invasion of Ukraine, in 2022 we decided to purchase new heating oil tanks and recommission some existing ones. These have been up and running since 2023.

Since 2019, we have been part of an energy efficiency and climate protection network coordinated by Oekotec GmbH. Network members meet regularly to share experiences and ideas for increasing energy efficiency and reducing CO₂ emissions.

Energy consumption within the organization*

Energy consumption within our organization	Mönchengladbach	Vechta	Erding	Valensina Group
Non-renewable sources	kWh	kWh	kWh	kWh
Natural gas				
2019	60,910,48	12,126,675	7,571,903	25,789,626
2020	6,766,614	11,361,520	7,720,544	25,848,678
2021	7,138,614	10,948,021	6,970,532	25,057,167
2022	7,126,330	10,405,443	7,787,920	25,319,693
Diesel				
2019			11,738	11,738
2020				0
2021			2,000	2,000
2022			500	500
Heating oil				
2019			13,692	13,692
2020			29,115	29,115
2021			466,560	466,560
2022			0	0

Energy consumption within our organization	Mönchengladbach	Vechta	Erding	Valensina Group
Renewable sources (Biogas)	kWh	kWh	kWh	kWh
2019	1,194,047			1,194,047
2020	1,183,528			1,183,528
2021	1,196,814			1,196,814
2022	1,092,964			1,092,964
Electricity				
2019	7,085,797	7,511,115	1,191,260	15,788,172
2020	7,087,045	7,086,861	1,025,551	15,199,457
2021	6,444,647	7,028,541	986,474	14,459,662
2022	5,962,595	7,359,209	986,518	14,308,322
TOTAL megajoules	Mj	Mj	Mj	Mj
2019	51,735,211	70,696,044	31,638,935	154,070,190
2020	54,133,873	66,414,172	31,590,756	152,138,801
2021	53,208,271	64,715,623	30,332,034	148,255,928
2022	51,054,801	63,952,747	31,589,778	146,597,326

*Figures taken from internal energy monitoring data. Diesel consumption for the company car fleet is not included. All figures (with the exception of biogas) are also included in our CO₂ footprint calculation, along with the consumption data for our company cars.

Science-based CO₂ reduction target

In 2022, we set ourselves a science-based emissions reduction target, calculated in line with the methodology proposed by the Science Based Target Initiative (SBTi). Since the Valensina Group falls under the SBTi definition of a small/medium-sized enterprise (SME), we have currently only defined a target for our scope 1 and 2 emissions, and not scope 3. This target is to reduce our emissions by 42% by 2030 in comparison with 2020 levels. For the time being, we have decided not to join the SBTi for cost reasons.

We have been calculating the CO₂ footprint of our locations since 2019. These calculations already include some of the scope 3 emissions associated with our raw materials and packaging materials under the category 'Goods and services procured externally', but we want to go further. We therefore plan to take a closer look at our scope 3 emissions from the end of 2023 onwards.

Our scope 1 emissions fell every year from 2019 before rising again in 2022 when some refrigerants were replenished and use of our company cars and pool vehicles increased following the lifting of COVID-19 restrictions.

Even though our electricity consumption continued to fall, our scope 2 emissions increased during the reporting period. This is due to the higher electricity emission factors for the years 2020 and 2022 at the Vechta factory, since in both years the site qualified for a reduced EEG surcharge under the German Renewable Energy Sources Act.

Our scope 3 emissions sank thanks to our efforts to reduce our waste and cut our use of non-product specific consumables. More importantly, we generated more accurate data for our employees' commuting activities.



Protecting the planet with Bavaria's meadow orchards

Our Wolfra subsidiary sources most of its apples from around 1,500 small-scale fruit farms in the local area around Erding and in the Rottal valley in south-east Bavaria. As part of our longstanding partnerships with these farmers, we are helping them preserve their traditional meadow orchards, which are a vital part of the region's historical landscape and also rich sources of biodiversity. In 2021/2022, Wolfra launched a local climate protection project which aims to promote carbon storage in the soil of our suppliers' farms and orchards through a range of initiatives.

The key focus is on replanting the orchards' trees and building up the humus content in the soil. By increasing the humus content, the project aims to expand the amount of CO₂ that the soil can hold and at the same time improve the moisture and nutrient balance of the soil. It is hoped that this work will enrich the orchard's soils – often leached of their nutrients over the years – and revive the fruit trees – many of which are under nourished and under stress – and in doing so make an important contribution to protecting our planet.

The pilot phase of the project was launched in January 2022 with a group of 17 fruit farmers, and in the autumn of 2022, 65 organic trees were planted at six farms in a first step towards returning these traditional orchards to their former glory. Wolfra is delivering the project in partnership with the Bavarian State Research Center for Agriculture (LfL) and biologist and fruit farmer Dr. Sebastian Grünwald. In spring 2022, Dr. Grünwald ran training sessions for the farmers and in November 2022 soil samples were taken from seven farms ready to be analyzed by the LfL.

The arable farming sector already has many projects and tried-and-tested methods in place to improve the soil humus content, but the Wolfra project is the first of its kind for meadow orchards. The pilot phase is therefore being run primarily as a research project in partnership with a team of scientists.

We plan to continue to build on this research work in 2023 and hope to involve the local municipal conservation authorities and other experts in the region's meadow orchards in the project, so we can work together to protect the climate and promote biodiversity.

Mandatory under GHG Protocol	Direct emissions	Scope 1	Heating (natural gas, biogas, heating oil, diesel), refrigerants, company cars
	Indirect emissions	Scope 2	Electricity from external suppliers
Voluntary	Other indirect emissions	Scope 3*	Upstream value chain (heat, electricity), employee commuting, non-product specific consumables**, waste disposal/recovery***, business travel, stationery, water****

*Raw materials and product-specific packaging materials not currently included; these will be included in future calculations.

**According to our ERP system records, the items with the biggest volumes (excluding raw materials and product-specific packaging) are: display materials, plastic film, glue, and cleaning products/chemicals.

***Using various disposal/recovery methods.

****From the water network only; not water from our own wells.

Greenhouse gas emissions 2019–2022 in metric tons of CO₂ equivalent (tCO₂e)

Greenhouse gas emissions 2019–2022 in metric tons of CO ₂ equivalent (tCO ₂ e)	Mönchengladbach	Vechta	Erding	Total
Scope 1*				
2019	1,593.1	2,484.0	1,622.9	5,700.0
2020	1,463.2	2,301.5	1,613.3	5,378.0
2021	1,498.9	2,220.5	1,578.9	5,298.3
2022	1,759.3	2,131.1	1,636.8	5,527.3
Scope 2**				
2019	1,466.8	1,554.8	246.6	3,268.2
2020	1,105.6	2,515.8	160.0	3,781.4
2021	1,385.6	1,511.1	212.1	3,108.8
2022	1,307.4	2,612.5	212.1	4,132.0

Greenhouse gas emissions 2019–2022 in metric tons of CO ₂ equivalent (tCO ₂ e)	Mönchengladbach	Vechta	Erding	Total
Total scope 1+2				
2019	3,059.9	4,038.8	1,869.5	8,968.1
2020***	2,568.8	4,817.3	1,773.3	9,159.4
2021	2,884.5	3,731.6	1,790.9	8,407.1
2022	3,066.7	4,743.7	1,848.9	9,659.3
Scope 3				
2019	1,912.0	2,956.2	874.7	5,742.9
2020	1,858.4	3,109.7	902.3	5,870.4
2021	1,855.5	3,298.4	878.9	6,032.8
2022	1,693.1	2,999.9	881.0	5,574.0
Total				
2019	4,971.9	6,995.0	2,744.1	14,711.0
2020	4,427.1	7,927.1	2,675.7	15,029.9
2021	4,740.0	7,030.0	2,669.8	14,439.9
2022	4,759.8	7,743.5	2,729.9	15,233.2

*Biogas is included with an emission factor of 0.

**The scope 2 emissions for the years 2019–2021 were calculated using the actual electricity emission factors provided by our suppliers. The 2022 figures are based on provisional emission factors. Mönchengladbach and Erding: 2021 emission factor, Vechta: 2022 emission factor due to EEG surcharge reduction. The figures from the 2019/2020 sustainability report have been corrected in this version.

***Base year for 2030 target to reduce scope 1+2 emissions by 42%.

Water and effluents

We use water primarily to reconstitute our fruit juices from concentrate, to produce our juice drinks and nectars, and to clean our production lines. This water is sourced from the municipal water network and, in Vechta, from our three privately-owned wells. All water used in the production of our juices complies with the German Drinking Water Ordinance (TrinkwV). It is also treated in line with the quality standards set out in our product specifications.

Our Mönchengladbach factory produces mainly chilled products and its production volumes are such that its water consumption levels are low. In contrast, water consumption at our Vechta factory is high, since it processes large volumes of fruit juice concentrate using water and flavors.

The water used by our Vechta factory is sourced almost exclusively from our own wells, and we have water rights in place to source the required volumes from these wells up until 2036. The authorities monitor the volumes of water we use. In addition, we are required to publish an annual report detailing exactly what we use the water for and how we keep our water consumption to a minimum. Just as with mains water, groundwater usage is subject to charges.

None of our sites are in areas currently affected by water shortages. Nonetheless, climate change is certain to cause further reductions in the ground water table and government policy will need to adapt to address this in the medium term. Germany already has a national water strategy in place which sets out measures from 2030 onwards, notably investment in water infrastructure to help manage water resources more sustainably. This is an area that we, as a business, want to address more thoroughly in the coming years.

In Erding, the wastewater from our production processes is neutralized and then fed into the public sewer system. In Mönchengladbach, it is directed to our biogas plant and then subsequently fed into the public sewer system as pre-treated wastewater. Our Vechta site has its own wastewater treatment plant with the capacity to treat up to

15,000 population equivalent (PE) of wastewater. The discharge volumes from the plant are subject to four spot checks each year, conducted by an independent laboratory (EWE Netz GmbH), and the results from these analyses are reported to the local authorities in Vechta.

We make every effort to keep our process water in circulation at our factories for as long as possible, in order to reduce our water consumption. For example, we collect cooling water and use this for cleaning purposes, and steam is collected, condensed, and then fed back into the steam cycle.

In 2021, we upgraded our clean-in-place (CIP) system at our Erding factory. This new system treats and reuses the same cleaning fluid multiple times, thereby reducing our consumption of energy, water, and cleaning agents. The cleaning systems at our other factories had already been upgraded in previous years.

At our Vechta and Erding sites in particular, our rate of water consumption is heavily dependent on our production volumes.

Water withdrawal and water consumption in liters

Water withdrawal	Mönchengladbach	Vechta	Erding	Valensina Group
Network				
2019	104,547,333	5,398,000	62,843,000	172,788,333
2020	115,179,500	3,651,000	68,049,000	186,879,500
2021	110,003,441	3,877,000	63,151,000	177,031,441
2022	111,528,289	3,787,000	60,852,000	176,167,289
Wells				
2019		355,925,000		355,925,000
2020		286,259,000		286,259,000
2021		275,644,000		275,644,000
2022		293,645,000		293,645,000

Water withdrawal	Mönchengladbach	Vechta	Erding	Valensina Group
Total water withdrawal				
2019	104,547,333	361,323,000	62,843,000	528,713,333
2020	115,179,500	289,910,000	68,049,000	473,138,500
2021	110,003,441	279,521,000	63,151,000	452,675,441
2022	111,528,289	297,432,000	60,852,000	469,812,289
Product				
2019	11,709,488	119,853,000	9,086,011	140,648,499
2020	13,028,745	105,788,000	7,648,913	126,465,658
2021	12,963,210	107,773,000	6,871,159	127,607,369
2022	11,407,887	111,815,000	7,813,053	131,035,940
Process				
2019	92,837,845	241,470,000	53,756,989	388,064,834
2020	102,150,755	184,122,000	60,400,087	346,672,842
2021	97,040,231	171,748,000	56,279,841	325,068,072
2022	100,120,402	185,617,000	53,038,947	338,776,349
Total water consumption				
2019	104,547,333	361,323,000	62,843,000	528,713,333
2020	115,179,500	289,910,000	68,049,000	473,138,500
2021	110,003,441	279,521,000	63,151,000	452,675,441
2022	111,528,289	297,432,000	60,852,000	469,812,289

We do not currently record the water consumption in our upstream value chain. We are aware that water consumption, particularly in the fruit-growing industry, is an area that requires critical scrutiny and must not be overlooked. However, effective water management is one of the key criteria in the SGF audit. Since we source the majority of our raw materials from SGF members, we therefore see no need for immediate action on our part. Nonetheless, we continue to keep a watchful eye on the situation.

Waste and its recovery

The EU's Circular Economy Package, which entered into force in mid-2018, contains a series of provisions aimed at tightening the Waste Framework Directive, the Packaging and Packaging Waste Directive, and the Landfill Directive among others. These updated directives have been gradually implemented across Germany since 2021. As the legislation becomes tighter, we've seen disposal costs rise, making it all the more important to find ways to reduce our waste volumes. Each of our locations maintains records of their waste disposal/recovery operations and we analyze this data centrally. Our biggest waste volumes are in the following areas: biowaste, glass, paper & cardboard, and plastic & plastic film.

In 2021, we automated the process for emptying drinks bottles at our Mönchengladbach factory and also procured a bottle crusher for the site. Previously any PET single-use bottles returned to us – because the product was out of date, for instance – were disposed of as a single unit, i.e. bottle and juice together. Now bottle and juice are separated during the crushing process. The crushed bottles are then sent to a waste disposal company and the juice is fed into our biogas plant. In 2022, the new bottle crusher helped us significantly reduce the amount of biowaste sent to waste-to-energy facilities. We are now considering whether it makes financial sense to shred the PET bottles ourselves (rather than sending them to an external waste disposal company), so that we can sell the plastic on as a secondary raw material.

Our packaging materials have a significant ecological impact when they come to the end of their product life. When this happens, they need to be collected, sorted, and then processed. The majority of the waste is plastic, which is either recycled (in the case of our bottles) in a very energy intensive process or alternatively sent to waste-to-energy facilities. As a packaging marketer based in Europe, we are legally responsible for the costs of disposing of our packaging (Extended Producer Responsibility, ERP) and we meet these obligations in full. We are not aware of any risks associated with waste disposal in our upstream value chain.

Biowaste

Our biowaste comprises spoiled fruit, fruit peel, pomace, bottled juice, and biosludge. Spoiled fruit is only found at our Erding site, but the majority of our biowaste actually comes from Mönchengladbach, because this is where we produce chilled juices not from concentrate with short expiry dates. Most products rejected during production, or occasionally returned by customers, are sent to an external waste-to-energy facility. A small proportion are processed in our own biogas plant and we are looking to increase these volumes in future.

We also redirect a small quantity of our biowaste for other uses, e.g. our orange peel is sent to a company that produces animal feed. Just like our juices, this peel undergoes quality tests to make sure it is safe to use in animal feed. The leftover apple from our Erding factory is also used in wild animal feed.

Food waste

According to the latest figures from the German Federal Statistical Office, around 11 million metric tons of edible food is thrown away every year in Germany for a wide variety of reasons. This wastage occurs at every stage in the value chain, from farmers to manufacturers, retailers, and end consumers.

At the Valensina Group, the majority of our waste in this category is finished products that do not meet the required standards. This includes underfilled bottles rejected during the production process and products returned to us by customers because the expiry date is shorter than the agreed time period. Some products are also ordered and then never accepted by the customer.

Wherever possible, we put these products back into the production cycle. The bottles are emptied and the contents poured into tanks, where they undergo the same checks we perform on all our raw materials. They can then be reprocessed into new products. Unfortunately, this is a very labor-intensive process (in particular for juices not from concentrate) and we simply do not have sufficient staff to re-process all these products, meaning the majority have to be thrown away. Some products are donated, given away to staff, or put on sale at a discount.

Glass

Our Erding factory packages its products in glass bottles. Once used, any returnable bottles are sent back to us for cleaning. Any damaged bottles and broken glass are sent for recycling.

Paper & cardboard

Paper and cardboard are among the biggest waste categories in Vechta and Mönchengladbach. Both these materials are used for secondary product packaging, pallet dividers, and display materials. Any waste is recycled. In 2022, we succeeded in reducing the amount of paper and cardboard used in Mönchengladbach. By working together with our customers, we were able to better manage changes to the packaging design and sizing than in previous years (especially for secondary packaging), meaning less material went to waste.

Plastic & plastic film

Our Vechta factory in particular uses large volumes of plastic and plastic film. The vast majority of the ambient juices produced at the site are packaged in PET bottles and these bottles are also shrink-wrapped in six packs or other combinations, as well as being transported on pallets secured with stretch wrap. We are working to improve the current situation by reducing the weight of our packaging, using recycled content, and making our packaging as recyclable as possible.

Other waste

Our Erding factory produces a larger volume of mixed waste than our other sites due to its bottle rinsing process. During this process, the labels are washed off the bottles and become mixed with the cleaning fluid, meaning they have to be thrown away in the residual waste rather than in the paper recycling. As a result of renovation work and the recommissioning of a petroleum tank, the Erding site also disposed of a large volume of construction waste and glass mineral wool in 2022. The latter is classified as hazardous waste.

Waste generated (kg) and disposal methods*

Hazardous			
Hazardous waste sent for recycling or disposal			
Fluorescent tubes, oily waste, solvents, laboratory waste, etc.			
	Mönchengladbach	Vechta	Erding
2019	1,110	600	152
2020	297	200	98
2021	0	0	19,420**
2022	60	0	7,440
Non-hazardous			
Waste recycled			
Glass			
	Mönchengladbach	Vechta	Erding
2019	1,100	0	546,680
2020	830	0	494,360
2021	1,400	1,600	350,010
2022	800	1,200	261,250
Plastic and plastic film			
	Mönchengladbach	Vechta	Erding
2019	22,730	119,180	5,140
2020	14,680	90,740	10,710
2021	18,600	88,570	8,000
2022	15,480	89,080	5,840
Metal waste and scrap metal			
	Mönchengladbach	Vechta	Erding
2019	0	8,500	37,610
2020	0	0	69,160
2021	0	7,120	74,990
2022	0	0	65,060

Paper and cardboard			
	Mönchengladbach	Vechta	Erding
2019	135,900	228,470	36,200
2020	109,280	202,000	36,660
2021	126,100	202,600	26,800
2022	94,510	208,660	22,340
Energy recovery after pre-treatment (biogas, food waste processing)			
Biowaste, spoiled fruit, bottled juice, biosludge (6.1% dry matter)			
	Mönchengladbach	Vechta	Erding
2019	901,535	0	76,880
2020	1,070,217	64,500	115,790
2021	883,997	23,380	61,780
2022	245,759	43,330	97,600
Recycling, material or thermal recovery after sorting and pre-treatment			
Other mixed waste			
	Mönchengladbach	Vechta	Erding
2019	138,250	78,120	156,520
2020	111,370	72,520	148,570
2021	114,500	61,900	138,250
2022	87,520	49,170	140,100
Recycling, material recovery or landfilling, depending on type and composition			
Rubble, other construction waste, garden waste, bulky waste, electronic waste, wood			
	Mönchengladbach	Vechta	Erding
2019	116,850	497,510	25,940
2020	74,480	8,000	30,830
2021	71,600	13,470	20,190
2022	67,280	16,820	135,920

*Figures shown are for our production facilities; our administrative buildings are not included. Significant fluctuations in the figures, e.g. for scrap metal or hazardous waste, are due to the irregular collection schedule of the waste disposal companies.

**One-off disposal of juice contaminated with hydraulic oil.

Our employees

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- 45 Employee benefits
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- 47 Communications culture
- 48 Health and safety at work



Our employees



We want our employees to feel part of our business, promote our values, and enjoy coming to work each and every day.

As a family business, the Valensina Group feels a close connection to its employees. By promoting a flat organizational structure, direct communication channels, exceptional benefits, and a vibrant company culture, we hope to make the Valensina Group an enjoyable place to work for all our staff – both now and for many years to come.

We are committed to helping our employees develop their skills and want to foster a strong sense of loyalty to our company. As part of our recent work to update our corporate strategy (see p. 14), we redefined the vision, mission, and values that underpin all of our working relationships, both internally as a team and externally with our business partners. Our management staff, in particular, are ambassadors for these values and we see it as our responsibility to equip them with the skills they need to empower their teams and lead by example.

Staffing structure

At the end of the reporting period on 12/31/2022, the Valensina Group employed 379 members of staff. For many years, our male-to-female ratio has remained unchanged at one third women to two thirds men, which is fairly typical for a manufacturing company.

The slight fall in the total number of employees reflects the current challenges we face in filling vacant positions quickly, including when employees retire.

Number of employees*

		2019		2020		2021		2022	
		f	m	f	m	f	m	f	m
By type of employment contract and by gender	Permanent	134	257	127	256	123	246	125	243
	Fixed term	2	6	2	5	1	5	1	10
By working hours and by gender	Full time	92	247	87	249	84	239	85	239
	Part time	44	16	42	12	40	12	41	14
Total		399		390		375		379	

f = female; m = male

*Employees who at the end of the reporting period (on 12/31) had an employment contract (either permanent or fixed term) with a Valensina Group company, including those working full time, part time, or marginal hours, those on maternity leave, working parental part-time hours, or in partial retirement, and those signed off long term sick. The head count includes members of the Management Board, but not apprentices, interns, or temporary staff, and has not been calculated as full-time equivalent (FTE).

Like many other businesses, the Valensina Group has been impacted by skills shortages. There is currently an enormous shortfall in skilled workers in Germany and even apprentices are hard to secure. To increase our profile among potential applicants, the Valensina Group now maintains a presence on XING and kununu, and if this proves an effective strategy (as we hope it will), Wolfra will soon follow suit. We have also introduced a digital applicant management tool to make our application process faster and more streamlined for candidates. New job roles are advertised on the display boards at our locations and also through recruitment campaigns.

During the reporting period, we employed up to four marginal workers with flexible working hours to suit their requirements.

Temporary staff were employed primarily at our Vechta and Erding sites where they assisted the production and warehouse teams, and helped out during the rhubarb harvest in Erding. In 2021, we began maintaining central records for the number of temporary workers we employ, but these records only show the total head count. These figures can be misleading, since some people only work a very small number of hours for us. From 2023 onwards, we will therefore also record and publish the total number of hours worked by temporary staff. During the reporting period, three of our temporary workers in Erding agreed to take on a permanent position. This is a positive outcome for us, since we look to employ permanent staff wherever possible.

Number of temporary workers*

Location	2021	2022
Mönchengladbach	2	0
Vechta	58	92
Erding	21	11

*Figures not calculated as full-time equivalent (FTE).



Our ‘Safttastischen’ team

The ‘Safttastischen’ team is a small project team created in 2022 to strengthen the sense of solidarity and team spirit within the Valensina Group. Events organized by the team include a glühwein gathering, cross-department taster days, and a regular ‘Breakfast with the Board’, where staff have the opportunity to get to know the board members and talk to them in person. The team has also instigated a number of improvements to our processes and facilities. What’s more, they have inspired other volunteers to set up group activities, such as regular drinks meet-ups, glow-in-the-dark blacklight mini golf, brewery tours, and badminton matches. Plans are also being made for a company run.

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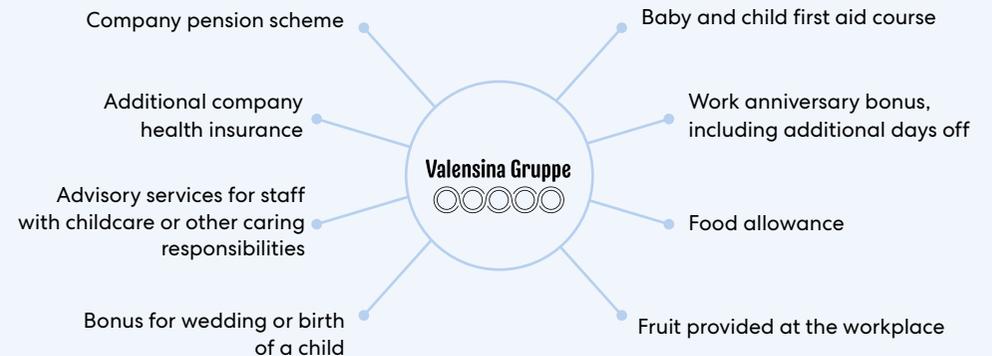
Employee benefits

We offer our staff a generous package of additional benefits that go above and beyond the statutory minimum. These include a company pension scheme and additional company health insurance, as well as advisory services for those with childcare or other caring responsibilities, a food allowance and various other allowances, bonuses, and days off for weddings, births, and work anniversaries. All staff – both full and part-time employees – have equal access to all benefits, whereby any company pension payments and health insurance cover are allocated prorata.

Following the enormous hike in energy prices at the start of 2022, we gave all employees (with the exception of management staff and employees with company cars) a petrol voucher worth €50. Employees under a certain salary threshold also received a €300 tax-free bonus in addition to the inflation relief bonus provided by the German government.

In 2023, we increased the vacation allowance for all employees to 30 days.

Our additional benefits package



Employees agree their individual salaries with their managers. In 2022, we revised the pay grades for employees in production and related departments in Erding, and a similar review is planned for Vechta in 2023. We are currently drawing up pay grades for the first time in Mönchengladbach. Each of our three locations was originally an independent company and these differences in salary structure are a legacy leftover from that time.

We have works councils in place in both Vechta and Erding, which represent the interests of our employees. Any general salary increases agreed between the Management Board and works councils apply across the group. No collective bargaining agreement has been concluded.

In 2022, we tightened up and expanded our company policy on equal treatment and the promotion of equal opportunities. A copy of the revised policy can be found on all company notice boards. We are committed to promoting equal opportunities for all our employees and allocating jobs based on staff members' personal and professional skills, regardless of gender, race, ethnic origin, religion, or world view. When appointing managers, we are careful to ensure that the chosen candidates are prepared to set a good example for other staff.

The employee survey originally planned for the reporting period was canceled due to the COVID-19 pandemic.



Adopting trees

All new staff members at the Valensina Group have the opportunity to adopt a tree. To date, we have planted 1400 trees in Columbia, Guatemala, and Kenya through the Treedom website and we are now gradually inviting our employees to take over the sponsorship of these trees. Among our tree adopters are also some winners of a raffle on social media, which we launched in winter 2021.

<https://www.treedom.net/de/organization/valensina>

Professional development opportunities

We offer an induction program for all new employees as well as a starter pack containing key information and details of their individual training plan. As a business, we also offer excellent opportunities for professional growth. Many of our apprentices work their way up to positions of responsibility and we are committed to training up managers from within our own ranks.

Each department is responsible for the professional development of its staff. We categorize training into mandatory training and additional professional or personal development. The training needs are identified and defined between employees and their managers.

In 2022, we also started work on a central skills database for our employees, which we hope will enable our HR team to recruit staff with specific skills from within our organization rather than externally and, in turn, open up more professional development opportunities for our staff. We are currently in the process of transferring the data from the existing HR files to the new HR management tool.



Our apprentice roles

- Industrial management assistant
- Fruit juice technician
- Laboratory assistant

Leadership development

We believe that a positive management culture and targeted professional development play a vital role in motivating and retaining talented employees for our business.

During the reporting period, we developed a leadership philosophy and commenced the gradual training of our managers towards effective leadership. This external management training was rolled out for our top tier managers in 2021, followed by all second and third tier managers in 2022. In 2023, we have at least two management workshops planned for our top tier and second tier managers, as well as at least one workshop for our third tier managers, team leads, and shift supervisors.

In 2022, we introduced templates to help our top tier and second tier managers conduct structured feedback sessions and annual reviews. We also provided training in how to conduct these discussions effectively. We want to develop a culture of open feedback in both directions between managers and employees, and therefore plan to roll out the same format for our lower management levels in 2023.



Examples of our 'Good Management' workshops

- Skills for managers
- Promoting company values
- Teambuilding
- Leading discussions
- Interview skills
- Giving and receiving feedback

Communications culture

We want to promote open discussion across our organization and make sure employees at all our sites have access to the information they need. To this end, we maintain an internal blog where we post news and information about the company at least twice every week, including in video format. In 2022, we published interviews with members of the Management Board, as well as a series of posts in which various department heads and members of the Management Board explained what our company values (as defined in our new corporate strategy) mean to them. We also introduced our 'Who is...?' series, where we get to know different staff from all around the business. In terms of sustainability, the blog provides an important information platform and we regularly post about sustainability issues relevant to our products and day-to-day business operations.



Sustainability topics covered on our blog

- Recyclability
- EcoVadis assessments
- Energy management projects
- Sustainable Development Goals
- Upcycling
- Mandatory deposit return schemes
- Climate protection
- CO₂ footprint and more...

Health and safety at work

Occupational health and safety is governed by strict legislative standards in Germany. As required by law, we have occupational health and safety teams in place at all our sites, who meet at least four times every year to discuss health and safety risks in the workplace and accident prevention measures. Workplace risks exist across all our departments – be it production, assembly, technology, quality assurance, logistics, or administration – and we work hard to identify and analyze these risks, so we can keep them to a minimum.

In 2021 and 2022, the most common occupational injuries we encountered were blunt traumas such as bruising or dislocation of the hands, feet, or shoulders. The majority of accidents also occurred on the way to or from work. Happily, the number of notifiable accidents (resulting in more than three lost days) halved in 2022 and no accidents resulted in permanent physical injury. However, every single accident is one accident too many, which is why our aim is always to achieve zero accidents.

Notifiable accidents

	Mönchengladbach	Vechta	Erding	Total
2021	4	5	4	13
2022	0	1	5	6

Due to the COVID-19 pandemic, many employees from the administrative teams continued to work part-time from home during 2021 and 2022. For us, the pandemic has served to accelerate our digital transition, changed the way we interact with one another, and made mobile working part of our normal working day.



Occupational health and safety training topics

- General fire safety
- Fire marshal skills
- First aid skills
- Personal protective equipment and hazardous substances (part of food hygiene training)

Business ethics

- 51 Complaints procedure and due diligence
- 51 Corporate structure and management



Business ethics



Ethical business practices lie at the heart of our corporate culture and we expect all our employees and business partners to uphold the very highest standards without exception.

The Valensina Group is committed to upholding the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work. Above all, we condemn any form of forced or child labor. In 2023, we plan to draft a code of conduct that makes explicit reference to these standards and share this policy with our external stakeholders. Until then, we continue to apply the standard industry codes of conduct published by the amfori BSCI platform (an association of European businesses primarily in the retail sector) and the European Fruit Juice Association (AIJN) – and we expect our suppliers to do the same.

Compliance is central to the work of our Management Board. The Valensina Group has many internal policies and work instructions in place to help our staff uphold the standards that we have set for ourselves. All members of staff are made aware of our rules and regulations when they join the company and can access copies of the relevant policies through our document management system. We also provide training and create posters to remind staff of the most important requirements.

Any policies that apply across all our locations must be signed off by the Management Board; others can be approved by the relevant department or location, depending on the scope of application, impact, and circumstances.

Our most important group-wide policies are the AIJN Code of Business Conduct, our corporate policy, our data privacy handbook, and our business travel policy (including expenses).

The Valensina Group did not receive any fines or other sanctions during the reporting period or in any of the previous years.

In 2022, we ran five training sessions on sustainability topics for staff at all three of our locations. The courses, which were a mix of online and face-to-face training, continued right through to May 2023 to ensure all employees had the opportunity to take part. Each session lasted up to 90 minutes depending on the amount of discussion time.

Our sustainability training sessions

- ✓ Sustainability reporting
- ✓ Rainforest Alliance
- ✓ Codes of conduct
(German General Equal Treatment Act (AGG) & Federal Act on Gender Equality (BGleiG), BSCI, AIJN, ETI, customer-specific CoCs)
- ✓ Legislation
(German Supply Chain Due Diligence Act (LkSG), German Whistleblower Protection Act (HinSchG), Corporate Sustainability Reporting Directive (CSRD))
- ✓ Co₂ footprint and climate targets
- ✓ Recyclability and packaging goals

Complaints procedure and due diligence

In April 2023, the Valensina Group introduced an anonymous whistleblower system, as required under the German Whistleblower Protection Act (HinSchG) which came into force on July 2, 2023. The aim of an anonymous system of this kind is to offer better protection for whistleblowers in the workplace. Our whistleblowing system is available to both staff members and external stakeholders, who are invited to submit their concerns via our website. When submitting a complaint, whistleblowers can choose whether or not they wish to remain anonymous. All complaints are collated by an external ombudsman service, which confirms receipt with the whistleblower and assesses whether the complaint is credible. Depending on the nature of the complaint, it is then passed to one or more managers within the Valensina Group and processed internally. Any action taken to address the complaint is approved by the Management Board and the ombudsman service informs the whistleblower of the outcome.

The Valensina Group also has several other mechanisms in place for raising concerns. Designated mailboxes are provided at all three locations, where employees can raise concerns, both anonymously or otherwise. These mailboxes are emptied by HR staff and the feedback passed on to the departments concerned. To date we've received no complaints via this mechanism, only suggestions. External complaints – most of which relate to our products – can be submitted by phone, email, or post. These complaints are collated and reviewed by our quality management team. Finally, any complaints and corrective actions resulting from audits and on-site inspections (both internal and external) are addressed during an annual management review meeting.

The Management Board is kept up to date with any ongoing concerns during senior management meetings with representatives from the different departments. In the case of serious concerns, where the health of consumers is at risk or our company image is in jeopardy, we follow the strict protocol set out in our systematic crisis management procedure. During the 2021/2022 reporting period, we did not receive any complaints or reports, either internally or externally, in relation to corruption.

From 2023 onwards, many of our B2B customers will fall under the German Supply Chain Due Diligence Act (LkSG). This legislation requires businesses to observe due

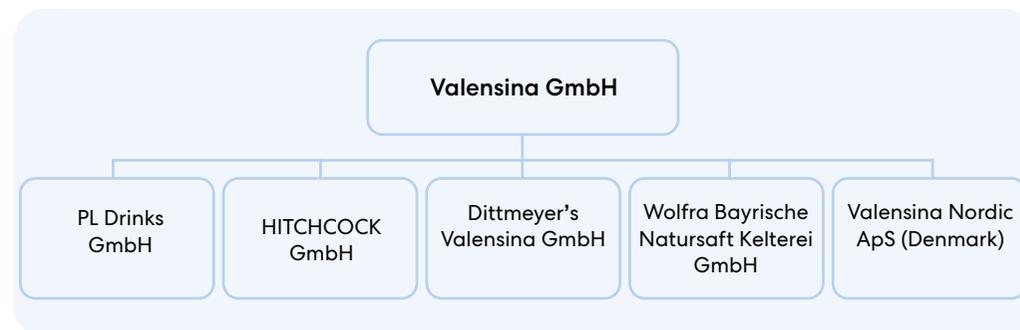
diligence obligations with regards to recording and preventing human rights violations and negative environmental impacts within their supply chains. We are currently working to ensure we meet these obligations and have the appropriate management processes in place. Even though we are not, as yet, subject to the legislation ourselves, we plan to begin a risk analysis for our own business operations and those of our direct suppliers in the second half of 2023. Further information about this can be found in the 'Our supply chain' section of this report.

Corporate structure and management

Valensina is a limited liability company (GmbH) under German law. A total of 50% of the business is owned by the Mocken family and the remaining shares are held by Singha Europe Company Ltd.

In line with our consolidated financial statement for 2022, this sustainability report for the Valensina Group covers all our consolidated companies. Valensina Nordic ApS is not included in the figures, since this entity serves simply as a sales address to ensure compliance with specific Danish legislation concerning deposit return schemes. Valensina Nordic does not have any employees or office premises of its own and is operated from Germany.

Valensina GmbH, with its headquarters in Mönchengladbach, manages all of the group's subsidiaries, as well as the procurement of key raw materials and our central accounting functions.



The Valensina Group is directed by its Management Board, which is the group’s highest governance body and reports to the Advisory Board. The role of the Advisory Board is to represent the interests of the shareholders and appoint the Management Board. The members of the Management Board are appointed on the basis of their ability to ensure the long-term future success of the Valensina Group. Sustainability expertise has not, to date, been an important selection criteria. Tino Mocken is both CEO and a shareholder.

All members of the Management Board are contractually appointed. There is no process in place to prevent or minimize conflicts of interest within the highest governance body; However, no such conflicts of interest exist.

Members of the Management Board and other senior managers receive a basic salary plus other variable components, which are performance-based and, in part, linked to the group’s operating result. Severance pay – and any potential repayments – are decided on a case-by-case basis. The Valensina Group offers a company pension scheme, which is open to all employees should they wish to join. To date, the members of the Management Board and other senior managers have not been assessed on their sustainability performance nor remunerated on this basis.

Compensation for the Advisory Board is determined by the owners. The members of the Management Board negotiate their salary with the Advisory Board; senior managers, in turn, negotiate their salary with the Management Board.

The Valensina Group does not publish the annual total compensation ratio, since we consider this information to be confidential.

		
Tino Mocken (CEO)	Felix Müller (CFO)	Björn Vieten (Authorized signatory)
Marketing, Sales, HR, Legal Affairs, Wolfra	Finance & Accounting, Controlling, IT, Production, Logistics, Copacking	CSR, Procurement, Research & Development, Business Development, Quality Management/ Assurance

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Appendices

Materiality analysis

Our sustainability strategy was developed through a series of workshops involving employees from all different areas and all different levels of our business. In 2019, they decided to put the focus on the Valensina Group's stakeholders across its value chain. The key stakeholders for the Valensina Group were identified as B2B customers, end consumers, employees, suppliers, and the general public. Representatives from each of these groups were then requested to complete a sustainability survey, and the findings from the survey were incorporated into our materiality analysis. In addition, the workshop participants analyzed the impacts of the Valensina Group's operations, the socio-political context, our competitors' actions, and future trends. Material topics were then defined based on these internal discussions, the findings from the stakeholder survey, and also the GRI Food Processing Sector Supplement – a useful source of information specific to the food industry.

In a final step, our CSR manager worked together with sustainability agency triple innova GmbH to prioritize our material topics before presenting them to the Management Board for approval.



Mönchengladbach



Vechta



Erding

GRI content index

Statement of use The Valensina Group has reported the information cited in this GRI content index for the period 01/01/2021–12/31/2022 in accordance with the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	none

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Legal notice

Valensina Gruppe



Sustainability report for the Valensina Group 2021–2022

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