

Vitakraft®



# Sustainability Report 2022

Vitakraft

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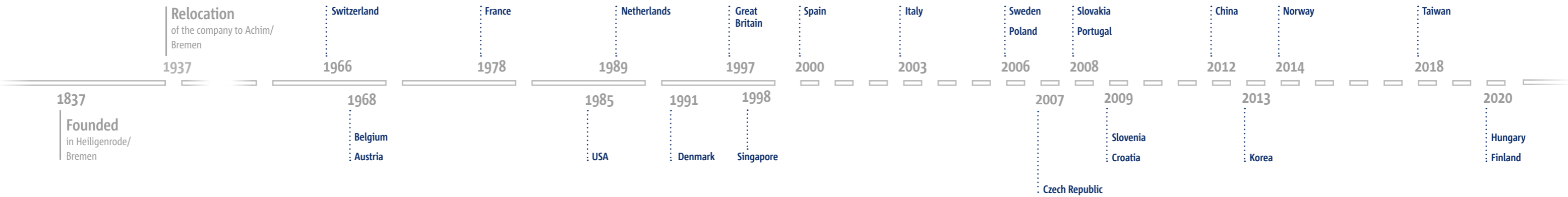
**Samuel Phan**  
General Manager  
Sales Asia, USA

## Dear Reader,

Sustainability and social responsibility are themes that have become increasingly significant among retailers and consumers over the last few years. Vitakraft has been aware of the fact that a perfect and healthy diet can only be guaranteed for our pets if natural resources are conserved for many years.

For Vitakraft, sustainability is an integral part of the company. We act sustainably by establishing a balance between our business and man and nature. We responsibly and reliably ensure the well-being of many pets around the world on a daily basis. This is what our company philosophy stands for. It is the guiding principle for our internal and external conduct. What this means in concrete terms and which measures have been implemented in 2020 and 2021 are presented in this brochure.

**Your Vitakraft pet care management board**



## Vitakraft - a portrait

### From Bremen to the entire world

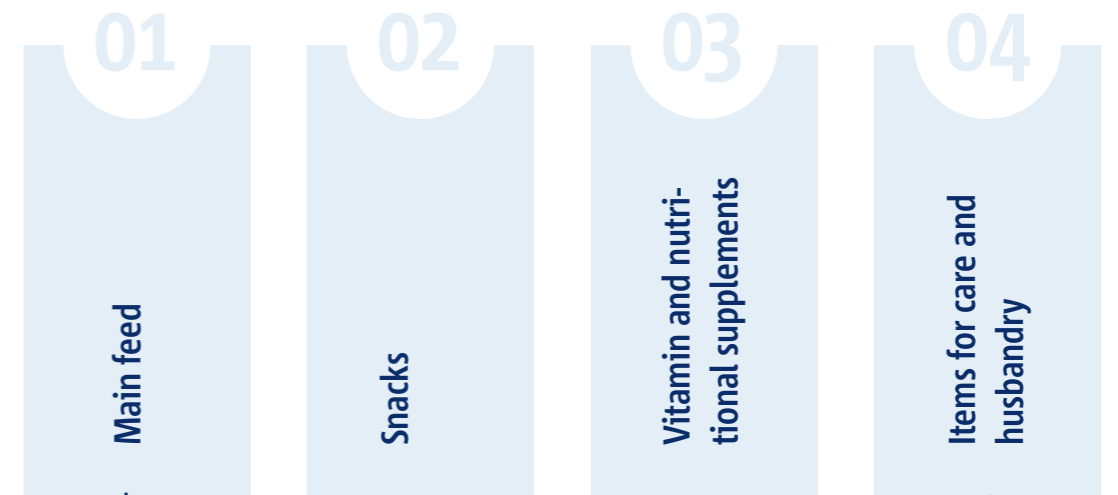
What started as a small pet food shop in Heiligenrode near Bremen over 180 years ago has developed into one of the most successful companies in the pet industry. Today, Vitakraft is a high-performance, international company in the pet industry geared towards sustainable and profitable growth.

We export our products to over 50 countries around the globe. In the ranking of the world's biggest brands in the global pet market, we are in 8th place. Across Europe, the Vitakraft® brand ranks fourth and is the leader in many pet supply sub-markets. The company is represented in 20 countries around the world with its own sales and production companies and is developing steadily and dynamically in all pet markets of the world.

Our trade partners offer a wide range of Vitakraft® products for pets – from main feed to snacks, vitamin and nutritional supplements to articles for care and husbandry. In total, there are approximately 2,000 products. We achieve an increase in turnover and profit by acting in a socially responsible and environmentally friendly manner.

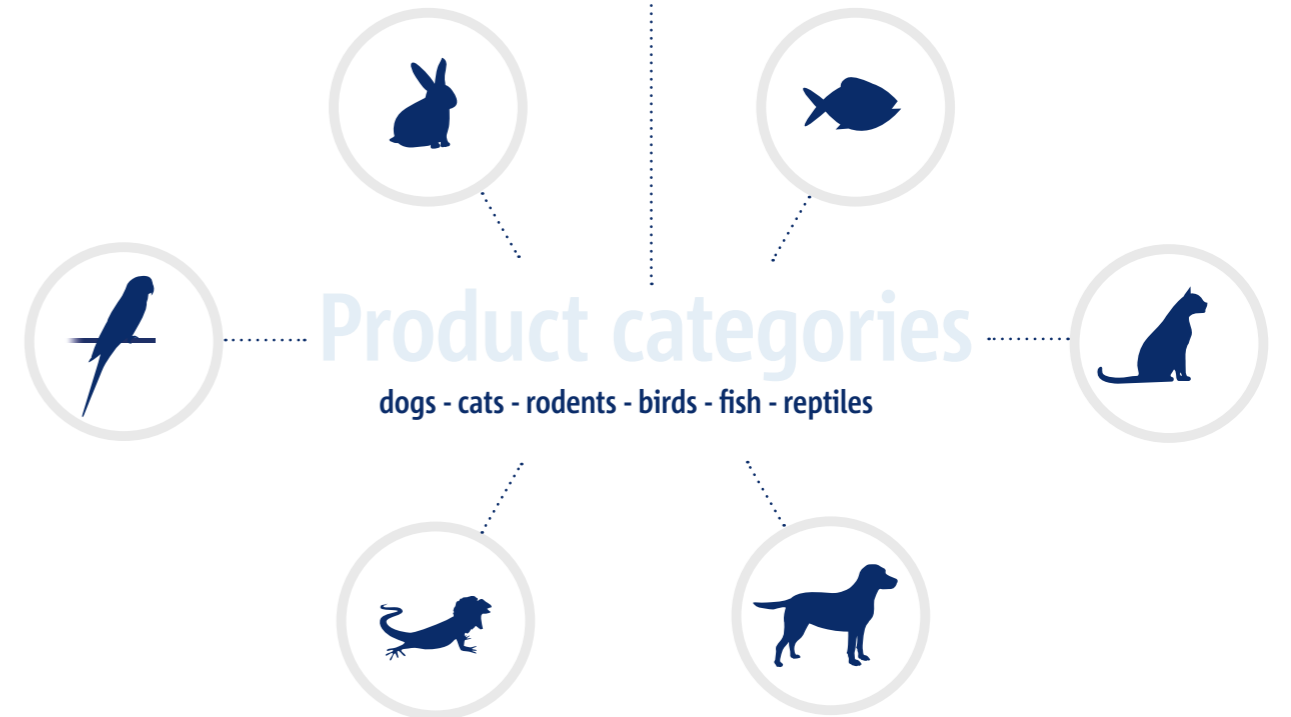


# Our company



## Product range structure

Approx. 1.2 million products daily for



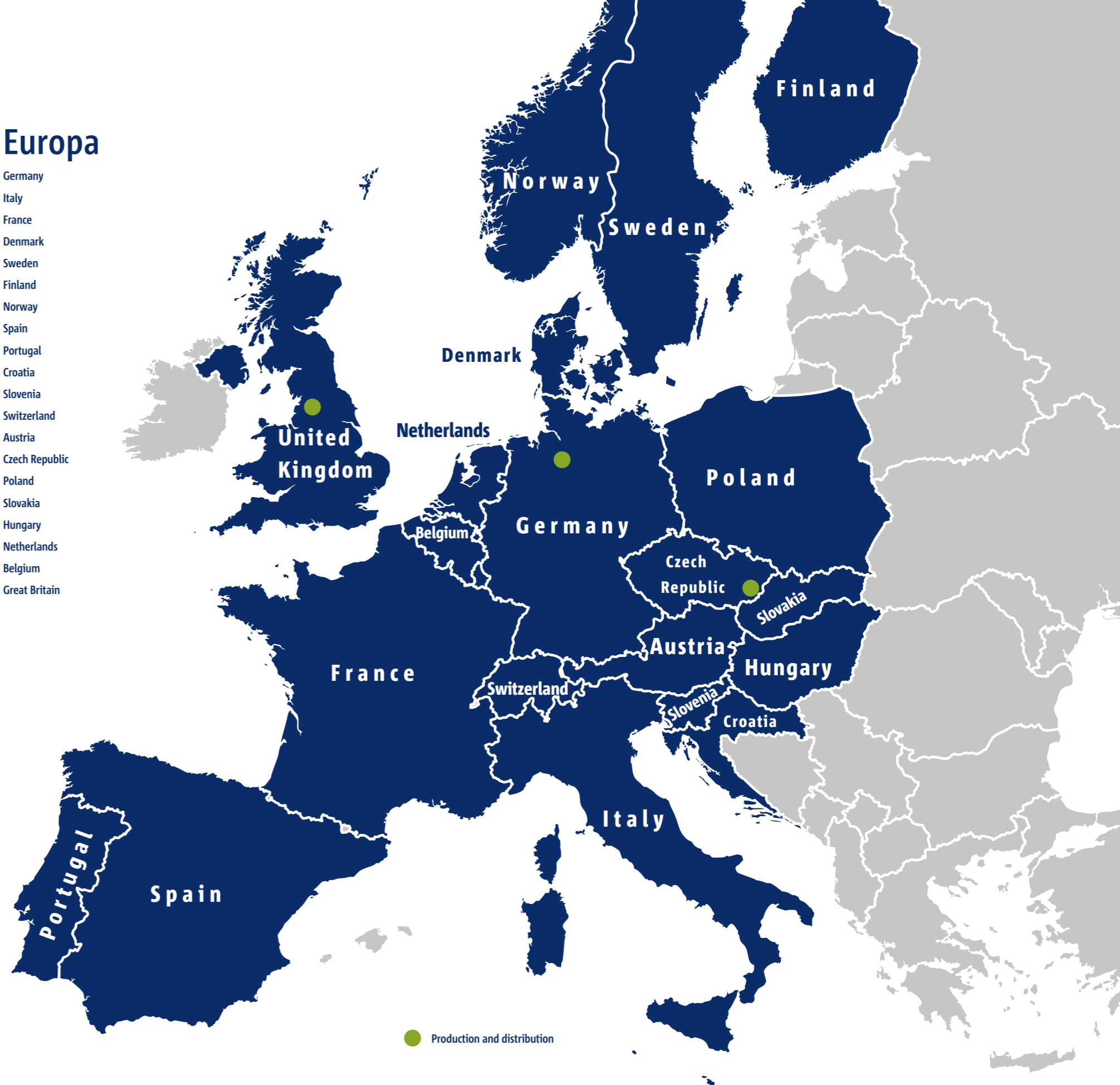


## Global

- USA
- Singapore
- China
- Korea
- Taiwan

## Europa

- Germany
- Italy
- France
- Denmark
- Sweden
- Finland
- Norway
- Spain
- Portugal
- Croatia
- Slovenia
- Switzerland
- Austria
- Czech Republic
- Poland
- Slovakia
- Hungary
- Netherlands
- Belgium
- Great Britain



## Locations

Thinking globally - close to our customers

Vitakraft® products are manufactured in Germany at five locations around the company headquarters in Bremen. Further production sites are located in Austria, the Czech Republic, the USA and China. To ensure that the many products reach the more than 100,000 business outlets worldwide in time, Vitakraft has sales offices in 20 countries.

# Organisation

## and market position

We are represented with our products on all continents. In countries where we do not have our own company representation, our products are distributed by trading partners. Approx. 40 % of our turnover is generated in Germany. The main focus of our export business is on other European countries. The pet markets in Asia and North America are our strategic growth areas.

In close cooperation, our Research & Development and Marketing departments develop - with the latest scientific findings - successful product concepts for numerous segments in the pet food sector. This results in high-quality, species-appropriate and sustainably produced products that guarantee the basis for our success in the international pet food markets.

# Innovation

Innovation driver in the dog and cat treat food segment.



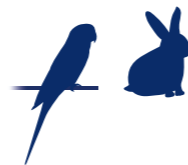
# Market leader

Market leader in the „dog snacks“ category in Germany and growth driver in the cat food market segment



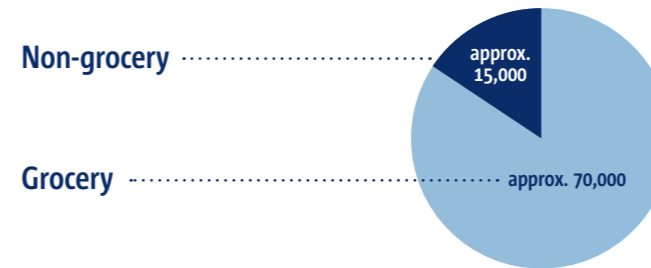
# World market leader

World market leader as a manufacturer of premium products for birds, rabbits and rodents.



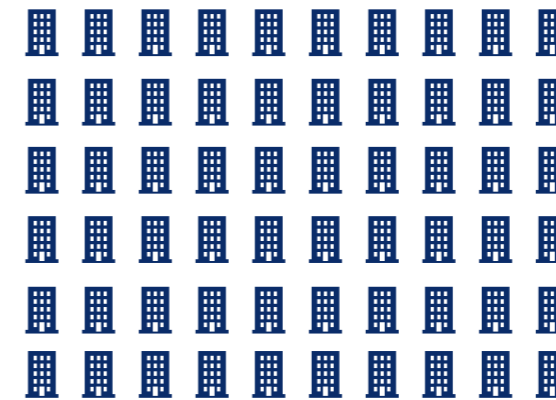
# Distribution

Distribution points in Europe



# Trading partners

Approx. 6,000 trading partners throughout Europe



corresponds to 100 trading partners

# Sales companies

20 sales companies worldwide



# Certifications

## according to international standards

Sustainable action is also reflected in the way we manufacture our products and bring them to our trading partners. Business partners are encouraged to also adopt a preventive approach to environmental challenges and risks, and to comply with local and national laws to protect and preserve the environment. All business practices and procedures must meet or exceed the minimum legal requirements for environmental protection.

The focus on the use of internationally recognised standards is part of Vitakraft's internal collaboration between Marketing, Research & Development and Purchasing. In addition to the industry-specific guidelines of the Fediaf, this also includes cross-industry quality initiatives such as the IFS.

Our active participation in various associations and initiatives enables us to initiate and advance important topics for the industry through the joint exchange and bundling of the interests of many companies.

### Fediaf

Fediaf represents the European pet food industry with 18 national associations and 5 direct members. Fediaf works to promote the responsible treatment of pets, their welfare, their important social role and respect for sustainable development.

### IFS

The IFS Food Standard is a standard recognised by the GFSI (Global Food Safety Initiative) for auditing food and animal feed producers. The focus is on food safety and on the quality of processes and products.

### Markenverband

The „Markenverband“ represents the interests of around 400 member companies and works to ensure that the economic and legal framework conditions for brand companies develop positively.

### Amfori BSCI

As a member Vitakraft commits itself as well as its suppliers and producers in risk countries, to comply with the Code of Conduct of amfori Business Social Compliance Initiative (BSCI). We are member since 2016.

### Plant for the Planet

A children's and youth initiative that was founded in 2007 by Felix Finkbeiner, who was 9 years old at the time. Its goal is to train one million children and young people as ambassadors for climate justice, who will then motivate people all over the world to plant 1,000 billion trees with lectures and actions.

### Industrieverband Heimtierbedarf (IVH)

The IVH has the task of safeguarding and promoting the common interests of the the German pet food and pet supplies industry in the economic field and of advising and supporting the member companies in all technical matters.



# Statements

## according to which we orientate our thinking and actions

## Vision

We understand the intimate bond between humans and pets and want to make the coexistence better every day. At any pets home and anywhere in the world. In accordance with our brand message – **Vitakraft. With love.**



## Mission

With passion and empathy for the needs of pets and their owners, we develop, produce and distribute innovative, high-quality products that meet their needs. By acting sustainably, we make our contribution to the conservation of vital natural resources.



Every day we support responsible, loving and species-appropriate nutrition and keeping of pets all over the world. For generations, we have been cultivating the socially significant relationship and a fulfilled coexistence of humans and pets.

## Values

Outstanding performance, working in partnership, innovative strength and responsible behaviour – these are the pillars on which our company's values are based.



These core values are the fundamental basis and orientation for our thoughts and actions, and they help us to develop and grow – both as individuals and as a company.

## Precautionary principle

### Risk management

As a high-performance, internationally oriented company in the pet industry, the Vitakraft Group is exposed to a variety of economic risks. The risk management we practise is primarily aimed at ensuring our constant ability to deliver.



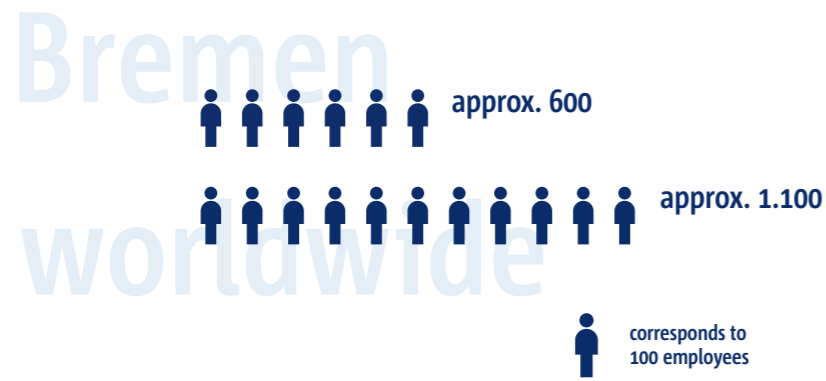
To achieve this, we continuously monitor the fundamental risks affecting our company and reassess them every six months. We regularly monitor the market and legislative initiatives in order to prepare ourselves in the best possible way for emerging changes and to be able to react appropriately. This concerns economic as well as logistical risks, negative price developments, but also adjustments to changed and new laws.

# Our employees

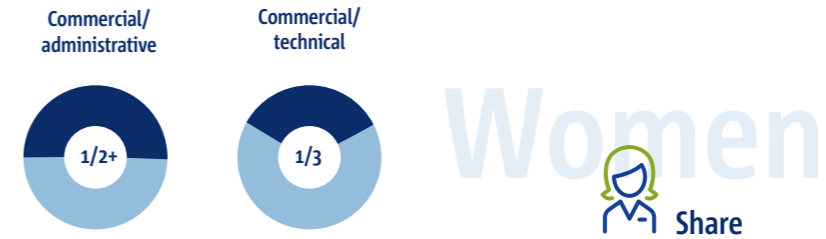
## Securing the future together

As a medium-sized and internationally operating family business with a tradition of more than 180 years, our employees with all their skills, knowledge and competences represent one of our most important success and competitive factors.

Team-Vitakraft currently has around 1,100 employees in 25 countries, of whom around 550 work from our home country of Germany. In addition to our headquarters, major parts of our production, logistics and research & development are located here. Our own field service with around 50 permanent colleagues is also part of the team here.



This part of our workforce is divided into about 350 employees in the industrial-technical area (production, logistics, technology, etc.) and about 250 employees in the commercial-administrative area. Internationally, our companies range from smaller sales organisations to larger companies with their own production and logistics units.



If we look at the gender distribution within the employees, there is roughly equal distribution in the commercial-administrative area with around 51 % women and even in the industrial-technical area the proportion of women is around one third.

Traditionally, Vitakraft is also characterised by quite a long tenure, so that 30-, 40- and even 45-year anniversaries are not uncommon and can be celebrated regularly. For example (in Germany) about 48 % of our employees have been with us for more than 20 years and around 20 % of our colleagues have even been part of the team for more than 30 years.



This long-term nature and permanence is also reflected in the employment contract relationships, with more than 95 % of employees having permanent contracts and contracts for work and services being categorically excluded.



We have also been training our own junior staff for many decades in order to make a social contribution to good working conditions. This also includes that our employment relationships are regularly oriented towards full-time and part-time models are usually set up at the individual request of the employees.





# Our sustainability strategy



## Sustainability strategy

### Approach

Sustainability is an integral part of our corporate philosophy, as we have been taking sustainability into account in our business activities and responsibility towards the environment, society and our employees for many years. In order to structure the corresponding activities and measures in the company more strongly and to integrate them operationally, an interdisciplinary team from the areas of purchasing, marketing, sales, research and development, logistics, technology, occupational safety, human resources and law was founded in mid-2019 under the name Vita Planet.

Supported by a workshop with an external consulting institute, initial fields of action were identified and evaluated. In a second step, these fields of action were verified through a stakeholder analysis. Based on the three-pillar model of sustainable development, the fields of action cover the environmental, social and economic areas.



Vita Planet is guided by the 17 global goals for sustainable development of the United Nations.



# Sustainability strategy

## Stakeholder expectations

This is the first time Vitakraft has conducted a stakeholder identification and survey in this form. The relevant internal and external stakeholders were identified by the sustainability team and their importance for Vitakraft was presented in a matrix. The strongest stakeholder groups are:

- trade partners
- consumers
- management
- employees
- shareholders

To verify the fields of action identified by the sustainability team against the expectations of the stakeholders, surveys were conducted with consumers and management, while the focal points of interest of the trade partners were taken from the enquiries sent to Vitakraft pet care.

For the online consumer survey, pet owners were recruited via pet forums, blog posts, etc. There was no reference to Vitakraft. Of the 258 reply forms, 145 were complete and could be included in the detailed evaluation.

The interviews with the management were conducted using guidelines and focused on the sustainability strategy for Vitakraft.

### In the interviews, expectations were addressed in the following areas:

<p><b>Product:</b></p> <ul style="list-style-type: none"> <li>• Sustainable procurement</li> <li>• Good and healthy pet food</li> <li>• Packaging (reduction, recycling)</li> </ul>	<p><b>Production:</b></p> <ul style="list-style-type: none"> <li>• Sustainable development</li> <li>• Modernisation and automation</li> <li>• Investment in research and development</li> </ul>	<p><b>Social:</b></p> <ul style="list-style-type: none"> <li>• Employees</li> </ul>
<p><b>Communication:</b></p> <ul style="list-style-type: none"> <li>• Use of seals</li> <li>• Honest marketing</li> <li>• Transparency, fairness and ethics</li> </ul>	<p><b>Environment:</b></p> <ul style="list-style-type: none"> <li>• Good for the environment/ Sustainable energy sources</li> <li>• Commitment to animals and nature</li> <li>• Animal welfare</li> </ul>	



# Sustainability strategy

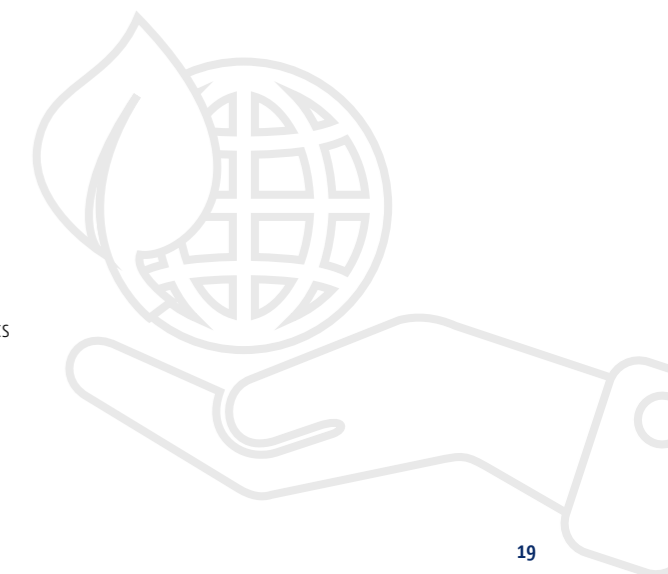
## Materiality analysis

Individual topics such as sustainable packaging or sustainable procurement are seen as highly relevant by all stakeholder groups, while positions on other issues diverge further. For example, consumers and retailers focus on the issue of animal welfare, while the management attaches great importance to the aspects of social sustainability (especially for our employees) and economic sustainability (modernisation).

For better presentation, the materiality matrix derived from the stakeholder analyses summarises the assessment of the different stakeholder groups per topic area.



- Economic aspect
- Ecological aspect
- Social aspect



The results of the stakeholder analysis confirm the selection of the topics that are Vitakraft, which are already being dealt with within the framework of the Vitakraft sustainability strategy.

# Sustainability Strategy

## Overview of key topics and goals

### Transparency and fairness

The **Code of Conduct** forms our ethical and legal framework for fair dealing and behaviour in the company and with our business partners.



### Economy

With sustainable economic growth we support the positive development of conditions for everyone involved



### Process modernization and automation

Securing the operations through continuous **optimization of logistics** (Vita Cube) and **production** (2023: Kräcker® assortment). The **Vita Cube** has **reduced transport routes** and **logistics could be centralized**.

### Investment in Research and Development

**Sustainable innovations** through the close exchange with **scientific institutions** and the **support of university projects**.

### Mobility behavior

Since 2020 Leasing offer for **job bike**.  
**Central travel management:** It is our target by 2025 to reduce the CO<sub>2</sub> consumption for business trips by 50%.



### Environment

We act sustainably for the conservation of nature, the protection of biodiversity and the preservation of all resources.

### Use sustainable energy sources

Use of **100% renewable energies**. 2021: Reduction of CO<sub>2</sub> emissions by 40% vs. 2019.



### Good for the environment

We are partner of **Plant for the Planet** – goal of the initiative: to plant 1 billion trees worldwide.

### Packaging

By 2025, **100% of all packaging material will be recyclable** and the amount of plastic packaging will be reduced by 25%.



### Sustainable procurement

Some examples:  
**Fish:** Since 2019 91.5% with MSC/ASC seal (100% by 2025)  
**Soy:** 2020 90% from domestic/certified origin  
**Palm oil:** The goal is a complete renunciation of palm oil  
**Raw materials:** Target 2021 Expansion of the use of alternative raw materials (e.g. insects)

### Our employees

Flexible and social working conditions, promotion of qualifications, health and work-life balance increase employee satisfaction. **Involving employees** in the sustainability strategy.



### Our partners

Long-term respectful partnership with our suppliers and customers. Responsibility for social justice as a **BSCI** member with appropriately audited suppliers.



### Society

We respect and regard highly different cultures, communities, views and individual needs.

### Our community

**Engagement for animals and nature** with the awareness of species-appropriate nutrition, training children in animal-friendly handling and donating feed for animal welfare.



# Environment



## Our sustainability goals

### More protection for our habitat

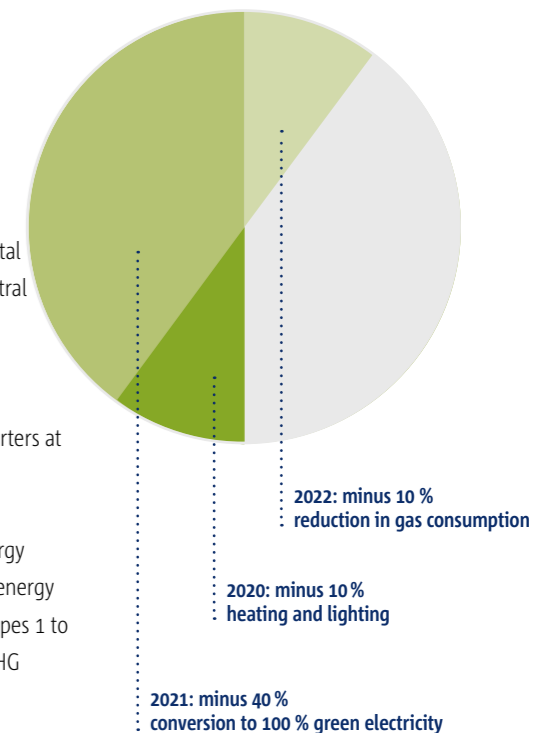
In order to guarantee high-quality feed, environmental protection is a matter of course for us. Because only if we use natural resources sparingly we can also ensure a species-appropriate and healthy nutrition for our pets. That is why we are committed to active environmental protection in our company, with our products and suppliers.



In the outdoor areas around our company headquarters in Bremen, we have created ecological niches to promote a stable ecosystem. The areas are designed to provide a habitat for native plants and animals. In this way, we also contribute to the preservation of biodiversity in small ways.

However, the focus of our measures for more ecological sustainability is on the essential issues of energy consumption, emissions and resource use.

### CO<sub>2</sub> savings potential



### Sustainable energy sources

Step by step, we want to further identify and reduce the negative environmental impacts caused by our actions. The reduction of energy consumption is of central importance in order to reduce our CO<sub>2</sub> footprint and relieve the environment.

In the 2020/2021 reporting period, our measures will focus on our production facilities, our central warehouse and the administration of the Group headquarters at the Bremen/Lower Saxony site.

The starting point for the measures to be developed was the collection of energy consumption data and CO<sub>2</sub> emissions. Vitakraft has been undergoing regular energy audits for many years, including in 2019. In addition, the CO<sub>2</sub> footprint for Scopes 1 to 3 was determined based on the internationally recognised standards of the GHG Protocol.

Based on this data, various optimisation approaches could be identified, some of which have already been implemented by the end of 2020: The conversion of heating facilities to local heating systems and condensing boilers alone, as well as a proportionate replacement of light bulbs with LED lighting, reduced the CO<sub>2</sub> share by 6 %.

Further measures will be implemented in the course of 2021: since 2021, use of 100% green electricity from a certified provider; from the end of 2021, reduction of gas consumption and reduction of fuel requirements for internal transport in the course of setting up a high-bay warehouse (Vita Cube).

# Environment

## Packaging materials

Various packaging materials are used for the products we manufacture in our production facilities in Bremen and Lower Saxony. In recent years, plastic films have been increasingly used for primary materials in the interest of product protection, while paper/cardboard clearly predominate for secondary materials.



When selecting packaging materials, the following generally applies: Avoiding premature spoilage of the feed and food has the highest priority. The packaging must offer optimal protection so that no feed is wasted. Our aim is to use packaging to ensure a long shelf life and to preserve the original flavours and nutritional quality of the feed.

Vitakraft is committed to reducing environmental impact. We want to contribute to mitigating the climate crisis and avoid unnecessary packaging material. The packaging is continuously checked for the necessary functionalities and new ways are sought to make the packaging more sustainable. In particular, the use of materials and the recyclability of packaging materials are put to the test.

	Quantity shares* 2019/2020	of which recyclable 2019/2020	Target 2025
Plastic films*	15 %	60 %	100 % recyclability Material reduction by at least 10 %
Solid plastics	20 %	100 %	
Paper/cardboard*	65 %	100 %	

\*determined on the basis of the materials purchased in the period

At present, around 60 % of the flexible plastic packaging material used for the manufacture of products at the Bremen site is already recyclable.

Through the increasing use of monomaterials and recyclable plastic composites, the proportion of recyclable packaging materials is to be steadily increased in the coming years. In addition, the separability of materials and disposal by the consumer will be optimised as far as possible.

We are also striving to reduce the amount of packaging material used in the form of plastic films through material reduction.

# Environment

## Sustainable sourcing

As a responsibly acting company, Vitakraft is committed to environmental protection as well as to guaranteeing high standards in quality assurance. Both aspects are determining factors in our corporate policy, both nationally and internationally. In order to combine the best possible quality with the best possible environmental protection along the entire chain of goods, we consciously address the specific effects of individual raw materials on the environment. This includes, for example, the fact that for more than 10 years eggs used in our recipes have come exclusively from free-range hens\*.



The cultivation of raw materials requires a lot of land and therefore has a great impact on people, animals and nature. It is therefore important to us to ensure that natural resources such as soil, air and water are used sparingly.

**Within our raw materials portfolio, we have identified those raw materials that have a relevant impact on the environment and biodiversity:**

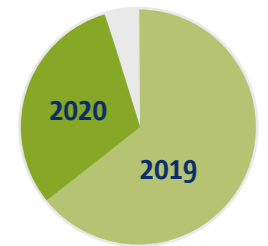
**Soy** is an important animal feed due to its high protein content and its levels of essential amino acids, especially for livestock such as pigs and poultry, but also in pet food. With the increasing demand for soy, soy production in North and South America has expanded significantly with sometimes considerable impacts on the environment and nature: deforestation, water pollution, soil erosion, decreasing biodiversity and land grabbing are negative aspects. We are therefore pursuing the approach of increasingly using soy from European origin or from certified sources (including ISCC+, RTRS, BFA). Our goal is to increase this share to 100% by 2025. We already avoid the use of genetically modified soy in all our recipes.

**Fish:** The overfishing of fish stocks worldwide has a massive impact on the balance in the marine ecosystem. Individual species of fish are taken in excessive quantities, thus affecting the natural marine system. In order to support and promote the measures of nature-friendly fishing or aquaculture, we have been switching the fish and fish by-products used in our products to MSC- or ASC- certified goods since 2016. We aim to meet this standard for our entire fish and fish by-product requirements by 2025.

**Palm fruit:** We only use palm oil or palm kernel fat in a small proportion of our products. As more and more rainforest areas are being cleared for the cultivation of oil palms, thus impairing the important function of the rainforest as a greenhouse gas binder, we are also committed to sustainable cultivation of this raw material. For several years now, the palm oil and palm kernel fat used in our products has come from RSPO-certified sources. In the coming years, we will continue to work on gradually removing these raw materials from our products.

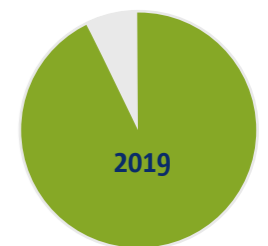
\* Due to the outbreak of avian flu in many regions of Europe, barn eggs were also temporarily used in 2021 as the laying hens were housed to protect their health.

Sustainable purchasing of soy



Target 2025: 100 %

Sustainable purchasing of fish



Target 2025: 100 %

## Environment

### Plant for the Planet

As a partner of Plant for the Planet, we support the goal of planting 1,000 billion trees worldwide. Because: every tree counts!

With a large-scale reforestation project of CO<sub>2</sub>-binding trees, we can actively counteract the climate crisis. That is why we are planting trees together with Plant for the Planet!

The world currently has 3,000 billion trees and can support 1,000 billion more. Trees are one of the most powerful tools against the climate crisis. Only by restoring these forests will we be able to keep the temperature rise below 2°C.\*

In Plant-for-the-Planet reforestation, only tree species that are typical in local forests and suitable for the land in question are used. To maintain healthy forests, ecology experts pay attention to genetic diversity in seeds. The mixed planting of these species allows forests to be restored close to their natural state, thus protecting biodiversity, not only of the tree species themselves, but also of the ecosystem associated with them (plants, animals, microorganisms, fungi)\*.

Vitakraft's partnership not only supports the reforestation project, but also academies that train young people to become „climate ambassadors“. More than 91,666 children and young people have already trained each other as ambassadors for climate justice at over 1,608 academies in 75 countries. They fight for our future by planting trees, giving talks, protesting and much more.\*

To support the Plant for the Planet organisation, a large communication and action package was created, which is not only used intensively in Germany but also by our international sales companies.



\* Source: <https://a.plant-for-the-planet.org/de>, accessed 28.05.2021, 09:22 am

## Social sustainability



Building and maintaining productive and stable relationships with employees, suppliers, customers and our community is a mainstay of our business. We respect and value different cultures, communities and views and take individual needs into account.

## Our employees

### Range of services

It is essential for Vitakraft to attract and retain innovative, entrepreneurial, committed employees in order to meet the ever-increasing demands and changing dynamics of our markets.

To achieve this, we do not only rely on fair and safe working conditions. We also offer our employees a variety of additional company benefits and actively promote the compatibility of work and private life - which at Vitakraft is expressed, among other things, by the certification of the State of Bremen with the quality seal „Excellent Family Friendly“ or also as „Bremen’s Most Attractive Employer“ by the magazine Capital.

In concrete terms, this means that we offer, for example, flexible trust-based working hours in the commercial area as well as a parent-child workroom and traditionally grant generous special leave arrangements for all employees in case of family events. In addition, we support our colleagues, for example, in the realisation of parental leave and individual part-time models in order to be able to better reconcile work and private life (for example, when caring for relatives) on a temporary or longer-term basis. Of course, the topic of work-life balance at Vitakraft also includes the animals of our employees, so that in the commercial area it is generally possible to bring one’s pets to the office.

As part of our company health management, we also actively promote the health and well-being of our employees. This includes, for example, fitness offers (via an association partner), participation in sports events, health and nutrition courses, flu vaccinations or Covid 19 vaccinations as well as the support of various company sports groups or a leasing offer for job bicycles. In order to anchor the topic of health in the corporate culture in the long term, our managers have also been professionally trained on the topic of „healthy leadership“. For a healthy and appealing diet, we also run our own company restaurant for our employees.



In addition, we cultivate a spirit of partnership within Team-Vitakraft, which is reflected in our „Leadership and Team Guidelines“, but also in the constructive cooperation with and through our works council. We are also actively committed to equal opportunities. We have participated in the „Future Day“ for many years in order to make a social contribution to helping young people better orient themselves with regard to their career choice.

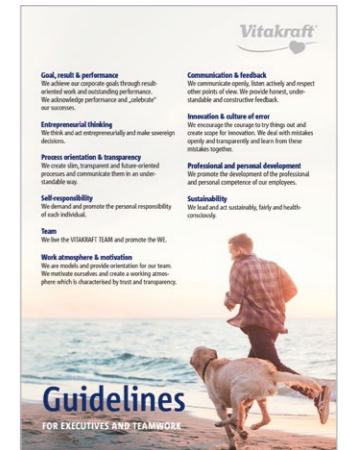
Vitakraft has also been a training company for many decades and offers vocational training and dual courses of study in the areas of production, logistics, technology, IT and commercial professions. In the context of lifelong learning and a continuous development process of our work processes, we train our colleagues systematically and according to their needs „on the job“ as well as „off the job“. We actively support them in further developing their ability to engage in lifelong learning and thus to build up competences in order to be able to meet future challenges in the long term. In order to be able to identify needs-based measures and ensure a systematic exchange, a systematic feedback and employee annual review is conducted and evaluated with all employees every year.

To ensure that our employees are also well secured in old age, we not only offer fair salaries subject to social insurance contributions, but as an employer we also offer a company pension scheme, which we support financially.

### Modern working environments

For many years, we have relied on modern workplaces and good cooperation with short distances, personal exchange and modern conference facilities, and have gained valuable experience in „mobile working“.

Based on an employee survey, hybrid working environments and framework conditions are now being created that combine the advantages of both worlds (office and mobile) in the best possible way and offer our employees attractive premises, outdoor areas and flexible working models for a wide variety of work situations.



# Our employees

## Occupational safety

Our endeavour in our health and safety management is to work safely and prevent accidents for all employees and guests of our company.

All employees are encouraged to participate in the development, implementation and reinforcement of the rules and processes. Together we want to prevent accidents and comply with the relevant rules. Vitakraft also provides guidelines and training material to partner companies.

In the occupational health and safety committee the management, the company doctor, the workers council and the safety officers from all divisions improve workplaces and the work situation. Current accident incidents are discussed, as well as hazards in the different work areas are pointed out and decisions are made. Since 2016, an average of 12 accidents have been reported annually among 580 employees. The goal is to reduce accidents to less than 10 cases per year in the next few years.

Every employee in the company is informed about evacuation scenarios, first aid systems and fire extinguishing equipment. Many employees volunteer as safety officers, first aiders or fire extinguishers.

If hazardous substances are used, they are registered and regularly trained. Substitution is sought wherever possible.

Occupational health management is carried out together with the company doctor, representatives from the individual areas and the human resources department. To this end, many health courses, workshops, ergonomics consultations, surveys on mental health and much more are conducted on a regular basis. The physical strain on our employees is continuously reduced by using lifting aids, palletising machines and, most recently, robots in production and the central warehouse.

Every employee can strengthen his or her health competence and resilience through workshops and courses and thus develop healthy and safe working habits on his or her own.



# Our community

## Safety for animal and pet owner

As a responsibly acting company, Vitakraft is committed to guaranteeing high standards in quality assurance as well as safety for animals and pet owners.

For us, safety for the animal does not only mean producing nutritionally balanced products of the highest quality and acceptance. As a company, we also take responsibility for training children in the handling of pets and informing them about healthy animal nutrition.

According to the Industrieverband Heimtierbedarf IVH (German Pet Industry Association), 61% of all families with children in Germany will have a pet\* in 2019. One motive for pet ownership in families is to instil a sense of responsibility and care. Families often begin their pet-owning careers by purchasing dwarf rabbits or rodents. But even with these supposedly „easy to keep“ animals, it is important for children and parents to develop an understanding of the animal-friendly needs of their new family member.

For this reason, Vitakraft has created the Vita Minis: With attractive information booklets provided to primary schools, children in the age group of 6-10 years are informed about the most commonly kept rodents and also about topics from environmental protection and nature conservation. The content of the booklet is designed in such a way that it can also be used in class. The volume is about 125,000 booklets, which are distributed to 500 primary schools. In addition, a homepage has been set up where the material can also be used.

[https://www.vitakraft.com/de\\_DE/vita-minis](https://www.vitakraft.com/de_DE/vita-minis)

We support social commitment and regularly donate food to animal protection organisations, animal shelters and other initiatives such as hedgehog conservation and sanctuaries. Because the well-being of animals and nature is close to our hearts.

61%  
of all families in Germany  
have a pet\*



\* <https://www.ivh-online.de/der-verband/daten-fakten/archiv.html>



## Our community

### Product safety and communication

We produce about 1,200,000 products in the group - every day. Targeted quality management therefore plays an important role at Vitakraft.

With the successful certification according to IFS Food, an internationally recognised quality standard for food, Vitakraft has proven to meet the highest standard for the safe production of pet food. For good reason: Only through this standard pet owners can really be sure that the food for their pets meets the highest quality standards at all times. A high degree of transparency in internal processes and structures as well as the involvement of all specialist departments in appropriate training measures contribute to the fulfilment of our requirements. Every report of a quality deviation is closely followed up and, if necessary, corresponding optimisation measures are initiated. In the reporting period 2020 and 2021, no deviations relevant to product safety leading to a product recall were identified.

We also fulfil our responsibility towards the consumer through honest and transparent product communication. Transparent product communication - both on the packaging and online with further information - enables our customers to make a conscious choice. In doing so, we not only take into account the legal requirements and the industry's own European standards of the Fediaf. We have also committed ourselves to the responsible formulation of feeding recommendations: While strictly observing the energy needs and activity levels of the animals, this encourages pet owners to use snacks moderately, especially those that are readily used for pampering and rewarding.

In the reporting period 2020 and 2021, no violations were found in connection with product and service information or in connection with marketing and communication.

1.200.000

Products we produce per day



## Our partners

### Cooperation with suppliers

Vitakraft obtains its products from a large number of suppliers and from a wide variety of supply chains. Close and trusting cooperation with our suppliers is very important to us, and we strive for a long-term partnership with our suppliers. For example, we have been working successfully with more than 2/3 of our current suppliers for over a decade.

Vitakraft is a member of Amfori since 2016 and is particularly involved in its BSCI (Business Social Compliance Initiative) initiative. As a BSCI member, we ensure that trade goods from so-called risk countries are only purchased from BSCI-registered or audited suppliers. As part of this membership, Vitakraft obliges its suppliers and producers to comply with the Amfori BSCI Code of Conduct and to commit to its principles.

The Amfori BSCI Code of Conduct is based on international conventions such as the „Universal Declaration of Human Rights“, the „Children’s Rights and Entrepreneurship“ Guidelines, the United Nations „Business and Human Rights“ Guidelines, the OECD Guidelines as well as the UN Global Compact and the International Labour Organisation (ILO) Conventions and Recommendations, which are decisive for the improvement of working conditions in the supply chain. These include, among others, the renunciation of exploitative child and forced labour. We are convinced that the BSCI’s Code of Conduct on Safe and Fair Working Conditions, as a cross-sector platform for retail and brand companies as well as importers, creates more transparency with regard to working conditions in international supply chains. In doing so, we also take responsibility for social justice.

**As part of the supplier selection process, we ensure that all suppliers meet the quality, environmental and ethical criteria we have defined:**

- Systematically evaluated supplier self-assessments show whether our requirements regarding working conditions and social standards are met. If there are deviations, improvement measures are bindingly agreed with the supplier.
- Audits enable a very precise review of the sustainability criteria and bring violations of the Code of Conduct to light. In the event of deliberate gross disregard of our values, Vitakraft reserves the right to impose sanctions, which may even lead to termination of the business relationship.

>2/3

of the suppliers have been working with us for more than a decade



# Economy



## Our sustainability goals

### Material independence

With clear targets for sales and market share growth as well as an appropriate return on investment, we want to secure and expand the material independence of our company in the long term. In this context, our presence with our own sales companies in the world's large and fast-growing pet markets is one of the strategic pillars of our international orientation.

Our retail partners offer a wide range of Vitakraft® products for pets - from main feed to snacks, from vitamin and nutritional supplements to articles for care and husbandry. In total, there are approximately 2,000 products. We achieve the increase in turnover and profit by acting in a socially responsible and environmentally friendly manner.



## Transparency and fairness

### Compliance in the Vitakraft company

The activities of the Vitakraft Group are subject to a variety of legal regulations and strict, self-imposed rules of conduct worldwide. We understand the adherence to these regulations as compliance. Conduct with integrity on the part of all employees and compliance with the relevant legal regulations are an essential prerequisite for the performance and sustainable growth of the company.

To underline this conviction, the uniform and generally binding business principles from the Code of Conduct apply to all companies of the Vitakraft Group (see pages 38 - 41). It is the ethical-legal framework for our daily cooperation within the company and with national and international business partners.

The implementation of these rules of conduct has resulted to no cases of corruption, bribery or other violations in the social and economic area in the reporting period 2020/2021.



# Digitalisation

## and automation

For us, investing in the development of resource and environmentally friendly processes is the basis for the sustainable expansion of our solid economic fundament. At the same time, it is an expression of innovative and future-oriented corporate management.

In this context, planning began in 2019 for a fully automated high-bay warehouse at the Group headquarters site in Bremen, which was started up in summer 2021.

Since the storage capacities at the site were not sufficient, approx. 2/3 of the entire stock of goods was distributed in various external warehouses in the vicinity of the Group headquarters. Every day, a large number of internal transports took place between production sites, external warehouses and the headquarters, resulting in a high environmental impact. The new high-bay warehouse (Vita Cube) makes it possible to centralise Vitakraft's entire stock at the Achim site, so that the external warehouses can be completely dissolved. The elimination of transport to the external warehouses means that Vitakraft's own lorry fleet can be reduced by 50%. This saves 11,000 litres of diesel and about 3.8 tonnes of CO<sub>2</sub> per year.

Another advantage of the centralisation of the warehouse and the use of modern conveyor technology is the reduced transport stress on the goods. This significantly reduces handling, the goods are transported gently, so that fewer damaged goods have to be returned and disposed of. This more careful use of available resources means that returns are avoided and thus the environment is far less burdened by additional transports.

Further comparable projects, including the modernisation of manufacturing processes, are being are in the planning stage and will be realised by 2025.



**50 %**  
Reduction of the truck fleet

**Annual savings:**  
 >> 11,000 l diesel  
 >> approx. 3.8 t CO<sub>2</sub>

# Investment

## in research and development

For decades, research and innovation have been an important part of our corporate policy and the success of our products on the market.

Since 2016, this commitment has been recognised annually with the „Innovative through Research“ seal of the „Stifterverband für die Deutsche Wissenschaft“ in Germany. On behalf of the Federal Ministry of Education and Research, the Stifterverband has been conducting a comprehensive survey of research and development activities in companies for the past 40 years, thereby recognising in particular the responsibility that research-based companies assume for the state and society.

We maintain close cooperation with scientific institutions and are in regular exchange with universities of various disciplines. In addition to nutritional-physiological questions, the focus is also on topics from the large complex of sustainability, such as the investigation of alternative raw materials (e.g. insect protein), the testing of sustainable packaging materials or the applicability of automated manufacturing processes.

By supporting scientific projects, we not only contribute to the promotion of young scientists, but also gain important innovation approaches for our company.



# Code of Conduct

## Preamble

Excellent performance, fair and cooperative work, innovative power and responsible actions are the essential foundations of our corporate values.

These core values form the basis and serve as guidelines for our policies and actions and they help us to develop and grow, both individually and as a business enterprise. In doing so, we abide by law and order while endeavouring to make our vision come true. We pursue our mission, are convinced of our values and proactively organise our cooperation on the basis of our leadership and team guidelines.

To emphasise the importance of these convictions, the principles of the following Code of Conduct apply to all companies in the Vitakraft Group. The Code provides the ethical and legal framework for cooperation both within our company and with our national and international business partners.

## General Principles

### 1. Acting in compliance with legal regulations (general and fall-back clause)

We are fully aware that each and every one of us is personally responsible for observing the relevant legal regulations and fulfilling the requirements stated therein.

Sustainable management and sustainable growth can only be achieved if we act in compliance with the law, i.e. if we abide by all laws and regulations as well as all in-house rules and regulations. This Code of Conduct is intended as a guideline in respect of the major issues. It does not contain conclusive regulations but is intended to communicate a fundamental mindset which enables us to review all our actions as to whether they are legally appropriate.

### 2. Fair competition and antitrust legislation

Competition and antitrust legislation provides the framework for economic development based on equal opportunities and fair competition. We undertake to pursue our business goals solely with legally and ethically impeccable means. Accordingly, we participate in competition only with lawful and fair means. We do so in the constant awareness that our Vitakraft® brand products have to convince our partners on grounds of their quality, innovative character and attractive prices and by no other means.

In particular, we explicitly undertake not to make any arrangements with competitors as regards prices and conditions, not to carve up territories, markets or customers with competitors and neither to favour nor discriminate against any business partners without an objective, factual reason.

### 3. Conflicts of interest

We are absolutely loyal to our company and thus avoid situations in which our personal and/or financial interests or those of the persons related to us come into conflict with the interests of Vitakraft. We inform our supervisor of any unavoidable personal conflicts of interest or cases in which we are unsure as to whether or not a conflict of interests exists.

## Values

- > excellent performance
- > fair and cooperative work
- > innovative power
- > responsible actions



### 4. Fair working conditions and human rights

As a medium-sized family-run company that was founded more than 180 years ago, we regard fair working conditions, compliance with human rights in accordance with the UN Charter and social responsibility as central elements of our corporate responsibility.

We reject forced labour, child labour and any form of exploitation or discrimination and ensure strict compliance with all relevant statutory provisions in that connection. We protect the privacy of our employees and recognise their right to establish employee representative bodies on a democratic basis within the framework of the applicable national regulations. In doing so, we trust in constructive cooperation in order to support employee rights and corporate interests as well as possible. We also endorse our employees' right to appropriate remuneration and fair working hours in line with the individual national and local legal standards.

Based on the conviction that fair working conditions are an essential prerequisite for sustainable corporate success, we also expect our service providers and business partners to ensure fair working conditions.



### 5. Equal opportunities and non-discrimination

We attach central importance to a culture of equal opportunities, mutual trust and respect. In order to ensure equal opportunities for everyone, we do not tolerate any discrimination of employees, particularly not on grounds of age, gender, ethnical origin or skin colour, social background, religion or philosophy, sexual identity or on grounds of a disability.

### 6. Sustainability, climate and environmental protection

For many years, sustainability has been an integral element of our corporate philosophy. We act sustainably by ensuring that our business activities are in harmony with man and nature. Accordingly, we regard environmental protection as self-evident and are committed to active environmental protection on the company premises, in our products and at our suppliers.



### 7. Occupational health and safety, in-house health promotion

We attach central importance to the health and safety of all our employees.

We wish to take preventive action to avoid accidents and sickness at work, create working conditions which are conducive to our employees' health and which raise employee awareness of health as part of our in-house health management. We therefore consistently endorse safe working conditions, ergonomic workplaces and encouraging all employees to act and think in a way which protects and promotes their health.

Compliance with our safety regulations is mandatory for all employees, visitors and business partners (on our premises) in all situations. In order to prevent all avoidable accidents, expediency never takes precedence over safety.

We investigate and discuss the cause of any accidents at work in order to avoid such risks in future. Unsafe working environments are identified and all damaged equipment or questionable working materials are reported. We also investigate all near accidents together with the persons affected and involved in order to identify potential health and safety risks.

External Outside companies and service providers visiting our premises receive all important information and training that they need to perform their work at our company responsibly and safely. All employees are simultaneously encouraged to participate in the development, implementation and optimisation of health and safety regulations and processes and to proactively promote their own health as well as healthy and safe working conditions.



## Rules of conduct

### 8. Brand ambassadors and public appearances

We see ourselves as positive ambassadors for our company and our brands and are particularly committed to promoting and protecting our umbrella brand Vitakraft®.

In public and on social media, all employees are aware of their role as “representative of the company”, regardless of whether they are acting on behalf of the company or commenting as a private individual. They observe the provisions of this Code of Conduct and always communicate honestly and respectfully when referring to Vitakraft, the other employees of the company as well as business partners, customers or competitors of Vitakraft.



Employees communicating a personal opinion online do so under their own name and not in the name of Vitakraft or using a Vitakraft e-mail address.

### 9. Fair treatment of others and cooperation

We encourage and demand fair treatment of others both inside and outside the company. We attach particular importance to interaction based on trust and respect, and apply our leadership and team guidelines as the basis for all cooperation. We endeavour to create a working climate that is based on trust and transparency. We communicate openly, respect other viewpoints and encourage honest and constructive feedback where all issues can be addressed openly without fear of retaliation.

We ensure integrity in our business relationships with others and also expect our business partners to abide by law and order.



### 10. Protection of company interests and property

We pay attention to costs and use the property and resources of our company properly, sparingly and sustainably and protect them against loss, theft and misuse of any kind.

The intellectual property of our company as an innovation leader is a competitive advantage and therefore an asset which deserves special protection and must therefore be safeguarded against unauthorised access by third parties.

We use the tangible and intangible property of our company exclusively for company purposes and not for personal purposes, unless this has been explicitly permitted. The nature and extent of business trips are always proportionate to the purpose of the trip concerned. Business trips are planned and executed cost effectively. When planning and executing business trips, we consider aspects of cost and time and comply with the principles of sustainability.

### 11. Gifts, bribery and corruption

We give and/or accept gifts only if this cannot create any semblance of dishonesty, impropriety or any binding dependence.

Gifts may be accepted provided they do not exceed a certain value. The use of such gifts shall comply with the Vitakraft in-house regulations as amended from time to time.

We do not accept any money which is offered to us without legal grounds. We ourselves neither grant nor promise money or other benefits to third parties in the course of business transactions or to representatives of public institutions if such benefits could be capable of influencing their actions in the interests of Vitakraft or compromising their independence.



### 12. Confidentiality, information security

Company and trade secrets or other information which is classified as confidential must be treated as strictly confidential. This principle also applies to all confidential information which we receive from or via our business partners.



### 13. Privacy

Anyone who receives personal data from our customers, suppliers, employees and/or other persons is obliged to treat such data with extreme care. We collect, process, use and store this data only in compliance with the applicable data protection legislation.

We protect such data against unauthorised access by treating it carefully and taking appropriate technical and organisational precautions.

### 14. Our requirements of business partners

We expect our business partners, including but not limited to our suppliers and service providers, to base their actions on our ethical and legal values. We demand in particular that they respect the rights of their employees, that they observe and unconditionally implement the ban on child labour, discrimination and corruption and that they endeavour to minimise and ideally avoid all environmental impact of their business activities.

To ensure that these requirements are consistently fulfilled, we impose appropriate obligations on our suppliers, who undertake to have all business activities in “risk countries” continuously reviewed by independent test institutes.

Only suppliers who constantly endeavour to satisfy the demands imposed on them can be and remain our suppliers.



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## About this report

This report describes the sustainability activities of Vitakraft pet care for the period 2020/2021. The corporate headquarters and the adjacent production sites in Germany were taken into account. Where the coverage limits deviate, this is made clear in the presentation of the data.

The report was prepared for the first time.

For the reporting, we followed the GRI standards and their principles for determining the content of the report (stakeholder inclusiveness, sustainability context, materiality and completeness) as well as the definition of the quality of the report (accuracy, balance, clarity, comparability, reliability and timeliness). An external audit was not carried out.

#### Editor

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