

Sustainability

“With the sustainability strategy, we assume responsibility along the entire value chain. Regarding climate, that means we are looking for ways to eliminate all greenhouse gas emissions from raw material production all the way to disposal by 2050.”

Franz Julen

Chairman of the Board of Directors and
Chairman of the Governance Board Sustainability

Sustainability Report



Franz Julen

Chairman of the Board of Directors
Chairman of the Governance Board
Sustainability

Looking back on 2021: what do you think about Valora's efforts regarding sustainability?

Franz Julen: These are and will remain of the greatest strategic importance to the Board of Directors and Group Executive Management. Our clear commitment to sustainability has not changed in the past year. We assume responsibility along the entire value chain – environmentally and socially, but also in terms of governance. In 2021, we paid particular attention to job security, further training and financial support for employees and partners.



Felix Stinson

Member of the Board of Directors
Member of the Governance Board
Sustainability

What does that mean exactly?

Felix Stinson: In operational terms, many teams stood out last year: from optimised packaging to new vegan and organically manufactured products and many saved portions in the battle against food waste. At the strategic level, we conducted a footprint analysis to gain a comprehensive understanding of where the major levers are for achieving the greatest ecological as well as social impact. The analysis showed that almost 90% of the CO₂ emissions in our value chain are caused by agricultural supply chains. In our sustainability strategy, we must therefore also consider the preliminary stages of the core business.

Does climate neutrality play a role?

Felix Stinson: Absolutely. We are embarking on a path towards climate neutrality by 2050. The Board of Directors is currently discussing the stages and specific targets for the coming years with a view to reducing both our own and our supply chain emissions. Together with our suppliers and partners, we want to play our part in limiting global warming to 1.5°C.

Can we expect pioneering measures as early as 2022?

Felix Stinson: The Group-wide conversion to 100% renewable electricity will be a milestone and contribute to halving our Scope 1&2 until 2025. We will also cut emissions through measures to reduce food waste, improved energy management in the sales outlets and the expansion of the vegan offering. And we will increasingly involve suppliers in 2022. In addition, we will measure our progress in a standardised way and report more quantitative ESG data.

There's a lot to be done. How can you master this major challenge?

Franz Julen: By seeing sustainability as an opportunity and asking ourselves: where can we fulfil the wishes of our customers? What motivates our employees? Where do we have untapped potential in terms of energy or food waste? What are the advantages of our ESG transparency on the financial market? We will be able to derive many benefits from our commitments, which doesn't mean we underestimate the challenge.

How is Valora organising itself in this regard?

Franz Julen: Sustainability must be integrated into the work of the teams on site and increasingly become part of Valora's DNA. There are committees at several levels for steering purposes. Board of Directors, senior management, and for example the newly created Governance Board Sustainability, in which Board members, the CEO and Sustainability Management meet regularly to discuss targets, progress and orientation. We are addressing the issue together – at the strategic and operational level.

High- lights



169 000

Portions

Last year, Valora sold 169 000 reduced-price food portions through its partnership with Too Good To Go. This was around 19 000 more portions than in the previous year and led to savings of around 425 tonnes of CO₂.



3 119

Umbrellas to rent

Since 2021, sustainably produced umbrellas have been available for hire at the k kiosk, Press & Books and avec sales outlets in Switzerland for return anywhere in Switzerland. This service was used 3 119 times last year.



100 %

Fairtrade-coffee

In 2021, all private-label coffee across the Group was again Fairtrade-certified. This guarantees fair working conditions and economic security for farmers.



100 %

rPET

Since 2021, the mineral water of Valora's own brand ok.– has been sold in a weight-optimised bottle made from 100 % recycled PET. This saves over 100 tonnes of CO₂ and around 130 tonnes of crude oil per year.



21 000

E-learnings

The newly launched Group-wide learning platform Valora Academy offers access to numerous types of training and compulsory courses. In 2021, a total of around 21 000 e-learning modules were completed.



50

Trainees

From commercial apprenticeships and training in book sales and retail or food technology to dual studying: Valora trained 50 young people up to professional level last year.



1-3 %

Salary increase

Despite the economic challenges, Valora has decided to increase the wage total for its own employees from 1 March 2022: by 3 % in Germany and 1 % in Switzerland within the context of the Valora Collective Labour Agreement.

A changing world

«War for Talents»

From the technical expertise of a programmer to the dexterity of a barista: specialists have their own ideas about where to look for work. Other factors such as demographic change, an increasingly dynamic labour market and constantly changing requirements in terms of skills are increasing the onus on Valora to be an attractive employer.

Climate change

The sixth IPCC report issued in August 2021 unequivocally confirmed the urgency of the situation. In order to keep global warming below 1.5°C, CO₂ emissions must be reduced by around two-thirds from 2020 to 2030. In addition, greenhouse gas emissions must be at net zero by 2050. Valora demands that on two fronts: for its own emissions and the emissions generated in the manufacture of its products.

Plastics and pollutants

The planet's carrying capacity is also being exceeded with regard to material cycles, especially phosphorus and nitrogen, which are used in large quantities in agriculture. Furthermore, plastics are accumulating in the soil and water. That means the agricultural supply chains used for most of the products sold by Valora need to become more compatible with the environment. Plastic packaging needs to be scrutinised.

Human rights

Human rights are universal and immutable. Nevertheless, agricultural and international supply chains are fraught with risk. Following the "UN Guiding Principles on Business and Human Rights", which were adopted in 2011, laws have recently been passed in the two Valora core markets of Germany and Switzerland on the duty of

care incumbent on companies with respect to human rights.

Digitalisation

Digitalisation is changing communication, data availability and core processes. This offers companies such as Valora numerous opportunities to become more competitive and sustainable: data enables better planning to reduce food waste. Online purchasing processes increase comparability and selection. International supply chains can be monitored more effectively.

Strategy



Value chain and impacts

From field to customer: the Valora Group follows a sustainability strategy whereby it assumes responsibility along the entire value chain. The upstream value chain ranges from raw material production through to agriculture and several processing steps to wholesalers and logistics. Valora obtains goods, including own brands, through these suppliers and sells them to consumers (B2C). It also supplies items from its own pretzel production facilities to other companies (B2B). The different sales outlet formats are operated by Valora employees or franchise and agency partners with their own employees. They all brighten up their customers' journey, particularly at transport hubs and central urban locations.

Footprint analysis

In 2021, Valora carried out a footprint analysis to better understand the environmental impacts and social risks in its value chain. Based on purchasing data and average values per product group, CO₂ equivalents, pollutants as well as land and water use were modelled. Social risk hours are also included, i.e. hours worked at the risk of human rights violations. The footprint analysis enables Valora to identify levers and hotspots at all levels of the supply chain and address them in a targeted manner.

Value chain and impacts

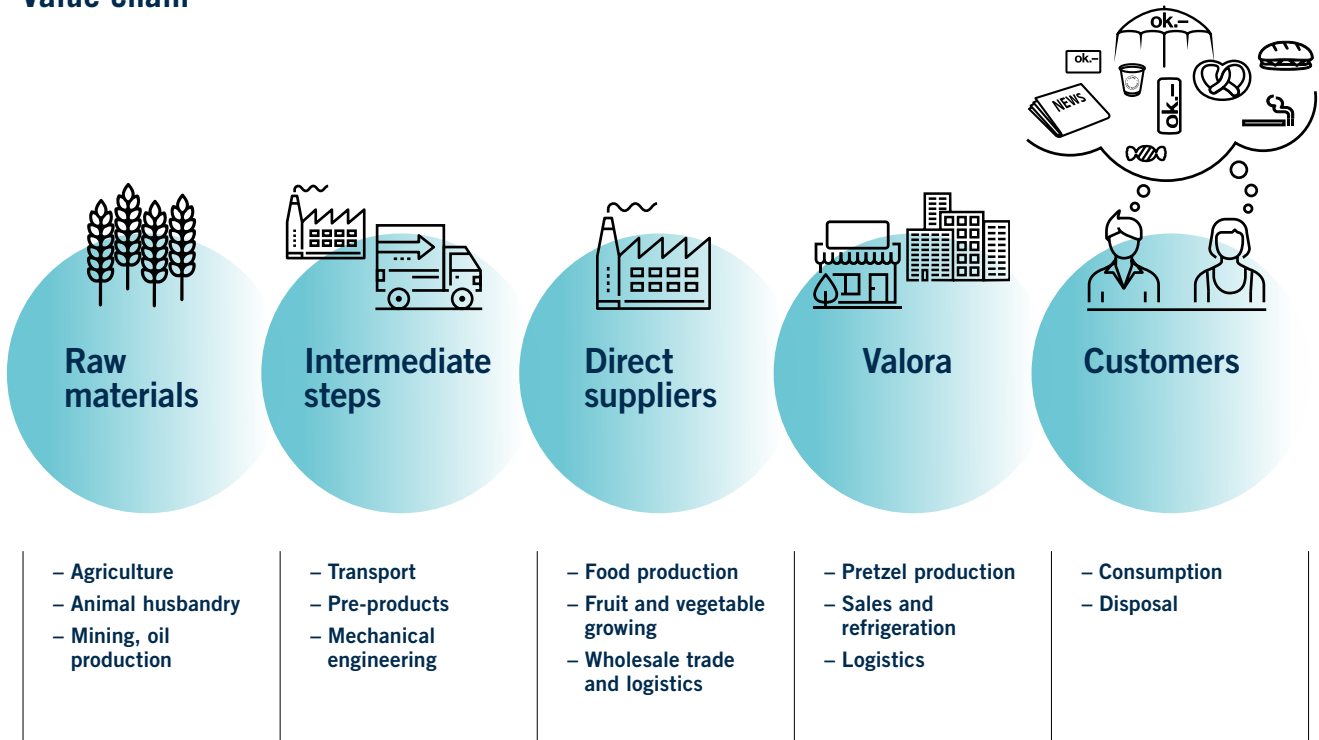
The footprint analysis showed that the majority of modelled CO₂ emissions and social risks arise from raw material production: agricultural processes such as wheat, tobacco or animal feed cultivation have the greatest impact.

The analysis also showed that CO₂ and pollutant emissions are far more significant in environmental terms than water and land use. The social risks, on the other hand, are greatly dependant on the product's country of origin: while the raw materials for baked goods mainly come from Central Europe, the cultivation areas for tobacco, coffee and cocoa are

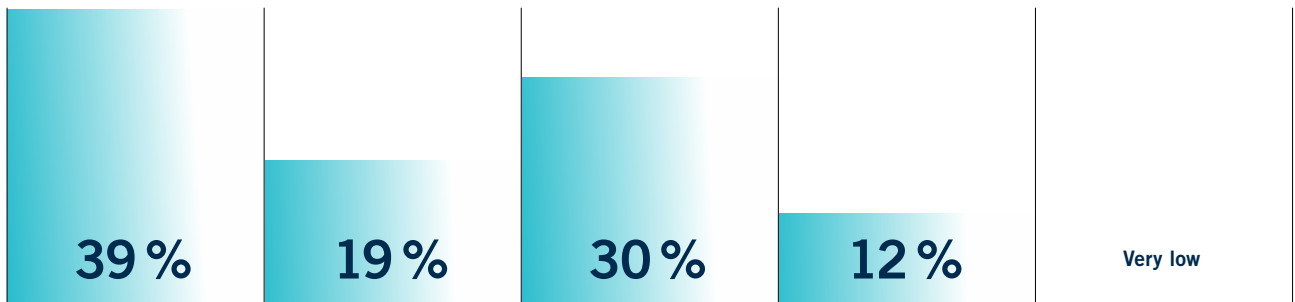
located in the Global South and pose greater human rights violation risks.

For Valora, these findings mean that the company must also go beyond its core business along its value creation chain to achieve its long-term sustainability goals. Together with the suppliers and partners, Valora Group wants to contribute to limiting global warming to 1.5°C. That is why the company is working towards climate neutrality by 2050. The Board of Directors is currently discussing the stages and specific objectives for the coming years, to reduce emissions caused directly by Valora and along the supply chains.

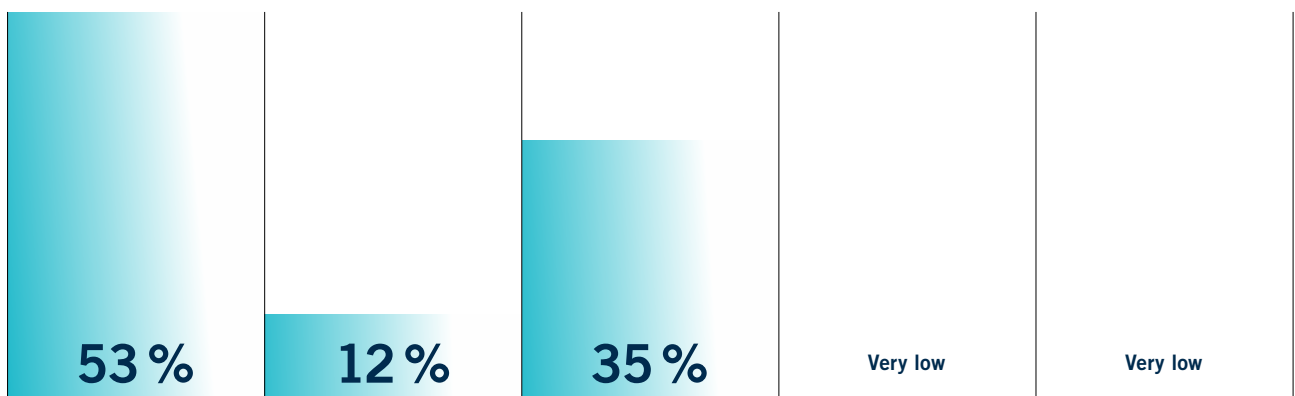
Value chain



Percentage distribution of CO₂ equivalents (modelling)



Percentage distribution of social risk hours (modelling)



Stakeholder dialogue

In order to develop its sustainability strategy, Valora analysed the expectations of its stakeholders on the basis of structured interviews in 2019. Since then, Valora has kept abreast of expectations through ongoing dialogue with interest groups. In addition, sustainability topics are explicitly addressed in the day-to-day dialogue with external partners.

If changed stakeholder expectations are repeatedly identified, this leads to adjustments to the sustainability strategy. In 2021, the dialogue with interest groups has confirmed the strategy (see also page 66).

Stakeholder expectations



Customers

- Fair working conditions
- Sustainably manufactured products
- Packaging



Agency and franchise partners and their employees

- Fair partnerships
- Employee development
- Fair working conditions and salaries



Employees

- Employee development
- Fair working conditions and salaries
- Leadership and corporate culture
- Job offer



Landlords

- Waste and food waste
- Sustainably manufactured products



Investors

- Fair working conditions
- Management and corporate culture
- Fair partnerships
- Sustainably manufactured products



Environmental organisations

- Sustainably manufactured products
- Political influence
- Packaging
- Energy and resource consumption



Suppliers

- Sustainably manufactured products
- Less/sustainable packaging
- Employee development

Materiality analysis

The results of the stakeholder interviews were compiled into a materiality matrix (see chart below): The vertical axis shows stakeholder expectations of Valora, while the horizontal axis shows the effects (impact) of Valora's business on sustainable development. The

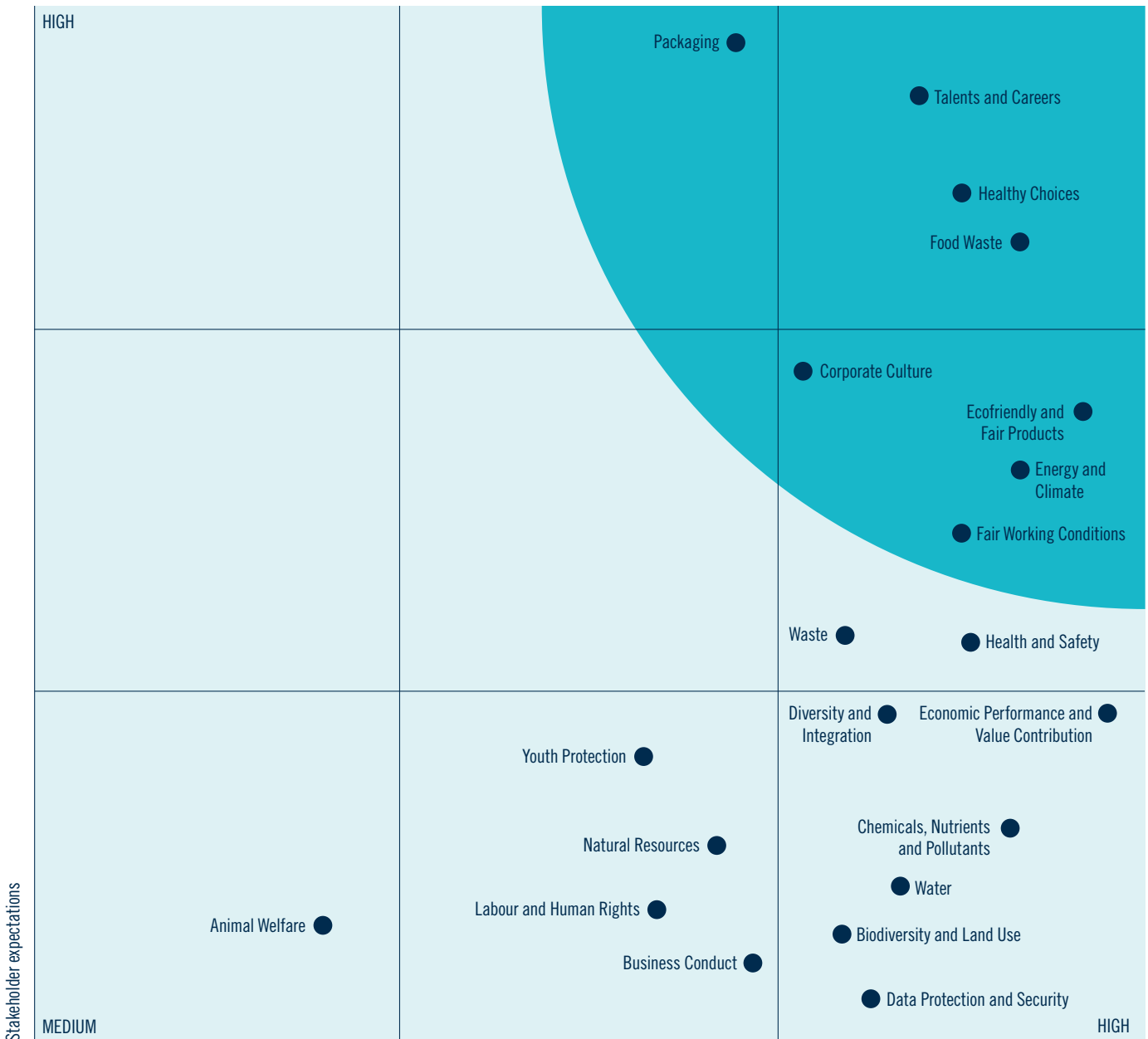
impact axis was supplemented and updated in 2021 with the results of the footprint analysis.

For Valora, the materiality matrix forms the basis for identifying and prioritising its sustainability topics. The eight topics highlighted in dark colour in the top right were

classified as material. Further details of the materiality analysis are outlined in the [2019 Sustainability Report](#).

Materiality matrix

Results from the footprint analysis and stakeholder dialogue



Valora's impact on sustainable development

Defining the strategy

Review of topics

In order to define the Valora Group's sustainability strategy from the eight material topics in the matrix, the first step was to consider the topics from an economic perspective and align them with the corporate strategy. Conclusion: Fair working conditions and the promotion of talent contribute to the attractiveness of the workplace. Measures to save energy and combat food waste enable lower costs. Just like more sustainable packaging, sustainable and healthy products are a competitive advantage. The sustainability strategy thus supports the path chosen by Valora Group – the material topics correspond to double materiality.

In a second step, a comparison of the eight material topics with the United Nations' Sustainable Development Goals (SDGs) showed that Valora is actively addressing eight of the 17 goals in its initiatives. There are no other relevant SDGs to which a foodvenience provider could make a relevant contribution. Valora's sustainability strategy therefore aligns with the focus of the goals set by the United Nations.

Strategy development


As a next step, seven of the eight material topics from the materiality matrix were clustered and allocated to three pillars: People, Planet, Products. Measures and key figures were defined for each topic and adapted to the different business areas. For example, depending on the format, the energy management focus is on refrigerators, air-conditioning systems, or ovens.

The eighth main topic, cultural change as an enabler, together with stakeholder engagement and innovation, forms the basis for implementing the sustainability strategy. It is therefore managed as an interdisciplinary topic (see page 68).

These projects will be continued in 2022. At the same time, new, long-term sustainability goals are being defined to decarbonise own activities and the supply chains. Valora is thus on its way to achieving climate neutrality by 2050. Accordingly, sustainability is given greater weight when working with suppliers.

Report structure

In accordance with the GRI reporting standards, a chapter is devoted to all key topics (with the exception of cultural change). The chapters address relevance and progress. A table summarises the measures and implementation status. An evaluation of what has been achieved and an outlook for 2022 round off the topic chapters. The quantitative information is presented in tabular form at the end of each of the three pillar chapters.

 Delays due to the COVID-19 crisis are marked with a virus symbol for progress made in 2021. In addition, the implementation of the projects announced for 2022 depends on how the pandemic develops.



Current status

Valora's Board of Directors and Group Executive Management are unwavering in their commitment to sustainable business practices: sustainability is firmly anchored as the fifth pillar in the corporate strategy. The COVID-19 crisis has impacted and delayed individual sustainability projects in some cases. As a result, it has not yet been possible to compile the desired data and some projects have had to be postponed.



People

Becoming an attractive place to work for everyone

- Fair Working Conditions
- Talents and Careers



Planet

Becoming a climate-neutral company

- Food Waste
- Energy and Climate



Products

Becoming the go-to place for sustainable foodvenience

- Ecofriendly and Fair Products
- Healthy Choices
- Packaging

Enablers

Culture and organisation

The goal is clear: sustainability must become part of Valora's corporate DNA. As this is a long-term process, it remains important to continue providing information and promotion events at the 2724 Valora sales outlets as well as the administration and production sites. The strategic direction of sustainability efforts is determined by the Governance Board Sustainability (details in the Corporate Governance Report on page 91). It consists of members of the Board of Directors, the Group Executive Board and sustainability management, and prepares decisions on sustainability topics for the Board of Directors. Steering committees are responsible for operational implementation in the individual business areas. They also continuously monitor the implementation of the sustainability measures. Selected Valora employees in question were involved in developing the Valora sustainability strategy. Today, they form a group of so-called sustainability champions who take on a professional role within the company and contribute to knowledge dissemination. The social Valora Connect intranet facilitates exchange with sustainability champions and is used to communicate the topic.

Innovation

In addition to continuously improving sustainability throughout the company, Valora also strives for products that go beyond incremental improvements. Valora also tests sustainable innovations with suppliers and other partners: in 2021, for example, a disposable wooden coffee cup and a digital reusable cup system. If such innovations meet the needs of customers, they are added to the product range.

A sustainable innovation gained momentum across the board in 2021: the umbrella-to-rent. After use, customers can return the sustainably produced umbrella to any point of sale. Valora intends to extend use of the sharing platform created for the umbrella to further products in the future.

Stakeholder engagement

Dialogue with stakeholder groups is an important part of sustainability management. The structured interviews conducted as part of the materiality analysis form the basis for this report. This, in turn, is being continuously expanded, supplemented with additional key figures and provided to the stakeholder groups.

Discussions with analysts on ESG topics (environmental social governance) took place in 2021, among other things. Requirements and expectations that are raised, for example, in the context of tenders are documented. They often concern topics relating to the Planet pillar. Additionally, sustainability issues are explicitly addressed in day-to-day discussions with suppliers.

In future, sustainability issues will also be part of customer and employee surveys. Topic-specific inquiries from customers are already being recorded today.

Progress



Sustainability Report



People Fair Working Conditions

Sustainable Development Goals



The employees not only drive the implementation of the business strategy, but also represent Valora externally – especially in the sales outlets. Accordingly, employee satisfaction is equally important. In addition to motivation, it also shapes loyalty to the company.

In order to maintain satisfaction, Valora provides fair working conditions. The human resources departments in the individual divisions focus on factors such as working hours, work break rules, social benefits, job security, promotion of health, diversity, equality and remuneration. Fair working conditions are also the responsibility and objective of all managers within the Valora network.

Evaluation

During the COVID-19 crisis, Valora increased salaries for short-time working to 80 % of the lost salary if the short-time remuneration was lower than that, which benefited low-wage earners in particular. Last year, the operating partners were supported with a single-digit million sum in the event of liquidity bottlenecks. Despite the dramatic drop in customer footfall, only a few jobs had to be cut since the

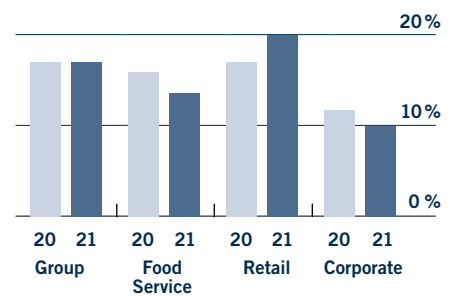
start of the pandemic – not least due to government-supported short-time working. At the end of 2021, the Valora Group employed 4 529 own employees – 2.4 % fewer than in 2020.

Net turnover on the basis of notice given by employees stayed at 17 %. The proportion of women is 64 %, the age mix is balanced.

Outlook


Under the Collective Labour Agreement, Valora will increase the wage total by 1 % in Switzerland from 1 March 2022. In Germany, the wage total will be increased by 3 %. An increase in the statutory minimum wage in Germany is also being prepared. Valora is thus continuing to work together with its employees and partners to overcome the crisis.

Net turnover rate*



* The net turnover rate is calculated based on the number of departures following termination by employees in relation to the number of employees at the end of the year. A reorganisation resulted in shifts in personnel from Corporate to Retail and Food Service in 2021, hence values are not directly comparable.

People Fair Working Conditions

SELECTED MEASURES	STATUS	PROGRESS IN 2021	PLAN FOR 2022
Salary increase and top-up of short-time working compensation – in Switzerland, unemployment insurance pays 80% of the previous salary. In Germany, short-time worker's compensation is initially limited to 60–67% of lost earnings, and only reaches 80–87% after seven months.	●●●●●	As in the previous year: increase of loss of earnings in the event of short-time working to 80% for those receiving less than 80% of lost earnings, for example in Germany.	Increase in wage total from 1 March 2022 by 3% in Germany and 1% in Switzerland under the Valora Collective Labour Agreement. Due to the dynamics of the crisis, a monthly review of additional top-up options in the event of short-time working.
Partner support – Valora supports the operating partners in coping with the COVID-19 crisis so they can maintain their business activities.	●●●●●	Support for operating partners in the event of liquidity shortages caused by COVID-19 amounting to the single-digit millions. Assistance in applying for government subsidies, staff leasing in the event of quarantine cases.	Further support options are reviewed on a monthly basis in response to the crisis.
Internal communication – additional channels help with cross-regional communication within the Valora Group, especially when informal communication is more difficult during pandemic-related home and split office phases.	●●●●○	Valora Connect social intranet (Workplace from Meta) with around 1 100 users across various locations and business areas. Regular digital town hall meetings to ensure the flow of information.	Continuation and establishment of digital communication formats.
Staff discounts – depending on the location, there are different offers for employees – from free pretzels and fruit to coffee and collection points.	●●●●○	Introduction of the digital Valora card in Switzerland, which was already being used by more than 1 000 users in 2021 for discounts in Valora sales outlets.	Review of further discounts.
Social dialogue – discussions and consultations as well as negotiations are held with employee representatives on a regular basis.	●●●●○	Ongoing meetings with a focus on dealing with the crisis.	Continuation of the social dialogue.
Valora Integrity Line – all employees, partners and customers have the opportunity to report grievances anonymously online, which are processed by Valora's compliance officers.	●●●●○	Permanent availability via the Valora website. A total of 19 reported cases (previous year: 34 cases). Conclusion of 18 cases by 31 December 2021.	Ongoing permanent availability and rapid processing of reports. Increase in awareness throughout the Valora network.
Business Partner Code of Conduct – the Code of Conduct is included in contracts with agency and franchise partners.	●●●●○	Inclusion in new contracts and gradual updating of existing contracts.	Inclusion in further contracts in Germany.
Equal pay analysis – equal pay is analysed based on gender. This has been required by law in Switzerland since 2021.	●●●●○	Analysis carried out in Switzerland. Results to date do not require any corrective measures.	Completion of the analysis by external third parties.
Surveys – the satisfaction of employees and business partners is surveyed in order to identify any areas for improvement.	●○○○○ 	Postponement of the planned staff survey until 2022.	Conducting a Group-wide staff survey.

Sustainability Report



People Talents and Careers

Sustainable
Development
Goals



The modern working world is in a state of constant flux, which requires flexibility and adaptability from Valora and the employees in its network. At the same time, newly acquired knowledge and skills as well as additional qualifications have a positive effect on performance, motivation and employability.

Valora wants to offer its employees and the agency and franchise staff attractive prospects. An environment to develop in a future-oriented way. The HR departments and the Operations teams are jointly responsible for the further training activities in the different business areas.

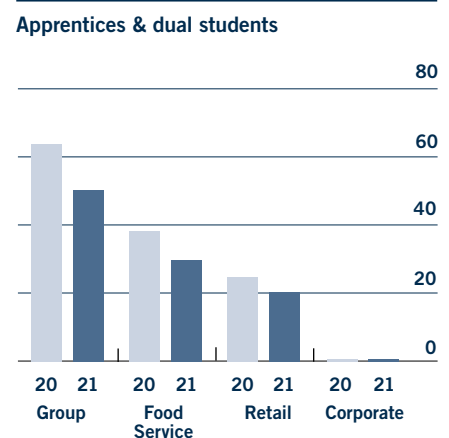
Evaluation

The newly launched Valora Academy e-learning platform efficiently handles compulsory training for all employees on topics such as protection of minors or cyber resilience. Numerous optional training courses and continuing education courses have been added to the range of learning opportunities. One focus area is on format-specific introductory programmes for prospective agency operators and franchisees.

Valora trained 50 young people to professional level with programmes last year as part of dual vocational training and dual study programme. Further training programmes are also being conducted to counter the shortage of skilled workers. However, the recruitment of baristas and managers for the production of baked goods remains challenging.

Outlook

Training and development activities will be further reinforced. One of the focal points in future will be the development of management personnel. In addition, a Group-wide staff survey will be conducted in 2022 to determine additional training needs.



Sustainability Report

People Talents and Careers

SELECTED MEASURES	STATUS	PROGRESS IN 2021	PLAN FOR 2022
Training company – Within the framework of the dual vocational training and the dual study programme, apprentices are deployed in various areas. Further trainee programmes and internships prepare young people for entry into professional life. At the same time, Valora benefits from the next generation of qualified employees.	●●●●○	50 apprentices in Germany and Switzerland (previous year: 56), of which 11 dual students (previous year: 11). Development of a new retail vocational training model with rotating stations. Pilot project in Canton Zurich with six agencies and own outlets to facilitate cross-location and cross-format training.	Creation of additional training places in retail and roll-out of the program for trainees in other cantons.
Recruiting – job offers are published on an internal platform and advertised on the Valora Connect social intranet. This promotes transparency and contributes to the visibility of further training opportunities.	●●●●○	Establishment of an internal job platform to promote internal recruitment.	Test at Food Service Switzerland to motivate employees with financial incentives to support external recruitment.
Training of operating partners – new franchisees and agency operators receive format-specific training over several days to facilitate their induction.	●●●●○	Conducting various virtual conferences and workshops. Establishment of the training campus for the BackWerk and Ditsch formats in Essen, which went into operation at the end of 2020. Expansion to include digital courses.	Continuation of the conferences and workshops.
Further training programmes – employees are trained to take on key positions that are difficult to fill via the open labour market. Format-specific programmes are also offered.	●●●●○	Establishment of a further development program at the Oranienbaum production site: 21 unskilled employees underwent training as machine operators, 12 machine operators underwent further training as line managers (previous year: 18 and 6).	Continuation of the program in Oranienbaum.
Valora Academy – all Valora employees (excl. Ditsch USA) and business partners in Switzerland have access to a wide range of training and compulsory training courses online.	●●●●○	Launch of the new Valora Academy e-learning platform in November. Expansion of the offer to include 100 new training courses in seven languages. Over 5 000 users have attended over 22 000 courses (previous year: 23 000).	Development of further training programs. Restructuring of onboarding for new employees on the Valora Academy e-learning platform.
Management training in sales – branch managers study for a SIU diploma in cooperation with the Schweizerisches Institut für Unternehmensführung (Swiss Institute of Management).	●●○○○	Pilot of the new training program at Retail Switzerland: 11 employees and 11 prospective agency partners receive an introduction to sales outlet management by March 2022.	Roll-out of the training program at Retail Switzerland in the event of successful pilot project. The training should become the standard for all sales outlet managers and agency partners.



People

Key figures

EMPLOYEES*

Group		Food Service				Retail				Corporate*					
2021		2020		2021		2020		2021		2020		2021		2020	
Abs.	%	Abs.	%	Abs.	%	Abs.	%	Abs.	%	Abs.	%	Abs.	%	Abs.	%

Employees

Headcount	4529	100	4641	100	1735	38	1383	30	2700	60	3025	65	94	2	233	5
Full-time equivalents (FTE)	3618	100	3578	100	1480	41	1177	33	2053	57	2185	61	85	2	216	6

Employees by age

Total	4529	100	4641	100	1735	100	1383	100	2700	100	3025	100	94	100	233	100
Of 30 or younger	1084	24	1159	25	445	26	366	26	611	23	747	25	28	30	46	20
Between 31 and 40	1079	24	1041	22	486	28	364	26	556	20	606	20	37	39	71	30
Between 41 and 50	914	20	932	20	378	22	301	22	516	19	583	19	20	21	48	21
Over 50	1452	32	1509	33	426	24	352	25	1017	38	1089	36	9	10	68	29

Employees by gender and level of employment

Total	4529	100	4641	100	1735	100	1383	100	2700	100	3025	100	94	100	233	100
0–49% employment	666	15	690	15	181	10	123	9	481	18	557	18	4	4	10	4
50–79% employment	998	22	1305	28	240	14	201	15	748	28	1086	36	10	11	18	8
80–99% employment	712	16	747	16	227	13	364	26	476	17	366	12	9	10	17	7
100% employment	2153	47	1899	41	1087	63	695	50	995	37	1016	34	71	75	188	81
Women	2913	100	3123	100	942	100	719	100	1946	100	2323	100	25	100	81	100
0–49% employment	501	17	557	18	117	13	87	12	383	20	464	20	1	4	6	7
50–79% employment	758	26	1038	33	151	16	112	16	602	31	911	39	5	20	15	19
80–99% employment	518	18	497	16	124	13	186	26	388	20	302	13	6	24	9	11
100% employment	1136	39	1031	33	550	58	334	46	573	29	646	28	13	52	51	63
Men	1616	100	1518	100	793	100	664	100	754	100	702	100	69	100	152	100
0–49% employment	165	10	133	9	64	8	36	5	98	13	93	13	3	4	4	3
50–79% employment	240	15	267	18	89	11	89	13	146	19	175	25	5	8	3	2
80–99% employment	194	12	250	16	103	13	178	27	88	12	64	9	3	4	8	5
100% employment	1017	63	868	57	537	68	361	55	422	56	370	53	58	84	137	90

* A reorganisation resulted in shifts in personnel from Corporate to Retail and Food Service in 2021, hence values are not directly comparable.

People Key figures

FAIR WORKING CONDITIONS AND TALENTS AND CAREERS*

Group		Food Service				Retail				Corporate*					
2021		2020		2021		2020		2021		2020		2021		2020	
Abs.	%	Abs.	%	Abs.	%	Abs.	%	Abs.	%	Abs.	%	Abs.	%	Abs.	%

Employee turnover

Employee total	4529	100	4641	100	1735	100	1383	100	2700	100	3025	100	94	100	233	100
Departures following termination by employees, net turnover rate	793	17	768	17	247	14	215	16	537	20	524	17	9	10	29	12

Apprentices

Total	50	100	63	100	30	60	39	62	20	40	24	38	0	0	0	0
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Occupational accidents

Total	91	100	122	100	41	45	59	48	50	55	63	52	0	0	0	0
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* A reorganisation resulted in shifts in personnel from Corporate to Retail and Food Service in 2021, hence values are not directly comparable.

Results of the employee survey (0 –100)*	Group		Benchmark***
	2018	2016/17**	2018
Commitment	78	79	84
Satisfaction	66	68	74
Attractive employer	65	66	72
Employee development	59	59	67

up to 50: little to no agreement
56–85: medium agreement
from 86: full agreement

* A new employee survey is planned for 2022.

** Limited scope for comparison as more employees were asked in 2018.

*** Sector-specific Swiss Employer Award 2018 for retail business.



Planet

Food Waste

Sustainable Development Goals



According to the experts of food-waste.ch, approximately a third of foodstuffs worldwide fail to complete the journey from farm to table. This is problematic both ecologically and economically. Even though food waste mainly stems from raw material processing and consumption, the absolute quantities are also relevant for Valora. Responsibility for the topic is divided into category management, production management, sales and sales outlet management.

In the case of the Food Service formats, food waste mainly occurs at the end of the day because products are freshly produced on site and according to demand. In the retail formats, surpluses may occur for pre-produced fresh products such as baked goods and sandwiches. Valora initially intends to reduce such oversupply by improving volume planning. In the second step, unsold goods are sold at discounted prices. The low residual quantities are used in other ways, such as for the production of biogas.

Food waste in Valora's baked goods production can be minimised by continuously improving processes and facilities.

Evaluation

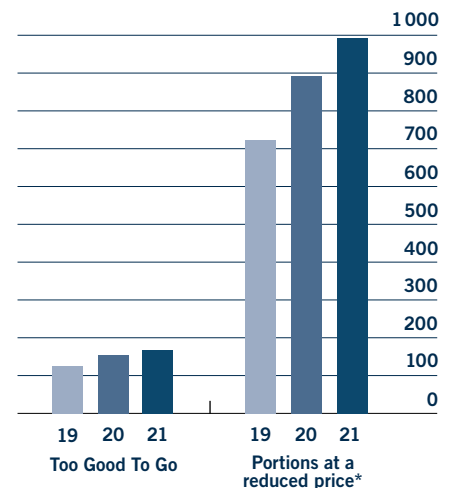
Valora applies the greatest leverage with preventive (redundancy cockpit) and sales-promoting measures (2nd Chance, Too Good To Go) for leftover food. Despite these measures, lower and highly fluctuating frequency during the 2021 COVID-19 crisis led to an increase in the share of food waste at the sales outlets, while absolute volumes fell.

In production, the rejection rate increased due to more frequent plant conversions. This is a temporary effect due to pandemic-induced demand fluctuations.

Outlook



In 2022, cooperation with Too Good To Go and similar operations will be intensified and extended to other formats within the Valora Group. The redundancy cockpit will also be used more widely.

Avoided food waste portions in thousands



*Only Retail Switzerland.

Planet Food Waste

SELECTED MEASURES	STATUS	PROGRESS IN 2021	PLAN FOR 2022
<p>Optimisation of production lines – continuous improvement management at the production lines in the pretzel production facilities in Oranienbaum and Mainz, Emmenbrücke and Cincinnati have reduced the amount of waste.</p>	<p>●●●●●</p> 	<p>Increase in plant conversions to improve production capacity utilisation during the COVID-19 pandemic. Result: increase in the average Group-wide rejection rate from 5.4% to 6.5% per produced item on a weight basis across all production lines.</p>	<p>Continuous optimisation of production lines.</p>
<p>Food donations – people in need are supported by supplying food from the Ditsch production facilities to charitable aid organisations (e.g. Die Tafeln (foodbanks)).</p>	<p>●●●●●</p>	<p>Weekly distribution to organisations in Mainz and Oranienbaum as well as to helpers during the flooding in summer 2021. A total of 4 800 donated portions (previous year: 14 000).</p>	<p>Continuation of food donations within the existing framework.</p>
<p>2nd Chance – baked goods are offered at discounted prices from the second day until midday: 2nd Chance on day two for CHF 2</p>	<p>●●●●○</p>	<p>Rollout of 2nd Chance in 177 sales outlets in Switzerland, including all avec stores and selected kiosk sales outlets. Total of 104 000 portions sold (previous year: 7 743).</p>	<p>Onboarding of further kiosk sales outlets in Switzerland.</p>
<p>Redundancy cockpit – the new controlling tool enables a clear and dynamic overview of excess supply at individual sales outlets. This allows the sales and branch managers to take targeted measures.</p>	<p>●●●○○</p>	<p>Rollout in retail sales outlets with an extensive food offering in Switzerland.</p>	<p>Intensification of work with the data and derivation of corrective measures.</p>
<p>Too Good To Go – customers are offered reduced-price food bags shortly before closing time via the Too Good To Go app, a Europe-wide movement to reduce food waste. These can be collected from the sales outlets.</p>	<p>●●○○○</p> 	<p>Sale of over 169 000 portions (previous year: 150 000) in 96 Food Service Switzerland sales outlets and around 100 BackWerk stores in Germany. Expansion to other formats postponed.</p>	<p>Expansion of collaboration with Too Good To Go and comparable companies to other formats.</p>

 Delays due to the COVID-19 crisis



Planet

Energy and Climate

Sustainable
Development
Goals



Energy consumption costs money and produces greenhouse gases that contribute to global warming: these are two important reasons for Valora to minimise energy consumption in pretzel production, sales outlets, logistics and administration.

Baking ovens, air conditioners and cooling devices are the main energy consumers in the stores and production facilities. The refrigerants and the share of fossil energy sources also play a role.¹ Energy consumption is the responsibility of the construction departments of the business units, the operators of the sales outlets and the production management.

Evaluation

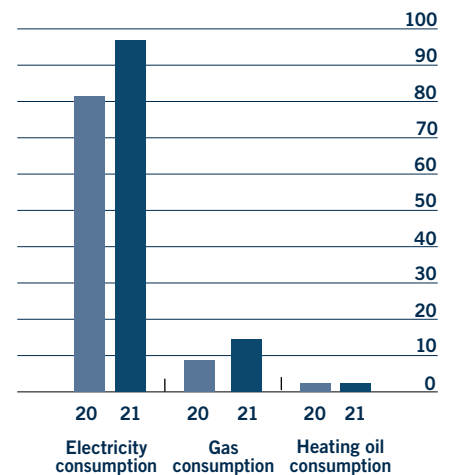
Valora is focusing in particular on the significant savings potential related to cooling devices: modern equipment is consistently used when expanding baked goods production and renovating sales outlets. They improve energy efficiency. Just like the use of doors in refrigeration units with fresh and convenience products as well as in concepts without self-service. Further potential for optimisation consists in systematic management of the equipment and cooling agents.

Group-wide energy consumption rose last year by around 22 % to 112 000 MWh (previous year: 92 000 MWh). This is due to the extended data collection, the expansion of the food offering and the corresponding installation of additional cooling devices as well as the recovery in the context of the pandemic and lockdowns in 2020 (the base year for comparison).

Outlook

In terms of strategy, the path to climate neutrality will be clarified in 2022 and adopted together with specific targets. Operationally, the entire Group will switch to 100 % renewable electricity over the course of 2022, meaning that the main lever will be in Scope 1 and Scope 2. Furthermore, minimum requirements for new cooling devices and lighting as well as the use of timers in retail formats will be developed and introduced. Data collection is also being continuously expanded to exploit further efficiency potential and to establish a company-wide CO₂ balance sheet.





Energy consumption in thousand MWh*



* Electricity values include all production sites and 1 695 (2020: 1 630; 2019: 1 617) of 2 724 (2020: 2 680; 2019: 2 731) sales outlets. Gas and oil cover all production facilities and 1 133 (2020: 1 022; 2019: 974) sales outlets. Previous year's values adjusted where possible due to extended data collection.

¹ Further climate impacts in the supply chain are addressed by measure within the Products pillar.

Planet Energy and Climate

SELECTED MEASURES	STATUS	PROGRESS IN 2021	PLAN FOR 2022
<p>Energy management system – an ISO 50001-certified energy management system is used in the largest production sites at Mainz and Oranienbaum. The system enables continual data gathering, identification and implementation of improvement measures and monitoring of success.</p>	<p>●●●●●</p> 	<p>Successful audit in accordance with the revised version of ISO 50001: 2018. Optimisation of the plants, replacement of the heating system at the headquarters in Mainz. Some delays in the implementation of energy-saving measures due to cost-saving measures.</p>	<p>Planning and implementation of further measures as part of energy management.</p>
<p>Logistics – close cooperation with logistics companies ensures efficient deliveries. At the same time, routes and stops are continuously optimised. Other success factors include increased efficiency, higher vehicle capacity utilisation and improved scheduling at the points of sale.</p>	<p>●●●●●</p>	<p>Saving of over 50 000 stops at Retail Switzerland within two years as part of pandemic-related adjustments. This corresponds to a reduction of more than 20%. Transition to more efficient logistics in regular operations at BackWerk in Germany.</p>	<p>The reduced number of stops at Retail Switzerland should also be largely maintained during regular operation. Further optimisation to increase efficiency in delivery logistics over the long term.</p>
<p>Low-emission home deliveries – the online store avec now provides home deliveries at selected locations. The use of electric bicycles means that delivery times of under 30 minutes are possible.</p>	<p>●●●○○</p>	<p>Trial run with electric bicycles.</p>	<p>Conversion of all deliveries to electric bicycles. This saves over 1 kg of CO₂ per delivery compared to car delivery.</p>
<p>Modernisation of cooling units – the cooling units in the sales outlets are consistently replaced by more efficient models. Self-service doors are used to further increase efficiency in cooling units with fresh and convenience products as well as in concepts without self-service.</p>	<p>●●○○○</p> 	<p>Use of doors according to newly defined specifications.</p>	<p>Ongoing renewal with more efficient cooling units. Development of a cooling strategy to establish minimum standards for refrigerants and energy classes.</p>
<p>Energy consumption analysis in sales outlets – on-site inspections are used to identify main consumers and scalable energy-saving measures.</p>	<p>●●○○○</p>	<p>Inspection of several sales outlets and implementation of the first proposed energy-saving measures.</p>	<p>Further inspections and implementation of the proposed measures.</p>
<p>Data collection – energy consumption at the sales outlets is measured and read in real time to identify potential savings and derive efficiency measures.</p>	<p>●●○○○</p> 	<p>Electricity consumption survey in 1 535 of 2 724 sales outlets. Delay in installing measuring systems onsite.</p>	<p>Expansion of data collection in selected sales outlets.</p>
<p>Renewable energies – to minimise the negative impact on the climate, renewable energies are used.</p>	<p>●●○○○</p> 	<p>Use of renewable energies at Retail Germany.</p>	<p>Group-wide switch to 100% renewable electricity.</p>

 Delays due to the COVID-19 crisis



Planet

Key figures

FOOD WASTE

	Group					
	2021		2020		2019	
	Abs.	%	Abs.	%	Abs.	%
Avoided food waste						
Total portions	1 167 721	100	1 049 703	100	825 579	100
Sale through Too Good To Go	169 396	15	152 844	15	118 967	14
Portions at a reduced price*	998 325	85	896 859	85	706 612	86

* Only Retail Switzerland, 2020-values corrected.

	Food Service production*		
	2021	2020	2019
Wastage rate			
Waste as a proportion of produced goods (by weight)	6.5	5.4	5.8

* Production covers the Emmenbrücke, Oranienbaum, Mainz and Cincinnati facilities.

Planet Key figures

ENERGY

	Group					
	2021		2020		2019	
	in MWh	%	in MWh	%	in MWh	%
Energy consumption*						
Total energy consumption	112 318	100	92 064	100	95 428	100
Electricity consumption	97 753	87	82 114	89	84 971	89
Gas consumption	14 231	13	9 593	11	10 168	11
Heating oil consumption	334	0.3	357	0.4	289	0.3

* Electricity values include all production sites and 1 695 (2020: 1 630; 2019: 1 617) of 2 724 (2020: 2 680; 2019: 2 731) sales outlets.
Gas and oil cover all production facilities and 1 133 (2020: 1 022; 2019: 974) sales outlets.
Previous year's values adjusted where possible due to extended data collection.

	Food Service production*		
	2021	2020	2019
	in MWh	in MWh	in MWh
Energy intensity			
Energy per tonne of produce in MWh	0.498	0.515	0.417

* Production covers the Emmenbrücke, Oranienbaum, Mainz and Cincinnati facilities.

Sustainability Report



Products

Ecological and Fair Products

Sustainable Development Goals



Valora’s greatest sustainability lever is product selection in the sales outlets. This is due to the major ecological and social impact of the production, processing and delivery of raw materials.

Valora wants to make ecological and fair products tasty for its customers without preaching to them. An attractive vegan offering, for example, reduces demand for animal products and the effects of animal husbandry and feed production. In addition, recognised labels and minimum criteria reduce negative environmental and social purchase-related impacts. Product development, category management and purchasing are equally responsible for the attractive range of ecological and fair products. Valora has the most direct influence over its own products and own brands.

Evaluation

Valora uses 100 % Fairtrade beans for all its own brand coffee, benefiting around 2 000 smallholders. The Food Service formats in particular have also integrated sustainability aspects into product development: they experiment with

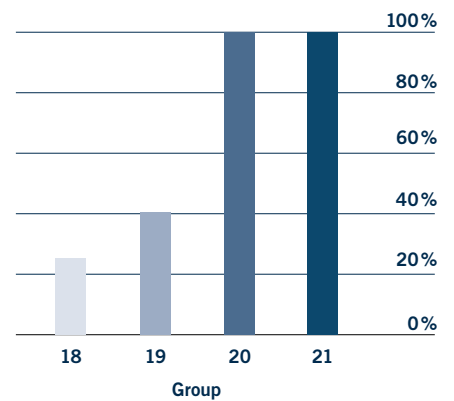
alternative ingredients and consistently offer vegan options. In the non-food area, Valora sets standards with minimum requirements for the production of the ok.– umbrella and the launch of the umbrella-to-rent.

Nevertheless, changes such as minimum requirements in the supply chain pose a challenge – especially for products from the Global South.

Outlook

New due diligence regulations related to human rights in supply chains set additional minimum requirements and necessitate closer cooperation with suppliers. Valora will accordingly develop specific management approaches in 2022 with its various business units. It will also continue to incorporate sustainable products in the design range and pay particular attention to the vegan range.

Share of Fairtrade coffee cups in total sales with own brand coffee



Sustainability Report

Products

Ecological and Fair Products

SELECTED MEASURES	STATUS	PROGRESS IN 2021	PLAN FOR 2022
Fairtrade coffee – the Fairtrade label protects smallholder cooperatives against market price fluctuations by setting a minimum price and ensures fair working conditions.	●●●●●	100 % Fairtrade beans are used for all own brand coffee (corresponds to almost all coffee sales across the Group*).	Changeover to Fairtrade coffee at Back-Factory, the food service system acquired in 2021, in mid-2022.
Barn or free-range eggs – there is a commitment to the organisation The Humane League to only offer products with eggs if they are made exclusively with free-range or barn eggs.	●●●●●	Product streamlining at Back-Factory after takeover. Obligation met in full since 2020.	Continue to meet obligation in full.
Labels – the use of fish with an MSC label ensures sustainable fishing and prevents oceans from being overfished. The organic label stipulates minimum requirements in areas such as fertilisers, crop protection and ingredients.	●●●●○	MSC certification of all Brezelkönig and Caffè Spettacolo sales outlets in Switzerland renewed. Introduction of an organic apple drink (Apfelschorle) under the ok.– own brand. Dedicated organic shelf in several sales outlets in French-speaking Switzerland.	Switch to exclusively Fairtrade bananas at Retail Switzerland. Review feasibility of converting ok.– nuts to Fairtrade.
Sharing models – a proprietary sharing platform enables products to be hired for a fee, including return to the preferred sales outlet.	●●●●○	3 119 loans of a sustainably produced umbrella from the Swiss retail network. Continued rental of Chimpy power banks for charging mobile phones.	Intensification of marketing measures for the umbrella-to-rent.
Vegan and vegetarian selection – an attractive vegan and vegetarian selection makes it easier for customers to avoid animal products. The needs of customers are thus satisfied, and, at the same time, negative ecological effects of animal husbandry and feed production are avoided.	●●●●○	Wide range at Caffè Spettacolo and BackWerk; naturally vegan unfilled pretzels at Brezelkönig and Ditsch; various creations with meat substitutes at Brezelkönig. Switching the ok.– goodies to a vegan recipe. Participation in Veganuary with avec, Brezelkönig and Caffè Spettacolo. Expansion of meat-free sandwiches and salads on offer at Retail.	Expansion of participation in the Veganuary campaign to Ditsch. Addition of new products at avec in Switzerland during the campaign. Further expansion of the vegan and vegetarian offering in retail formats.
ok.– umbrella – Valora sets minimum production requirements and is developing a more sustainable version of the bestseller.	●●●●○	Valora requires standardised audits (according to amfori BSCI) of umbrella manufacturers.	Introduction of a more sustainable version of the ok.– umbrella made of recycled plastic with PFC-free water repellent.
Supply chain management – Valora anchors sustainability among its suppliers in the Valora Business Partner Code of Conduct and requires evidence of standardised audits for products from Asia. Further criteria are incorporated into purchasing decisions and supply relationships on the basis of a risk-based approach.	●●○○○	Performance of a footprint analysis to identify the ecological and social hotspots in the supply chain. Launch of a target-setting process to reduce climate risks in the supply chain. The Business Partner Code of Conduct is a contractual component of larger new contracts.	Gap analysis of new legislation in the EU and Switzerland. Development of the management approach and minimum criteria. Intensified cooperation with suppliers regarding environmental and social risks.

* Starbucks uses its own C.A.F.É. standards to ensure social and ecological cultivation conditions. The Starbucks coffee shops in some retail outlets therefore do not have a Fairtrade label. Back-Factory is not yet part of the survey.



Products

Healthy Choices

Valora wants to offer its customers the opportunity to satisfy their hunger with healthy products – even if tobacco and sugary beverages are a lucrative part of its range.

Valora determines its own recipes in the Food Service area and can offer products promoting well-balanced nutrition. In the retail business, the main lever lies in the selection of products, i.e. in category management. In pretzel production, product development and quality management for food safety are key factors.

Evaluation

The Food Service formats, in particular, focus intensively on healthy alternatives and adapt products in a targeted manner. The approaches are format-specific and depend on individuals in the design of the product range. The convenience business reflects the Valora Group's new orientation towards more Food and freshness in a growing selection of healthy products for immediate consumption.

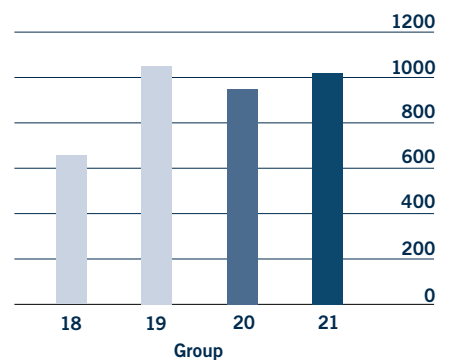
Outlook

Valora is stepping up the Group-wide transition to a healthier product offering in the medium term. Cross-format recommendations for handling additives, sugar, fat and salt are also being developed.

Sustainable Development Goals



Sales outlets with a dedicated healthy offering, e.g. “healthy snacks” or “healthy bars” section*



* Excl. Retail Germany, 2021-data on 1 762 outlets (2019: 1 823; 2020: 1 779).

Sustainability Report

Products Healthy Choices

SELECTED MEASURES	STATUS	PROGRESS IN 2021	PLAN FOR 2022
Audited food safety – the two largest production facilities Oranienbaum and Mainz are certified according to IFS and BRC standards. The production facility in Cincinnati has been SQF-certified.	●●●●●	Successful announced and unannounced audits; renewal of certifications.	Additional annual audits and optimisation of food safety.
Offer adjustments – Valora continuously reviews the offer and acceptance of healthier alternatives. It also focuses on the available portion sizes.	●●●○○	Expansion of a healthy range of snacks to 567 retail outlets in Switzerland (previous year: 525).	Consistent monitoring of other healthy alternatives.
Fresh product range – freshness is playing an increasingly important role in new format concepts and is being further expanded in the context of adapted offerings.	●●○○○	Expansion of fresh products on offer in salads and sandwiches in Retail Switzerland under the new “Ready to go” label – including the launch of new vegan and protein-rich sandwiches. New BackWerk stores with juice bar and additional juices. Adjustment of the BackWerk range.	New concept for the fruit and vegetable offering in avec sales outlets. Further rollout of the juice bar modules at BackWerk.



Products Packaging

Packaging protects products and helps to avoid food waste. However, it is only used once and quickly becomes waste. Avoid, reduce, reuse is therefore the sustainability approach at Valora. It applies wherever packaging is used – in production, logistics, during sale and consumption. Specifically, purchasing and category management at Valora are focusing increasingly on lighter packaging made from sustainable materials with a high recycling component. Sales and marketing also encourage customers to reduce to-go packaging, such as plastic bags and disposable coffee cups.

Evaluation

With the changeover to lighter bottles with rPET content in the Valora's own brand ok.–, the company can save almost 80% CO₂ per plastic bottle and 1.9 kilograms of crude oil per kilogram of PET. Plastic bags – in part due to new regulations – have also been targeted with effective measures. The Valora formats always offer alternatives to disposable cups that are also incentivised. However, the use of reusable cups is currently

still low at 2.4% – the disposable solution is too convenient for many customers. There is also room for improvement in the packaging of third-party products.

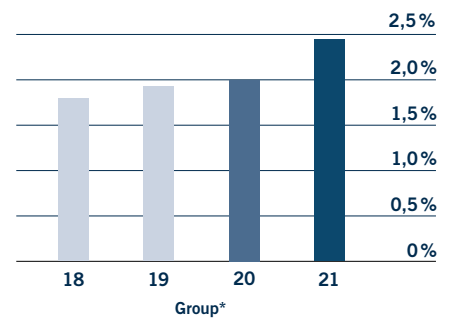
Outlook

Existing efforts will be continued and intensified, especially with regard to reusability. Going forward, Valora will decide on the basis of life cycle analyses for which products and packaging plastics may not be fully dispensed with. Test runs with various providers are planned in Germany to prepare for the obligatory offer of reusable products from 1 January 2023.

Sustainable
Development
Goals



Share of reusable cups used for all warm drinks to go



* This figure covers about 90% of group-wide coffee sales.

Sustainability Report

Products
Packaging

SELECTED MEASURES	STATUS	PROGRESS IN 2021	PLAN FOR 2022
rPET bottles – for its own-brand ok.– bottles, Valora uses recycled PET (rPET) and reduces the weight.	●●●●●	Conversion to 100% rPET for ok.– mineral water and 30 to 35% rPET for ok.– iced tea and fruit juice. This measure saves around 200 tonnes of CO ₂ per year.	Measure completed.
Plastic bags – a fee is charged for plastic bags at the sales outlets. Where possible, the plastic bags are made from recycled materials. These have a lower environmental impact than paper carrier bags. Customers are also encouraged to use the bags more than once.	●●●●○	Switch to bags made from recycled materials at Retail Switzerland. Change to paper carrier bags at Retail Germany due to regulations in force in Germany.	Switch to recycling bags at Retail Austria as soon as stock has been used up.
Promotion of reusable cups – the Valora formats create incentives to use reusable cups through discounts or free upgrades. Reusable items are offered at the sales outlets and actively promoted. Digitally supported deposit systems enable the return of reusable cups.	●●●●○	Increase of the share of reusable cups used for all warm drinks to go from 2.0 to 2.4%. After Retail Switzerland and the entire Food Service division: introduction of discounts or upgrades for the use of reusable cups at Retail Germany. Successful pilot of a digital deposit system for reusable cups at Food Service Switzerland and Germany.	Continuous awareness campaigns to motivate people to use reusable cups. Pilot of a digital deposit system at BackWerk Germany. Decision on rollout of a reusable system with decentralised return option for Food Service.
Condiments – the sales outlets are converting to ecologically optimised disposable cups, drink stirrers and disposable cutlery.	●●●●○	Use of single wall disposable cups made from PEFC- or FSC-certified raw materials as well as wooden drink stirrers. Partial conversion of disposable cutlery from plastic to wood.	Establish where the free dispensing of disposable cutlery can be discontinued.
Till receipts – the switch to FSC-certified paper without chemical colour developers enables recycling. The automatic printing of the receipt will also be dispensed with.	●●●○○	New paper successfully tested at Retail Switzerland. Change the default setting for Retail Switzerland to print till receipts only when required.	Rollout of the new paper at Retail Switzerland. Rollout of the digital receipt at Food Service Germany.



Products

Key figures

ECOLOGICAL AND FAIR PRODUCTS

	Group			
	2021	2020	2019	2018
Fairtrade coffee				
Share of Fairtrade coffees among own brand sales	%	%	%	%
	100	100	40	26

HEALTHY CHOICES

	Group							
	2021		2020		2019		2018	
Sale of healthy products*	Abs.	%	Abs.	%	Abs.	%	Abs.	%
All covered sales outlets	1761	100	1695	100	1823	100	1822	100
Sales outlets with a dedicated healthy offering, e.g. "healthy snacks" or "healthy bars" section	1004	57	966	57	1026	56	609	33

* Excluding Retail Germany.

PACKAGING

	Group			
	2021	2020	2019	2018
Use of reusable cups*				
Share of reusable cups used for all warm drinks to go	%	%	%	%
	2.4	2.0	1.9	1.8

Previous year's values corrected through upgraded data collection.

* This figure covers about 90% of group-wide coffee sales.

Sustainability Report

About this report

This sustainability report was prepared in accordance with the GRI (Global Reporting Initiative) reporting standards. It covers the activities of the Valora Group with a focus on the largest business areas in Germany and Switzerland. All key staff figures cover the entire Group.

If you have any questions about sustainability at Valora or this report, please do not hesitate to contact Yannic Steffan, Head of Sustainability Management:

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