



**BADENHOP
FLEISCH**



**BADENHOP
LOGISTIK**

Sustainability Report

2025

Climate, People and Ressources



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Foreword

Dear Customers, Partners, Employees, and Interested Readers,

I am pleased to introduce our first voluntary Sustainability Report. As a family-owned company, we take a long-term, forward-looking and pragmatic approach to business. Sustainability has always been, and will always remain, a core part of our company philosophy.

In the face of growing economic, social, and environmental challenges, Badenhop plays a key role in driving circularity in animal-based food and feed systems by increasing the utilisation of valuable by-products and extending their lifecycle.

Our 2025 sustainability report highlights many achievements we are proud of, including: a 16% reduction in product-related greenhouse gas emissions; the expansion of renewable energy sources; a 100% waste recovery rate; and a diverse workforce represented by 16 nationalities, alongside fair remuneration practices and comprehensive voluntary employee benefits.

At the same time, this report demonstrates that although we have made progress, we remain at an early stage of our journey. The production, storage, and transportation of our products require significant amounts of energy, which are predominantly sourced from fossil fuels. Industry-specific human rights risks exist in our supply chains, particularly regarding working conditions and occupational health and safety.

By preparing this report, we have gained a clearer understanding of our impacts, risks, and opportunities, enabling us to address improvements in a targeted and impactful manner.

I hope that our voluntary Sustainability Report builds trust, offers visibility into our achievements and openly acknowledges the challenges we face.



Christian Badenhop

Managing Director, Badenhop Fleischwerke KG
and BL Badenhop Logistik KG

ESG Highlights

Our Impact



Climate

We are reducing our energy consumption and decarbonising our energy mix.
(For details, see page 13)



People

We are committed to transparency, the long-term well-being of our employees, and to upholding human rights due diligence in our supply chain.
(For details, see page 25)



Resources

We enhance the circularity of animal-based value chains by upgrading Category 3 slaughter by-products into valuable raw materials for the European pet food, animal feed and aquafeed industries. *(For details, see page 23)*

Targets

Climate

Target

-25% CO₂e/t product until 2030

(Scope 1 & 2 GHG emissions intensity vs. 2021)

Status 2025

-16% CO₂e/t product vs. 2021

(For details, see page 15)

Human Rights

Target

No human rights violations

within our own operations or among our direct suppliers.

Status 2025

0 incidents

of human rights violations identified. (For details, see page 26)

Milestones

2010 – 2025



About Badenhop



Badenhop Fleisch – Europe’s leading supplier to the animal feed industry

We are a family-owned specialist for sourcing, processing, storage and logistics of animal-based raw materials for the European pet food, animal feed and aquafeed industries.

Our values

As a family-owned company with a strong tradition, we combine quality, responsibility, leadership, and a strong sense of community.

Sustainability Vision

We transform animal by-products into valuable raw materials – efficiently, responsibly and with circularity in mind.

1871
foundation year

Over 150 years of company history.

5th generation family business

3 locations

351 employees and **16** nationalities

250,000t
products per year

56,000t
cold-storage capacity

8,000t
dry-storage capacity

>20
countries with business relationships

62
trucks in our own fleet

Basis for preparation

Reporting Standard

We follow the recommendation of the European Commission from 30th July 2025 to apply the VSME (Voluntary Sustainability Reporting Standard for non-listed SMEs), developed by EFRAG (European Financial Reporting Advisory Group), for the voluntary sustainability reporting of small and medium-sized enterprises. We report in accordance with the ‘Basic’ and ‘Comprehensive’ modules defined by the VSME Standard. In addition, we have incorporated elements and requirements from the ESRS (European Sustainability Reporting Standards) to enhance the comprehensiveness and quality of our sustainability reporting.

Scope of Consolidation

The scope of consolidation of this Sustainability Report comprises Badenhop Fleischwerke KG (NACE 10.92) and its subsidiary BL Badenhop Logistik KG (NACE 49.41) (hereinafter collectively referred to as ‘Badenhop’ or “we”). Appendix III contains information on geolocation. Our sustainability report consolidates all company sites (*see „Company structure“*) and covers our own business activities as well as the upstream and downstream value chain.

Internal Controls for Sustainability Reporting

The sustainability reporting process comprises a range of activities for the collection, consolidation and analysis of data. These are executed by our sustainability management function. Process risks arise particularly from incorrect or incomplete data collection, as well as from the processing of collected data. To mitigate these risks, we have implemented internal controls such as plausibility checks, variance analyses and the ‘four-eyes principle’. All content found in the Sustainability Report is internally audited by our Sustainability Committee, in order to evaluate its completeness, consistency, integrity and any risks of material misstatements. Our sustainability committee brings together representatives from our executive management, operations, finance and logistics.

Risk and Opportunity Management

As part of our quality and energy management systems, we practice strategic risk and opportunity management. Risks and opportunities are identified at least once a year and assessed based on their relevance, likelihood of occurrence and scope of impact. Based on this classification, preventive and corrective measures are defined, including responsibilities and implementation timelines. The effectiveness of these measures is evaluated annually by quality management. In addition, our Sustainability Committee reviews and supplements sustainability-specific risks and opportunities on an annual basis.

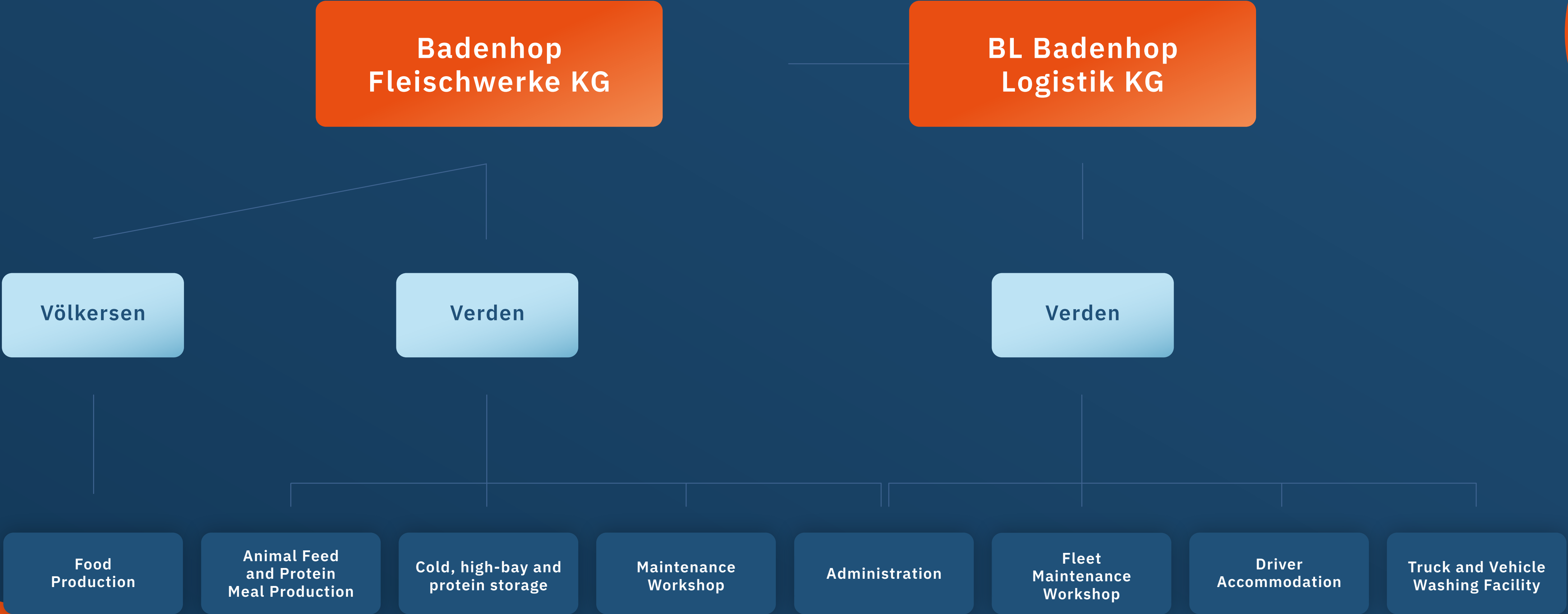
Omissions

We make use of the option to omit the following disclosures in accordance with paragraph 19 of the VSME Standard, due to the sensitivity of the information:

- Paragraph 24. (e) iii., size of balance sheet
- Paragraph 24. (e) iv., turnover
- Paragraph 31., greenhouse gas (GHG) emission intensity (tCO₂e / EUR)
- Paragraph 59., gender ratio at management level

As an alternative to the GHG emission intensity per unit of revenue (tCO₂e / EUR), we report Scope 1 & 2 GHG emission intensity per tonne of products produced (tCO₂e / t). This provides our customers with more meaningful data for calculating supply chain emissions associated with the purchase of our products.

Company structure



Strategy and Materiality

Reprocessing and resource efficiency

Various animal by-products that cannot be economically utilised within the food industry remain following the production of animal-based food products. A portion of these, Category 3 slaughter by-products (e.g. offal), are not marketed as food due to a lack of demand. Within the EU these slaughter by-products may be incinerated, sent to landfill or composted. In most cases they are used as a source of energy and thus exit the value creation cycle. Alongside disposal, other possibilities for their use include further processing into fertilisers and upgrading into animal feed.

At Badenhop, we process these Category 3 slaughter by-products into raw materials for the European pet food, animal feed and aquafeed industries. The utilisation of this material generates high-quality products that can be used for the nutrition of pets and farm animals, thereby avoiding unnecessary waste streams in food production and extending the use of valuable animal-based resources within the value chain.



Value Chain

Our upstream value chain extends from agricultural activities for the cultivation of feed, through to the breeding and rearing of livestock and then finally to slaughter.

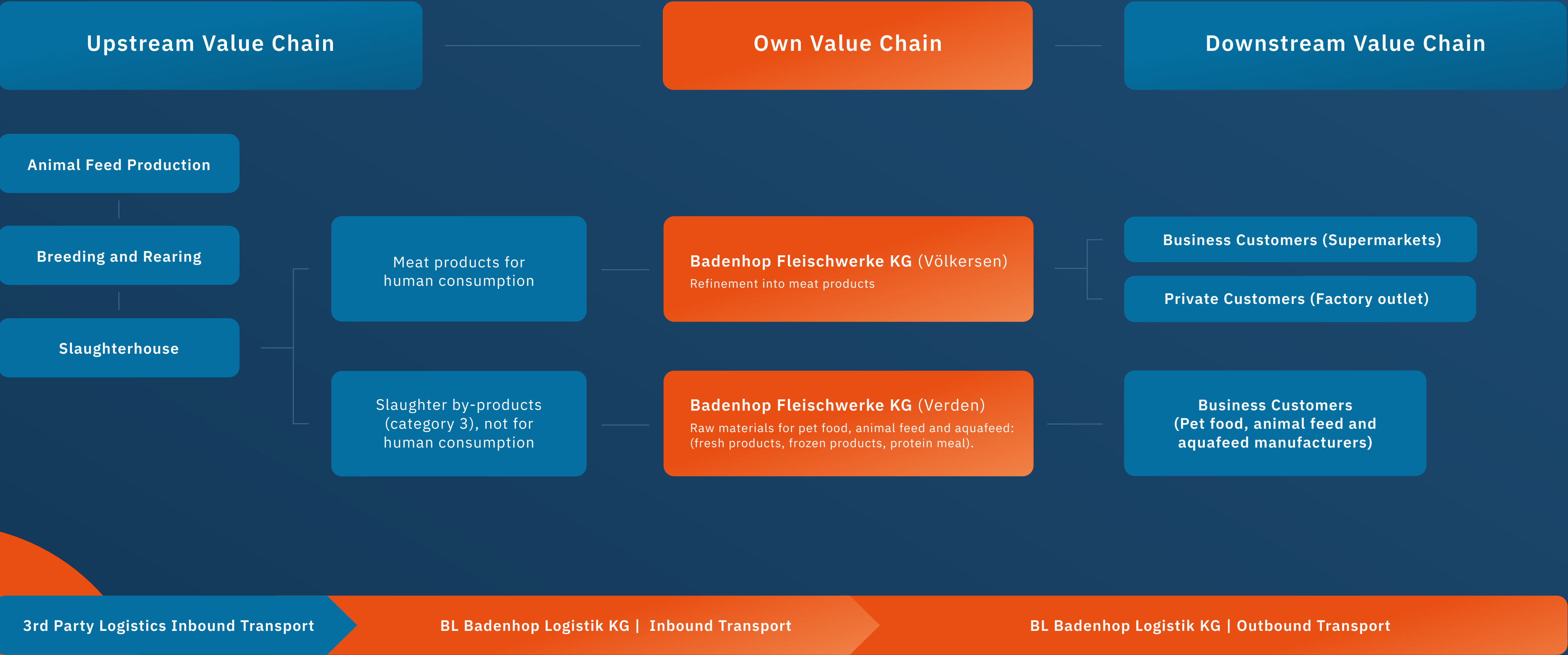
Badenhop's own value creation begins with the logistics from the slaughterhouse to our production sites. We maintain direct supplier relationships predominantly within the European Economic Area, with limited exceptions for certain raw materials sourced in South America. At our Verden site, we inspect, sort, and process Category 3 slaughter by-products into fresh and frozen products as well as protein meals for use in pet food and animal feed. At our Völkersen site, we also produce meat products for human consumption. Our value creation ends with the transport of our products to our business customers.

In our downstream value chain, business customers further process our products into pet food, animal feed and aquafeed to be used globally for the nutrition of pets and farm animals.

Our food products are either sold directly to private customers or marketed to end consumers through our business customers.



Value Chain



Double Materiality Assessment

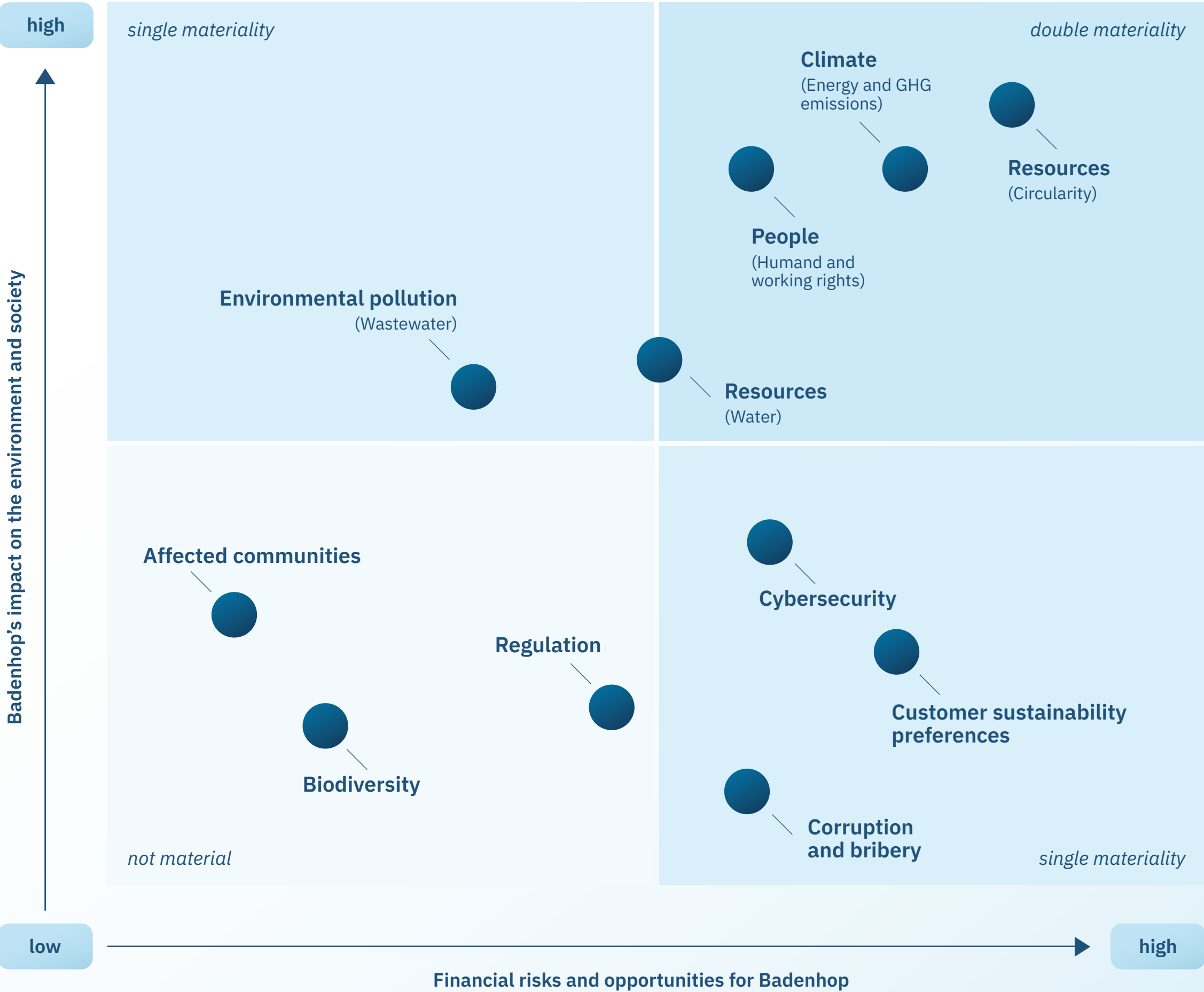
In 2025, we conducted a double materiality assessment for the first time and identified eight material sustainability topics. These define the scope of this report.

The topics of Climate, People and Resources are of particular significance due to their high impact and financial materiality. Therefore, they are core elements of our sustainability strategy.

Our impact on the environment and society, as well as financial risks and opportunities across the eight material topics, are discussed in detail in the chapters: ‘Climate and Resources’, ‘People’ and ‘Governance’. The methodology of our double materiality assessment is detailed in Appendix I.



Double Materiality Assessment



Sustainability Strategy

Sustainability Vision



We transform animal by-products into valuable raw materials – efficiently, responsibly and with circularity in mind. To facilitate the generation of sustainable pet food, animal feed and aquafeed products, we focus on circular economy principles, climate protection and respect for human rights.

Strategic Priorities

Our sustainability strategy focuses on the key topic areas identified through the double materiality assessment: *Climate, People and Resources*.

Improving circularity and enabling value creation for all animal-based materials is our greatest contribution to society. In addition, we pursue three further priorities to address the impacts, risks and opportunities found within our business activities:

1.

Promoting Circular Economy

We create resource efficiency by scaling the value creation of animal-based materials, specifically by-products.

2.

Climate Protection

We reduce GHG emissions through decarbonisation, energy efficiency and productivity improvements.

3.

Resource Conservation

We reduce environmental impacts by lowering water consumption, reducing water pollution, and through circular waste management.

4.

Human Rights in the Supply Chain

We uphold decent working and social standards across the supply chain through responsible supplier management.

Climate and Resources



The production, cooling, storage, and transport of our products requires the use of energy and water. The quantity and source of these resources, particularly the energy used, largely determines our impact on the climate.



We are aware of the financial risks associated with climate change. We expect rising costs to be associated with fossil energy sources and carbon pricing, which will likely be exacerbated by climate-related extreme weather events (storms, floods and heatwaves). To help mitigate this, we have identified numerous opportunities to enhance sustainability and reduce costs, for example through the expansion of renewable energy production, the reduction of water consumption, improved energy efficiency in our buildings, and further innovations within our trucking fleet.

Energy and Greenhouse Gas Emissions

Energy use and energy mix (Scope 1 & 2)



- » 8% reduction in energy consumption since 2021
- » 11% share of renewable energy in 2025

Our total energy consumption in 2025 amounted to 102.0 GWh, which is equivalent to the energy consumption of approximately 5,800 average households in Germany. In 2021, our climate target base year, the energy consumption was 110.4 GWh (-8% in 2025 vs. 2021)

Electricity accounts for 29% of our energy consumption and is primarily used for our freezers and cold storage facilities. Gas represents 54% of our energy consumption and is mainly required to produce our protein meals. The remaining 17% consists of diesel and petrol consumption for our logistics operations.

Currently, 89% of our energy consumption is derived from fossil energy sources. The use of alternatives for our gas and diesel consumption (71% of total energy use) is dependent on technological progress, as well as availability and economic viability. Potential alternatives to fossil gas in our production facilities (e.g. electrification, biogas or hydrogen) are currently either not sufficiently scalable or not yet economically viable. In the medium-term, diesel consumption can be replaced by electrified solutions as infrastructure expands and truck battery technology continues to develop. In the short-term, our decarbonisation potential lies in our sources of electricity. Through the expansion of our own generation facilities and the purchase of green electricity certificates as a transitional measure, we have already *increased the share of renewable electricity to 37%.*

Figure 1 – Energy use and energy mix

2025 (MWh)	Renewable	Non-renewable	TOTAL	MWh change vs. baseline (2021)
Electricity	11,195	18,968	30,163	-3,882
Fuels	0	71,855	71,855	-4,494
TOTAL	11,195	90,823	102,018	-8,376
MWh change vs. baseline (2021)	+11,195	-19,571	-8,376	



¹Source: Destatis, 2025

GHG Emission Intensity (Scope 1 & 2)

Target 2030

-25% CO₂e/t vs. 2021

(90 kgCO₂e per tonne of product)

Status 2025

-16% CO₂e/t vs. 2021

(101 kgCO₂e per tonne of product)

Our energy consumption and GHG emissions fluctuate depending on production volumes. Therefore, we assess our decarbonisation progress based on the intensity of our products' GHG emissions, i.e. the amount of GHG emissions relative to the volume of products produced (tCO₂e/t).

For the base year 2021, we calculated a Scope 1 & 2 GHG emission intensity of 0.120 tCO₂e/t. **By 2030**, our target is to reduce this footprint **by 25% to 0.090 tCO₂e/t**. **In 2025**, our GHG emission intensity amounts to **0.101 tCO₂e/t**, representing a **reduction of 16%** compared to 2021.

A range of key measures are responsible for the reduction of our GHG emissions intensity:

- » The expansion of our own renewable energy generation capacities
- » The procurement of green electricity certificates for the years 2024 and 2025
- » The ongoing decarbonisation of our energy suppliers
- » Energy efficiency measures within the company, driven by ISO 50001
- » The continuous reduction of fuel consumption within our trucking fleet

Development of GHG Emission Intensity (Scope 1 & 2, market-based)





Scope 1 & 2 GHG Emission Intensity by Product Group (market-based)

So that our customers can accurately calculate supply chain emissions, we determine Scope 1 & 2 GHG emission intensities for high-level product groups. The methodology is based on an activity-based allocation of energy consumption (2024 data) for our own operations (production, storage, logistics and administration). The development of comprehensive product carbon footprints (PCFs) for pork, beef, poultry and fish products, as well as haemoglobin and plasma meal, in accordance with ISO 14067 (including Scope 3 GHG emissions), is planned from 2026 onwards.



To reduce our GHG emission intensity by at least **25% by 2030 (vs. 2021)**, we are focusing on initiatives which will reduce energy consumption, increase productivity, and decarbonise our energy sources.



Strategy and Measures

BL Badenhop Logistik Training Centre

Since 2010, we have been operating our own in-house training centre for logistics employees. In addition to safety-related instruction, we place a heavy focus on educating our employees on fuel-efficient driving techniques.

Combined with technical efficiency improvements provided by truck manufacturers, we have been able to reduce the fuel consumption of our trucking fleet by 29% since 2010.

Energy Management (ISO 50001)

Since 2012, we have operated an energy management system certified in accordance with ISO 50001 to systematically plan, monitor, and optimise our energy use.

Between 2025 and 2030, we expect to achieve additional energy efficiency improvements of at least 5%.



Renewable Energy

The use of renewable electricity offers the potential to reduce our Scope 1 & 2 GHG emissions by up to 50%. We are therefore continuously expanding our own renewable generation capacities and, as a transitional measure, procuring green electricity certificates for a portion of our purchased electricity.

Our ground-mounted photovoltaic system, completed at the end of 2025, generates approximately 2,000,000 kWh of renewable electricity across 16,000 m² and covers around 7% of our annual electricity demand.

New Construction and Building Refurbishment

We have a variety of investments planned to optimise the energy performance of our buildings. This includes the construction of a new administrative building, with the aim of significantly reducing current energy consumption. We have also identified opportunity for improvement through the refurbishment of our cold storage facilities which will improve cooling efficiency.



Total GHG Emissions (Scope 1, 2 & 3)



- » **-32% Scope 1 & 2 GHG emissions** (2025 vs. 2021)
- » **Scope 3 GHG emissions inventory available as of 2025**

The significant reduction in Scope 1 & 2 GHG emissions is driven by a reduction in total energy consumption (-8%) as well as decarbonisation of the electricity used.

Our own operations (Scope 1 & 2) account for 39% of total GHG emissions, while 61% arise within our extended value chain (Scope 3). In particular, raw material sourcing is the largest source of GHG emissions, accounting for 45% of total emissions, and therefore represents a key lever for future decarbonisation alongside our own fuel use and electricity consumption.

Figure 2 – Total GHG emissions

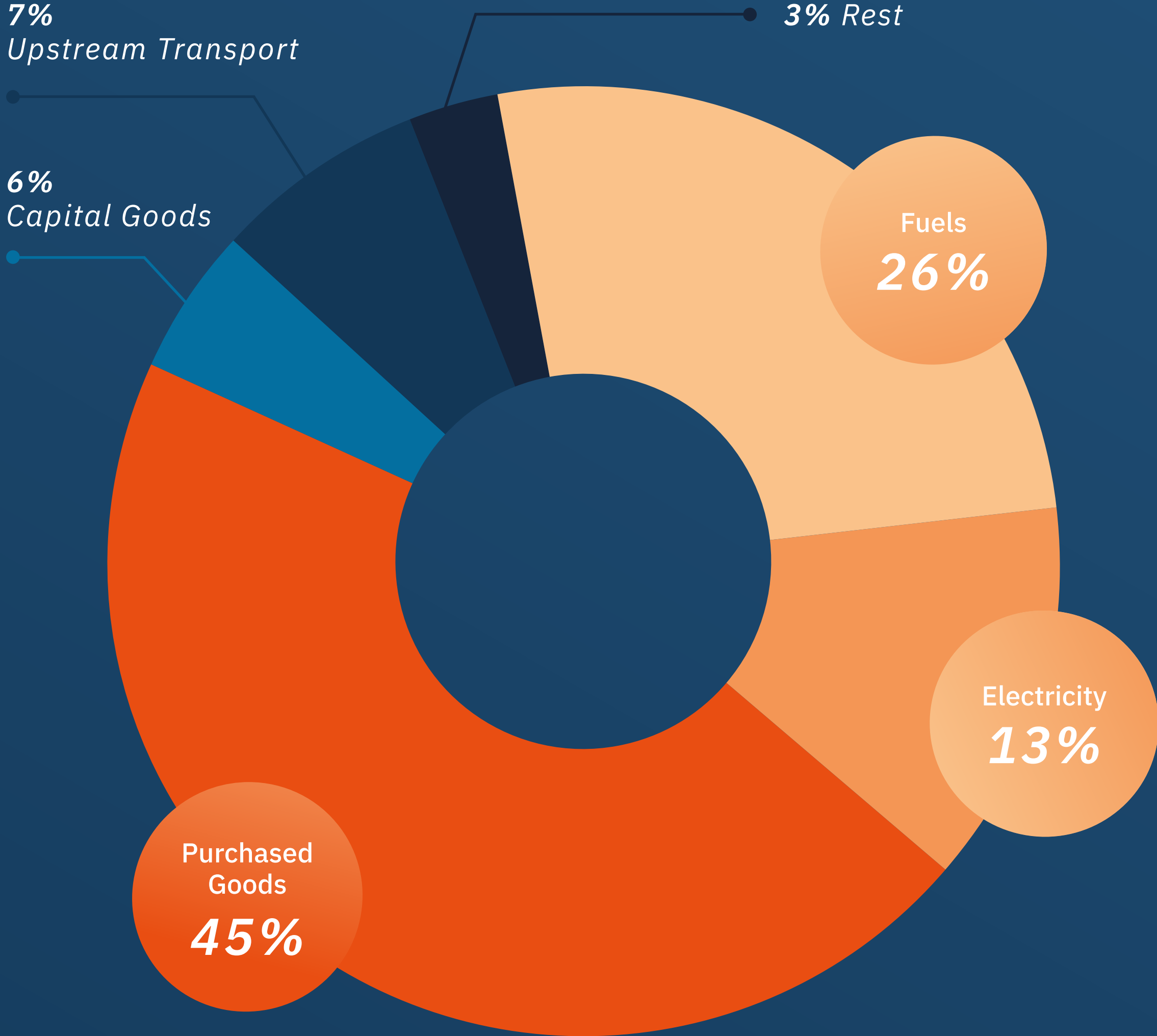
tCO ₂ e	2025	2024	2021 (Baseline)	Change (2025 vs. 2021)
Scope 1	16,989	16,869	17,767	-4.4%
Scope 2 (location-based)	11,448	12,107	14,447	-20.8%
Scope 2 (market-based)	8,477	9,933	19,472	-56.5%
TOTAL Scope 1 & 2 (location-based)	28,437	28,976	32,214	-11.7%
TOTAL Scope 1 & 2 (market-based)	25,466	26,802	37,239	-31.6%
3.1 Purchased goods and services	29,415	-	-	-
3.2 Capital goods	3,550	-	-	-
3.4 Upstream transportation	4,693	-	-	-
3.5 Waste generated in operations	1,458	-	-	-
3.6 Business travel	350	-	-	-
3.7 Employee commuting	288	-	-	-
TOTAL Scope 3	39,754	-	-	-
TOTAL GHG EMISSIONS (location-based)	68,191	-	-	-
TOTAL GHG EMISSIONS (market-based)	65,220	-	-	-

The detailed methodology is available in appendix I.

Total GHG Emissions 2025 (market-based)

Since 2021, we have prepared an annual GHG inventory for our own operations (Scope 1 & 2) in accordance with the GHG Protocol. This includes emission values for our consumption of gas, electricity, fuels, and refrigerants. We do not have any sources of biogenic GHG emissions. In 2025, we expanded our GHG inventory to include material Scope 3 emissions from the upstream and downstream value chain, covering raw material purchases, investments, transport, waste, business travel, and employee commuting. Scope 3 emissions are not under our direct operational control. However, we can practice indirect influence through our purchasing decisions and requirements placed on business partners.

	26%	Scope 1	Fuels
	13%	Scope 2	Electricity
	45%	Scope 3.1	Purchased Goods
	6%	Scope 3.2	Capital Goods
	7%	Scope 3.4	Upstream Transport
	3%	Scope 3	Rest (Waste, Business Travel, Employee Commuting)



Water



Next to energy, water is a key natural resource for our business activities. We withdraw water for hygiene and cleaning purposes and discharge wastewater to municipal infrastructure for treatment.

Water Withdrawal

» 338,000m³ – water withdrawal in areas of high water-stress

All company sites are in the district of Verden in Lower Saxony, Germany. According to a recent study (May 2025) by the Institute for Social-Ecological Research (ISOE), commissioned by the German Federation for the Environment and Nature Conservation (BUND), the district of Verden is subject to structural groundwater stress. In the long term (>10 years), groundwater withdrawals in our region exceed annual groundwater recharge. Reducing water withdrawal is therefore of the utmost urgency.

²Source: BUND, 2025 – Grundwasserstress Deutschland



Water Pollution

» 281,000m³ – wastewater discharge

The processing of animal slaughter by-products and the cleaning of our vehicles generate wastewater with high levels of organic matter, as well as nutrients, microorganisms, cleaning agents, and disinfectants. The water we withdraw and use is pre-treated through mechanical processes and flotation methods before being discharged into the municipal wastewater system for further treatment.

Measures

To reduce our water withdrawal, mitigate wastewater pollution, and relieve the burden on municipal wastewater treatment, we began **construction of an on-site wastewater treatment plant** in 2025 (completion planned in 2026). Through the additional treatment stage of reverse osmosis, we will in future be able to remove fine substances from wastewater and reuse volumes of the treated water within our operations. In 2024, we also upgraded parts of our in-house truck and car wash facilities with the aim of reducing energy and water consumption.



Circular Economy



- » **Upcycling and processing of 250,000 tonnes of Category 3 slaughter by-products**
- » **Promoting the value creation of animal-based products**
- » **Reducing unnecessary waste streams**

As a specialist supplier to the European pet food, animal feed and aquafeed industries, we perform an important function in increasing the value creation of animal-based products, eliminating unnecessary waste streams, and optimising the circular economy by utilising and processing animal slaughter by-products.

However, the use of these raw materials also creates industry-specific dependencies on animal and agricultural products. Looking into the future, we expect cost increases driven by growing water stress and increases in carbon pricing for energy. Both factors affect the productivity and cost base of our value chain.



Resource Inflows

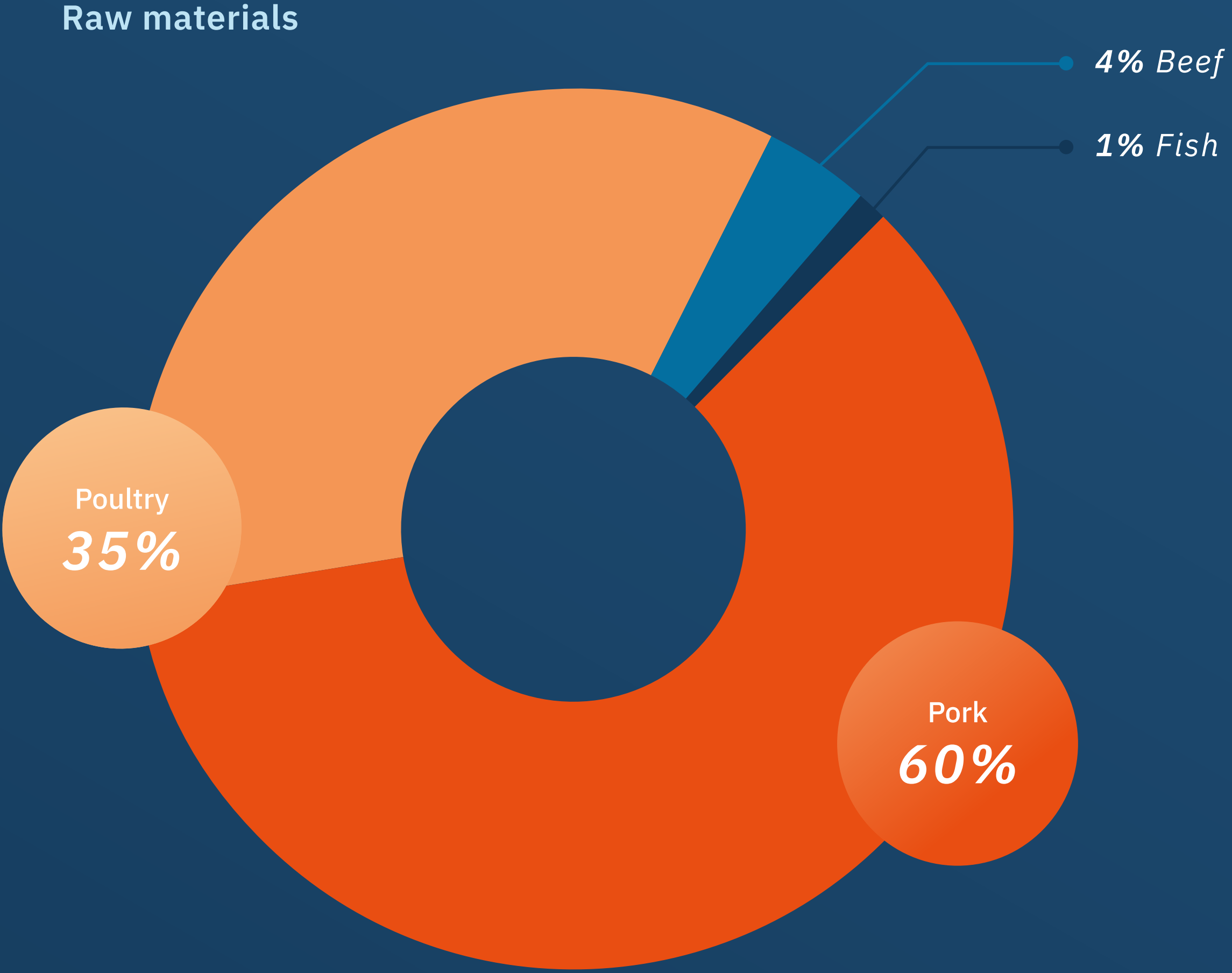
We process an average of *250,000 tonnes of Category 3* slaughter by-products per year, primarily derived from pork and poultry, with smaller quantities of beef and fish. In addition, we use *915 tonnes of packaging and transport materials*, consisting of 772 tonnes of wood, 104 tonnes of plastics, and 39 tonnes of paper and cardboard.

Resource Outflows

In 2025, our business activities generated a total of *28,459 tonnes of waste* (+4.5% vs. 2024). *100% of this waste was able to be recovered* through energy recovery or recycling processes. We were also able to reduce our second-largest waste stream, mixed plastic waste, by 24% compared to 2024.

28,454 tonnes (99.98%) of our waste is non-hazardous and consists predominantly of flotation sludge (EWC 02 02 04) from our in-house wastewater pre-treatment, as well as smaller quantities of plastics (EWC 15 01 02), mixed scrap metal (EWC 17 04 05), and garden waste (EWC 20 02 01).

Hazardous waste amounted to five tonnes of waste oil (EWC 13 02 05) from our trucking fleet, all of which was also fully recovered.



People



As a company, we are not only economic actors but are also a part of society. Our actions affect our employees, workers in our supply chain and our customers. Our social sustainability agenda prioritises the respect for human rights, health and safety, fair remuneration, and opportunities for employee development.

Human Rights

Target

No human rights violations

in our own operations and direct supplier base

Status 2025

0 incidents

of human rights violations identified

Safeguarding human rights across the entire value chain is one of the most demanding and important responsibilities. Our risks arise primarily from the potential for human rights violations in the upstream value chain and the resulting reputational damage for us, our suppliers, and customers.

We understand our responsibility for human rights due diligence as the establishment of a clear commitment to respecting human rights, the identification of risks for human rights violations, and the implementation of preventive and remedial measures.



Policies

The *Badenhop Code of Conduct* defines clear expectations for employees, management and suppliers regarding values and behaviour with respect to human rights. Our Code of Conduct is based on the *Ethical Trading Initiative* (ETI) *Base Code* and builds upon the *core labour standards* of the *International Labour Organization* (ILO). It comprises nine principles: no forced labour, freedom of association, safe working conditions, no child labour, fair remuneration, reasonable working hours, no discrimination, secure employment, and no inhumane treatment.

Measures Within our own Operations

Risk Management

In our production and logistics operations, there are industry-specific human rights risks related to potential violations of labour and social standards. As a company, we are aware of and sensitised to potential risks such as discrimination, insufficient rest periods, unpaid overtime, inadequate accommodation, and physically demanding working conditions.

Measures

To address these risks, we implement appropriate preventive measures. These include, for example, the digital monitoring of working hours, the provision of company-owned accommodation for truck drivers, and a comprehensive training programme aimed at accident prevention. Complaints from employees and business partners can be raised either verbally or in writing with supervisors, management, our works council, or submitted confidentially and anonymously via our online whistleblowing tool (www.whistlebox.de/wb/422646721).

Measures in our Upstream Value Chain

Risk Management

In our upstream value chain, which includes feed production, livestock farming, and slaughterhouses, we identified industry-specific risks of human rights violations, such as the potential for exploitation, forced labour, discrimination, and violations of freedom of association. Occupational health and safety have also historically proven to be a risk (for example, COVID-19 outbreaks in slaughterhouses in 2020). In addition, we analyse country-specific human rights risks across a total of sixteen countries where we maintain supplier relationships. Overall, this analysis indicates a moderate risk profile, with isolated risks relating to the protection of civil and political rights.

Measures

To identify potential human rights violations in our specific value chain, we conducted a risk-based analysis of publicly available information (annual and sustainability reports) for our most important direct suppliers in 2025. So far, *no human rights violations have been identified in our supply chain through this process.*

In cases of suspected human rights violations, we require our suppliers to implement preventive measures. In cases of confirmed human rights violations, we would request corrective actions, impose sanctions and, in the event of continued non-compliance, terminate the business relationship.

Figure 3 – Human Rights Violations Among Direct Suppliers

	2025	2024
Share of suppliers assessed (spent-based)	60%	0%
Identified human rights violations	0	–

80% of the assessed suppliers address human rights within their organisations and across their value chains. They commit to measures such as compliance with human rights standards, the establishment of human rights committees, and whistleblowing processes. In our 2025 assessment, 17% of the suppliers disclosed quantitative data on incidents of human rights violations (further limitations of the risk analysis are described in Appendix I).

Workforce

The *well-being, skills and motivation* of our employees are key success factors for our company. At the same time, a shortage of skilled labour presents risks and limits our growth. As a family-owned business, we aim to improve our employees’ standard of living by offering *attractive employment conditions* and *long-term prospects*.



Employee Characteristics

We are proud to employ a diverse workforce, represented by a total of sixteen different nationalities. The majority of our employees (84%) work in our production, warehousing, and logistics operations. Sixteen percent of our workforce is engaged in administrative functions, including purchasing and sales, quality management, accounting and more. All 351 employees are employed in Germany. In addition, as of year-end 2025, we employed a total of fourteen temporary workers under employee leasing arrangements (19 temporary workers to year-end 2024).

351 employees across 16 nationalities (-3% vs. 2024)

female	59 people	male	292 people
permanent	310 people	temporary	41 people
part-time	34 people	full-time	317 people
aged < 30	39 people	aged 30-50	173 people
aged > 50	139 people		

Health and Safety

- » **33 recordable workplace accidents** in 2025
- » **+3% vs. 2024**

The injury frequency rate is *9.8 per 100 full-time employees*. In 2025, there were *no fatalities* resulting from recordable workplace accidents.



Risk and measures

Our production and work processes involve a range of industry-specific workplace hazards. These include working in hot, cold, and high-noise environments, at height, and in shift patterns, including night and weekend work. For employees in our production facilities there is an increased risk of slipping due to moisture and grease residues. For our truck drivers, work also takes place at varying locations. Typical workplace accidents result from slips, trips, and falls, as well as minor cuts.

We address these safety risks through *regular safety training*, the *provision of appropriate personal protective equipment*, and structured, cross-functional reporting and learning processes aimed at developing *preventive measures* to improve workplace safety.

In addition, we support the well-being and health of our employees through further voluntary measures, such as *free accident insurance*, *company pension schemes*, *subsidies for sports activities*, and *home office* arrangements where compatible with job requirements.

Minimum Wage

- » Lowest paid wage *exceeds the legal minimum wage by 8.4%*
- » Production worker wages exceed the legal minimum wage by *at least 16.5%*

All employees of Badenhop Fleischwerke KG and BL Badenhop Logistik KG are employed in Germany. The lowest wage paid during the reporting period was EUR 13.90 per hour for staff in minor employment (8.4% above the statutory minimum wage) and EUR 14.94 per hour for production roles (16.5% above the statutory minimum wage). Remuneration for interns and trainees is excluded from this assessment.

Fluctuation

- » **22%** employee fluctuation

In 2025, 77 employees left our company. Of these, 61% ended their employment voluntarily, 27% were terminated by the employer, and for 12% the employment relationship ended due to natural causes (retirement, expiry of temporary contracts or death).



Gender Pay-Gap

- » **+ 18.6% gender-pay-gap** (unadjusted)

In Germany, male employees in the private sector earn on average 17% more than female employees for the same work - the unadjusted gender pay gap (i.e. without adjusting for factors such as qualification, working hours, experience, or job role).

In our company, the *gender pay gap is slightly higher than the national average*. In accordance with our works agreement, our employees receive equal pay for equal work when equally qualified, regardless of gender. This approach proactively prevents gender-based pay disparities.

The observed differences in pay result from differences in qualifications and eligibility for allowances. For example, more of our male employees are qualified as skilled workers and are more likely to work night and weekend shifts, which attract additional allowances compared to our female employees. As a result, the male hourly pay is higher, causing our unadjusted gender pay-gap.

⁴Source: Destatis, 2025



Collective Bargaining

95% of our employees are covered by collective bargaining agreements. These regulate the key aspects of the employment relationship, including remuneration and allowances, working hours, voluntary social benefits (such as free accident insurance, holiday pay, Christmas bonus, pension schemes, capital-forming benefits, loyalty bonuses, and long-service awards), as well as support programmes (e.g. workplace addiction prevention and counselling).

Training and Development

» 11.7 – average training hours per employee per year

Our employees train for an average of 11.7 hours per person and per year: female employees for an average of 11.3 hours and male employees for 11.8 hours. Training includes for example, occupational health and safety, accident prevention, hygiene, hazardous substances, and quality management, as well as first aid training and mandatory training for professional drivers.

In addition, we offer individual and job-specific development opportunities to support the qualification and personal development of our employees. Examples include internal or external training in the areas of quality management, leadership and vocational training, accounting, controlling, compliance, legal, digitalisation and information security.

Our own learning programmes are supported by a central learning management system and are offered in a variety of languages to ensure accessibility and understanding for all employees.

Governance



In the context of corporate responsibility, we have identified significant impacts and risks related to our reputation, in business relationships with customers, the handling of data and the security of our IT systems, as well as issues of corruption and bribery.

We define our commitment to sustainable business practices in our *Badenhop Company Policy*, which includes guidelines for product quality, occupational health and safety, environmental and energy management, animal welfare, anti-corruption and anti-bribery. In addition, our *Code of Conduct* sets out expectations for employees, management and suppliers regarding behaviour in relation to human rights. Our data management is governed by our *Information Security Policy* and *Data Protection Policy*.

Customer Preferences and Expectations

» Additional **Resources**, comparable **KPIs** and supply chain **collaboration**

Our business relationships with both customers and suppliers are built on mutual trust and are increasingly characterised by a growing demand for transparency. We share a common ambition to achieve greater visibility of risks, opportunities, and both the positive and negative impacts of our business activities across the entire value chain. Our shared end consumers expect tangible improvements in social and environmental sustainability attributes of pet food, animal feed and aquafeed products.

As an integral part of this value chain, we recognise our responsibility and respond to these increasing expectations through a range of measures, for example:

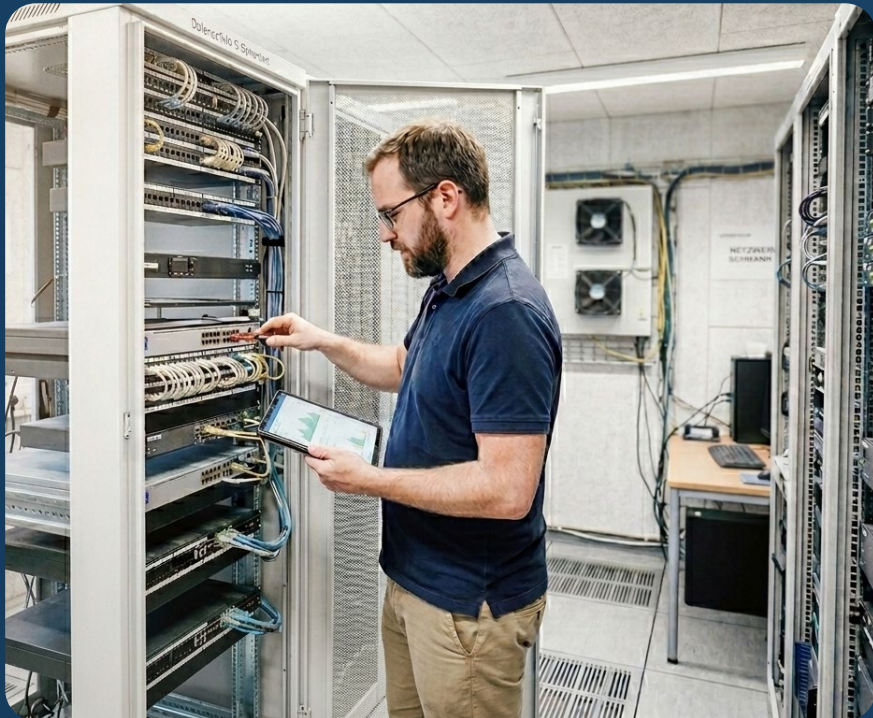
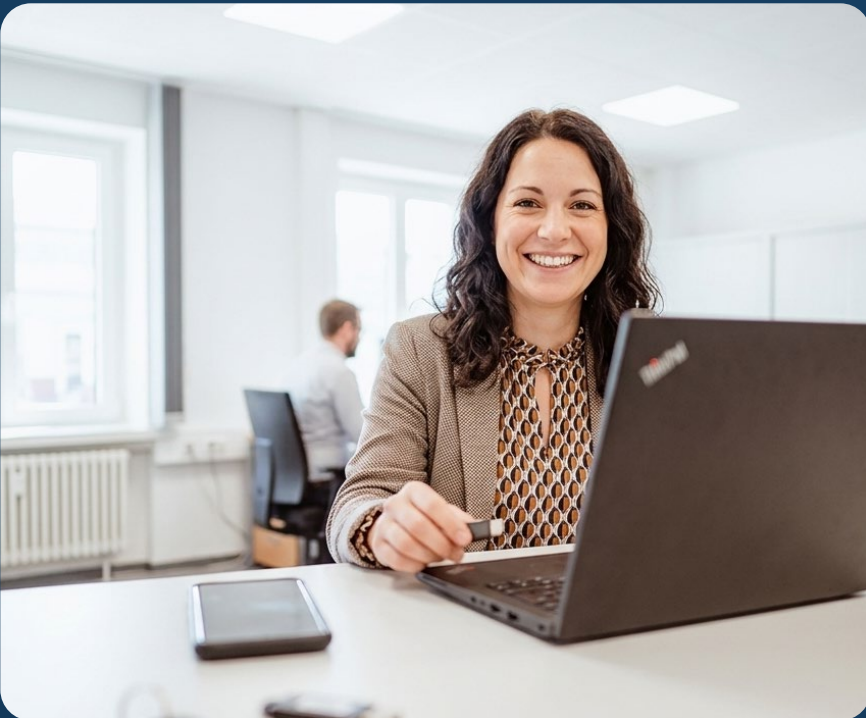
- » The voluntary disclosure of our impacts, risks and opportunities, as well as our strategies and action plans, through this sustainability report.
- » The scale-up of human resources and organisational structures for sustainability.
- » The definition of sustainability targets, as well as the collection of data for publication of social and environmental metrics, including product carbon footprints (PCFs).
- » The collaboration with suppliers to drive improvements in human rights compliance and to reduce GHG emissions associated with our raw materials.
- » Independent benchmarking (EcoVadis) and external audits (SMETA).
- » The further development of our product certifications for quality and sustainability.



IT and Data Security

» Build-up of **human resources** and **systems**, compliance with **NIS2**, and measures to **strengthen cybersecurity**

The risk of cybersecurity attacks, and the associated loss of corporate, employee and customer data, as well as potential impacts on business operations, is steadily increasing, especially for medium-sized enterprises. A 2024 report by the German Federal Office for Information Security (BSI) on the state of IT security in Germany highlights a landscape of complex and increasing threats. Attacks with ransomware, on cloud infrastructure, or using distributed denial-of-service (DDoS) tactics are on the rise and significantly increase the risk of ransom demands, data breaches, data-loss and business interruptions.



To protect our company from the impacts of cybersecurity attacks, we implemented a variety of measures in 2025:

- » The scale-up of human resources and expertise in IT security.
- » A software-supported update of requirements for GDPR compliance.
- » An update of our IT risk analysis in accordance with the European Network and Information Security Directive (NIS2).
- » An awareness campaign and training of employees on IT risks (e.g. simulated phishing attacks).
- » Enhanced access controls (multi-factor authentication) and encryption.
- » Revision of our IT emergency response plans.

Corruption and Bribery

» **No incidents, convictions or penalties** related to corruption and bribery in 2025, 2024 and 2023.

We pursue a zero-tolerance policy towards all forms of bribery and corruption and are committed to disclosing any convictions and penalties under anti-corruption and anti-bribery laws. Our corporate policies include clear guidelines for the prevention, detection and mitigation of corruption and bribery.

To assess our specific risk profile, we conduct country-based risk analysis using the TRACE Bribery Risk Matrix. TRACE evaluates country risks based on opportunity, transparency, deterrence, and oversight. Our most recent risk assessment (2025), conducted for 20 countries that we maintain purchasing or sales relationships with, indicates an overall low corruption risk for our business (average score of 27 out of 100). An elevated risk profile was only identified for two out of the 20 countries analysed.

To ensure fair competition, transparency, and integrity in our business conduct, we have selectively implemented preventive and control measures. In addition to our risk analysis and the provisions set out in our corporate policies, these include audit-proof software systems for purchasing, sales and accounting, as well as internal controls such as the application of the four-eyes principle for selected business transactions. Our risk and control systems are regularly reviewed by an external and independent auditor as part of SMETA (Sedex Members Ethical Trade Audit).

Donations and Lobbying Activities

For several decades, we have been donating funds to a range of social and cultural initiatives in Verden and the surrounding region. These include local non-profit organisations supporting children, youth and adults, the fire brigade, the Technical Relief Agency (THW), and various sports clubs and local cultural events.

In the 2025 fiscal year, no donations were made for political purposes.

Revenue from Critical Sectors and EU Paris-Aligned Benchmark

We do not generate any revenue from critical sectors (controversial weapons, tobacco products, fossil fuels and chemicals) and are not within the scope of application of the EU Paris-aligned Benchmark (PAB). Accordingly, we do not calculate, assess, or disclose these indicators.



Appendices

Appendix I – Methodology

Double Materiality Assessment

To systematically identify impacts, risks and opportunities (IROs), Badenhop conducted a double materiality assessment for the first time in the 2025 fiscal year. The process is aligned with the requirements of the ESRS and covers our own operations as well as the upstream and downstream value chain:

1. Preparation of an overview of potential ESG topics (long list) based on the VSME Standard and industry-specific insights, supplemented by relevant elements from the ESRS.
2. Consultation of prioritised stakeholder groups (management, customers, employees, banks, suppliers, industry associations and competitors) to identify IROs related to the identified ESG topics.
3. Assessment of IROs based on likelihood of occurrence, scale, severity, remediability and financial impacts, followed by the definition of the materiality threshold.
4. Derivation of material ESG topics, identification of report content and disclosure of relevant data points.

The materiality assessment will be reviewed at regular intervals of three years. The next scheduled review will therefore take place in the 2028 fiscal year.

Scope 1 & 2 GHG Emissions

Our Scope 1 & 2 inventory is prepared in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. We apply the operational control approach. It covers all sites of Badenhop Fleischwerke KG and BL Badenhop Logistik KG. Our Scope 1 & 2 inventory includes a safety mark-up of 2.5%.

The Scope 1 & 2 inventory is based exclusively on high quality primary data. GHG emissions have been calculated using activity data (electricity, gas and fuel consumption) and relevant emission factors (BEIS, 2023; EEW, 2022; GEMIS 5.1; Electricity disclosure in accordance with Section 42 of the German Energy Industry Act; Umweltbundesamt, 2024). Badenhop uses EcoCockpit, a GHG emission calculation tool provided by Efficiency Agency NRW, to calculate GHG emissions.

Scope 3 GHG Emissions

Our Scope 3 inventory is based on primary data, estimates, and assumptions. In particular, the calculated emissions for Category 3.1 (Purchased Goods and Services) are subject to significant uncertainties. Due to differing accounting approaches for slaughter by-products and limited data availability from our upstream suppliers, we are required to rely on estimates and average emission factors. Our Scope 3 inventory includes a safety mark-up of 2.5%.

More than 95% of Scope 3 GHG emissions have been calculated using activity-based emission factors, while less than 5% rely on spend-based emission factors. In accordance with the requirements of the GHG Protocol, Badenhop assessed the individual materiality of the 15 Scope 3 categories. As a result, the following six categories have been identified as material:

Scope 3.1 Purchased Goods and Services: Badenhop accounts for the procurement of Category 3 slaughter by-products as well as packaging materials (plastics, wood and paper/cardboard). Together these represent more than 90% of the costs for purchased goods and services. Emissions from slaughter by-products can be accounted for using three approaches: physical allocation (allocation of emissions based on the proportional share of animal mass), economic allocation (allocation of emissions based on the economic value share of the animal), or treatment as a waste stream, resulting in zero upstream GHG emissions. In line with the GHG Protocol principle of consistency, where possible we adopt the accounting approach used by our upstream suppliers for the calculation of Scope 3.1 emissions. In case supplier-specific information on the applied accounting approach is not available, we apply economic allocation by default. As our suppliers currently do not provide specific emission factors, we use allocation values from FEDIAF (PEFCR, 2024) as well as publicly available emission factors (GEMIS 5.1). Emissions from packaging materials have been calculated using activity-based emission factors (EcoInvent v3; EEW, 2024; HPE e.V., 2025).

Scope 3.2 Capital Goods: Relevant capital goods in the reporting period include the acquisition of vehicles (trucks), machinery, and office equipment, as well as the construction of our on-site wastewater treatment plant. The associated GHG emissions have been estimated using mass-based emission factors (ProBas – German Environment Agency, 2025) and spend-based emission factors (DEFRA, 2020; EXIOBASE v3.8.2).

Scope 3.4 Upstream Transportation and Distribution: For 15% of our upstream transport activities (tonne-kilometres) GHG emissions have been calculated based on primary data from logistics service providers (in accordance with the GLEC Framework). For the remaining 85%, we use estimates of transport activity and apply activity-based emission factors (GEMIS 5.1).

Scope 3.5 Waste Generated in Operations: GHG emissions from waste generated in our operations, including wastewater, have been calculated using primary data and activity-based emission factors for all waste types listed in our official waste report (ProBas, 2025; GEMIS 5.1; UBA, 2021; EEW, 2024).

Scope 3.6 Business Travel: GHG emissions from business travel have been estimated using spend-based emission factors (EXIOBASE v3.8.2), as detailed activity data are not yet available.

Scope 3.7 Employee Commuting: GHG emissions from employee commuting have been calculated based on a representative sample of individual commuting behaviour. Activity data (e.g. average commuting distance and mode of transport) has been collected and combined with activity-based emission factors (GEMIS 5.1).

Training and Development

The data on average training hours per employee are based on estimates. For data collection, several department heads were consulted, and the resulting average calculated.

Risk Analysis for Human Rights Violations Among Direct Suppliers

Our risk-based assessment approach does not cover the entire upstream value chain, but only those suppliers with a material business relationship and for whom externally available information exists. Due to a time-lag in publication of supplier information, there is a gap relative to the current reporting period. In 2025, Badenhop was only able to assess publicly available supplier information from 2022, 2023, and 2024.

Gender Pay-Gap

The comparison is based on the average hourly earnings of male and female employees (EUR/hour). Management and department heads have been excluded from the calculation.

Appendix II - VSME Index

VSME Content		Description	Page(s)
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	B4	Pollution o fair, water and soil	not material
	B5	Biodiversity	not material
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	C7	Severe human rights incidents	26-27
	C8	Sector revenues and EU reference benchmarks	35
	C9	Gender diversity ratio in governance bodies	Omitted under §19

Appendix III – Geolocation of sites owned, leased or managed

ID	Company	Location	Address	Postcode	City	Country	Latitude	Longitude
1	Badenhop Fleischwerke KG	Production	Röntgenstraße 5	27283	Verden	DE	52.910896	9.262265
2	Badenhop Fleischwerke KG	Cold storage	Karoline-Herschel-Straße 12	27283	Verden	DE	52.924466	9.294415
3	Badenhop Fleischwerke KG	Dry storage	Justus-von-Liebig Straße 3	27283	Verden	DE	52.926183	9.283881
4	Badenhop Fleischwerke KG	Food Wholesale	Völkerser Landstraße 37	27299	Langwedel	DE	53.002135	9.230054
5	BL Badenhop Logistik KG	Truck workshop	Max-Planck-Straße 17	27283	Verden	DE	52.913309	9.267099
6	BL Badenhop Logistik KG	Storage	Peter Henlein Straße 5	27283	Verden	DE	52.910990	9.266318
7	BL Badenhop Logistik KG	Driver accommodation	Peter Henlein Straße 5a	27283	Verden	DE	52.910565	9.266429

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