

Hello Chef Sustainability Report 2022

12th January, 2023



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Welcome

Welcome to our first ever sustainability report! This gives us a chance to look back on an action-packed year at Hello Chef. We are happy with our strong growth trajectory and realise that we have an increased responsibility to measure and improve our impact on those touched by our business.

In 2022 we first started looking inside ourselves to see how we want to operate and make decisions within the business, which guides a lot of the new policies we've created. A small portion of these policies that affect a wider set of stakeholders have been made public as our commitment to them. We also significantly strengthened our internal communication and training around environmental and social best practices during this year.

You can't improve what you don't measure, and in 2022 we realised we were lacking a lot of basic data which limited our ability to take effective action, particularly with regards to our community and the environment. So in 2022 we started capturing more data and ensuring that it is visible within the company. Key measures like food waste, packaging usage, electricity and water consumption were the first place we looked.

We've also done a lot of the foundational work necessary to understand our supply chain and improve our relationships within it. We have a long way to go here, but we're now starting to ask the first set of questions to help us better understand our food sources and what roles our suppliers play in following responsible social and environmental practices.

Our B Corp journey

Certified B Corporations are leaders in the global movement for an inclusive, equitable, and regenerative economy. Unlike other certifications for businesses, B Lab is unique in its ability to measure a company's entire social and environmental impact.

Becoming a B Corp sets high standards of social and environmental accountability and has been enlightening to learn and work towards. We're in the middle of our B Corp journey, potentially one of the first locally-based companies in the UAE to be certified. As we go through the assessment, we realise the mountain of work that lies ahead. Thankfully, the advantages we've built as an organisation over the years demonstrate that we're fortunately not doing too bad in a lot of areas.

Our 2023 sustainability goal

We've set one simple but ambitious sustainability goal for 2023: to become a certified B Corp organisation. This means achieving a B Impact Assessment score of 80 or above and passing B Lab's risk review.

We are excited and energised about this. It's going to be challenging to make this happen, and we will need to change a lot of how we work as a business to improve on many of the processes and technologies we have. We believe it provides some great opportunities for us to not only improve our impact on the world, but also find meaning through a tough goal, one that we believe will help more than just Hello Chef.

In 2022 we used around 89 grams of recycled cardboard per serving and 8 grams of polyethylene terephthalate (PET) per serving. In addition to the host of changes that we need to implement in 2023 to become B Corp certified, we plan on reducing our PET usage to 7 grams per serving.

Finally, in 2023 we will conduct our first materiality assessment to better understand what is important to our customers, employees, suppliers, and the wider community with regards to sustainability. We'll then be in a stronger position to refine our strategy and take action.

2022 sustainability performance highlights

We've selected some (not all) of the Customer, People, Environment, and Business practices that were improved during the year as part of this sustainability report.

Our Customers

2022 saw some meaningful improvements to our customer service levels and engagement during the year. We worked closer with our customers to understand what they want and came up with greater product options than we've ever had. Highlights include the launch of <u>customisable recipes</u> and our new <u>quick prep range</u>. The success of these products would not have been possible without significant engagement with customers, and we've been quite surprised by the response from customers to offer their time and feedback to get these products right. For this, we feel really grateful.



Taking time out at one of our customer workshops for a smile and a bit of fun

Security was, is, and always will be an important part of how we work, and protecting our customers' data is a key part of that. Throughout most of 2022 we completely reviewed and overhauled our data infrastructure and processes to ensure access, tools, structure, and general data practices are secure and meet extremely high standards. Communication around this is important, and besides the internal workshops that were run, we published a <u>data privacy policy</u> that highlights how we collect data and what we use it for. We're constantly on the lookout for better data practices, and as technology and new approaches evolve, so will we.

Our People

It is our people that make things happen at Hello Chef. Without our people, we would not have a company. There would not be any customers, and we'd simply be a pile of lifeless assets and an empty workplace.



A team townhall where we shared our plans for the quarter

Since we started in 2015, we have employed operations (production and packing) staff on a 6-day work week. Generally considered a normal practice in the region, we thought nothing of it. As we've become more aware of our impact as an employer, we realised that this simply wasn't fair. So, in 2022 we changed so that every single person in the company now has 2 full days off per week. We're not saying we should get much credit for it - we just think it's the right thing to do and something we should have done from day one. We're just glad it's now done.

Our Environment

As mentioned above, 2022 made us realise that we need to start measuring things in order to improve them. So we started tracking key sustainability metrics that we feel are important, such as:

- Packaging Materials By Month (KG)
- Packaging Materials Per Serving By Month (Grams)

- Electricity Consumption(Kilowatt Hours kWh) Per Serving By Month
- Water Consumption(liters) Per Serving By Month
- Carbon Footprint(Kg CO2e) Per Serving By Months
- Key supplier information such as their basic business documentation, HACCP certification, municipality grade reports, and others
- Food waste as a % of revenue (this was tracked prior to 2022, but never really visible)

We highlighted our first set of commitments publicly in this article where we set out to define <u>what sustainability means to us at Hello Chef</u> and published our first set of verified sustainability metrics. We are planning in 2023 to provide a lot more visibility to the public on performance of our other metrics (listed above) and what we're doing to improve them.

Food waste, a significant contributor to global greenhouse gas emissions, is another key metric that we believe we should be constantly improving. Unfortunately in 2022 performance in Hello Chef actually *worsened* over the course of the year to 0.52% of revenue, compared to 0.46% in 2021. "OK, at least we know and can do something about it," was the first thing Operations Manager Kyle Ashford said. Now that it is visible in the company, we believe that we will bring it down to 2021 levels in 2023.

Our Community

Through the Entrepreneurs' Organization, a global non-profit, we contributed 40+ hours of CEO time during the course of September 2021 to June 2022 to coach a group of first-stage accelerator entrepreneurs to grow stable and profitable businesses with the goal of improving the overall entrepreneurial ecosystem within the region.

A total of \$1,150 was donated during the year to the Movember movement and to help those in need due to the Ukraine war. We strongly believe we can do better in this area, and pledge a total of \$5,000 of combined charitable donations made by employees and matched by Hello Chef in 2023.

Our Business

Hello Chef is committed to open and accountable management, and in 2022 we designed a <u>whistleblowing policy</u> to allow our staff, suppliers, and anyone else to disclose information that they believe shows malpractice, unethical conduct or illegal practices in the workplace, without being penalised in any way. This includes a commitment to protection from any detriment or discrimination if they do report (ie 'blow the whistle on') improper or illegal conduct within the organisation.

Thank you to everyone that has helped us become a better and more sustainable company in 2022. We have a long way to go before we can really call ourselves sustainable, but the will is inside us here at Hello Chef and we are committed to this long-term process. We look forward to achieving 2023's ambitious goal of becoming a certified B Corp and the challenges that will bring!