



**C·H·Guenther**  
THE FUTURE OF FOOD

**2024 C.H. Guenther | Environment, Social and Governance Report**

# C·H·Guenther

THE FUTURE OF FOOD

## Our Purpose

We create memorable moments through  
the power of food

## Our Vision

To nourish society as a transformational  
leader in the future of food

## Our Mission

With a relentless pursuit of excellence, we develop innovative  
food solutions and create sustainable value for our people,  
our customers and our communities. We accomplish this by  
deploying best in class capabilities and being an  
employer of choice.

## Our Values

Integrity/Respect • Empowerment • Accountability  
Collaboration • Agility



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# From the CEO

To Our Stakeholders:

Welcome to C.H. Guenther's ("CHG") 2024 sustainability report covering environment, social and governance (ESG) topics. For more than 170 years, CHG has been dedicated to creating memorable moments through the power of food. We have a relentless pursuit of excellence to develop innovative food solutions and create sustainable value for all our stakeholders.

CHG is dedicated to enhancing the communities we serve through a commitment to protecting the environment. CHG complies with all applicable environmental laws and regulations, implements responsible practices that promote sustainable development, and encourages our employees to be mindful of our business' environmental impacts.



"We have a relentless pursuit of excellence to develop innovative food solutions and create sustainable value for all our stakeholders."

**Rod Hepponstall**, President & CEO

This report, based on the GRI Standard for Sustainability Reporting, is intertwined with our culture of High-Performance. CHG focuses on providing employees with the tools they need to excel. We encourage accountability and the autonomy to execute and drive innovation.

And we provide opportunities to gain experience and grow and develop as individuals. This report demonstrates how such values manifest in our sustainability journey.

Our approach to sustainability has always been integral to how we operate. As we move forward, sustainability and purpose will remain essential to all that we do.

Following the GRI Standard, we have identified Material Topics – those areas in which we have significant impact – via stakeholder engagement with communities in which we operate, our employees, investors, customers, vendors, and leadership.

## Sustainability Highlights

since our last report include:

### Food Safety and Quality Assurance

Improved by an average of 6% with Redzone platform rollout

### Environment, Health, and Safety

100% of facilities participated in consistent safety-prioritized programs via digital signs and other communications channels

### Employment Practices

First S.P.E.A.K. cohort completed. Participants must show proficiency in English and advanced knowledge in manufacturing terminology

### Sustainable and Ethical Sourcing

Increased use of RSPO-certified sustainably sourced palm oil to 65% overall and authored white paper on regenerative wheat options in collaboration with 10 other bakeries

### Materials

90% recycled packaging in retail products enabled by cross-division push to meet industry 2025 goals

### GHG Emissions

Completed our first corporate-wide Scope 3 GHG emissions study



### Who We Are...

- 5 Countries
- 29 Facilities
- 4,000 Employees
- \$1.9 Billion in Revenue

# Corporate Profile

C. H. Guenther (CHG) was founded in 1851 in Texas where it maintains its headquarters in San Antonio. A family-owned company for over 150 years, we are now a member of Pritzker Private Capital. A global food manufacturer with more than 2,400 customers, CHG offers a broad portfolio of bakery goods, mixes and snacks that includes biscuits, tortillas, sauces, gravies and seasonings, cookies, appetizers and more.

CHG has 29 manufacturing facilities across five countries – US, Canada, UK, Germany, Belgium – with 4,300 employees. The San Antonio headquarters has a dedicated sensory lab and extensive R&D lab. CHG produces for retail, restaurant and food service. We have grown to \$1.9 billion in revenue annually. CHG’s fiscal year ends the last Saturday of March. Unless otherwise noted, this report covers FY23 and FY24. Corporate reporting applies to all facilities which are listed on our website.

CHG’s employees reside in North America (84%) and Europe (16%). The

majority of our employees are fulltime. The gender mix is 65% male and 35% female. Our workforce employs a limited number of part-time or temporary workers, most frequently due to seasonal spikes. The majority of our facilities track and manage employees with the Workday online portal.

CHG is governed by the Pritzker Private Capital board of directors; followed by the CEO; Executive Leadership Team (ELT) comprised of Senior Vice Presidents; and the Senior Leadership Team (SLT) comprised of Vice Presidents. While there is no specific committee responsible for ESG, combined, they represent the highest governance body with decision-making and oversight of the management of CHG’s impacts on the economy, environment, and our communities. They receive monthly updates. The ELT/SLT are regularly updated on ESG matters through reports, briefs and one-on-one discussions. Members remain on the leadership team for the duration of their CHG tenure. At this time, the executive leadership team is 33% diverse.

## Code of Conduct

CHG's Company Code of Conduct, Employee Handbook, and core policies delineate corporate policy. These documents cover workplace responsibilities and commitments, including Diversity, Equity and Inclusion, Health and Safety, Privacy, and non-retaliation. It covers business practices, including confidentiality, conflicts of interest, the environment and sustainable development, and customer and competitor relations.

CHG is dedicated to enhancing the communities we serve through a commitment to protecting the environment and sustainability. CHG operates in compliance with all applicable environmental laws and regulations and implements responsible practices that promote sustainable development.

**CHG is dedicated to enhancing the communities we serve through a commitment to protecting the environment and sustainability.**

CHG's child labor and forced labor policies prohibit the use of either. Employees are expected to be mindful of the environmental impacts of our business and to report questions or concerns. Our code of conduct applies to all employees and CHG activities and is used to evaluate business relationships.

CHG supports the freedom of association as prescribed in the National Labor Relations Act. We have unions in one US site, two sites each in Canada and the UK, one in Belgium and two in Germany, where we adhere to all legal requirements for collective bargaining.

Vendors must follow our Supplier Expectations Manual requiring compliance with all laws and regulations in their areas of operation, protecting employees and providing safe working conditions. We have not identified regions in which we or any of our suppliers operate that put employees at risks of unfair labor practices.

Our Speak Up policy underscores each employee's responsibility to report violations of the Code of Conduct, directly or anonymously via a hotline. Our CEO and all leaders have an open door policy. Critical concerns are immediately reported to the CEO and reported to Board and/or ELT/SLT at his discretion. Customer or vendor conflicts and concerns are first managed in-house and then escalated as contractually obligated. We are committed to mitigate and remediate our negative impacts.



American Bakers Association



Les Dames d'Escoffier  
INTERNATIONAL





## Material Topics

CHG has identified material topics based on our experience and that of our Global Sustainability unit. They also are informed through stakeholder engagement, customer surveys and our Materiality Assessment. The sustainability unit is a member of the Environment, Health & Safety (EHS) and Human Resources (HR) teams and works in close collaboration with Food Safety and Quality as well as Operations.

Our biennial Materiality Assessment (MA) engages key stakeholders to identify ESG topics of high concern to them and high strategic relevance to CHG. Results can be used to guide resource allocation – personnel, time, financial; to assess ESG risks; and inform the sustainability report. The MA includes an industry benchmark, competitor and customer benchmarks; a stakeholder survey and direct interviews. We identify stakeholder priorities and concerns; demonstrate we are responsive; maintain goodwill; provide and seek feedback on projects and initiatives. Other forms of engagement include roundtables, virtual Lunch & Learns; and corporate-wide and facility-level townhalls with Q&A.

The 2024 report is additive to the 2022 report whose data remains accurate for the reporting period. The sustainability report is compiled by the Global Sustainability and Communications unit (CHGSustainability@chg.com). While generally aligned with CHG's 2022 report, this report has some differences. This report is "in accordance" with the GRI Reporting Standard for sustainability. "Employment Practices" focuses on benefits, DEI and corporate giving as found in our 2022 report and adds labor practices. "Climate Change" encompasses energy and GHG emissions as in 2022. We again will report on water and waste.

## Managing Material Topics

CHG management practices and norms apply to all material topics. For each material topic, we are proud to report that we:

- Review each closely, holding regular oversight meetings with the appropriate teams
- Consider the human rights of our employees and those in the communities in which we serve
- Have no outstanding direct negative impacts to the community, either regulatory or self-audited
- Have no business relationships, either customers or vendors, which are implicated in negative impacts within the communities we serve
- Have a specific policy or procedure in place and one or more units within CHG tasked with managing the topic.

CHG has identified material topics based on our experience and that of our Global Sustainability unit. They are also informed through stakeholder engagement, customer surveys and our Materiality Assessment.

Specific to each material topic, working groups draw from multiple units, tasked with due diligence, mitigation and remediation, as well as tracking and reporting against KPIs, progress toward and effectiveness of initiatives and developing new initiatives. Please note that as a private company, some KPIs are withheld due to confidentiality constraints.

## Engaging with Stakeholders

Increasingly, customers expect suppliers to demonstrate their ESG aptitude. At CHG, cross-functional units are tasked with meeting stakeholder expectations, which inform many policies and procedures. This is particularly true for customers for whom we report to CDP, SupplyShift (Sphera), Sedex, Ecovadis, DEI portals and other specialized reporting instruments. We regularly meet with suppliers upstream and customers downstream to discuss collaborative opportunities. For example, we chair the Bakery Council Sustainability Committee for a leading quick serve restaurant chain – meeting with other bakery companies to share best practices and explore paths to greater sustainability – representing a three-way collaboration among customer, vendor and competitors.

As mentioned, employee engagement include roundtables, virtual Lunch & Learns; and corporate-wide and facility-level townhalls with Q&A. We have an annual engagement survey, with over 98% participation and with people leaders held accountable during performance reviews for being responsive to issues raised.



# United Nations Sustainable Development Goals



CHG, like most responsible businesses, touches on all of the UN SDGs. Through philanthropy, we touch on No Poverty, Good Health and Wellbeing, and Sustainable Communities. By increasing efficiency, we touch on Clean Water, Energy, Responsible Production and Climate Action. We signal out several UN SDGs for targeted attention:

## ZERO HUNGER

CHG has a robust relationship with food banks in the areas in which we operate. We donate annually to holiday food drives and send food to disaster stricken areas.

## QUALITY EDUCATION

CHG has a long history of donating to education needs in the communities in which we serve. In addition, we have a scholarship program targeted to students focused on food industry careers. We also have a long-standing scholarship, offering several scholarships a year and an emergency scholarship to students of the Culinary Institute of America – San Antonio.

## DECENT WORK & ECONOMIC GROWTH

We are committed to providing competitive wages. More importantly, to quote our Chief Supply Chain Officer, we are committed, through safety measures, training, improved equipment and more, “to making sure that every employee who comes into our facility leaves in the condition they arrived or aspirationally better.”

## INNOVATION AND INFRASTRUCTURE

Whether in our research lab, testing alternative ingredients, or when constructing a new building, we ask and implement answers to “How can we do this more efficiently? How can we leave a smaller footprint?”

## REDUCED INEQUALITIES

In the past two years, we have made great strides, being named one of Newsweek’s America’s Greatest Workplace for Diversity in 2023, Greatest Workplace for Women in 2023, and Greatest Workplace for Veterans in 2024.

# People

At CHG, we value People First. We want to keep our employees safe and provide them with the tools they need to thrive, whether tape or training, wash stations or webinars.

## Environment Health & Safety

Our leadership team is committed to occupational health and safety, managed by the Global Environment, Health and Safety (EHS) team. Every formal meeting starts with a safety moment. Performance Management and Development (PMD), which affect compensation, include a safety component. We have EHS representatives for all locations who receive continuous training on our management system, aligned with ISO 45001. Continuous training and improvement includes hazard hunts, risk assessment, incident investigation and a robust process to mitigate future incidents. All employees, contractors and visitors are subject to our management system, safety requirements and protocols. In addition to actively monitoring EHS daily, CHG has processes in place for employees to report incidents, as part of our Speak Up program and anonymous reporting.

Health and safety reaches beyond the confines of our facilities.

- Premium discounts for wellness check-ups
- Onsite mammograms
- Onsite wellness screenings
- Employee Assistance Program-led mental health outreach
- Health club discounts

Continuous training and improvement includes hazard hunts, risk assessment, incident investigation and a robust process to mitigate future incidents.

Every employee receives occupational health and safety awareness training. Trainings are layered on, depending on job task and exposure. They include



hands-on practicums and virtual training. Trainings include IT cyber security; LOTO (lock out tag out) for new employees and refreshers for existing employees; and compliance. Materials trainings are in-depth and task specific such as chemical usage or high-risk operations. An example of occupation specific training is the PIT (powered industrial truck) series for forklift drivers and PIT awareness training for anyone who works around them.

Hazards at CHG are typical of manufacturing – LOTO, moving parts and conveyors, hot ovens, spills. While we do not report on worker injuries outside regulatory requirement and customer request, we are proud to announce that we have had a decrease in recordable

incidents and zero work-related deaths in over four years.



### Employment Practices

CHG's Human Resources (HR) division represents the heart of our organization. With representatives at every location and a seat within the executive leadership team, our highest governing body, HR ensures ethical hiring practices, fair and competitive wages and comprehensive onboarding. In addition, facility HR tracks and organizes celebrations for milestones, birthdays and anniversaries. They showcase high performers, stellar team efforts and community engagement. They make sure the employee handbook is in languages most beneficial to site employees and that employees are regularly advised of protections and benefits.

As per company policy, CHG supports the freedom of association is prescribed in the National Labor Relations Act. We have two facilities in the US and one in Canada with unions, one facility in the UK, one in Belgium and two in Germany. At no time is child labor or forced labor acceptable within our facilities, regardless of the region.

Aligned with our code of conduct, we require vendors to follow our Supplier Expectations Manual. This manual includes explicit statements against forced labor and requires compliance with all laws and regulations in areas of operation, protecting employees and providing safe working conditions.

### Benefits

CHG's total compensation package includes a location-based, comprehensive benefits program featuring a variety of plans including medical, dental, vision, life and disability and wellness programs. In addition, CHG offers money-managing benefits including a 401(k) savings plan, a Health Savings Account and a Flexible Spending Accounts (Health Care and Dependent Care). CHG also offers a number of additional benefits, including tuition assistance, student loan counseling, employee assistance and legal assistance through our Employee Assistance Programs. All full-time employees are entitled to parental leave.

CHG employees are approximately 70% male/30% female. In the US (where legislation allows closer tracking than Canada or UK/EU) the workforce is 41% Latino, 26% White, and 25% Black/African American. A few facilities have significant Asian populations, bringing the overall total for Asians to 4%.

### Training

Every employee receives continuous training, in addition to onboarding and training upon first employment. Trainings include hands-on practicums and virtual training. Salaried, hourly and broker contractors are included in trainings which cover topics including people and food safety, food quality, cyber security, anti-harassment, anti-bribery & corruption, R&D, sensory, and sustainability.

Every employee receives an average of 45+ hours of training per year in various areas specific to their position. Floor associates receive at least 10 hours of EHS training covering lockout tagout, hazardous materials, and common causes of slips, falls and repetitive motion injuries. Additional training is required for Powered Industrial Trucks (PIT) for drivers and those working in proximity to PITs. Material handlers receive FSQA training. In addition to EHS and FSQA, we have leadership trainings and job specific training, both in-house and third party providers. CHG sponsors several series of diversity and inclusion trainings as well as anti-harassment trainings – one 60-minute series is required of all people leaders.

## Professional Development

CHG has a robust performance management and development (PMD) process. Professional development is strongly encouraged. People leaders discuss opportunities for professional development in-house and with outside training. Time is provided for task-specific webinars, and leaders have a budget line item specific for professional development for training, trade associations and conferences. Associates also are encouraged to share their knowledge.

For salaried employees, each people leader meets with their direct reports twice a year. Discussions include performance but also extend to career track, cross-department opportunities, successes and room for improvement. PMD reviews affect compensation.

Hourly employees benefit from on-the-job training on a regular basis. Succession planning identifies potential challenges and responsibility.

The CHG tuition assistance program provides support for every employee in the US.



### Reaching and listening to our employees through a variety of tools

- Multi-site virtual meetings
- Global Leadership Summit for EHS team
- Topic specific ongoing training – all employees
- Topic specific campaigns (with training) – throughout the year by facility
- Digital signs – all employees
- Leaders' videos – all employees

## Corporate Giving

Corporate giving is part of CHG's culture. Our focused policy provides meaningful impact within the community, leverages CHG's expertise, benefits employees and enhances CHG's brand identity. To maximize impact and address root causes of challenges faced by the communities in which we operate, C. H. Guenther's corporate giving program – Guenther Gives – focuses on: food security, health and well-being, and education. Taking education a step farther, we strive to educate future food & beverage industry leaders in health, quality, safety and sustainability with a high school program rewarding scholarships to youth entering a F&B relevant career track and by collaborating with the Culinary Institute of America, rewarding several scholarships a year, an emergency scholarship and in-kind product donations for their teaching kitchens.

Excluding employee contributions to the United Way, CHG makes more than \$1 million in charitable contributions.

Each year, we donate over \$100,000 in product; provide more than \$150,000 in scholarships, and provide support for over 120 other organizations brought to us by our employees and relevant to the communities in which we serve. Many of those organizations focus specifically on food security. Every holiday season, many of our facilities hold food drives. All of our facilities, in the US, Canada, UK, Belgium and Germany, contribute to local food pantries.

Untracked volunteer hours go to mentoring, packing supplies for schools and people in vulnerable communities, volunteering at community events such as livestock shows, coaching and blood drives.

## United Way

We host an annual United Way drive which has garnered more than \$800,000 in 2024. The United Way campaign reaches every one of our North American facilities and funds stay in the communities in which they are raised.

We use the campaign for employee engagement, holding fun fundraising events. We are particularly proud of our Care Share program which provides associates who contribute 1% of their yearly income with an extra day of vacation. The Care Share program, offered in the US and Canada, has a 63% participation rate.





SPEAK provides job-specific language training and assessments to equip employees with the skills needed to excel in their roles.

This program enhances communication with supervisors and peers, promotes a safer workplace, and opens doors to career advancement by removing language barriers that previously limited opportunities for growth.

# Employee Culture

CHG's culture is diverse in not only gender, race, ethnicity, sexual orientation, and age, but also in cultural backgrounds, thinking styles, and life experience. Inviting everyone to gain and share new perspectives is imperative. Inclusion is at the heart of this.

Fostering a diverse, equitable, and inclusive workplace is a journey. We are committed to supporting this journey through our four strategic pillars of Workforce, Workplace, Customer Focus and Community & Social Impact.

## Workforce

Our People First philosophy commits us to creating an inclusive environment. Our accomplishments around this focus include:

- A unique-to-CHG language program – SPEAK – for employees to learn English and enhance safety in production
- Training programs that help leaders manage their teams more effectively
- Quarterly newsletters highlighting accomplishments and providing educational resources
- Monthly Lunch and Learns to help share awareness on certain topics.



### Workplace

CHG initiatives help us adapt to culture changes and bring in more inclusive perspectives.

- DE&I aligns with top-level leadership through consistent updates and board presentations.
- Plant-level roundtables help leaders understand the voices of our employees.
- Quarterly demographic reports to leadership and ERGs ensure projects are addressing employee-identified challenges.

### Community & Social Impact

DEI includes corporate citizenship and making an impact in communities where we live, work, and play.

- Employee Resource Group (ERG) community activities
- Partnerships with Historically Black Colleges and Universities (HBCUs)
- Wounded Warrior sponsorship and participation
- Women's Shelter volunteer day
- San Antonio MLK March
- Food Bank Drives and volunteer days
- Partnership with LGBTQ+ Youth Organizations

CHG prohibits discrimination, striving to treat each person fairly on the basis of individual merit. We do not tolerate harassment in any form. We provide extensive resources and online trainings, many of which are mandatory for people managers. While we do not report on incidents of discrimination or harassment outside regulatory requirement, we track internally and provide multiple venues for employees to report incidents. EAP tools are available should an employee need assistance managing the consequences of discrimination beyond the confines of work.



We focus on food safety and quality and explore ways to use more sustainable ingredients



# Food



**Mireya Jimenez, a production line leader at our Langdon Road facility in Dallas, was recently recognized as a Red Zone MVP.**

CHG has three primary platforms: dry mixes, bakery and frozen foods. We started as a flour mill and take great pride in our pancake, waffle and biscuit mixes. We currently have over 2,200 SKUs. Our 40-member R&D team constantly explores more recipes, both with customers and for our own brands. We focus on food safety and quality and explore ways to use more sustainable ingredients and develop products for nutrition-minded customers.

## **Customer Health and Safety**

Food safety is foremost. Across all facilities, we had zero recalls in the 2022-2024 period. Over the past two years, we have implemented an operations tracking system – Redzone, a social mobile platform designed for front line team collaboration. After a successful pilot in three facilities, Redzone is in half of our facilities, with completed rollout in all of US and Canada by mid-2025. We have noticed a decrease in incidents and an increase in overall equipment effectiveness (OEE) per facility with Redzone.

## Product Labeling

Since reporting in 2022, CHG has joined the How2Recycle program for labeling consumer-facing packaging. The label appears on many of our white label brands, and our goal is to have the symbol on all of our CHG brand consumer facing packaging. Our first rollout has been with Cuisine Adventures. We expect all of our brands to have sustainable disposal labeling within the next two years.



In addition, we adhere to industry standard and all legal requirements for product labeling. We have had zero non-conformances related to labeling in the past two years or related to any of our marketing practices.

## Sustainable and Ethical Sourcing

### Palm Oil

At this time, we sustainably source 60% of our palm oil as RSPO Mass Balance certified, and we are adopting RSPO certified Segregated palm oil for limited use. RSPO palm oil is certified to be sustainably grown and provide fair livelihoods to farmers and farm workers. Our intent is to increase the use of certified palm oil for both customer and CHG brands.

Its use supports our Policy for Protection of Forest and other Natural Resources where we commit to deforestation-free and conversion-free (DCF) sourcing within our supply chain. The same policy encourages land rights, committing to not knowingly impinge on the rights of landholders by ourselves or our supply chain.



### Wheat

Growing and milling a sufficient supply of regenerative wheat to meet our needs and those of all bakeries is a long-term challenge. Over the course of a year, CHG processes over 460,000 mt of wheat and flour with nearly 625,000 mt total in ingredient raw materials. Wheat is by far our largest source of GHG emissions. Despite the challenges in sustainably sourcing wheat, we cover the equivalent of 25% of the flour used at our Carlstadt facility and our Tribeca Oven brand by funding a research program in North Dakota in collaboration with one of our suppliers.

We are lead authors in a regenerative wheat white paper planning for the future. CHG, in collaboration with other bakeries and a key customer, spent over six months researching the obstacles and a potential pathway to regenerative wheat, setting the ground work for the customer's forthcoming policy which influences 16 major bakeries in the US.

CHG's R&D department actively explores the use of sustainably sourced alternatives. Upcycled spent grain from beer brewing is a key ingredient in an award-winning bun we developed.

### Nutritious Products

At CHG, although we do not market our own brands on a large scale with nutrition claims, we have a dedicated production line for high-protein egg-based snack products. We can meet various customer requests, whether it's for low sodium, high fiber, whole grain, gluten-free, clean label, or other nutritious combinations. We also work with hospitals, nursing homes, and schools to develop recipes using our products, helping them meet their nutrition mandates, such as calculating grain equivalents.



Electricity is CHG's primary source of energy. It is used for general operations and is the sole source of energy for facilities producing dry mix, certain doughs and tortillas.

# Operations

At CHG, we take pride in our Operations. We have been expanding with new acquisitions, making us even more adept at meeting customer expectations in quality and innovation and helping customers meet their own sustainability goals.

## Resource Use

In FY22, we reset our baseline for energy intensity, tracking electricity and natural gas with the goal of year-over-year improvement in intensity.

### Electricity

Electricity is CHG's primary source of energy. It is used for general operations and is the sole source of energy for facilities producing dry mix, certain doughs and tortillas. Electricity is channeled from the electric grid. Some Canadian facilities favor hydroelectricity, which helps limit our carbon footprint. In the rest, the mix is typical to the US and Canadian grids. Direct generation of renewable energy is negligible and limited to headquarters and one facility in the UK.

Based on the goal of year-over-year improvement, absolute use of electricity has

increased, in large part due to acquisitions. Intensity, based on kWhs per metric ton produced, has held steady and in some cases demonstrated a slight decline.

### Natural Gas

Natural gas supports our bakery operations, driving our ovens. Similar to electricity, absolute use of natural gas has increased, in large part due to acquisitions. Intensity, based on mBtu per metric ton produced, has held steady and, in some cases, shown a slight decline.

For both electricity and natural gas, we have a pilot program in the UK to reduce energy consumption by 10% over the next 3 years. The intent is to use the lessons learned to set parameters for specific targets across all the facilities by the next reporting period.

## Waste

Eliminating waste is an ongoing effort. Most of our organic waste is diverted from landfills to animal feed. Efficiency initiatives, varying by facility, exist to limit producing organic waste in the first place. Non-organic waste is disposed through recycling, take-back programs, waste-to-energy and landfill.

We generate a minimal amount of hazardous waste, typically represented by expired cleaning chemicals, machine oils and refrigeration oils. We collaborate with suppliers to take back expired chemicals or used oils for reconditioning or repurposing for future use.

## Water

Water is of limited concern to our production, compared to other manufacturing. The main water concern in food manufacturing relates to waste water. CHG facilities meet environmental compliance requirements, ensuring the water released into community systems is free of harmful contaminants.

Our biggest impact on water is via production of wheat and other agriculture. We work in collaboration with research organizations and vendors on a project aimed at finding best practices to limit use of agricultural resources, including water.

We have several facilities in drought-prone areas. Our impact on water use in these areas does not significantly affect water levels or contribute to the challenges faced in those areas. In one area, we provided drinking water to employees because of an unrelated problem in the municipal system of a nearby town in which employees live. In another, we provided drinking water due to storm damage unrelated to CHG activities.

Our biggest impact on water is via production of wheat and other agriculture. We work in collaboration with research organizations and vendors on a project aimed at finding best practices to limit use of agricultural resources, including water.



## State-of-the-Art Sustainability

As CHG's third UK site, our new bakery in Coventry combines a strategic location (reducing transportation GHG emissions) with efficient commercial bakery technology. The BREEAM Excellent (sustainability certification) facility is able to produce in excess of 70,000 goods per hour, or around 400 million per year, making it one of the fastest food production lines in Europe.

Supporting our global environmental and sustainability commitments, state-of-the-art equipment limits GHG emissions and delivers efficiencies by limiting the use of energy and water. Features include heat recovery from ovens, rainwater harvesting and water recycling, and charging points for staff electric vehicles. The facility also benefits from a full rooftop of solar PV to supplement the 3MVA of power already provided.

## Materials

Our primary ingredient is wheat and flour and another key ingredient is palm oil. Please refer to Food – Sustainable and Ethical Sourcing.

## Purchasing Practices

While we do not track local spend, we do track supplier diversity spend among multiple categories. We have seen year-over-year growth, increasing spend by more than \$3 million in the past two years.

Increased spend is due in part to a concerted effort by DEI to increase the number of minority vendors. In 2023, we implemented a program to assist qualified suppliers to certify as one of the historically under-represented communities we track.

Building supplier diversity helps the communities in which we operate, increases resiliency and helps customers meet their own supplier diversity goals. CHG builds relationships with the following suppliers:

- Minority Business Enterprise (MBE)
  - African American
  - Hispanic
  - Native American
  - Asian (General, South, Pacific)
- Women-Owned Business Enterprise (WBE)
- LGBTQ-Owned Business (LGBTBE)
- Veteran-Owned Small Business (VOSB)
- Service-Disabled Veteran-Owned Small Business (SDVOSB)
- Disabled-Owned Business (DOBE)
- Small Business Enterprise (SBE)
- Small Business Development Program 8(a) (SBA)
- Small Disadvantaged Business (SDB)
- Disadvantaged Business Enterprise (DBE)
- Historically Underutilized Business Zone (HUBZone)
- Veteran-Owned
- Women Owned



## Packaging

Food products do not lend themselves to recycled input – packaging does. Over 90% of our packaging, predominantly customer-facing, is recyclable. CHG is collaborating with major national and international retailers to provide consumer-facing packaging that is 100% recyclable, reusable or industrially compostable. As we meet customer expectations, we are transitioning our own brands.

CHG's participation in the How2Recycle program is a tangible step in the right direction. The H2R symbol on packaging allows consumers to make informed decisions on which products will best meet their own sustainability values.

# Scope 3 and GHG Emissions

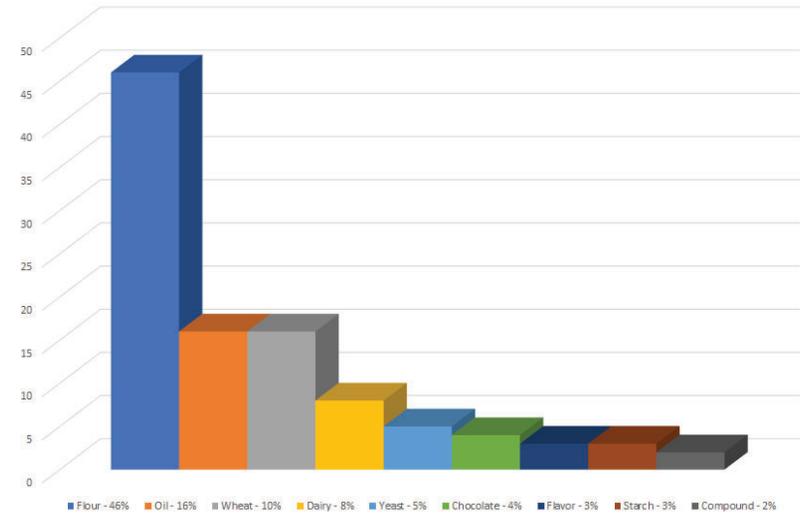
Whether increasing efficiency or sustainably or locally sourcing, reducing our carbon emissions is paramount to our contribution to combating climate change.

CHG has been tracking energy, waste and water and calculating GHG emissions since 2013. Our continuing ambition is to improve year over year. Our Scope 1 (predominantly natural gas) and Scope 2 (purchased electricity) emissions have held relatively flat over the reporting period, representing 6% and 9% of GHG emissions respectively.

By far, our largest source of GHG emissions are our Scope 3 emissions. This year, in addition to tracking Scope 1 and Scope 2, we completed a full Scope 3 assessment. The findings are aligned with a partial Scope 3 assessment in FY22, focusing on our largest customer by sales and the Scope 3 completed the previous year for our facilities in Germany.

Value chain emissions calculated:

- Purchased goods and services – predominantly ingredients, predominantly wheat
- Waste generated in operations
- Business travel
- Employee commuting



Scope 3 GHG emissions represent 85% of total emissions. Over 90% comes from ingredients, with wheat and flour as the main drivers at 74% of ingredient emissions.



## Reducing GHG Emissions

To reduce GHG emissions, we are committed to purchasing renewable energy to cover 50% or more of operations of five US facilities by 2030.

We will continue efforts to find and source wheat produced by regenerative agriculture, which is key to reducing wheat’s carbon footprint. The same applies to sweeteners, which face the same challenges as wheat.

For business travel, we use offsets to counter our impact on climate. In

collaboration with Climate Vault, we have purchased offsets sufficient to cover all business travel during the past two fiscal years. Climate Vault purchases emission allowances from the compliance carbon markets.

These allowances, already limited in number by cap-and-trade programs, are taken out of circulation. This reduces the emissions available to regulated industries in a demonstrable, quantifiable way – ensuring verified emissions reduction. In this way, we accounted for 750 MTCO<sub>2</sub>e in FY24, representing nearly four million miles.

# Appendix

C.H. Guenther has reported in reference to the GRI Standards for the period of 2022 through 2024.

External Assurance: This report was not externally assured. It was compiled by a certified GRI practitioner, with technical data drawn from a 3rd-party managed tracking portal provided by Schneider Electric.

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# Appendix

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# Appendix

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- i. As a privately held company, CHG does not disclose governing structure and procedures.
- ii. As a privately held company, CHG does not disclose governing structure and procedures.
- iii. As a privately held company, CHG does not disclose governing procedures.
- iv. As a privately held company, CHG does not disclose economic performance.
- v. Under advisement from our parent company, KPIs are not publicly available.

**C·H·Guenther**  
THE FUTURE OF FOOD

Produced by  
CHG Global Sustainability & Communications  
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