



B-Corp Impact report

2022-2023



We are the original plant-based
foodies and **our ingredients**
have saved 2,463 tonnes of CO₂
emissions in the last year, that would
otherwise have been produced by
using meat and dairy ingredients.



A little bit about us

We're on a mission to fill everyone's plate with plant-based goodness.

For over 35 years we've been supplying vegetarian and plant-based ingredients to chefs and food businesses.

We were there right at the beginning, before Seitan, Tempeh and even Tofu were household names. In fact we like to think of ourselves as the original plant-based foodies.

We have over 1,400 plant-based ingredients in our business. They include cutting-edge plant-based meat and fish alternatives as well as rare and regional ingredients that chefs find hard to get anywhere else.

By helping small innovative manufacturers develop and position their products -many of which are complete firsts to market- we're not just at the cutting edge of plant-based diets, we are shaping the plant-based future.

Our 100 full time employees, 18,000 ft² of storage and fleet of temperature controlled vehicles makes us the largest specialist plant-based supplier in the UK, and means we have the capacity to deliver nationwide.

With our AA BRC accreditation our customers can rest assured that all our products are stored, labelled, handled and transported, safely and in the same professional standards they run their food businesses.

Our customers are diverse and include all food businesses from small independent pubs and restaurants through to global contract caterers, businesses and educational institutions.

We've even opened up shop to the general public who can order chef quality ingredients and have them delivered straight to their doorstep.



A delicious way to make a difference

A word from our Managing Director, Dave Webster

The out-of-home dining market has seen some extraordinary challenges over the last few years and is still grappling with the impacts of food inflation and the overall increase in living costs.

The Covid pandemic and subsequent lockdowns hit the hospitality sector harder than any other industry. However, throughout this turmoil, we managed to protect the business, and serve our customers in a way that helped them weather the storm too.

Fortunately, we are now back on track and exceeding pre-pandemic growth, and we continue to witness strong demand for plant-based food from consumers across all our customer outlets.

Greenhouse gas emissions from food production account for 25% of total global emissions, with 66% of that coming from animal-based sources. Encouraging more consumers to choose plant-based options when dining out helps minimise our impact on the environment and mitigate the potentially devastating effects of climate change.

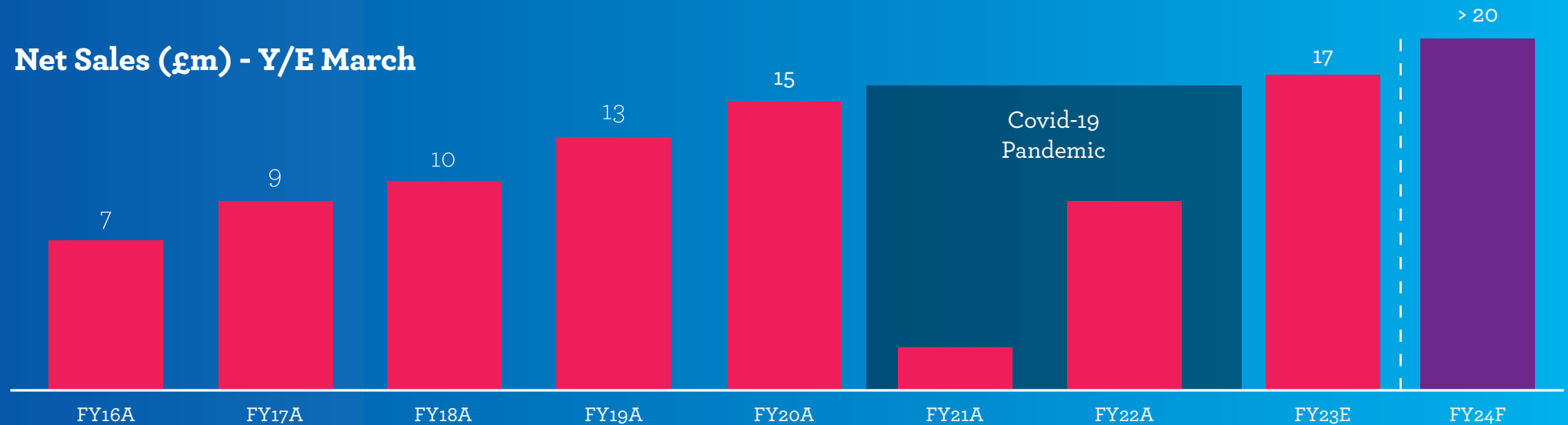
In the past year alone our plant-based ingredients have replaced enough meat and dairy products to have saved 2,463 tonnes of CO₂ that would otherwise have been emitted though animal-based food production.

Given the interdependence between our business goals and our ambitions for positive climate change, a year-on-year increase in demand for plant-based ingredients is incredibly encouraging.

However, like many of our customers, we understand that while dietary changes have the most significant individual impact in reducing

environmental footprints, it's not always at the forefront of people's minds when eating out. That's why we believe that to change end consumer behaviour, we need to appeal to their appetites first rather than solely relying on rational arguments. We achieve that by providing our customers with all the necessary ingredients, ideas, and inspiration to create vibrant, exciting, and delicious plant-based food for everyone who eats out of home.

Net Sales (£m) - Y/E March



Our B Corp verified score

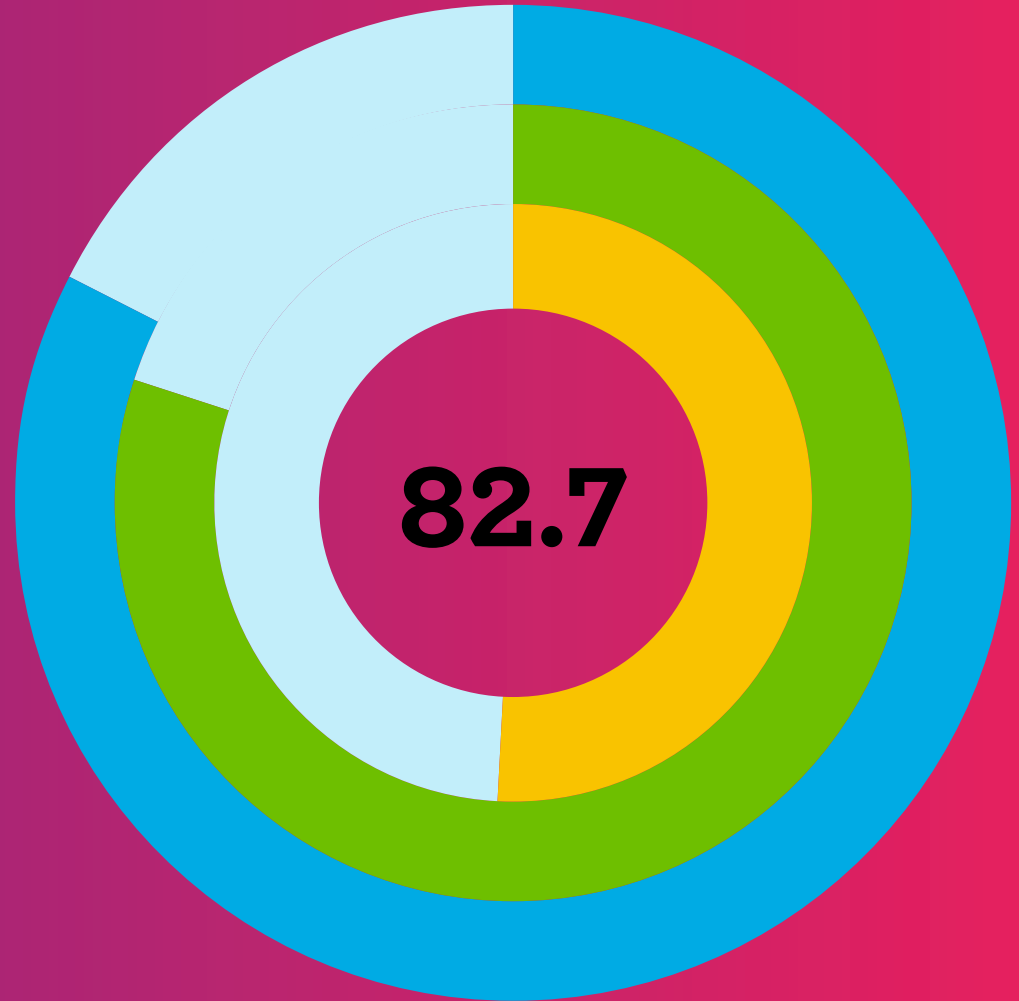
We believe the future of food is plant-based, which uses fewer natural resources and creates much less greenhouse gas. We are proud that our business inherently encourages more of us to choose plant-based food when eating out of home, but knew we could do more.

Taking inspiration from our investment partner, Bridges -whose measure of success is in the positive outcome of their investment as well as the financial one- we set upon the road to becoming a B Corp and joining a group of like-minded individuals that though their actions are making the world a better place.

The journey to becoming a B Corp has helped us focus and improve many areas of our business and now informs all our decision making and future planning.

Our current B Impact score is 82.7 and through our actions and continual improvements we are looking to achieve a score in excess of 100.

- 82.7 - Overall B Impact Score
- 80 - Qualifies for B Corp Certification
- 50.9 - Median Score for Ordinary Businesses



Governance 12.5



Workers 17.6



Community 20.2



Environment 32.3

Future ambition highlights

We've big plans. We want to debunk the belief that animal-based protein is a must have in exceptional out of home dining. We'll do this by giving our existing customers even more support, ingredients and inspiration to put compelling plant-based dishes on their menus, and by serving new customers through our ambitious expansion throughout the UK. In fact, in 5 years we aim to have tripled the size of our business, and by doing so, introduce three times as many people to the downright deliciousness of plant-based food.

To reduce our operational emissions

We've already made great progress in reducing scope 1 & 2 emissions and have seen them fall year on year.

Our ambition...
is to be scope 1 & 2 carbon neutral by the end of 2024

To reduce the impact of our upstream emissions

Managing scope 3 emissions is one of the biggest challenges for any business, but that won't deter us.

Our ambition...
is to make all Vegetarian Express branded products CO₂ neutral by the end of 2025

Doing what we say we're going to do

We're serious about helping customers with climate agendas and to offer a carbon neutral Vegetarian Express branded range by the end of 2025.

Our ambition...
is to invest in people and resources to provide our customers with industry leading ways to make a positive impact on the environment

To fill everybody's plate with plant-based goodness

We want as many people as we can to enjoy plant-based food and to continue to reach as many chefs as possible

Our ambition...
is to help chefs get amazing plant-based food on every menu everywhere

Customers

What we've achieved

The way to change end consumers' behaviours is through their appetites, not always through their heads. We recognize that in order to encourage more end consumers to choose plant-based menu options, we must provide the food outlets and chefs we serve with the necessary tools to make plant-based food as equally enticing for them as it is for us.

Ideas and Inspiration

While plant-based menu items are increasingly appearing on menus, we understand that many chefs may feel uncertain about working with plant-based ingredients and creating dishes that will be loved by their customers.

Seed-bank

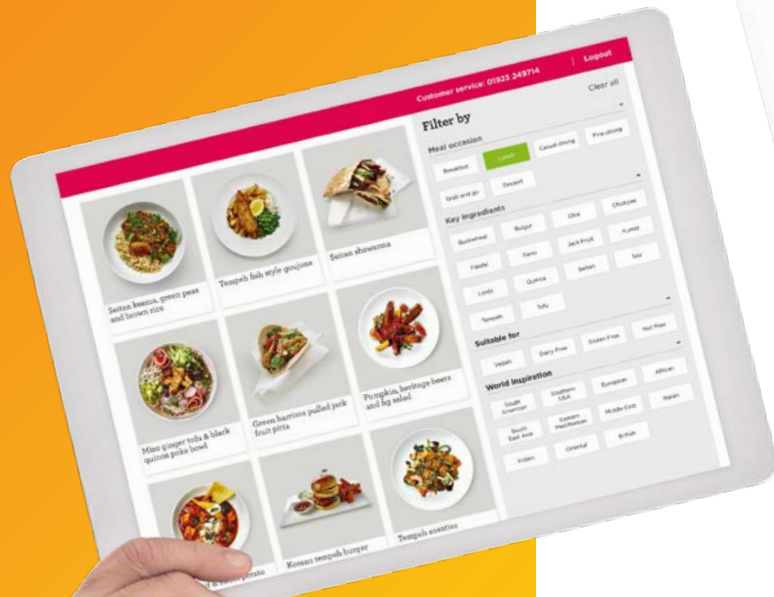
To address this, we launched Seed-bank, a unique online recipe portal featuring over 500 plant-based dishes available for chefs to freely download. All of these recipes are created by our own chefs and include detailed nutritional information, allergen advice, as well as information on the land, water, and CO₂ savings that can be achieved by including the dish on their menu.

Plant-based demos

Another way we support chefs is through our free on-site and in-house demonstration days. Our in-house chef has conducted 128 customer plant-based demos and training sessions in the last year alone, and by doing so has encouraged chefs to serve delicious plant-based food to tens of thousands of their customers.

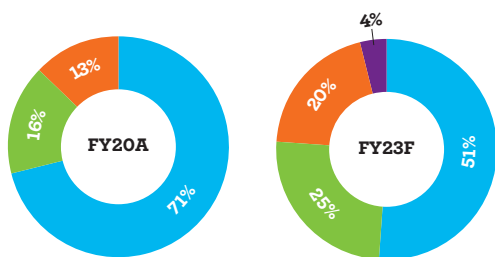
The latest food trends

We also ensure that our customers are up to date with the latest food trends. By offering plant-based versions of the latest cuisines, we help our customers stay relevant in the minds of their consumers and one step ahead of the competition.



Growing our audience

Because of the direct correlation between the number of customers we serve and the positive impact we can achieve, diversifying our customer base and appealing to as many end consumers as possible are crucial for us to reach our goal. Between the start and end of our Financial year 22 we increased the number of sites we served by 81%, and now cater to independent pubs, restaurants, hotels, and educational sites. Additionally, we can now sell direct to the general public through our new e-commerce website, and in 2023 will expand into Northern Ireland, further increasing our reach and the number of people that can enjoy plant-based food.



■ B&I ■ Hospitality ■ Education ■ Vegex.co.uk

Impact statements

To help our customers understand the positive impact they are having by putting plant-based food on their menus, we've developed personalised impact statements. From the moment a customer starts ordering from us we calculate the amount of GHG emissions they're saving by choosing plant-based instead of the meat alternative. We then send them our findings in a quarterly report, which they can use to track their own environmental goals.

Training and educating to maximise plant-based appeal

We know that there are two main challenges our customers face in putting plant-based food on their menus. Firstly, they may not be technically comfortable using some plant-based ingredients and secondly, they need to be able to create plant-based dishes that will appeal to their specific customer base.

To help them overcome these challenges we organise specific training, education and demonstration days where chefs can get familiar with using plant-based ingredients in their dishes.

To help further we also offer bespoke menu development, creating plant-based dishes that fit their diners expectations and comfort levels. To further encourage end consumers uptake of plant-based food, we have created off the shelf plant-based recipes for the nation's favourite dishes eaten out of home, which include everything from Tikka Masalas and Pizzas to Cottage Pies and Fish and chips.



Our future ambitions...

We want to give our customers all the knowledge they need about the climate impact of the food they serve and why they should continue to bring plant-based food to as many people as possible. To make this happen we will:

- Invest in transforming our online journey and make it even easier for our customers to access Seed-bank and get more plant-based inspiration for their menus
- Include impact data on key own brand food packaging to build greater awareness of the relationship between food and climate change
- Show impact data info on relevant products when browsing and also show impact saving based on basket purchased
- Continue to keep our customers informed with plant-based versions of the latest trends to keep their customers excited and engaged

Our people

What we've achieved

Creating a work environment that is safe, fulfilling and rewarding has always been a priority for us. Having a team that is motivated and informed not only helps our business run better but also helps us achieve our mission to bring plant-based food to as many people as we can. Here's a few of the things we've initiated to help us achieve this goal.

We are pleased to have a positive gender pay gap, meaning on average women are paid +5% more, compared to the national average of -5%



Business briefings

Things change quickly in our industry and a lot of the stress people experience from work comes from not feeling they are informed about change. We introduced regular staff briefings to address just that. Every quarter we share with our whole team how the business is doing including our goals, challenges, accomplishments and any changes that we think might happen in the future.

A fair place to work

We wanted an environment that is reflective of the population we live in, and to make sure the same opportunities are available for everyone regardless of ethnicity or gender. We are now happy to work in an environment where 30% are women or from minority groups and 44% of our senior leadership team are either women or from minority groups.

We also made it a priority to eradicate and reverse any gender pay gap. And with many of our women occupying senior roles we're pleased to have a positive gender pay gap, meaning on average women are paid +5% more, vs the national average of -5%

Training and development

Helping our people to be the best they can be not only improves our teams career prospects but also means we have the best talent available to deliver our mission. That's why we introduced training and career development programs for every one of our team and provide reimbursements and programs for intensive continuing education and credentials such as college degrees and professional licenses.



Free breakfasts

We spend a lot of our lives in the workplace so for us creating a community in our business where colleagues can share and support each other was important. To kick-start this we introduced free breakfast (plant-based of course) for everyone. This valuable time in the morning not only gives everyone a moment to prepare and to think about the day ahead but also gives people the chance to talk and build relationships with members of our team that they may not come into daily contact with.

Our future ambitions...

Our people are our most important asset. We will continue to look after them, nurture them and help them so they can lead healthy, productive fulfilling careers and we will:

- Further develop and address the agendas of our people and will continue to improve our employee training and development programs through our new head of Human Resources and a dedicated recruiter
- Add more resource to embed personal development plans for all our employees across the business, with an aim to increase our internal promotion target to 15%
- Continue to review and invest in additional employee benefits and support, where possible, part-time roles and flexible working options

Environment

What we've achieved

Since becoming a B Corp we've made great gains in minimising the impact of our operations. There is still much to do and we have some bold ambitions, targets and goals. Here's what we've accomplished so far.

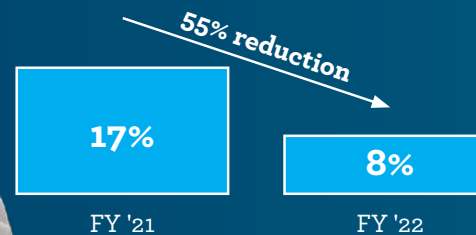


Scope one and two emissions

We've set ourselves the task of reducing our Scope 1 and Scope 2 emissions year on year, and have successfully achieved this since 2018. But we're aiming even higher. We've set ourselves the target of becoming Scope 1 and 2 Carbon neutral in 2024. It's a big goal, but we're prepared to meet it. Currently, all our power comes from renewable wind sources, and we've introduced numerous initiatives to reduce our Scope 1 and Scope 2 greenhouse gas emissions, including wastewater management and low-wattage lighting.

Percentage of CO₂ to revenue

55% year on year improvement on Scope 1 and 2 greenhouse gas emissions, including wastewater



Food wastage

Our aim was to eliminate all food waste in our business; however, we are finding this challenging -especially within the food service sector- as when developing new dishes or demoing new menu ideas, food is not eaten. We are however working on ways to best utilize this waste. For example, disposing of it for anaerobic digestion provides a source of renewable energy. The good news is that all of our short-dated stock is sent to food banks or community partners who help us distribute it where it is needed most.

Transport

Perhaps our biggest challenge. We've looked into replacing our fleet with electric delivery vehicles several times over the last few years and have reluctantly come to the conclusion that due to the crucial need for us to maintain product temperatures and ensure our strict food safety standards, the electric vehicles currently available are not powerful enough. Frustrating as it is, we know it is only a matter of time before technology catches up with our need, and when it does, we will be one of the first adopters. This being said, we have replaced all of our 7.5 tonne vehicles with much more efficient 3.5 sprinters which give us twice as many miles per gallon and are pleased to have replaced 80% of our company car fleet with AV-powered vehicles.



Our future ambitions...

We've already made great inroads in reducing our Scope 1 and Scope 2 emissions, however we want to do even more:

- To be Scope 1 & 2 CO₂ neutral in 2024
- To make all Vegetarian Express branded products CO₂ neutral by the end of 2025

Packaging

We're always looking for ways to reduce the packaging we use in storing and transporting our food. One of these initiatives was to look at replacing our cardboard boxes with returnable plastic crates. However, after a short trial, we came to realize that unlike retail delivery where the driver can take the crates back with them immediately,

some of our customers needed us to leave them with them. This resulted in a significant percentage of crates going missing. Concerned that in our efforts to reduce packaging, we were actually adding to plastic wastage, we reconsidered our approach. Our solution was to introduce kerbside recyclable boxes, sturdy enough to be

reused if possible, and easy to return to the paper/cardboard manufacturing chain. We have also looked at product packaging and not only removed all hard plastics but have also replaced shrink wrap with nets to bind our pallets and have introduced home compostable packaging on all our spice, herbs, and seasoning range.

Communities

What we've achieved

We recognise our responsibility to be not only part of the community we serve but also to be part of the community we operate in. As a food business there is plenty of opportunity to play that part and that's what we've done.

In the last year we donated over £220,000 worth of food to food banks and charities



Foodbanks and the Felix Project

Food stock that is nearing its sell by date is always a concern for food service businesses and can lead to enormous and needless food wastage. To mitigate this all our short dated food is distributed to organisations like The Felix project in London. The Felix project sorts and delivers food to almost 1,000 front-line charities, primary schools and holiday programmes in London. In the last year we've donated over £220,000 worth of food to food banks and charities like the Felix Project, so that our short dated food reaches the vulnerable, the homeless, people with mental health problems and those who simply cannot afford to buy regular, healthy food.

Helping small businesses thrive

Although plant-based food is now fairly well established it is still an emerging growth area for manufacturers which means many of our suppliers are small independent manufacturers. And although they are small, they are playing an important part in plant-based innovation and creating ingredients that are evermore appealing to the end consumer. We've always seen it as part of our role to nurture these relationships and help these small businesses grow so that they can continue to create jobs and careers for local communities, as well as creating cutting edge ingredients for our chefs.

Supporting our people to give

We actively encourage and support our people to engage in their own volunteering and fundraising activities. Two of our colleagues donate time to the Ace of Clubs charity, who provide support for homeless, vulnerable and otherwise marginalised people in their local area. Addressing the immediate needs of those in desperate circumstances, they provide safety, food, warmth, clothing, laundry and showers. As a business we have initiated a collection drive to collect items, as well as making a direct donation to the charity. We made a similar direct donation to our Development Chef's sponsored run of the London Marathon in which he raised over £3,000 to date.



Our future ambitions...

We don't live in a bubble. The actions and decisions we make affect the communities and the businesses around us. We also have a role to play in these communities and we intend to play it well by:

- Continuing to work with small emerging suppliers to drive innovation in plant-based food and by doing so create inspiring products that will appeal to more end consumers
- Continuing to support our people to contribute their time to organisations that make a difference



Supporting small food producers

Our chef worked with our supplier to develop a range of plant-based dressings and sauces, that were geographically authentic, unique and first in food service.

Governance

What we've achieved

Our mission is to fill customers' plates with plant-based goodness which is better for people, the planet and businesses. By introducing this mission, we understand our role in contributing to a change in behaviour when eating out of home and a reduction in animal protein used by food business.

We aim for our team at Vegetarian Express to reflect the communities we serve. Currently 44% of our senior team are women or from ethnic minority groups.



Employee Net Promoter Survey

To understand how we can run our business better for everyone we asked all our employees to complete an anonymous survey which gave us a clear direction on which areas to improve further for our team. We're pleased to say we've already made changes based on what we've been told and have more in the pipeline.

Customer net promoter score

Ultimately the success of our mission depends on doing the right thing by our customers too. To assess this, and to deliver a service that our customers will want to return to and recommend, we employed an NPS survey which gave us a +39% score, which is above average for our industry.

Proud to be a B Corp

From the moment we became a B Corp we've been embedding our mission in our team. Through our on boarding process we educate our team on what's special about being B Corp, why we are one and what it means for us, for our team and for our customers.

Industry leading standards

With so few dedicated plant-based suppliers to food service it was important to us to demonstrate to our customers best in class operations and food safety, and give them total peace of mind when choosing their plant-based ingredients from us. To do this we worked to achieve an AA rating from the British Retail Consortium and to achieve an ISO 14001 to further underline our commitment to managing our impact.

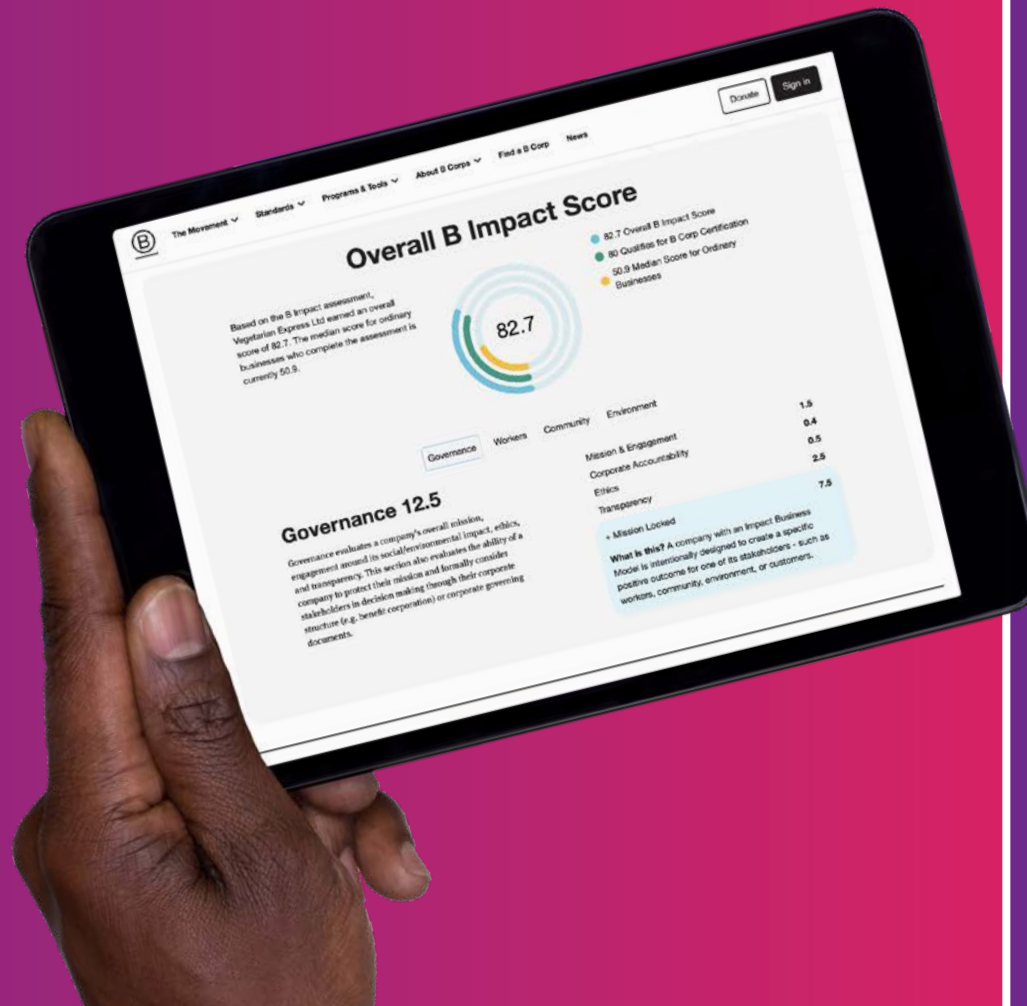
Business Transparency

We want to work in an environment where all of our stakeholders feel they can have a say and can be included in the discussion about how our business is performing. To do this we introduced quarterly briefings where we are open and transparent with our people about the financial health of the business and the opportunities and challenges ahead.

Our future ambitions...

Words aren't enough. We will only deliver our ambitions through action. By continuing to invest in our people, infrastructure, network, products and our service we will make Vegetarian Express a force for good. We will make it not only a business that people want to work in but also a business that people will want to work with.

Through continual betterment and ambitious goals we can increase the consumption of plant-based food, decrease the reliance on animal protein and achieve our vision of making a big positive environmental impact, and our mission to fill plates with plant-based goodness.



**Customer peace of mind
through best in class
operations and food safety**

