



brammibal's donuts

vegan donuts & coffee

The impact of a donut

Our 2022 impact and sustainability report



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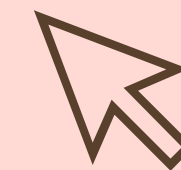
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1. Intro

Editorial letter

Dear donut fan,

Thanks so much for loving our donuts and for being a part of our journey. We don't know when you first entered one of our locations, but we're so grateful you've stuck around and decided to even read our full sustainability and impact report. We love that!

Brammibal's hasn't always been a chain. When we first started, it was just Jess and Bram frying donuts for friends' parties in their Neukölln apartment. It's thanks to people like you who are helping us show the world that it's possible to start an indie side hustle, turn it into a bootstrapped business, and – what's most baffling – be successful with it, too!

We have worked hard over the past nine months to conduct a Global Reporting Initiative-conforming (GRI) sustainability report. With this report, we want to introduce ourselves and show you what motivates us, how we make decisions, and how what we do impacts our community, our environment, and our planet. Most of all – what animals and our love for them has to do with it all!

Please read on if you want to know how we've turned a side hustle into a business and how we strive to make it more sustainable. More importantly, we'll look at what goals we set for ourselves and how we're planning to reach them.

On the following pages, we'll take you with us to our bakery, our office, our stores, our minds, and our hearts. Ready? Let's taste the real dough of Brammibals.

Yours,

Jess, Bram, and the Brammibal's Team

2. Sweet success

A snapshot of Brammibal's journey

At Brammibal's, we've achieved many milestones by making donuts that make people smile. Our commitment to sustainability drives our operations and all our decision-making processes, which fills us with pride.

- Discover the delightful highlights, goals, and accomplishments of Brammibal's Donuts.
- Get a taste of our commitment to sustainability and how it aligns with our values.

Our journey to make people happy with donuts:

22.05.2016
Maybachufer
Berlin

02.03.2018
Danziger Straße
Berlin

14.09.2018
Potsdamer Platz
Berlin

28.11.2019
KaDeWe
Berlin

01.11.2019
Bakery
Berlin

18.09.2020
Alexanderplatz
Berlin

08.06.2020
Warschauer Straße
Berlin

1.10.2022
Altona
Hamburg

23.12.2022
Schanze
Hamburg

31.03.2023
Gänsemarkt
Hamburg

01.12.2022
– 28.03.2023
HBF pop-up
Berlin

13.06.2022
Office
Berlin





"Before Brammibal's Donuts became a company, and before Brammibal's were called Brammibal's they were just donuts that we made in our kitchen to cheer up our friends."

Meet one of our founders:

Jessica Jeworutzki Co-Founder

How did you come up with the idea to make donuts in your kitchen?

When I was 15 or 16, I started my "unofficial" cake business. When I went to punk shows, I had a stand with cakes and sold them on a donation basis. I discovered my passion for baking when I became vegan. A couple years later, we were invited to a friend's birthday party, and I made donuts for that occasion. Everyone loved them, and I realized there were no vegan donuts in Europe.

How and why did you decide to turn it into a business?

Before Brammibal's Donuts became a company, they were just donuts that we made in

our tiny kitchen to cheer up our friends. We – Jess and Bram – were a nurse and a student/part-time musician with a shared love for vegan food.

The praise we got for our baking was amazing! People loved our donuts! In good old Berlin fashion, we started a side hustle and opened an Etsy store. Instead of crocheted DIYs, we offered vegan donuts you had to pick up from our apartment.

We quickly realized that there was a real demand for vegan donuts, so the logical next step for us was to put ourselves out there. We started selling at local markets and vegan events, and at every single one of them, we had a constant queue and sold out early.

We could not keep up and make enough donuts. It was time to make a choice, so we turned our side hustle into a full-time business!

We decided to take the risk and open our first brick-and-mortar shop at Maybachufer. It was possible because we saved all the money we made selling donuts at markets. But honestly, it was also very low budget. We had maybe € 20K, of which € 6K alone was to pay the deposit for the rental contract. We did everything ourselves with the help of friends. We had no choice. I also remember how, the day before opening, a neighbor glued our lock, so we had to call a locksmith and borrow € 500 from our friends to pay for the groceries for opening day.

You used to run a full-on brunch café? Why did you make the switch to just donuts?

Our first location was indeed not just a donut shop. We opened a brunch café that only sold organic foods. Even though the café was always busy, it looked quite different financially, so we sat down and ran the numbers with a consultant. We basically lost money with every breakfast plate we sold. Our food cost was just too high, and we had very high labor

costs. We often received negative feedback regarding our prices and did not feel comfortable further increasing prices. Our kitchen at that time was also too small, which eventually worked in our favor because we had to simplify our operations. So we decided to focus on donuts.

When we first started Brammibal's, we would have never thought that one day we'd sell our donuts at KaDeWe – a fancy department store mostly known for designer fashion, champagne, caviar, and posh teas. Or to busy travelers at Berlin Hauptbahnhof. Or even in another city outside Berlin!

Yet, when people from all over Berlin and even international travelers started queuing up, we felt like we had started a vegan revolution. We wanted to prove to ourselves that it is possible to bootstrap a vegan business and show others that business and morals go hand in hand.

What's your favorite donut?

The charity donut! It fills me with pride that we can do what we love while supporting organizations that do good in the world.



"When people from all over Berlin and even international travelers started queuing up, we felt like we had started a vegan revolution."

Our monthly charity donut

[GRI 415-1] Beginning in January 2018, we introduced a charity donut to support organizations whose work matters. We choose to support a range of charities that benefit animal welfare and social and environmental causes, including SeaWatch and Stiftung Solarenergie, so we can highlight their critical work and contribute to their operational costs. We donate € 1 for every charity donut we sell. Since launching this initiative and up until the end of 2022, we've raised € 334.844 thanks to the support of our customers. It was € 87.343 in 2022, and we hope we hit € 100K in 2023! That would be amazing!

Our stance on club memberships and political lobbying

We haven't joined any formal clubs and are not members of any associations. We do not lobby or support any political parties or politicians. However, we collect donations through our charity donuts that might serve as lobbying and political activism in some way.

You might say that supporting the Bundesverband Trans* is lobbying. Or you might say that supporting SeaWatch is political activism. And you might be right. But to keep things straight: We believe that we all have to do our part and support one another in creating the sort of world we want to live in. We want to live in a world where it doesn't matter what gender one identifies as or what clothes one wants to wear or where one wants to live. We believe in freedom of choice. Always.



Berlin

January € 6.668

Tierheim Berlin

February € 7.693

Nabu: Moorschutz

March € 7.148

Lasst die Tiere leben

April € 7.390

World Bicycle Relief

May € 6.134

Ingenieure ohne Grenzen

June € 4.896

Bundesverband Trans

July € 5.820

One Earth One Ocean

August € 6.900

Stiftung Solarenergie

September € 6.746

Sea-Watch

October € 8.451

Stiftung Mammazentrum Hamburg

November € 7.727

Kältebus

December € 8.769

Wünschewagen



Hamburg

October € 1.653

Stiftung Mammazentrum Hamburg

November € 667

Mitternachtsbus

December € 772

Wünschewagen

3. Meet the dough-makers

The ethics of the leadership team

Being an all-vegan brand is at the core of what we do! So many people say they don't like vegan food, but how many people do you know that don't like donuts?! Exactly! So Brammibal's isn't just another donut shop. It's a vegan donut shop!

Now you know how we started and where we are now. In this chapter, we'll tell you why we do what we do and why veganism is at the core of our mission and vision and the base of our sustainability efforts.

- **Learn about Brammibal's, our story, and what drives us.**
- **Find out how we're dedicated to making a positive impact on the world.**
- **Understand what ethics and morals are at the base of all our operations.**

Our mission

is to change the perception
of plant-based food –
one donut at a time.



Our values and guiding principles

Veganism

We believe a vegan lifestyle is better for the animals, better for the planet, and better for you.



Responsibility

We choose our ingredients and suppliers responsibly. We don't just want to do less harm. We want to do more good.



Continuous improvement

We always strive to make things better.



Approachability

We provide friendly service to our customers, treat each other with respect on every level, and are always open-minded.



Joy

We are not just a bakery business; we believe we spread joy. Visiting Brammibal's Donuts can turn a bad day into a good one. Our employees feel empowered to be themselves. Yes, we work hard, but we also have fun while doing it.



Our business model

[GRI 2-6] We make and sell our handmade donuts. We have eight classics on the menu, and every month, we create a selection of seasonal donuts. We always offer a charity donut and donate one Euro for every donut sold.

Additionally, we offer a selection of plant-based drinks. Hot and cold. And for fun, we also sell merchandise like socks or reusable coffee cups.

Our five secret business ingredients

Simple offering

Focusing on what we're good at. With our first café, we tried to do it all. We had a brunch menu, bagels, and, of course, our donuts. However, we made things more complicated for ourselves than necessary. Simplifying our offering to just donuts made managing our resources easier and paid off in the long-term.

Responsible money management

We've only always spent what we've earned. We've grown Brammibal's by reinvesting our earnings into opening new locations. To us, every one of our donuts can be an entry point to a plant-based diet.

Consistent quality and cute-looking donuts

Our donuts are 100% handmade. Most of all, we create every single one with great care. Seeing your pictures of our donuts shows us that you love what we do, which means the world to us!

Fun and memorable experience

We believe that a big part of our success goes back to the great customers at our shops, to opening up our amazing pink packaging when you are home.

Love for animals

Everything at Brammibal's is plant-based. Our dog treats, too! Additionally, with our charity donuts, we donate to selected charities whose work we want to support.

Code of conduct

We want people to feel really good at Brammibal's – either working, as a customer, or when interacting with someone from the company. That's why we have a written code of conduct that covers topics like respect toward veganism, confidentiality, boundaries and safety, zero-tolerance policy, and embracing teamwork. In collaboration with management, our dedicated Works Council plays a crucial role in upholding these principles and fostering a supportive workplace. Having formalized our expectations for employees and how they act toward each other and our customers has been beneficial, which is why we plan to create a comprehensive code of conduct for our suppliers, too.

What's a works council, and what do they do

We all have our blind spots. That's why creating formal structures to represent all interests is essential. Since 2021, we've had a Works Council composed of six democratically elected representatives. One of the members acts as a substitute member.

Employees from the bakery and the shops are represented. They meet every two weeks, and once a month, they meet with the management representatives to ensure all concerns are heard.

Employees can contact the Works Council directly (in person or via email) or anonymously via a Google Form.

Our zero tolerance policy

We strive to create and maintain a work environment where people treat each other respectfully and act based on mutual trust. We want everyone to feel truly respected and truly welcome. That's also what made us create a zero-tolerance policy!

We firmly prohibit any form of behavior that undermines our values, including physical violence, verbal abuse, harassment, racism, sexism, homophobia, transphobia, discrimination, and theft of any sort, and coming to work under the influence of alcohol or drugs is an absolute no-go! All our employees are expected to adhere to this policy, and violations may result in immediate termination. If anyone witnesses any sort of violation of this policy, they're encouraged to file a complaint. This won't influence their employment status, and we handle all complaints with the utmost confidentiality. We want people to trust and feel trusted. And we also want them to feel safe at all times.

[GRI 406-1] However, despite trying our best to prevent intolerable behavior, there were two cases of harassment and one case of discrimination in 2022. Both incidents happened on the way home after work; however, because they fell under what we internally classified as harassment, we immediately offered support to the respective employees. We helped them file a police report and offered the opportunity for psychological support. It's important to note that psychological support is accessible to our employees without the need for management's involvement.

Implementing a whistleblowing system for transparency and accountability

You might have never heard of whistleblowing until Edward Snowden became the talk of the internet. He made the extent of global surveillance programs a major public discussion. Now, there have been a lot of whistleblowing scandals, and it doesn't come as a surprise that all companies must think about how to ensure their ethics are the same for all employees. At the end of the day and with a company the size of Brammibal's, it's impossible for Jess, Bram, and others from the management team to have their eyes everywhere to ensure there is no violation of Brammibal's ethics, integrity, and accountability across the entirety of operations.

We have implemented an HR and Works Council reporting process for employees to report any misconduct. In 2023, we will implement a whistleblowing system to provide a confidential and secure platform for employees, customers, suppliers, and other stakeholders to report any concerns, misconduct, or violations they may witness within our organization. We value the input and feedback of our stakeholders and recognize that their voices play a crucial role in helping us identify and address any issues that may arise.

We encourage everyone – yourself included – to speak up if you ever become aware of any behavior or actions that contradict our values or legal obligations. Together, we can foster a culture of accountability and ensure that Brammibal's remains a place where we all feel safe and welcome. Nonetheless, we are happy to say that there have been no reported cases of corruption or bribery in 2022. With that said, let's introduce you to the other person that puts our values at the core of what this company has become.





"We did get a letter from the government that we must put a warning sign on our website that we're a vegan business."

Meet one of our founders:

Bram van Montfort

Co-Founder

Why is Brammibal's Donuts a fully plant-based business?

From the start, the goal has been to make vegan food more fun and approachable. We were both already longtime vegans, and it was one of our dreams to start a vegan company. Ultimately, we wanted to show the world that veganism is the future and that you can run a successful business selling only vegan products. We hope people will be inspired by this and start their own vegan ventures.

Back in the day, Jess became vegan for the animals. For me, it was initially mostly about the environmental aspect. I was already a vegetarian, but when I learned about the envi-

ronmental impact of dairy, I didn't want to be co-responsible for that. Veganism seemed like an easy change I could make in my personal life to do something good. Only once I became a vegan did I really learn about the suffering that happens in milk and egg farms, which only reinforced my decision. Before that, I wasn't really exposed to that side of food production.

Do you face any hurdles because of the decision to make Brammibal's a vegan company?

No, I think it's actually an advantage. Every once in a while, we get a customer who's completely baffled that everything is vegan,

and they then decide not to buy from us. But mostly, it's the other way around. People come to us because we're a vegan business, because we stand for something. We did receive a letter from the government stating that we must put a warning sign on our website indicating that we're a vegan business, which seems a bit silly.

What would you say are the benefits of being a fully plant-based business?

First of all, it's a huge plus to have a mission baked in. You will automatically connect with your customers and employees. People will want to support your business or work with you because they also believe plant-based food is the future. Another advantage is that, if you're starting a vegan food business, meeting hygienic requirements is much easier. From an operational point of view, it's simpler because you don't have to maintain a separate storage room for certain groceries or worry about salmonella.

Why should companies consider putting veganism at the core of their business?

We believe it's the future! When you open a business, you want to create a positive and happy place, but then you hide all the suffering behind the scenes before it reaches people's plates or shopping bags. I just don't think that makes any sense.

What's your favorite donut?

Strawberries & Cream!



"From the operational point of view, it's much easier to run a vegan business because you don't have to have a separate storage room for certain groceries or worry about salmonella."

4. The base ingredients

What makes the right dough

While sustainability is generally essential, when you break down the different topics, they don't all have the same impact. It's important to distinguish between topics that must be prioritized and dealt with immediately and that can be deferred.

- Dive into the key topics that matter most to Brammibal's and our valued customers.
- Learn about the issues we prioritize and the reasons behind our focus.

Our sustainability strategy

Environmental stewardship

We strive to minimize our environmental impact by conserving resources, reducing waste, and adopting renewable energy solutions.

Social responsibility

We are committed to fostering a positive and inclusive work environment, promoting ethical business conduct, and supporting local communities.

Product excellence

We continuously improve our product offerings, ensuring the highest quality vegan donuts that delight our customers while adhering to our sustainability principles.



At Brammibal's, sustainability is deeply embedded in our operations and strategic decision-making processes. Our sustainability strategy is a roadmap for achieving our goals and making a positive impact.

Our materiality analysis

GRI 3-1, 3-2] When a company decides to start managing and – even more importantly – talking about sustainability, it's important first to conduct a materiality analysis to analyze the most significant issues and identify the company's biggest levers. That's why a materiality analysis must be at the core of every properly conducted GRI-conforming sustainability report and ideally the point of reference for all communication campaigns.

The Corporate Sustainability Reporting Directive (CSRD) has recently introduced the concept of double materiality. This means we consider two dimensions to identify material topics: our impact on the world around us (inside-out) and the influence of external factors on our business (outside-in).

At Brammibal's, we report based on the Global Reporting Initiative (GRI) to make our report concise and, most of all, comparable to others. Our materiality analysis helped us identify environmental, social, and governance (ESG) topics that are most relevant to our stakeholders and the business.

For this first report, we collaborated with an external consultancy facilitating a collaborative process. They surveyed internal stakeholders, including our management and top leadership, or – as others would call it – the C-level employees.

Relevance for stakeholders (GRI)

● High ○ Low

● Employees

- 1 Equal opportunities and diversity / equality
- 2 Fair working conditions and remuneration
- 3 Occupational safety and health
- 4 Education and training / employee development

● Environment

- 1 Waste management / food waste
- 2 (Climate-related) emissions and environmental footprint
- 3 Environmental pollution
- 4 Species conservation and ecosystems
- 5 Handling substances hazardous to health and the environment
- 6 Water and wastewater

● Management and processes

- 1 Ethical business practices / code of conduct
- 2 Complaint mechanism / whistleblower system
- 3 Compliance with due diligence
- 4 Data security / data protection
- 5 Stakeholder involvement and participation / stakeholder dialogues

● Product and production

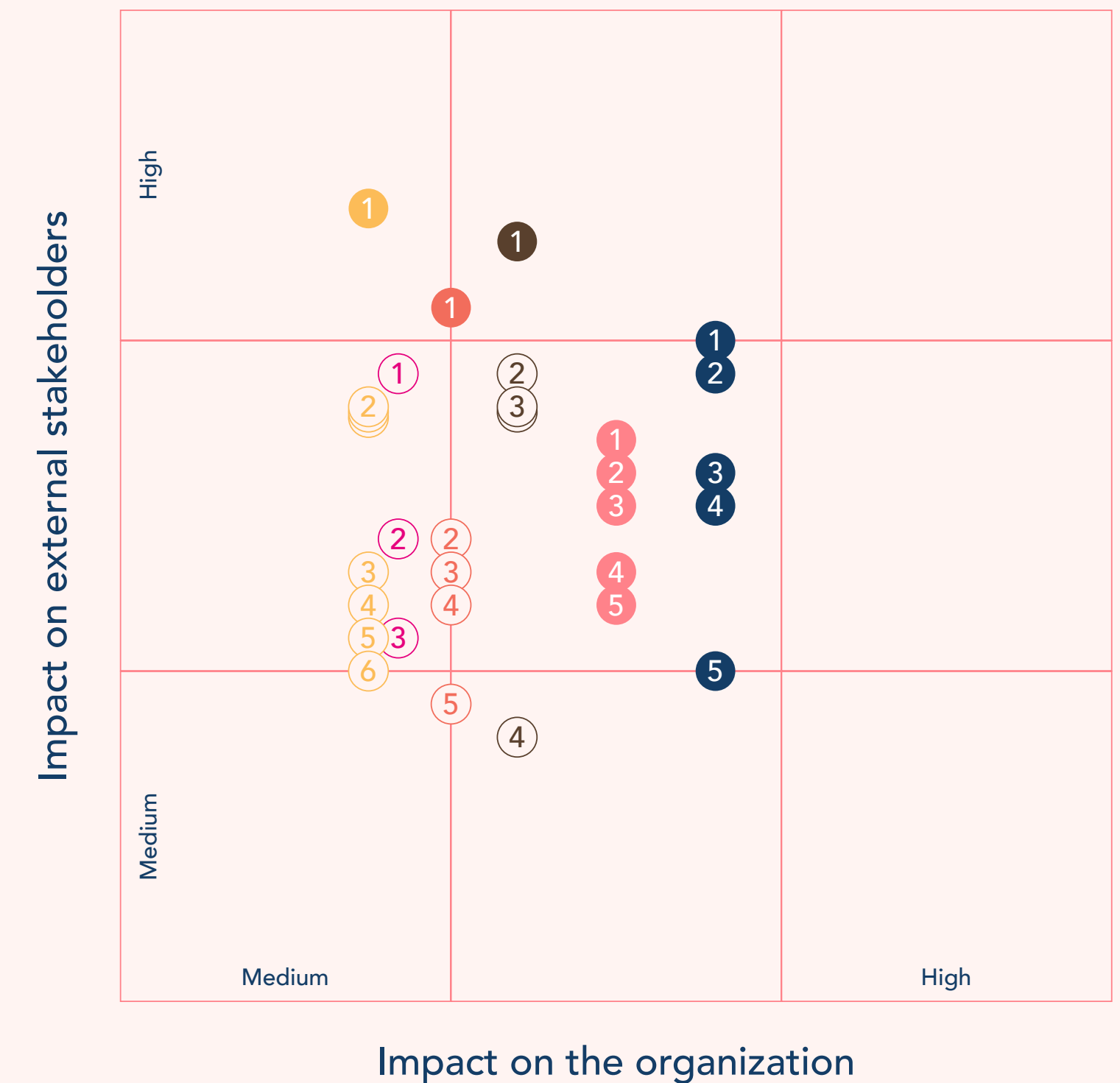
- 1 Product labeling and marketing
- 2 Resource efficiency
- 3 Sustainable innovations / research and development in production
- 4 Recycling and circular economy
- 5 Certificates

● Society

- 1 Community engagement
- 2 Securing and creating jobs
- 3 Promotion of regional economy

● Supply chain

- 1 Raw material procurement and security of supply
- 2 Supplier management / selection and evaluation of suppliers according to sustainability criteria
- 3 Responsibility in the supply chain (social and ecological aspects)
- 4 Sustainable transport
- 5 Share of regional suppliers



Based on the analysis, we determined the following material sustainability topics:

Waste management and food waste

Any type of waste is not only a weak point from the environmental perspective but also from the business perspective. In a nutshell: The more precise our sales predictions, the less waste we generate. Learn more about our challenges and initiatives to reduce food waste in the stores (p. 29) and in our bakeries (p. 30) and what we do to reduce packaging waste (p. 57).

Equal opportunities and diversity/equality

We believe working at Brammibal's is "a great first job." We don't expect people to have years of experience. Instead, we offer concise on-the-job training. To attract diverse talent, we don't require applicants to include a photo or their date of birth in their application. If you are curious about what else we do to create a great work environment and what goals we set for ourselves for 2023, then read the Sprinkling happiness: Nurturing our people and community chapter, starting on p. 34.

Ethical business practices

Brammibal's is a founder-owned, bootstrapped company. Driven by a vision of running a profitable vegan business supporting under-represented communities and protecting animal rights, Brammibal's has high ethical standards. Learn more about our founders (p. 6 and p. 15) and our charity donations (p. 8) to better understand how we roll and what matters to us.

Product labeling & marketing

Communication for vegan products is a whole new category. Naming is especially challenging because of the hurdles caused by animal agriculture lobbies. (Read more on p. 48.) Additionally, because donuts are not the healthiest of all products, we balance how much we hype the delicious and sugary treats. Read more about our ethical marketing guidelines (p. 49) and how our marketing manager navigates marketing and communication for a vegan brand (p. 50).

Resource efficiency

After years in business, we've concluded that we must professionalize many of our DIY and indie practices. With growing sales comes growing responsibility, so we invest in optimizing all our operations to reduce energy use (p. 55), water consumption (p. 58), and food waste (p. 29, 30, 31).

Sustainable innovations/research and development in production

To eliminate all inefficiencies in our business operations and reduce unnecessary waste, we dedicate our time and resources to research and development to foster sustainable innovation. Read the interview with Nora Schuler (p. 32) to learn more about our efforts.

Recycling and circular economy

While waste reduction through optimizing our processes and repairing whatever needs to be repaired is our first choice, recycling comes second. We've introduced reusable boxes to offer our customers a way to transport donuts without unnecessary waste. Find our waste statistics on p. 57 and learn more about our reuse system on the same page.

Certificates

After years of learning by doing, in 2022, we standardized our practices to pursue various external certifications. We also pay attention to certifications whenever we make supplier decisions. Learn more about our certification process on p. 63 and our choice of suppliers on p. 24.

Raw material procurement and security of supply

Climate change and political instabilities make it evident that supply stability should not be taken for granted. We pursue long-term relationships with our suppliers and partners to ensure high-quality and ethical sourcing practices. In this report, you can find interviews with some of our favorite suppliers (p. 25 to 28).

Supplier management/selection and evaluation of suppliers according to sustainability criteria

We evaluate the sustainability standards and working practices of all potential suppliers. Ideally, we pursue long-term relationships with suppliers so we can nudge them to strengthen their sustainability efforts. Read more in the fifth chapter The good fillings: Ethical sourcing and disposal of ingredients, starting on p. 23.

Responsibility in the supply chain

Ethical sourcing is among our top priorities. Child labor and slavery are not uncommon in coffee and cacao bean sourcing, which is why we work with trusted partners that ensure the ingredients we use are child-labor- and slavery-free (p. 25 to 28).

Sustainable transport

It's our goal to minimize our negative environmental impact by replacing all our gas-powered vehicles with electric vehicles (p. 61). Additionally, we encourage our employees to take public transport by subsidizing their subscriptions (p. 41).

Share of regional suppliers

As a business, we want to be part of a thriving community, which also means that we prefer to do business with suppliers from Germany. It's important to us to pursue long-term partnerships with the people we do business with and improve various processes, such as packaging sizes and sustainability standards (p. 24).



The Doughnut Economy

Making fun, sweet donuts is at the core of what we do. However, donuts have a much deeper meaning in today's society. Yes, we're talking about the Doughnut Economy, an economic model designed by Kate Raworth, which is a visual framework for sustainable development shaped like – you guessed it – a donut!

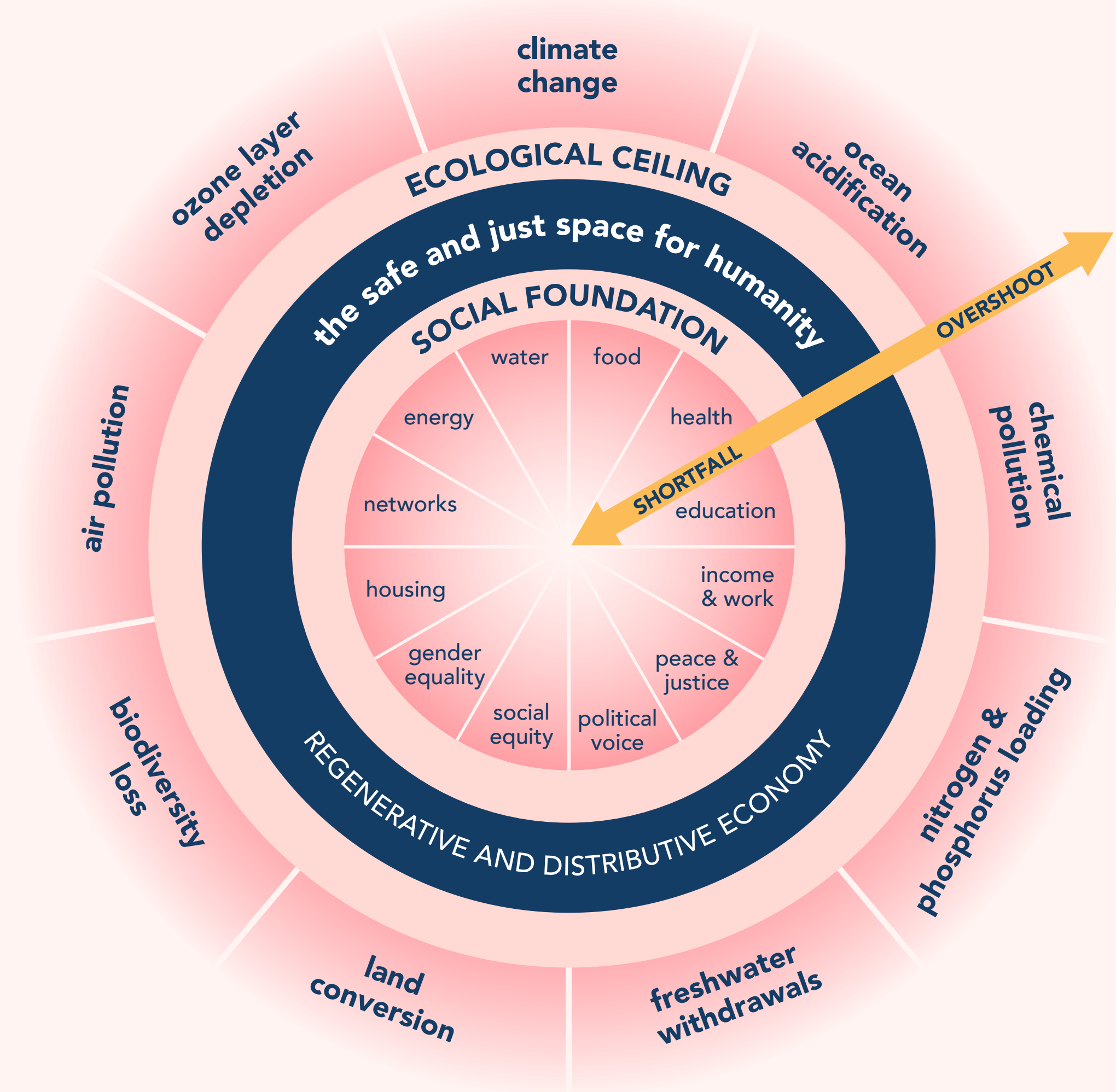
The idea behind the donut is that our economic activity must remain within the donut. The inside of the donut is the social foundation. The outside marks the environmental ceiling.

As part of our sustainability strategy, we've discussed all planetary boundaries and social threats to analyze what risks we face as a business due to climate change and how we want to operate to ensure we treat everyone along our entire supply chain fairly.

The climate crisis poses new challenges to all businesses. For us specifically, it's the availability of ingredients like flour, sugar, oil, and yeast and the availability of fresh water and presumably the rising cost of water in the future, plus the fact that people just eat fewer donuts when it's hot. Brammibal's makes for the perfect comfort food but is not the go-to treat when trying to cool down.

As a business, we want to balance within the donut, so we've implemented several measures, which we will explain to you throughout our impact report – whether it's our charity donut donations to support the most vulnerable among us, our contribution to food saving, sourcing as locally as possible, or looking into the details of where our coffee and our chocolate beans come from.

We'd like to invite you to learn more about Doughnut Economics and question the practices of the companies you support with your wallet or your share on social media.



5. The good fillings

Ethical sourcing and disposal of ingredients

Delve into the details of our approach to ingredients sourcing. In this chapter, we discuss our commitment to making donuts out of high-quality, ethically produced ingredients, including organic and local options whenever possible.

- Explore our recipe for sustainability and the steps we take to ensure a positive environmental and social impact.
- Discover how we're crafting our vegan donuts with care for the planet and people.
- Understand how we minimize food waste.

Our environmental purchasing policy

[GRI 2-6] Sustainable purchasing involves the critical evaluation of products (physical and digital), services, and processes that move the company toward procurement decisions that provide the best value; i.e., the total cost of ownership with the lowest environmental and social impacts. In the social, environmental, and, of course, economic context, it matters where things come from and under what circumstances they were made, grown, and eventually delivered to us.

The goods for which we set up our purchasing policy include electronics, machinery, food or food services, product input materials, vehicle fleet, cleaning products, and digital software.

When making a purchasing decision, we consider external certifications, organic quality, and local options. We also look into the environmental attributes, such as how much waste the product generates during its use and disposal (which applies to food ingredients, too) and the cost of disposal arrangements. Obviously, with products, we also question whether we must buy new or can identify a product with high environmental

efficiency standards. Especially with electronics, we question if a product can be bought from a refurbished source or, if we cannot use it anymore, if it can be disassembled for reconditioning and reuse.

We also consider the social aspects: Where was the product made or the ingredients grown? Are employees provided with a safe and healthy working environment? And how about third-party audits?

Some signature ingredients of donuts are especially troubling when sourced from the mainstream market. Cocoa beans or our favorite drink – coffee – are some of the most polarizing ingredients in this sense. That's why we'd love to introduce you to some of our long-term partners and why we chose to work with them.





"Sustainability and quality can be achieved by understanding possibilities, potential, and long-term goals."

The sweet kind of coffee, the purest taste:

Henrik Haavisto

Founder

Populus

You've been Brammibal's coffee partner since the beginning; what should people know about Populus coffee?

From our years of experience, we concluded that, for us, the best way to work with coffee sustainably is by getting to know our partners personally.

This means a direct relationship with the producer or a local coffee project working with and for smallholder coffee farmers. Sustainability and quality can be achieved by understanding possibilities, potential, and long-term

goals. We strive to learn more about the realities under which our partners work and collaborate accordingly. This goes for producers and our customers brewing and enjoying the final product. Our long-term goal is to improve quality throughout the supply chain.

As our partner, Brammibal's has had an important role in supporting many producers. This kind of longevity and understanding of the product is rare, and I greatly respect Jess and Bram because of it. And so do our coffee-producing partners.

What are the difficulties of mainstream coffee?

I wish that more people would start looking at coffee as the high-value product it truly is. Nowadays, it's easy to demand information about what you consume, by whom it was made, and under what conditions it was produced.

The coffee industry and the supply chain were built by "The West." The industry as a whole, at its core, is colonized and has been for centuries. Coffee as a product has been introduced everywhere in the world, except Ethiopia and South Sudan, where coffee originated.

Climate change has a big effect on coffee, too. Coffee land, where you can produce coffee, is diminishing, and although it's getting harder to grow coffee, coffee prices remain meager. In "The West," coffee remains a low-value commodity. People are not willing to pay the price coffee should cost, which is, of course, increasingly unsustainable. In reality, coffee is a luxury product and becoming more so daily.

The way the industry operates needs to be more transparent. What's worse, many big coffee roasters are trying to take advantage of the Third Wave Mindset and brand themselves accordingly. That's just greenwashing.

What do you like about your partnership with Brammibal's?

For me, Brammibal's is an ideal partner. Meeting people with such high morals and strong values in the hospitality industry is uncommon. They also use their growth to improve their positive impact. They understand the value of coffee beans and have never tried to negotiate the price. They care about quality and good working conditions. I've been super happy to work with them since the start.



"Climate change has a big effect on coffee, too. Coffee land, where you can produce coffee, is diminishing."

Why all our coffees are served using Oatly

We used to offer more milk alternatives (soy, almond, even spelt at some point), but it just made the workflow a lot more confusing, leading to more waste. When Oatly Barista was introduced, we thought it was the best-tasting milk alternative, and we think it's still true to this day. For us, it's most important that customers who are not vegan and get a coffee with oat milk have the same experience as with dairy or even better. So many cafés offer plant milk, but it does not work well with the coffee at all or simply tastes terrible, so we're just sticking with Oatly because we know it will make customers happy.





"We know every one of our farmers personally, which is why we can truly say we're 100% slave-free."

Why you should always ask who made your chocolate:

Patrick von Vacano Founder Original Beans

You're Brammibal's chocolate supplier. What should people know about your cacao beans?

Original Beans stands for ethically and, most of all, directly sourced cacao beans. We know every one of our farmers personally, which is why we can truly say we're 100% slave-free, and there's no child labor in our supply chain. We built a complete supply chain from the rainforest all the way to the consumer. Compared to fair trade, we pay about 2,5 times more to the farmers. Last but not least, the cacao beans we source are not grown in monocultures.

What are the difficulties of mainstream chocolate?

It's the industry with the most child labor, people working in slavery. It's the industry that's responsible for eroding rainforests and forests. It's just a very dark industry.

What do you like about your partnership with Brammibal's?

We both have the same values in terms of quality and ethical sourcing. Naturally, as businesses, we must also discuss pricing. However, Brammibal's has never asked us to lower the price. They understand that fairness in this industry has its price and respect that. It's just a really good partnership.

The industry's (but also our) problem with food waste

If you ask us about the dark side of our business model, we will all agree it's food waste – the leftover donuts in the shops every night after we close our doors to the public and even before our bakery staff hands the donuts to the delivery fleet.

Our society normalized full shelves right before closing time. "The customer is king, queen, or simply royalty." This is a mantra most businesses obey. We keep our shelves stocked until late to ensure all our customers have the same customer experience we pride ourselves on so much. We want to delight and inspire people, proving vegan donuts' deliciousness. Yet, we pay the price of wasting costly resources.

From the start, we decided to donate our donuts to food sharing to at least make sure someone somewhere feels the happy spark of biting into a donut. However, as our business grows so do our donations to food saving, which is not sustainable in any aspect. So one of the most important goals we've set is to reduce our unsold leftovers going forward.



How perfect is too perfect?!

Each and every donut is made by hand, and our bakery team takes a lot of pride in how beautiful our donuts look. The first impression, the choice of ingredients, the surprising filling once you bite into one of our donuts. To reduce our food waste in our shops and our bakeries, we had to reconsider when a donut is "good enough." Do our customers even notice when a sprinkle is not as perfectly aligned as we tried to make them look?! We've already changed our processes and cut food waste. Read more about it on the next page.

Food management operations goals

In the past, we set up systems like donating to food sharing or creating new recipes to use surplus ingredients instead of wasting them. However, given our growth as a business, our waste (despite being charitable) grows, too. That's why we set ourselves strict reduction goals.

1

Reduce food waste in shops

Responsible manager:
Jeremy Deane

KPI:
% of unsold donuts by the end of the day

Current state	Target mark
2022: 20%	2023: 10%

Planned measures:

- Track sold donuts by type
- Compare to last season(s) data

2

Track 100% of food waste from bakeries

Responsible manager:
Ben Brown

KPI:
Kg of food waste

Current state	Target mark
2022: Not tracked	2023: Start tracking food waste in bakeries

Planned measures:

- Measure and analyzed what gets wasted and why
- Introduce food waste tracking system and train employees on how to make the waste protocol at bakeries

3

Recycle frying oil purchased

Responsible manager:
Nora Schuler

KPI:
% of purchased frying oil recycled

Current state	Target mark
2022: 31% of purchased frying oil recycled	2023: 40% of purchased frying oil recycled

Planned measures:

- Brammibal's Upcycled Soap collaboration with NICAMA
- Oil recycling program with Gerlicher



Meet our bakery operations manager:

Nora Schuler

Operations Manager

"We've analyzed what ingredients are sensible for us to create from scratch and when it makes more sense to buy them instead to extend the durability."

Why is food waste management such a material topic for your company?

Donuts aren't particularly durable. They just taste the best if you eat them fresh. Unfortunately, we struggle to predict which donuts are popular on different days, so food waste is inevitable.

We differentiate between food waste before it becomes a donut and unsold donuts, which we donate to food sharing. We have developed different strategies to reduce waste in both categories.

All our donuts are a labor of love. We decorate each by hand, and it's quite painful to see them go to waste. In the bakery, we now ask ourselves how perfect is too perfect and how to adapt the donuts to meet our quality standard and reduce waste. We've also developed an AI tool that analyzes what we sold in the previous year so that our shops can optimize their donut orders based on past data.

What ideas have you experimented with to lower food waste at Brammibal's?

At Brammibal's, we love high-quality donuts, and we love to create them from scratch.

However, we've learned that it doesn't always make sense. For example, if we make a filling ourselves, we must use it within three days. Unfortunately, we cannot control how many donuts of that kind will get sold, which means that, after three days, we must dispose of that filling. We've analyzed what ingredients are sensible for us to create from scratch and when it makes more sense to buy them instead to extend the durability.

We also use surplus ingredients to create new recipes that are sometimes our weekend special. The tiramisu donut became extremely popular; however, originally, we only made it to use surplus coffee.

Does food waste management impact your production plans?

Definitely! Usually, our planning cycle is six months. Our team makes suggestions. Our recipe developer creates the first iterations, which we then test before she adapts the recipes. Theoretically, we know months in advance what donuts we want to sell in six months. But when I notice a surplus of something we need to use up, we change our plans accordingly.

We used to place much bigger bulk orders in the past. Now when we introduce a donut, we wait for how well it does in the shops before ordering all ingredients without knowing if we will be able to sell the donut as well as we had hoped to.

How do seasons play a role in the development of your donut recipes?

We have our classics all year round. Our monthly specials are inspired by the seasons. In the winter, the flavors have a lot of nuts and herbs. Pumpkin spice is one of our popular autumn specials. In the warmer months, our donuts are fresh and fruity. In May, you can get a rhubarb crumble. In the summer, you can get donuts with different kinds of fresh berries that we ideally source from suppliers based in Germany.

What's your favorite donut?

Cinnamon sugar!



"Now when we introduce a donut, we wait for how well it does in the shops before ordering all ingredients."

6. Sprinkling happiness

Nurturing our people and community

When we started Brammibal's, it was mostly friends who helped us run the shop. Then, as our business grew and our operations matured, our friends told their friends and so on. With nine locations in two cities, it's no longer just close friends. Eventually, we thought about how we wanted to hire and treat people who work with us.

In this chapter, we'll tell you more about what it's like to work at Brammibal's – from applying to training programs, career development, and benefits and also why, for many, Brammibal's is a great first job but likely just a stepping stone on their way to fulfilling their career dreams.

- Share our dedication to social responsibility and employee well-being.
- Discover how we foster diversity, ensure fair labor practices, and engage with our local communities.

The people it takes to make Brammibal's what it is

GRI 2-7] In 2022, our total workforce grew to 122 employees (30% permanent; 70% temporary), of which 4% identify as diverse, 32% as male, and 64% as female. All our employees work at one of our business sites in Germany. Most of our employees work at Brammibal's part-time (75%), but some are there to serve you delicious donuts full-time (25%).

Fluctuation at an all-time high

Do you remember the time before COVID-19? While it's a slightly blurry memory and it was still really hard to get an "Anmeldung" in Berlin, things back then definitely felt at least somewhat more stable.

Looking at our employee stats, people stayed with us longer. On average, before COVID-19, our employees worked at Brammibal's for 12 to 18 months. Before COVID-19, our fluctuation was at 44% and below the industry average. However, last year was really tough!

We've seen a fluctuation of 89%. Most people only stayed with us for about six months. Especially in the shops, most of our employees decided to pursue a career outside of the gastronomy or hospitality industry. We realized that, due to the higher level of sickness (Germany-wide), the employees that showed up to work had to work twice as hard because they were covering for their sick colleagues, which then probably made them more likely to get sick. A vicious cycle really and fingers crossed it's over now.

As you can imagine, working in hospitality during the pandemic was especially difficult. Our staff had to do physical work while wearing masks all day. The hospitable and social aspect is why so many of us love this industry, and when those aspects were challenged, we honestly think people were just really tired.

At least, that's what we see now as we review applications that reach us. Many experienced workers started building a career elsewhere, and most of the applications we receive are from people curious about what it's like to work in hospitality. It does make us proud they consider us as a stepping stone in the hospitality industry.



How we make sure everyone has a fair chance at Brammibal's!

As long as applicants consider themselves trustworthy, reliable, punctual, and respectful of the vegan lifestyle, we're happy for them to apply. We set up an online process and encourage all applicants to abstain from sending us their pictures or telling us their ages. While speaking German is a plus, we're also fine with employees that speak English only. For most jobs, we don't require formal training because we have developed our training on-site.

During the entire recruiting process, we use gender-neutral language to be more inclusive. In the application form, we invite people to choose their pronouns, and we make sure to respect their chosen pronouns at all times.

We encourage people to apply even if they don't meet all the eligibility criteria. Statistics show that women, in particular, are less likely to apply if they don't meet all the criteria in the job description, so we make sure they feel empowered to do so anyway.

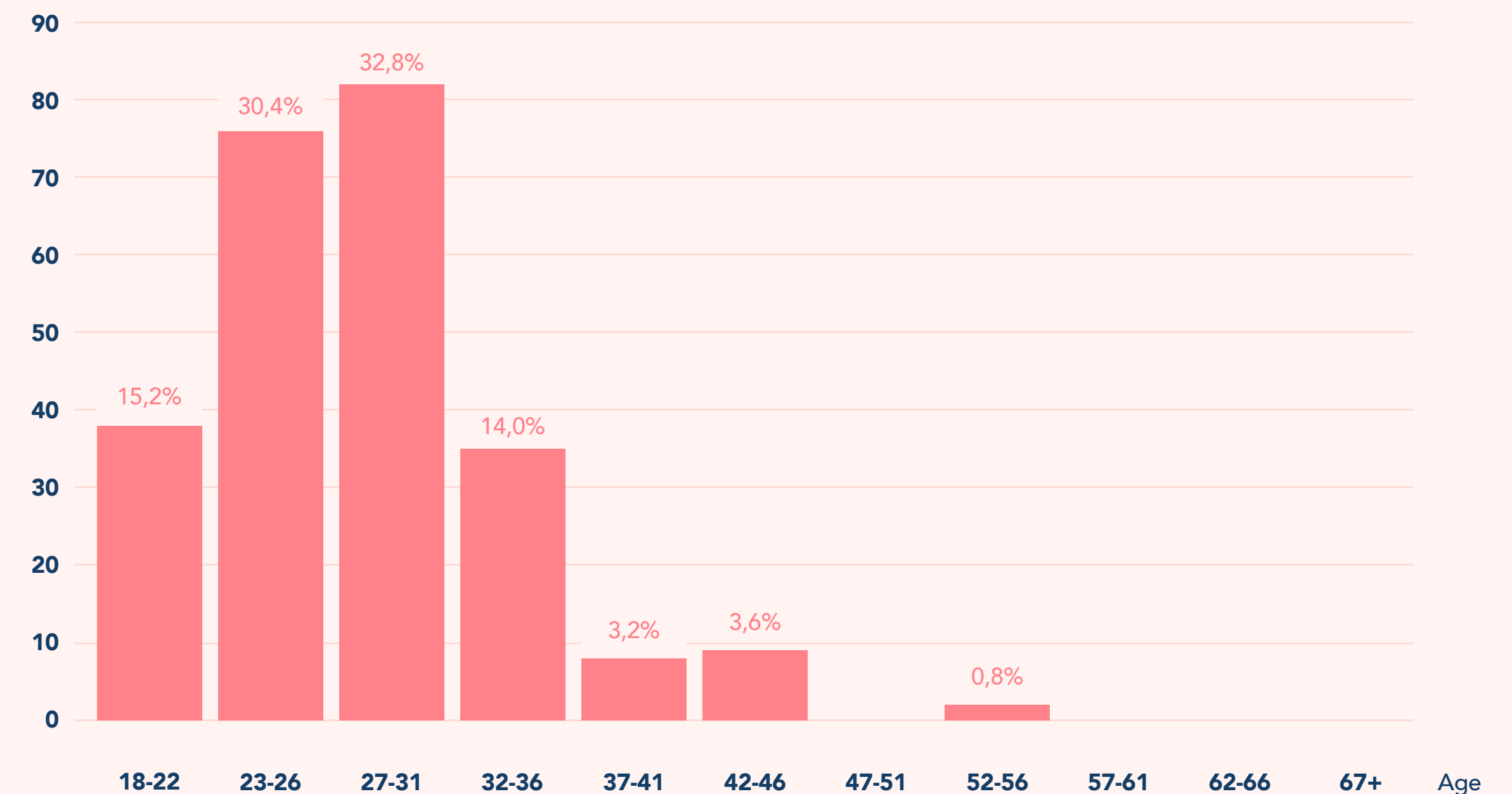
Furthermore, we actively encourage individuals from disadvantaged groups to apply for positions within our organization through an anti-discriminatory disclaimer under each job posting. At Brammibal's, we treat all applicants equally, regardless of gender, color, ethnic or social origin, language, religion or belief, age, marital status, disability, sexual orientation, or gender identity. And to make sure that no personal bias overlooks a viable applicant during the application process, we always involve several people throughout the process.

Regarding gender, we are happy to have such a diverse workforce. Currently, out of our upper management, 50% are female. Regarding our location managers, the rate is even higher, with 56% identifying as female and 11% as diverse. However, we're a pretty young company (see figure below), and we currently do not employ any people with disabilities, so we'd love to attract applicants from more diverse age groups, as well as to become more inclusive of disabled employees.

[GRI 2-7] Employees

Number of employees

Total number of employees
250



Hands-on learning at Brammibal's

[GRI 404-1] At the end of 2021, we developed a digital onboarding platform for all positions to improve the Brammibal's learning experience. Given our new employees may join us without prior experience, we created learning journeys that are optimized to teach basic skills but also deepen people's knowledge so they can be considered for promotion and extra pay.

Most of our location managers and a significant number of our HQ employees were promoted from within. It's important to us that all our employees understand how they can develop their skills and careers long-term, which is also why we created an internal training program.

In 2022, we had internal training in the bakery and the shops. The training per bakery employee was 104,5 hours (4180 hours total) and 38 hours for shop employees (2210 hours total). The training is used mainly for learning in one's position, working on the content from our e-learning platform, and learning new skills for reclassifications and promotions. Furthermore, one of our bakery managers received external leadership training totaling 48 hours. Currently, the back office team's training hours are not formally tracked.





How we're hiring from within:

Chiara Priesen

Bakery Manager

Hamburg

"What I like about Brammibals as a workplace is that, from the moment an employee joins, everything is set up for them to progress."

Can you tell us about your journey with Brammibal's, starting from when you joined as a baker and now to your position as bakery manager in Hamburg?

I trained as a confectioner in Switzerland, where I'm from. I am a vegan, and my former employers and the places where I applied weren't too open about veganism. I then left the industry and took an office job.

I used to be a customer at Brammibal's Donuts Danziger Straße, and I saw that they were looking for bakers and confectioners. I was quite nervous about applying and super happy when I got the job. I started working at the

bakery in Berlin in 2020. Then, in 2022, they asked me if I'd like to become the bakery manager in Hamburg. I always had a secret dream to live in Hamburg, and so I immediately said yes!

With the implementation of our digital onboarding platform, how do you think it has improved the learning experience for new employees? Have you personally witnessed any positive changes since its introduction?

It definitely improved the quality and the efficiency. Before, we used Slack to exchange information, but, by the nature of the platform,

the information wasn't permanent. Plus, you didn't know if everyone read it – and even more important – if they understood what it said. Now, everyone receives the same information, and I, as a manager, can see if and when people participated in specific learning sessions and if they understood the information or whether they needed additional explanations. That's really helpful.

The way we use tech at Brammibal's is very modern; for example, we use iPads for all recipes so when there's a change, we change it digitally. In other bakeries, we'd just scribble corrections into recipe books. It was very chaotic. Now, with how we do it at Brammibal's, it all feels easy and orderly. I really like that.

In 2022, the bakery employees received 104,5 hours of training each, while shop employees received 38 hours. How do you believe this training has impacted the overall performance and growth of the team members?

When someone joins Brammibal's, it takes about three months before they can work all by themselves. The first three months I always make sure to consider who I team the new team member with so that they learn the different steps and have someone by their side they can ask for help.

Brammibal's values career development and promotes from within. How do you intend to support and encourage other employees in their career paths, ensuring they have the opportunity to grow and advance within the organization?

What I like about Brammibal's as a workplace is that, from the moment an employee joins, everything is set up for them to progress. In other bakeries where I worked, you'd join and that was kind of it. Here, you really feel like you can grow within the organization.

In your opinion, what sets Brammibal's apart as an employer when it comes to fostering growth and offering opportunities for career advancement?

As a manager, my plan is to train everyone on the team so that they are capable of doing the different steps in creating a donut. Even as a trained confectioner, you might have never made donuts so there's always some level of training necessary. Also, a lot of people who work at our bakeries aren't trained bakers or confectioners, so it's really important to consider individual skills and talents and support everyone in their own learning journeys.

As the bakery manager, what are your short-term and long-term goals for the Hamburg bakery? How do you plan to achieve them?

I currently focus on getting the team ready for the busy period. People tend to buy more sweets in the colder seasons, so it's important we're ready for that.

"The way we use tech at Brammibal's is very modern."

Also, at Brammibal's, we have an overall goal to cut food waste. We have waste protocols that we fill out whenever we throw something away. We want to understand how, and why, resources get wasted. We discuss our findings in a monthly meeting to combat unnecessary waste at the source and change our processes accordingly.

How do you plan to maintain a positive and collaborative work environment among the bakery team members while ensuring productivity and efficiency?

Every day after we hand over the donuts for delivery, which is at 8:30 in the morning, we do a standup meeting. We discuss what went well that day, what went wrong, and how we wish to receive help. It's important to me to make everyone feel like they're part of a team and that everyone knows and understands how they can help others.

What's your favorite donut?

Strawberry tonka, but since it's not a regular donut, I usually treat myself to a cinnamon sugar donut freshly out of the fryer with a dash of apple compote.

The remuneration scheme at Brammibal's

[GRI 2-21] If you do the same job as someone else, you want to get paid the same, right? And that's only fair! That's why we developed an in-house remuneration scheme.

We've got a set starting salary that's above minimum wage for all employees, as well as above the average hourly rate for service workers. For our bakers and confectioners, we pay above the collectively agreed wages of Berlin and Brandenburg. Based on gained experience and experience rank, we pay everyone the same.

Additionally, we keep these rates transparent so that everyone within the business knows they're being treated fairly. We developed guidelines for managers to ensure employee promotions are fair at all times, too.

Because of this system and because we generally employ more women than men, there's no gender pay gap at Brammibal's. Rather, our salaries are competitive.

2:1

CEO to Median Employee Ratio

3,5:1

CEO to Lowest Income Ratio



Benefits for employees

Work plays such a big part in our lives, we think it should always feel like you're being treated extra nicely. We're proud that our benefits package goes beyond the typical offerings and that we can provide perks that enhance well-being, promote work-life balance, and foster a sense of belonging within our team. These include:

Birthdays off

We believe that birthdays should be celebrated. That's why our managers do their best to schedule a free day on an employee's birthday.

Germany ticket for 6€

We want to support sustainable choices, so we make sure our employees get their local public transport at a massive discount.

Urban Sports Club membership discount

We won't lie: Working at Brammibal's is quite demanding. That's why we want to make sure our employees keep fit, too. We offer a discounted Urban Sports Club membership, which enables our employees to access fitness studios, classes, and even wellness activities.

Additional discounts, bonuses, and merchandise

We provide additional discounts on selected merchandise for other vegan brands, as well for friends of our employees. Furthermore, we pay bonuses for working on Sundays and public holidays.

Bonus holidays

Our long-term employees get additional days off the longer they stay with us. It's our way of showing appreciation!

Free coffee and donuts

Obviously, it wouldn't be fair to have our employees stare at delicious donuts and coffee all day long and not be allowed to have any. That's why, during their shift, they're free to indulge!

Team discount

On their days off, our team can get free coffee and a donut at any of our locations, as well as a 20% discount on the rest of their order.

Company events

Twice a year, we throw a party! We gather our team to create fun memories outside the usual work routine.

We're trying hard to be the sort of employer people remember. They might not stay with us for very long as they're building their careers in gastronomy or the arts, or starting or finishing their studies or traveling abroad. A good amount of people also boomerang back to us: They quit but reapply and come back to work with us again, which we think is always a good sign we're offering a workplace people want to return to. No matter what, we want everyone to say: "Brammibal's was great!"

Prioritizing workplace safety: minimizing accidents at Brammibal's

The safety and well-being of our employees and customers is of utmost importance to us. While we strive to create a safe working environment and accidents are, of course, never desired, we acknowledge that, in a bustling environment like ours, they can occur. The nature of our operations involves working with equipment, hot surfaces, and other potential hazards.

In 2022, there were no fatalities among our employees or customers. Our employees stayed at home for 16 days total due to work-related injuries. We also recorded 35 injuries in total, but we are working hard to minimize accidents as much as possible.

0

Number of fatalities as a result of work-related injuries and work-related ill health

0

Number of cases of recordable work-related ill health

35

Number of recordable work-related minor injury accidents

16

Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health, and fatalities from ill health

283,1

Rate of recordable work-related accidents per 1.000.000 hours worked

Minimizing accidents

[GRI 403-3, 403-5, 403-6] Safety and minimizing accidents is a big part of our onboarding experience. All employees receive comprehensive safety training specific to their location, which includes familiarizing themselves with first aid kits, fire extinguishers, fire exits, and the proper handling of machinery, equipment, and cleaning chemicals. We also conduct an annual "Unterweisung" (Instruction, in English) to ensure that all employees are current on safety practices. Furthermore, a work safety engineer visits every two years to maintain our safety standards. We also ensure our location managers and senior staff members are trained as first aid providers.

We equip all employees with our Health and Safety Policy, which encompasses various safety protocols, guidelines, and best practices to ensure the well-being of our employees, customers, and visitors. It covers equipment maintenance, hazard identification and mitigation, emergency preparedness, and employee training. Each location maintains legally required documentation, risk assessments, and instructions for handling hazardous substances.

We actively encourage employees to report any safety concerns or near-miss incidents, enabling us to take immediate corrective

actions and prevent similar incidents from occurring. If something happens, we ask our employees to report it to their manager using the "Accident & Incident Report Form." If an employee witnesses an accident and medical attention is needed but an employee is unable to provide it themselves, we encourage them to seek out their manager or supervisor for assistance.

A big part of safety at work is the right shoes. That's why we equip all our employees with hospitality-safe vegan footwear. Additionally, our team gets support from a company physician who provides guidance on maintaining healthy working postures and assists those with chronic diseases. We also aim to promote our employees' health through consultations with our company physician, and referrals to a psychological counseling service. Furthermore, we provide services with a health and safety advisor from TÜV (Technical Inspection Association) and our work doctor.





Meet our HR manager:

Lisa Dickmann

HR Manager

"Creating a safe space for our employees, regardless of how they identify, is what matters to me."

Why is diversity and inclusion such a material topic for your company?

When you have a big team, I believe it's important to consider what needs these different people have. The question is always how you define diversity. We haven't been able to attract as many employees from different age groups or employees with a disability as we would like; however, we're a popular employer amongst the LGBTQIA+ community. Creating a safe space for our employees, regardless of how they identify, is what matters to me.

What I find especially challenging is to create fair working conditions and balance what's allowed and what's not. It's figuring out these terms for everyone to feel treated fairly that's especially material regarding HR.

Brammibal's is known to be a great first job. Why's that?

We have great people working here already and our front of house teams do a really good job making Brammibal's look like a welcoming and fun place to work. Even when it gets busy

and stressful, they are always nice to customers and to each other. So when you come into a shop and see that, you realize that this is a nice place to work.

Why should people apply to work at Brammibal's?

We have great teams that get along really well and care about each other. (This is what our team members say in our yearly happiness survey, too.) We try to always improve and evolve as a company.

We also offer benefits, such as discounted public transportation tickets, discounted sports memberships, and – obviously – free coffee, donuts, and discounts on our merchandising products.

What's your favorite donut?

Rhubarb Crumble!



"We try to always improve and evolve as a company."

Our human resources goals

4

We want our employees to be happy and stay with us for longer, too. We've analyzed the different aspects that might cause unhappiness amongst our employees and plan to tackle them in 2023.

Decrease stress at work and improve work-life balance for location managers

Responsible manager:

Lisa Dickmann

KPI:

Average score out of 5, 5 being not stressed at all on the "Generally my stress level at work is" question in the annual happiness survey

Current state 2022:

3,8 average score

Target mark 2023:

4+ average score

Planned measures:

- Rotating duty manager role for weekends to manage sick calls
- Install assistant managers at all locations
- Reduce number of night shifts
- Introduce new bakery supervisors to distribute workload from management

5

Increase work health and safety

Responsible manager:

Lisa Dickmann

KPI:

Number of reported accidents per year

Current state 2022:

35 reported minor injury accidents, which required first aid

Target mark 2023:

10% reduction

Planned measures:

- Implement a system of regular equipment checks
- Swap static production tables for ones with wheels
- Improve introduction training for all bakery machinery
- Review the ergonomics of workflows in the bakery
- Improve Introduction training for café employees on how to deal with harassment in the shops by people from outside the company
- Create Introduction training for office team members on ergonomics of the desk workplaces
- Review daily tasks and improve processes that require intense physical stress
- Offer (preventive) check-ups to staff in collaboration with our company doctor and H&S advisers from TÜV Rheinland

7. Crafting a sweeter future

Through communication

Our donuts are a treat. No questions asked! It's a balancing act to hype them because we love them so much, but we have to consider the side effects of consuming too much sugar, besides having a fun sugar rush from time to time – obviously!

Let's take a closer look at our challenges as a vegan business that's questioned by legislations backed by the animal farming industry.

- Learn about the challenges of climate-damaging lobbying.
- Find out how we apply ethics to communication and product labeling.

The balancing act of vegan product naming

[GRI 417-2] Did you know that tiramisu must contain a certain amount of dairy mascarpone to be considered the real deal? And how about cream cheese? Or – sure – MILK?! If you're part of the vegan community, you've likely picked up on the battles vegan brands like Oatly and LEMONAID (who's been accused of not putting enough sugar in their lemonade to even be able to call their product a lemonade) face. We, too, got a letter that requested us to put a "warning sign" on our website and our stores that we're a fully plant-based business – as if not using animal products by default and sourcing as ethically as possible caused anyone any harm?!

Lobbies are a real downer for future-fit progress and are definitely worth learning more about.

In total, we received two warnings regarding non-compliance concerning product information and labeling in 2022, but none of them resulted in any penalties or fines.



Brammibal's ethical marketing policy

So now that we talked about the challenges of naming vegan products, you might understand how powerful communication is and why some people get hung up on product names this much. Communication indeed has the power to highlight matters and negate them, and it can also be used to manipulate people. It's important to have a standard for what kind of communication we use.

At Brammibal's, we've created official guidelines by publishing an internal ethical marketing policy all employees must follow. It outlines principles that we'll explain below that safeguard privacy, promote fair competition, embrace diversity, consider social and environmental responsibility, and are just overall honest and fair. So let's dive a little deeper into what this policy covers.

Compliance with laws and regulations

While this is a no-brainer, it should be said that we follow all local, national, and international laws and regulations. This includes but is not limited to consumer protection laws, privacy laws, intellectual property rights, and advertising standards.

Protection of consumer privacy

We handle customer data in accordance with data protection laws, obtaining consent, clearly communicating data usage, and providing opt-out options. We do not sell or share customer data without explicit consent except when required by law.

Fair competition

We believe in fair competition and will not engage in any practices that undermine the reputation, rights, or competitive positions of other companies. We will compete based on the merits of our products and services and avoid making false or disparaging statements about our competitors.

Diversity and inclusivity

Our marketing efforts celebrate diversity, respect all individuals, and avoid discrimination based on protected characteristics. We represent diverse perspectives, challenge stereotypes, and promote inclusivity.

Social and environmental responsibility

We consider the social and environmental impact of our marketing activities and avoid promoting harmful products or services. We communicate our sustainability initiatives transparently and accurately to represent our efforts to minimize environmental impact.

Continuous improvement and accountability

We regularly review and assess our marketing practices, provide training to employees, and ensure alignment with our ethical marketing policy.

Responsible influencer and endorsement marketing

We ensure transparency and authenticity when collaborating with influencers or using endorsements to maintain the integrity of the endorsement.

Honesty and truthfulness

We are committed to providing accurate information. Misleading claims have no space in our communication. We never engage in fake reviews or testimonials.

At the end of the day, our goal is to build loyal relationships with our customers and provide long-term value for our customers and the community.



Meet our marketing manager:

Elena Gernemann

Marketing Manager

"Brammibal's are not premade, frozen donuts decorated by a machine. They're carefully made and decorated by hand. It's important to me to make that really clear."

Why is product labeling and marketing such a material topic for your company?

People want to know what they eat, which I think is great. Our donuts are handmade, and we care about every single ingredient we use. Brammibal's are not premade, frozen donuts decorated by a machine. They're carefully made and decorated by hand. It's important to me to make that really clear.

The fact that our donuts are handmade also makes the labeling complicated. It's not as straightforward to define the number of calories and nutrients because the amounts vary.

What marketing decisions would you say led to positive outcomes?

We reworked our branding during the pandemic and ordered new takeaway boxes, which turned out to be a blessing and a curse. Our pink boxes are so distinct you can see them from miles away. Unfortunately, you also see them pollute the streets of Berlin. We wanted to offer a reusable option, but none of the reuse systems worked for our product, which is why, in 2022, we developed our own reusable boxes people can get their donuts in if they pay a deposit.

What challenges are you facing as a marketing manager at Brammibal's?

Donuts are a treat. Sure, they're vegan and more sustainable than desserts that consist of ingredients made from animal products. However, I must acknowledge the fact that it's not healthy to overeat donuts. So for me, it's a balancing act of how much I can push our product while also being aware that people should probably not eat donuts every day.

Then veganism is a topic of its own – how much do we talk about being a vegan company? Of course, it's at the core of who we are, but does it have to be the first thing we mention? We don't want to scare people away, and some people definitely feel pushed away when they read the word "vegan."

What matters to us is the taste and obviously the ethics of how we source. However, some regulators find it misleading if we don't constantly mention Brammibal's Donuts are vegan. Sometimes people mention in Google Reviews they only found out the donuts were vegan after they had them. At the end of the day, we want to prove to people that vegan food can be (and is!) tasty, and we just know that vegans find us anyway.

What regulations impacted Brammibal's, and what solutions did you implement?

As part of marketing, we also develop the product names and descriptions. As a plant-based company, that's often challenging. Certain terms are regulated, and sometimes we're not allowed to use them. In Germany, we're not allowed to use the term "whipped cream" because ours obviously doesn't contain dairy. We've always used the term "vegan whipped cream," but we've been called out for misleading our customers.

What's your favorite donut?

Chocolate Peanut Fudge!



"Sometimes people mention in Google Reviews they only found out the donuts were vegan after they had them."

Our marketing goal for 2023

How can we engage more of our customers in sustainability? These are just some of the questions we ask ourselves so we can make a real dent in 2023.

6

Focus on sustainability communication: website, shops, internally

Responsible manager:
Elena Gernemann

KPI:
Number of QR scans of report

Current state	Target mark
2022: 0	2023: 300 scans until end of year

- Planned measures:**
- Publish impact report
 - Communicate about impact report on social media and internal channels
 - Rework sustainability web page



8. Impact growth

Growing Brammibal's means growing vegan impact

When you think of Brammibal's, you likely think of the tasty donuts and drinks. However, Brammibal's is now far more than that. While originally we started selling our handmade donuts at a stand at a weekly market, in the past few years, we've scaled up and opened several stores.

2022 was an incredibly special year for us because we also opened stores in a second city: Hamburg! In this chapter, we'd love to tell you more about how we grow this company, what's important for us, and which environmental metrics really matter!

- Growing our vegan vision beyond Berlin.
- The responsibility of building new shops and bakeries.

"Mit (Gewerbe-)Anmeldung, bitte!"

As Brammibal's, we operate two bakeries and one office, and during the 2022 Christmas season, we opened our eighth Brammibal's shop. All locations are rented, so we do not have full control of all our purchased energy and waste disposal. While it's a compromise, we've decided to differentiate between what we can control and where we do everything according to our standards. Then there are areas we cannot control. Here we try to influence the people that can and explain to them why it matters to us to use renewable energy, track water, etc. On the following pages, we'd like to explain more about the different topics and how we see and think about them at Brammibal's.



Energy and emissions

Whenever we can, we always opt for renewable energies because let's be honest – making donuts takes a lot of energy. Out of all electricity consumed, 37% was renewable energy. In the table below, you can find our energy consumption data for 2022.

[GRI 302-1] Energy source ¹	Consumption in kWh
Natural gas	65.332
Diesel	19.074
Diesel premium	1.369
Petrol	1.370
Electricity	307.389

Now, given we use so much energy, we make sure we reduce the amount whenever we can. One of the biggest levers we're proud we've incorporated is dishwashers with heat recovery technology – a smart system that reuses waste heat from the dishwashing process to preheat the incoming water.

It's these sorts of systems that made us reconsider the machines and electronics we buy and how we design our purchasing policy, which was explained in our environmental purchasing policy (p. 24).

We first assessed the different energy sources and how they contributed to our carbon footprint in 2022. For that, we analyzed the 2021 emission data. Going forward, we plan to monitor our emissions to accurately track our environmental impact continuously.

By measuring our carbon footprint, we can identify areas for improvement and set targets to reduce our emissions, which we plan to do in the next year. For this first assessment, only 6 out of the 15 Scope 3 categories, according to the Greenhouse Gas Protocol, were assessed. Our goal is to gradually evaluate and track the remaining nine categories in the upcoming years.

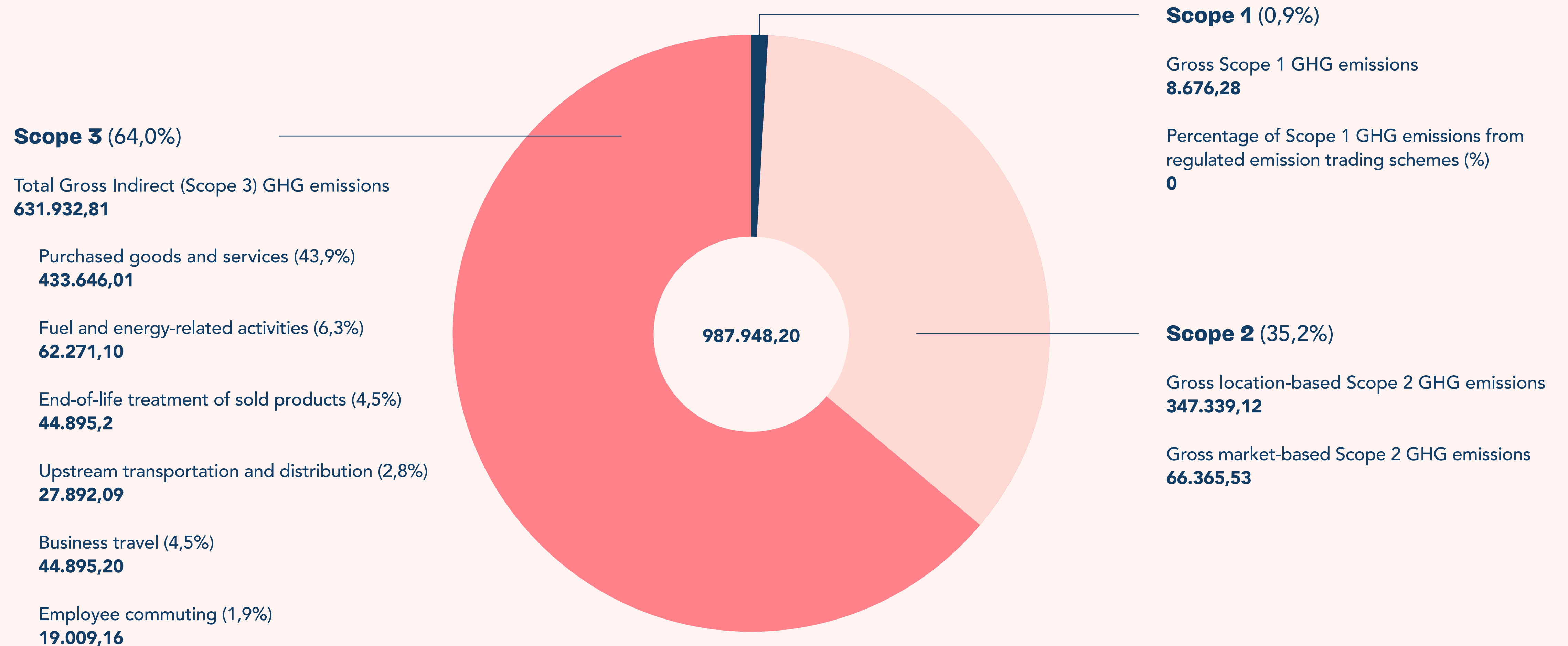
Oh, and before we forget – we have also switched all our lights to LED to keep our electricity use in this category as low as possible.

¹ This consumption data does not include our location at KaDeWe nor the pop-up store at the Berlin Central Train Station in December 2022.

[GRI 305-1, 305-2, 305-3] **Emissions**

Base year 2021
in kg CO₂e

Total GHG emissions (location-based)



Our waste management

Waste, besides food waste, is a topic keeping us on our toes. We have implemented several measures to reduce food waste in the bakeries and the shops, as we've already explained.

Another big issue for us is packaging waste. The ingredients we buy, we buy in bulk, and we work with our suppliers to change the packaging amounts to further reduce our waste on that front. We've also created recipes, such as the tiramisu donut, that use surplus ingredients. Furthermore, we aim to recycle the oil used in the bakery. In 2022, 31% of all oil used was recycled by our partner Gerlicher. But then there's also the takeaway boxes – which are a blessing and a curse.

Many of our orders are for takeout. We've had RECUP as our to-go partner for drinks since March 2021; however, we had never been able to find a suitable reuse system for our donuts. That's why, in October 2022, we finally launched our own deposit boxes to further reduce the amount of single-use packaging. During the launch phase and in the first four months of use, we sold 757 boxes, of which 181 were returned.

Here are our stats from 2022. We're very curious how they'll look in the coming year given several different measures we've implemented.²

[GRI 306-3]	Berlin	Hamburg	Total
General waste (ton)	52,19	9,24	61,43
Recycled waste (ton)	43,98	5,28	49,26
Bio (ton)	21,96	5,04	27
			137,69

² This data does not include our location at KaDeWe nor the pop-up store at the Berlin Central Station in December 2022.

We care about water so let's look at why it's important

Did you know that producing one liter of cow's milk requires 1.050 liters of water, while producing one liter of oat milk only takes 48 liters of water? Generally speaking, growing what's needed to create really good vegan food needs significantly less water than any other diet. Having these stats in the back of our minds allowed us to focus on other topics when it comes to our sustainability strategy. Yet, the recent developments in Europe and the headlines about rationing drinking water and months-long droughts, especially in Southern Europe, show us that, going forward, we must prioritize water and water management much more than we have up until now.

As of now, we're testing how we can allocate resources to conduct thorough assessments to understand the extent of our impact, as well as the feasibility of implementing measures to mitigate and manage these impacts effectively. However, water management is a complex task that involves evaluating our water usage, identifying potential risks, and implementing measures to conserve water resources.

[GRI 303-5] As a first step, in 2022, we managed to measure our water consumption in the bakeries in Berlin with a total consumption of 1.355.183 m³. The majority of this amount is due to the daily cleaning of our bakeries, which is necessary to ensure that our bakeries are always clean and hygienic. Also, we initiated recording water consumption for our bakery in Hamburg but have not yet received our consumption data for 2022.





Meet our operations manager
in charge of our expansions:

Jeremy Deane

Operations Manager

"Over the years, we've seen many potential locations and I'd say you just know when a place feels like Brammibal's."

Brammibal's is a bootstrapped business. Tell us more about your recent expansions.

When I joined Brammibal's in 2018, we only had two locations. In Berlin, it's six locations now. In 2022, our main focus was to get up and running in Hamburg.

I'd say we now know what it takes to open a café, but opening a bakery in another city was a whole new challenge. On one hand, it was a dream because we could optimize the new bakery to fit our workflows and make it more sustainable and much safer for our employees.

On the other hand, we had to plan our processes in much greater detail because starting in a new city also means building a whole new team.

How do you choose new locations?

We like to be at central spots, transportation hubs, and ideally somewhere that has a history of alternative culture, because that's where we come from originally. We were offered a spot at KaDeWe and at the Berlin main station, and we have very different kinds of customers there than at our other locations.

Over the years, we've seen many potential locations and I'd say you just know when a place feels like Brammibal's – then it's easy for us to imagine our Brammibal's display, which is an essential part of our customer experience. We can then also just easily picture happy people enjoying donuts. But obviously, we also work with a real estate agent that suggests potential stores to us, and not all of them feel like we want Brammibal's to feel.

What has been especially challenging expanding to a new city?

I'd say transplanting our Brammibal's culture to a new city. We want people to communicate and treat each other a certain way. We don't want our managers to be hierarchical, and they have to be open to constructive feedback and criticism. At Brammibal's, we're very focused on feedback and have regular check-ins.

What's especially nice is that a lot of our employees in Hamburg (but obviously also Berlin) are from the alternative, vegan community.

How do you manage the risks that come with expansion?

I guess Hamburg for us was an obvious choice for where to expand outside of Berlin. Most of

our customers from outside of Berlin are either from London or Hamburg, and we just had a lot of followers from Hamburg on Instagram even before opening there.

And then, Hamburg is very close. If something bad happens, I can just hop on the train and be there in two hours, so it's definitely a good first place for us.

We've learned to document everything in great detail. We now have documentation of what it means to work a certain role at Brammibal's, what responsibilities one has in that role, how the day looks, etc. Having all of these guides has been a really big help and lowers the risk because you just have everything documented.

What's your favorite donut?

Cinnamon sugar – it's the best when you can get it just out of the fryer at the bakery.



"We've learned to document everything in great detail. We now have documentation of what it means to work a certain role at Brammibal's."

Our environmental and operations goals

With a growing business comes growing responsibility. With the goal to preserve our precious resources, we set various environmental goals to lower our negative impact.

7

Decarbonize delivery fleet

Responsible manager:
Jeremy Deane

KPI:
% of delivery fleet is electric

Current state	Target mark
2022: 60% electric fleet	2023: 100% of delivery fleet vehicles are electric

- Planned measures:**
- Replace fossil-fueled vehicles with electric vehicles
 - Add extra electric charging point at the bakery

8

Optimize energy use in locations

Responsible manager:
Ben Brown

KPI:
kWh used

Current state	Target mark
2022: Varies per location	2023: Reduce 10% kWh in each location

- Planned measures:**
- Install radiator timers and track usage for heating and cooling
 - Install timers and movement trackers for light

9

Boost the use of reusable boxes

Responsible manager:
Ben Brown

KPI:
% of orders sold in reusable packaging

Current state	Target mark
2022: Orders in reusable packaging not tracked	2023: 5% of take-away orders sold in reusable packaging

- Planned measures:**
- Boost visibility in posts on social media
 - Promotion – free donut when donuts are bought with reusable box

9. The taste test

And our third-party validation

2022 was a significant year for us because, after seven years in business following our self-imposed morals and values, we decided to invite in third-party consultants and to pursue the B Corp certification to get validated as an ethical business that's serving the community.

- Learn more about our validation processes and third-party criteria.
- Discover who's invited to put Brammibal's through the hard test(s).

B Corp certification

As we grow out of our indie and makeshift workflows, pursuing a B Corp certification has been a great way for us to professionalize our processes. We spent 2022 analyzing our business inside and out to align our business with the standards of a benefit corporation.

"B Corp Certification is a designation that a business is meeting high standards of verified performance, accountability, and transparency on factors from employee benefits and charitable giving to supply chain practices and input materials. In order to achieve certification, a company must:

- Demonstrate high social and environmental performance by achieving a B Impact Assessment score of 80 or above and passing our risk review.
- Make a legal commitment by changing their corporate governance structure to be accountable to all stakeholders, not just shareholders, and achieve benefit corporation status if available in their jurisdiction.
- Exhibit transparency by allowing information about their performance measured against B Lab's standards to be publicly available on their B Corp profile on B Lab's website." *

* <https://www.bcorporation.net/en-us/certification/>

Climate Partner collaboration

"You can only manage what you measure" is a famous business statement. When we decided to become more serious about our sustainability efforts, we first decided to measure our status quo. We chose Climate Partner to understand the emissions of our company and our donuts to set relevant reduction targets. While we offset our emissions via Climate Partner in 2022 to support the hydropower project in Virunga National Park, we won't be offsetting any emissions on the voluntary emissions market.

Publishing our first voluntary 2022 impact report

Chances are high that you just know us as the tasty donut company and maybe you've known us like that since the very beginning. After seven years in business, we felt like we would like to share more of our story and our values and give you more insight into how we think about running a business and what's important to us.

We invited the Berlin-based NEW STANDARD.STUDIO GmbH to enhance the quality of our sustainability data and align our reporting practices with recognized sustainability frameworks. The team at NEW STANDARD.S suggested turning this report into a consumer focused "magazine-style" publication that goes beyond simply displaying data without giving it more context about what sustainability reporting is about in general and what to look at when reading sustainability claims in general.

It might be that this is the first ever sustainability and impact report you're reading, and if that's true, then NEW STANDARD.S succeeded with their mission – and we did with this project.





Now meet Ben, who is in charge of all things sustainable at Brammibal's:

Benjamin Brown

Operations Associate

"My main personal sustainability goal is to get Brammibal's certified as a B Corp."

You've been in charge of sustainability at Brammibal's. What measures have you taken to analyze the status quo? And what goals have you set for yourself?

Given we are a vegan company, it's not as straightforward to compare ourselves to other big players in the market because our emissions are comparably lower already. I would say our sustainability efforts are based on self-reflection of our own practices. At this point, it's about finding tools that record our processes and monitor them, so that we can see how we can lower our emissions.

We set clear, numeric goals; however, my main personal sustainability goal is to get Brammibal's certified as a B Corp.

What surprised you after analyzing Brammibal's CO2 emissions?

The biggest surprise was definitely how much of our CO2 emissions are caused by the raw materials. Especially how high the impact of our frying oil is. And then obviously our packaging.

What measures did you take, and are you planning to reduce emissions even more?

Given we rent a lot of buildings and cannot always choose our energy providers, we decided to focus on the areas where we have the power to change the status quo. Our strategy has been to choose electrical appliances that are extremely efficient. We've, for example, also experimented with the life span of our oil and whether it's possible to extend it without negotiating the quality of our donuts. We're also looking for more sustainable packaging solutions. For example, we have introduced a reusable box, but our long-term goal is to also lower the environmental impact of our single-use packaging.

What's been especially challenging for you during this process?

I personally find it sometimes very hard to be in charge of changing processes in a company that I really love and respect. It's a balancing act because I am making sure we're doing the

right thing and developing in the right (more sustainable) way, but it's also been a steep learning curve, and sometimes the right thing to do is not 100% clear at the start. When I look at where we are now and where we started, we've definitely come a long way.

What tips would you give someone wanting to start managing their company's sustainability?

Write everything down. Make notes, and capture all the data you have. Knowing your status quo will help you further improve your progress.

What's your favorite donut?

White Nougat Pistachio!



"When I look at where we're now and where we started, we've definitely come a long way."

Our third-party certification goal

We believe we can all have a better future if we focus on how we as business owners and employees of businesses benefit our communities instead of purely benefitting investors. Getting third-party certified is our first step toward making our business philosophy more official.

10

Get B-Corp certified

Responsible manager:

Ben Brown

KPI:

Certified points by B Corp

Current state

2022:

Application submitted

Target mark

2023:

Certified 80 or more points by B Corp

Planned measures:

- Provide all requested documentation to the B Corp analysts



About this report

[GRI 2-2, 2-3, 2-4, 2-5] This report covers all Brammibal's stores and locations. It is a voluntary non-financial report. A financial report is not published. As this is the first report, there is no restatement of information previously published. The report is not externally assured.

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GRI content index

Statement of use	Brammibal's Donuts GmbH has reported the information cited in this GRI content index for the period 01/01/2022 until 31/12/2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	Imprint // p. 68
	2-2 Entities included in the organization's sustainability reporting	About this report // p. 68
	2-3 Reporting period, frequency and contact point	About this report // p. 68
	2-4 Restatements of information	About this report // p. 68
	2-5 External assurance	About this report // p. 68
	2-6 Activities, value chain and other business relationships	Our business model // p. 12 Our environmental purchasing policy // p. 24
	2-7 Employees	The people it takes to make Brammibal's what it is // p. 35 How we make sure everyone has a fair chance at Brammibal's! // p. 36
	2-21 Annual total compensation ratio	The remuneration scheme at Brammibal's // p. 40
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Our materiality analysis // p. 19
	3-2 List of material topics	Our materiality analysis // p. 19, 20, 21
	3-3 Management of material topics	Our materiality analysis // p. 37, 43, 55 to 58

GRI Standard	Disclosure	Location
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy and emissions // p. 55
GRI 303: Water and Effluents 2018	303-5 Water consumption	We care about water so let's look at why it's important // p. 58
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy and emissions // p. 56
	305-2 Energy indirect (Scope 2) GHG emissions	Energy and emissions // p. 56
	305-3 Other indirect (Scope 3) GHG emissions	Energy and emissions // p. 56
GRI 306: Waste 2020	306-3 Waste generated	Our waste management // p. 57
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	Minimizing accidents // p. 43
	403-5 Worker training on occupational health and safety	Minimizing accidents // p. 43
	403-6 Promotion of worker health	Minimizing accidents // p. 43
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Hands-on learning at Brammibal's // p. 37

GRI Standard	Disclosure	Location
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Our zero-tolerance policy // p. 13
GRI 415: Public Policy 2016	415-1 Political contributions	Our monthly charity donut // p. 8
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	The balancing act of vegan product naming // p. 48

