



BIOGEL AG

Corporate Sustainability Report 2019



1. EDITORIAL

Dear readers,

Being a family company, we strongly consider it as our duty to preserve the value of our natural resources, such as water, energy, and materials nature offers to us.

To document our activities, we are delighted to publish our sustainability report for 2019. It provides information on the progress achieved on projects to improve our environmental record, on work safety for our employees, and on initiatives that benefit people in our surrounding communities also in the future.

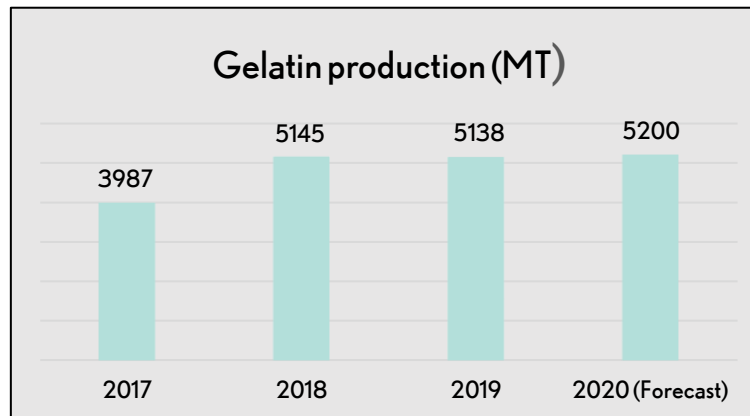
Seeing sustainable solutions not only as a competitive advantage, we will further strengthen our long-term commitment to make good things even better.

Roland Fischer, CEO Biogel AG

2. PRODUCTION-PORTFOLIO

Biogel's environmental footprint is strongly influenced by the actual production quantity output. For this purpose, the production statistics are included in the sustainability report.

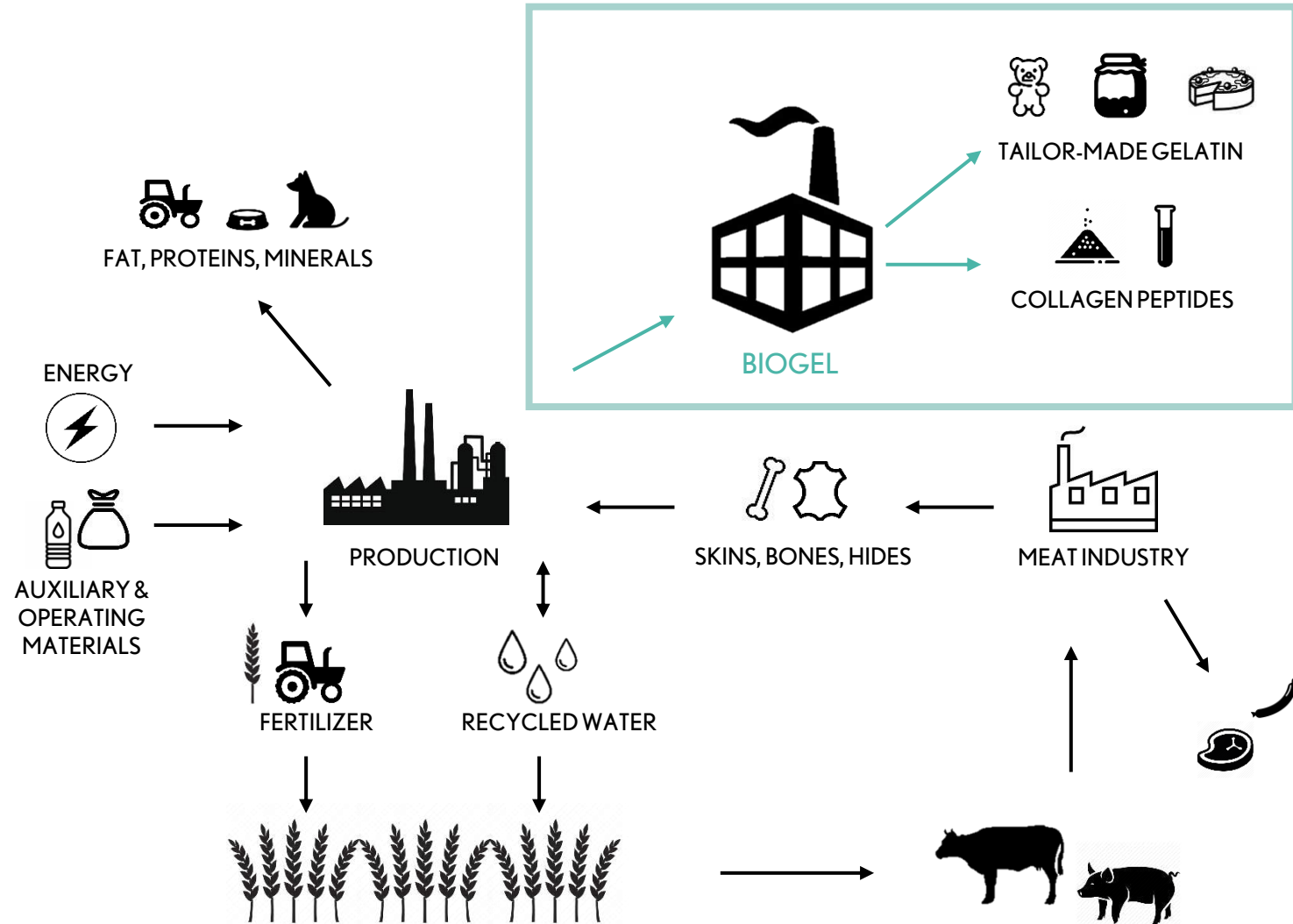
As illustrated on the graph, Biogel increased the production substantially since 2018 by 29% and continues on such level also throughout 2020. Investments for production increases are continuously realized to meet also further market trends.



2.1 FROM NATURE TO CULINARY DELIGHTS

Gelatin, collagen and collagen peptides are natural products. In order to produce our high-quality customized Gelatin, Biogel makes sure that their suppliers only process fully traceable and impeccable raw materials.

Today, the modern production cycles enable nearly no by-products being left. We at Biogel contribute to less by-products by continuously improving our processing infrastructure. By doing so, we support the overall nature to nature cycle.



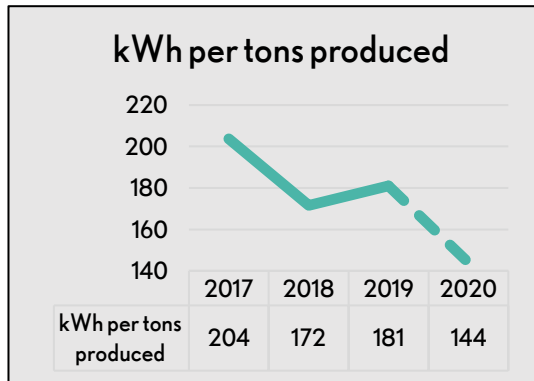
3. ENVIRONMENT MATTERS

3.1 OUR FOCUS

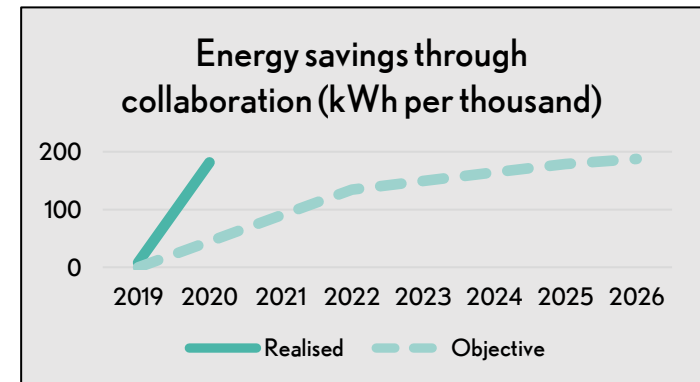
We consider reducing energy consumption and improving our CO₂ balance to be at the core of our sustainability vision and one of our most crucial priorities. To achieve significant improvements in our CO₂ emissions, Biogel has initiated in 2018 a cooperation with *Energie Agentur der Wirtschaft* with the objective to analyze potential energy optimization possibilities, which will lead to a substantially improved CO₂ emission balance. As a significant milestone, in 2019 Biogel has successfully completed an investment project by recuperating the thermo-energy from new energy-savings compressor facilities and hence completely eliminating the fossil heating systems. Significant oil fuel savings are continuously leading to an annual decrease of 20.4 tons CO₂.

We are proud of the fact that the Swiss Federal Government and partners recognized this effort with supporting a certificate, attributing Biogel's effort for sustainable climate protection, by actively reducing CO₂.

The heat recuperation investments will result in a considerable reduction of 110'000 kWh per year. Overall, through the actions taken by Biogel savings of 181'000 kWh are expected by the end of 2020, which is well ahead of the forecasted reduction objectives.



→ -11%





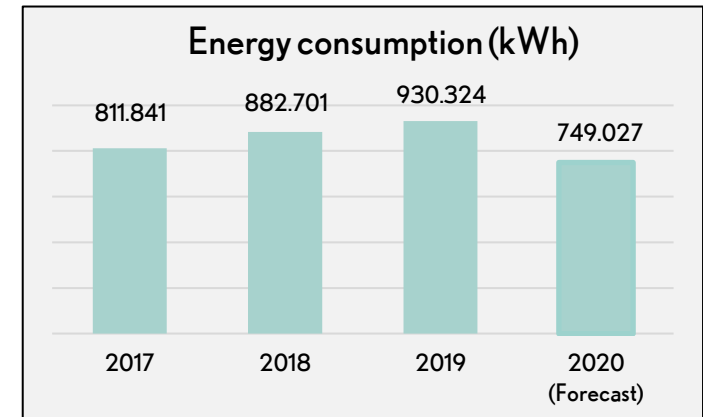
3.2 ENERGY CONSUMPTION

Biogel's energy consumption is mainly influenced by the Gelatin production volumes. The gains towards obtaining the most efficient energy consumption as possible is embedded throughout the entire value chain at Biogel. As mentioned, a collaboration with "Energie Agentur der Wirtschaft" was initiated in 2018 to analyze potential energy optimization possibilities. An action plan with improvement possibilities for Biogel was mutually worked out. Already, by now, an important number improvement projects have been finalized.

Beyond that, additional optimizations within the production have been implemented to minimize the energy consumption. Currently, all lighting systems within the production and warehouse areas are being modernized by LED-units which lead to savings of 2'000 kWh per year.

By realizing all improvements and investments the forecasted kWh reductions are expected at -19.5%.

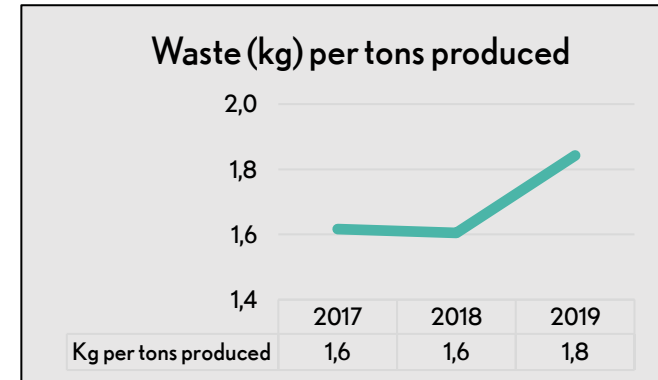
Biogel only uses renewable electric energy from Swiss hydropower plants.





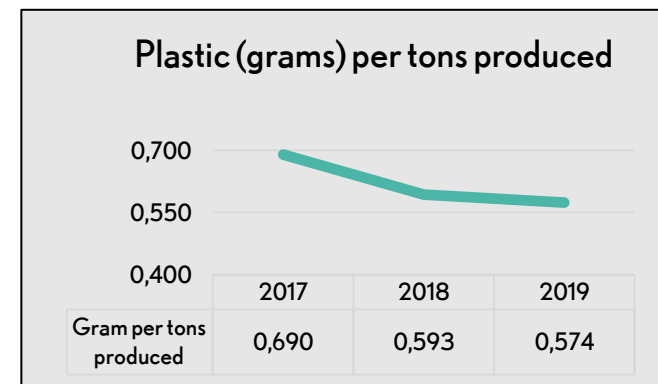
3.3 WASTE MANAGEMENT

Biogel strives to produce as little as possible waste while focusing on recycling processes. Biogel was able to continue the positive development of 2017 in 2018. New projects led to an increase in waste in 2019. Biogel's focus in 2020 will be to work on substantial reduction of this additional waste.



➔ +14%

All our local packaging plastic is 100% recycled by Beck Umweltservice AG, which enables us to strengthen our objectives for more sustainability. Since 2017, Biogel manages to use less packaging plastics within the production cycle, which explains the descending recycling amount of such in 2019. Our suppliers are collaborating to use less packaging plastics and switch to more sustainable materials wherever possible.



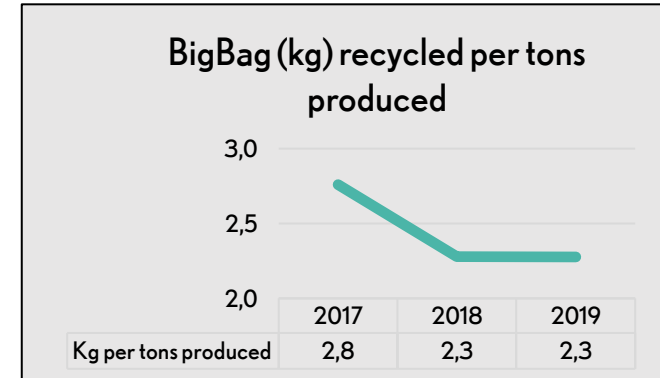
➔ -17%



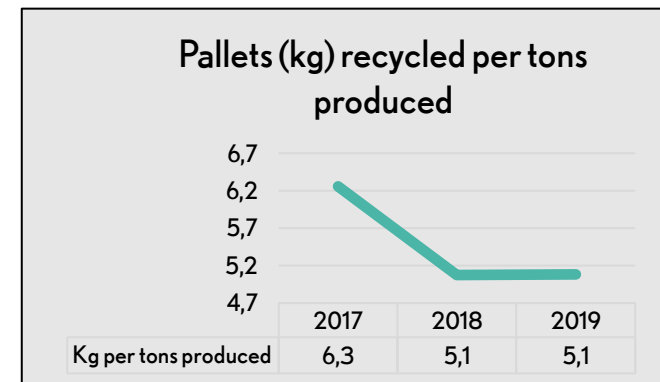
3.3 WASTE MANAGEMENT

All our used BigBags are being 100% recycled by *Beck Umweltservice AG*. The number of recycled BigBags per tons produced is stable at 2.3kg since 2018. This gratifying development is traced to a stable production, as the recycling amount is highly correlated to the tones of customized Gelatin but also new opportunities for re-use applications in other industry sectors.

Due to food safety regulations, not all our pallets can be re-used. Therefore Biogel cooperates together with Swiss Krono AG, them collecting the non-reusable pallets and recycling such sustainably. Since 2017, the number of recycled pallets dropped due to investments into new pallets leading into substantially less quality rejects.



→ -18%



→ -19%

3.4 STAKEHOLDERS (NEIGHBOURHOOD)

Biogel strives to lead an environmental friendly relation with all stakeholders. For this reason, the company actively reaches out to its interest groups in order to determine improvement opportunities for and within the community. During the past years, several improvements to lower the production facilities' noise emissions have been implemented, such as a new air and noise ventilation systems. Furthermore, Biogel prefers to cooperate with local constructors and service entities which supports an overall ecological footprint and the local economy.



4. EMPLOYEES

We at Biogel believe that our employees belong to our most valuable asset. As a fair and progressive employer, we assume responsibility wherever we operate.

A full SMETA audit was conducted in 2017, SMETA is an audit methodology, providing a compilation of best practice ethical audit techniques. It is designed to help auditors conduct high-quality audits that encompass all aspects of responsible business practice, covering Labour, Health and Safety, Environment, and Business Ethics. Due to our commitments and efforts, Biogel received the highest possible recognition with a 4-Pillar SMETA certificate.

Furthermore, we demonstrate our commitment throughout continuous education and social contributions.



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