



SUSTAINABILITY REPORT

2023

NOURISHING PETS, PEOPLE AND PLANET



A LETTER FROM OUR CEO



Our team at Freshpet is driven by our mission: **To strengthen the bond between people and our pets so that we both live longer, healthier, and happier lives while being kind to the planet.** The evidence shows that if we can provide high quality, fresh foods that pets enjoy, they will live healthy lives and their pet parents will also enjoy the many benefits of a rich life shared with a pet.

We are an insurgent in the pet food industry. That means that we are not bound by the conventions of the incumbent pet food industry. We are seeking new and better ways of doing almost everything we do. In particular, we focus on contributing to “Pets. People. Planet.” and that drives us every day. That spirit has been infused in us since our founding in 2006 and grows stronger every day.

We relentlessly pursue the creation of the very best foods that change the way people think about “dog food” and do it while simultaneously caring for all the people who contribute to our success and the planet, too. Those values were built into the company by our founders from the very beginning. We call it “**Pets. People. Planet.**” and it is what drives our decision making every day. In this report, you will read about how we bring that to life every day and the significant results we have delivered.

FOR EXAMPLE, YOU WILL LEARN:



Pets

Every day, we strive to make the most wholesome and nutritional foods that change the way people think about what they serve their dogs and cats. As our advertising says, “It is not dog food, it is food food.” In addition to making such nutritious meals, we also donate meals to shelters so that they can feed pets who are waiting to find their forever homes. Through 2022, we have donated over 14.6 million meals. We are also committed to saving the life of at least one pet per employee per year through our work with shelters. To support the adoption of pets, our employees are offered pawternity leave to support the introduction of the new family member into their homes.



People

The most important people are our team members. Our employees have demonstrated tremendous resilience and commitment to our mission and purpose, even through the most challenging times. Two years ago, we initiated a program designed to strengthen the lives and opportunities of our team members. We call it the Freshpet Academy and it is focused on providing increased skill training to our workforce and then compensating them with higher wages and greater equity as they increase their abilities. Since implementing that program, we have seen a dramatic reduction in turnover and improvement in our operating performance. Our workforce benefitted from the increased wages that support their families and the additional skills they have acquired that will provide income for their entire careers. Further, we now offer 5 weeks of vacation for all employees, 18 weeks of maternity leave and 12 weeks of paternity leave, tuition reimbursement and bereavement leave for the loss of a pet.



Planet

Our most significant achievement of the past few years has been the construction and start-up of our largest, most efficient and most sustainable Freshpet Kitchen in Ennis, TX. That facility was built with recycled steel and reduced carbon footprint concrete. It uses renewable energy, will have on-site solar and combined heat/power (CHP), recycles and reuses its own wastewater, and many more features designed to ensure its sustainability. That facility is now operating and will soon be producing more than half of our total output.



In the pursuit of our mission and our goal of changing the way people nourish their pets forever, we are led by the passion and vision of two of our co-founders (COO Scott Morris and Managing Director of International Operations Cathal Walsh) and are guided by a highly capable Board of Directors who oversee how our environmental, social and governance (“ESG”) performance impacts the long-term interests of our shareholders, investors and the communities in which we operate. In reviewing these materials and our results, you will see how the Freshpet Board has actively guided the company through the numerous challenges common to high growth companies.



SOME NOTABLE ACCOMPLISHMENTS ARE:

GOVERNANCE

We are now approaching the fourth year of the Five-Year Governance Transformation Plan we developed and committed ourselves to in 2020. That plan recognized the early stage and entrepreneurial character of our company and laid out a plan that matched our business growth over the next several years with a series of governance enhancements designed to deliver the best-in-class governance expected of mature companies by 2025. With strong shareholder support at last year’s shareholder meeting, we implemented the third step in that process – including proxy access and the ability to call a special meeting. At this point, our shareholders have now approved all of the measures required to implement our plan and the entire plan will have been implemented by 2025.

Our Board has now turned its attention to its own composition. As the Company grows, the challenges we will face, and the skills needed on our Board will also change. The Board has completed a detailed skills matrix and identified the most critical skills and experiences we will need for the next several years and is – with the help of Spencer Stuart – recruiting directors who fulfill those needs. One of those needs was for greater food manufacturing experience. That led us to recruit Dave Biegger, former EVP and Chief Supply Chain Officer at Conagra, to join our Board. Dave’s experiences are highly relevant to our challenges in producing the highest quality fresh foods.

Additionally, the mandatory retirement for directors that was implemented two years ago will come into effect this year with the retirement of our Chairman, Charlie Norris. Charlie has served Freshpet with distinction since he led a group of angel investors that enabled Freshpet to get off the ground in 2006 but is ready to hand the reins to his successor. Our Board has conducted a rigorous process to determine the skills required of the next chairman and to identify the right person to fulfill those expectations.

STRATEGIC PLANNING/GOAL SETTING

Six years ago, the Board worked with management to develop a new long-term strategic plan that we called “Feed the Growth” – an effort to accelerate our rate of growth to maximize our first mover advantage and build scale in scale-driven business. That plan was wildly successful and led to six consecutive years of accelerating growth. The Company is now more than 4.5 times the size it was when we committed to that plan 6 years ago.

We now believe that we have a sizable lead over all potential competitors and that it is time to begin to deliver the profits from the scale we have created. So, in February 2023, the Board and management committed to a new long-term plan that we call the “Fresh Future” plan which focuses on rebalancing our growth and profitability to deliver maximum value creation for shareholders. As part of that, we set new long-term targets – including \$1.8 billion in net sales and an 18% Adj. EBITDA margin by 2027. The Company has begun implementing this plan and is already showing some of the fruits of that effort – with improving margins and more consistent and predictable financial performance.

To deliver this plan, it became clear that the Company needed to strengthen its balance sheet. A working group of the Board, in conjunction with management and our outside advisors, assessed the market conditions and aligned on a plan to issue convertible debt that would remove the liquidity risk that investors feared for at least the next two years. Market conditions had made convertible debt the most accessible and affordable form of financing and – in conjunction with capped call protection we put in place – would eliminate dilution for our shareholders up to a price 120% above the closing price on the day of the offering. As a result, we have secured the Company’s ability to fully fund its rapid growth and achieve its long-term targets at the lowest possible cost in a very challenging financial market.

COMPENSATION

Our greatest need and greatest focus has been on reducing turnover amongst our hourly workforce. With unemployment rates being so low and wages rising so quickly, it became a strategic imperative for a fast-growing company like us to make a breakthrough in hourly workforce retention – and we did. The data is very clear that our Freshpet Academy approach to increasing our investment in training to improve the skill level of our workforce and thus increasing their wages has resulted in a dramatic drop in turnover and improved operating performance. Before we implemented this program, over 46% of our workforce had <6 months experience with us and that dropped to <5% within 18 months and those with >1 year of experience grew from 19% to 68%. Along with that, we tied the compensation of our 9 most senior leaders to our employee retention on the belief that improving retention would improve company performance and would also strengthen our work force and the communities in which they live.

The Board also focused on the long-term alignment of our senior leadership with shareholder goals. Our compensation plans for senior executives remain heavily tilted towards equity compensation and our annual goals are directly tied to the delivery of key financial targets that are strongly correlated with our stock price performance and an ESG target that is directly related to the long-term sustainability of our business.

SUSTAINABILITY

There is no greater testament to our commitment to sustainability than the new Freshpet Kitchen that we opened in Ennis, TX in 2022. That facility was built with sustainability in mind, and we continue to invest in new technologies designed to reduce water and energy usage and to return the resources we do use to the environment in the best possible condition. Further, we don’t limit our efforts to our own facilities. We also extend our efforts into our supply base and to our customers. We are now buying wind power credits for all the energy consumed by our Freshpet Fridges found in retailers’ outlets. We have implemented a supplier code of conduct and are working with our numerous suppliers to electronically track their efforts therefore making us both more aware of areas where we can improve together.

LEADERSHIP

Consistent with the new long-term plan, the Board worked with the CEO to identify the skill gaps needed to fulfill the long-term plan and to address the near-term performance issues the Company had. Midway through 2022, it became evident to us that the Company’s performance was suffering due to critical skill gaps in our management. In early September 2022, we announced our intention to strengthen our leadership team in several critical areas -- including a change in the CFO, a new head of logistics, and a new leader in our manufacturing/supply chain operation. Within four months, we recruited world class talent for each of those roles and moved on to filling additional roles that we believe will be critical to our success longer term.

We are also focused on improving the diversity of our leadership team. Each of the new leadership appointments presents an opportunity for us to add diversity to our team. To accomplish that, we cast the widest net possible and strongly encourage our recruiters to include candidates from under-represented backgrounds in all of our searches. We are, however, particularly proud that two of the new hires we have recruited for senior positions in the last three years are diverse candidates and they have proven to be outstanding additions to our team.

ETHICS AND INTEGRITY

Our core values of integrity and accountability guide us in our day-to-day business activities. Freshpet’s goal is to maintain and strengthen its reputation for honest, ethical conduct while becoming a leading pet products company in the marketplace. To ensure our business is conducted responsibly with honesty, integrity, accountability, and in compliance with applicable laws, the Board oversees the compliance of our Code of Ethics that applies to every director, officer and employee. We also have a whistleblower line and all calls received on the line are reported to the Audit Committee of the Board along with the necessary action plan to resolve the issue.



Finally, one of our most important operating practices is transparency and the willingness to engage others in our vision, mission and methods. We do this by producing some of the most in-depth and data-based presentations for our investors so that they know what drives our success – not just the results of our efforts. Our top 3 leaders (CEO, COO and CFO), as well as representatives from our Board, frequently engage our investors on these metrics. We invite our investors to tour our Kitchens so that they can see how what we do is so different than the way others operate. In the past year, we have conducted tours for more than 100 investors and held 1:1 meetings with more than 200 investors.

To that end, I encourage you to reach out to me with your thoughts. **We welcome your input and appreciate your support.** Thank-you for your interest in Freshpet.

Billy Cyr, Freshpet CEO



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OUR GOAL IS TO CHANGE THE WAY PEOPLE NOURISH THEIR PETS FOREVER

We started off with a mission to change the way pet parents feed dogs and cats, but we also wanted to be a company that had a thoughtful approach to how we operate. We wanted to do things differently, make great products but be gentle to the planet, good to the people who touch our business, and leave a positive impact with everything we do.

We work hard every day to ensure that the original vision is met, starting with making the highest quality foods in our kitchens to running our business with integrity, transparency, and social and environmental responsibility.

IT'S AMAZING WHAT CAN HAPPEN WHEN YOU START COMPLETELY FRESH!



Real, fresh food that nourishes our pets as much as they nourish us.



1

Overview



FEED THE GROWTH STRATEGY HAS GROWN THE COMPANY FROM STARTUP TO INDUSTRY LEADER

NET SALES (MILLIONS)



Freshpet founded with commitment to re-inventing pet nutrition and enriching the lives of all involved.

10,000+ Chillers.
New kitchen construction and production begins.

IPO
Pets, People, Planet trademark established.



15,000+ Chillers.
Kitchen expansion.

Kitchens begin using wind energy by matching all purchased electricity with wind energy RECs.



Launched Feed Growth strategy.
Billy Cyr joins the team as CEO.



Gerardo Perez-Camargo joins team to lead Freshpet R&D.

20,000+ Chillers.

Kitchens 2.0 ground breaking.

Pets People Planet teams formed.



- Thambi Machaba joins the team as SVP Human Resources.
- Ricardo Moreno joins the team as VP Manufacturing.

Kitchens 3.0 Announced.

Raised capital through equity offering.



- Todd Cunfer joins the team as CFO
- Jay Dahlgren joins the team as EVP of Manufacturing, Technology and Supply Chain

Raised 2025 HH penetration and net sales goals.

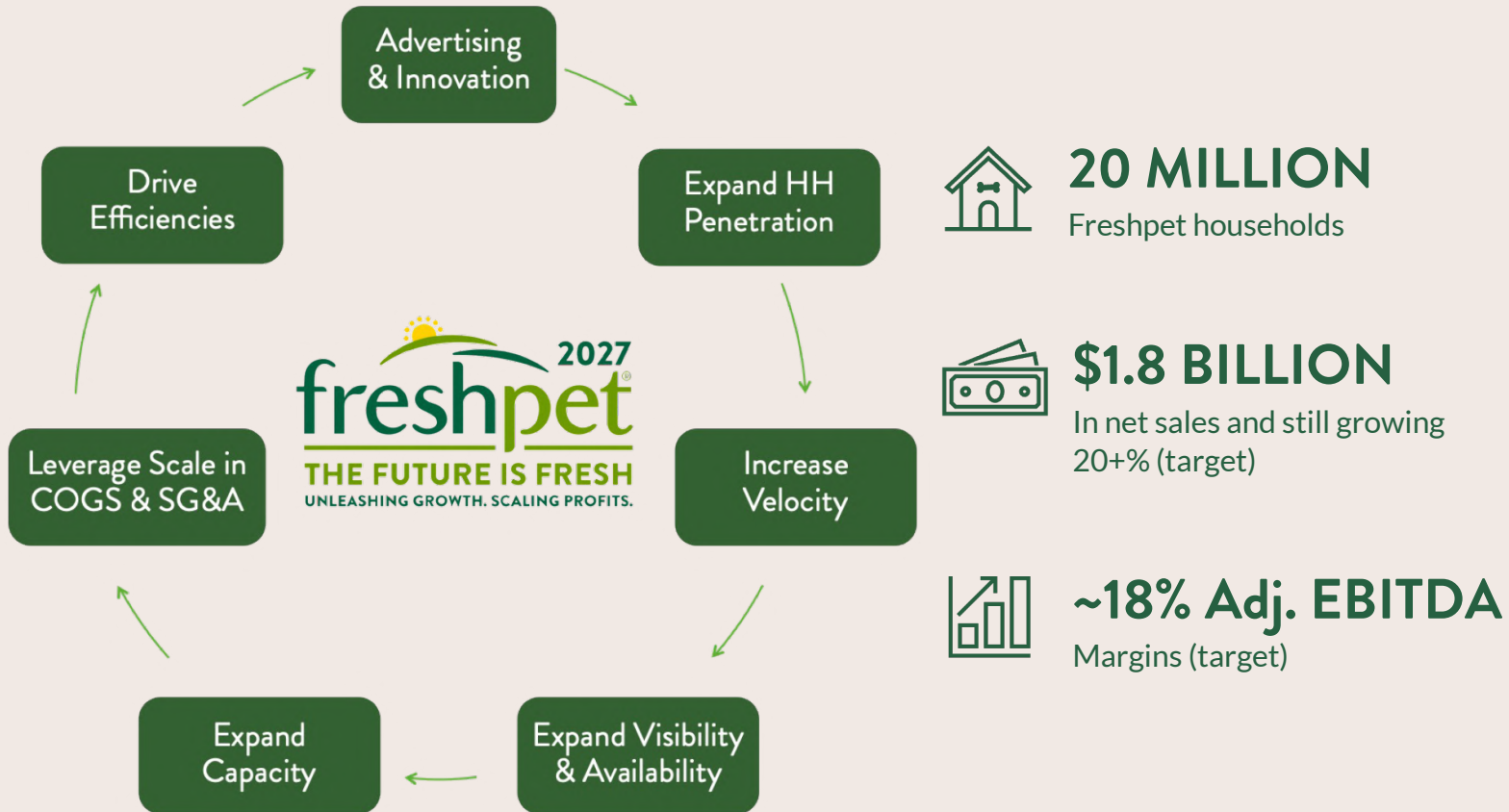
Raised additional capital to accelerate capacity expansion.

Raised capital to fund capacity expansion to over \$2B in sales.
Implemented new ERP (Enterprise Resource Planning) system to support growth plans.
Opened new Kitchens in Ennis, TX.



Ribbon cutting in Ennis, Tx

LONG-TERM STRATEGY: PATH TO 2027



FRESHPET IS A DIFFICULT BUSINESS TO REPLICATE



DIFFERENTIATED

Innovative forms, technologies, and appearance.



HIGH BRAND LOYALTY

Alignment with deep pet parent emotional motivations.



FRESHPET FRIDGE

Branded, company-owned real estate.



MANUFACTURING

Proprietary technology, processes, and infrastructure.



SUPPLY CHAIN

Largest refrigerated pet food network in North America.

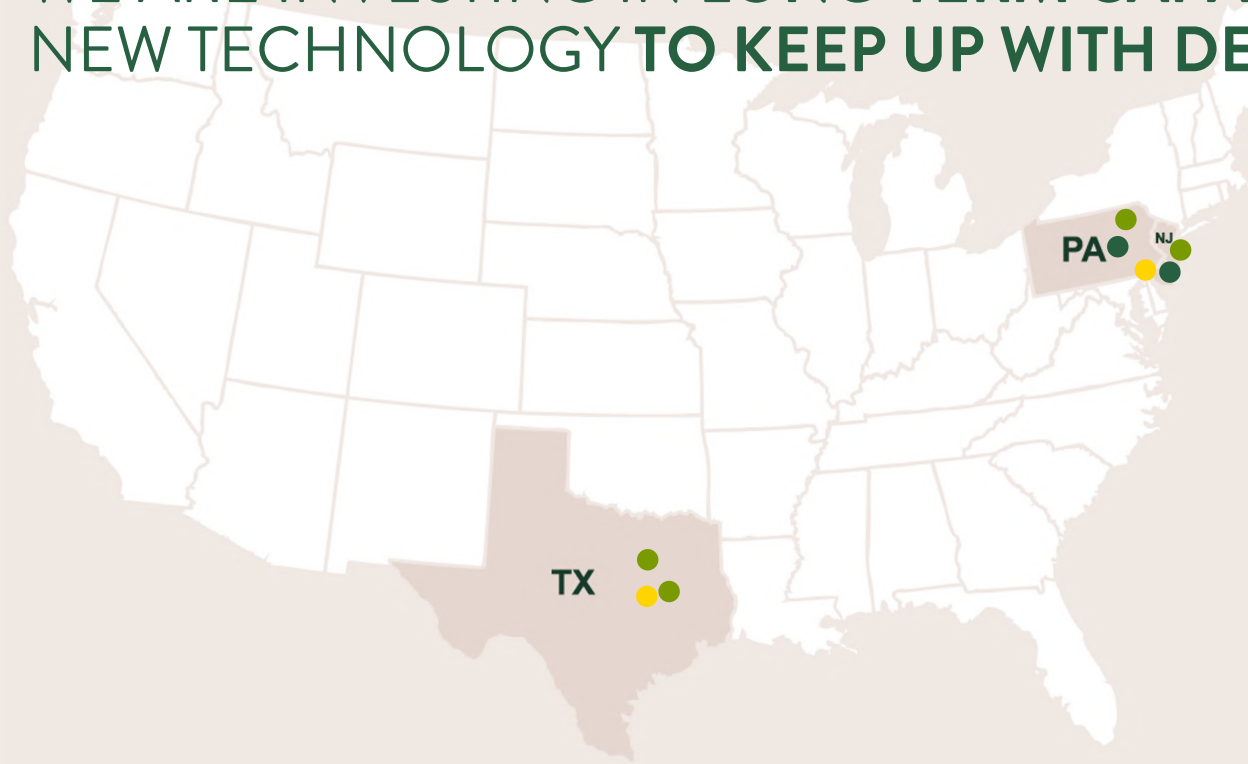


RETAILER PARTNERS

Delivers benefits in traffic, frequency and retailer margins.



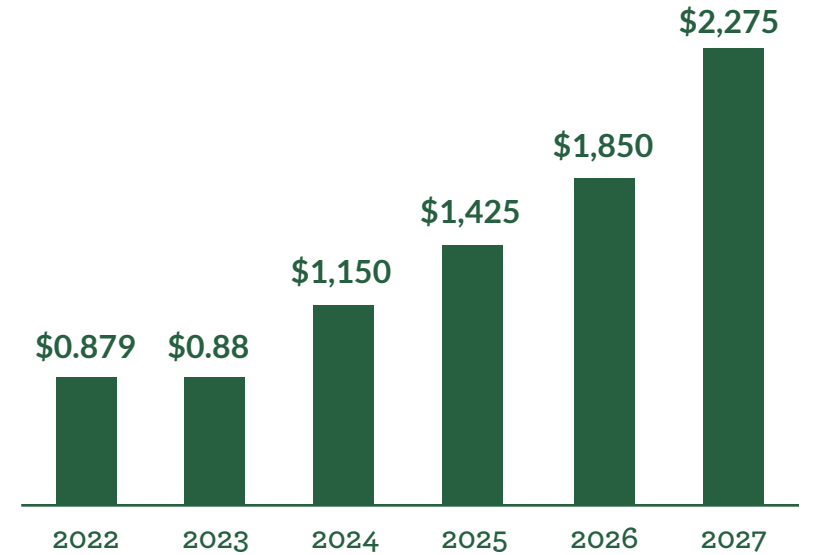
WE ARE INVESTING IN LONG-TERM CAPACITY AND NEW TECHNOLOGY TO KEEP UP WITH DEMAND



BEFORE 2020	2021-2022	2023 AND BEYOND
2006 Marketing HQ	2021 Kitchens South line 1	2023 Kitchens South Line Expansion
2013 Kitchens 1.0	2021 Texas Distribution Center	2024 Innovation Kitchen Bethlehem
2013 PA Distribution Center	2022 Ennis Phase 1	2024 Ennis Phase 2
2015 Kitchens 2.0	2022 Kitchens 2.0 Pilot Plant	
	2022 Bethlehem Innovation Center	

Note: Net Sales Capacity defined as expected Net Sales production for our mix of products, before any inventory disposals and obsolescence or inventory build to support growth.

TARGETED ANNUALIZED NET SALES CAPACITY (IN \$M)



INVESTMENT IN INNOVATION DRIVES GROWTH

We are constantly innovating to meet the needs and values of more pet parents.



Real food, fresh from the fridge. Not frozen.



Functional food



Plant Based Dog Food



The industry's most sustainable pet food

What's Next?

We are investing over \$1B in proprietary processes and know-how for cooking fresh food that haven't been replicated.



FRESHPET BRANDS ARE POSITIONED TO HELP MAKE OUR FOODS AS AFFORDABLE AND ACCESSIBLE AS POSSIBLE SO WE CAN GROW **HOUSEHOLD PENETRATION**



freshpet
NATURE'S PET FOOD
SELECT

freshpet
SLICE & SERVE ROLL
Chunky Beef Recipe

\$1.97/DAY

freshpet
VITAL

freshpet
VITAL
GRAIN FREE
CHICKEN, BEEF, SALMON & EGG RECIPE

freshpet
GRAIN FREE
BEEF & BISON RECIPE

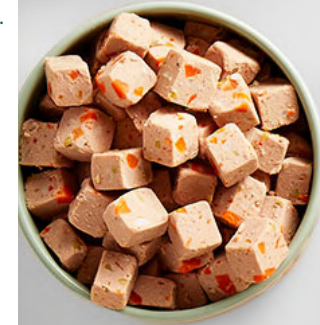
\$2.62/DAY

freshpet
NATURE'S
Fresh

freshpet
NATURE'S
Fresh
SUSTAINABLE FOOD FOR HEALTHY PETS & PLANET

freshpet
NATURE'S
Fresh
SUSTAINABLE FOOD FOR HEALTHY PETS & PLANET

\$3.60/DAY



Approximate starting cost per day to feed a healthy 30 lb dog based on Freshpet suggested retail pricing



OUR OPERATING PRINCIPLES:

Nourishing the lives of **pets** and **people** while being kind to our **planet**.



Deliver fresh healthy food and nourish the human-pet bond. We live longer, healthier lives together. Achieve consistent quality, generating industry leading consumer satisfaction.



Ensure that all the people that touch our company are made better in some way. Build a great team and culture. Be the team where people love to work, encourage everyone to be better folks, have fun along the way, and deliver on our vision.



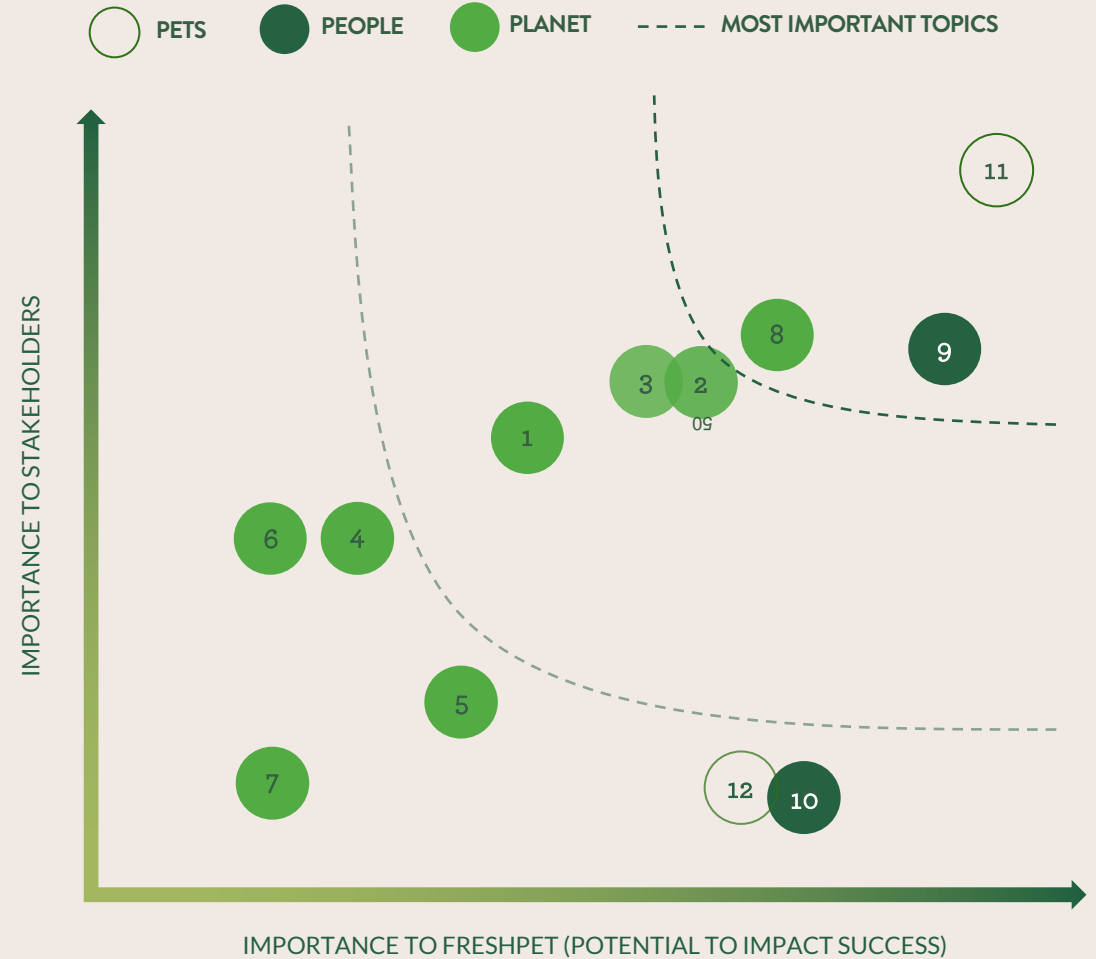
Lead the pet food industry in environmental sustainability. Inspire our team and consumers with our care for the planet.

FRESHPET ESG MATRIX

We worked with third party consultant, 3Degrees, to conduct an assessment that identifies the Environmental, Social, and Governance (ESG) risks and opportunities most relevant to our internal and external stakeholders.

The ESG matrix identifies the importance of a given topic to the continued success of the business and the level of concern it presents for key stakeholders such as employees, investors and consumers. The goal of our ESG assessment was to prioritize those topics where Freshpet can have the greatest positive impact, and the results will help guide our efforts going forward. The ESG matrix was developed in collaboration with senior management leaders from all functional groups within the company. We expect that the assessment of ESG issues will evolve as our sustainability efforts mature. We intend for reporting on the top priority issues to meet or exceed SASB standards.

- 1. Energy Use
- 2. Climate Change & Emissions
- 3. Water Use & Management
- 4. Product Packaging & Plastic
- 5. Resource Efficiency & Waste
- 6. Biodiversity
- 7. Transport & Distribution
- 8. Sustainable & Responsible Sourcing including Animal Welfare
- 9. Employee Experience & Well-Being
- 10. Community Relations
- 11. Product Safety & Quality
- 12. Responsible Marketing & Advertising



2

Pets

Our Food & Giving Back

Delivering fresh healthy food and
nourish the human animal bond.



of dog parents believe it's important
that brands they buy are trying to
make a positive difference.



FRESHPET STRIVES TO STRENGTHEN THE BOND BETWEEN HUMANS AND OUR PETS SO THAT BOTH OF US LIVE BETTER LIVES

We fundamentally believe that Freshpet has the potential to change the way people feed their pets... forever.

We do this by satisfying the human desire to nurture our pets to the best of our ability—providing the freshest, most wholesome food that is appreciated by pets and enhances their wellbeing.

We do all of this in ways that demonstrate respect and appreciation for our pets, our people and the planet.



THE HUMANIZATION OF PETS

Pet food innovation and growth is driven by the evolving relationship with our pets.



1940

PET FOOD = WHAT WE EAT

1950

DAWN OF COMMERCIAL PET FOOD

1990

BIRTH OF SUPER PREMIUM

2000's

ULTRA PREMIUM

2010 & beyond

SIMPLE REAL FOODS

FRESHPET'S IN-HOUSE R&D TEAM LEADS DEVELOPMENT OF BREAKTHROUGH PRODUCTS

Freshpet prides itself in being an innovator and driver of significant growth in the pet industry. Thanks to this culture of innovation, Freshpet is one of the fastest growing wet or dry dog food brands.* Pet parents look to Freshpet for healthy innovative ways to feed their pets and we have delivered year after year. New product innovation launched since 2016 across all product lines now makes up over 31% of the company's retail sales*.



A PARTIAL INNOVATION TIMELINE:



All of Freshpet's innovation is driven by our in-house R&D team. Over the years, our investment in innovation has grown and we now have 16 people and over 6,000 sq ft of laboratory and testing facilities that support new product development. This investment includes our very first pilot plant which allows for innovation without the inefficiency of stopping the main production lines, as well as sensory, micro, and benchtop laboratories.

Rolls	Roasted Meals	Fresh from the Kitchen	Small Dog Meals	Spring & Sprout Plant Based Meal	Nature's Fresh Sustainable Recipes	Freshpet Large Dog Big Bites
<p>We pioneered fresh pet food in North America with our signature slice and serve rolls. This line continues to represent almost 50% of retail \$ sales* with a loyal following of consumers seeking flavor and functional variety.</p>	<p>Consumers asked for more convenience and Freshpet delivered with the Roasted Meals line. Continued innovation including the launch of the Multi Protein recipe helped this line achieve 31% of Freshpet retail \$ sales.</p>	<p>Fresh from the Kitchen delights consumers with a product that looks and feels just like something they might cook at home. As one of the most successful launches in Freshpet's history, two recipes now represent 14% of retail \$ sales*.</p>	<p>Consumer research led us to launch Small Dog Roasted Meals. This product is now our #1 selling item in units* and has helped increase household penetration with consumers that were not previously purchasing Freshpet.</p>	<p>The launch of Spring and Sprout marks Freshpet's first meatless meal made with wholesome plant protein, eggs and vegetables.</p>	<p>Nature's Fresh embodies Freshpet's commitment to innovation and sustainability. In 2022 the brand was re-launched with a focus on sustainable sourcing from regenerative family farms. Innovation includes our first grass-fed beef recipes.</p>	<p>Freshpet's newest recipe addresses the needs of pet parents with large dogs. Made with chicken, beef, egg, and salmon, this functional recipe supports joint health and will help Freshpet increase household penetration.</p>
2006	2012	2015	2018	2021	2022	2023



* Nielsen xAOC + Pet Super Stores 24wks ending 5/20/23

FRESHPET'S EXTENSIVE FOOD SAFETY AND QUALITY PROGRAMS ENSURE EVERY MEAL MEETS OUR EXACTING STANDARDS

Nothing is more important than the safety and quality of the products we produce for our pet parents. The more than 70 members of Freshpet's world class Food Safety Quality Assurance team monitor production 24 hours a day to ensure that everything we make meets the exacting taste, nutrition, quality and safety our consumers have come to expect.

Freshpet's extensive training programs ensure everyone on the team is educated in safe food manufacturing and handling procedures such as HACCP (Hazard Analysis Critical Control Point) and Preventative Controls for Human Food as well as Animal Food. We set aggressive food safety and quality goals, and review metrics weekly to continually improve our food safety and quality systems.

Our in-house laboratories ensure our products meets strict quality and safety specifications. For all products, moisture, fat, and protein levels are measured multiple times throughout the day to ensure each recipe meets our guaranteed minimums and maximums.

FOR BAGGED RECIPES, WE MEASURE HOURLY FOR:

- Temperature, pH, pouch leakage and seal integrity, aroma, color, texture, piece size and vegetable inclusion level
- Every half-hour we check gas levels in pouches and run seal checks. Finally, hourly microbial testing is conducted.

FOR ROLL RECIPES, WE MEASURE HOURLY FOR:

- Temperature, pH, aroma, color, texture, moisture & vegetable inclusion level
- Every half-hour, we check the seals on the rolls.



Freshpet's Kitchens are certified under the Global Food Safety Initiative (GFSI) standards. GFSI was established to ensure confidence in the delivery of safer food to consumers, while continuing to improve food safety throughout the supply chain. These global standards address food, packaging, packaging materials, storage and distribution for primary producers, manufacturers and distributors.



Freshpet's Supplier Approval Process requires that all Freshpet ingredient suppliers maintain high standards in safety, quality, performance, and capability. Freshpet strives to form relationships that are transparent and collaborative, facilitating teamwork to drive continuous improvement projects, innovation activities or corrective actions.



GFSI
Global Food
Safety Initiative



SQF
CERTIFIED

FSPCA
FOOD SAFETY PREVENTIVE CONTROLS ALLIANCE

FRESHPET NUTRITIONAL PHILOSOPHY

What our pets eat is just as important as what we eat. Our pets are family, and we believe that natural, moisture-rich, fresh food is the best option to help them live long, healthy lives. We work with our farmers to provide the most nutritious ingredients and strive to source from regenerative family farms to help reduce pesticide and fertilizer usage.

FRESHPET'S NUTRITIOUS RECIPES ARE SPECIFICALLY DEVELOPED TO:



Have similar moisture content to that which is naturally found in protein sources like chicken.



Use no artificial preservatives, colors or flavors.



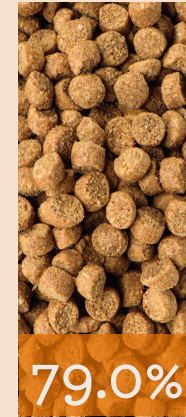
Have zero added sugar.

Freshpet recipes are created to be rich in nutrients and moisture, but not heavy in carbohydrates or empty calories, like sugar. Obesity affects much of the pet population, increasing the incidence of diseases like osteoarthritis, diabetes, and heart problems. Freshpet's feeding guidelines and recipes are optimized to help pets maintain a healthy weight while avoiding ingredients like corn, wheat, added sugar or rendered meat meals.

As pets age, there tends to be a decline in body moisture levels. Remaining properly hydrated is a challenge that can impact their vital organ functions. The moisture content of every Freshpet recipe provides pets with much of their daily water requirements while dry kibble requires them to compensate for low moisture content by drinking more water. Freshpet provides up to 30% of a pet's estimated water needs while dry kibble provides about 3%*.

*A 30 Lb. dog needs approximately 30 fluid ounces of water per day. Freshpet provides 9 fl oz while a leading dry food provides .8 fl oz. *Average bioavailability after processing across 11 amino acids Arginine, Histidine, Isoleucine, Leucine, Lysine, Methionine, Cysteine, Phenylalanine, Threonine, Tryptophan, Valine. University of Illinois protein bioavailability analysis of various cooking methods: J. Anim. Sci. 2019.97-998-1009 doi: 10.1093/jas/sky461

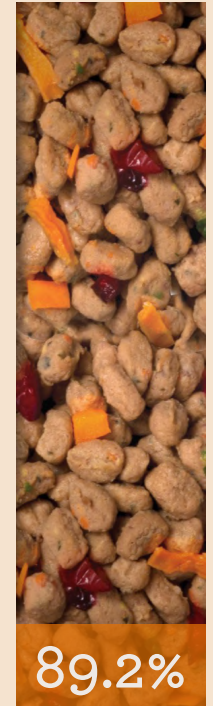
FRESHPET HAS HIGHER AVERAGE AMINO ACID BIOAVAILABILITY



CHICKEN MEAL
DRY KIBBLE



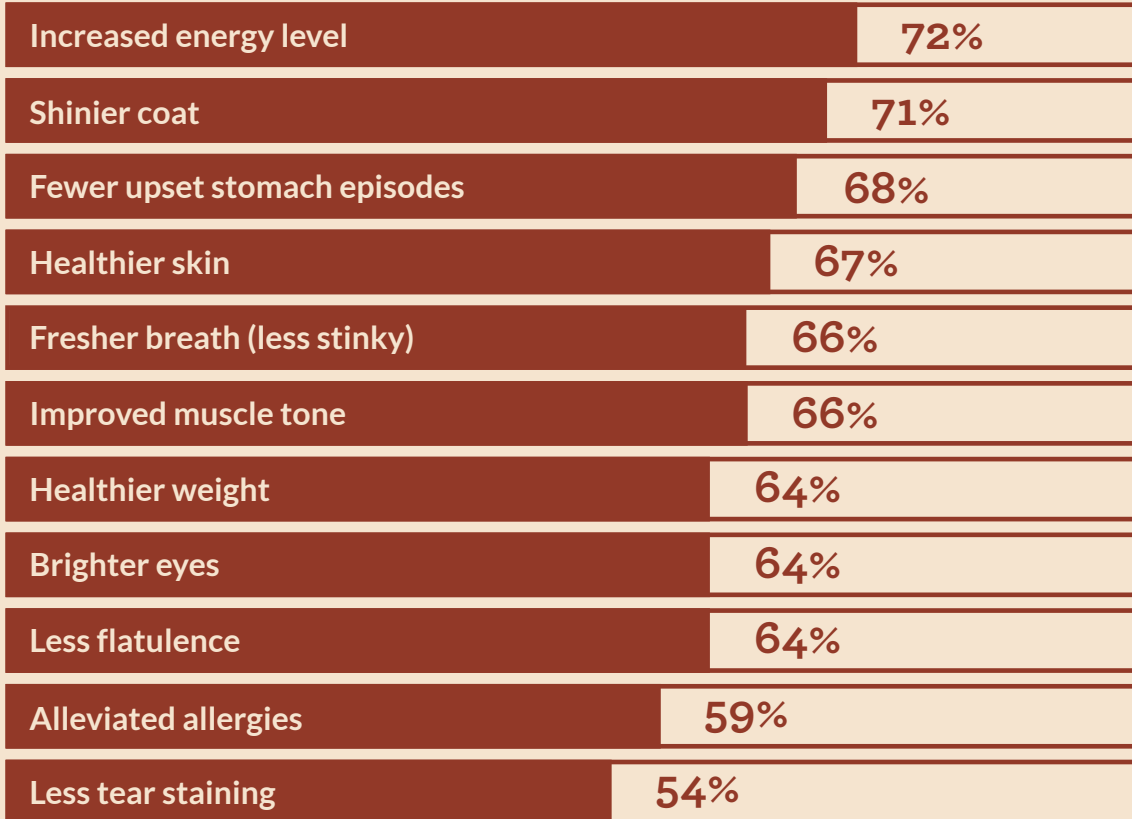
RETORT CHICKEN
WET CANNED



STEAMED CHICKEN
FRESHPET

Freshpet's cooking process is just as important as the ingredients we use. Freshpet is gently cooked to meet all applicable food safety requirements while most dry kibble pet food competitors cook their already rendered meat meals and other ingredients at about 300° F. As a result of the over-processing, research shows that dry kibble and wet canned food has reduced protein bioavailability.*

FRESHPET DELIVERS A NOTICEABLE DIFFERENCE IN PETS' WELL-BEING



Source: Freshpet Visible Difference Study 2018



of consumers report that Freshpet makes a difference in their pet's health.

FRESHPET'S POSITIVE IMPACT ON PET HEALTH

Pet Parents Love to Tell Us How Freshpet Changed Their Lives

2,320
PRAISE CONTACTS
IN 2022

"Your food is the only food our Wheaten Terrier can eat **without digestive issues!**"

Rachel D.



"TY Freshpet for making good quality dog food that my diabetic, senior & **picky dog Oscar actually likes to eat!**"

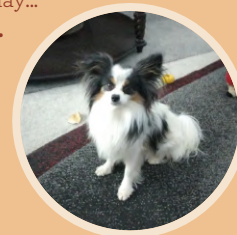
Diana A.



"My little one Sprite is 2 years old. She has never been a good eater. A friend suggested trying Freshpet food. It's been a week, and she has finished every bowl of food. We go to the dog park 4 or 5 times a day..."

She is energetic all day. Thanks!!"

Will L.



"Today is our Corgi-poo Tanner's 15th birthday. He's happy, healthy and still going strong. We had serious problems with his health and eating habits before switching to your product 8 years ago. I truly believe your product is responsible for his health today."

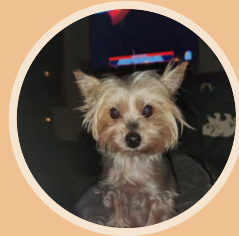
Marshall H.



"My Sophia acts like she's never eaten. She devours it so quick! Thank you, thank you, thank you.

She devours it so quick!"

Michael H.



"I changed to Freshpet, and he is a new dog! He can't wait to eat his meals. He's back to his sweet, affectionate self. We are grateful for how this food has improved his quality of life —and ours. We love the little guy!

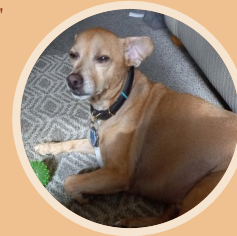
Thank you so much for this fabulous food!"

Jeanette W



"My boy Rooney had a weight problem and I tried everything including Science Diet, nothing worked. I finally tried Freshpet and 5 months later BOOM! He's at 24.6 lbs. down from 33.3 lbs. The results speak for themselves!!!"

Danny W



"My German shepherd is pretty picky but since starting her on Freshpet she eats everything! Her coat is soft & shiny since I switched her to Freshpet too! Highly recommend."

PP



Actual testimonials from Freshpet consumers. Testimonials have been edited for brevity.

LIVING BETTER. TOGETHER.

Saving Lives & Celebrating the Human Animal Bond

4 Paws for Ability believes every child & veteran should be included in all aspects of their community, regardless of disability. Freshpet is proud to sponsor 4 Paws for Ability as they enrich the lives of children and veterans with disabilities and their families by placing quality, task trained service dogs.

4Paws' dogs allow hundreds of families to enjoy **fulfilling lives** they never dreamed possible. Donated Freshpet food and treats help keep 4 Paws dogs **healthy** and ready for a **life of faithful service and companionship**.

In addition to food, Freshpet treats are provided to train seizure alert, lost child tracking, behavior disruption as well as other key tasks performed by 4 Paws' Dogs.

"4 Paws for Ability appreciates the generously donated product that enables us to financially fulfill our mission to enrich the lives of people with disabilities by placing life changing service dogs."



LIVING BETTER. TOGETHER.

Adoption and rescue programs

Freshpet is proud to celebrate the human-animal bond by helping thousands of dogs and cats find loving families and live their best life. Every year we donate healthy fresh food to help pets in need. In 2022, **over 2 million** meals were donated!

NEW FOR 2022: PET PLEDGE PROGRAM

Freshpet pledges to annually help save as many pets from an at-risk situation as we have employees. In 2022, **over 800 pets** were adopted into a loving forever home as a result of this program.

Our long-term partnerships with **shelters and rescues** helps increase their visibility and provides the pets in their care with the food and resources they need until they find their forever homes.

LONG TERM RESCUE AND ADOPTION PARTNERS INCLUDE:

- Airedale Rescue and Adoption of the Delaware Valley since 2008
- Mid-Atlantic Basset Hound Rescue since 2008
- Lehigh County Humane Society since 2009
- Animal LifeSavers since 2008
- The Center for Animal Health and Welfare since 2010
- The Sanctuary at Haafsville since 2011
- Harnessed to Hope Northern Breed Rescue since 2011
- Lakota Wolf Preserve since 2012
- Burlington County Animal Shelter since 2012
- Garden State German Shepherd Rescue since 2014
- St Hubert's Animal Welfare Center since 2020
- Pennsylvania SPCA since 2021



“St. Hubert’s is grateful to Freshpet for their continued partnership in lifesaving. With their annual support we can move hundreds of dogs from underserved communities in the south to areas of the country with greater opportunity for adoption; provide shelter pets with nutritious meals and enrichment; and offer free pet meals to families in need.”



Through 2022 we've donated **14.6+ million fresh meals** to pets in need



“The Freshpet partnership has meant so much to the dogs and cats at the Pennsylvania SPCA. The work we do here is unique, because we are rescuing animals from cruelty and neglect. They often don't trust us when they arrive and using Freshpet has been a wonderful tool in helping them to open up. It is hard for these beautiful souls to say no to the yummy Freshpet food – so they don't! Instead, they take the food, and in turn take steps toward a new future where they will be so loved.”

3

People The Freshpet Family

Ensuring that all people touching the company are made better in some way.



of dog parents believe it's important that the brand of dog food they buy has a good reputation for how it treats employees, vendors, and the community.



PUTTING PEOPLE FIRST IS GOOD BUSINESS



Putting our people first is at the heart of everything we do. We remain deeply committed to doing our part to ensure that in growing our business, we are operating with integrity, taking care of our people, and doing good in our world.

We value and encourage curiosity, innovation and collaboration and are committed to creating careers over jobs. Celebrating and encouraging our employees' professional and personal growth has been a critical component of our culture since our founding. Providing careers that people love is a competitive advantage that helps us find and retain the best talent.

FRESHPET'S PEOPLE FIRST PROGRAMS CONTRIBUTE TO HIGH EMPLOYEE LOYALTY AND ENGAGEMENT.



78% Employee Engagement

Majority of employees intend to stay at Freshpet for the next 12 months. "Compensation/Benefits" and "My Coworkers" are the top 2 reasons.



8.0 Net Promoter Score

Our Net Promoter score is in the 90th percentile.

2022 Employee Engagement Survey Results

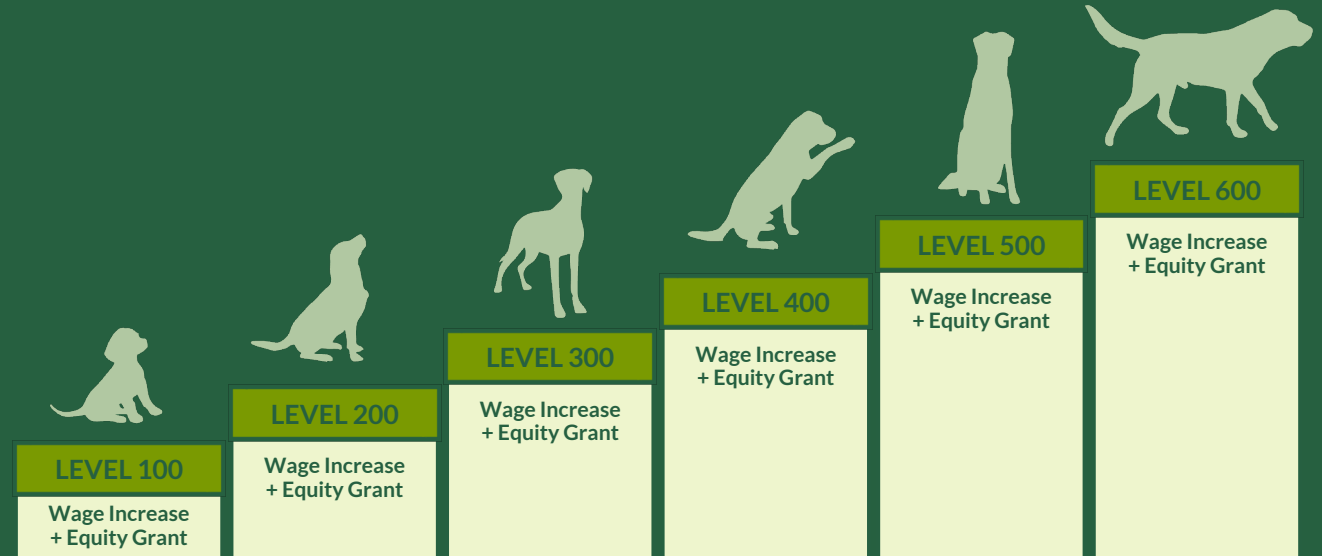


FRESHPET ACADEMY. CREATING CAREERS OVER JOBS

In 2021, we thoroughly revamped our hourly compensation program to better position employees to have **lifelong careers** at Freshpet. By restructuring compensation to closely align with the **Freshpet Academy**, our skills development program, employees now have a clear career path to accelerate their career growth, see increases in their base compensation and earn incremental equity over time. The introduction of these programs helped reduce **Production and Sanitation turnover ~50%** resulting in:

- reduced training costs
- increased productivity
- increased product quality

Freshpet is committed to matching or exceeding the living wage rates for single employees across all positions. Living wages for employees with dependents can be rapidly achieved thanks to the Freshpet Academy. Living wage benchmarking comes from <https://livingwage.mit.edu/>.



* Production and sanitation turnover dropped from 21% in Q2 2021 to 11% in Q2 2022



ETHICS HELPLINE/WHISTLEBLOWER INFO

To ensure our business is conducted with honesty, integrity, and in compliance with applicable laws, we established our Code of Ethics that applies to every employee. All Freshpet employees are required to certify that they comply with the Code of Ethics and its related policies and programs. Non-exempt employees are required to sign upon hiring, and exempt employees recertify annually.

Freshpet has zero-tolerance for bribery, corruption, harassment, discrimination, and other ethics violations. The Board established a robust Whistleblower Policy and Freshpet has engaged Lighthouse Services to provide an anonymous ethics and compliance hotline for all Team Members of Freshpet.

www.lighthouse-services.com/freshpet

WORKFORCE DIVERSITY, EQUITY AND INCLUSION

At Freshpet, we believe that a diverse workforce is essential to our continued success, and we strive to maintain a diverse and inclusive workforce at all levels.

By building an inclusive workplace environment, we seek to leverage the talent, diversity of insights, and ideas of our employees. Our aspiration is to not only reflect the diversity of the communities in which we operate, but hopefully exceed industry norms in our diversity and inclusion efforts, from the most senior levels down.

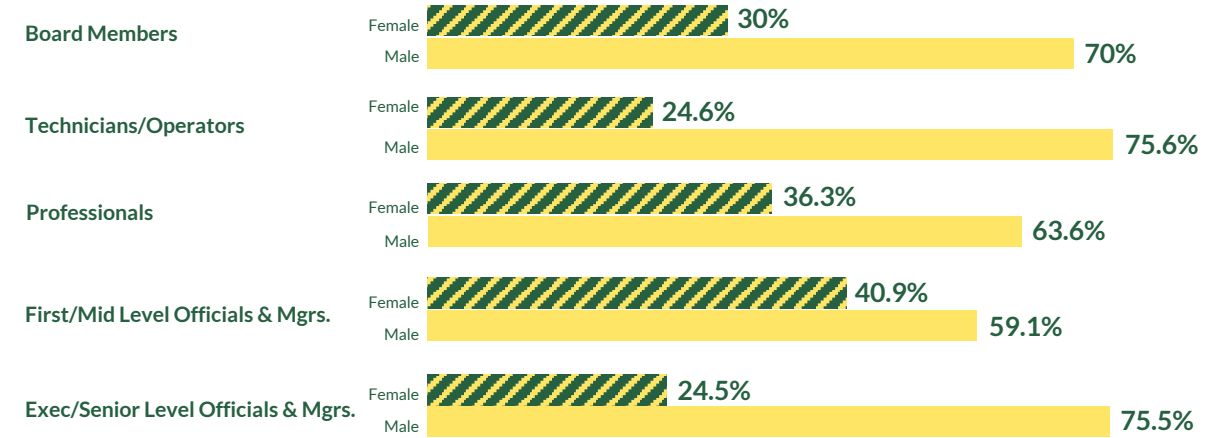
Recruiting a varying depth and breadth of experiences and perspectives contributes to greater innovation and richer engagement with our employees, customers and consumers.

Many of our most recent board appointments focused on adding racial and gender diversity. Three out of ten independent directors on our Board are women.

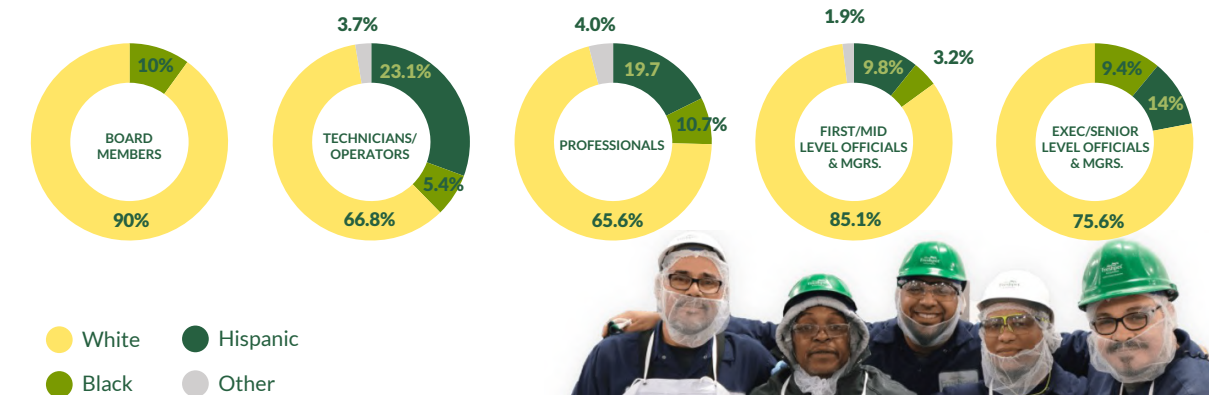
2022 marked the publication of Freshpet's first **Diversity and Inclusion Policy and Human Rights Policy**. Both documents formalize many practices that were already in place at Freshpet.

*Diversity data based on employees hired through June 2023

GENDER DIVERSITY*



ETHNIC DIVERSITY*



HEALTH AND SAFETY: KEEPING OUR EMPLOYEES SAFE

Since Freshpet's founding, safety has been ingrained in our culture. We have invested heavily in maintaining a safe and healthy workplace for our employees and take a proactive approach to ensuring that the work environment supports our "safety first" mission. The safety of our team members is a core value of our operation and will guide us to our goal of becoming a leader in team member safety.

- ✔ Employee engagement is a key driver in our commitment to a safe workplace. In 2022, employee safety committee participation continued to grow, and we started a Business Improvement Advocate program where hourly team members are assigned to the EHS and Training groups for 6-month rotations to work on projects that improve workplace safety, team-member training, and food quality.
- ✔ Site security is a crucial aspect of team member safety, and it has always been looked at as an important part of our health and safety program. In 2022, we conducted a comprehensive security assessment to identify potential vulnerabilities at our locations which resulted in several improvements made to increase physical security.
- ✔ Our focus on safety has led to a near **30% reduction in total reported incidents** between 2021 and 2022.



EMPLOYEE TOTAL REWARDS: RECOGNIZING THE VALUE OF OUR PEOPLE

We believe that the best teams are built by **engaged, inspired and driven** employees. Freshpet’s competitive benefits reward the people that fuel our success and help drive employee engagement and loyalty. Benefits have evolved with needs of our workforce and saw significant upgrades in the last year.

“I am grateful I work for a company that provides paid time off to spend with my family and welcome home our newborn child. It is an opportunity that comes once in a lifetime. I am thankful I was able to experience the moments with my family and create great memories together.”

Bob Monahan – Father to Emersyn Monahan



TOP NOTCH BENEFITS & PERKS:



COMPENSATION

We provide competitive compensation to ensure that we pay at the top end of the market and retain our best talent.



ANNUAL STOCK

All employees are encouraged to become and remain shareholders and are given stock annually.



RETIREMENT

We provide a 401K Employer matching program for all employees.



PAID TIME OFF

We have increased Paid Time Off for all employees and included additional time off for unplanned sick days.



MEDICAL, DENTAL, VISION

Our comprehensive health insurance is offered to all employees and encourages preventative care.



PAID PARENTAL LEAVE

We provide up to 18 weeks paid leave for eligible new parents.



PET INSURANCE

We offer comprehensive insurance coverage for our fur-babies.



TUITION REIMBURSEMENT

We offer all employees tuition reimbursement to support development and furthering their education.



FREE MEALS

Employees are provided with healthy snacks and catered lunches.

PURPOSE AND PASSION MAKE FRESHPET A REWARDING PLACE TO WORK

“Working for Freshpet gives me the opportunity to collaborate with the most capable and passionate people in the industry. I have the chance to positively impact the health of millions of pets in a way that is environmentally conscious and empowering to our employees.”

T.K., Production Manager



“Freshpet has made me feel like part of the family since day one! They invested in a year of training in Pennsylvania so I would be ready to hit the ground running in the new Kitchens in Ennis. I am proud to be helping make the best pet food in the world and happy for all that it has done for me and my family.”

Abigail



“My Freshpet experience is amazing because of the daily collaboration I’m able to have with talented and interesting people on various projects. The company invests in the personal development of employees which helps support our mission to nourish Pets, People, Planet.”

Justin Houston



“I am humbled to be a part of a company that puts value on creating an atmosphere that allows employees to feel like they are a part of the greater good and that fosters a relationship between people and their pets. Kingsley and I are thrilled to be a part of the Freshpet family and proud to work to feed animals healthy and nourishing meals.”

Rebecca Higgins, Accounts Payable Analyst



“The unconditional love from our pets is one of the best parts of each day. It is an honor to be part of the Freshpet team that delivers millions of bowls of food and tail wags each day; providing purpose and significance to our work.”

Bill, Production Planning Mgr



“As a pet owner myself, I really value everything that Freshpet’s mission is built on. I’m lucky enough to have the chance to be able to work with really great pets to visually bring to life what our product means for dogs and cats. It’s an added bonus that the fantastic group of people who make up our organization also make our company a truly great place to work!”

Maureen Cooley, Assoc Creative Dir.



“Working at Freshpet has allowed me to pursue doing what I love every day, while being surrounded by a wonderful team of people (and their pets!) I am happy to work for a company that takes such care in environmental practices and corporate responsibility.”

Katie, Jr. Art Director



“Working at Freshpet has given me the opportunity to apply my passion for pets, people, and the planet into the work I do every day. Being surrounded by a team of people who share these values fosters a collaborative, community-driven environment.”

Ellie, Digital Marketing Associate

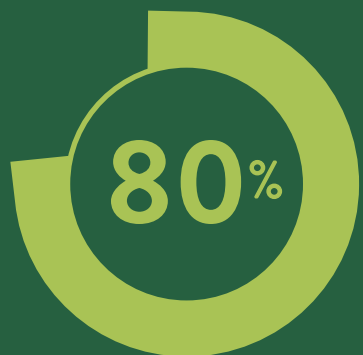


4

Planet

Freshpet Sustainability

Leading the industry in environmental sustainability.



of dog parents think companies should be doing more to make the world a better place.



ENVIRONMENTAL SUSTAINABILITY IS FUNDAMENTAL TO FRESHPET'S MISSION

For over ten years, we have been dedicated to sustainability initiatives that nourish **Pets, People, and Planet**. We are not perfect, but view ourselves as an industry leader in pet nutrition, sustainability, and growth.

NATURE'S Fresh

Nature's Fresh brand launched with Global Animal Partnership Certified Poultry.



Freshpet Kitchens begins matching electric usage with wind energy RECs.



Pets, People, Planet trademark established.



Freshpet Kitchens become landfill free.



Highly Efficient TVM 48sl chiller launched.



Reliable and Efficient Combined Heat and Power plant comes on-line in PA Kitchens.



Pets, People, Planet teams formed.



All chiller electric use matched with US based renewable energy credits.



PA Kitchen's wastewater treatment and rainwater capture systems become operational.



Begins matching Nature's Fresh Brand Scope 1/2/3 emissions with verified carbon credits.



Published first sustainability report and ESG metrics using industry standard frameworks.



Begins matching total company Scope 1/2 emissions with verified carbon credits.

- Launch of Freshpet's first meatless product.
- Average daily chiller energy use reduced 26% compared to 2019 fleet.
- Appointed Sustainability Lead reporting to Founder and President.



- Nature's Fresh re-launch includes new recipes that are Freshpet's most sustainable yet.
- Nature's Fresh begins sourcing humanely raised sustainable beef from regenerative farms.
- All whitefish recipes begin using traceable and sustainable wild Alaskan Pollock.
- Achieved sustainable business accreditation by the Pet Sustainability Coalition.
- Published Human Rights Policy.
- Our most sustainable Kitchens yet opened in Ennis, TX.
- Created Sustainability Leadership Team.
- Chiller sustainability metrics added to tracking database.

- Recipe ingredient optimization resulting in lower costs, waste, and carbon footprint.
- Wastewater re-use for cooling in Ennis, TX
- Texas production and distribution capability reduces logistics footprint.
- Freshpet's electronic supplier code of conduct launched.
- Lower weight plastic film introduced.
- rePurpose plastic neutral program expanded to the Vital brand.



2012

2014

2016

2019

2020

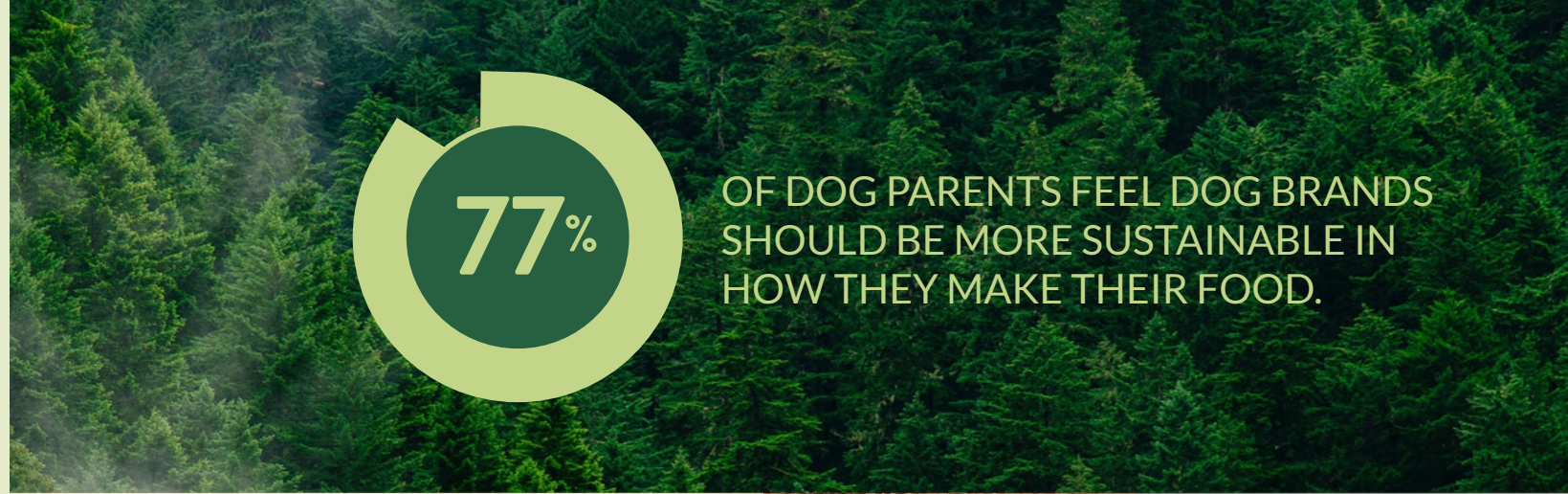
2021

2022

2023 in progress

FRESHPET'S ESG EFFORTS MEET THE DEMANDS OF TODAY'S SUSTAINABLE SHOPPER

Sustainability is good for Pets, People, Planet and our business as consumer awareness and demands grow. Looking to add our voice and sustainability leadership to the pet industry, Freshpet joined the Pet Sustainability Coalition in October 2021. We are proud to announce that in 2022 we achieved status as a PSC Accredited company. PSC Accreditation required completion of the SDG Action Manager (a widely-recognized sustainability assessment established by the UN Global Compact which measures the social and environmental impacts of business practices), achieving a minimum score on the assessment, and undergoing a third-party verification of our assessment. Validation from PSC underscores we are on the right ESG path helping align us with today's sustainable shoppers.



77% OF DOG PARENTS FEEL DOG BRANDS SHOULD BE MORE SUSTAINABLE IN HOW THEY MAKE THEIR FOOD.



80% OF DOG PARENTS BELIEVE, IT'S IMPORTANT THAT THEIR DOG FOOD BE MADE HUMANELY OR SUSTAINABLY.

Source: Sustainability A&U November 2021



80% OF DOG PARENTS BELIEVE IT CHANGES HOW THEY VIEW COMPANIES WHEN THEY KNOW THEY'RE SUPPORTING GOOD CAUSES.



CLIMATE ACTION NOW



Minimizing our impact on global climate change sooner rather than later is the right thing to do for the planet and for our business. With zero greenhouse gas (GHG) emissions the desired long-term goal, Freshpet’s engineering, logistics, and procurement teams are working to reduce our emissions at their sources. These efforts take company-wide engagement, investment, and time.

Freshpet’s long-term goal is to develop a pathway to net zero carbon emissions using renewable energy, improving our energy efficiency, and helping pioneer clean-energy innovations. Efforts such as our landfill free policy, renewable energy commitment, improved efficiency chiller roll-out, and on-site power generation including solar in Ennis, TX are just the beginning. Rather than wait until we can eliminate our carbon footprint with process changes and technology implementation, we have purchased verified carbon credits since **July 2021** equivalent to the company’s remaining **scope 1 and 2** emissions.

Nature’s Fresh leads the way in our sustainability efforts as **scopes 1, 2, and 3** emissions remaining after source reductions have been matched with carbon credits from verified projects since **July 2020**. For 2022, these projects were chosen specifically to support **UN’s Sustainable Development Goals** such as **bio-diversity, regenerative farming, and social justice**.

We hope that these efforts demonstrate our commitment to minimizing the impact of our carbon footprint and spur other companies to act sooner rather than later as well.

To ensure accurate climate accounting, Freshpet partnered with 3Degrees to calculate our carbon footprint. This analysis used widely accepted GHG Protocol guidelines to estimate carbon dioxide equivalent (CO2e) emissions of our Scope 3 value chain including protein sources, distribution, packaging, waste, etc. As climate science evolves, so will our carbon footprint model helping ensure the most accurate analysis possible. These insights will help guide future efforts to reduce emissions at the source.

We have chosen to publicly disclose our emissions in this document as well as through CDP.



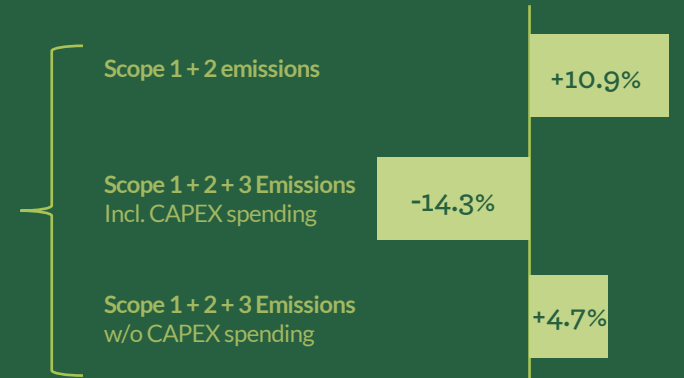
FRESHPET GHG EMISSIONS (000'S METRIC TONS CO2e)

	2020	2021	2022	% Chg YAG
Scope 1 + 2	15.5	20.1	24.7	23.4%
Scope 3 Including Capex Spending	332.8	564.5	588.2	4.2%
Scope 1 + 2 + 3 including Capex spending	348.3	584.5	613.0	4.9%
Scope 1 + 2 + 3 without Capex spending	252.8	354.2	452.9	27.9%

As a rapidly growing business, GHG emission intensity can help understand changes in production efficiency. In 2022 our Scope 1 + 2 emissions per short ton of production volume increased as our new Kitchens in TX was coming on-line. We anticipate that a full year of production volume in 2023 will result in reduced GHG intensity for these direct emissions. Scope 1 + 2 + 3 emission intensity saw a significant drop in GHG intensity due to the reduction in CAPEX spending for the calendar year.

FRESHPET GHG INTENSITY % CHANGE VS 2021

Kg OF CO2E /
Kg OF PRODUCTION VOLUME



Note: Scope 2 is market based and considers any contractual renewable energy instruments such as RECs. Freshpet’s scope 3 boundary includes estimates for co-packed volume.

MINIMIZING OUR MANUFACTURING IMPACT



Freshpet Kitchens: Manufacturing is one of Freshpet’s core competencies and our state-of-the-art Kitchens have been engineered by our FreshTEC Team to provide the industry’s healthiest, highest quality pet food while minimizing our environmental impact.



Freshpet’s Kitchens and offices are powered by renewable electricity thanks to Green-e® certified renewable energy credits (RECs). In 2022, we matched **32,875 megawatt hours (MWh)** of electricity consumption with RECs that support the development of renewable energy projects and **helped avoid 23,289 metric tons** of carbon dioxide equivalent emissions (CO₂e). This has an environmental impact similar to **taking 5,184 cars off the road** for a year or **not using 53,887 barrels of oil**.*

Freshpet’s latest manufacturing facility in **Ennis, TX** has been designed from the ground up to be our most efficient yet. Besides using environmentally friendly construction techniques like low carbon footprint concrete, recycled steel, and on-site soil preparation, Ennis includes:

- ✔ high pressure wash down systems that use an estimated **42% less water**
- ✔ on-site wastewater treatment plant that allows re-use of wastewater for building cooling and is anticipated to save over **50 million gallons of water** usage per year
- ✔ coming soon: on-site ~ **2 MW solar field** with battery storage system that is estimated to generate over **3 million KWh of electricity** per year

* Equivalencies are calculated using: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>



freshpet
Bethlehem, PA



SUSTAINABLE CONSTRUCTION TECHNIQUES:





- ✔ RECYCLED STEEL
- ✔ LOW CARBON CONCRETE
- ✔ ON-SITE SOIL PROCESSING

FRESHPET'S COMMITMENT TO RECYCLING AND LANDFILL-FREE MANUFACTURING



Since 2016, Freshpet has committed to operating landfill-free manufacturing facilities. We are proud to have been one of the first pet food manufacturers to make this commitment. Engagement across the entire organization was required to manage our waste streams without using a landfill.

BELOW ARE THE FOUR STRATEGIES USED TO ACHIEVE LANDFILL-FREE STATUS IN ORDER OF PREFERENCE AND PRIORITY:

-  Reducing the amount waste generated by the manufacturing process
-  Reusing or recycling as much waste as possible
-  Anaerobically digesting organic waste to keep it from generating un-captured methane
-  Converting waste to energy for any waste stream that doesn't work with the above strategies

KEY WASTE MANAGEMENT PARTNERS:



Estimated greenhouse gas emissions avoided in 2022 due to landfill free policy:

8,600+ Metric Tons*

Approximately 94% of Freshpet's in-organic waste by weight is corrugated cardboard and paper. In 2022, Freshpet **recycled 1,350,460 lbs of paper** helping avoid an estimated **2,240 metric tons of CO2e** emissions compared to landfilling this same amount of material. This effort also helped avoid the use of up to **4,726,609 gallons of water** and **11,400 trees**.*

Decomposing organic matter creates methane which is a significant contributor to global warming. Freshpet's production process is designed to minimize organic waste. For the waste we cannot avoid, we partnered with Waste Management and others to dispose of the waste via anaerobic digestion. We estimate that using this disposal method helped avoid an estimated **4,802 metric tons of CO2e** emissions in 2022 compared to landfilling.*

Freshpet works with our waste management partners to convert hard to recycle mixed waste streams such as cardboard contaminated with meat and grease into energy. Waste to energy facilities use technology to keep waste out of the landfill and generate electricity that goes back into the grid. The process avoided an estimated **1,602 metric tons of CO2e** emissions compared to landfilling the same waste stream.*

*Greenhouse gas avoided was estimated using the EPA's 2020 Waste Reduction Modeling compared to landfilling found at: <https://www.epa.gov/warm>
Water and tree savings estimate from: <https://www.orlando-recycling.com/blog/2018/five-positive-effects-of-cardboard-recycling-on-the-environment.html>



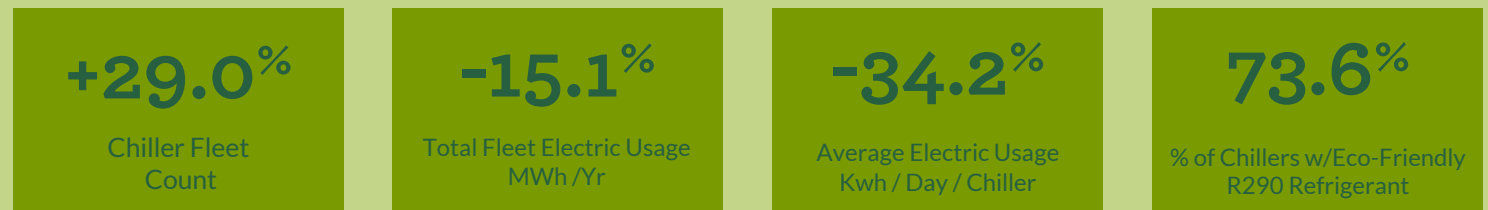
FRESHPET'S STATE-OF-THE-ART CHILLERS ARE GOOD FOR BUSINESS AND THE PLANET

Freshpet's in-house chiller development team works with suppliers to continuously improve efficiency. Our latest models use up to **91% less electricity** than older ones thanks to LED lighting, eco-friendly refrigerants, and state of the art compressors. These chillers feature more capacity, higher reliability, brighter lighting, and easy access doors which helps drive growth.

New for 2022: Our most popular chiller model became even more efficient thanks to new door seals, high-efficiency variable speed evaporator fan motors, and the addition of a hot gas loop in the condensate pan. Chiller efficiency and refrigerant type was added to our internal chiller tracking database allowing efficiency analytics to be done in real time. This information also helps us target regions or customers that could benefit most from upgrades.

By upgrading old chillers to more efficient ones, Freshpet's chiller fleet efficiency **improved 34.2%** over the last three years. The entire active fleet now consumes approximately **7,500 MWh less** electricity per year than in 2019 despite having grown by 6,500 chillers. Over **73%** of the fleet uses **eco-friendly refrigerants** such as R-290 which limits our impact on the ozone layer and global warming.

OUR PROGRESS OVER THE LAST 4 YEARS (2022 VS 2019):



In an effort to minimize the impact of our Scope 3 Emissions, the estimated electric usage of all North American Freshpet chillers that aren't covered by a customer renewable energy pledge is matched with Green-e certified Renewable Energy Credits (RECs). These **36,249 RECs** support the development of renewable energy projects and **helped avoid up to 25,689 metric tons of CO2e emissions**. This has an estimated environmental impact comparable to taking up to **5,717 cars off the road** for a year or not using up to **59,417 barrels of oil**.*

* Efficiency estimates based on the EPA's greenhouse gas equivalency calculator for 36,249 MWh avoided at: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

COMMITMENT TO REDUCING OUR PACKAGING FOOTPRINT

One of Freshpet’s biggest challenges is to ensure that every meal remains fresh and healthy without artificial preservatives up to 24 weeks in a refrigerator (un-opened shelf life). Our FreshTEC team engineers each package to reduce food waste by keeping the product fresh until consumption while using a minimum amount of packaging- up to 20x less consumer packaging per serving by weight than competing wet food brands sold in cans and plastic trays*. Our most efficient packages (6lb rolls) are engineered to use less consumer packaging per serving than all but the larger bags of dry dog food.

ROADMAP FOR THE FUTURE:

We are constantly working with our suppliers to reduce Freshpet’s packaging footprint. All options are being considered: light weighting, post consumer recycled content, recyclable and plant-based plastics, etc. By 2030, we will strive to have 100% of our packaging be either recyclable, biodegradable, compostable, or re-usable and we will include recycled content where available.

CORRUGATED CASE SUSTAINABILITY:

Freshpet’s corrugated cardboard cases contain up to 65% recycled content by weight. Any virgin fiber required in their production is certified by the Sustainable Forestry Initiative to be grown and harvested according to their strict sustainability standards.



Sources: * Freshpet research September, 2020, <https://archive.epa.gov/epawaste/conservation/tools/warm/pdfs/Plastics.pdf>
https://www.epa.gov/sites/default/files/2016-03/documents/warm_v14_containers_packaging_non-durable_goods_materials.pdf



INGREDIENT PACKAGING INNOVATION:

As part of Freshpet's ongoing investment in more sustainable manufacturing, equipment was recently installed to accommodate large “Supersacks” of ingredients. These polypropylene Supersacks hold up to **2,000 lbs** of material and replace much smaller bags made of paper and plastic. Not only are the Supersacks recyclable, but they reduce the weight of ingredient packaging by approximately 34%. We estimate that **101,984 lbs of packaging was avoided** since 2021 thanks to the Supersack program. This reduced our Scope 3 emissions by approximately **46.9 metric tons of CO2e**.*



PACKAGING ENGINEERING EXPERTISE:

Freshpet’s packaging is constantly being evaluated to minimize the amount of material being used. Recent projects include:

- ✔ Increasing the case count of 2lb roll items from 4ct to 8ct reducing the amount of cardboard per roll by **4.5%**
- ✔ Revising club pack packaging and production process which will reduce the amount of cardboard used for the 4ct rolls by an estimated **23%**.
- ✔ Testing new roll film that requires **~5% less plastic** per serving and results in less manufacturing waste.

NATURE'S FRESH PLASTIC NEUTRAL PROGRAM:

Nature’s Fresh is proud to partner with rePurpose Global in their mission to rid the world of plastic waste. This program:

- ✔ Collects and removes ocean-bound plastic waste from countries with poor waste collection infrastructure.
- ✔ Empowers waste collectors on the frontline by providing them dignified livelihoods through additional income, so that they can gain access to better education and health care.
- ✔ Helps ensure ocean-bound plastic is disposed of properly.



FRESHPET'S COMMITMENT TO WATER STEWARDSHIP

As one of our most valuable natural resources, Freshpet is committed to minimizing our impact to the planet's water supply. Manufacturing fresh pet food requires water in the cooking and cleaning processes ensuring that every meal is safe and nutritious. Because water is such a critical resource, its conservation receives continuous focus from management and our in-house FreshTEC engineering team.

ON-SITE WASTEWATER TREATMENT FACILITIES

Freshpet Kitchens in Pennsylvania has incorporated an on-site wastewater treatment plant since September 2020. This 6,600 sq ft facility processes up to 200 gallons per minute removing residual fines of meat, vegetables, and fat from the Kitchen's wastewater. In addition to easing our burden on municipal facilities, Freshpet's investment in treating our own waste-water was a sound financial decision. We anticipate avoiding significant wastewater treatment fees making the project pay for itself over time.

The wastewater treatment plant at Freshpet's Kitchens in Texas is our most advanced yet. This 15,000 sq ft facility incorporates a state-of-the-art biological moving bed bio reactor wastewater treatment process. The resulting wastewater is so clean that it can be recycled for use in the Kitchen's cooling system. We anticipate eventually re-using over 50 million gallons of water per year which is good for the environment and project ROI.

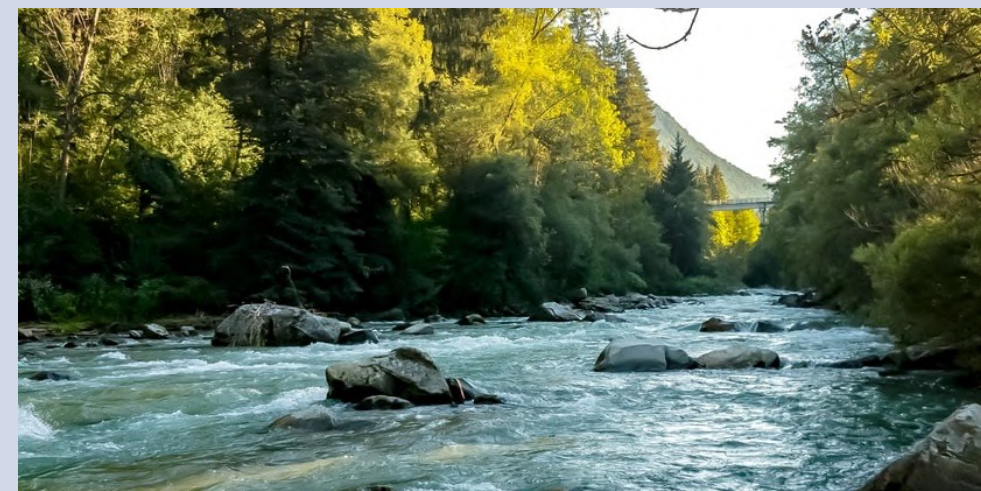
Vegetable, meat, and fat solids removed from wastewater at both facilities is used as a nutrient rich fertilizer by local farmers which reduces the methane emissions compared to landfilling.

RAINWATER HARVESTING SYSTEM

The underground reservoirs of Freshpet's Pennsylvania Kitchens hold up to 427,500 gallons of rainwater that is used to irrigate 62,000 sq ft of landscaping including more than 120 trees planted in May 2020.



Starting in calendar year 2021, we began reporting our direct water footprint as part of CDP's Water Reporting process.



Freshpet's onsite wastewater treatment plant in Pennsylvania has been successful in reducing effluent pollution across four key metrics. Estimated reductions in 2022 vs 2020 baseline:

- Biochemical Oxygen Demand BOD (Mg/l): -68.0%
- Chemical Oxygen Demand COD (Mg/l): -75.4%
- Ammonia (NH3 Mg/l): -38.8%
- Total Suspended Solids (Mg/l): -84.0%



Organic solids are removed from wastewater and used as fertilizer

PARTNER / SUPPLIER CODE OF CONDUCT

Freshpet believes in partnering with the best suppliers to help drive our mission of **Nourishing Pets, People, and Planet**. Publicly sharing our Supplier Code of Conduct illustrates our ESG commitments extend beyond our four walls. By inspiring our suppliers do better, it makes it easier for Freshpet to achieve our mission to nourish pets, people, and planet.

NEW for 2023: Developed in conjunction with the Pet Sustainability Coalition, 2023 will see the launch of Freshpet's first electronic supplier code of conduct allowing us to better engage suppliers on sustainability topics important to our consumers, employees, and investors.

FRESHPET PARTNER / SUPPLIER CODE OF CONDUCT

Freshpet is committed to sustainably sourcing the highest quality ingredients and leading the industry in the ethical treatment of workers, animals, and natural resources as part of our mission to nourish Pets, People, and Planet. As we grow our businesses together, we expect all of our partners to champion integrity, human rights, and sustainability across all aspects of our relationship.

WE REQUIRE OUR PARTNERS TO:

- ✔ Have anti-corruption policies and programs
- ✔ Comply with, and work to exceed, all applicable labor and environmental laws
- ✔ Support the humane treatment of farm, wild, and companion animals

IN SUPPORT OUR EFFORTS TO BECOME MORE SUSTAINABLE, WE REQUEST THAT OUR PARTNERS:

- ✔ Provide carbon footprint data for products sold to Freshpet in 2023
- ✔ Provide water footprint data for products sold to Freshpet in 2023
- ✔ Introduce programs to reduce water usage intensity
- ✔ Provide information on employment practices and social programs



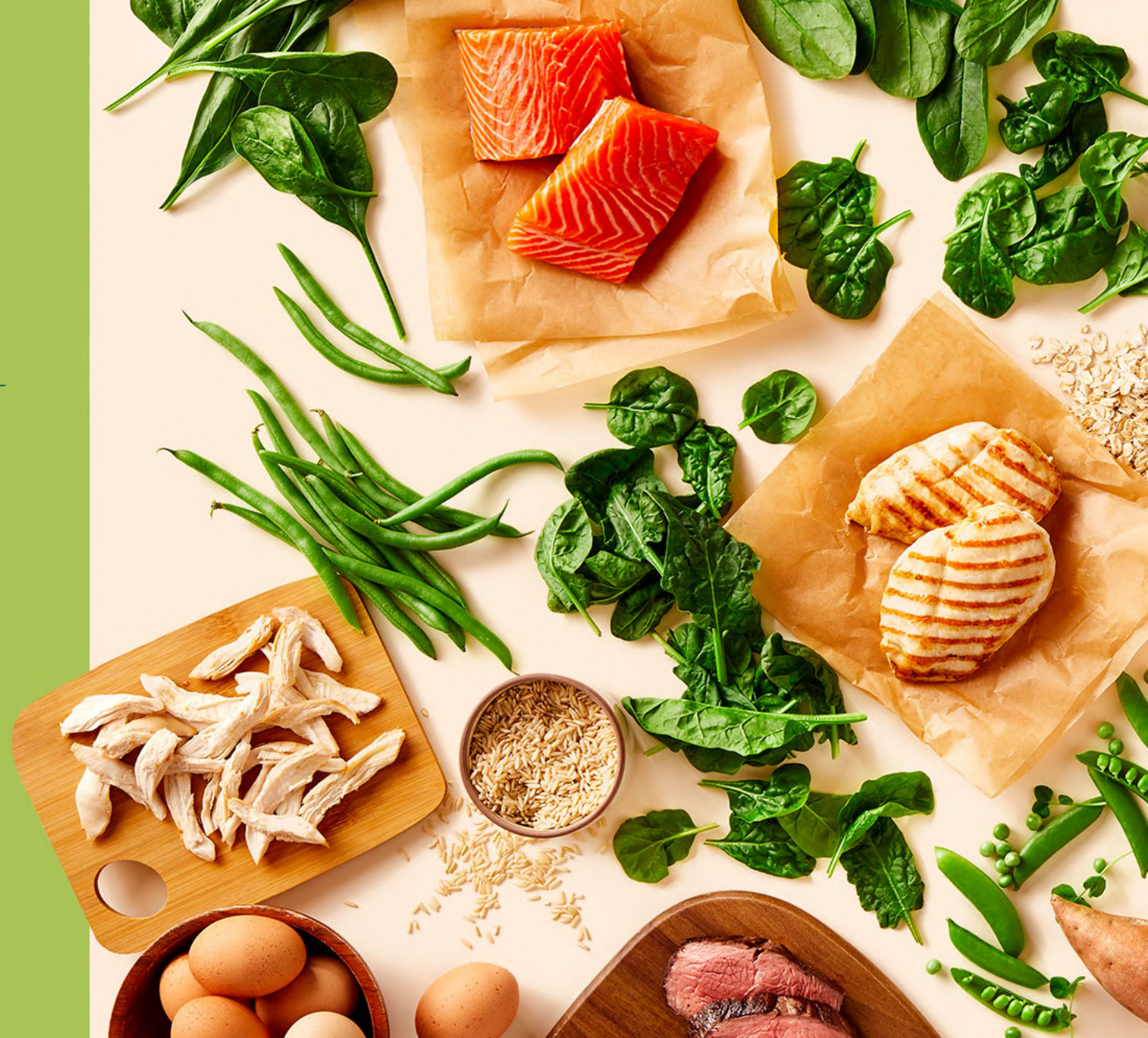
ENSURING THE SUSTAINABILITY OF OUR SUPPLY CHAIN:

COMMITMENT TO LOCAL SOURCING:

Freshpet recipes are made with natural and fresh meat, vegetables, fruits, and whole grains. We believe in building long-term supplier and farmer partnerships to source healthy and sustainable ingredients. We strive to source raw ingredients within a 300-mile radius of the Freshpet Kitchens.

LOCAL SOURCING HELPS ENSURE:

- ✔ The most efficient use of resources in transporting the ingredients and a reduction of damage and waste in transit.
- ✔ The well-being of our local communities.
- ✔ That the integrity of labor practices and environmental standards that are consistent with Freshpet's high standards.



ENSURING THE SUSTAINABILITY OF OUR SUPPLY CHAIN

ANIMAL WELFARE CERTIFIED PROTEINS

As the first pet food company to support the Global Animal Partnership (GAP), Freshpet has helped improve the welfare of the animals providing our nutritious proteins since 2012.

All of Nature's Fresh's chicken and turkey is Animal Welfare Certified and raised cage-free without the use of antibiotics, added growth hormones, or animal by-products. In 2022, Freshpet purchased over **6.8 million lbs of poultry** that was Animal Welfare Certified, helping support progressive farmers and improving the living standards of the flocks they raise. This commitment helped prevent an estimated **2,764 lbs of antibiotics** from entering the environment.*

New in 2022: Nature's Fresh beef recipes are made with **100% traceable humanely raised grass-fed beef** from regenerative family farms.

CERTAIN RECIPES ARE MADE WITH:



HUMANELY RAISED
REGENERATIVE FARMS
100% TRACEABLE



OUR FOCUS ON REGENERATIVE FARMING:

Freshpet is committed to increasing our use of regeneratively farmed ingredients.

Why regenerative farming?

- ✔ Regenerative farming techniques help increase soil health and biodiversity while limiting the use of synthetic fertilizers and pesticides.
- ✔ Organic and regenerative farming practices help protect vital pollinators like bees and butterflies. These insects play a vital role in pollinating food that sustains all of us, including our pets.
- ✔ Many regenerative farms are carbon negative absorbing more carbon dioxide than they generate thanks to the deep root systems of their crops and cover crops.
- ✔ Water is one of our most precious resources that regenerative and organic farming practices help protect by reducing pesticide, synthetic fertilizer, and waste run off.

* Estimated antibiotic avoidance compared to conventionally raised poultry.
Source: <https://www.nrdc.org/sites/default/files/antibiotic-consumption-us-pork-beef-and-turkey-industries-ib.pdf>

NATIONAL BISON ASSOCIATION PARTNERSHIP

American Bison graze on open grassland in the Great Plains and play a critical role in maintaining a healthy ecosystem. While they graze, they aerate the soil with their hooves and disperse native seeds. These actions help create habitat that supports birds, plants, and other species. Healthy grassland sequesters carbon via roots that go deep underground. **Bison are the original regenerative farmers!**

125 years ago, American Bison were on the brink of extinction. This vital animal has staged an amazing comeback thanks to the efforts of North American ranchers and organizations like the National Bison Association. Freshpet purchased over 429,000lbs of Bison in 2022 and is a proud partner in Bison restoration.



ENSURING THE SUSTAINABILITY OF OUR SUPPLY CHAIN:

SUSTAINABLE SEAFOOD:

Freshpet's fish recipes have been developed to help minimize their impact on the planet's oceans that we all share. Carefully sourcing our fish helps ensure that it comes from sustainable fisheries and is produced with environmental and labor practices that meet our high standards.

All of Freshpet's Ocean Whitefish comes from the icy waters of the MSC certified Wild Alaskan Pollock fishery. This US sourced fish is 100% traceable and is one of the most sustainable animal proteins available. In addition to having a low carbon footprint, all Wild Alaskan Pollock is caught with mid-ocean trawls resulting in one of the lowest by-catch of any seafood*.

Freshpet sources sustainable salmon from ASC certified farms to help ensure best aquaculture practices are followed.



*Source: <https://www.alaskapollock.org/fish/sustainability>

Note: The fish supplied to Freshpet comes from fisheries or farms that are certified, but Freshpet does not participate in the certification process for any of our recipes.

NATURE'S FRESH LEADS THE COMPANY AND INDUSTRY IN SUSTAINABILITY

Nature's Fresh is one of the Natural Retail Channel's best selling pet foods thanks to its uncompromising quality, superior palatability, and Animal Welfare Certified recipes.

In July 2022, the Nature's Fresh brand was re-launched to be focused on sustainable sourcing from **regenerative family farms** in addition to certified **humanely raised proteins**. Recipes now include 100% traceable and sustainable fish, GAP-rated **Organic** turkey, and grass-fed beef. Nature's Fresh is our first brand to be **Plastic Neutral** and the only one to match net Scope 1/2/3 emissions with carbon credits. These distinctions reflect elevated consumer awareness around sustainability and allow us to be dedicated more than ever to advancing our goals of **nourishing Pets, People, and Planet**.



SUSTAINABLE PET FOOD FOR HEALTHY PETS AND PLANET:

SUSTAINABLY MADE



FOCUSED ON REGENERATIVE FAMILY FARMS



CERTIFIED HUMANELY RAISED & SUSTAINABLE PROTEINS



CLIMATE ACTION NOW



SCOPES 1/2/3

PLASTIC NEUTRAL



* Scope 2 is market based and considers any contractual renewable energy instruments such as RECs. Freshpet's scope 3 boundary includes estimates for co-packed volume.

NATURE'S FRESH 2022 CARBON CREDIT PROGRAMS

Nature's Fresh's carbon credit portfolio was developed to **maximize impact** beyond just carbon offsets or removals. Carbon credit partners were chosen because their innovative projects also help protect and restore biodiversity, advance social justice, improve water quality and support other Sustainable Development Goals.



SUSTAINABLE DEVELOPMENT GOALS SUPPORTED BY NATURE'S FRESH CARBON CREDIT PORTFOLIO:



NATURE'S FRESH 2022 CARBON CREDIT PORTFOLIO



55% of NF credit portfolio

Working with 10 partners, including **Conservation International** and the Maasai Wilderness Conservation Trust, this project focuses on conservation and restoration of forests in Chyulu Hills, Kenya to provide VCS verified carbon credits and help protect the critical habitats of endangered species such as the Black Rhino and African Elephant. Local management of the project helps create alternative livelihoods that improve the quality of life for the community.

<https://www.conservation.org/projects/restoration-in-kenyas-chyulu-hills>



18% of NF credit portfolio

Nori provides carbon removal credits generated by regenerative farms in the US. Their innovative program compensates farmers to implement regenerative farming practices that remove carbon from the air and sequesters it in the soil. Freshpet is proud to support regenerative farming for its positive impacts on bio-diversity, clean air & water, and fertilizer reduction.

<https://nori.com/>



27% of NF credit portfolio

SeaTrees supports ecosystem preservation and restoration via a REDD+ project in Southern Cardamom Cambodia. Additionally, their innovative programs to plant mangrove trees and restore help forests support biodiversity and sequester blue carbon for years to come. These vital "trees of the sea" provide habitat for countless species and help control shoreline erosion from storms.

<https://sea-trees.org>

PLASTIC NEUTRAL PROGRAM FOR NATURE'S FRESH AND VITAL

Nature's Fresh and Vital are proud to partner with **rePurpose Global** in their mission to solve the global plastic problem.

Building on our Nature's Fresh plastic neutral program, effective July 1st 2023 the Vital brand will also be certified **Plastic Neutral** by sponsoring **rePurpose Global's** Hara Kal project in India. This project will remove ocean-bound plastic equivalent to the amount of plastic consumed in production for both brands.

BENEFITS INCLUDE:

- Collecting and removing ocean-bound plastic waste in a region with poor waste collection infrastructure.
- Empowering waste collectors on the frontline by providing them dignified livelihoods through additional income, so that they can gain access to better education and health care.
- Helping ensure ocean-bound plastic is disposed of properly.



UN SUSTAINABLE DEVELOPMENT GOALS SUPPORTED BY THE PLASTIC NEUTRAL PROGRAM:



For more information on the Hara Kal project: <https://app.hubspot.com/documents/6173040/view/296219960?accessId=20db5b>

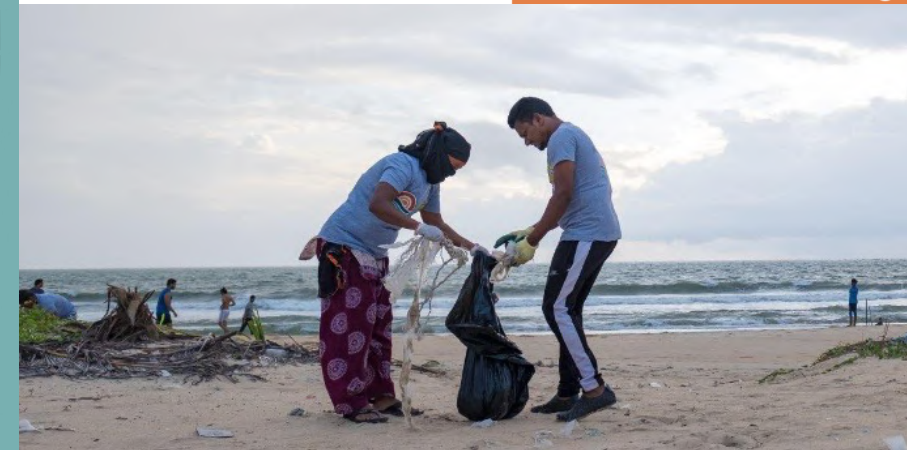
PROJECT HARA KAL (हरा कल)

Kerala, the 'mountain place', is known for its mountainous terrain and Arabian Sea shoreline which supports tea, coffee and spice plantations as well as an abundance of wildlife. In Hindi, हरा कल means green tomorrow.

This Impact Project is our effort to stop ocean-bound plastic waste from leaking into Kerala's beautiful palm-lined beaches and to revive the dreamlike wonders of the aquatic life that lives in the depths of our oceans. It is our ode to Kerala's beauty and our contribution to a greener tomorrow.

Every piece of plastic that rePurpose Global gives you credit for is a piece of plastic that would otherwise not have been removed from our ecosystems.

Project Type	Recovery of low-value plastics
Location	Kerala, India
No. of workers	68



2022 SUSTAINABILITY IMPACT HIGHLIGHTS

2022 ACTION

2022 IMPACT

Pet Shelter and Rescue Outreach



2+ million

fresh meals donated to pets in need

Landfill-free Kitchens



8,600+

metric tons of GHG avoided

On-Site Wastewater Treatment



CONCENTRATION CHANGE:

-38.8% Ammonia

-84.0% Suspended Solids

6.8 million lbs

GAP rated poultry



2,764 lbs

antibiotics avoided

850 Chiller upgrades



2,573 MWh

annual electric usage avoided



42,215

metric tons of GHG emissions
matched with carbon offset credits

Sourcing details provided in Freshpet's Sustainability Report available at Freshpet.com





2022 FRESHPET SASB METRICS (P1)

Freshpet uses aspects of the ESG framework established by the Sustainability Accounting Standards Board (“SASB”) to help us identify potential ESG disclosure topics and metrics relevant for our Company. Using relevant SASB metrics for our company and its operations, the summary tables below will help us track, monitor and report on ESG issues, and helped inform this Sustainability Report.

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	2022 FRESHPET RESPONSE
ENERGY MANAGEMENT	1. Total energy consumed 2. Percentage grid electricity 3. Percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	FB-PF-130a.1	1. Total Energy consumed was estimated to be 597,940 GJ 2. Percentage of energy consumed attributed to grid electricity is estimated to be 19.7%. An estimated 76% of Freshpet's electricity needs were supplied by the electric grid. 24% of Freshpet's electricity needs were supplied by our Combined Heat and Power plant located on-site at the Kitchens in Bethlehem, PA. 3. 0% renewable energy. Freshpet matched the purchase of electricity used to power our manufacturing Kitchens and offices with approximately 118,060 GJ [32,795 MWh] of wind energy RECs.
	1. Total water withdrawn 2. Total water consumed Percentage of each in regions with high or extremely high baseline water stress	Quantitative	Thousand cubic meters (m ³), Percentage (%)	FB-PF-140a.1	(1) An estimated 485.9 thousand m ³ of water was withdrawn in 2022 (2) An estimated 152.4 thousand m ³ of water was consumed in 2022 0% of water was withdrawn or consumed in regions of Extremely High or High Baseline Water Stress based on the WRI Aqueduct tool
	Number of incidents of non-compliance	Quantitative	Number	FB-PF-140a.2	In calendar year 2022, Freshpet had no incidents of non-compliance.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	n/a	FB-PF-140a.3	As one of our most valuable natural resources, Freshpet is committed to minimizing our impact to the planet's water supply. Manufacturing fresh pet food requires water in the cooking and cleaning processes ensuring that every meal is safe and nutritious. Because water is such a critical resource, its conservation receives continuous focus from management and our in-house engineering team. Freshpet Kitchens 2.0 in Bethlehem features the latest engineering including an on-site wastewater treatment plant. This 6,600 sq ft facility processes up to 200 gallons per minute removing residual fines of meat, vegetables, and fat from the Kitchen's wastewater. A significant reduction in pollutants was achieved: Biochemical Oxygen Demand BOD -68.0%, Chemical Oxygen Demand COD -75.4%, Ammonia NH ₃ -38.8%, and Total Suspended Solids TSS -84.0% (all expressed in Mg/ liter of water change vs 2020 baseline). 2023 saw the addition of the new 15,000 sqft wastewater treatment facility supporting Freshpet's new Kitchen in Ennis, TX. Eventually, this system will clean wastewater enough that it can be re-used for cooling saving 50+ million gallons of water per year. Solids removed from wastewater are anaerobically digested by our waste management partners which helps prevent the emission of methane in a landfill. We conducted an analysis of our direct water footprint as part of our annual engagement with CDP's Water Reporting process. Using this information, we plan to conduct a detailed water risk assessment and action plan to limit water related stress risks to our business.
FOOD SAFETY	Global Food Safety Initiative (GFSI) audit 1. non-conformance rate and 2. associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	Number	FB-PF-250a.1	All Freshpet-owned manufacturing facilities operational for at least one calendar year are certified against a GFSI standard and audited annually to assess compliance against the provisions of the standard. There were no major non-conformances identified at any of our manufacturing facilities resulting in a major non-conformance rate of 0.0%. There was 1 minor non-conformance identified across the 2 facilities, resulting in a minor non-conformance rate of .5. Corrective actions were implemented for 100% of the minor non-conformances identified and submitted to and accepted by the GFSI certifying body for confirmation.
	Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program	Quantitative	Percentage (%) by cost	FB-PF-250a.2	Approximately 77% of Freshpet's ingredients by cost are sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program
	(1) Total number of notices of food safety violation received (2) Percentage corrected	Quantitative	Number, Percentage (%)	FB-PF-250a.3	Freshpet received no food safety violation notices.
	1. Number of recalls issued 2. Total amount of food product recalled	Quantitative	Number, Metric tons (t)	FB-PF-250a.4	One recall was issued in June 2022. A total of .980 Metric Tons (120 cases) of Freshpet Select Fresh from the Kitchen Home Cooked Chicken Recipe with Garden Vegetables and Cranberries were recalled.



2022 FRESHPET SASB METRICS (P2)

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	2022 FRESHPET RESPONSE
HEALTH & NUTRITION	Revenue from products labeled and/or marketed to promote health and nutrition attributes	Quantitative	Reporting currency	FB-PF-260a.1	Freshpet labels and markets almost all of its products to promote health and nutrition. Examples of health and nutrition related claims on pack of certain recipes include: complete and balanced, no preservatives, no meat meals or by product meals, no grains, no soy, no gluten, no fillers, whole grains and pre-biotics to support digestive health, omega 6 & 3 fatty acids to support healthy skin and coat, nutritionally developed for small dogs, etc.
	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	Discussion and Analysis	n/a	FB-PF-260a.2	Freshpet's products are developed via close collaboration of personnel from regulatory, nutrition and marketing. The discussions regarding claims, labeling, marketing and advertising occur early in the innovation process to ensure products are compliant and address consumer needs. The process encompasses a wide variety of topics, including nutrition, ingredients, sustainability, responsible sourcing and product certifications.
PRODUCT LABELING & MARKETING	Percentage of advertising impressions 1. Made on children and 2. Made on children promoting products that meet dietary guidelines	Quantitative	Percentage (%)	FB-PF-270a.1	Not applicable as Freshpet only produces pet food.
	Revenue from products labeled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO	Quantitative	Reporting currency	FB-PF-270a.2	Gross sales from products labeled as non-GMO is estimated to be \$96.4 million
	Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes.	Quantitative	Number	FB-PF-270a.3	In calendar year 2022, there were zero incidents involving federal labelling or marketing laws.
	Total amount of monetary losses as a result of legal proceedings associated with labeling and/or marketing practices.	Quantitative	Reporting currency	FB-PF-270a.4	In calendar year 2022, there were no material legal proceedings associated with marketing and/or labeling practices.
PACKAGING LIFECYCLE MANAGEMENT	1. Total weight of packaging 2. Percentage made from recycled and/or renewable materials 3. Percentage that is recyclable, reusable and/or compostable	Quantitative	Metric tons (t), Percentage (%)	FB-PF-410a.1	1. An estimated 5,710 metric tons of packaging purchased in 2022 2. An estimated 75.1% of packaging by weight was made from recycled and/or renewable materials 3. An estimated 75.1% of packaging by weight was recyclable, reusable, or compostable Estimates based on average packaging weight by sku for packaging purchased in 2022 not including pallets.
	Discussion of strategies to reduce the environmental impact of packaging throughout its life cycle	Discussion and Analysis	n/a	FB-PF-410a.2	One of Freshpet's biggest challenges is to ensure that every meal remains fresh and healthy without artificial preservatives up to 24 weeks in a refrigerator (unopened shelf life). Our R&D team engineers each package type to reduce food waste by keeping the product fresh until consumption while using a minimum amount of packaging- up to 20X less consumer packaging per serving by weight than competing wet food brands sold in cans and plastic trays. Our most efficient packages (6lb rolls) are engineered to use less consumer packaging per serving than all but the larger bags of dry dog food. We continuously engage with our partners to reduce Freshpet's packaging footprint. Many options are being considered including light weighting, post consumer recycled content, recyclable materials, plant based plastics, etc. Currently, Freshpet's corrugated cardboard cases contain up to 65% recycled content by weight, and any virgin fiber required in their production is certified by the Sustainable Forestry Initiative to be grown and harvested according to their strict sustainability standards. When the technology allows, we intend for all Freshpet packaging to include post consumer recycled content and be recyclable.



2022 FRESHPET SASB METRICS (P3)

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	2022 FRESHPET RESPONSE
ENVIRONMENTAL & SOCIAL IMPACTS OF INGREDIENT SUPPLY CHAIN	Percentage of food ingredients sourced that are certified to third-party environmental and/or social standards, and percentages by standard.	Quantitative	Percentage (%) by weight	FB-PF-430a.1	In 2022, an estimated 3.8% of Freshpet's food ingredients (by weight) were Animal Welfare Certified Step 1 or Step 2 by the Global Animal Partnership.
	Suppliers' social and environmental responsibility audit: 1. Non-conformance rate 2. Associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	Rate	FB-PF-430a.2	Freshpet introduced its first formal supplier code of conduct in 2021 and is anticipated to enact social and environmental responsibility audits in the future.
INGREDIENT SOURCING	Percentage of food ingredients sourced from regions with high or extremely high baseline water stress.	Quantitative	Percentage (%) by cost	FB-PF-440a.1	Freshpet has not yet conducted a water risk analysis of our supply chain but doing so will part of our corporate efforts to align our sustainability goals with the best available science and data. We expect to be conducting supply chain water risk foot-printing and mapping in the future as our sustainability efforts mature.
	List of priority food ingredients and discussion of sourcing risks due to environmental and social considerations.	Discussion and Analysis	n/a	FB-PF-440a.2	<p>Freshpet is committed to producing the most sustainable dog food in the world. Most of the environmental issues associated with our ingredients come from the use animal proteins to provide the nutrition that pets need.</p> <ul style="list-style-type: none"> Beef: Risk management priorities include deforestation, carbon footprint reduction, and animal welfare. All Freshpet beef is sourced from North America- not from ecologically sensitive regions in S America where deforestation is an issue. 2022 saw the launch of Nature's Fresh recipes that used humanely raised grass-fed beef helping support regenerative farming efforts that avoid the use of antibiotics. Poultry: Risk management priorities include animal welfare. In 2022, Freshpet purchased approximately 6.8 million pounds of poultry that was Step 1 or Step 2 Certified Humane by the Global Animal Partnership. We anticipate increasing our purchases of animal welfare certified poultry in the immediate future to meet rising consumer demand for these products. Seafood: Environmental concerns include overfishing, ecosystem impacts, and human rights. All of Freshpet's wild seafood is now sourced from US fisheries that have MSC certification while our farmed seafood comes from farms that are certified by ASC or BAP. Note: Freshpet does not maintain the MSC Certification for our products because we mix wild and farmed seafood within our recipes. Eggs: Risk management priorities include animal welfare. To mitigate these risks, Freshpet is working to source humanely raised eggs. Launched in 2021, Spring and Sprout is Freshpet's first product to use cage-free eggs. Palm oil: Freshpet uses a small amount of an encapsulated lactic acid in some recipes which contains a derivative of Palm Oil. Risk management priorities include ecosystem impacts such as deforestation, labor practices, and geographic water scarcity. To mitigate these risks, our supplier has certified that 100% of the palm they purchase is covered by Roundtable on Sustainable Palm Oil (RSPO) certification.
WEIGHT OF PRODUCTS SOLD		Quantitative	Metric tons (t)	FB-PF-000.A	94,622.7 metric tons of products sold in 2022
NUMBER OF PRODUCTION FACILITIES		Quantitative	Number	FB-PF-000.B	Freshpet operated 3 wholly owned manufacturing facilities in 2022.

5

Governance & Leadership



of dog parents believe actions Speak
Louder Than Words: Companies Must
Demonstrate Their Environmental And
Social Responsibility Commitment



A LETTER FROM OUR BOARD OF DIRECTORS

Our Governance of Sustainability Is a Part of Board’s Oversight of Long-Term Strategy.

We believe good governance at all levels is necessary to drive corporate responsibility, which in turn enhances the long-term interests of our shareholders and strengthens Board and management accountability. As a part of our primary duty overseeing the Company’s corporate strategy, our Board of Directors also oversees how Environmental, Social, and Governance (ESG) issues may impact the long-term interests of our shareholders and stakeholders. We believe corporate responsibility is the responsibility of each and every employee, not just senior management, because a commitment to responsibility must govern our actions at every level of Freshpet in order to achieve operational excellence.

As part of this effort, the Board oversees the management team’s efforts in fulfilling responsibilities relating to sustainability and corporate social responsibility, particularly those that may affect the shareholders and stakeholders of our company, and the communities in which we operate: “Pets. People. Planet.” Our Board monitors Freshpet’s ESG practices as part of overseeing our corporate strategy and our enterprise risk management program. We believe that environmentally and socially responsible operating practices go hand in hand with generating value for our shareholders, being good neighbors within our communities, being a good employer to our employees, and most importantly, providing health, happiness and well-being for our most important stakeholders: our pets and their pet parents.

At the management level, our President oversees our sustainability and strategy efforts. With the appointment of a new Sustainability Lead in Q1 2021, Freshpet maintains a Sustainability Leadership Team consisting of dedicated internal resources and external advisors to address ESG factors that are material to our business. Our sustainability working group evaluated potential ESG risks and opportunities relevant to our company based on the views held by our shareholders, leading ESG reporting frameworks, and ESG rating agencies. These frameworks have guided our efforts to date as a young Company and are the underpinnings of our Sustainability Report that we are sharing with you today.

Board of Directors, Freshpet



MANAGEMENT TEAM CAPABLE OF LEADING THE COMPANY IN TIME OF AGGRESSIVE GROWTH

We are a team of dog-obsessed, cat-crazy pet parents who live and work alongside our four-legged best friends. We are united by a passion for pets and a mission to give them the best pet food possible for a long, happy, and healthy life.



SCOTT MORRIS
CO-FOUNDER / PRESIDENT



CATHAL WALSH
CO-FOUNDER / MANAGING DIRECTOR EUROPE



BILLY CYR
CEO



TODD CUNFER
CFO



JAY DAHLGREN
EVP MANUFACTURING & SUPPLY CHAIN



THEMBI MACHABA
SVP HUMAN RESOURCES



JOHN SPERANZA
CMO



LISA BARRETTE
SVP NEW BUSINESS DEVELOPMENT



GERARDO PEREZ-CAMARGO
SVP, R&D



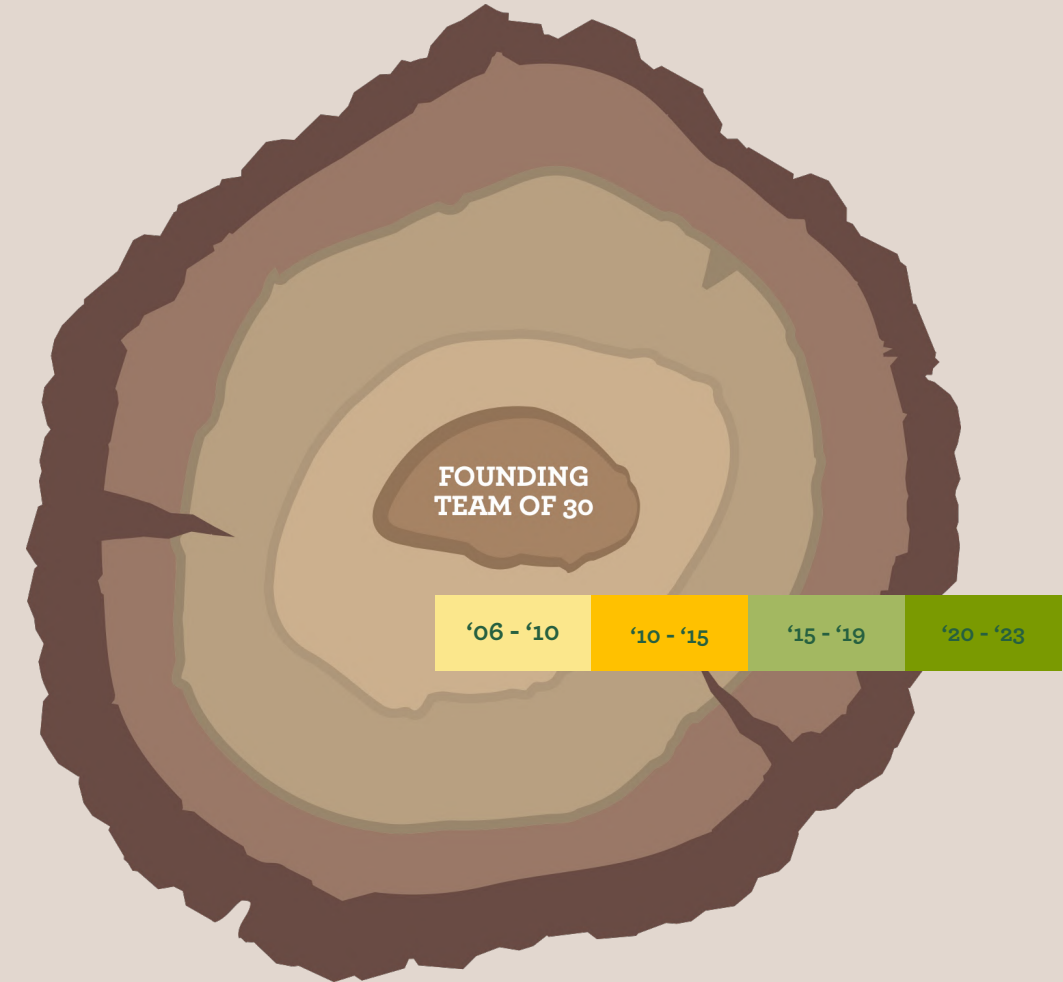
RICARDO MORENO
SVP MANUFACTURING



CHRISTOPHER TARANTO
VP PROCUREMENT & PLANNING

AS WE GROW, WE ADD IMPORTANT SKILLS AND TALENT

	'06 - '10	'10 - '15	'15 - '19	'20 - '23
INNOVATION	-----	Lisa Barrette	Gerardo Perez Camargo & Team	-----
FINANCE	Dick Kassar Steve Macchiaverna	Ivan Garcia	Therese Joyce	Todd Cunfer
MANUFACTURING	Michael Hieger	Steve Weise	Lynn Bingham Willie Everett & Team	Ricardo Moreno Jay Dahlgren
SUPPLY CHAIN	-----	Chris Taranto	-----	Dirk Martin
MARKETING	Scott Morris	Lisa Barrette John Speranza	-----	-----
FRIDGE TEAM	Cathal Walsh	Vladimir Vuka	-----	-----
SYSTEMS	-----	-----	Frank Calandra	Brian Hare
SALES	Tom Farina	-----	Eddie Young	-----
HUMAN RESOURCES	-----	-----	-----	Thembi Machaba and Patience Spess
LEADERSHIP	Scott Morris Charlie Norris Dick Kassar Cathal Walsh	Dave Basto Daryl Brewster Larry Cohen Walt George Craig Steeneck	Billy Cyr Olu Beck Dede Priest Jacki Kelley	Dave Biegger



FRESHPET NON-EXECUTIVE BOARD OF DIRECTORS **HELPING TO SHAPE OUR FUTURE**



CHARLES NORRIS

Charles Norris is consumer-packaged goods and marketing executive at multiple high growth companies, Mr. Norris has expertise in category creation, global market expansion, multi site manufacturing, raising capital and M&A.

Mr. Norris provides the Board of Directors with extensive corporate leadership experience as well as a deep understanding of our business.

Mr. Norris has been a member of our Board of Directors and Chairman of the Board since October 2006.



DARYL BREWSTER

Daryl G. Brewster is a seasoned consumer-packaged goods chief executive officer with considerable perishable and pet food industry experience that has led to driving top and bottom-line growth throughout his career.

Mr. Brewster provides the Board of Directors with experience in corporate leadership, public company governance, and an understanding of the pet and consumer-packaged goods industries. Mr. Brewster is also seen as a leader in sustainable value creation.

Mr. Brewster has been a member of our Board of Directors since January 2011, is the Chairman of the Compensation Committee, and a member of the Audit Committee.

Compensation Committee & Audit Committee



OLU BECK

Olu Beck has 25+ years of executive and senior leadership experience in the global consumer-packaged goods industry across categories and functions, including finance and supply chain.

Ms. Beck provides the Board of Directors with insights to unlock growth, profitability and resource prioritization. Her career focused on achieving operational excellence and building winning and engaged teams at small high growth companies as well as large multi billion dollar international conglomerates.

Ms. Beck has been a member of our Board of Directors since October 2019, and is a member of the Compensation Committee.

Compensation Committee



LETA D. PRIEST

Leta D. Priest has over 30 years of executive and senior leadership experience in the retail and consumer-packaged goods industries, including the Fresh Food industry at Walmart and Safeway.

Ms. Priest provides the Board of Directors with significant retail and product innovation expertise, particularly in fresh, perishable food.

Ms. Priest has been a member of our Board of Directors since September 2018 and is a member of the Compensation Committee.

Compensation Committee



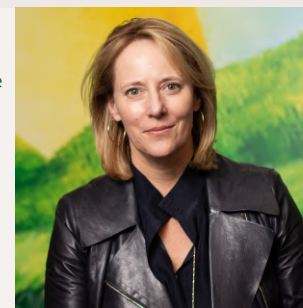
CRAIG STEENECK

Craig Steeneck has over 30 years of executive financial, accounting and supply chain experience in the consumer-packaged goods industry, He has held CFO and financial executive positions at multiple companies including Pinnacle Foods, Inc. Currently serves on the Board of Hostess Brands, Inc. and Utz Brands, Inc.

Mr. Steeneck provides the Board of Directors with extensive management experience in the consumer-packaged goods industry as well as financial, capital markets and investor relations expertise.

Mr. Steeneck has been a member of our Board of Directors since November 2014 and is the Chairman of the Audit Committee.

Audit Committee



JACKI KELLEY

Jacki Kelley has over 25 years of executive and leadership experience in the advertising, media and digital industries.

Ms. Kelley provides the Board of Directors with marketing and communications strategy expertise, consumer products insight and public company experience. She has also led large high performing teams and is a management and team development expert.

Ms. Kelley has been a member of our Board of Directors since January 2019 and is a member of the Nominating, Governance and Sustainability Committee.

Nominating, Governance & Sustainability Committee

FRESHPET NON-EXECUTIVE BOARD OF DIRECTORS **HELPING TO SHAPE OUR FUTURE**



LAWRENCE COBEN

Nominating, Governance & Sustainability Committee

Lawrence S. Coben, Ph.D. has served as CEO of publicly listed companies, founded successful energy and alternative energy companies, and has significant financial and investment experience.

Dr. Coben provides the Board of Directors with significant managerial, strategic and financial expertise, particularly rapid scaling and growth. Dr. Coben also has extensive experience with environmental, social and governance matters.

Dr. Coben has been a member of our Board of Directors since November 2014 and is a member of the Nominating, Governance and Sustainability Committee.



WALT GEORGE

Nominating, Governance & Sustainability Committee

Walter N. George III has over 30 years of manufacturing and supply chain leadership experience, including senior positions in the pet food industry and expertise in scaling multiple high growth consumer product companies.

Mr. George provides the Board of Directors with operations expertise, consumer products and pet food industry expertise along with public company leadership experience.

Mr. George has been a member of our Board of Directors since November 2014 and is the Chairman of the Nominating, Governance and Sustainability Committee.



DAVID (DAVE) BIEGGER

Audit Committee

David B. Biegger has over 40 years of supply chain, operations, and manufacturing experience in the consumer-package goods industry.

Mr. Biegger was previously Executive Vice President and Chief Supply Chain Officer of Conagra Brands, head of Global Supply Chain at Campbell Soup Company, and spent 24 years at Procter & Gamble in manufacturing and operations. He also serves as on the Board of OWS Foods.

Mr. Biegger provides the Board of Directors with extensive supply chain and operations experience and expertise leading complex consumer-packaged goods organizations.

Mr. Biegger has been a member of our Board of Directors since May 2023 and is a member of the Audit Committee.



FRESHPET BOARD FOUNDATION AND EVOLUTION

Our board has a **strong foundation** and has evolved with our growth. The board is well-structured to support our **long-term strategic goals**.

- 
An independent chairman who is not CEO
- 
100% independent committees
- 
Various industry and financial experts
- 
Public company executives
- 
Average tenure of approximately 5 years
- 
Voted to declassify board
- 
Proxy Access

FOUNDING

Our founding team has a deep understanding of the business.

Charles A. Norris (Chairman)

1 former director has retired (Christopher B. Harned)

MIDOCEAN

New private equity board members.

*J David Basto
Daryl J. Brewster*

2 former directors have retired (Richard Thompson and Jonathan Marlow)

IPO

Added financial and industry expertise as we went public.

*Lawrence S. Coben, Ph.D.
Walter N. George III
Craig D. Steeneck*

CEO TRANSITION

Added the skills to support rapid, strategic scaling.

William B. Cyr (CEO)

BOARD REFRESH

Added three women with backgrounds in retailing, media and general management.

*Leta D. Priest
Jacki S. Kelley
Olu Beck*

Our governance & nomination committee completed a significant board refresh over the course of 2 years (2018-2019), meeting three primary objectives and strengthening our Board for the growth we anticipate.

- The Board was reconstructed with:**
- Greater gender diversity
 - Increased racial diversity
 - Deepened expertise in the areas of retail expertise, digital optimization and strategy

GOVERNANCE PLAN

Developed 5 year governance transformation plan.

BOARD REFRESH

Appointed Dave Biegger to the board bringing over 30 years of supply chain and operational experience within the consumer packaged goods industry.

2006

2010

2014

2016

2019

2020

2023

BOARD OVERSIGHT OF RISKS, SUSTAINABILITY & ETHICS

As a part of its responsibility to oversee the strategic risks of Freshpet, the Board regularly reviews the Company's significant risk exposures and how those exposures are managed. To effectively discharge these oversight responsibilities, the Board maintains three standing committees: Audit, Compensation and Nominating, Governance, and Sustainability.

Freshpet has a zero-tolerance policy for bribery and corruption. The Board established a robust Whistleblower Policy and Freshpet has engaged Lighthouse Services to provide an anonymous ethics and compliance hotline for all Team Members of Freshpet. Team Members are encouraged to use the hotline service in cases where their anonymity is desired. Anonymous complaints made to the whistleblower hotline are reported to our CEO immediately and reviewed with the Audit Committee quarterly. www.lighthouse-services.com/freshpet

To ensure our business is conducted responsibly with honesty, integrity, and in compliance with applicable laws, we established our Code of Ethics that applies to every director, officer and employee. All Freshpet employees are required to certify that they comply with the Code of Ethics and its related policies and programs. Non-exempt employees are required to sign upon hiring, and exempt employees recertify annually.

In 2021, Sustainability was added to the Nominating and Governance Committee's area of oversight. Material aspects of Freshpet's ESG efforts discussed with the board regularly include HR policy and programs, environmental sustainability projects, and governance.

2022 marks the introduction of Freshpet's first Diversity and Inclusion policy and Human Rights Policy. Both formalize many practices that were already in place and help publicize our commitment to these important efforts.

Developed in conjunction with the Pet Sustainability Coalition, 2023 will see the launch of Freshpet's first electronic supplier code of conduct allowing us to better engage suppliers on sustainability topics important to our consumers, employees, and investors.



SUSTAINABLE SHAREHOLDER VALUE CREATION: COMPENSATION DIRECTLY TIED TO LONG-TERM STRATEGY

Freshpet’s Compensation Committee of the Board designed the executive compensation program to incentivize our management team to achieve or exceed our strategic objectives over the long-run.

At the time of our 2014 IPO, MidOcean Partners and Executive Directors & Officers combined to own over 50% of our shares. Since that time, ownership has become decentralized towards institutional investors in the market. In response, the Compensation Committee aligned executive compensation with Freshpet’s long-term strategic goals in order to best align the interests of Freshpet executives with our shareholders’ long-term interests and sustainable value creation.

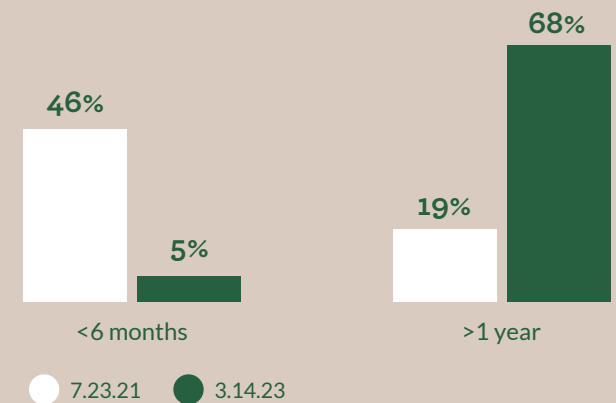
In 2016, the Compensation Committee aligned executive compensation to long-term goals for 2020 and the strategy to achieve them, with pay-out levels commensurate to achievement against these rigorous targets. Management met the goals in 2020, as the Company’s net sales grew 140% and Adj. EBITDA grew 165% over those four years.

In 2020, the Compensation Committee refreshed the executive compensation program with new goals to ensure alignment with 2025 goals and retention of key talent executing Freshpet’s long-term strategy. Those goals exceed the Company’s publicly stated goals, and 75% of the vesting is based on performance against those goals.

In 2021, we thoroughly revamped our hourly compensation program to better position employees to have lifelong careers at Freshpet. By restructuring compensation to closely align with our skills development program, the Freshpet Academy, employees now have a clear career path to earn increased career growth, salary, & equity. These changes resulted in reduced turnover saving the company training costs and increasing productivity.







FRESHPET TEAM MEMBER TENURE INCREASED DUE TO THE FRESHPET ACADEMY SKILLS DEVELOPMENT PROGRAM



BOARD OVERSIGHT OF LONG-TERM STRATEGY

Our board focuses on long-term growth through oversight of strategic initiatives, long-term focus for executive compensation, and support of investments in our growth.

2006-2016	2016-2020	2020-2022	2023-2027
 <ul style="list-style-type: none"> • Authorized construction of Freshpet Kitchens, our manufacturing facility in Bethlehem, PA • Took the company public in 2014, providing capital for growing fleet of Freshpet-owned fridges as well as manufacturing capacity expansion 	 <ul style="list-style-type: none"> • In 2016, aligned on long term goals (for 2020) and the strategy to achieve them, setting executive compensation to match • Hired new CEO • Completed multiple Credit Facility modifications • At the expense of near term profits to support long term goals, continuously invested in advertising and international markets • Authorized Equity Grants to hourly employees • Acquired land for future manufacturing capability expansion to support additional capacity & diversified supply 	 <ul style="list-style-type: none"> • In 2021, increased the long term goals (for 2025) to reflect significant progress, along with investments to support them • Considered potential competitors and emerging technologies in the long-term strategic plan • Completed three equity offerings convertible debt offering to support long term investments and growth • Approved the construction of Freshpet’s largest Kitchen in Ennis, TX • Oversaw and encouraged an expansion of manufacturing team depth and implementation of a manufacturing leadership succession plan • Authorized and encouraged the development of a supply partnership at Kitchens South to expand our capability and capacity 	 <ul style="list-style-type: none"> • Established new long term targets (\$1.8 billion net sales, 18% Adj. EBITDA margin, 20 million households) • Strengthened operational capability of management team • Strengthened balance sheet with low cost convertible debt offering. • Began construction of Ennis Kitchens phase 2

OUR JOURNEY FROM A YOUNG COMPANY TO CORPORATE MATURITY

We are a young company in pursuit of sizable long-term goals. We are rapidly growing insurgents who are **disrupting the \$40+ billion pet food industry by changing the way people feed their pets forever.**

CHALLENGES WE FACE AS A YOUNG COMPANY:

- More volatile results (less profitable)
- Much larger, entrenched competitors
- Need to rapidly expand organization and upgrade systems
- Need to protect yet evolve the culture
- Management engaged in long-term value creation



FRESHPET AS A MATURE ORGANIZATION

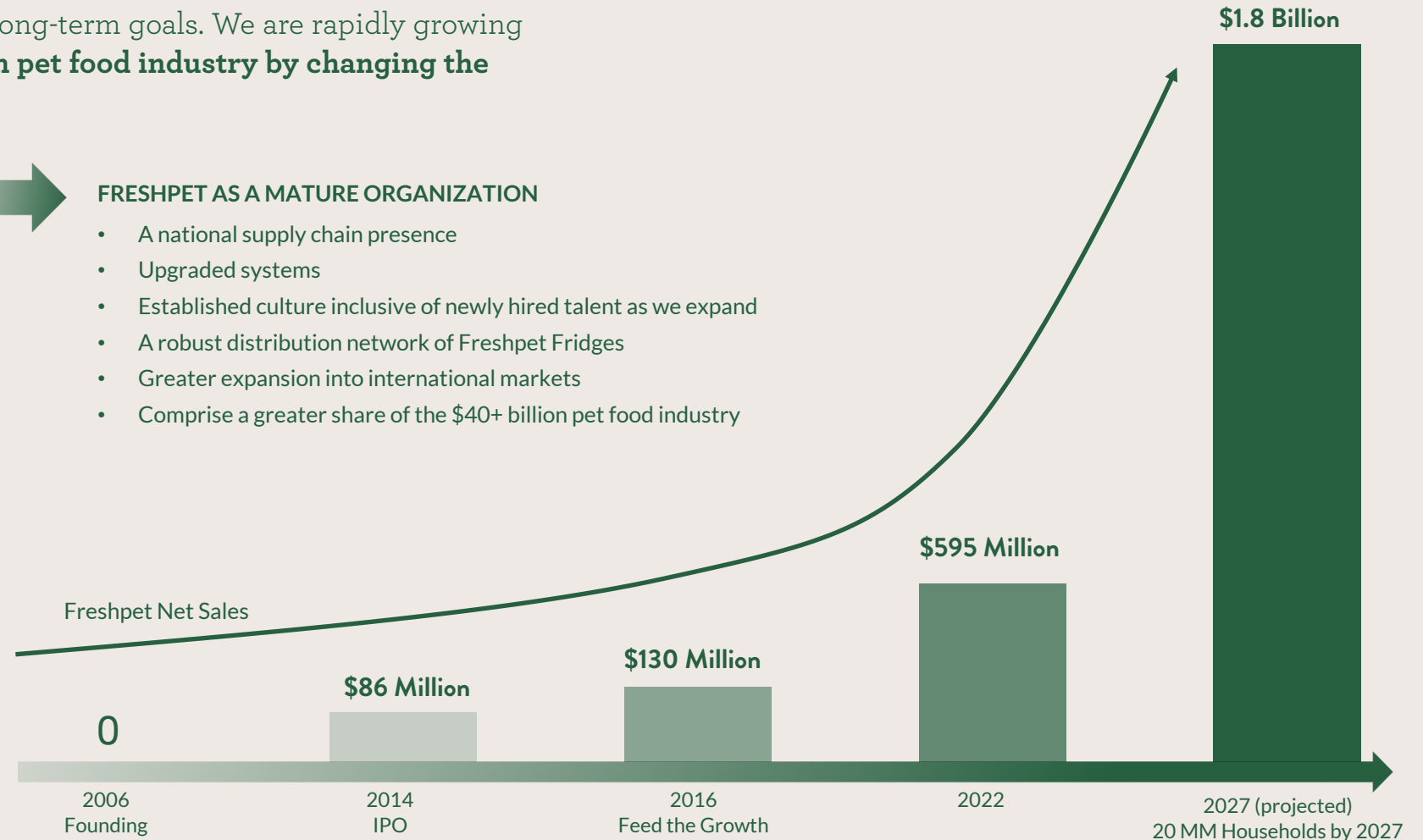
- A national supply chain presence
- Upgraded systems
- Established culture inclusive of newly hired talent as we expand
- A robust distribution network of Freshpet Fridges
- Greater expansion into international markets
- Comprise a greater share of the \$40+ billion pet food industry

WE ARE INVESTING & INNOVATING:

- Making significant long-term investments designed to expand capacity and broaden household penetration
- Investing heavily in new product innovation to expand our product advantage

NEWLY PUBLIC AND SUBJECT TO MARKET CONTROL:

- Subject to short-term earnings targets
- Typically at this stage companies are privately funded



GOVERNANCE TRANSFORMATION ROADMAP



	YOUNG	2020	2021	2022	2023 to 2025	MATURE
INDEPENDENT CHAIRMAN	Yes					Yes
SEPARATE CEO & CHAIR	Yes					Yes
NO POISON PILL	Yes					Yes
ELIMINATE SUPERMAJORITY VOTING RIGHTS	75%	● Approved by shareholders				50%
DIRECTOR RESIGNATION POLICY	No	● Approved by Board				Yes
MAJORITY VOTING IN UNCONTESTED ELECTIONS	No (plurality)		●			Yes
DIRECTOR RETIREMENT POLICY	No		●			Yes
PROXY ACCESS	No			●		Yes
SHAREHOLDER RIGHT TO CALL SPECIAL MEETING	No			●		Yes
DECLASSIFIED BOARD*	3 Year Terms		● See note*		1 Year Terms	1 Year Terms
BOARD REFRESH					●	

*Based on proposal approved by shareholders in 2021, the Company will begin declassifying its board in 2023, with the board to be fully declassified by 2025.

FORWARD LOOKING STATEMENTS

Freshpet, Inc. (“Freshpet,” the “Company,” “we” or “our”) has made certain statements in this report that are “forward-looking statements” within the meaning of the federal securities laws, such as statements related to the future progress of our Freshpet Kitchens expansion, future governance changes, our growth potential and plans, our projected or targeted operating results, our ability to meet our ESG and sustainability targets, goals, and commitments, including due to the impact of climate change, and our expectations regarding the Company's future operating and economic environment.

These statements are based on management's current opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results. These forward-looking statements are only predictions, not historical fact, and involve certain risks and uncertainties, as well as assumptions. Actual results, levels of activity, performance, achievements and events could differ materially from those stated, anticipated or implied by such forward-looking statements. While Freshpet believes that its assumptions are reasonable, it is very difficult to predict the impact of known factors, and, of course, it is impossible to anticipate all factors that could affect actual results. For example, the Company may not receive the requisite approval to carry out some of its expected corporate governance initiatives or the Company's Board of Directors may abandon or change some or all of its plans with respect to such initiatives. There are many risks and uncertainties that could cause actual results to differ materially from forward-looking statements made herein.

The following factors, in addition to the risks discussed under the heading “Risk Factors” in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 and in any other filings that we have made or may make with the Securities and Exchange Commission in some cases have affected, and in the future could affect, the Company's performance and ability to achieve certain objectives as outlined in this report (i) Changes in global economic and financial market conditions generally, such as inflation and interest rate increases;

(ii) the impact of various worldwide or macroeconomic events, such as the COVID-19 pandemic and the ongoing conflict between Russia and Ukraine, on the U.S. and global economics, our employees, suppliers, customers and end consumers, which could adversely and materially impact our business, financial condition and results of operations; our ability to successfully implement our growth strategy, including related to implementing our marketing strategy and building capacity to meet demand, such as through the timely expansion of certain of our Freshpet Kitchens; the loss of key members of our senior management team adverse weather conditions, natural disasters, pestilences and other natural conditions affecting our operations; our ability to achieve our diversity, equity and inclusion initiatives; our ability to meet our sustainability targets, goals, and commitments, including due to the impact of climate change; and new or expanded government regulations relating to climate change and other ESG-related risks. Such forward-looking statements are made only as of the date of this presentation.

Freshpet undertakes no obligation to publicly update or revise any forward-looking statement because of new information, future events or otherwise, except as otherwise required by law. If we do update one or more forward-looking statements, no inference should be made that we will make additional updates with respect to those or other forward-looking statements.

NON-GAAP MEASURES

In this presentation, we use certain non-GAAP financial measures, including Adjusted EBITDA and Adjusted EBITDA as a percentage of net sales (Adjusted EBITDA Margin). These non-GAAP financial measures should be considered as supplements to GAAP reported measures, should not be considered replacements for, or superior to, GAAP measures and may not be comparable to similarly named measures used by other companies.

We believe that these non-GAAP financial measures are meaningful to investors because they provide a view of the Company with respect to ongoing operating results. Non-GAAP financial measures are shown as supplemental disclosures in this presentation because they are widely used by the investment community for analysis and comparative evaluation. They also provide additional metrics to evaluate the Company's operations and, when considered with both the Company's GAAP results and the reconciliation to the most comparable GAAP measures, provide a more complete understanding of the Company's business than could be obtained absent this disclosure. Adjusted EBITDA is also an important component of internal budgeting and setting management compensation. These non-GAAP measures are not and should not be considered an alternative to the most comparable GAAP measures or any other figure calculated in accordance with GAAP, or as an indicator of operating performance. The Company's calculation of the non-GAAP financial measures may differ from methods used by other companies. The non-GAAP financial measures are not recognized in accordance with GAAP and should not be viewed as an alternative to GAAP measures of performance.

Certain of these measures present the Company's guidance for fiscal year 2023 and beyond, for which the Company has not yet completed internal or external audit procedures. The Company does not provide guidance for the most directly comparable GAAP measure, net income, and similarly cannot provide a reconciliation between its forecasted Adjusted EBITDA and net income metrics without unreasonable effort due to the unavailability of reliable estimates for certain components of net income and the respective reconciliations, including the timing of and amount of costs of goods sold and selling, general and administrative expenses. These items are not within the Company's control and may vary greatly between periods and could significantly impact future financial results.

APPENDIX



FINANCIALS

The following table provides a reconciliation of Adjusted EBITDA to net loss, the most directly comparable financial measure presented in accordance with U.S. GAAP.

	Twelve Months Ended December 31,			
	2022	2021	2020	2019
	(in thousands)			
Net loss	\$ (59,494)	\$ (29,699)	\$ (3,188)	\$ (1,383)
Depreciation and amortization	34,555	30,468	21,125	15,921
Interest expense	5,208	2,882	1,211	991
Income tax expense	282	162	65	144
EBITDA	\$ (19,449)	\$ 3,813	\$ 19,213	\$ 15,673
Loss on equity method investment	3,731	2,005	-	-
Loss on disposal of equipment	396	1,000	1,805	787
Non-cash share-based compensation	26,092	24,998	10,925	7,834
Equity offering fees (a)	-	-	58	302
Enterprise Resource Planning (b)	8,558	1,379	1,682	-
Covid-19 expense (c)	-	1,758	3,854	-
Organization changes (d)	734	-	-	-
Adjusted EBITDA	\$ 20,062	\$ 34,953	\$ 37,537	\$ 24,596

(a) Represents fees associated with public offerings of our common stock.

(b) Represents implementation, amortization of deferred implementation costs and other costs associated with the implementation of an ERP system.

(c) Represents COVID-19 expenses including (i) costs incurred to protect the health and safety of our employees during the COVID-19 pandemic, (ii) temporary increased compensation expense to ensure continued operations during the pandemic, and (iii) costs to mitigate potential supply chain disruptions during the pandemic included in SG&A.

(d) Represents transition costs related to the organization changes designed to support growth, including several changes in organizational structure designed to enhance capabilities and support long-term growth objectives.

