

2023

Impact Update

Simply  Good
FOODS



Table of Contents

Introduction

Governance

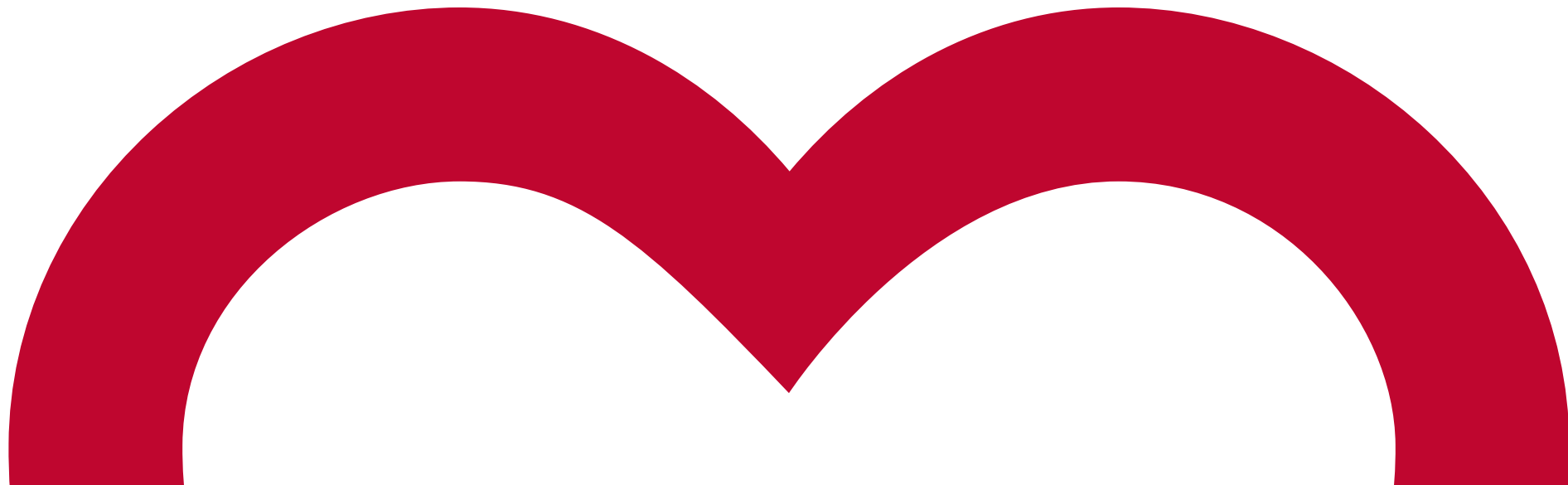
Social

Environmental





Certain statements contained in this report constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are generally identified through the inclusion of words such as “believes,” “expects,” “intends,” “estimates,” “projects,” “anticipates,” “will,” “plan,” “may,” “should,” or similar language. All forward-looking statements included herein are made only as of the date hereof. These statements inherently involve risks and uncertainties that could cause actual results to differ materially from those anticipated in such forward-looking statements and we set forth other risks from time to time in our Securities and Exchange Commission filings. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise. While we have made efforts to ensure the accuracy and completeness of data and information presented herein, Simply Good Foods makes no representations or warranties, express or implied, regarding the accuracy, reliability or suitability of such information. The data presented is based on various assumptions, methodologies and data sources which may be subject to limitations and uncertainties. Information disclosed is subject to change due to updates, revisions or unforeseen events. By accessing and using the data disclosed herein, you agree to do so at your own risk and acknowledge that the company assumes no responsibility for any consequences arising from its use.



Dear Simply Good Foods Stakeholders



Joe Scalzo,
Executive Vice Chair

We are pleased to share with you the latest **Impact Update** for Simply Good Foods.

Simply Good Foods is a steadfast champion of consumer health and wellness and has supported millions of people on their health journeys by, among other things, supporting high-quality nutrition research, increasing nutrition awareness through free education and nutrition-related tools, offering great-tasting snacks and meal replacements along with over 1,000 free recipes, being involved in our local communities, and promoting active living.

As we move forward, we are also increasingly focused on recent nutrition research showing only 12% of the US population is deemed “metabolically healthy.” Inspired by the work of Dr. Atkins and hundreds of clinical studies, we believe this concerning phenomenon can largely be improved through updated and more customized nutrition guidance and related food programs – all based on updated nutrition science. We have undertaken several initiatives in recent years to advance health equality and improve our food system, and we remain dedicated to making a positive impact on this front now and in the years to come.

The care and empowerment of our employees is another major area of focus for our organization. The Covid-19 pandemic took a toll on many of our employees and their families, so it has been a priority of ours to provide supportive benefits and flexible work structures. We also recently formed a Diversity Equity Inclusion & Belonging council and its early work is resonating with our employees.

Another update I would like to highlight is we recently completed a comprehensive “materiality assessment” with input from internal and external stakeholders, which will help inform future sustainability initiatives. In concert with this initiative, we also began measuring our baseline greenhouse gas emissions footprint and are now monitoring and evaluating our emissions and water usage on an annual basis. As part of our sustainability efforts, we are proud to share that we recently partnered with a supplier to convert all our ready-to-drink shake cartons to an option that uses 78% renewable plant-based materials. This change alone is expected to decrease our carbon footprint by an impressive 17% per unit.

We invite you to learn more in this Impact Update. And, as we continue to grow our health and wellness platform, we promise to keep good nutrition science, consumer wellness, and a strong resolve for dietary truth at the heart of everything we do.

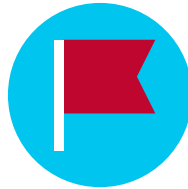
Thank you for your interest in our journey as we continue to **empower healthy lives through smart and satisfying nutrition.**

INTRODUCTION

Company Overview



Leader in the nutritious snacking category with the **Quest™** and **Atkins™** brands



Headquartered in Denver, CO



250+ employees



Primary markets: US, Canada and Australia / NZ



Diverse product forms, customers and channels



Outsourced manufacturing model with strong cash flow generation



\$1 billion+ annually in Net Sales in FY2022



Quest and Atkins brands both eclipsed **\$500 million in sales in FY2022**



INTRODUCTION

Company Overview



Acquisition
of Quest Nutrition

Added to S&P
Small Cap 600

\$1 Billion+
Net Sales

SMPL listed
on **Nasdaq**

2017

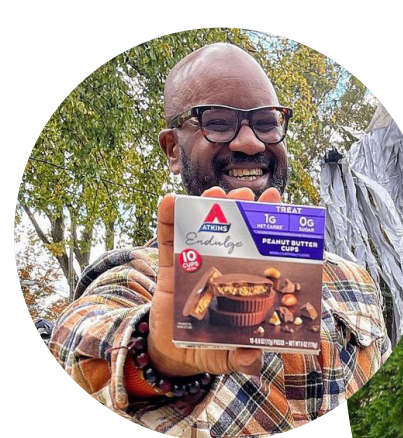
2018

2019

2020

2021

2022



INTRODUCTION

Our Vision

To lead the nutritious snacking movement with trusted brands that offer a variety of convenient, innovative, great-tasting, better-for-you snacks and meal replacements and other product offerings.



Our Mission

Empower healthy lives through smart and satisfying nutrition.

Our Values



**Act with
Integrity**



**Lead with
Innovation**



**Succeed through
Interdependence**



**Bring Passion
Every Day**



**Be
Empowered**



INTRODUCTION



We are a small but mighty team accomplishing big things. At Simply Good Foods, we foster trusted relationships with one another, strong partnerships with suppliers, and authentic connections with customers and communities. We lead with a consumer-first mindset, and shepherd the development of purpose-driven brands that deliver great-tasting, high quality products.

We approach ESG in a way that fuels business growth and profitability with smart investments in key social and environmental initiatives. Every day, we aim to be faster, better and more innovative than the competition while also delighting consumers. We seek to do this by behaving in a way that advances positive contributions within our communities and for our employees, partners, consumers and the environment.



A Simple ESG Approach



Environment

We always first look for the “AND”—how can we make good business decisions AND positively affect (or aim to minimize any negative effect on) the environment. We understand smart investments will be required to advance our ESG goals over time.



Social

We seek to always do the right thing for our employees, consumers and communities. We focus on health equity and the science of good nutrition because we understand the positive effect our nutrition philosophy and products can have on our consumers' lives. We aim to educate and advocate for proven nutrition approaches that lead to greater health outcomes.

Governance

We organize and execute on our key priorities in an ethical and thoughtful way that makes compliance the floor not the ceiling. We embrace corporate governance best practices and we seek to provide a clear picture to our stakeholders of our various business priorities, including key ESG initiatives.



Key Priorities

We are committed to making **steady progress** across the three ESG pillars. We have already made measurable progress against certain foundational initiatives within those pillars (some of which are highlighted in this document). Based largely on feedback from key stakeholders, we are prioritizing the following closer-term ESG initiatives while continuing the foundational work that has already begun.



- Prioritize employee health, safety and wellness, and ensure that employee programs, practices and benefits support good outcomes for employees
- Continue to excite consumers with innovative products that prioritize food safety, quality and smart nutritionals while simultaneously removing sugars and simple carbs from the food system
- Develop longer term ESG initiatives approved by the Board of Directors and Executive Leadership Team with oversight by the Corporate Responsibility and Sustainability Committee of the Board
- Raise awareness on Diversity, Equity, Inclusion & Belonging ("DEI&B") internally and incorporate more DEI&B thinking into our everyday business practices
- Collect and report data on greenhouse gas emissions and continue to advance sustainability projects with key upstream supply chain partners
- Lead the conversation about health equity and nutrition science

Governance Approach

To support our sustainable growth and profitability goals, we have established strong corporate governance structures and processes. Under the leadership of our Board and the Nominating and Corporate Governance Committee, we have made steady progress on key corporate governance, risk management, and ethics and compliance matters in recent years.



Independence

Oversight & Accountability

Compensation Controls

As of the 2023 annual meeting, we have fully de-classified our Board such that all our directors now stand for election at each annual meeting of stockholders

Governance Approach

Independence

- 75% of our directors are independent
- Independent Board Chair
- All members of the Compensation, Audit and Nominating and Corporate Governance Committees are independent
- Compensation consultant is independent



All as of January 1, 2023

Oversight & Accountability

- All directors stand for election annually
- Majority vote director resignation policy for uncontested elections
- Third-party anonymous ethics reporting hotline
- Frequent engagement by management and board members with institutional stockholders
- Executive sessions of non-management directors at each Board and Committee meeting
- Active Board oversight of risk management
- Annual Board and committee self-assessment
- Eliminated shareholders super majority voting requirements

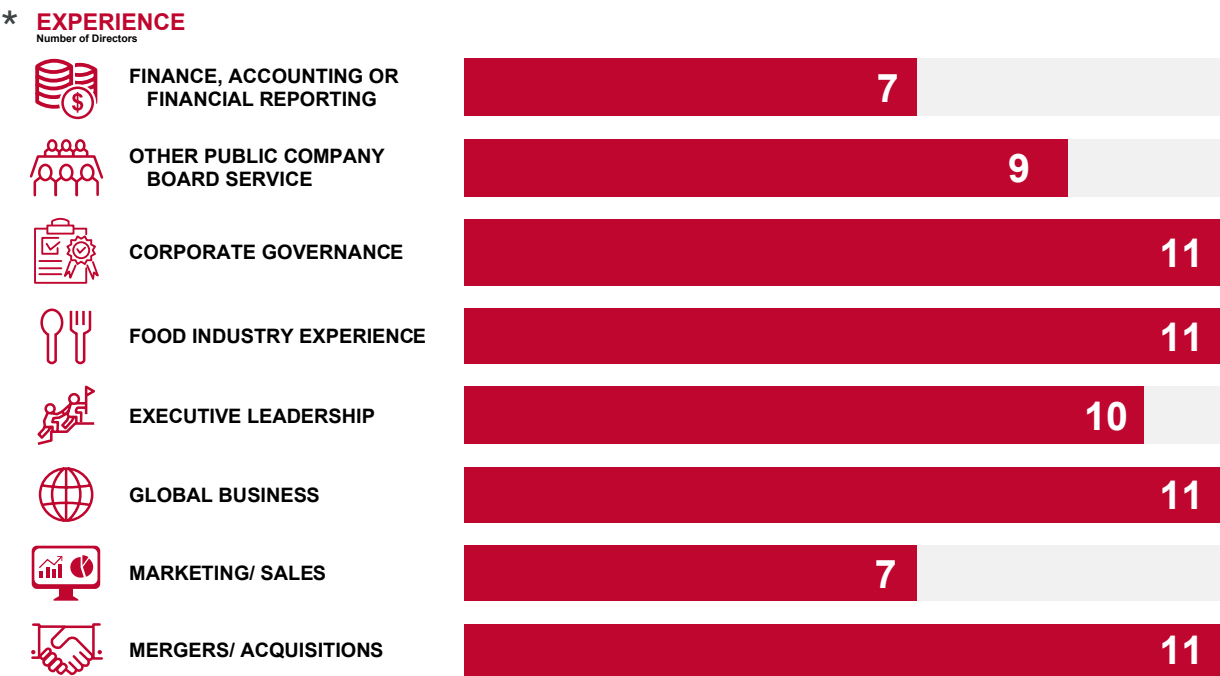
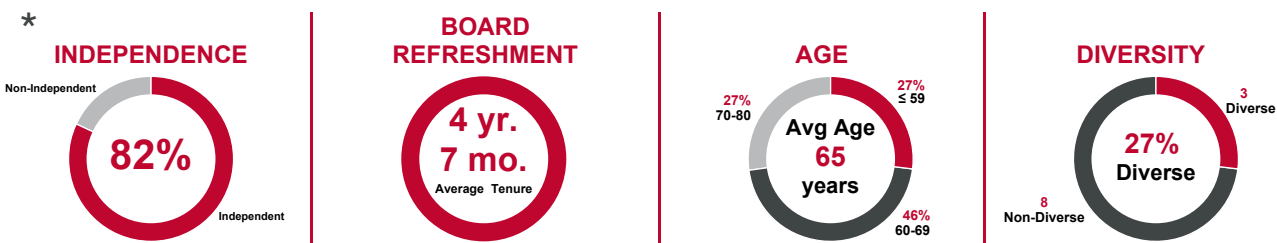
Compensation Controls

- Robust director and executive officer stock ownership guidelines
- No hedging or pledging permitted by executive officers and directors
- Compensation policies and programs that discourage excessive risk-taking
- Compensation clawback policies



Board Composition and Oversight

- Our Board of Directors is comprised of industry experts with experiences that position our Board to provide unique oversight to management in today’s challenging operating environment
- In 2021, the Board established the **Corporate Responsibility & Sustainability Committee** with the aim of providing enhanced oversight and focus on ESG-related matters.
- Every year, the Board undertakes a comprehensive Enterprise Risk Assessment process and the Board receives quarterly risk updates from management



*As of January 1, 2023.

Code Of Conduct & Whistleblower Hotline

Creating a culture of compliance and enhancing our key compliance policies and programs has been, and remains, a key priority.



It's Good for Us

Mutual Respect

We all benefit when we treat one another with respect. Promoting a respectful workplace requires more than a commitment to our own professional behavior. It also requires us to encourage and expect this behavior from everyone around us.



- In 2022, we revamped our **Code of Conduct** to highlight our values and commitment to diversity, inclusion, safety, ethics, our community and the environment. It is available to all our stakeholders so there is no ambiguity as to the standards we hold ourselves to. Employees are required to review the Code annually and acknowledge their understanding of the Code. We also offer employee training on harassment and other code-related matters.

- We also have a Problem Resolution and Whistleblower Policy that articulates clear reporting procedures, which include a whistleblower hotline that allows individuals to raise questions or concerns within the workforce anonymously. We simply do not tolerate retaliation. Individuals who report concerns in good faith are never to be treated negatively.

Health Advocacy

For the past 50 years, we have been passionate about working to contribute to a healthier world and to reverse adverse health trends, such as obesity and diabetes, through advocacy, innovative products, inspiration and support for those on a health and fitness journey, and consumer education. We view this work as ***our most compelling social purpose*** because we want to ensure all Americans have access to sound nutritional guidance and options to positively affect overall health outcomes.



Health Advocacy



Did you know...

- Only 12% of the US population is considered metabolically healthy according to data published in 2019 from the National Health and Nutrition Examination Survey. And, according to the Centers for Disease Control and Prevention, over half of all American adults have one or more preventable, diet-related chronic diseases, including cardiovascular disease, prediabetes and type 2 diabetes. 52% of the US population has prediabetes or diabetes and 72% are overweight or obese.
- Nutrition-related chronic disease, reduced quality and length of life, rates of disease and disability are experienced disproportionately by certain racial and ethnic minority groups and those with lower socioeconomic status. Adults with a family income below the federal poverty level have the highest prevalence of diabetes.
- We undertake a multitude of advocacy efforts, including a focused effort to update the USDA and USDHHS Dietary Guidelines, to bring them more in line with proven nutrition research and science. The Dietary Guidelines recommendation that 45-65% of calories come from carbohydrates (225-325 g) is not appropriate for most Americans. We believe appropriate updates would provide dietary guidance for all Americans, especially those that are not “metabolically healthy” and enable more Americans to reach their health goals. The guidelines form the foundation for all national nutritional programs including WIC, SNAP, school lunch programs, US military and many others.
- We created a Science Advisory Board containing an experienced group of researchers and physicians in order stay up to date with the most recent data about nutrition and health so our work is as impactful and research-based as possible. Find more about this distinguished group [here](#).
- Simply Good Foods and its employees partner with Feeding America and other non-profits to donate over 2.5 million meals/meal equivalents in the last three years. We’ve also partnered with Walmart on the Fight Hunger, Spark Change initiative which also benefits Feeding America’s work.



Improving Food Systems & Nutrition Education

We know that what you eat matters – a lot. We are removing literally tons of sugar and simple carbs from American's diets each year (when compared to traditional substitutes). The science has guided us to continue to innovate within our portfolio so we can support consumers on their quest for better nutrition options.

- We focus on developing smart compositions of proteins, fats and good carbs (like fiber). Our R&D team is committed to developing delicious, innovative products that inspire consumers on their nutrition and health journeys.
- We estimate that our products contribute to the **removal of approximately 20 billion grams of sugar and simple carbohydrates from the food system each year** (assuming a 1:1 replacement of substitutable conventional products).
- We promote good nutrition, an active lifestyle and offer free educational tools and resources for healthier eating and living, all backed by nutrition research and science. The evidence is clear that eating right can improve health outcomes and we want to champion those messages that can guide consumers to pursue a healthier lifestyle. We provide free resources for consumers and health care providers and partner with leading researchers and research institutions to ensure we are always relying on the most up-to-date and scientifically accurate information.
- More Americans, and more of our retailer partners, are viewing diet and nutrition as an important healthcare tool.



Diversity, Equity, Inclusion & Belonging

At Simply Good Foods, we seek to foster a positive, open, and trusted culture of belonging where every person feels empowered to bring their unique selves to the workplace resulting in a competitive advantage through thought-leadership and talent growth that halos beyond our workforce to our partners and community, creating an inclusive ecosystem.

Simply♥**Good** **PEOPLE**



diversity, equity, inclusion & belonging

Diversity, Equity, Inclusion & Belonging

- **DEI&B Council** - In 2022, we established a diversity, equity, inclusion and belonging council comprised of mid- and senior-level employees within our company. The council is very active and is creating and executing a work plan to guide its continued efforts.
- **Supportive Benefits and Work Structures** - We provide a benefit package that supports our employees' diverse needs and situations: competitive health and wellness benefits, life and accident plans, retirement plans, Paid Family Leave, extra floating holidays, and a hybrid work environment. We regularly survey our employees to understand ways we can improve on DEI&B matters and support for employee mental and physical health.
- **Pay Equity & Transparency** - We complete an annual pay equity audit to evaluate equity in our pay practices. In any open positions or promotional opportunities in the US (that are not confidential), we include the job's pay range to provide candidates transparency.
- **Celebrating our Communities** - We recognize and celebrate a variety of pride and heritage months that are important to our employees. We provide donations and time to non-profits in our communities and encourage our employees to engage with non-profits in their communities. We have a team that plans regular Community Impact days for our employees so they have the time and support to participate volunteer opportunities in local community non-profits.
- **Building Leaders from Within** - To demonstrate our commitment to employee training and development, we provide internal education sessions, including regular "Be Empowered" sessions for employees, which are educational classes and networking opportunities that teach our nutrition philosophy and provide insights across our different business functions. We reimburse employees for qualified costs of education (e.g., tuition, books, course fees, etc.) (up to \$5,250 per calendar year) that are directly related to an employee's present job or that will help an employee prepare for more responsibilities or promotions within the organization.
- Find out more in our [**Labor, Human Rights and Social Policy.**](#)



Food Safety Practices & Workplace Safety

Ensuring the health and safety of individuals is of utmost importance to Simply Good Foods. We focus on providing safe and high-quality foods while ensuring safe and healthy working environments for all employees and partners.



- In 2022, Simply Good Foods gained ISO 22000 certification, demonstrating our commitment to food safety and continuous improvement throughout our supply chain.
- Our employees are regularly trained on our food safety programs. Executive team members, including our CEO, are on the Food Safety Leadership Team.
- We provide our manufacturing partners with our Quality & Safety Expectations Manual which requires adherence to rigorous safety and quality standards and demonstrated compliance with leading food safety processes and plans (HACCP/HARPC/FSMA).
- We require vendors comply with our **Vendor Code of Conduct** which ensures the health and safety of their workers, by prohibiting exploitative practices (child labor, involuntary labor) and requiring they meet or exceed employment laws governing work hours, vacation, leave and holidays and to pay their employees.
- We focus on employee safety and our injury rates and transparently report workers compensation claims for recent calendar years.

Workers Compensation Claims by Calendar Year

Incidents Type	2016	2017	2018	2019	2020	2021	2022
Non-Fatal Injuries	2	2	2	3	0	0	1
Fatal Injuries	0	0	0	0	0	0	0

Sustainability & Emissions

We work to reduce adverse environmental effects from our operations. In addition to complying with applicable environmental laws, we aim to continually improve upon our environmental performance and to conduct our operations in a way that reduces adverse effects on the environment, particularly regarding water usage, energy usage, emissions and solid waste.

More at our: [Environmental Policy](#)



Sustainability & Emissions

With the assistance of a third party sustainability firm, we have **completed a comprehensive materiality assessment in 2023** based on stakeholder engagement as it is critical for us to best understand how we can work with our stakeholders to find areas of impact that will be most aligned with our unique business model and opportunities. This materiality assessment will help inform our ESG goals.

Our completed 2022 emissions report found that given our “asset-light” operating model 97% of our greenhouse gas emissions were attributed to Scope 3 emission with the remaining 3% from Scopes 1 & 2.

The report found that purchased goods and services contributed approximately 77% of the Scope 3 emissions, with transportation contributing approximately 18%. End of life sold products contributed approximately 3%.



Sustainability & Emissions

Our Outsourced Manufacturing Model

All our products are manufactured by quality contract manufacturers, primarily across the US and Canada, which means that almost all our GHG emissions are Scope 3 in nature.

Our Main Offices

- Our two main offices located in Denver, Colorado (HQ) and El Segundo, California are both certified LEED-EB O&M Gold.
- We offer recycling and composting in our Denver office and cover the cost of public transportation for employees that chose to utilize this option for their commute to the office.
- According to our 2020 Energy Star® Statement of Energy Performance, our energy use and emissions statistics at our Denver headquarters are 39% lower than the national average.

Transportation & Warehousing

- In 2021, we completed a warehouse consolidation project that results in more efficient movement of goods (fewer routes, fewer “ship to” locations) and a reduction in total food miles and a reduction in GHG emissions.
- Nearly all our inbound and outboard shipments are now full truckload due to a unique pooling and sailing schedule approach and a reduction in GHG emissions.



Packaging & Sourcing

Finding reliable and safe packaging sources that are also environmentally friendly is a key area of focus for our procurement program



- In 2022, we announced the conversion of our Atkins™ ready-to-drink shakes to a Tetra Pak® carton that uses 78% renewable, plant-based materials.

This change is expected to deliver a **17% decrease in carbon footprint per unit** as compared to using fossil fuel-based materials in the previous cartons.

- In recent years, Atkins shakes have also moved from 100% dairy-based proteins to a mix of plant and dairy-based proteins to allow us to transition to less environmentally impactful ingredient sources.
- Almost 95% of our corrugated and carton packaging is from Sustainable Forestry Initiative (SFI) certified sourcing. SFI requires that program participants track raw material in the supply chain and take measures to ensure it comes from legal and responsible sources when the relevant packaging is acquired within offshore jurisdictions that lack effective laws. We utilize paperboard packaging that is recyclable and we have undertaken an effort to “light weight” our cardboard packaging over the past several years.

Packaging & Sourcing



- A small portion of our palm oil ingredients are sourced through the Roundtable on Sustainable Palm Oil (“RSPO”). We are always looking for economical and reliable RSPO supply with the intent of converting more of our palm oil consumption to RSPO sources in the future.
- In fiscal 2023, we have engaged a consultant to assist with packaging and pallet optimization to be more efficient and sustainable.
- We know that we can’t do this work alone. We expect vendors to continually improve their own environmental performance and to conduct their operations in a way that reduces adverse effects on the environment, particularly regarding water usage, energy usage, emissions and solid waste. Vendors should avoid sourcing materials, directly or indirectly, that contribute to deforestation of high conservation value areas, or interfere with the habitats of endangered species. **Vendor Code of Conduct.**



Thank You ♥

Simply♥Good
FOODS

