



IMPACT UPDATE

2024





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Certain statements made in this Impact Update are not historical facts but are forward-looking statements for purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are accompanied by or include words such as “will”, “expect”, “intends” or other similar words, phrases or expressions. These statements relate to future events or our future financial or operational performance and involve known and unknown risks, uncertainties and other factors that could cause our actual results, levels of activity, performance or achievement to differ materially from those expressed or implied by these forward-looking statements. We caution you that these forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. You should not place undue reliance on forward-looking statements. These statements reflect our current views with respect to future events, are based on assumptions and are subject to risks and uncertainties. These risks and uncertainties relate to, among other things, our ability to achieve our estimates of OWYN’s net sales and Adjusted EBITDA and our anticipated synergies from the acquisition of OWYN, our net leverage ratio post-acquisition, our Adjusted EPS post-acquisition, our ability to maintain OWYN personnel and effectively integrate OWYN, our operations being dependent on changes in consumer preferences and purchasing habits regarding our products, a global supply chain and effects of supply chain constraints and inflationary pressure on us and our contract manufacturers, our ability to continue to operate at a profit or to maintain our margins, the effect pandemics or other global disruptions on our business, financial condition and results of operations, the sufficiency of our sources of liquidity and capital, our ability to maintain current operation levels and implement our growth strategies, our ability to maintain and gain market acceptance for our products or new products, our ability to capitalize on attractive opportunities, our ability to respond to competition and changes in the economy including changes regarding inflation and increasing ingredient and packaging costs and labor challenges at our contract manufacturers and third party logistics providers, the amounts of or changes with respect to certain anticipated raw materials and other costs, difficulties and delays in achieving the synergies and cost savings in connection with acquisitions, changes in the business environment in which we operate including general financial, economic, capital market, regulatory and geopolitical conditions affecting us and the industry in which we operate, our ability to maintain adequate product inventory levels to timely supply customer orders, changes in taxes, tariffs, duties, governmental laws and regulations, the availability of or competition for other brands, assets or other opportunities for investment by us or to expand our business, competitive product and pricing activity, difficulties of managing growth profitably, the loss of one or more members of our management team, potential for increased costs and harm to our business resulting from unauthorized access of the information technology systems we use in our business, expansion of our wellness platform and other risks and uncertainties indicated in our Form 10-K, Form 10-Q, and Form 8-K reports (including all amendments to those reports) filed with the U.S. Securities and Exchange Commission from time to time. In addition, forward-looking statements provide our expectations, plans or forecasts of future events and views as of the date of this Impact Update. Except as required by law, we undertake no obligation to update these statements to reflect events or circumstances arising after that date and caution investors and other readers of this Impact Update not to place undue reliance on any forward-looking statements. These forward-looking statements should not be relied upon as representing our assessment as of any date subsequent to the date of this Impact Update.

Dear Simply Good Stakeholders,



Geoff Tanner,
Chief Executive Officer

I am excited to share our latest Impact Update, and my first as Simply Good's CEO. As we continue on our exciting growth journey, this report reflects our commitment to responsible business practices, health and nutrition, and our dedication to making a positive impact on the communities we serve.

Continuing Simply Good's legacy as a steadfast champion of consumer health and wellness, one of my key areas of focus in my first year at Simply Good was to launch an updated company purpose and new values to excite and unite our team and partners around our ambition to make food that is "radically nutritious and defyingly delicious. Better nutrition made easy so you can live well." This is our north star and inspiration as we work to create food options, tools and education for the millions of people that are dealing with the adverse consequences of poor metabolic health.

A highlight of this report is presenting our transformative new partnership with the Boys & Girls Club of Metro Denver to launch the Spark & Spoon Project. The Spark & Spoon Project seeks to create positive change on the intractable issues of food insecurity, childhood obesity, and lack of nutrition education by providing nutritious meals, culinary programs, and educational resources to children and families in need, fostering both physical well-being and a love for healthy eating. It reflects our shared commitment to empowering kids to live healthier lifestyles that can lead to academic success, improved mental and physical health outcomes, and community connections. This initiative aligns perfectly with our mission to promote health and wellness in our communities and we are excited to contribute our resources and unique expertise to create meaningful and positive experiences for thousands of Club members.

In the press release announcing the partnership, Erin Porteous, CEO of Boys & Girls Clubs of Metro Denver shared, "we are immensely grateful for [Simply Good's] visionary leadership and commitment to the youth in our community. Their stewardship of the Spark & Spoon partnership will undoubtedly make a lasting impact on the lives of the kids we serve." Simply Good's strong multi-year commitment goes beyond financial support, as the company actively collaborates on forward-thinking programming, volunteers time, and develops community resources.

In addition to our partnership with Spark & Spoon, this report outlines our ongoing efforts to include sustainable sourcing, waste reduction, and food safety. We are optimistic that our actions today will create a healthier planet and a brighter future for generations to come.

Thank you for your continued support as we continue this journey together. I invite you to explore our Impact Update and discover the ways Simply Good is working to make a difference.

Company Overview



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



Headquartered in Denver, CO



275+ employees



Primary markets: United States, Canada and Australia / New Zealand



Diverse product forms, customers and channels



Outsourced manufacturing model with strong cash flow generation



Simply Good acquired **OWYN**, the leading plant-based, allergen-free RTD protein shake brand.



OWYN is highly complementary to the Simply Good portfolio as it shares a core nutrition philosophy of lower carbs and sugar and a higher protein focus, but also deliciously fits a plant-based, allergen friendly diet.

Company Overview



We're raising the bar on what food can be. We say no to the status quo, and we say yes to making better food. Food that offers robust nutrition, not hollow nutrition. Energy, not depletion. Enjoyment, not regret. Simply, we're on a mission to make food that works for you—that is radically nutritious and defyingly delicious. Better nutrition made easy so you can live well. We don't compromise, so you never have to.

We're redefining nutritional snacking to empower better lives.



Our Values



SIMPLY BOLD

Fostering a culture of creativity, innovation, authenticity, and doing things differently is the key to our success. Our culture inspires the courage to take initiative, to pursue unconventional paths, to speak your mind openly, and to lead by example.



SIMPLY DELIVER

We believe in the power of delivering on promises and emphasize the importance of doing what you say you will do. Even so, it's more than we say; it's how we do it that defines our integrity. This value drives our dedication to ownership, accountability, blazing a new path and making no compromises.



SIMPLY LEARN & GROW

Curiosity is our guiding light. We champion curiosity as the catalyst for continuous learning, experimentation, reflection, feedback-driven adaptation, and a commitment to inspiring curiosity in others.



SIMPLY TOGETHER

A profound sense of belonging and community unifies us across locations and brands. We celebrate diversity, promote collaboration, and strive for shared success, underpinned by a commitment to serve our consumers, employees, and communities.



SIMPLY KIND

We believe honesty, candid communication, utmost respect, and genuine self-compassion fosters a culture that guides our actions, decisions, and interactions within our organization and in the communities we serve.



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 and health equity outcomes.

GOVERNANCE

We organize and execute to act 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.



GOVERNANCE

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



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

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
- Execute 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
- Fully de-classified Board. All directors stand for election at each annual meeting of stockholders

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 claw-back policies

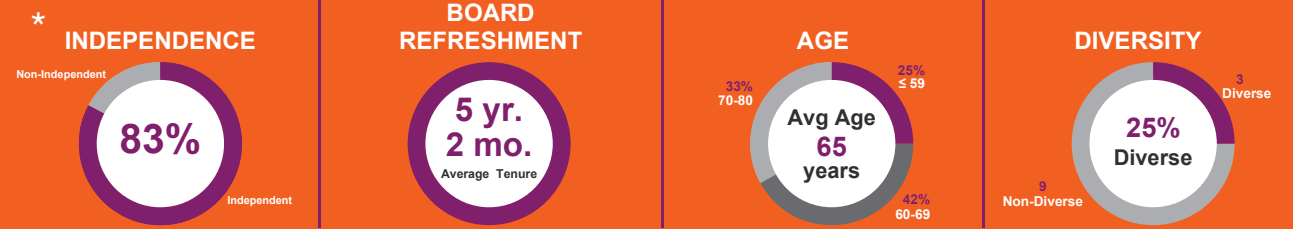


Board Composition & Oversight

- 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

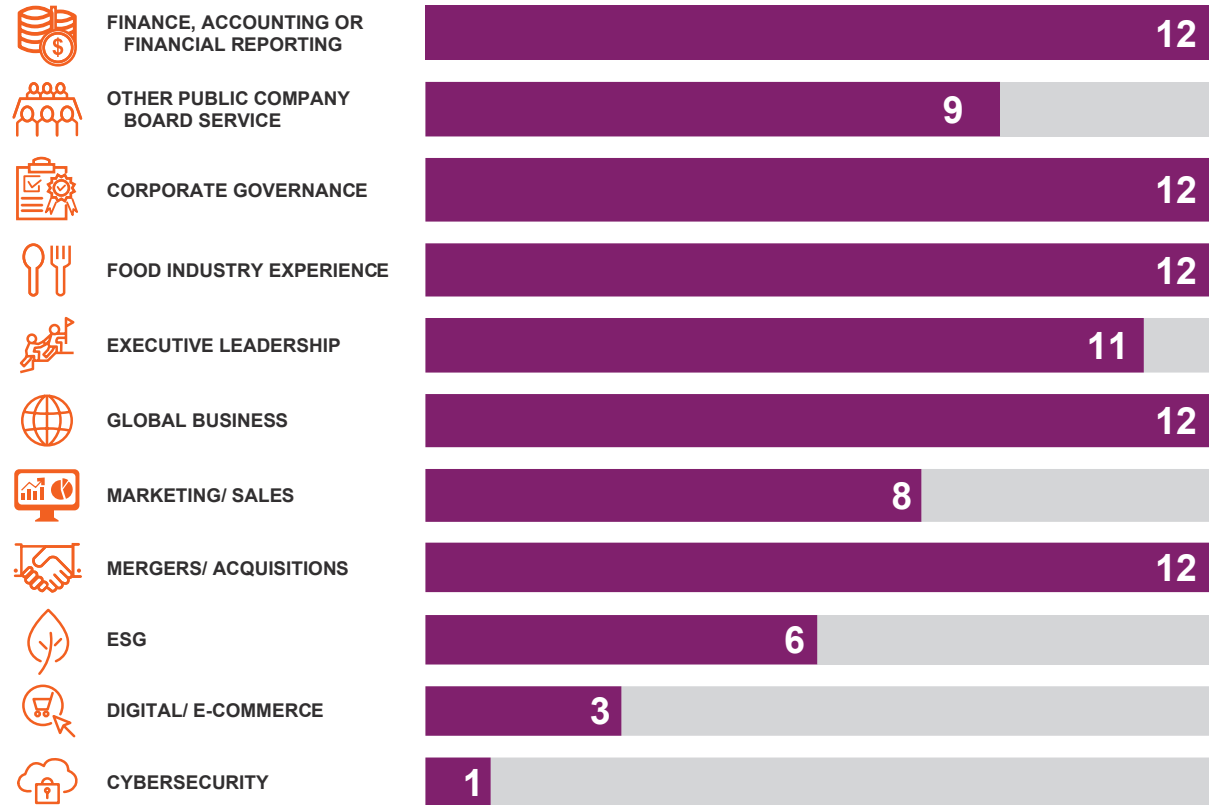
- **Corporate Responsibility & Sustainability Committee** provides oversight and focus on ESG-related matters

- Every year, the Board undertakes a comprehensive Enterprise Risk Assessment process and the Board receives quarterly risk updates from management



* EXPERIENCE

Number of Directors



*As of January 1, 2024.

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.

- Our **Code of Conduct** highlights our values and commitment to mutual respect, integrity, diversity and 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 Whistleblower Policy that articulates 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.



SOCIAL

Improving Food Systems & Health Equity

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 purpose because we want all Americans to have access to sound nutritional guidance and options to positively impact health outcomes.





Boys & Girls Club

Boys & Girls Clubs of Metro Denver and Simply Good are excited to announce their groundbreaking collaboration, the Spark & Spoon Project. This initiative is dedicated to addressing food insecurity, childhood obesity, health equity, and nutrition education. Empowering every Club kid to reach their full potential.



The Spark & Spoon Project will impact over 28,000 kids and teens across Metro Denver, providing them with:

- **Nutrition Education:** Engaging programs that teach kids about healthy eating habits and food literacy
- **Healthy Lifestyle Programs:** Activities and classes focused on promoting overall wellness
- **Culinary Programs:** Hands-on cooking classes to inspire a love for healthy food and cooking
- **Healthy Food Boxes:** Distribution of healthy foods to Club families
- **Field Trips:** Opportunities to explore career paths and learn about food, nutrition, and wellness
- **Dedicated Staff Member:** A new full-time staff member will join the Boys & Girls Club team to manage the Spark & Spoon Project
- **Over 93% of the kids qualify for free & reduced lunches.**



Improving Food Systems & Health Equity

- According to the Centers for Disease Control and Prevention, over half of all American adults have one or more preventable, diet-related chronic diseases.
- 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.
- We continue to undertake a multitude of advocacy efforts, including a focused effort to update the USDA and USDHHS Dietary Guidelines, to bring them in more in line with proven nutrition research and science. In 2023 we published a perspective paper in a peer-reviewed journal discussing how better dietary guidance could improve health outcomes for Americans, especially those who have been traditionally underserved and have higher rates of diet-related disease.
- We work with our esteemed 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. Find more about this distinguished group [here](#). In tandem we have created education programs for dietitians through CEU courses using the research to educate on how reducing sugar and carbohydrates can improve health beyond simply facilitating weight loss. We consider excessive sugar consumption to be “public health enemy number one.” 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 over 20 billion grams of sugar and simple carbohydrates from the food system each year** (assuming a 1:1 replacement of substitutable conventional products).
- We 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 everyone to pursue a healthier lifestyle.




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.



Diversity, Equity, Inclusion & Belonging



- **DEI&B Council** - In 2022, we established a diversity, equity, inclusion and belonging council. In its second year, the council executed on a broad range of education and engagement opportunities for the company including a session with Simply Board member James White on his book *Anti-Racist Leadership*.
- **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. In 2023 the Quest for Impact program granted four incredible recipients received a \$20,000 grant to further their quests and create meaningful and lasting change within their communities: 5-Eleven Hoops, DEUCE Community, Soccer in the Streets and Train of Thought. These organizations all have transformative missions and are making a big impact on the communities they serve. 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** - 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.
- **Partnership with NextUp** - Simply Good formalized a partnership with NextUp which allows all Simply Good employees the opportunity to become a member of the NextUp organization and access a variety of regional events, career-accelerating leadership programs, conferences, and access to professional development resources. NextUp's mission is to advance all women, grow business and transform our workplaces through the power of our community. It is an empowered network of women, men, allies and corporate partners working together to eliminate barriers for women in the workplace. 
- 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 and has maintained 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/FISM).
- 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	2023
Non-Fatal Injuries	2	2	2	3	0	0	1	1
Fatal Injuries	0	0	0	0	0	0	0	0



ENVIRONMENTAL

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

In 2023 with the help of a third party sustainability firm, we completed a comprehensive materiality assessment in 2023 based on stakeholder engagement. We also partnered with Purdue University and conducted an on-site energy audit of our primary warehouse facility. The resulting report provided detailed energy accounting and recommendations on how reduce resulting Scope 1 and Scope 2 emissions. It remains critical for us to best understand how we can work with our stakeholders to find areas of impact that are most aligned with our unique business model and opportunities.

Our completed 2023 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, similar to 2022 finding.

The report found that purchased goods and services contributed approximately 77% of the Scope 3 emissions, with transportation contributing approximately 17%. End of life sold products contributed approximately 4%.

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 2023 Energy Star Statement of Energy Performance, our energy use and emissions statistics at our Denver headquarters are 39% lower than the national average.
- We continue to focus on reduction of food miles that our warehouse consolidation project helped drive. As we integrate OWYN more fully into the business we expect further reductions resulting more efficient movement of goods (fewer routes, fewer separate “ship to” locations) and a reduction in total combined food miles and GHG emissions.

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

- OWYN uses 100% plant based protein, primarily pea protein, which has a smaller environmental footprint than dairy-based proteins.
- We converted Atkins™ ready-to-drink shakes to a Tetra Pak® carton that uses 78% renewable, plant-based materials. This change is delivering a 17% decrease in carbon footprint per unit as compared to using fossil fuel-based materials in the previous cartons.
- Atkins shakes have 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.
- We have focused on ensuring our corrugate and carton packaging originates from responsible sources and utilizing paperboard packaging that is recyclable. We continue our efforts to “light weight” our cardboard packaging and in 2023 reduced our cardboard usage even further by reusing bulk cases.
- This year we implemented an extensive mass balance waste reduction program with a key manufacturing partners and based on the success of the program are expanding to other partners in 2025.
- We actively partner with key suppliers on mutually beneficial sustainability efforts and 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 material sourcing, water usage, energy usage, emissions and solid waste. Vendor Code of Conduct.

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

