

# Ynsect Communication On Progress

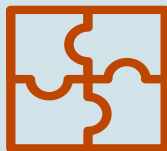
*On year 2021*

COMMUNICATION  
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



# ► Today, we reaffirm our support to the Global Compact

“In January 2021 Ynsect has decided to join its voice supporting the Ten Principles of the United Nations Global Compact. For this second consecutive year I am pleased to reaffirm our specific commitment in the areas of Human Rights, Labour, Environment and Anti-Corruption.

Ynsect is the world leader in natural insect protein and fertilizer production. Our mission is “**reinventing the food chain by offering, every day, to all consumers around the world, natural, healthy, tasty and sustainable food**”. Today more than ever Impact at world scale is necessary. We are an Impact native company : climate change and the management of its consequences make it a hot topic for every human being on earth. Supporting the Ten Principles is fully in accordance with our values : **Explorator, Balance, Solidarity, Adaptability, Authenticity**.

In this very first Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. “



**Antoine Hubert, Ynsect's CEO (Chief Executive Officer & co founder)**

# ► The Ten Principles





# ► Ynsect at a glance

- Creation in 2011 by Antoine Hubert, Jean-Gabriel Levon, Alexis Angot, Fabrice Berro
- 2 insects: Buffalo & Molitor mealworm
- 3 countries : France, USA & Netherlands
- +300 employees
- 24 nationalities
- +60 awards & prizes
- 50 research partnerships
- 350 patents in more than 40 countries
- Member of the Next40 (2020, 2021)
- + 450 million USD raised since its creation



*The 4 co founders - Alexis, Antoine, Fabrice & Jean-Gabriel*

## ► At the very beginning

# AN ASSESSMENT & ISSUES TO SOLVE



- **Demographic** growth
- Improvement of the **standard of living**



Significant increase in **global food demand**

According to the FAO:



By 2050: **need to produce +70%** with **5%** of arable land

Consumption of animal protein:

**+ 52%** between 2007 and 2030



## How to feed sustainably the world ?

## ► And came an ambitious idea

# INSECTS ARE PART OF THE SOLUTION

A patented process for the production of **Molitor** and **Buffalo mealworms** enabling the production of **natural, healthy, tasty and sustainable** ingredients for **Animal feed, Plants & soil, and Human food**



**Animal proteins in animal feedstuffs**  
(breeding and pets) **and in Fish Farming**



**Animal proteins used in food nutrition, especially sport and health**



**Chemical fertilizers**

## ► Our locations





# ► Impact is deeply anchored in our DNA

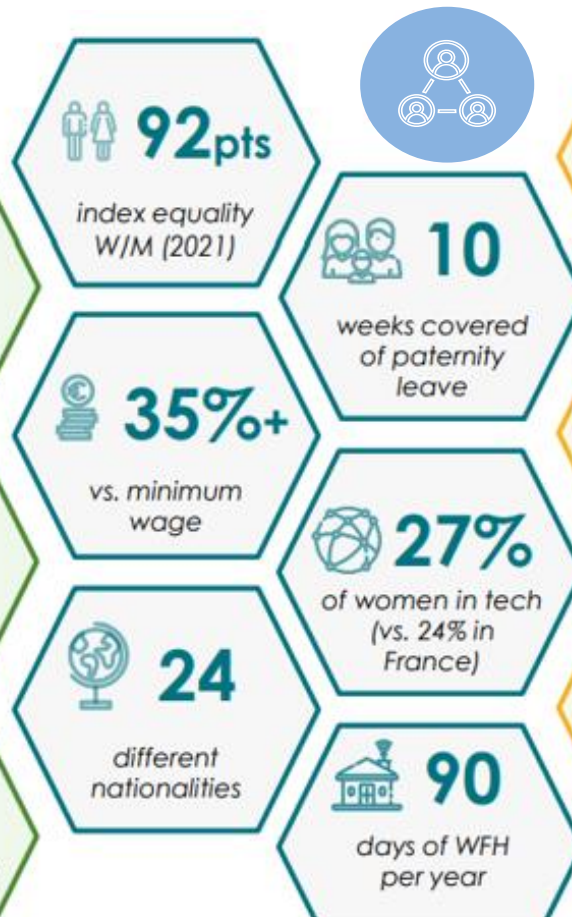
## Environment

« Revitalize the environment »



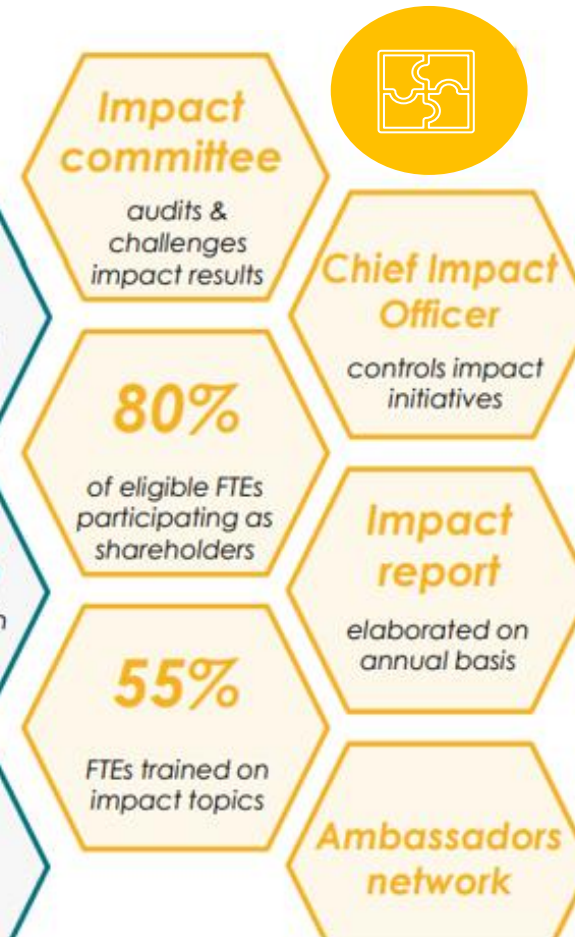
## Societal

« Enhance agroindustry work conditions for all workers and stakeholders »



## Governance

« Give decision maker full clarity »



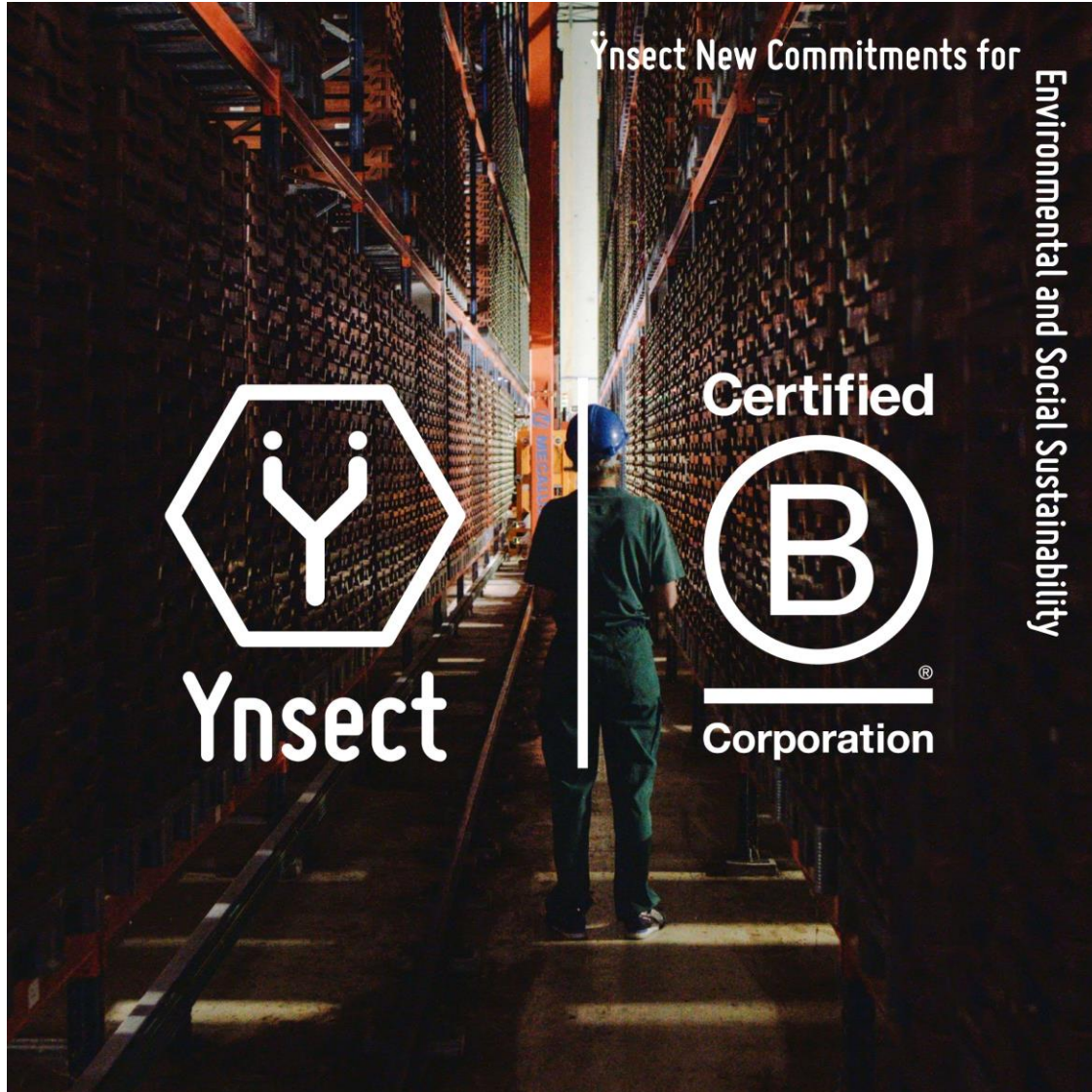


# ► Our ESG actions are aligned with SDG goals



With Climate Action as its Core, Ynsect addresses  
**11 out of the 17**  
Sustainable Development  
Goals set by the UN

# ► We are a B CORP company



## B Corp Certification

*Be the best FOR the world*

In 2020, Ynsect joined the very selective group of B Corp-certified companies by B Lab. It is **the first company in the sector worldwide** to obtain this certification.

# Environment

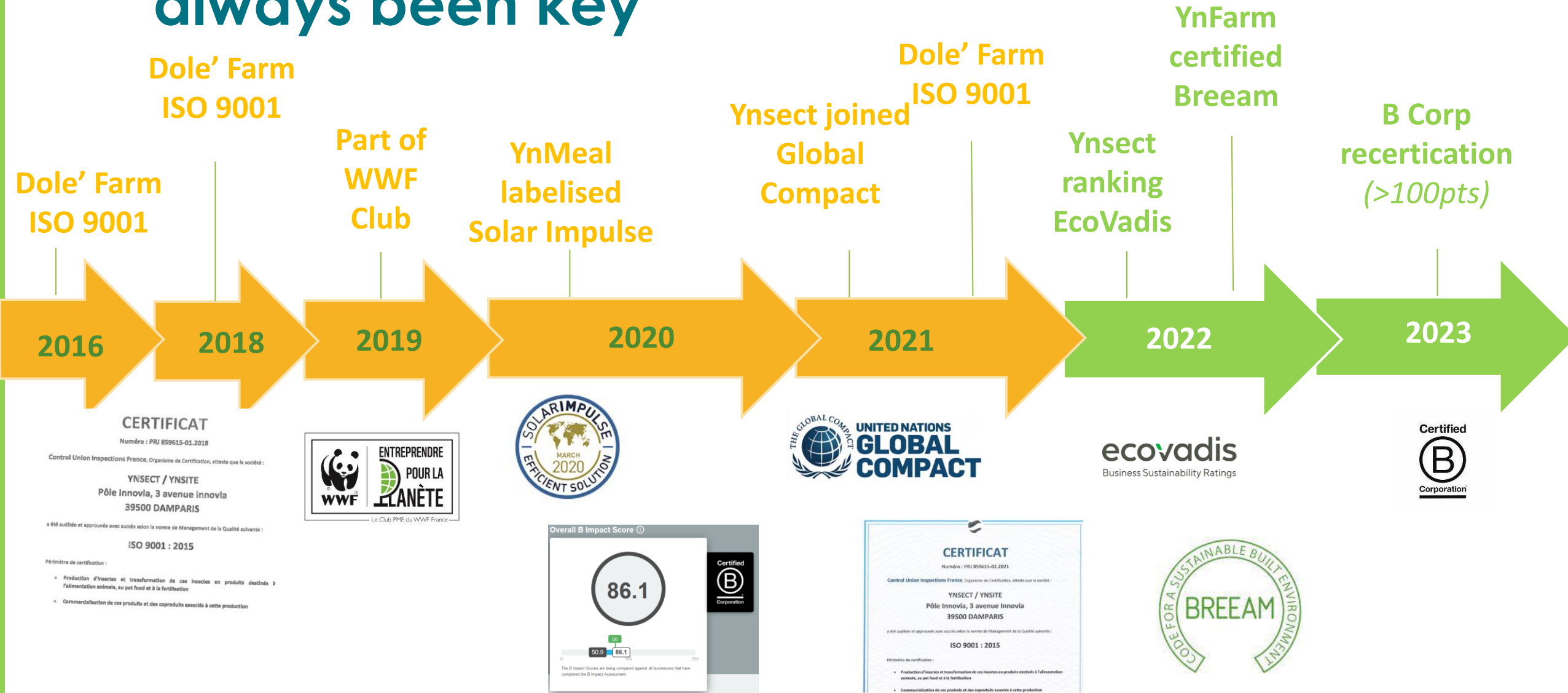


**Revitalize environment thanks to  
our activities**





# Since the beginning, third party recognition has always been key



# ► Our approach is science based

## + 10 STUDIES LED

- ✓ Life Cycle Assessment (LCA) to measure our impacts on our value chain (since 2016)
- ✓ Carbon Footprint to measure our greenhouse gas emissions (since 2016)
- ✓ First Biodiversity footprint (2020)

## ROBUST METHODOLOGIES

- ✓ GHG protocol (Carbon footprint)
- ✓ Impact 2002 + (LCA)
- ✓ Database : agribalyse, ecoinvent, WFLCADB



GREENHOUSE  
GAS PROTOCOL

Impacts evaluation | Impact 2002+

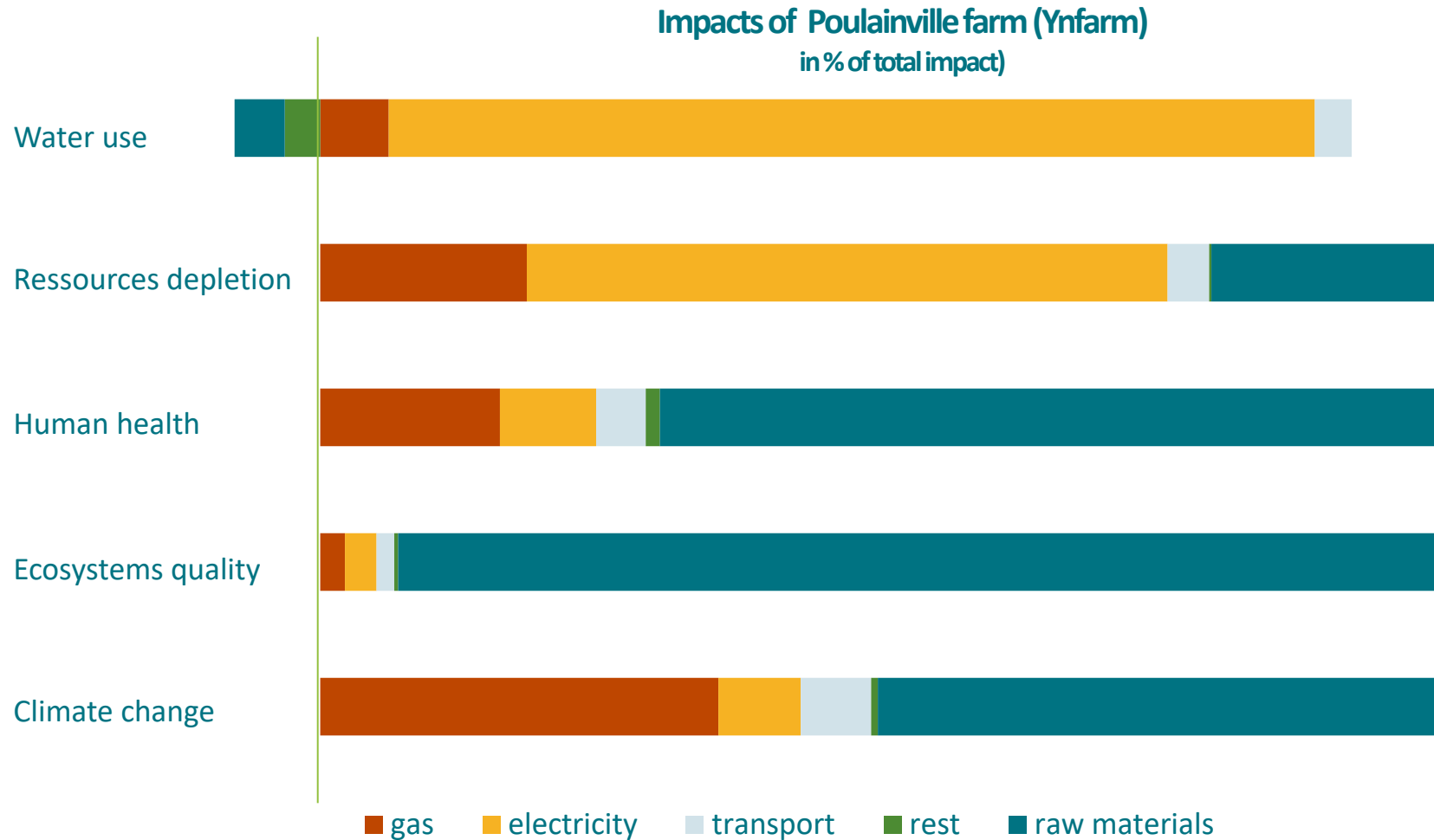


## VALIDATED BY THIRD PARTY

- ✓ Studies led and verified by Quantis (consultancy group)
- ✓ cLCA 2020 led by Quantis and critical reviewed done by Eco2 Initiative



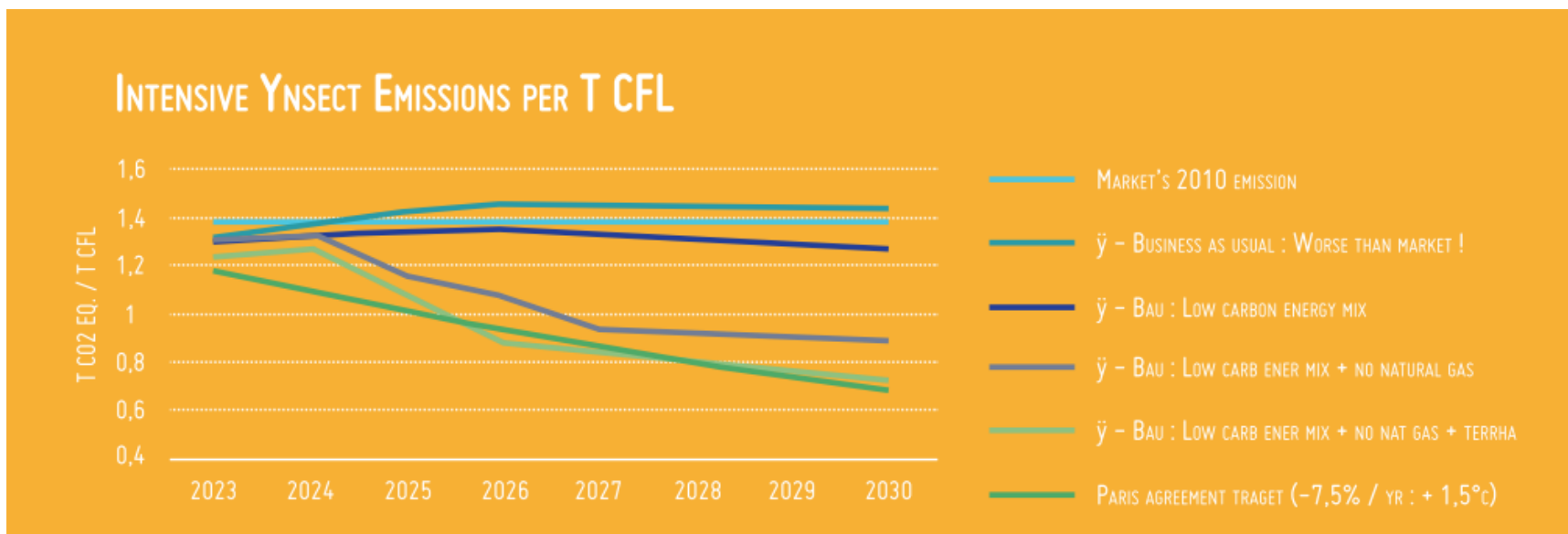
# Climate change & biodiversity : our 2 priorities



**Raw materials** are responsible to  
+90% of our impact on  
ecosystems

**GreenHouse Gas emissions come  
from :**  
+50% to raw materials to feed our  
insects  
+35% to gas consumption

# ► In 2021, we built our first carbon budget to contribute to a net zero world aligned with IPCC



Business as usual : leads to a Climate balance close to current market  
Outside of France if not access to local decarbonized energy

Green Energy : Business as usual where States fulfill their climate targets ambitions

Green Design + Green Energy : Ynsect future case with investment in biomethane (no Fossil Gas used)

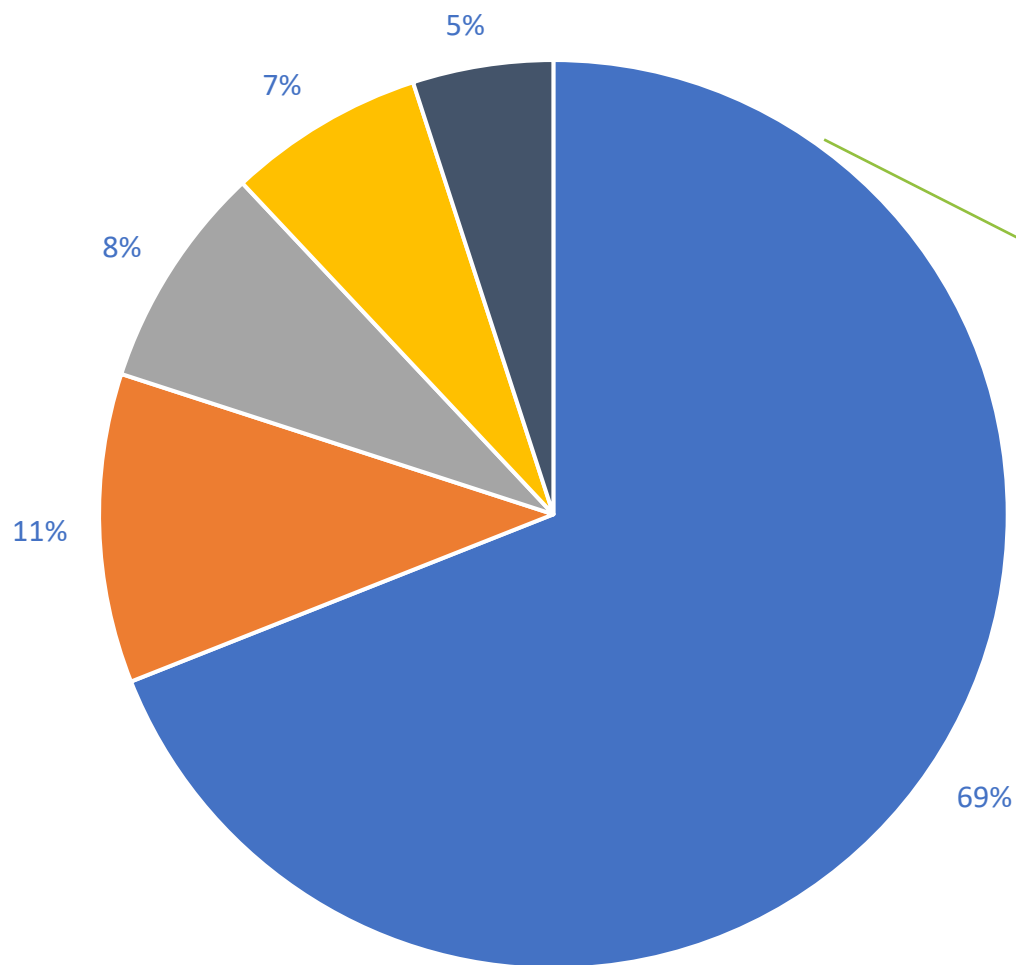
TerrHa + Green Design + Green Energy: the only scenario that respect IPCC targets for 2030 (cut by 2 by 2030)

In 2021, we built our first carbon budget !

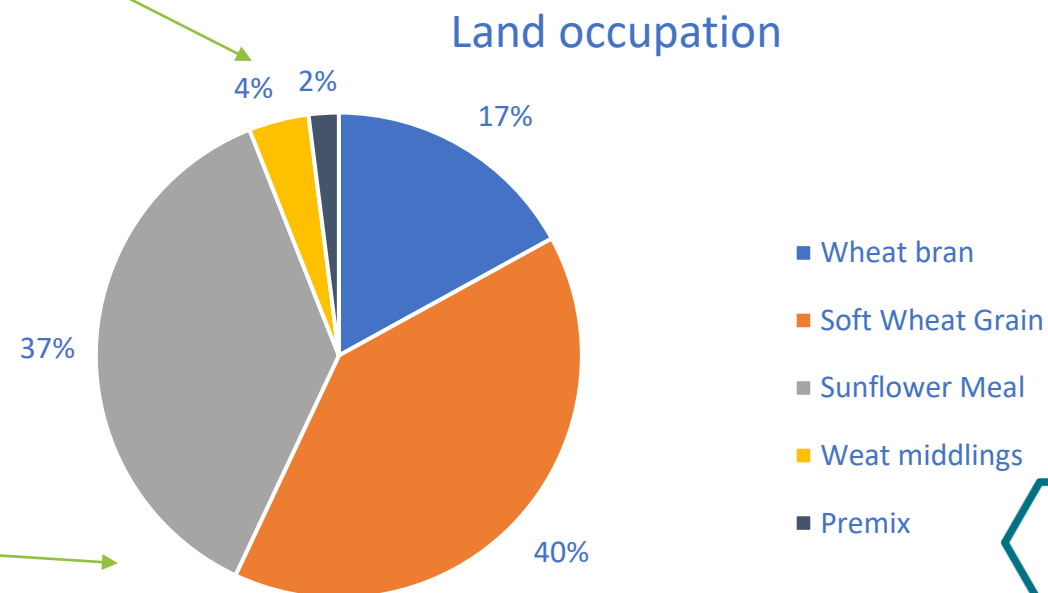
Thanks to sustainable diets and low carbon energies we can meet IPCC targets for 2030 that is to say **divide by 2 our emissions (vs 2021)**



# Biodiversity impacts come from raw materials to feed our beetles



- Land occupation (« Land Use ») :
- Climate change : effect on biodiversity
- terrestrial Acidification : due to nitrogen spreading
- Maritime acidification : due to GHG emissions
- Other



Direct exploitation (overfishing, hunting, poaching) and Invasive alien species are not quantified.  
Water use does not appear as a big issue considering the fact the crops are not irrigated in the North of France

# ► TerrHa 2040: regenerative agriculture project to tackle both biodiversity and climate issues in our supply chain



## Objectives

**Sequestration** of at least 10 000 tons of CO<sub>2</sub>e per year (agroforestry)

**Strengthening local biodiversity** in the wheat and rapeseed sector

Hauts de  
France



## What we did in 2021

- ✓ 7 500 trees already planted
- ✓ 7 farmers already

## Next steps in 2022

- ✓ +19 000 trees planted
- ✓ 50 farmers involved

## Key data



1 200  
Farmers involved



1,8 millions  
Trees to be  
planted by 2040



1 700 km  
of hedges

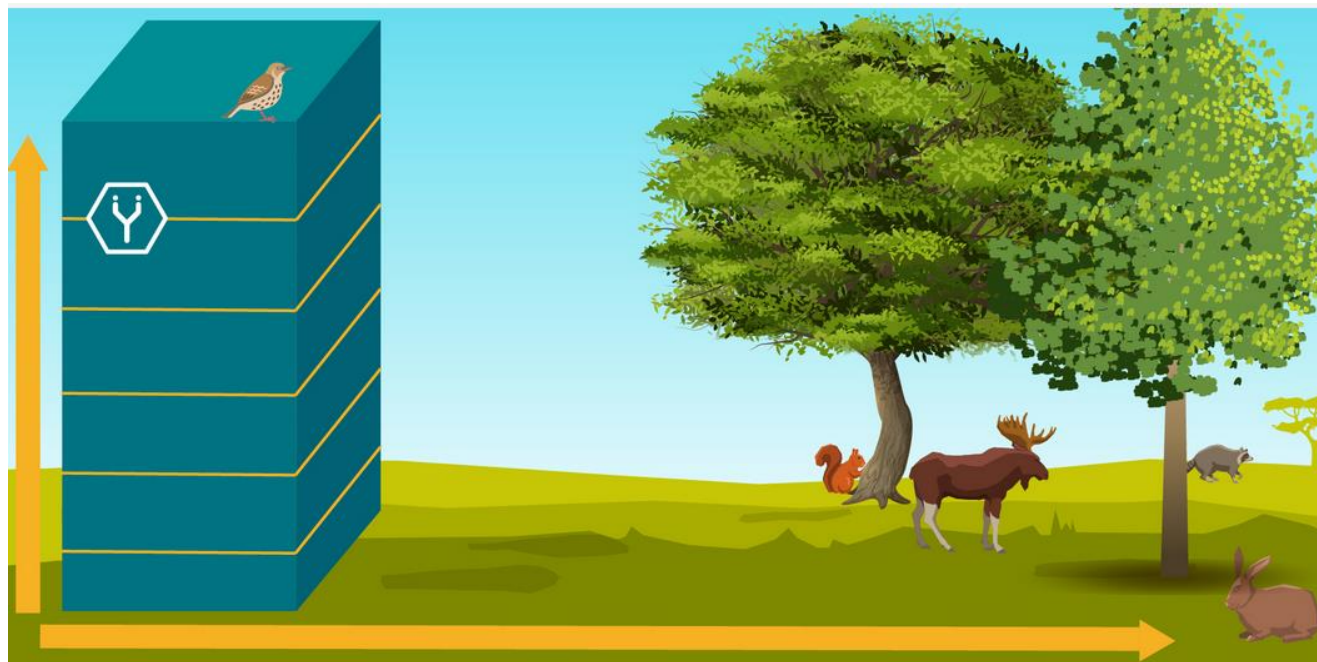


>50  
Of different  
species

## Partners



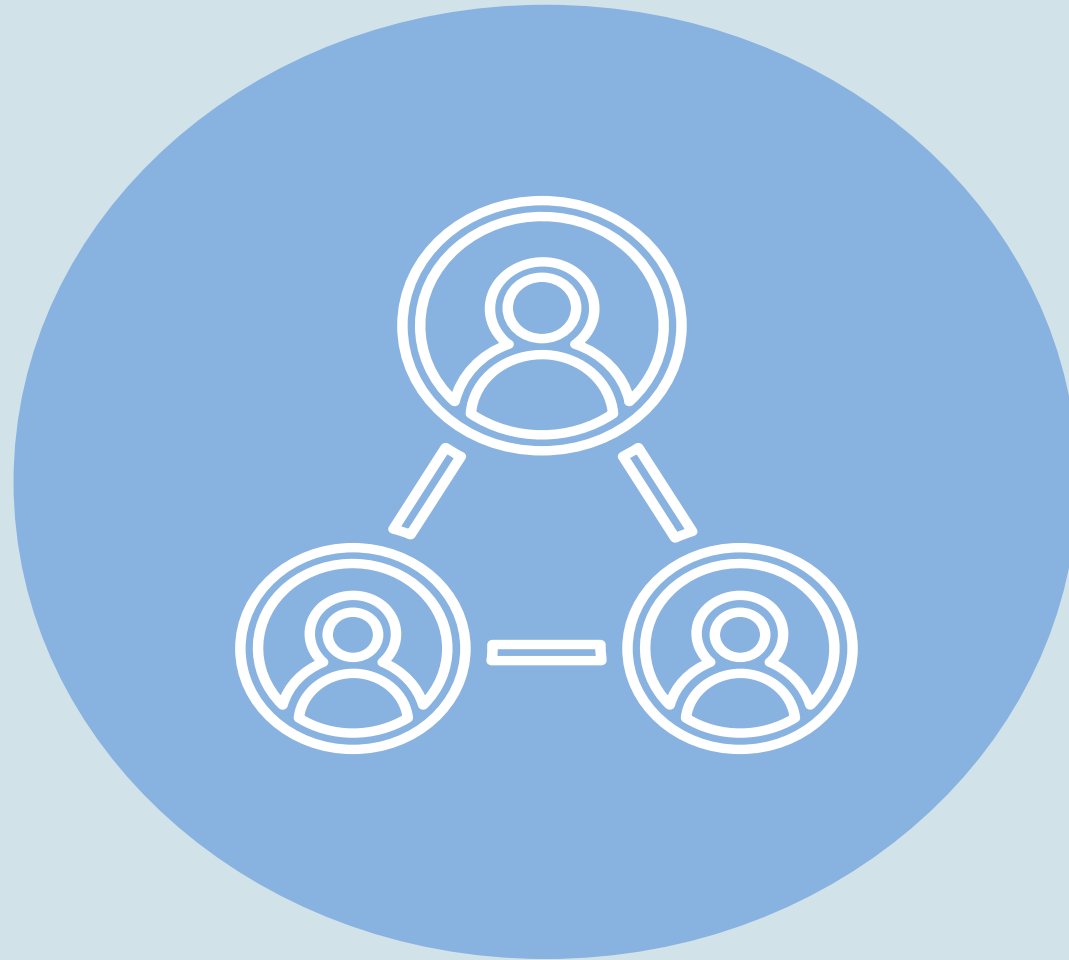
## ► Secure the benefits of our vertical farms



- 92 hectares saved between Amiens, Ermelo & Dole's farm
- 2 hectares protected – Vercors ASPAS Biological Integral Reserve (direct arrow)
- 370 hectares protected – Chérine WWF Natural Reserve (indirect arrow)



# Societal



**Enhance agroindustry work conditions for  
all workers and stakeholders**



# ► Support equity by challenging the status quo of the industry

Ynsect is committed to **raise lowest wages** of its employees to promote their contribution to the success of the company. Since sharing value & equality are important to Ynsect, the company will **increase by +35% the minimum wage** which is more than 25 000 € / year for people with more than one year of seniority



**Exceptional leave for the arrival of a child:** 10 weeks of leave and 100% of salary maintained for the arrival of a child -

**Employee share ownership:** 80% of employees wanted to participate to the first financing campaign opened to Ynsectors

# ► Promoting diversity in our teams

## Gender equality

- ✓ Index equality W/M: from 84 pts (2020) to **92 pts** (2021) vs 81 pts for the national average
- ✓ **27% of women in « tech »** (vs 24% French Tech)
- ✓ **50% of women** in the leadership team
- 🎯 30% women in tech (by 2022)

## Cultural diversity

- ✓ **+24 nationalities**
- 🎯 28 nationalities (by 2024)
- 🎯 Deploy training to raise awareness about diversity & inclusion topics (in 2022)
- 🎯 Deploy English training (in 2022)

## Inclusive recruitments

- ✓ 100% of our construction procurers have a contract requiring 3% to 5% of hours dedicated to people in a situation of professional integration : **50-100 people**
- 🎯 **100% of operators and line drivers will be recruited with an inclusive method** developed by Pole Emploi.  
No resume selection : only abilities will be tested
- ✓ **Raise awareness about disability:** testimony of Rodolphe Riskalla



## Age range

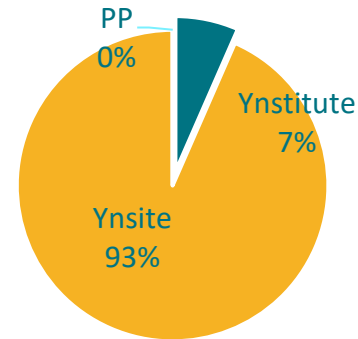
- ✓ X2 number of apprenticeships (vs 2020)
- ✓ +14% of our employees are over 50 year old
- ✓ In total + 25% of our workforce is under 24 or over 50 year old

# ► Guarantee safety to our employees

2021 Cumulative Safety events : 348



Per area



- **Safety Record** : number of days without accident maximal obtenu depuis l'ouverture du site
- **Safety Events** : Number of event listed during the month /year
- **TF1** : LTRI : Lost Time Recordable Injuries = **number of lost-time accidents per 1 million hours worked.**
- **TF2** : TRIR: Total Recordable Injuries Rate (**injury rate with or without stop of work stoppage per 1 million hours worked.**
- **TG** : Severity rate = **number of lost days due to work accidents number x 1000 / worked hours number**
- **Follow-up rate** : X % closed actions / X% planned actions

A much more risk and dangerous situation reported thanks to new tools and VCS (safety behaviour visits)

## Next steps in 2022

- Integrating Netherlands
- Animating safety tools

# ► Develop skills to all new Ynsecters



**Chrysalis is first trade school**  
**Welcomyn new Ynsecters**

**Chrysalis is a success**

**Chrysalis is going abroad !**

Chrysalis gives :

1/ An onboarding programm  
**8 days** of training for all new Ynsecters

2/ Specific trainings built and led by our experts  
**+9 trainings on different topics**

*Ex: company presentation, HR, safety, Impact  
industrial breeding, farm visit ...*

**Launched in sept 2021**

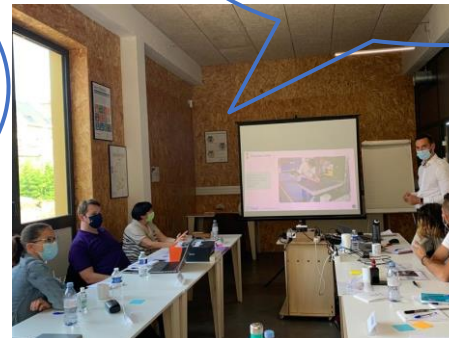
**9/10 satisfaction rate**  
**4 promotions**  
**+ 33 people trained**  
**4 Impact team buildings**

**Next steps in 2022**

- ✓ Proposing this school to our european plants
- ✓ Building specific pathways adapted to our very specific industrial jobs



*"It's the first time in  
my professional  
career that I have  
had such a  
welcome"*



*"The length of time allows  
you to really bond with the  
other members of the  
course, it's really nice"*



*"A real plus for  
newcomers and  
for Ynsect"*





# ► Contribute & respect Ynsecters well-being



Charte sur le télétravail

01/11/2021



Fait à Paris, le 1<sup>er</sup> novembre 2021  
Signature de la direction

## Home-office Charter

2 possible formulas. One with 1 or 2 days of fixed work day per week or a bank of 90 days per year.

In 2021 Ynsect went from  
**38 to 90 home office days/year**



Ynsect  
Premium natural feed

Charte

« Droit à la déconnexion »



## Right to Disconnect Charter

aimed at guaranteeing the effectiveness of the right to rest and allowing everyone reaffirm the importance of the balance between private and professional life.



Ynsect

Politique de protection des données  
personnelles des Ynsecters

Personal Data Protection Policy  
for Ynsecters

For the English version, skip to page 11

Dernière mise à jour : septembre 2021  
Last updated: September 2021

## Charter on data privacy

Ynsect ensures that the processing carried out as part of Ynsect's activity respects the rights and freedoms of its colleagues and Ynsect's stakeholders



**Psycho-social risks prevention** quantitative & qualitative regular surveys to work with our employees on precise themes and implement specific measures to prevent stress.

**21 actions** carried out in 2021 & **26 current actions** ongoing in 2022.

# Supermood

**Regular surveys** for ongoing feedback from our employees and implement measures that meet the specific needs of our employees.

**+76% of employees are proud** to work for our company (dec 2021)



# Collaborate with ethics with our partners



**ecovadis**  
Business Sustainability Ratings

All our commercial partners sign and respect  
our **supplier charter**.

Accept to be evaluated  
by our services

Adhere to the principles of the  
charter

Respect laws, Human &  
Labour rights

Ynsect requires to all of its partners to  
**respect the Ten Principles**  
of the Global Compact



**Engagements du fournisseur envers Ynsect :**

Ynsect demande à ses Fournisseurs de se conformer aux engagements décrits dans les 10 principes du Global Compact relatifs au respect des Droits de l'Homme, des normes internationales du travail, à l'environnement et à la lutte contre la corruption dont l'entreprise est elle-même signataire.

**In all our purchase  
agreements :**

The Seller shall perform the Contract in accordance with the principles of the Convention for the Protection of Human Rights and Fundamental Freedoms of 4 November 1950 and the principles and recommendations issued by the International Labour Organization.

The Seller guarantees that, with respect to the Contract or its subject matter, it has not, directly or through third parties, proceeded or offered to proceed to a payment, donation, gift, or other advantage to the benefit of any person in a position of public authority that would violate the law applicable to the Contract and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions signed on 17 December 1997.

The Seller shall ensure that its subcontractors and staff comply with the abovementioned obligations.

**Next steps in 2022**

We plan to be Ecovadis  
ranked and to support  
our partners in the  
evaluation process



# Commit to anti-corruption practices

## In all our purchase agreements we have anti-corruption clause

The Seller shall perform the Contract in accordance with the principles of the Convention for the Protection of Human Rights and Fundamental Freedoms of 4 November 1950 and the principles and recommendations issued by the International Labour Organization.

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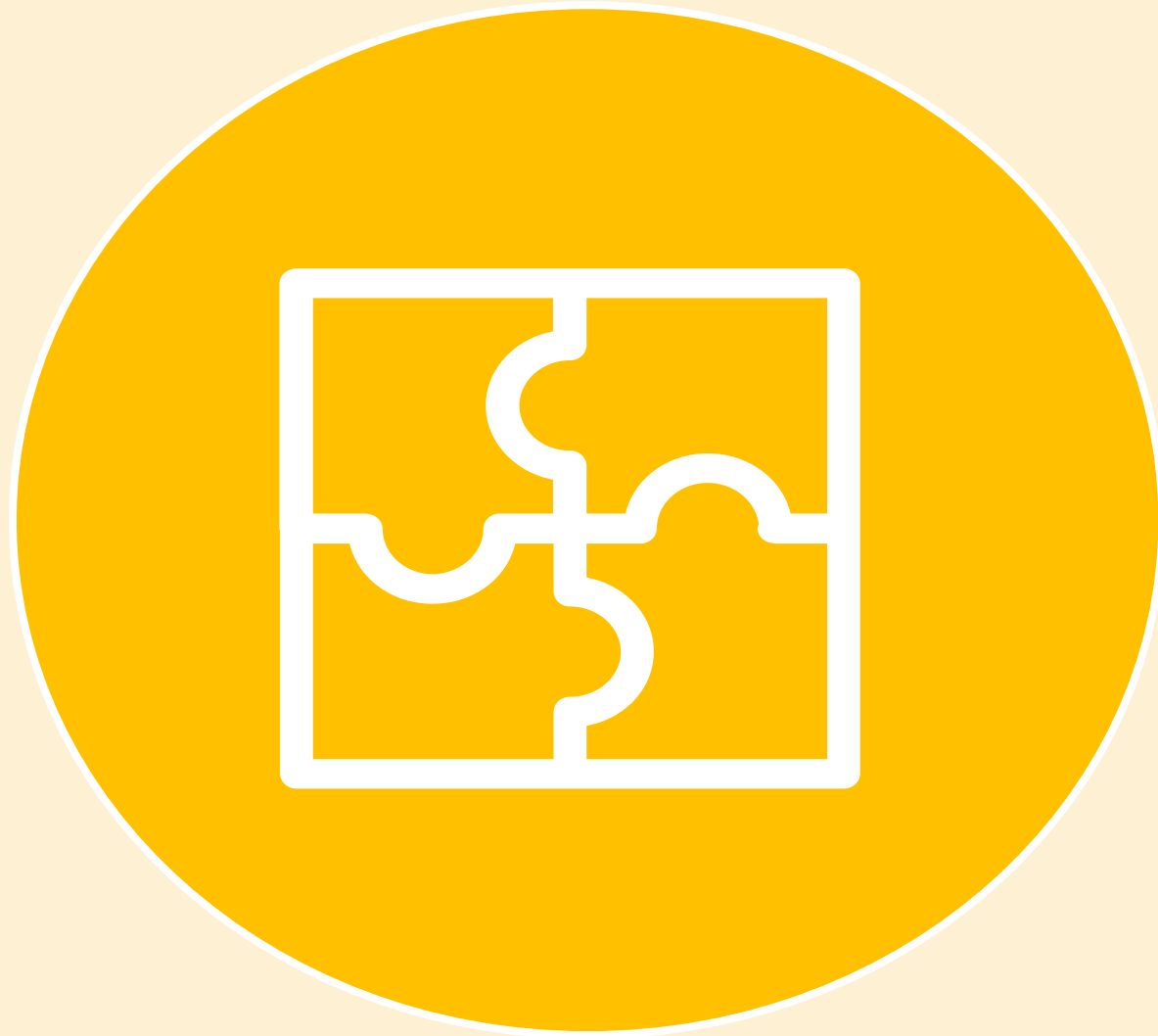
Our Whistleblowing policy  
is in force & we have implement  
**WhistleB software to report alertes**  
(coorruption, harassment)

**WhistleB<sup>®</sup>**  
By NAVEX

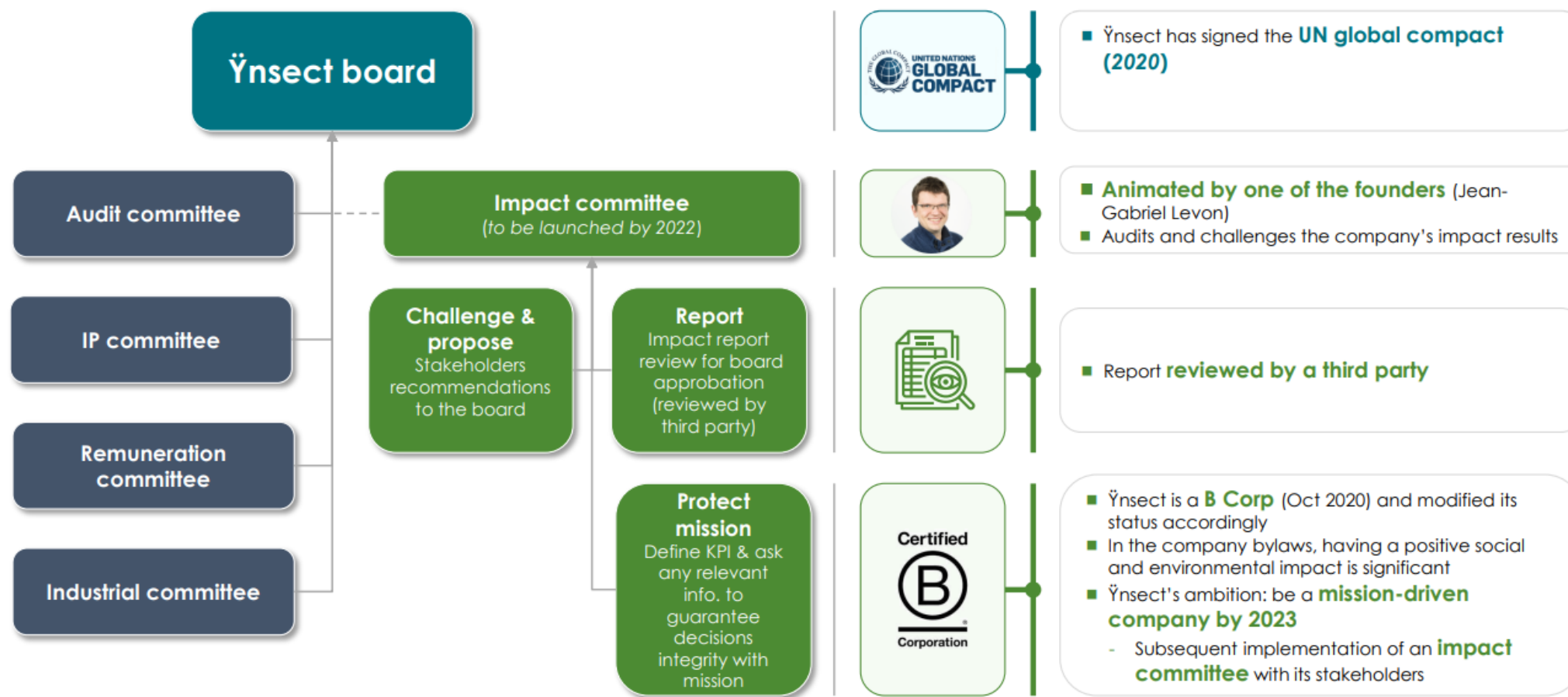
## Next steps in 2022

Anti corruption code  
under drafting

# Governance

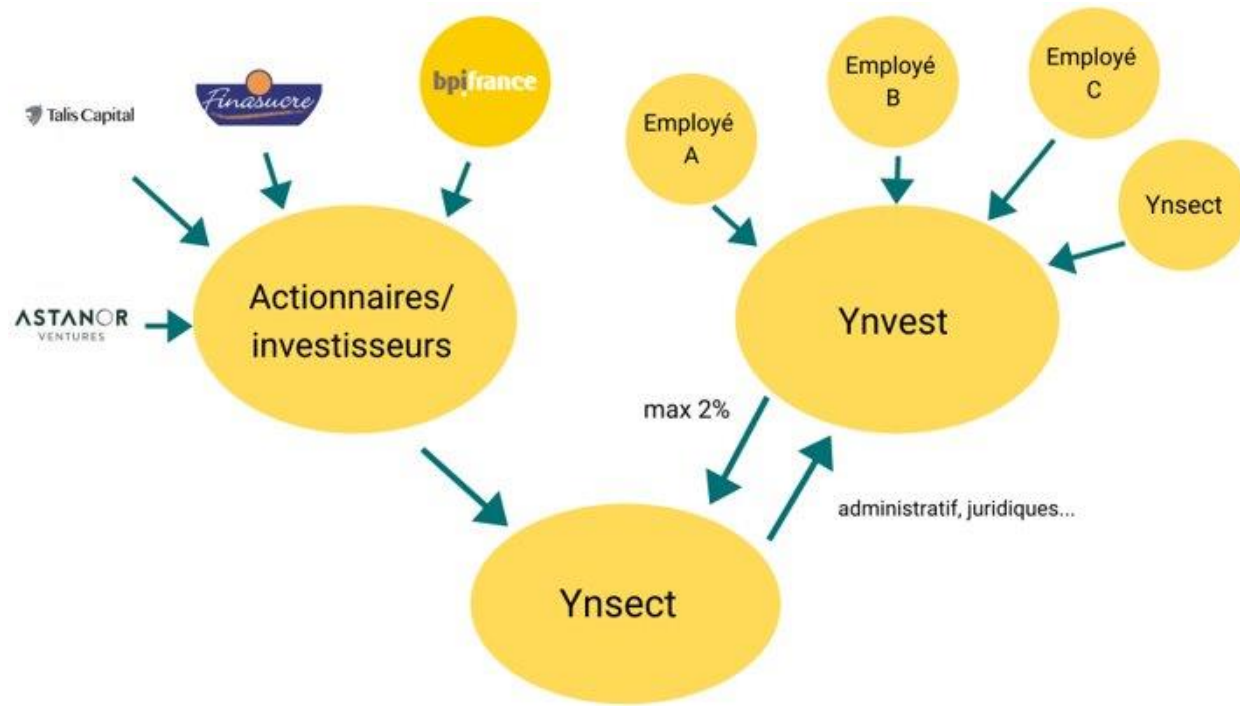


# ► Our objective: create an **Impact Committee**





# Employee share ownership: give the opportunity to each Ynsecter to become investors



*Ynsect paid up the costs of setting up the company as well as the price of the 1st share (1€)*

- Creation of Ynvest in 2020
- **80% of the eligible employees** opted to onboard and subscribed their very first share in this company
- **200k€ in Ynsect invested** by Ynvest
- **1520 shares**

## Next steps in 2022

- All Ynsect employees FR, NL, US will be offered the opportunity to invest
- Our objective: keep the same subscription ratio

# ► Raise employee's awareness of climate change



At each Chrysalis session, Ynsecters give 2 hours to a local association to protect, preserve or regenerate local ecosystems.

**113** Ynsecters have been **trained to Impact** @Ynsect  
**94** employees participated to one **Climate Fresk**

## Next steps in 2022

- Deploy Climate Fresk abroad
- Build an ambassadors network

# ► Communicate **transparently** to our stakeholders

Building our reporting process



Formalize and gather information to share with our stakeholders



Be fully transparent about what we have done, where we stand and where we want to be

- 3 pillars
- 11 of SDGs of United Nations
- **+ 60 KPI will be reported**
- 60%-70% of our KPI are already built & followed



## **Concordance table with the Ten Principles of Global Compact**



## Human rights

1. Businesses should support and respect the protection of internationally proclaimed human rights

- Supply charter with our commercial partners
- All our partners sign our general terms & conditions of purchase which precise that "The Seller shall perform the Contract in accordance with the principles of the Convention for the Protection of Human Rights and Fundamental Freedoms of 4 November 1950 and the principles and recommendations issued by the International Labour Organization."

2. Make sure that they are not complicit in human rights abuses

- Supply charter with our commercial partners
- All our partners sign our general terms & conditions of purchase which precise that "The Seller shall perform the Contract in accordance with the principles of the Convention for the Protection of Human Rights and Fundamental Freedoms of 4 November 1950 and the principles and recommendations issued by the International Labour Organization."



## Labour

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Ynsect allows employees to bargain and have implemented a « Comité social et économique » to discuss with staff representatives

4. Elimination of all forms of forced and compulsory labour

- Supply charter with our commercial partners
- All our partners sign our general terms & conditions of purchase which precise that "The Seller shall perform the Contract in accordance with the principles of the Convention for the Protection of Human Rights and Fundamental Freedoms of 4 November 1950 and the principles and recommendations issued by the International Labour Organization."

5. Effective abolition of child labour

- Supply charter with our commercial partners
- All our partners sign our general terms & conditions of purchase which precise that "The Seller shall perform the Contract in accordance with the principles of the Convention for the Protection of Human Rights and Fundamental Freedoms of 4 November 1950 and the principles and recommendations issued by the International Labour Organization."

6. Elimination of discrimination in respect of employment and occupation

Actions to implement diversity and inclusion in our operations (age, disability, cultural, gender etc)



## Environment

7. Businesses should support a precautionary approach to environmental challenges

- Impact criteria to select new implementation areas for our future farms (ex: energy mix < 250g CO2eq)
- TerrHa project

8. Undertake initiatives to promote greater environmental responsibility

- Climate & biodiversity policy: reduce the impact of energy and raw materials
- TerrHa project

9. Encourage the development and diffusion of environmentally friendly technologies

Insects are part of the solution to feed sustainably the world as quoted by IPCC report (AR6, april 2022)



## Anti-Corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery

- Anti-corruption clauses in all purchase agreements + Anticorruption code under drafting
- Risks assesement made
- Whistleblowing policy in force + WhistleB software to report alerts (corruption, harassment)





Ynsect