



Inspiring Moments of Joy with Transparency & Progress

Corporate Responsibility Report
2022-2023

Hostess Brands, Inc.

Forward Looking Statement

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.

The principal forward-looking statements in this report include: our sustainability goals, commitments and programs; our social goals, initiatives, programs and objectives; the scope and impact of ESG risks and opportunities; and standards and expectations of third parties.

All of our forward-looking statements are intended to enjoy the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, as amended. Although we believe there is a reasonable basis for the forward-looking statements, our actual results, including the achievement of our targets, goals or commitments, could differ materially. These Forward-Looking Statements are based largely on our expectations and judgments and are subject to a number of risks and uncertainties, many of which are unforeseeable and beyond our control. These risks include, but are not limited to, our ability to achieve diversity, equity and inclusion, ESG and sustainability, and climate change initiatives or aspirations; the success of our strategic partnerships; our ability to continue outperforming industry metrics; our ability to continue expanding our production and distribution capabilities; and our ability to continue implementing new, innovative methods of product production, as well as those risks identified in Item 1A of our most recent Annual Report on Form 10-K and subsequent quarterly reports on Form 10-Q filed with the Securities and Exchange Commission (“SEC”), which should be read in conjunction with the forward-looking statements in this report, as well as other assumptions, risks, uncertainties and factors identified in this report.

The information contained in this report also is subject to the precision of our data collection and analysis methods, which are subject to future evolution and calibration. Such information is subject to additional uncertainties, as there are limitations inherent in the data collection and analysis methods. While we consider information from external resources and consultants to be reliable, we do not assume responsibility for its accuracy.

Additionally, all numbers referenced are subject to the quality and comprehensiveness of the reporting received by Hostess from internal and external sources and, therefore, are approximate and/ or estimated values. It is also important to note that the availability of data varies from section to section in this report. Our stated aims in this report include aspirational components that may take years or decades to achieve. We cannot assure you that the results reflected or implied by any forward-looking statement will be realized or, even if substantially realized, that those results will have the forecasted or expected consequences and effects. We urge you to consider all of the risks, uncertainties and factors identified above or discussed in this and other reports carefully in evaluating the forward-looking statements in our reporting. The forward-looking statements in our reporting are made as of the date they are made, and we undertake no obligation to update these forward-looking statements to reflect new information, subsequent events or circumstances or otherwise.



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I. Introduction

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- Who We Are
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- Materiality
- Our Priority Areas



We are excited to share our Corporate Responsibility achievements from 2022 in this report. Our emphasis on continuous improvement in all aspects of our Company are constantly improving, highlighting our strategy and commitments.

Letter from the President & CEO

At Hostess Brands, 2022 was an exceptional year as we worked together in building a premier snacking company. We delivered our third straight year of double-digit net revenue growth, expanded the talent and capabilities of our team, launched new innovation and did all this while advancing our journey as a responsible company.

Our Corporate Responsibility tenets continue to be transparency and progress.

From a transparency perspective, we invite you to review our Corporate Responsibility Report: Inspiring Moments of Joy with Transparency and Progress. At Hostess Brands, our mission is to inspire moments of joy by putting our heart into everything we do. And with this report, we refreshed and refined our priority areas to focus on People, Product, Planet and Governance.

From a progress standpoint, we are proud of the strides we have made against our goals across all categories and throughout our organization.

To further demonstrate our commitment to incorporating corporate responsibility into everything we do, in 2022, we named our first Chief Sustainability Officer, elevating our own Darryl Riley. As Hostess Brands continues to focus on building a socially responsible, modern-day snacking company, we believe dedicating an executive leadership position to sustainability will drive continued progress and integration across the organization.

A few highlights from the last year that I'm especially proud of include:

- Our Health & Safety metrics continue to trend in a positive direction.
- Through our partnership with the National Alliance on Mental Illness (NAMI), we are working to support the mental health and wellness of our employees, their families and the communities in which we live and work. We believe this partnership is a very tangible and meaningful manifestation of inspiring moments of joy.
- Our Climate Action Plan, which we expect to finalize later this year, will provide a comprehensive roadmap forward for our sustainability efforts.
- Our business focus on product innovation, with an emphasis on responsible marketing and portion control, illustrates our focus on inspiring moments of joy in a responsible manner.
- Our governance policies and practices are continually evaluated for areas of improvement, and we have strong independent board oversight and support as we work to embed corporate responsibility into everything we do.

At Hostess Brands, we imagine a world where the everyday is worth celebrating, and we are proud of the progress that we have made toward our goals.

We could not move forward without the full support of our Board of Directors, our customers and our supplier partners. As we enter our tenth year as a modern snacking company, on behalf of myself and the board, we thank you for your continued interest in our journey.

Rest assured, we are just getting started!

Thank You,



ANDY CALLAHAN

President and Chief Executive Officer
Hostess Brands, Inc.



Welcome & Highlight Reel

To view this video, visit our corporate responsibility page [here](#).



Who We Are

Hostess Brands is building a premier snacking company with a portfolio of iconic brands and a mission to inspire moments of joy by putting our heart into everything we do.

Highlights include:

- We are powered by approximately 2,800 team members.
- We operate five bakeries in the United States and Canada, and we will open our sixth bakery in Arkadelphia, Arkansas, in the fourth quarter of 2023.
- Our centralized distribution center is based in Edgerton, Kansas, not far from our corporate headquarters in Lenexa, Kansas.
- Hostess Brands is proud to make America's No. 1 cupcake, mini donut and zero sugar cookie brands.*
- In 2022, we drove 44% of the innovation growth in the Sweet Baked Goods category and we were #1 in innovation in the category for the second year in a row.**

In 2022, we generated nearly \$1.4 billion in net revenue, our third straight year of double-digit growth.



* Source: Hostess Brands, LLC calculation based in part on data reported by NielsenIQ through its AOD Service for the Cupcake category for the 52-week period ending 12/31/2022, for the total U.S. market, xAOC Incl Conv, according to the NielsenIQ standard product hierarchy; its AOD Service for the Mini Doughnut category for the 52-week period ending 12/31/2022, for the total U.S. market, xAOC Incl Conv, according to the NielsenIQ standard product hierarchy; and its AOD Service for the Sugar Free/Zero Sugar Cookies category for the 52-week period ending 12/31/2022, for the total U.S. market, xAOC Incl Conv, according to the NielsenIQ standard product hierarchy. Copyright © 2023, Nielsen Consumer LLC

** Source: Nielsen, Total Nielsen Universe for the Company within the SBG Category. Point of Sale and Market Share, 52 weeks ending 12/31/22 and 1/1/2022

Continued Transparency & Progress

Hostess Brands has continued to make progress since our last report on various corporate responsibility initiatives. During 2022, we accomplished the following:

Maintained industry-leading safety record with continued decline in our Total Incident Rate (TIR) from prior year.

Removed 1 million pounds of material from packaging in 2022 as compared to the prior year.

Provided additional disclosure of Board of Directors skills and experience in our 2023 proxy statement.

Reduced normalized water consumption by 4.2% from prior year.

Expanded our collaboration with our suppliers on social and environmental matters.

Appointed first Chief Sustainability Officer and added new team members.

Entered new partnership with National Alliance on Mental Illness (NAMI).

Year over year improvement in Carbon Disclosure Project (CDP) scores.

Pledged to not advertise to children under the age of 13 through Children's Food and Beverage Advertising Initiative (CFBAI)*.

*Except in instances when advertising supports products that comply with CFBAI's Uniform Nutrition Criteria.

Our Vision & Mission

Our vision & mission highlight our focus on helping people celebrate the “everyday” by creating moments of joy

Vision

**We imagine a
world where the
everyday is worth
celebrating**



Mission

**We inspire
moments of joy by
putting our ❤️ into
everything we do**

Building a Premier Snacking Company

Our corporate strategy is directly aligned with our corporate responsibility initiatives.

Hostess Brands Corporate Strategy



Unlocking Potential of Talented Team

- Focusing on team member health, safety and wellbeing
 - 401(k) enhancements
 - Employee Stock Purchase Plan
 - Parental Leave
- Continuing Diversity, Equity, Inclusion and Belonging (DEI&B) initiatives



Targeted Focus on Growing Snacking Occasions

- Delighting consumers with responsible product marketing & nutrition
- Enhancing monitoring of responsible ingredient sourcing
- Commitment to food safety & quality



Investing in Data and Capabilities for Growth

- Working to reduce Greenhouse Gas Emissions (GHG) emissions through Utility Management:
 - Energy
 - Water
 - Waste
- Prioritizing efficient reduction of packaging



Disciplined Execution and Cash Deployment

- Strong governance practices with oversight from our Board of Directors

Materiality

- We work with internal and external experts to review the impact of major environmental, social and governance issues on our business and shape our strategic response to them.
- Data and processes that guide our assessment included:
 - Engagement and collaboration with our Nominating and Governance Committee on prioritization of Corporate Responsibility matters;
 - Utilization of the Enterprise Risk Management process to identify, measure, monitor and manage risks;
 - Retaining external consultants and engaging with various investment groups to gain knowledge and understanding;
 - Internal team review of publicly available data on societal issues, including statistics and reports from authorities and peer companies;
 - Analysis of stakeholder and regulatory issues;
 - Review of internal processes and records;
 - Review of various standards and guidance including Sustainability Accounting Standards Board (SASB). and Taskforce for Climate Financial Related Disclosures (TCFD); and
 - Internal Corporate Responsibility Council discussion on material matters on a routine basis throughout the year.

Our Priority Areas

Our updated corporate sustainability initiatives align with our materiality assessment and build from our four priority areas: People, Product, Planet and Governance.

People



Health & Safety

Supporting employee safety is paramount to our success. We recognize the need to continuously improve our safety standards and focus on providing a stable, safe working environment for all employees at Hostess Brands.

DEI&B

DEI&B as well as recruitment and retention initiatives are stepping stones towards full engagement of our teams.

Product



Product Marketing & Nutrition

Responsible marketing is a cornerstone to our business and aligns to our values and behaviors.

Responsible Ingredient Sourcing

Monitoring climate and social risks, as well as ingredient availability, strengthens our business platform.

Food Safety & Quality

A strong food safety program is critical for consumer confidence and long-term stability and growth.

Planet



Utility Management

Our commitment to energy, water and waste reduction is an area of focus for our Company.

Packaging Lifecycle Management

We continue to prioritize our packaging materials and structures for efficiency and reduction efforts.

Governance



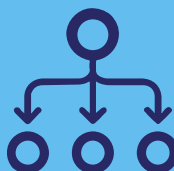
Board Oversight

Oversight of corporate responsibility initiatives, ethics, risk management and diversity is a continuing force driving our corporate direction.

Our Board of Directors provides guidance and feedback on corporate responsibility initiatives across our Company.



People



II. People

- **Our Values**
- **Our Behaviors**
- **Team Member Health & Safety**
- **Diversity, Equity, Inclusion & Belonging**
- **Recruitment, Retention & Development**
- **Partnering with Our Communities**
- **National Alliance on Mental Illness Partnership**



Our team members are our greatest asset. We are proud to report on the achievements and recognitions here at Hostess Brands that continue to make our teams stronger.

Our Values

WE strive to achieve Hostess Brands' Values in everything we do.

Hostess Brands' Values

PEOPLE

WE rise together because every member of our diverse team has ownership and common purpose. Our team members are the heart of Hostess.

TENACITY

WE depend on our resilience and resolve to achieve the ambitious goals we set.

NIMBLENESS

WE overcome challenges and take advantage of opportunities by being quick to assess, decide, and act.



INTEGRITY

WE hold ourselves accountable to do the right thing for all stakeholders. Trust is the key ingredient to our recipe for successful relationships and reputation.

QUALITY

WE do what it takes to deliver a great experience, from the quality of our products to a day in the life of our team members.

INCLUSIVITY

WE are inclusive of ideas, individuals and differing points of view. Everyone's contributions are necessary for us to succeed.



People



Our Behaviors

To live our Company Values, Hostess Brands team members approach each day by living our Company's Behaviors.

Hostess Brands' Behaviors

COMMITMENT

I am dedicated to doing what it takes to deliver Hostess Brands' goals while meeting the expectations of my teammates, consumers, communities and external stakeholders.

CREATIVITY

I actively seek new ideas and ways of working to make us better and outperform our competitors.

POSITIVE ENERGY

I am tirelessly passionate and positive about Hostess Brands, the quality of our food, and our people.



Collaboration

I am inclusive of all individuals across Hostess Brands. I communicate, align objectives, and foster teamwork for the best outcome for my teammates and Hostess Brands.

Ownership

I am empowered and accountable to act on a problem or opportunity. I focus on outcomes.



People



Team Member Health & Safety

Hostess Brands recognizes that our team members are our strongest asset.

We have maintained key actions to support the health of our workforce including:

- Air monitoring and filtration systems;
- Additional hand washing stations in all bakeries;
- Health insurance benefits for eligible team members;
- Physical, mental, emotional and financial wellbeing programs; and
- Safety and training protocols.



Continuing to make the workplace safer is important to us. We aspire to have a total incident rate (TIR)* of zero.

In 2022, we achieved a safety milestone that highlights our ongoing efforts to support the health and wellbeing of our workforce.

Our TIR was 1.1, ahead of the 2021 industry average of 4.6.* Furthermore our TIR consistently decreased over the last 4 years.

- Bureau of Labor Statistics, U.S. Department of Labor, Survey of Occupational Injuries and Illnesses, Commercial Bakeries, Average for 2021. Total Incident Rates (TIR) combines Days Away/Restricted or Transferred (DART) and Other Recordables (OR).

Diversity, Equity, Inclusion & Belonging

We are committed to maintaining an inclusive and engaging environment for all of our team members.

We embrace our individual characteristics and encourage our team members to share and educate others. Hostess Brands celebrates the diverse backgrounds that we each bring to work every day. We leverage our individuality, experiences, knowledge and creativity in all aspects of our work.

Our differences help foster a workplace that is open, inclusive, and a stronger business for our team members, stakeholders and consumers.

Hostess
BRANDS

DEI  **B**

We are committed to nondiscriminatory practices and maintaining an environment of equal access and opportunity that respects the dignity and diversity of all.

Representing both our management and hourly team members, the Diversity, Equity, Inclusion & Belonging (DEI&B) committee develops various initiatives to continue advancing our DEI&B commitments. A member of the executive team acts as the executive sponsor for the DEI&B initiatives.

We recently rolled out Employee Resource Groups (ERG) where individuals of similar identities can come together to provide support and sense of community.

We conduct a wide variety of activities to advance our DEI&B initiatives, including:

- Employee surveys aimed at understanding the effectiveness of Company programs and how employees feel;
- Sponsor ERGs to support various subsets of our employee base;
- Diversity and inclusion trainings for all employees;
- Required annual signed confirmation of our policies protecting the workplace from discrimination; and
- Celebration of diversity and heritage through sponsorship of events.

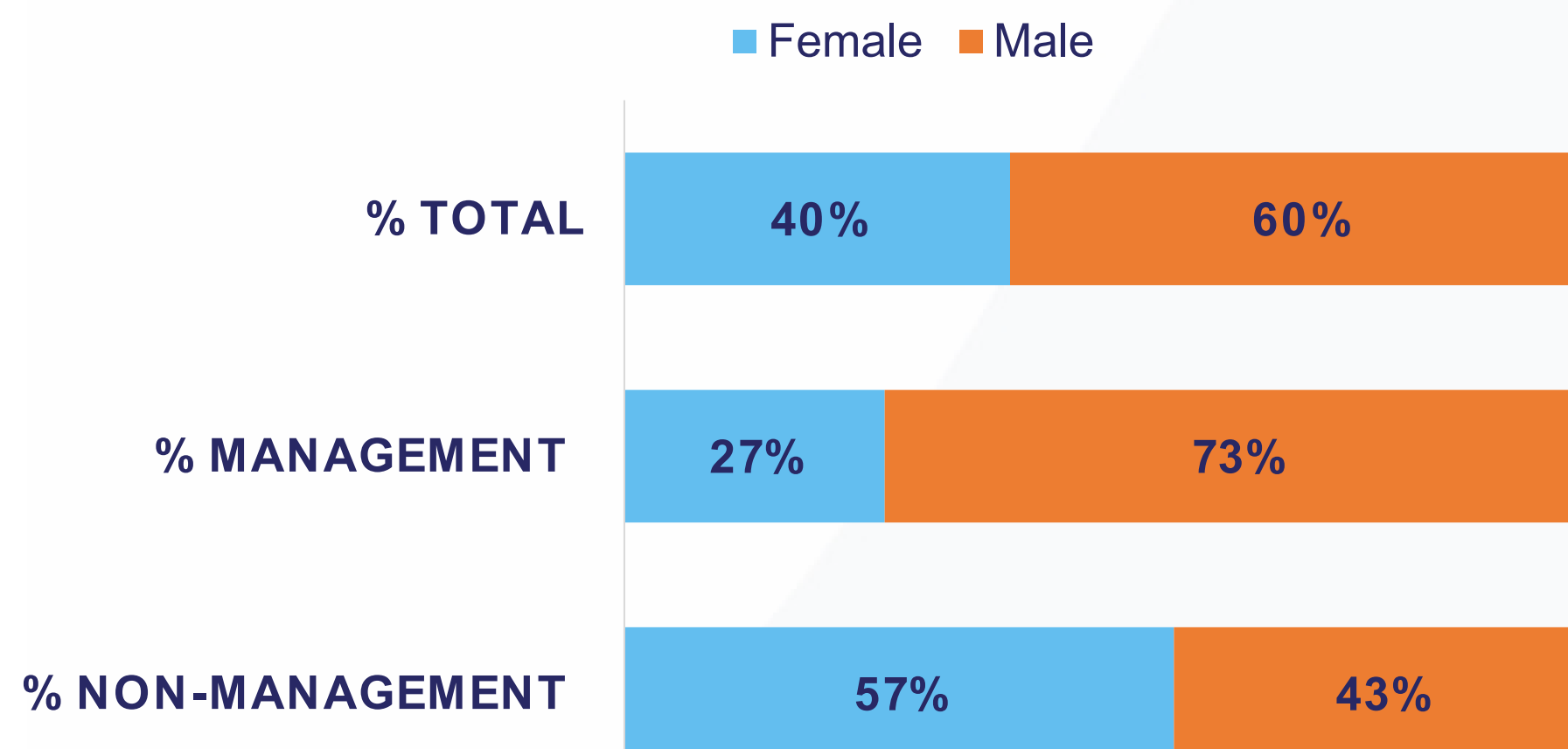
Diversity, Equity, Inclusion and Belonging (Cont.)

We continue to enforce our 5 Points of Commitment:

1. Fair hiring practices that welcome all potential candidates.
2. Education & training initiatives to identify and address ways we can be more inclusive of all people.
3. Supporting professional growth through the creation of a companywide DEI&B team comprised of employees from all locations.
4. Policies and procedures which provide equal opportunity for career growth and development.
5. Inclusive workplaces and practices that provide all employees with opportunities to excel.



GENDER SUMMARY



* Based on self identification as of 12/31/2022.

2022 US Diversity Summary

	% Total	% Management	% Non-Management
American Indian or Alaska Native	0.3%	0.5%	0.2%
Asian	1.5%	3.3%	1.2%
Black or African American	34.6%	16.1%	38.1%
Decline to State	2.0%	1.5%	2.0%
Hispanic or Latino	28.7%	11.3%	32.0%
White	32.0%	66.8%	25.3%
All Other	1.0%	0.5%	1.0%

Recruitment, Retention & Development

Throughout the year, we are proud to highlight team members who exemplify our vision and mission every day, emphasizing those who go above and beyond for our Company and stakeholders. Some of our awards include the:

- “Heart of Hostess”
- “Golden Twinkie”
- “Hostess Hero”

We also provide meals and gift cards to celebrate our employees and the work they have dedicated to our Company. We are continually working on new initiatives to better reward and celebrate our team members.



At Hostess Brands, we recognize that our team members are our strongest asset. We aim to recruit and maintain a diverse workforce that lives our behaviors every day.

In 2022, we instituted and enhanced several initiatives to attract and retain a high caliber workforce, including:

- Market-based base pay with day one wages beginning at a minimum of \$17.35 per hour, an increase of \$1.35 from the prior year, with numerous opportunities for advancement;
- The launch of an Employee Stock Purchase Plan (ESPP) offering all employees a 15% discount on TWNK stock;
- Paid Family Leave Program for all eligible employees, which provides paid time off for both parents after the birth or adoption of a child;
- An enhanced 401(k) retirement plan including a 1 year vesting, and a competitive company match for all eligible employees;
- A tuition reimbursement program for eligible employees;
- Referral bonuses for employees;
- Anniversary bonuses;
- Retention bonuses; and
- Safety bonuses.

Partnering with Our Communities

Our community partnerships and outreach are an important component of our work at Hostess Brands.

Sparking Joy in our communities through giving back is an important piece of Hostess Brands' identity. In 2022, our employees donated both time and money to the causes we hold near and dear to our ❤️



We pride ourselves on the partnerships we've created in the communities in which we operate our business. In 2022, we had the opportunity to collaborate with many causes, giving back and learning more about what it means to spread joy.

From building bikes for the local community to participating in cancer research walks, our employees are dedicated to the work in and around our communities.

In 2023, we will continue to focus on our community outreach efforts and introduce a new, exciting partnership with SeeHer, an organization with the goal of eliminating gender bias.

Our partnership with the National Alliance on Mental Illness (NAMI) has been a strong and impactful relationship. We look forward to continuing our collaboration with them.

National Alliance on Mental Illness Partnership

We are excited about our partnership with the National Alliance on Mental Illness (NAMI), emphasizing the importance of mental health resources and support for our employees through the pledge of becoming a StigmaFree workplace. NAMI has a mission of providing advocacy, education, support and public awareness so that all individuals and families affected by mental illness can build better lives.

During 2022, Hostess Brands employees raised awareness and funds for NAMI by participating in local NAMIWalks activities in Chicago, Indianapolis and Kansas City. We also two webinars for our employees with NAMI experts that focused on reducing the stigma of mental health in the workplace and mental health challenges specifically affecting military veterans.





Product



III. Product

- **Health & Nutrition and Product Marketing**
- **Food Quality & Safety**
- **Supply Chain Management & Responsible Sourcing**



We continue to emphasize transparency and progress as we work to enhance our food quality and safety standards throughout our Company. We are actively engaged in responsible product marketing strategies and are actively working towards our responsible sourcing agreements.

Health & Nutrition and Product Marketing

Roughly 80% of our sales from products we manufacture are either zero sugar or individually portioned allowing our consumers to bring small moments of joy into their day with our products.*

As we enter 2023, we remain committed to developing the majority of our new products without high-fructose corn syrup, artificial flavors and artificial colors. We are also actively working on delivering new products to our consumers with 200 or less calories per serving!

Throughout the year, our focus has continued to be on providing snacking opportunities for our consumers that are both tasty and portion-controlled.

Our Voortman® branded products offer consumers the ability to enjoy our zero sugar wafer and cookie products without sacrificing taste.

In 2022, Hostess Brands remained committed to providing top-tier snacking products to consumers in a responsible manner. We are one of 21 companies that has joined the Children's Food & Beverage Advertising Initiative (CFBAI), and we pledged through CFBAI to not advertise to children under the age of 13.**

Hostess Brands is also excited to announce a new partnership with SeeHer in 2023, whose mission is to increase the representation and accurate portrayal of all women and girls in marketing, media and entertainment to reflect culture and transform society.



*Hostess Brands, LLC calculation based in part on data reported by NielsenIQ through its AOD Service for the zero sugar or individually wrapped category for the 52-week period ending 12/31/2022, for the total U.S. market, xAOC Incl Conv. According to the NielsenIQ standard product hierarchy. Copyright ©2022, Nielsen Consumer LLC

**Except in instances when advertising supports products that comply with CFBAI's Uniform Nutrition Criteria.

Food Safety & Quality

We have strong food safety and quality programs in place at all of our bakeries and distribution centers to ensure our products are safe for our consumers and adhere to our high-quality standards.

Each facility has implemented a food safety plan that is maintained by certified Preventative Controls Qualified Individuals (PCQI).

Our bakeries and primary distribution center are certified against an industry recognized Global Food Safety Initiative (GFSI) benchmarked certification standard.

We actively engage with industry organizations to benchmark ourselves against industry best practices. We monitor established food quality metrics and key performance indicators to continuously improve the quality of our product.



* One facility received an A+ rating on an unannounced audit. BRC is a third-party benchmark certification standard for food hygiene practices of business operators.

All 7 facilities have been audited by the British Retail Consortium (BRC) and have received AA certifications in the most recent announced audits.*

During 2023, our facilities will go through unannounced audits against a GFSI benchmarked standard. Our goal is to achieve an A+ or higher grade.

Our operations, including the manufacturing, processing, formulating, packaging, labeling and advertising of products, are subject to regulation by various federal agencies, including the:

- U.S. Food and Drug Administration (FDA),
- Federal Trade Commission (FTC),
- U.S. Environmental Protection Agency (EPA), and
- Canadian Food Inspection Agency (CFIA) for our Canadian operations.



Product



Supply Chain Management & Responsible Sourcing

At Hostess Brands, we continue to be committed to having an ethical and sustainable supply chain system.

Our supply chain team is led by an integral member of the leadership team and reports directly to our CEO. Our Board of Directors oversees and reviews our material supply-chain initiatives and opportunities.

Hostess Brands conducts annual audits of all of its suppliers against the Supplier Expectations Manual (SEM), questionnaire responses and supporting documentation provided by suppliers. In 2022, 100% of our ingredient and packaging suppliers were audited against our SEM.

Our SEM, which is given to all ingredient and packaging suppliers, summarizes the regulatory requirements and third-party food safety and quality standards and certifications that Hostess Brands requires suppliers to meet.

These requirements include, but are not limited to:

- Maintaining GFSI benchmarked certifications;
- Completing a detailed food safety and quality questionnaire;
- Providing documentation of compliance with the ingredient supplier's food safety plan; and
- Completing an ESG questionnaire or assessment.

100% of our high and medium risk ingredient suppliers have provided GFSI Benchmark certifications.

Additionally, as a member of Sedex, (Supplier Ethical Data Exchange), Hostess Brands is able to map its supply chain and requires that suppliers complete a social ethical audit. Through its SEM and Sedex membership, Hostess Brands is working with its suppliers to ensure compliance with sustainable business practices.

Hostess Brands has been a member of the Roundtable for Sustainable Palm Oil (RSPO) since 2017 and ensures a portion of the palm oil we use is certified by RSPO.

We are committed to increasing our percentage of RSPO palm oil in 2024.





Planet



IV. Planet

- Energy Management
- Water Management
- Carbon Disclosure Project
- Packaging Lifecycle Management



Our focus on energy, water and waste reduction continues to be a priority for us. We are actively engaged in discussions on reducing our energy and water consumption as well as innovative ways to reduce our packaging material usage.



Planet



Energy Management

Hostess Brands is committed to continuous improvement processes. Energy management is a primary driver of our corporate responsibility strategy, and we continue to make strides in our approach and related reduction efforts. Over the last four years, we have made strong improvements to our energy usage and continue to work towards our goal of continued efficiencies.*

In the last year, our normalized total energy usage increased 0.1% and our normalized GHG emissions decreased 2.9%.

Our initiative leads work across our Company to establish Key Performance Indicators (KPIs), promoting energy saving processes every day across our facilities. The achievement of KPI's across our Company are tied to our merit process and encourage efficient and timely results.

We are excited to finalize and implement our Climate Action Plan, in an effort to continue to reduce our carbon footprint.

This Climate Action Plan will highlight our roadmap forward as well as reduction goals.

In 2022, our absolute total energy usage increased 1.9%, which reflects our increase in production output compared to the prior year and our absolute GHG emissions reduced by 1.2%.

We plan to begin operations at our new bakery in Arkadelphia, Arkansas in late 2023. Using our sustainability first approach, it will be our most efficient bakery yet!

NORMALIZED TOTAL ENERGY USAGE

(in gigajoules per metric ton food produced)

+0.1%



2021

2022

NORMALIZED GHG EMISSIONS

(in metric tons CO2e per metric ton produced)

-2.9%



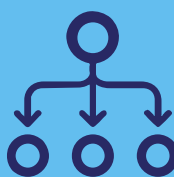
2021

2022

*Historical data available on the Hostess Brands website.



Planet



Water Management

As part of our overall ESG mission, we continue to work on water reduction efforts.

In 2022, our absolute total water usage declined by 2.5% and our normalized water usage declined 4.2%

Over the last three years, we have reduced our normalized water consumption by 18%*

None of our facilities are in high or extremely high-water stress areas.

*Excludes Voortman Cookies Limited facility purchased in 2020

Committed to continuing this trend, we have been rolling our new initiatives in 2023 to continue reducing our normalized water consumption across our facilities.

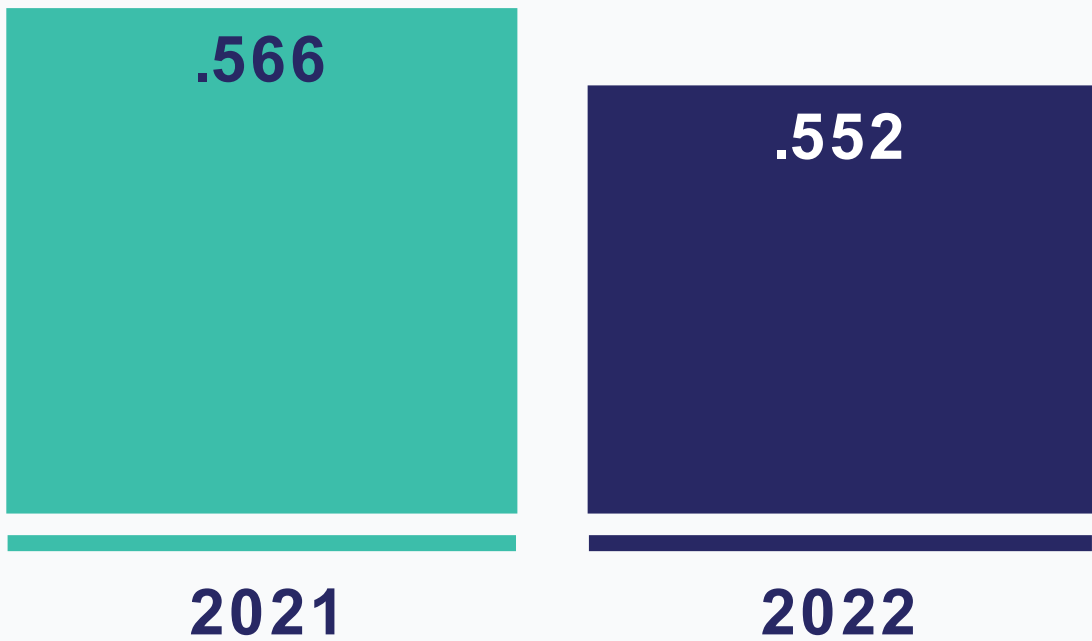
We are also analyzing our water usage and tracking geographic information as it relates to water stress.



ABSOLUTE TOTAL WATER USAGE

(in millions of cubic meters)

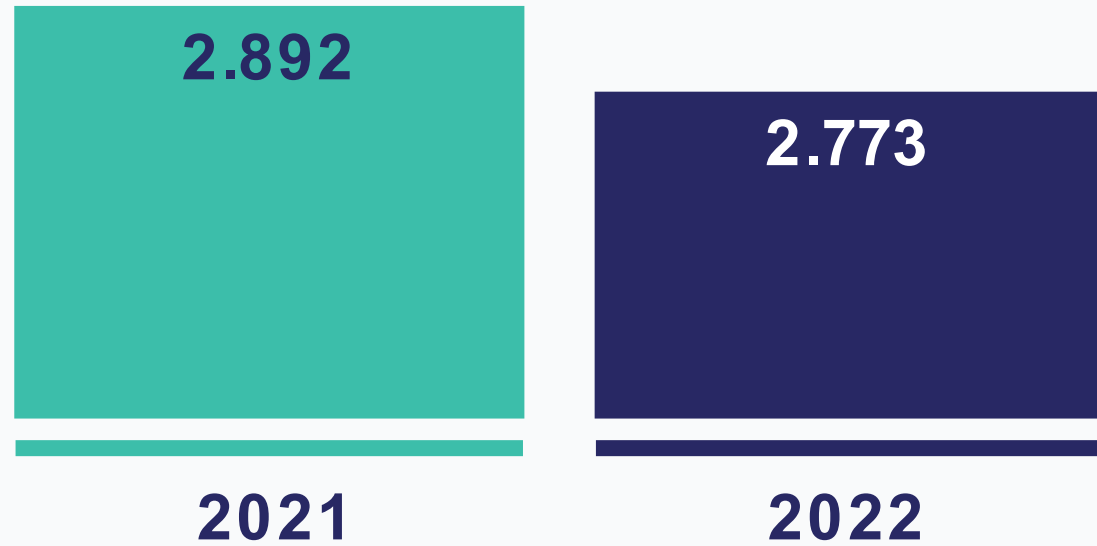
-2.5%



NORMALIZED WATER EMISSIONS

(in cubic meters water per metric ton produced)

-4.2%



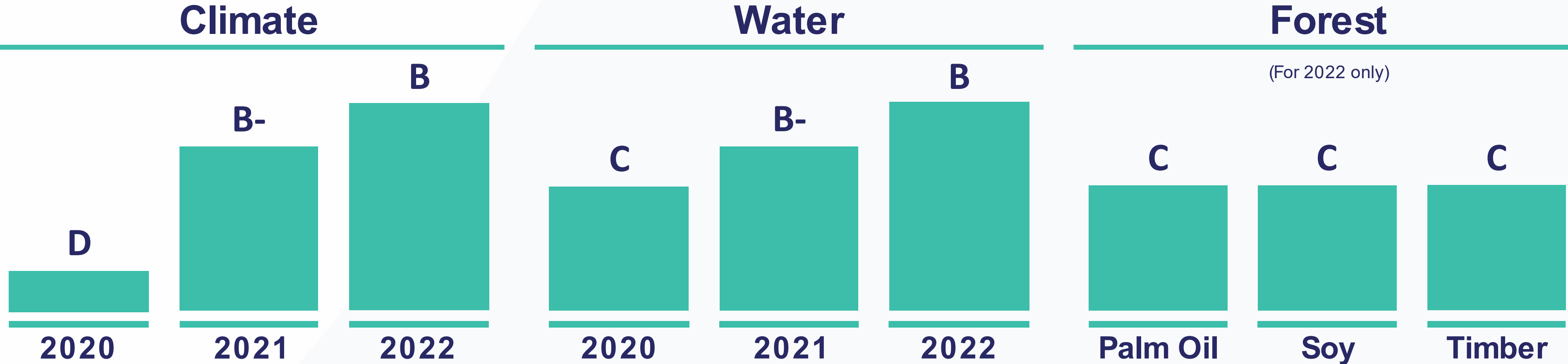
Carbon Disclosure Project (CDP)

In 2022, Hostess Brands continued its positive trend across our CDP scores. In climate and water, we were above the North American industry average* for a second year in a row!

In 2022, we made the decision to make our CDP disclosures public, further evidencing to our commitment to transparency.

In the last year, we scored a B on our climate disclosure, which was ahead of the industry average* of a C. We scored a B on our water disclosure, higher than the industry average* of B-.

In 2022, we submitted our first CDP Forest disclosure, which includes metrics on palm oil, soy, and timber.



*CDP 2022 Climate, Water, Forest Score Reports

Packaging Lifecycle Management



In 2022, we removed 1 million pounds of material from our packaging, 585 metric tons of CO₂ equivalent.

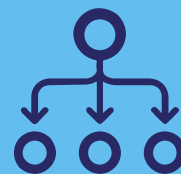
As our corporate responsibility roadmap continues to evolve, we are constantly looking at how we can positively impact our packaging lifecycle management processes through material reduction and alternative options. We are continuing to develop a packaging roadmap.

We are actively working on developing our packaging lifecycle management plan including a detailed timeline for initiatives and robust KPIs.

In 2022, we showcased our dedication to packaging efforts through a variety of initiatives including material reduction, recyclability and consolidated shipping solutions.

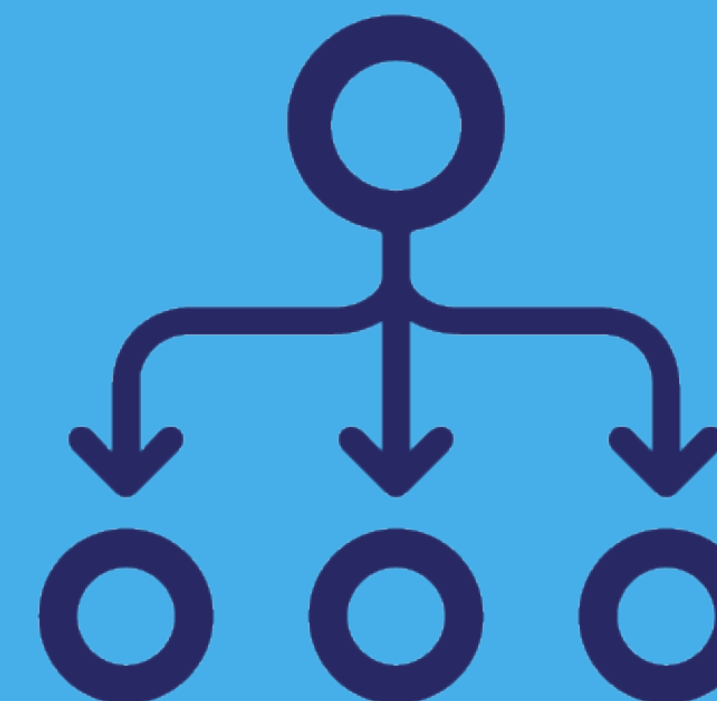
These sustainable changes led to strong year end metrics:

- 100% of our folding cartons were recyclable;
- 100% of our corrugated packaging was recyclable; and
- About 50% of our corrugated packaging purchased was made from post consumer recycled content (PCR).



V. Governance

- Board of Directors Composition
- Board Oversight of Risk Management
- Corporate Responsibility & Oversight
- Operating Ethically
- Executive Compensation
- Data Governance & Cybersecurity



Our Board of Directors works with our Chief Sustainability Officer to engage and align workstream initiatives from the boardroom to the bakery floor. Our directors are continually providing feedback to strengthen our corporate sustainability roadmap.



Board of Directors Composition

We maintain a diverse, professional, and highly qualified Board of Directors.

In addition to the adjacent table, our directors include:

- Two directors born outside of the U.S.;
- One first-generation American director; and
- Two directors who are military veterans.

Certain Board directors are included in more than one of the categories listed.

All Board directors are independent except for Andy Callahan, President & CEO.

Each of our directors stands for election by our stockholders every year.

[View our current Board of Directors.](#)

Board Diversity

Name	Independent	Race/Ethnic Diversity	Gender Diversity	LGBTQ+
Kaminski	✓			
Callahan	CEO			
Beck	✓	✓	✓	
Bodner	✓			
Crist	✓		✓	
Cullen	✓		✓	
Dineen	✓			✓
Skoufalos	✓			
Steenek	✓			
Average	89%		44%	

Board Oversight of Risk Management

Our Board of Directors oversees the risk management process. Our Board determines the appropriate level of risk for our Company, assesses the specific risks that we face and reviews management's strategies for adequately mitigating and managing the identified risks. Although our Board administers this risk management oversight function, our Board has delegated the oversight duties and ability to address risks inherent in its areas of responsibility to the various committees. Each of our Board's standing committees plays a role in this oversight.



[View our Operating Committee Charters here.](#)

We currently have three operating committees: Audit, Talent and Compensation, and Nominating and Governance, that all play an important role in risk management.

AUDIT COMMITTEE

Oversees our financial statement audit and Enterprise Risk Management, as well as Code of Ethics compliance and Whistleblower Hotline activity.

TALENT AND COMPENSATION COMMITTEE

Oversees executive and senior level compensation with an eye toward attracting and retaining strong talent to build a sustainable and knowledgeable workforce. The Committee also oversees succession planning.

NOMINATING AND GOVERNANCE COMMITTEE

Oversees our Company's Corporate Responsibility efforts and initiatives, and Charter reflects this oversight responsibility. Additionally, the Committee oversees governance issues and identifies new Board directors with knowledge, background and experience that will continue to drive our business in a sustainable, profitable direction.



Corporate Responsibility & Oversight

Our corporate responsibility governance structure has two primary purposes at Hostess Brands: Provide support for (1) corporate responsibility goal alignment and (2) advancement of priorities from the boardroom to the bakery floor.

BOARD OF DIRECTORS

Oversight of Risk Management and connection of initiatives to corporate strategy

NOMINATING & GOVERNANCE COMMITTEE

Oversees corporate responsibility and ESG Matters and Board Member Searches

CHIEF EXECUTIVE OFFICER

Directs and implements corporate responsibility strategy for the Company

CHIEF SUSTAINABILITY OFFICER

Oversees initiatives and reporting for the Company and serves as the Chair of our Company's Corporate Responsibility Council

CORPORATE RESPONSIBILITY COUNCIL

Consists of senior leaders representing all functions who provide input to our corporate responsibility strategy

INITIATIVE LEADS

Functional leads responsible for executing against priorities

To better integrate our corporate responsibility initiatives across our Company, we have established a Corporate Responsibility Council to ensure we have the breadth and scope of information necessary to make impactful decisions.

Our initiative leads manage progress against our priorities, maintaining frequent communication updates with our newly appointed Chief Sustainability Officer, who acts as a liaison with our Board of Directors. These leads develop short and long-term initiatives to execute against our identified KPI's.

Our corporate responsibility work is tied to our daily activities to ensure we are driving positive outcomes within our Company.



Operating Ethically

We are committed to demonstrating integrity and ethical behavior, as well as holding ourselves accountable to all of our stakeholders.

Our Board of Directors has adopted a Code of Ethics that affirms this commitment, as well as our expectation that all employees and consultants operate in an ethical manner and comply with all applicable laws and company policies. Our employees agree to comply with our Code of Ethics when they join Hostess Brands and reacknowledge the Code each year.

View our Code of Ethics and Whistleblower policies.

The Audit Committee, at least quarterly, receives a report of material ethical and financial related complaints and inquiries.

We also have a Whistleblower Policy and hotline for reporting Code of Ethics violations or other concerns regarding misconduct, compliance matters, or violations of law or company policies. The hotline is available 24 hours a day, 7 days a week and is managed by an independent third party to enable confidential and anonymous reporting. Information on how to access the hotline is provided in our Whistleblower Policy and posted in each of our facilities.

We encourage awareness and use of the Whistleblower Hotline by our employees and all reports are investigated. In 2022, all reports received through the hotline made were investigated and closed.



Executive Compensation

Hostess Brands utilizes a performance-based compensation program for senior management. Our Talent and Compensation Committee oversees and implements the executive compensation program.

Our management’s pay is reviewed annually based on total compensation with an emphasis on pay for performance and creation of stockholder value for senior management.

More than 70% of our senior management’s pay is considered at-risk, including short-term incentives and long-term equity incentives, aligning with stakeholder interests.*

Corporate responsibility continues to be a focus for our leadership team, who each have related annual goals that are tied to their compensation packages.

Embedding our corporate responsibility priorities into our compensation targets ensures we continue forward with motivation and attention to our sustainability goals.

[View our 2023 Proxy Here](#)

* More than 70% of Named Executive Officers (NEO) as listed in our 2023 Proxy statement.



Hostess Brands Performance Based Compensation Matrix

Our four primary components of total compensation include:

1. Base Salary
2. Short-Term Incentives
3. Long-Term Equity Incentives
4. Benefits (including retirement programs)



Data Governance & Cybersecurity

At Hostess Brands, we understand that data needs to be protected in all aspects of our work. We strive to meet all data security guidelines, while continuing to evaluate and plan for future risks.

We have a robust set of policies and standards within our Information Technology Risk and Security Team. These policies and standards provide the underpinning of protection of our data, emphasizing the confidentiality, integrity and availability of data within our Company's infrastructure.

Our layered approach defense system includes both active and passive measures for all facilities and frameworks within our Company. Focused on safety and longevity within our enterprise networks, we have a variety of state-of-the-art systems in place to consistently monitor, analyze and manage our data and access to it.

We continue to promote new business and technology innovations while maintaining a secure and protected environment for our users and data management.



Our management of data from both internal and external sources is actively monitored for risks and mitigation strategies. These processes ensure we are conducting business in a way that protects our networks. We are continuously improving our processes and managing our risks.

We Are Just Getting Started!

We have integrated corporate responsibility into our business and are proud to have shared our progress in 2022.



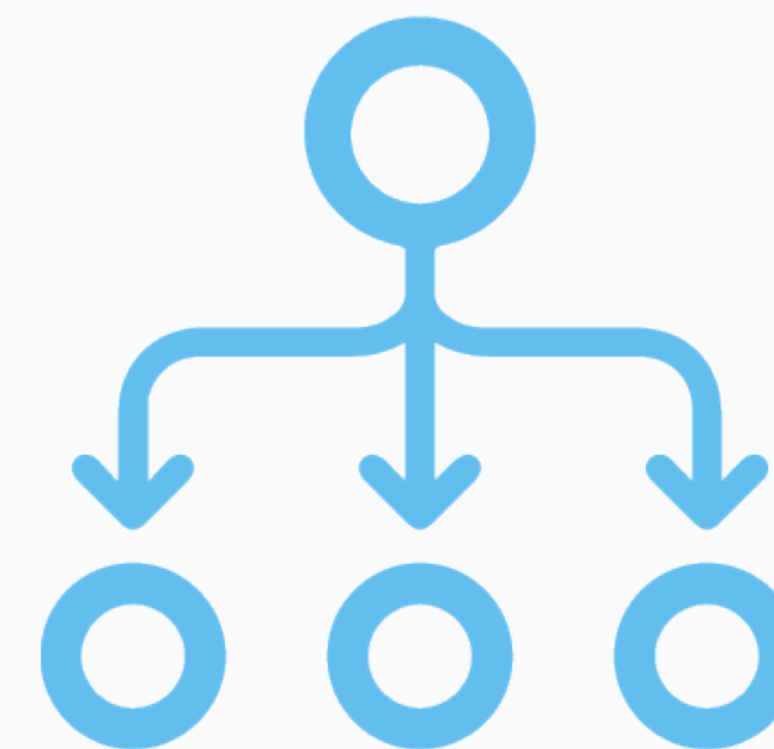
People



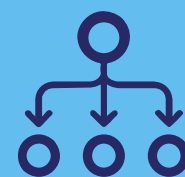
Product



Planet



Governance





Appendix

- Sustainability Accounting Standards Board (SASB) Standards Index 2023
- Taskforce on Climate-Related Financial Disclosures (TCFD)





Sustainability Accounting Standards Board Standards (SASB) Index 2023

Topic	Accounting Metric	Category	Unit of Measure	SASB Code	Responses
Energy Management	(1) Total Electricity Consumed, (2) percentage grid electricity, (3) Percentage Renewable	Quantitative	Gigajoules (GJ), Percentage (%)	FB-PF-130a. 1	(1) 4.245 GJ (2) Approximately 34% grid electricity (3) Approximately 5% renewable energy
Water Management	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 (m³), Percentage (%)	FB-PF-140a.1	(1) .552 M³ in 2022 (2) 0% of our water consumed is sourced from High or Extremely High Baseline Water Stress
	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Quantitative	Number	FB-PF-140a.2	We have one ongoing water incident of non-compliance with wastewater treatment at our Chicago facility, which is being actively managed with short-term solutions. A permanent solution has been initiated and is anticipated to be completed during 2024.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion & Analysis	N/A	FB-PF-140a.3	We continue to reduce our water use on a per metric ton of product produced basis. Water reduction and management strategies are the focus of our senior leadership and local facility leadership on an ongoing basis. Water management initiatives are a focus of our Corporate Responsibility Council.
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	Rate	FB-PF-250a.1	(1) Non-conformance rate: Each of our facilities are graded by BRC against a GFSI benchmarked certification standard. Each are audited annually. Of our 7 BRC audited facilities, 7 have received a AA grade based on most recent announced audits. Our average grade was a AA for all facilities. We received 0 major and 29 minor non-conformances during the audits conducted in the previous 52-week period. Our non-conformance rate for majors was 0; our non-conformance rate for minor non-conformance was 4.14. (2) 100% of non-conformances were corrected at the applicable facilities.
	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	All of our ingredients are sourced from suppliers who are expected to have GFSI certified facilities. 100% of our High and Medium Risk Ingredient Suppliers have provided GFSI benchmarked certifications. We audited 100% of our suppliers against our Supplier Expectations Manual during the past year.
	(1) Total number of notices of food safety violation received, (2) percentage corrected	Quantitative	Number, Percentage (%)	FB-PF-250a.3	(1) Total number of food safety violations received: 3 (2) 100% of the noticed violations have been corrected.
	(1) Number of recalls issued and (2) total amount of food product recalled	Quantitative	Number, Metric tons (t)	FB-PF-250a.4	(1) Number of recalls issued: 0 (2) Total amount of food product recalled from the market: 0
Health & Nutrition	Revenue from products labeled and/or marketed to promote health and nutrition attributes	Quantitative	Reporting Currency	FB-PF-260a.1	The Company does not currently measure this type of revenue. However, in the 12-month period, Voortman Zero Sugar Wafers and Cookies exceeded \$120 million in retail sales and sales of zero sugar products and portion-controlled products was almost 80% of our total retail sales.*
	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	Discussion & Analysis	N/A	FB-PF-260a.2	The Company has established processes and procedures focused on maintaining the safety and quality of our products for our consumers including raw material and manufacturing certifications. We are actively expanding our better-for-you product portfolio with the Voortman zero sugar product line as well as potentially other future projects. Our R&D and Marketing teams are committed to developing new products which do not contain High Fructose Corn Syrup, Artificial Flavors or Artificial Colors. The Company has not received any significant complaints or been engaged in any significant lawsuits related to nutritional and health concerns associated with products and/or ingredients.

*“Hostess Brands, LLC calculation based in part on data reported by NielsenIQ through its AOD Service for the Sugar Free/Zero Sugar Cookies category for the 52-week period ending 12/31/2022, for the total U.S. market, xAOC Incl Conv, according to the NielsenIQ standard product hierarchy. “Copyright © 2023, Nielsen Consumer LLC.

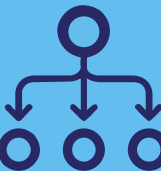


Sustainability Accounting Standards Board Standards (SASB) Index 2023 (Cont.)

Topic	Accounting Metric	Category	Unit of Measure	SASB Code	Response
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	Hostess Brands does not advertise to children. As part of our pledge to the Children's Food & Beverage Advertising Initiative, Hostess Brands has committed to not advertising to children under the age of 13, except in instances when advertising supports products that comply with CFBAI's Uniform Nutrition Criteria.
	Revenue from products labeled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO	Quantitative	Reporting Currency	FB-PF-270a.2	The Company does not currently measure this type of information.
	Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes	Quantitative	Number	FB-PF-270a.3	There were zero incidents of non-compliance during the last 12 months.
	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	The total amount of monetary losses was \$0.00.
Packaging Lifecycle Management	(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable	Quantitative	Metric tons (t), Percentage (%)	FB-PF-410a.1	(1) Total weight of packaging: 63,689 metric tons of packaging (2) Approximately 50% of our corrugate purchased is made from recycled content. (3) Approximately 75% of our packaging is recyclable; 100% of folding cartons are recyclable; 100% of our cardboard is recyclable.
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion & Analysis	N/A	FB-PF-410a.2	The Company is continuously engaging with our packaging material suppliers to find ways to purchase more material from recycled content. In the last year, we removed 1 million pounds of material from our packaging. Further, we are continuously working with suppliers to find alternative ways to package that reduces non-recyclable materials and to reduce packaging needs without reducing the quality of our products. Efforts also include internal road mapping and design with our supply chain staff to reduce packaging overall through innovative shipping solutions, reduction of packaging thickness and weight, reusable displays at retail. etc.
Environmental & Social Impact 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 cost	FB-PF-430a.1	The Company has not historically collected this data. However, the Company has expanded its inquiry with our Suppliers through a supplier questionnaire that all Suppliers must complete. Additionally, the Company is a member of an organization called SEDEX through which the Company obtains social ethical audit reports from its suppliers. Many of the Company's suppliers are members of SEDEX and this has accelerated our data capture and will help inform changes to the Company's sourcing in the next year.
	Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non conformances	Quantitative	Rate	FB-PF-430a.2	See above response.

Sustainability Accounting Standards Board Standards (SASB) Index 2023 (Cont.)

Topic	Accounting Metric	Category	Unit of Measure	SASB Code	Response
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	The Company has not historically collected this data. However, the Company has expanded its inquiry with our Suppliers through a supplier questionnaire that all Suppliers must complete. Additionally, the Company is a member of an organization called SEDEX through which the Company obtains social ethical audit reports from its suppliers. Many of the Company's suppliers are members of SEDEX and this has accelerated our data capture and will help inform changes to the Company's sourcing in the next year.
	List of priority food ingredients and discussion of sourcing risks due to environmental and social considerations	Discussion & Analysis	N/A	FB-PF-440a.2	The following are the Company's Priority Food Ingredients : Sugar, Palm Oil, Chocolate Coating, Flour, Eggs, Corn Syrups, Cocoa Powders. The Company has not undertaken an investigation into environmental and social risks of sourcing these ingredients. However, the Company is expanding its knowledge base to understand and react to these risks. See narrative answers above as to gathering additional information from Suppliers.
Weight of products sold		Quantitative	Metric tons (t)	FB-PF-000.A	The Company does not disclose this information for competitive reasons.
Number of production facilities		Quantitative	Number	FB-PF-000.B	Five





Taskforce on Climate-Related Financial Disclosures (TCFD)

Core Element	Recommended Disclosures	Reference
Governance	Describe the Board's oversight of climate-related risks and opportunities.	CDP Climate Change Report C1.1, 1.1a, 1.1b, 1.1d
	Describe management's role in assessing and managing climate-related risks and opportunities.	CDP Climate Change Report C1.2, 1.2a, c2.1, 2.1a, 2.2, 2.2a
Strategy	Describe the climate-related risks and opportunities the company has identified over the short, medium and long-term.	CDP Climate Change Report C2.2, 2.2a
	Describe the impact of climate-related risks and opportunities on the company's businesses, strategy and financial planning.	CDP Climate Change Report C2.3, 2.3a, 2.4, 2.4a, 3.2
	Describe the resilience of the company's strategy, taking into consideration different climate-related scenarios, including a 2° or lower scenario.	CDP Climate Change Report C3.1
Risk Management	Describe the company's processes for identifying and assessing climate-related risks.	CDP Climate Change Report C1.1, 1.1a, 1.1b, 1.1d, 2.1, 2.1a, 2.2, 2.2a
	Describe the company's processes for managing climate-related risks.	CDP Climate Change Report C1.1, 1.1a, 1.1b, 1.1d, 2.1, 2.1a, 2.2, 2.2a, 2.3, 2.3a
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the company's overall risk management.	CDP Climate Change Report C2.1, 2.1a, 2.1b, 2.2, 2.2a, 2.3, 2.3a
Metrics and Targets	Disclose the metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk-management process.	CDP Climate Change Report C4.1, 4.1b
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	CDP Climate Change Report C5.2, 6.1, 6.2, 6.3, 6.5, 6.5a
	Describe the targets used by the company to manage climate-related risks and opportunities and performance against targets.	CDP Climate Change Report C4.1, 4.1b, 4.3, 4.3a, 4.3b

Thank You

We appreciate you taking the time to read through our corporate responsibility report. We are excited to continue our corporate responsibility journey and bring moments of joy to our stakeholders through ongoing improvements to our sustainability journey.

