



ENVIRONMENTAL POLICY

Massimo Zanetti

MASSIMO ZANETTI
BEVERAGE GROUP

Message from the President

Coffee is an integral part of our everyday lives, bringing warmth and comfort in times of challenge, and memories and happiness over meetings with friends. Considering this special role that coffee plays in the lives of so many, we are committed to providing the future generations with this same experience. In doing so, it is equally as important that we vow to continue to act responsibly, managing our world and natural resources with the utmost care and attention.

As a global leader in the coffee industry, we recognize and value our responsibility to reduce our environmental impact and foster positive change in the food and beverage sector.

We intend to employ an environmental management system that is comprehensive and thorough, incorporating the life cycle approach to encourage that all decisions be made with a strong understanding of the potential environmental impact.

This Environmental Policy is based on our corporate values and aims to promote responsible practices thus enhancing the Group's environmental consciousness regarding the topics disclosed in this document.

Massimo Zanetti

President

INTRODUCTION

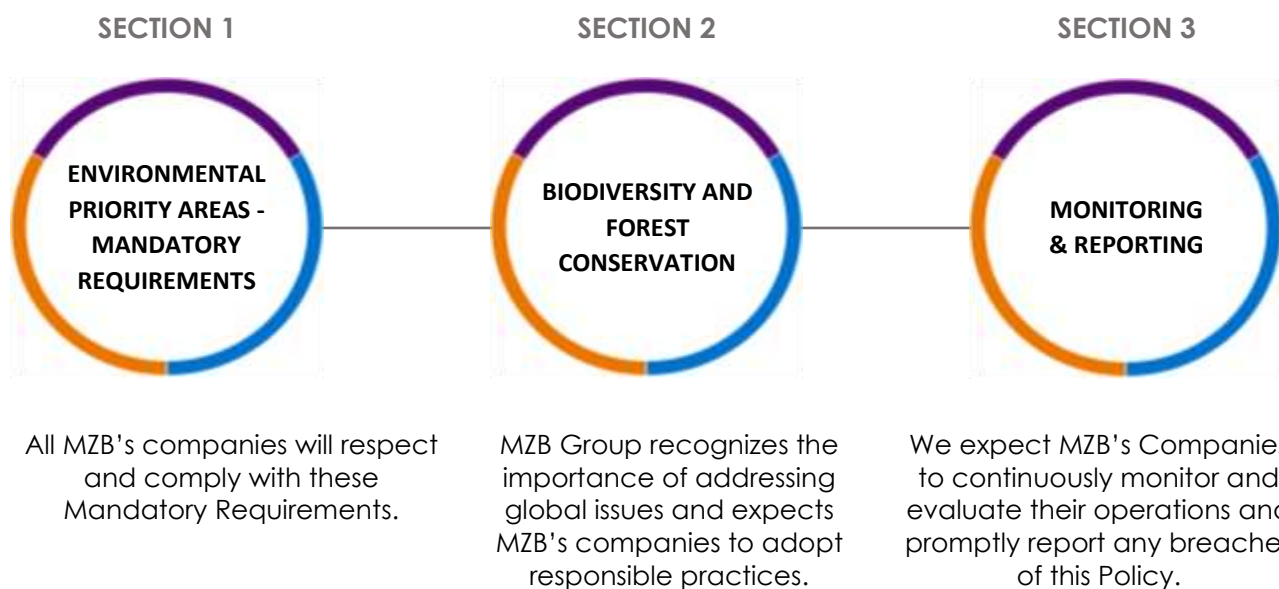
The Massimo Zanetti Beverage Group, namely the parent company Massimo Zanetti Beverage S.p.A and its directly or indirectly-owned subsidiaries (jointly mentioned as “MZB” or “Group”), aims to seize the opportunity for sustainable development while encouraging growth through the integration of sustainability throughout the core business.

How this Policy is structured

This Environmental Policy aims to address many of the environmental topics that are of great concern globally. In this Policy, you will find our environmental commitments. These commitments are related to our role in contributing to the transition towards a low-carbon economy and the more efficient management of natural resources.

We expect companies within the MZB Group to be committed and to respect the Mandatory Requirements described in this Policy. In addition to the Mandatory Requirements, this document provides our value-based expectations on areas that are of importance to the Group despite the indirect impact that our Group has on such areas.

We will carry out evaluations and assessments within the Group's companies to ensure that the Mandatory Requirements are respected. This routine practice can be carried out in person, through self-assessment questionnaires, and/or through audits.



ENVIRONMENTAL PRIORITY AREAS – MANDATORY REQUIREMENTS

In this section we describe the environmental priority areas by which we require all of our stakeholders abide in order to establish and maintain a business relationship within our operations. Our Mandatory Requirements are grouped into four priority areas. The four environmental focus areas are: energy, emissions, waste, and raw materials.



Energy

- Energy use is managed efficiently
- Renewable energy is recommended
- Efforts to recycle or recover energy from by-products are encouraged



Emissions

- Greenhouse gas emissions are monitored
- Plant operations support the reduction of emissions of greenhouse gases and pollutants
- Logistics improvements to reduce greenhouse gas emissions



Waste

- Production waste is reduced
- Recycling of waste is increased
- Generation of by-products rather than waste is promoted
- Support efforts to increase consumer awareness of product life cycles



Raw Materials

- Reduce the amount of packaging materials used
- Increase use of recycled materials
- Encourage innovative packaging solutions

ENERGY



The limited availability of natural resources and the impact of their scarcity on energy supplies supports the need for and implementation of alternative energy sources.

We recognize the need to minimize the environmental impact of our operations by promoting the use of renewable energies.

Energy use is managed efficiently

The profiles of different finished coffee products are connected to the roasting process. Continuous research in process optimization, energy demand reduction, and efficient use of energy resources in our offices, factories, and affiliated locations is key to moving our operations to a more sustainable structure.

We periodically assess energy consumption in our manufacturing operations, as well as our office locations, in order to identify potential areas of improvement. Based on our assessments, we then set proper energy reduction targets utilizing improved technology and more efficient workflows, if applicable.

Renewable energy is recommended

The demand for renewable or less carbon-intensive energy is increasing worldwide. We recognize the critical role that is had by renewable resources in respect to the energy transition and decarbonization process.

We embrace alternative energy sources, and we hope to evolve, implementing more of such sources. We recommend that every Group's Company increases the share of renewable energy that is implemented in their business practices over time. Furthermore, transitioning to biogas – or other renewable fuels – for roasting is already in progress, and we are committed to continuing to explore such options along the path to decarbonization.

Efforts to recycle or recover energy from by-products are encouraged

We want to contribute to the development of innovative solutions that aim to use by-products as a source of energy, embracing the global drive towards a circular economy.

We recognize that the by-products of coffee, as well as those of other industries, have the potential to be alternative energy sources. We are committed to engaging with partners in order to develop waste reduction solutions through the use of the by-products of the manufacturing and production processes.

EMISSIONS



World temperatures are rising due to greenhouse gas emissions (GHG) and the subsequent consequences on ecosystems are an increasingly important issue worldwide.

The global community has been called upon in the effort to combat climate change. Business leaders' engagement has been directly addressed with the adoption of the 2030 Agenda for Sustainable Development. We are committed, as part of the business community, to leading the change toward sustainable development by acting responsibly to better mitigate climate change.

Greenhouse gas emissions are monitored

We must act with intention in order to combat climate change alongside our fellow stakeholders. With this aim, we are committed to tracking our greenhouse gas emissions at every step of our internal operations. We will collaborate with partners along the supply chain in order to improve our collective carbon footprint.

We have implemented dedicated functions with the responsibility of managing the greenhouse gas emissions resulting from roasting, milling, and packaging activities, as well as from our office environments. Monitoring is a key activity as it provides us with insight to our opportunities for improvement as they relate to the reduction of GHG emissions.

Plant operations support the reduction of emissions of greenhouse gases and pollutants

We strive to reduce our carbon footprint through improvements to our operating processes. We want to improve the air both for the community in which we have operations and for our entire planet.

Plant operations are designed to work in an effective and efficient manner. Each company identifies greenhouse gas emission reduction targets and strives to maintain emissions levels that are below the legal standards in the areas in which they are located.

Logistic improvements to reduce greenhouse gas emissions

The environmental impact of transportation of raw materials and finished goods is a prominent contributing factor of climate change. We recognize the importance of researching new and improved means of transporting goods. By promoting partnerships with logistics providers in order to optimize inbound and outbound deployment schedules, significant efficiencies and improvements can be realized.

We are committed to continuously analyzing our transportation methods and logistics strategies from the start of the procurement of raw materials, throughout the production process, all the way to the distribution of our finished goods. By designing an efficient logistics network, we are able to support the implementation of low-carbon emission solutions.

WASTE



Material footprint and waste production has increased globally, and the international need to more efficiently manage waste has become critically important. The world recognizes the need to move from a linear 'take-make-waste' approach to a circular approach.

We aim to support and promote this circular approach by continuing to implement efforts that allow for a reduction in required materials, such as through reusing and reimagining products and by-products.

Production waste is reduced

Minimizing the amount of waste produced is the first step towards a more sustainable business. We encourage the smart design of products and the careful use of materials in order to reduce the amount of waste produced.

Waste management systems involving technical solutions within our manufacturing operations are to comply with all laws and regulations and are to support the reduction of the quantity of waste produced.

Recycling of waste is increased

A circular approach to waste and product management supports waste reduction efforts; therefore, we are continuously working to implement such an approach where materials are reused and repurposed, flowing around a 'closed loop,' as opposed to an approach where materials are used and then discarded.

Waste recycling systems are encouraged, and innovative efforts to recycle materials that were previously discarded and not known to be recyclable are supported. Chaff and packaging scrap can be reused for energy recovery and, in turn, for production. Coffee grounds, as well as jute bags – used in the transportation of green coffee – can be repurposed for use in agriculture or composting.

Generation of by-products rather than waste is promoted

Through the thoughtful design of products and processes, and by maintaining products and materials within the closed loop of a circular approach, we can reinvent and repurpose materials, further developing the sustainability of our operations.

Research and development programs are designed to generate by-products with additional uses rather than waste. Partnerships with actors capable of utilizing such by-products are, therefore, encouraged. Technical solutions that enable us to utilize the by-products of our own operations directly are continuously researched and analyzed.

Support efforts to increase consumers' awareness of product life cycles

Communication is a key element in increasing awareness among consumers, and we must empower our consumers to be part of this change towards a more sustainable solution. By involving customers and educating them on product life cycles, we aim to collectively minimize the impact that is had on the environment.

We are committed to not only educating our clients and consumers on product life cycles, but to learning with them as we strive to provide the best coffee experience while increasing and improving upon sustainable practices. As we analyze and evaluate product quality, we must also focus on the life cycle that is had by such products. Educational efforts that promote consumer awareness of product life cycles are promoted and encouraged.

RAW MATERIALS AND PACKAGING



Raw material consumption and the demand for goods has increased worldwide. The adoption of more sustainable business practices, such as measures and policies aimed at improving efficiencies in respect to resource use and waste reduction, are needed in order to mitigate the environmental impact of material waste.

Our prerogative, as coffee providers, is to meet customer and consumer needs for high-quality coffee while encouraging sustainable consumption through the use of materials with a lower overall environmental impact.

Reduce the amount of packaging materials used

To preserve coffee quality and flavor, both of which we consider to be requisite criteria that allow us to provide the best coffee experience, while reducing the environmental impact of packaging materials, requires that we consistently evaluate our operations and supply chain. We aim to promote optimized system and product designs that prevent overpacking and reduce waste.

We are committed to implementing solutions targeted at reducing packaging materials. We prefer recyclable or compostable materials and we encourage the use of mono-material packaging.

Increased use of recycled raw materials

A challenge in utilizing recycled packaging materials is related to the experience desired by different consumers.

We are committed to enhancing the use of recycled materials in our products, while communicating such to our customers in an effort to raise awareness of the need for responsible production and consumption.

Encourage innovative packaging solutions

Coffee has a rich history, and as the beverage has evolved over time, so have the methods of providing coffee solutions to consumers. Innovation and new product development allow us opportunities to provide customers with more sustainable coffee solutions.

Our research and development activities include studying and identifying environmentally friendly packaging solutions in an evolving industry. We look for partnerships across sectors to create out-of-the box solutions as we strive to improve upon our sustainable efforts.

BIODIVERSITY AND FOREST CONSERVATION

The Group recognizes the importance of biodiversity and forest conservation. Forests are one of the most precious ecosystems on Earth, and negative impacts to these ecosystems can lead to disruptions in the natural world and life as we know it.

We are committed to having a positive impact on biodiversity and forest conservation, even if these areas are not influenced directly by our operations. We strive, together with our partners, to find the best solutions along the entire supply chain, and we adhere to international initiatives. Our practices and policies regarding these issues are stated in the Group's Responsible Sourcing Policy.

MONITORING AND REPORTING

The Policy will be read entirely and acknowledged by each Company of the Group. Mandatory Requirements are monitored by the company's responsible function.

To uphold the values shared by MZB and to comply with the Mandatory Requirements, companies are required to have relevant systems and processes in place that allow for each requirement to be monitored. These practices will enable the company's responsible function to better manage operations and foresee risks.

Reporting on breaches

Non-compliance with this Policy shall be reported to headquarters as soon as possible. In the event of non-compliance to the Policy, corrective actions, implementation plans, and a time-bound plan must be communicated, and it will be assessed based on the extent and nature of the non-compliance.

Contacts

Please refer to your Group's contact person for any suspected violation of this Policy.

APPENDIX

References

International Standard – ISO 14001:2015 – Environmental management system

International Standard – ISO 50001:2015 – Energy management system

International Standard - ISO 14064:2019 – GHG emissions

Sustainable Development Goals (SDGs) of the UN Global Compact

Food Safety System Certification 22000

IFS Food Certificate

A European Strategy for Plastics in a Circular Economy of the European Commission, 2018

Food traceability guidance of the FAO, 2017

FSC Principles and Criteria of Forest Stewardship

Global Warming of 1.5 °C of the Intergovernmental Panel on Climate Change – IPCC

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)