

A close-up photograph of a coffee branch with several clusters of bright red, ripe coffee cherries. The leaves are dark green and slightly out of focus. The lighting is natural, highlighting the texture of the cherries and the veins on the leaves.

2020 SUSTAINABILITY REPORT

Prepared in compliance with
Legislative Decree 254/2016

Massimo Zanetti
MASSIMO ZANETTI
BEVERAGE GROUP

SUMMARY

MESSAGE TO STAKEHOLDERS	4
1. MISSION	5
2. MASSIMO ZANETTI BEVERAGE GROUP	7
3. A STORY OF PASSION FOR COFFEE	9
THE INTERNATIONAL EXPANSION	11
LA SAN MARCO: ONE HUNDRED YEARS OF HISTORY	13
COMMITMENT TO SUSTAINABILITY	14
MASSIMO ZANETTI BEVERAGE GROUP INTRODUCES SEGAFREDO STORIA	15
4. RESPONSIBLE BUSINESS MANAGEMENT	17
4.1 CORPORATE GOVERNANCE.....	17
4.2 ETHICS AND COMPLIANCE.....	24
4.4 THE 231 ORGANIZATIONAL MODEL	25
4.5 CREATION OF SUSTAINABLE VALUE	26
5. OUR APPROACH TO SUSTAINABILITY:“THE SUSTAINABLE BLEND”	29
5.1 MATERIALITY MATRIX	33
6. PEOPLE	37
6.1 OUR HUMAN RESOURCES	38
6.2 PROFESSIONAL WELLBEING AND RETENTION	38
6.3 TRAINING AND DEVELOPMENT	41
6.4 EMPLOYEE PERFORMANCE ASSESSMENT	42



6.5 DIVERSITY AND EQUAL OPPORTUNITIES	43
6.6 HEALTH AND SAFETY IN THE WORKPLACE	46
7. PRODUCTS AND CLIENTS	50
7.1 CLIENT FOCUS	52
7.2 RESEARCH AND DEVELOPMENT	54
7.3 QUALITY, SAFETY AND PRODUCT CERTIFICATIONS	57
7.4 THE GROUP QUALITY POLICY	61
8. THE VALUE CHAIN	63
8.1 RESPONSIBLE PROCUREMENT AND TRACEABILITY	64
8.2 OUR GROUP RESPONSIBLE SOURCING POLICY	77
9. ENVIRONMENT	78
9.1 ENERGY EFFICIENCY AND CIRCULAR ECONOMY	81
9.2 INITIATIVES AND SUSTAINABLE INNOVATION	89
9.3 OUR GROUP ENVIRONMENTAL POLICY	93
10. LOCAL COMMUNITIES	95
10.1. OUR INITIATIVES	96
11. FONDAZIONE ZANETTI ONLUS	100
APPENDIX	109
METHODOLOGY NOTE	109
CALCULATION METHODS	110
GRI CONTENT INDEX	113

MESSAGE TO STAKEHOLDERS

At Massimo Zanetti Beverage Group, sustainability is synonymous with quality and responsibility: respect for the environment, sustainable management of the supply chain and development of human resources with a view towards continuous improvement. For the Group, acting responsibly by respecting the values of quality and sustainability is an integral part of our business and each company's daily actions.

In 2020 – a year heavily marked by the ongoing effects of the pandemic – the Group continued to undertake various sustainability initiatives.

In particular, we designed a new series of products, "Segafredo Storia": a revolutionary new approach to sustainability and transparency.

Segafredo Storia is a 100% Arabica mono-origin coffee that is totally transparent and traceable thanks to blockchain technology. By scanning the QR Code on Segafredo Storia coffee packages, consumers can learn the full product history, mapping out the coffee's journey from where it is grown to the cup, thanks to a platform designed to ensure full traceability of all steps. This system also has an intrinsic ability to certify the origin of data: a register that ensures an immutable sharing of all transactions throughout the chain, providing end consumers with full visibility of product history.

Segafredo Storia is not only an innovative new series of products, but it represents a symbol of the Group's values. We have always believed that integration of the supply chain, from the plant to the cup, can ensure ethics and a focus on the environment, in addition to excellent quality.

We ensure full traceability and transparency thanks to the implementation of systems capable of monitoring all phases of the value chain. Today, with Blockchain technology, we are capable of further refining control of the supply chain and contributing to the development of increasingly sustainable products.

Innovating has always been an essential part of who we are.

I am particularly proud to note that sustainable products (i.e. products certified according to sustainability standards, which make up more than 30% of new products launched in 2020) performed particularly well again this year. We have set ourselves challenging goals for the years ahead: some relate to our daily choices, while others will require our commitment and dedication over a longer period. Many Group companies have formally set specific objectives to pursue responsible, environmentally friendly development. These objectives relate in particular to the efficient management of energy and resources, the prevention of pollution, the reduction of packaging waste, the use of by-products, the minimisation of waste and the optimisation of transport. In addition, packaging innovation will be fundamental: we have embarked on a virtuous journey towards having 100% completely recyclable product packaging.

We are also promoting, throughout the Group, the adoption of circular economy models, such as that recently developed by our Finnish company, Meira which, in 2020, has developed and formally approved sustainability targets to be achieved within the next 3 years. The targets set are in line with the science-based targets (SBTs). On an environmental level, for example, by 2022, Meira is committed to halving its greenhouse gas emissions by switching to using only electricity generated by wind farms and using biogas and district heating obtained from renewable sources. Among its other goals, Meira has committed to increasing its recycling rate to 80% by 2022 and is already turning organic waste into biogas, which is then reused in the production process. Café Montaña - Costa Rica's second largest coffee roaster - has also set the goal of achieving carbon neutrality by 2022.

With our international presence, we are aware of our potential positive influence in promoting a culture of sustainability throughout the value chain and we intend to do our utmost to reduce our environmental impact and promote sustainable development.

Massimo Zanetti - Chairman and Chief Executive Officer

1. MISSION

“To make consumers
all over the world
love quality coffee,
ensuring full
compliance
with the values of
sustainability”





2. MASSIMO
ZANETTI
BEVERAGE
GROUP

Global
Coffee
Ambassador

Massimo Zanetti Beverage Group S.p.A. (hereinafter “MZB” or the “Group”) is one of the world leaders in the production, processing and distribution of roasted coffee. The Group has a portfolio of more than 40 brands: some are known around the world, such as Segafredo, which has been synonymous with Italian espresso since 1960, while others are leading players in local markets, thanks to brand identities which combine traditional influences with new market trends.

Underlying the strong international presence is a network of companies belonging to the Group, of which 20 are involved in roasting, and 37 conduct commercial operations, with a direct presence in 36 countries. MZB also controls the entire coffee value chain, in more than 110 countries, and in all distribution segments. The Group operates in the **Mass market** segment, which includes the national and international distribution chains, in the **Foodservice** segment, mainly cafés, restaurants, and hotels, and in the **Private Label** segment, a channel dedicated to Mass Market and Foodservice companies that sell under their own brands the coffee and the products provided by the Group. The Group's broad product range, which includes all types of roasted coffee - ground coffee, whole coffee beans, instant coffee, capsules and pods - allows us to accommodate the preferences and expectations of all our customers. As well as coffee, MZB produces and sells tea, spices, cocoa, chocolates and other food products, which it purchases from a network of selected suppliers.

In addition to procurement, roasting, packaging and sales activities, MZB also designs and produces “La San Marco” professional coffee machines for cafés, as well as machines for use in automatic dispensers in offices. Furthermore, the Group manages a network of approximately 400 franchise cafés around the world.

The Group has a particularly significant market presence in the United States, Italy, France, Spain and Portugal, Finland and the Asia-Pacific region. Despite its Italian origins, Italy now accounts for less than 10% of the Group's turnover.



A close-up photograph of a person's hands operating a manual coffee grinder. The person is wearing a purple long-sleeved shirt and tan trousers. The grinder is a silver and black manual model. The background is a soft, out-of-focus indoor setting.

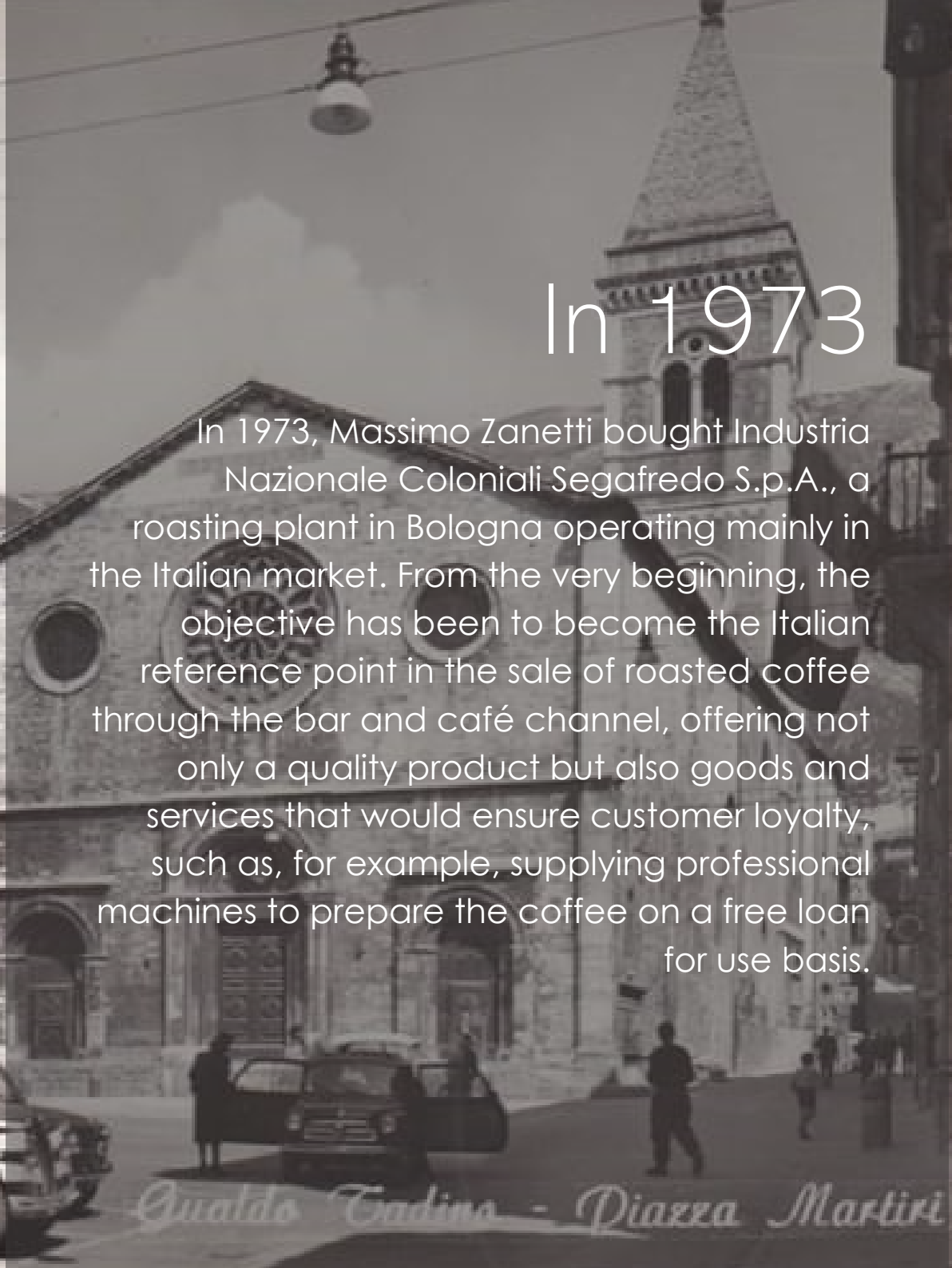
3. A STORY OF PASSION FOR COFFEE

Massimo Zanetti's passion for the world of coffee and entrepreneurial vision have enabled the Massimo Zanetti Beverage Group to become a leading authority around the world and one of the key players in the industry.



In 1973

In 1973, Massimo Zanetti bought Industria Nazionale Coloniali Segafredo S.p.A., a roasting plant in Bologna operating mainly in the Italian market. From the very beginning, the objective has been to become the Italian reference point in the sale of roasted coffee through the bar and café channel, offering not only a quality product but also goods and services that would ensure customer loyalty, such as, for example, supplying professional machines to prepare the coffee on a free loan for use basis.



Qualdo Tadino - Piazza Martiri

THE INTERNATIONAL EXPANSION

International expansion began in the '80ies, initially with the acquisition of a number of companies with production facilities in Austria and France, the creation of commercial businesses in Portugal and Spain and - finally - the signing of commercial agreements with distribution firms in Germany, England, USA and Australia. During this time, the acquisition of Cofiroasters, was finalised, a Swiss company operating in green coffee trading.

This period, lastly, also sees the first Segafredo Zanetti espresso branded cafés, which were mostly managed on a franchising basis.

During the 1990s, the Group's growth strategy continued, with further European and international expansion secured thanks to the acquisition of Dutch company TikTak and Finnish company Meira, one of the leading coffee companies in Finland (owner of well-known brand Kulta Katrina).

The process of internationalisation then moved beyond Europe, with the acquisition of Café Nova Suissa in Brazil and a distributor in Australia.

The Group continued to establish itself around the world thanks to the acquisition of four historic American brands, **Chock Full o'Nuts, MJB, Hills Bros and Chase and Sanborn**, and the purchase of a modern roasting plant in Suffolk, Virginia.

The commercial expansion process in North America also continued with the acquisition of **Kauai Coffee**, which manages the business related to the cultivation of green coffee in one of the largest and most productive coffee estates in Hawaii. MZB also became the owner of a business unit that includes a roasting plant in **Moonachie**, New Jersey.

In 2014, MZB bought the Boncafé Group, which operates in Asia and the Middle East. On the basis of this structure, Massimo Zanetti Beverage Group S.p.A. went on to be **listed on the stock exchange** in 2015. Between 2015 and 2018, the Group completed the acquisition of **Nutricafés S.A.**, which - following the merger with Segafredo Zanetti Portugal - became MZB Iberia. The Group also continued to invest, acquiring shareholdings in strategic, expanding markets such as Canada (**Club Coffee**), Australia (**Tru Blue**) and Indonesia (PT Caswells).

During 2019, the Group acquired the Australian company **The Bean Alliance** (Australia), **Café Pacaembu Ltda** in Brazil and **Cafés Nandi SA** in Portugal.

The merger by incorporation of Café Pacaembu Ltda into Segafredo Zanetti Brasil Comercial e Distribuidora de Café S.A. - now **Massimo Zanetti Beverage Brasil** - was completed in 2020.

Massimo Zanetti

MASSIMO ZANETTI
BEVERAGE GROUP



APAC

BONCAFÉ



EUROPE



meira



Kulta Katriina

Puccino's

AMERICAS



Segafredo
— ZANETTI —

LA SAN MARCO: ONE HUNDRED YEARS OF HISTORY

In 2020, La San Marco celebrated its first 100 years of history.

San Marco, based in Gradisca d'Isonzo (GO), has contributed to exporting the great tradition of Italian espresso all over the world, and it is now one of the world's top manufacturers of coffee machines. La San Marco's professional machines are appreciated for their high reliability, design and quality of the product in the cup.

To celebrate this important milestone, the company presented D., its new high-end electronic model dedicated to coffee professionals.

Developed by La San Marco's R&D department, D. is the apex of the Giuliano brand's stylistic and technical development and, thanks to its advanced functionalities, it is destined to become the

new gold standard for professional electronic extraction. Its most noteworthy new feature is the ability to choose personalised temperature and pressure settings during all the coffee extraction phases.

Thanks to energy efficiency solutions implemented during the design phase, the new La San Marco D. also enables, under the same operating conditions, a 35% reduction in energy consumption compared to other, less sophisticated electronic models.



COMMITMENT TO SUSTAINABILITY

The **process of reporting** on the activities carried out in the field of **sustainability by Massimo Zanetti Beverage Group** began in **2017**, with the publication of the first Consolidated Non-Financial Statement.

Through its Sustainability Reports, the Group has been able to consolidate its **commitment to sustainability** and **inform** all **stakeholders** of the attention it pays to these aspects.

In 2019, the Group began to consolidate and formalise its commitment to sustainability by also drafting and publishing three new **policies** related to priority issues for the business, such as **sustainable sourcing, product and process quality** and **environmental responsibility**.

In November 2020, Massimo Zanetti Beverage Group's Sustainability Report was selected by a group of 250 consumers attentive to sustainable development objectives and was included in the **"Future Respect 2020"** index, **among the**

companies that best illustrated their sustainable governance, facilitating informed choices by consumers.



MASSIMO ZANETTI BEVERAGE GROUP INTRODUCES SEGAFREDO STORIA

A NEW SUSTAINABLE COFFEE SERIES THAT TAKES THE NEXT LEAP IN GLOBAL TRACEABILITY AND TRANSPARENCY MADE POSSIBLE UTILIZING BLOCKCHAIN TECHNOLOGY

In 2020, a year heavily shaped by the effects of the pandemic, the Massimo Zanetti Beverage Group introduced **Segafredo Storia**, a revolutionary innovation in sustainability and transparency.

Segafredo Storia is a 100% Arabica single-origin coffee that is made totally transparent and traceable by blockchain technology, capable of revealing the story behind each cup to the consumer.

By scanning a QR code on each Segafredo Storia coffee package, the consumer can learn the entire history of the product, following the coffee from its place of cultivation to the cup, using a platform designed to provide full traceability of all steps.

Moreover, this system is intrinsically capable of certifying the origin of the data: a register that guarantees an immutable sharing of all the transactions that take place on the chain, providing the final consumer with complete visibility of product history.

Through Segafredo Storia, consumers will have the opportunity to learn about the history of the farmers and the land from which the coffee they have chosen to taste comes, and to discover the places involved in making and developing the drink.



TRACE THE COFFEE STORY

TRANSPARENT & TRACEABLE.
WITH BLOCKCHAIN SYSTEM. YOU CAN
DISCOVER LIVES BEHIND OUR AMAZING
COFFEE FROM HONDURAS 100% ARABICA.



TECHNOLOGY TO GUARANTEE OUR VALUES

Blockchain is a technology that enables secure and certified transactions. It is a register in which each processing phase is given a unique, unmodifiable digital stamp, guaranteeing the total traceability of the chain. Information is also encrypted and distributed globally, facilitating secure information sharing.

Applying blockchain to the coffee supply chain is the most secure way to ensure the transparency and consistency of information provided to the consumer.





4. RESPONSIBLE BUSINESS MANAGEMENT

4.1 Corporate Governance

On 29 September 2020, MZB Holding S.p.A., a company controlled by Massimo Zanetti through MZ Industries S.A. promoted voluntary offer for all the ordinary shares (OPA) aimed at delisting Massimo Zanetti Beverage Group S.p.A. The delisting took place on February 15, 2021, following provision no. 8732 of February 8, 2021 of the Italian Stock Exchange.

MZBG's corporate governance system has been, until delisting, built in accordance with the Borsa Italiana S.p.A. Corporate Governance Code (the "Corporate Governance Code") and with legislative provisions regulating Italian listed companies, based on international corporate governance best practices.

The Company has adopted a traditional administration and control model, characterised by the presence of a management body, the Board of Directors, and a control body, the Board of Statutory Auditors.

The MZBG Board of Directors plays a key role in guiding and managing the Company and the Group. As well as duties required by law and the bylaws, the Board of Directors is also exclusively responsible for taking important economic and strategic decisions and decisions with structural consequences for the running of the Company or that are relevant to the monitoring activities and direction of the Company and the Group.

Within the Board of Directors, an Appointments and Remuneration Committee and an Audit and Risk Committee have been set up, both of which have duties including making proposals and providing consultation, in accordance with the recommendations of the Corporate Governance Code. Within the Board of Directors, a committee for operations with related parties (the "**Related Parties Committee**") has also been set up.

The Board of Statutory Auditors supervises compliance with the law and bylaws, compliance with the principles of sound administration and, in particular, with the adequacy of the organisational, administrative, and accounting procedures adopted by the Company and its operations.

Auditing of the separate and consolidated financial statements for financial years ending between 31 December 2015 and 31 December 2023, as well as the limited audit of the condensed half-yearly consolidated financial statement for periods ending between 30 June 2015 and 30 June 2023, has been entrusted to the auditing firm PricewaterhouseCoopers S.p.A.

As the parent company, MZBG directs Company and Group strategy and undertakes management and coordination activities in accordance with Articles 2497 et seq. of the Italian Civil Code for subsidiary Italian companies belonging to the Group.

To ensure honesty, efficiency and transparency in the conduct of the business and corporate activities, to protect its own position and image and to meet the expectations of all stakeholders, the Board of Directors of Massimo Zanetti Beverage Group S.p.A., after verifying that the standards of conduct, the organisational structure and the procedures already adopted complied with the objectives of Decree No. 231, adopted and implemented its own organisational, management and control model ("**Model**" or "**Organisational Model**") and created a Supervisory Board as per Leg. Decree No. 231, which will monitor the compliance, operation and update of the Model. Moreover, Segafredo Zanetti S.p.A., Segafredo Zanetti Coffee System and La San Marco S.p.A. have adopted organisational models with characteristics similar to the model adopted by the parent company.

With reference to Article 10, Paragraph 1 of Legislative Decree 254/16 on diversity in administration, management and control bodies, the Massimo Zanetti Beverage Group S.p.A. Board of Directors is composed of nine people, of which four women and five men, as detailed in the following table. The Company adheres to legislation relating to gender balance in its management and controlling bodies.

Composition of the Board of Directors of the parent company					
Gender	Age group	Unit of measure	2018	2019	2020
Men	Between 30 and 50 years old	No.	2	2	2
	Over 50 years old	No.	3	3	3
Total Men		No.	5	5	5
Women	Between 30 and 50 years old	No.	3	3	3
	Over 50 years old	No.	1	1	2
Total Women		No.	4	4	4
		No.	9.	9	9

Preventative control systems against intentional and unintentional offences are based on the organisational model adopted in accordance with Decree No. 231/2001. The model includes the implementation of the following elements, which have been adopted by the Group: the Code of Ethics, a formal organisation structure in line with the activities carried out, training activities to improve the knowledge of the workforce, an efficient management of the internal audit and risk management system, an independent Supervisory Board and a formal sanction system.

Pursuant to Art. 7 of the Corporate Governance Code, the internal control system involves, each within the limits of its own competence, the Board of Directors, the Audit and Risk

Committee, the SCIGR Director, the Board of Statutory Auditors and the Head of the Internal Audit function.

Within the Board of Directors, the **Audit and Risk Committee**, consisting of three independent directors, has been given the task of supporting the Board with propositional and consultative functions, in its assessments and decisions regarding the internal audit and risk management system.

The **SCIGR Director** is in charge of the internal audit and risk management system: among other tasks, the SCIGR Director identifies the main corporate risks, taking into account the characteristics of the activities carried out by the issuer and its subsidiaries and implements the guidelines provided by the Board of Directors.

The Board of Statutory Auditors supervises compliance with the law and bylaws, compliance with the principles of sound administration and, in particular, with the adequacy of the organisational, administrative and accounting procedures adopted by the company and its operations. The statutory audit of the separate financial statements and consolidated financial statements is entrusted to the independent audit firm PricewaterhouseCoopers S.p.A., pursuant to Italian Legislative Decree No. 39/2010.

Given the complexity of management operations and taking into account that risk taking constitutes a fundamental and essential component of the business, on 5 February 2021, the Board of Directors approved the “**2021 Risk Assessment**” document that identifies the key business risks and describes the controls and measures put in place to monitor each risk, and assesses each of these risks (Risk Management process). The Risk Assessment report

was prepared taking also into account the non-financial risks incurred by the company, which are presented in the table and in the paragraph that follows.



(Committee of Sponsoring Organizations of the Tradeway Commission)

Figure 1 - MZBG risk identification and management model

Non-financial risk and its management

Material topics	Legislative Decree No. 254/2016 Area	Type of risk	Risk
Packaging and sustainable innovation	Environmental aspects	Strategic and business	<ul style="list-style-type: none"> - Failure to perceive and follow new market trends triggered by the introduction of coffee-derived products (i.e. single-dose coffee, coffee-flavoured drinks, biodegradable products etc.) and new technology applicable to coffee (i.e. B2C coffee machines) - Failure to respond to legislative changes and consumer demands regarding packaging
Energy efficiency and climate change	Environmental aspects		<ul style="list-style-type: none"> - Failure to adhere to the environmental demands of clients and consumers - Risk linked to climate change and its consequences in terms of supply (plant disease, loss of biodiversity, floods and other events that could result in supply chain disruption)
Responsible waste management and circular economy	Environmental aspects	Legislative compliance / reputational / strategic and business	<ul style="list-style-type: none"> - Failure to adhere to Italian/European environmental legislation outside the EU
Sustainability and traceability of procurement	Social aspects	Strategic and business	<ul style="list-style-type: none"> - Use of suppliers which use undeclared workers - Lack of social/supply chain certifications required by the market - Risk linked to the geopolitical context or perception of social security (e.g. terrorist attacks) as regards supply chain continuity - Potential operational interruptions due to deliveries of raw coffee from suppliers and in regards to required qualitative, quantitative and timing standards
Product quality and safety	Social aspects	Legislative compliance	<ul style="list-style-type: none"> - Failure to adhere to requirements regarding compulsory product certifications (e.g. CE marking) - Failure to comply with food sector requirements regarding production processes and/or qualitative standards required by clients in terms of food safety (HACCP, Fair Trade, etc.) - Failure to comply with individual country requirements - Use of contaminated raw materials or raw materials that are unsafe for consumers.
Listening and communicating with customers and consumers	Social aspects	Legislative compliance	<ul style="list-style-type: none"> - Violation of client data privacy/loss of data.
Protection of human rights through the value chain	Human rights	Legislative compliance / operational and reputational	<ul style="list-style-type: none"> - Violation of the human rights of local communities affected by the Group's procurement activities (e.g. child labour, forced labour, right to land of indigenous people). - Violation of the human rights by suppliers of raw materials (e.g. child labour, forced labour, right to land of indigenous people). - Potential use of suppliers which use undeclared workers

Material topics	Legislative Decree No. 254/2016 Area	Type of risk	Risk
Compliance, ethics and integrity	Fight against corruption	Operational and reputational	<ul style="list-style-type: none"> - Improper market competition / monopolistic behaviour - Significant fines/sanctions - Risk linked to management attitude which does not adhere to ethical and behavioural principles. - Risk linked to the possibility that employees and/or agents can engage in improper commercial practices towards third parties (i.e. active corruption) - Risk linked to the possibility that employees could be corrupted by suppliers (passive corruption) - Some companies in the Group operate in countries characterised by an elevated environmental risk linked to corruption
		Legislative compliance	<ul style="list-style-type: none"> - Risk linked to the absence of rules and protections regarding the management and control of the company's activities and performance (e.g. as regards compliance with MOG 231) - Risk linked to failure to adhere to legislation and regulation relating to market abuse (e.g. identification of and communication with people who have access to privileged information)
Diversity and equal opportunities	People management	Legislative compliance	<ul style="list-style-type: none"> - Risk linked to failure to comply with the National Collective Bargaining Agreement (CCNL) / former Workers' Statute / other legislation on labour rights (e.g. contributions, child labour) - Risk linked to failure to adhere to legislative changes regarding employment contracts
		Operational and reputational	<ul style="list-style-type: none"> - Risk of staff dissatisfaction linked to salary differences (between genders, with competitors, in the geographical context etc.) - Risk linked to failure to consider and therefore protect the needs of under-represented groups (e.g. women, other vulnerable groups)
Health and safety in the workplace	People management	Legislative compliance	<ul style="list-style-type: none"> - Risk linked to the health and safety of employees (safety protections - Personal Protective Equipment (PPE), fire prevention etc. - and working conditions which adequately reflect specific risks, safety data sheets, health services in Countries in which the Group has offices)
Professional well-being and retention	People management	Strategic and business	<ul style="list-style-type: none"> - Risk linked to staff turnover and loss - Risk linked to the protection of company know-how subsequent to voluntary departures - Risk linked to low turnover / ageing company population - Risk linked to recruitment difficulties - Risk linked to difficulties in dealing with any technological changes (introduction of new tech) and managing change - Risk that the remuneration model fails to incentivise staff to achieve the company objectives set out in the strategic plan - Risk linked to inadequacy of the Company Organisation Chart and/or inefficiencies in accommodating operational and regulatory needs (description of roles and expected responsibilities vs adequacy of the staff in positions)

The management of the non-financial risks of MZBG today mostly pertains to the individual Group companies. Following strategic/management guidelines defined by senior management, these operate autonomously, in line with the operational model that has always characterised the conduct of Massimo Zanetti Beverage Group.

In accordance with this approach, as set out in the “Our approach to sustainability: the sustainable blend” chapter, MZBG decided to strengthen central control over non-financial issues in 2018, starting with an analysis of internal processes.

This process led to an investigation into the ways non-financial issues are handled in the five biggest Group companies, enabling the Group to develop a group of policies, which were approved by the Board of Directors in late 2019.

These policies lay the foundations for an organic, well-structured strategy covering responsible procurement, mitigation of environmental impacts and quality of products and processes. All Group companies are in the process of adhering to these policies.

In addition to adopting these policies, individual companies operate in accordance with local regulations, taking adequate action to cover and mitigate potential business risks and the impacts of these. The ways in which the companies manage these factors are explored in more detail in other chapters (People, Products and clients, the value chain and Environment).

By way of example, as regards **environmental factors**, some companies (such as La San Marco, Meira, Café Montaña in Costa Rica, Segafredo Zanetti Italia, Segafredo Zanetti Poland, Massimo Zanetti Beverage Vietnam, Boncafé Thailand and Segafredo Zanetti France) have implemented a system of specific policies, procedures

and environmental management systems and set out specific targets and initiatives with the aim of reducing environmental impacts.

For example, **Café Montaña** – the second largest roaster in Costa Rica – has set itself the **objective of reaching carbon neutrality by 2022**.

Meira has committed to reducing **CO2 emissions by 2 million tonnes by 2030**, in line with Finland's national strategy of reaching carbon neutrality by 2035.

The risks associated to food quality and safety, meanwhile, are managed through **quality management systems**. In this context, Segafredo Zanetti France, Segafredo Zanetti Italia, Meira, Massimo Zanetti Beverage Iberia, Boncafé International, Segafredo Zanetti Brazil, Café Montaña and TikTak are certified to ISO 9001 standard. Massimo Zanetti Beverage USA, the largest company of the Group in terms of production volumes, has instead drafted a special quality manual for its products. In addition, several Group companies are certified in accordance with recognised international food safety standards.

Finally, in terms of **supply chain management** (see “The value chain”), the companies in the Group set out procedures for the selection and management of suppliers on the basis of criteria spanning quality, value and regulatory compliance. For larger companies, supplier selection practices can also consider social and environmental factors, as is the case for Segafredo Zanetti Brazil, Café Montaña, Boncafé Middle East, Boncafé Thailand, Brodies, Meira, Segafredo Zanetti France and Segafredo Zanetti Poland sp. z o.o. Massimo Zanetti Beverage USA has drafted a supply procedure, which provides for full compliance with the quality standards set at the federal level in the United States.

In addition, all Group companies are committed to purchasing coffee certified according to the highest and best-known product standards, such as UTZ, Rainforest Alliance, Fairtrade and the "Organic" certification. In 2020, the companies of the MZB Group bought an increased percentage of **certified raw materials** in comparison with previous years. Now, around **18% of the total green coffee bought by the Group is certified, a 17% increase** on the 2019 percentage.

As regards **people management**, the various companies in the Group have implemented a number of different policies to deal with the risks identified.

Some companies have implemented **performance assessment systems based on annual targets and - where applicable - sustainability issues** (Meira, Segafredo Zanetti Brazil, Café Montaña, Massimo Zanetti Beverage Deutschland, Boncafé Middle East, Massimo Zanetti Beverage Japan, Boncafé Thailand, Segafredo Zanetti Poland and Boncafé Malaysia).

Furthermore, in some companies, such as Meira, Segafredo Zanetti Brazil, Boncafé Middle East, Segafredo Zanetti Austria, Segafredo Zanetti Japan, Boncafé Thailand and TikTak, **company climate surveys** are undertaken to improve relations and maintain constant dialogue with employees

Massimo Zanetti Beverage USA has drafted an equal opportunity policy, while Segafredo Zanetti France has signed the Charte de la Diversité, which promotes diversity in all forms.

Several companies, such as Massimo Zanetti Beverage USA, Segafredo Zanetti Italia and Meira, have implemented specific policies and procedures to monitor risks relating to employee health and safety and compliance with national legislative requirements.

As explained in the *Ethics and compliance* paragraph, the **Code of Ethics** of the Group is a key element of the internal control system of the Massimo Zanetti Beverage Group and of all companies controlled by this. MZBG and the Italian subsidiaries Segafredo Zanetti Italia, Segafredo Zanetti Coffee System and La San Marco have adopted their own **Organisational and Management Model under Legislative Decree No. 231/2001** and created special **Supervisory Boards**.

The prevention of corruption and the compliance with the principles of business ethics and honesty is regulated, not only by the Group Code of Ethics, but also, within the individual companies, by special procedures (as in the case of Café Montaña and Boncafé Malaysia), by dedicated risk assessments (Brodies), by internal audits carried out by the Internal Audit Function of the Group or by the supervision of special bodies, such as the Ethics Committee at Café Montaña.

4.2 Ethics and compliance

Ethics, compliance with applicable regulations and the fight against active and passive corruption represent some of the core values which underpin the way in which the Group - first of all with the Code of Ethics - conducts its business and manages relations with all stakeholders: shareholders, the financial community, clients, consumers, suppliers, business partners, communities, employees and institutions.

The Code of Ethics is an essential component of the internal control system. Adhering to this ensures the Group avoids committing irregularities and unlawful practices in the countries where it operates. The adoption of certain standards of conduct is also the expression of the commitment of the Italian companies to the prevention of the crimes specified in Leg. Decree 8 June 2001 No. 231. The Code of Ethics applies to corporate structures, directors, managers, employees, auditing firms, statutory auditors, agents and contractors and anyone working significantly and continuously on behalf or in the interest of the Group.

The principles and values contemplated by the Code of Ethics refer to legality, responsibility, honesty and correctness, transparency, integrity, reliability, impartiality, respect, the protection of the environment and safety, quality and social responsibility, intended as protecting human rights and promoting the well-being of communities. These values must underpin all activities of the Group, even if these are carried out using suppliers, distributors, consultants, contractors or sub-contractors or through business partners, consortia

and joint ventures. These players are called upon to promote the assumptions in the Code of Ethics in the scope of their respective areas of competence.

To ensure compliance with the provisions of its Code of Ethics, the Parent Company has an Internal Audit, which performs annual audits on all Group companies. In addition, some companies, such as Café Montaña, have an Internal Audit to further monitor these aspects.

4.3 Compliance with tax regulations

One of the fundamental principles and values accepted and shared by MZBG is the respect for all laws, regulations, administrative measures and in general the regulatory provisions applicable in the Countries in which it operates, including tax provisions.

It is therefore a top priority for the Group to comply with applicable laws and regulations to prevent the commission of irregularities or wrongdoing in the markets and jurisdictions in which it operates. In this regard, reference should also be made to the Group's Code of Ethics¹.

These principles and aspects of tax legality are taken into account in all company actions and decisions.

Income taxes (current and deferred) are determined accordingly in each of the countries where the Group operates on the basis of a prudent interpretation of current tax laws. This process sometimes involves complex estimates in determining taxable income and

¹ Code of Ethics, MZB Group, available at the link Massimo Zanetti Beverage Group - Code of Ethics (mzb-group.com). In particular, see paragraphs 1.2, 3, 4.2 and 4.3.

deductible and taxable temporary differences between book and tax values. In particular, deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which they can be recovered.

The assessment of the recoverability of deferred tax assets, recognised in relation to both tax losses usable in subsequent years and deductible temporary differences, takes into account the estimated future taxable income and is based on prudent tax planning².

It should be noted that the choice of countries in which the Group operates is guided by business considerations and not by tax reasons. Intra-group transactions are regulated, for tax purposes, on the basis of the principle of free competition, as set out by the OECD.

MZB promotes a corporate culture based on respect for tax regulations, ensuring their completeness and reliability, as well as their knowledgeability at all levels of the company, in order to establish and maintain a collaborative, clear and transparent relationship with the tax authorities.

Transparency represents one of the principles and values considered fundamental, accepted and shared by MZB. The Group intends to inform its stakeholders in a clear and transparent manner of its situation and its economic and management performance, without favouring any interest group or individual.

Stakeholder concerns are addressed as part of regular communication with stakeholders, for example at meetings and in reports published on the Group's website.

4.4 The 231 Organizational Model

Massimo Zanetti Beverage Group S.p.A. has adopted an Organisational, Management and Control Model pursuant to Italian Legislative Decree No. 231 of 8 June 2001 relating to the Company's administrative responsibility ("**Decree 231**").

The adoption of the 231 Model represents a valuable tool for raising awareness and guiding anyone working in the name and on behalf of the Company, to ensure that when carrying out their activities, they behave in a correct and transparent manner, so as to prevent the risk of the committing the offences contemplated by the Decree 231, including corruption violations. The principles of the Model aim to a) make the potential offender fully aware of committing an unlawful deed and b) allowing Massimo Zanetti Beverage Group S.p.A. to prevent or react promptly to prevent the unlawful deeds being committed, thanks to ongoing monitoring of all activities.

The Special Part of 231 Model includes, inter alia, a section dedicated to offences against the Public Administration and a section on the offences of corruption between private individuals and incitement to corruption between private individuals. These sections provide a brief overview of the corruption offences that the Company intends preventing, identifying "sensitive" business functions, processes at risk and "instrumental" processes, the rules of conduct (DOs & DON'Ts) and preventative control measures.

Italian subsidiaries Segafredo Zanetti Italia S.p.A., Segafredo Zanetti Coffee System S.p.A. and La San Marco S.p.A. have adopted their own Organisational Models pursuant to Decree 231/2001 and appointed a Supervisory Board.

² For further details, please refer to the contents of MZBG's Annual Report

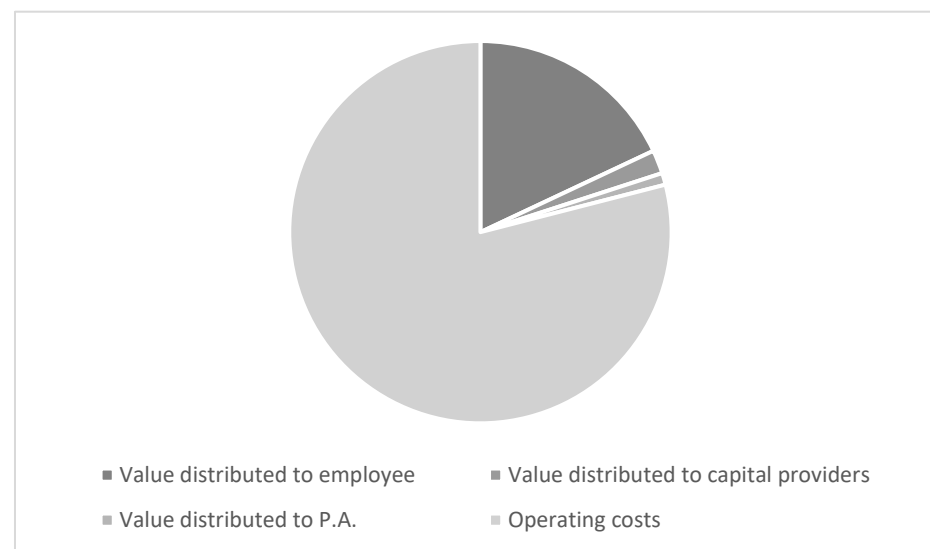
In consideration of the need to implement formal policies and procedures regarding the management of significant issues for the Group, such as the prevention of market abuse, Massimo Zanetti Beverage Group S.p.A. has adopted an internal Market Abuse procedure, in accordance with EU Regulation No. 596/2014 and related implementing regulations that can be found on the Group website.

Pursuant to the EU regulations and corresponding implementation provisions, taking into account the guidelines issued by the European Securities and Markets Authority ("ESMA") and Consob as adopted in Market Abuse Procedure II, Massimo Zanetti Beverage Group S.p.A. has drawn up and updated the list of persons who have access to inside and relevant information in the execution of certain tasks or by virtue of a professional relationship with Massimo Zanetti Beverage Group and/or its subsidiaries.

In the three-year period between 2018 and 2020, there were no episodes of non-compliance with laws and regulations in economic and social areas, except for two cases of socio-economic non-compliance which led to an administrative sanction for Meira OY, which the company quickly dealt with. [GRI 419-1] Similarly, the three-year period saw no legal action as a result of anti-competition or anti-trust behaviour or monopolistic practices [GRI 206-1]. Similarly, there were no incidents of corruption in 2020 [GRI 205-3].

4.5 Creation of sustainable value

In 2020, the economic value generated by Massimo Zanetti Beverage Group S.p.A., was approximately equal to Euro 814 million. Of this, more than 98%, was distributed to stakeholders: 18% was distributed to the workforce, 79% to the suppliers of goods and services, 2% to providers of capital and 1% to Public Administration.



THE COVID-19 PANDEMIC

The Covid-19 pandemic was certainly the key event of 2020. In order to best cope with the health emergency, each Group company has designed and implemented accurate internal management systems and health protocols to ensure the health and safety of its employees and of all stakeholders. The following is an in-depth look at the actions that have been taken by Group companies, the preventive measures that have been adopted, and finally the current and future impact of the health crisis on the management of the business.

ACTIONS TAKEN

As the Group operates internationally, each company has carefully followed all the regulations and guidelines issued by its national government and the World Health Organization (WHO). In addition, most companies have defined policies, information plans and internal protocols to allow the business to be run in total security. These documents were regularly updated and circulated to staff, ensuring that all members were aware of the standards of behaviour to be followed. Many Group companies have also established internal committees or multidisciplinary teams responsible for designing, communicating and monitoring the proper functioning of health protocols and personnel organisation. Finally, the procedures to be followed in case of suspected infection or the onset of symptoms have been established, with instructions not to go to work in such situations

and offering a free diagnostic test, in addition to health insurance in some cases.

PREVENTIVE MEASURES TAKEN

In order to contain the spread of the infection, companies equipped themselves with the necessary protective equipment, in accordance with health protocols. In particular, all companies provided their personnel with access to:

- Personal protective equipment (masks, face shields and gloves);
- Sanitizing gel;
- Body temperature scanners.

In addition, signage and partitions were designed to allow a safe distance to be maintained during work. In order to ensure a safe working environment, premises were also sanitised, and the environment was kept as ventilated as possible to avoid air stagnation.

Remote work was the main approach to the organisation of work, with the consequent reduction of work meetings, which were held in virtual form through various communication tools. Where face-to-face meetings had to be held, the use of masks was considered mandatory and visitors from outside the companies had to fill in a self-certification form stating that they had no suspicious symptoms and that they had not come into contact with any positive persons. Finally, where "remote work" was not feasible, many companies reorganised staff working in production sites by dividing them into different work groups over several shifts, in order to limit the possible spread of the virus.

IMPACT ON BUSINESS

In general, the healthcare crisis has had a negative impact on business growth, which has seen a 50% reduction in sales in many cases. This decline is largely due to the restrictions imposed on the HoReCa sector and tourism, causing a sharp reduction in business flows.

At the same time, Group companies were able to adapt and experiment with new forms of work, which in some cases proved to be very efficient and may be continued into the future. In addition, unique opportunities opened up to innovate and pursue new online sales channels, which were a focus for most companies during this period. One example is the new online store operated by Segafredo Zanetti Poland: ALLEGRO.

Economic recovery to pre-health emergency sales levels will in many cases only be possible from 2022 onwards; nonetheless, this period has reinforced the ability to be resilient and dynamic in the face of the uncertainties that will shape the future.

An aerial photograph of a vast coffee plantation. The rows of coffee bushes are densely packed and stretch across the landscape. The sky is a mix of soft orange, yellow, and blue, suggesting a sunset or sunrise. The overall mood is serene and natural.

5. OUR APPROACH TO SUSTAINABILITY: “THE SUSTAINABLE BLEND”

In Massimo Zanetti Beverage Group, sustainability is about conveying the principles of respect, responsibility, dedication and professionalism every day, building a virtuous cycle that results in shared, pro-active commitment.

For the Massimo Zanetti Beverage Group, acting responsibly by upholding the values of quality and sustainability is an integral part of its business and of the day-to-day actions of its individual companies. The Group promotes these principles among its clients and consumers, as well as among shareholders, employees and local communities in which MZBG operates, as part of an effort to give back to local areas - something that has always been part of the company's DNA and entrepreneurial vision.

2020 saw the continuation of the policy launched in the previous year that identified a sustainability roadmap, entitled "**The sustainable blend**". The aim of this roadmap is to bring the focus of all companies in the Group onto non-financial issues and to come up with shared responses in a constantly evolving context. "The sustainable blend" is centred around four strategic areas: environmental responsibility, product and process quality, procurement practices and developing people.

More specifically, during 2019, the main companies in the Group (Segafredo Zanetti Italia, Segafredo Zanetti France, Massimo Zanetti Beverage USA, Meira and Boncafé) shared strategic guidance on highly relevant non-financial issues for business and society - the epitome of the Group's values and commitments. The companies formally agreed the following policies:

- The **Environmental Policy** aims to set out a common approach to how we manage environmental issues such as energy supply, emissions reductions, the efficient use of natural resources and raw materials and responsible end-of-life product management;
- The **Quality Policy** promotes innovation and the sharing of best practices between the various companies belonging to the Group and sets out a common approach designed to

guarantee elevated quality and food safety standards and ensure maximum client and end consumer satisfaction;

- The **Responsible Procurement Policy** aims to promote responsible management of procurement practices and the impacts generated throughout the supply chain by the various players involved.

As part of efforts to promote responsible procurement practices, the main companies in the Group have also set out a series of specific initiatives and objectives designed to maximise and improve the impacts of individual companies and the Group throughout the supply chain. Some of these initiatives have already been published as part of international projects such as the **Sustainable Coffee Challenge** (SCC).

"The sustainable blend" also includes the gradual adoption of a Group approach to sustainability, starting with the implementation of the aforementioned policies within the Group's five main companies. The implementation phase also includes the identification - initially by this group of companies - of guidelines and ad hoc tools designed to facilitate the common management of priority areas included in the policies.

In 2020, **SZ Poland** embarked on a journey that will lead it to set some sustainability goals to be achieved within a predetermined timeframe. The key focal areas are: limiting non-recyclable waste, progressively improving the structure and energy consumption, and promoting a sustainable culture within the organisation.

In addition, in November 2020, **TikTak** created a sustainability team to set goals and targets related to climate and sustainability strategies for the next 10 years.

During 2020, **Meria** developed and formally approved **sustainability targets** to be achieved within the next three years and they were identified in line with the Sustainable Development Goals promoted by the United Nations.

The decision to set clear and shared goals stems from Meira's belief that "setting targets is critical for things to get done."

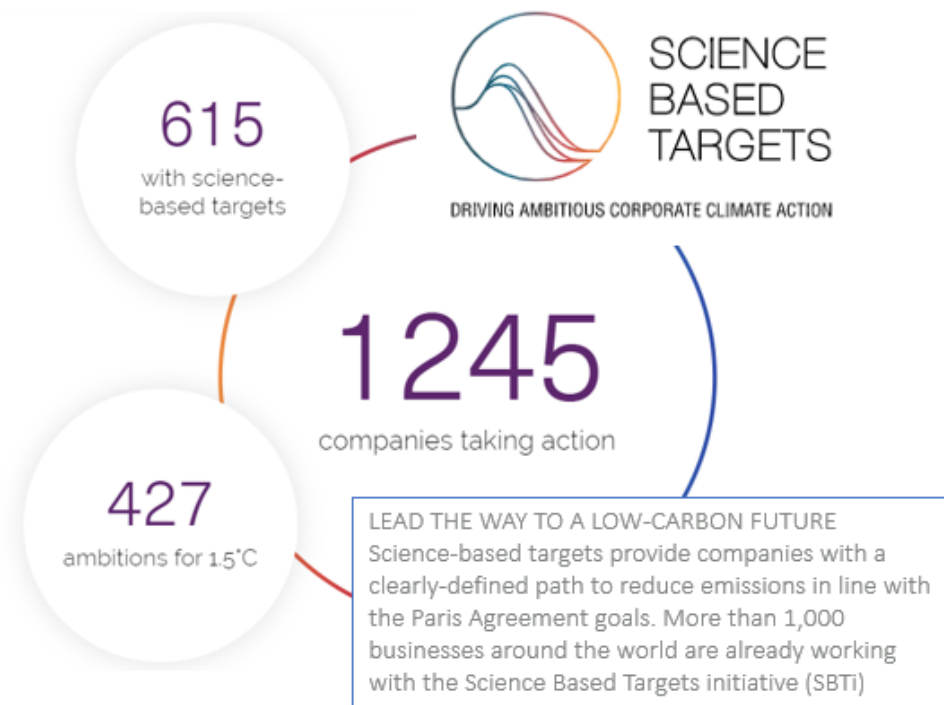
There are **four areas** in which **targets** have been set:

1. **reliable products and services**
2. **environmental well-being**
3. **wellbeing of individuals**
4. **Meira as a sustainable partner.**

For each area, **KPIs** and **targets** have been set, to be achieved **year by year** until 2023. Achieving these initial targets will be crucial to becoming **carbon neutral** by 2035 and to meeting the strategic plan set out by the City of Helsinki.

On an environmental level, for example, **by 2022**, Meira is committed to **halving its greenhouse gas emissions** compared to 2018 by switching to using only **electricity generated by wind farms** and using **biogas and district heating obtained from renewable sources**.

Meira's ambitious commitments continue, however: **Science Based Targets** are to be set in 2021. These are scientific targets related to the reduction of greenhouse gases, in line with the 1.5 degree global warming increase limit set by the 2015 Paris Agreement.



Associations and memberships

Out of an awareness that in order to achieve significant results, both economically and in terms of sustainability, it is essential to share and compare notes, all Group companies belong in various capacities to different associations, organisations or trade groups. Below are the main associations to which some companies belong:

Brodies	<ul style="list-style-type: none"> - UK Tea & Infusions Association - Guild of Fine Food
MZB Iberia	<ul style="list-style-type: none"> - AICC - Associations of Portuguese coffee roasters
Boncafé International	<ul style="list-style-type: none"> - SNEF - Singapore National Employers Federation - SMF - Singapore Manufacturing Federation - SAFEMS - Singapore Association of Food Equipment Manufacturing
Café Montaña	<ul style="list-style-type: none"> - Cámara Costarricense de la Industria Alimentaria (CACIA) - Cámara de Tostadores de Costa Rica - Unión Costarricense de Cámaras y Asociaciones del Sector Empresarial Privado (UCCAEP)
Kauai Coffee	<ul style="list-style-type: none"> - Kauai Chamber of Commerce Kauai Economic Development Board - Hawaii State Board of Agriculture - Hawaii Coffee Growers Association - Hawaii Coffee Association
La San Marco	<ul style="list-style-type: none"> - UCIMAC (Italian association of the main coffee machines producers)

MZB Brasil	<ul style="list-style-type: none"> - ABIC- Brazilian Coffee Industry Association - Flavia Baldin - Member of the Marketing Committee at the ABIC Association - Murilo Halla - Member of the Permanent Quality Committee at Associação ABIC
SZ Austria	<ul style="list-style-type: none"> - Kreditschutzverband - MCS Marketing Club - ÖFV Franchise Verband - Industriellenverband - Markenartikelverband
Meira	<ul style="list-style-type: none"> - Finnish Food & Drink association - Coffee and Roastery association - Spice association
MZB USA	<ul style="list-style-type: none"> - National Coffee Association (NCA) - Green Coffee Association (GCA) - Specialty Coffee Association (SCA) - Private Label Manufacturers Association (PLMA)
SZ Poland	<ul style="list-style-type: none"> - Business Center Club
SZ Deutschland	<ul style="list-style-type: none"> - German Coffee Association (DKV) - Marketing Club Munich - German Council of Shoppingcenter - FGM (Fördergesellschaft Marketing University Munich)
SZEW Japan	<ul style="list-style-type: none"> - Japan Food Service Association - Italian Chamber of Commerce in Japan - Shinjuku Convention & Visitors Bureau
The Bean Alliance	<ul style="list-style-type: none"> - Australian Coffee Rosters Association - Membership

5.1 Materiality Matrix

In 2020, MZBG updated its materiality analysis, which identifies relevant issues for the Group and its stakeholders.

In accordance with GRI Standards, relevant issues for the Group are those that reflect the significant economic, environmental and social impacts of the organisation or that heavily influence the assessments and decisions of stakeholders.

Internal discussions on sustainability issues during the year, considering also the Covid-19 pandemic effects, coupled with ongoing dialogue with all stakeholders and a sector analysis, have confirmed the relevance and significance of the material issues identified in the previous materiality analysis.

In the below table, each material topic is shown with a brief description, the chapter containing information on it and the corresponding section of Legislative Decree No.254 of 30 December 2016 (hereinafter the "Decree"), which adopts Directive 2014/95/EU on non-financial reporting into Italian law.

It should be pointed out that the use of water resources has not been identified as a material issue, despite it being specifically cited in Legislative Decree No.254. The reason for this is that the direct activities of the Group do not have a significant impact on water resource usage.

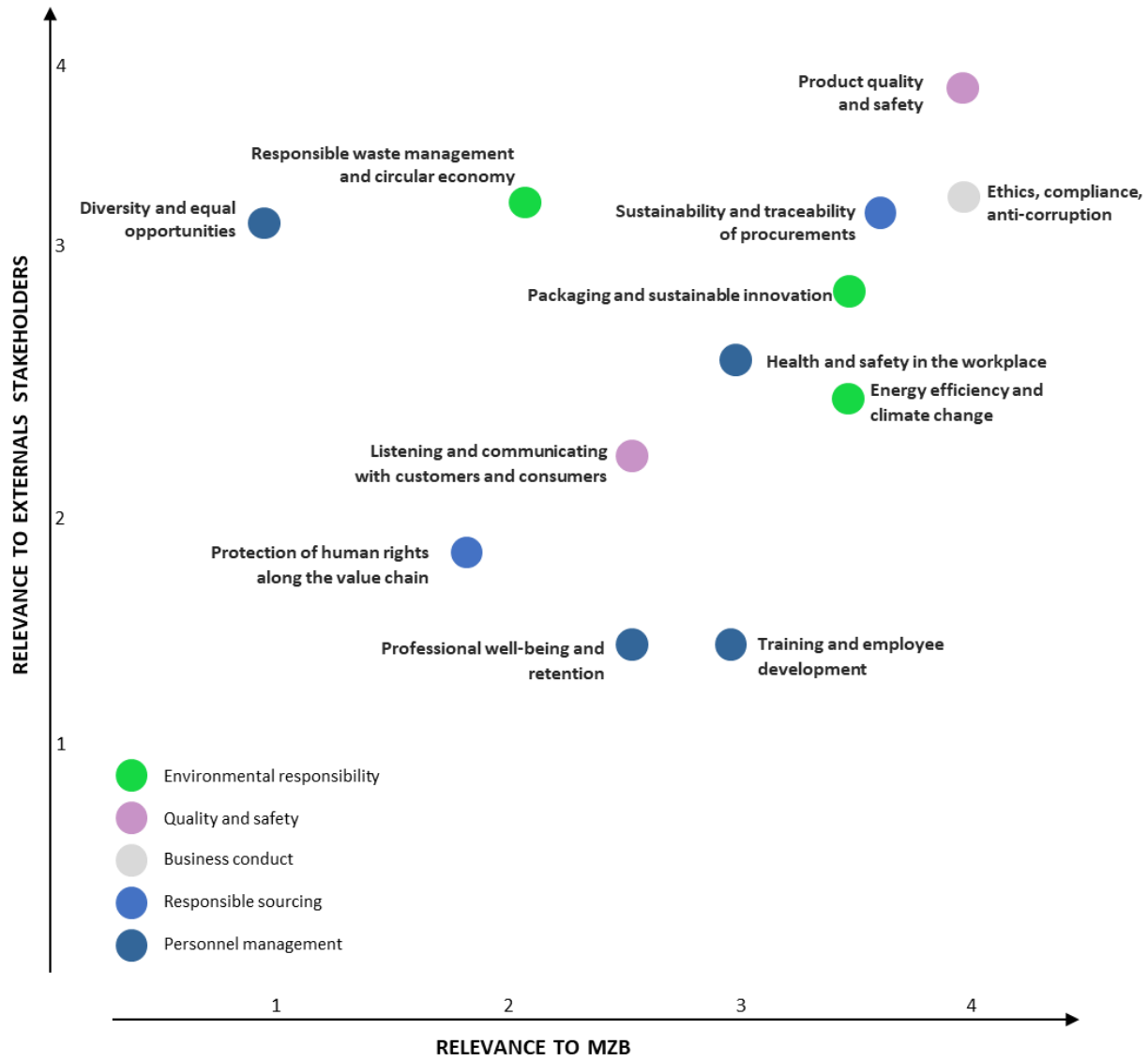
Dialogue with stakeholders

Dialogue with stakeholders is crucial for MZBG. Every year, the companies of the Group carry out many initiatives to promote the dialogue and communication with its internal and external stakeholders. The Group uses a range of different tools to do this, from targeted dialogue initiatives to contacts through internet channels and customer services (website, social media, etc.).

The inputs provided by the stakeholders are the starting point for the definition of targeted response strategies and are used, within the reporting process, to direct the reporting towards the non-financial issues most relevant to the stakeholders, identified through the materiality analysis.

Group stakeholders	Main communication channels
Employees and collaborators	<ul style="list-style-type: none"> - Ongoing communication by various channels (intranet, newsletters etc.) - Internal satisfaction survey (for some companies) - Regular meetings, including those regarding health and safety in the workplace
Clients and consumers	<ul style="list-style-type: none"> - Market research - Tests, focus group, questionnaires and online interviews, <i>Product and Customer Satisfaction</i> assessments (for some companies) - Social media (e.g. Facebook, Twitter) - Company websites, newsletters - Events - Client services
Baristas	<ul style="list-style-type: none"> - Training courses (Segafredo Academy) to ensure a professional, quality service, special annual championships - Meetings to set out training opportunities - Newsletters
Suppliers	<ul style="list-style-type: none"> - Co-product development - Business meeting and ongoing communication, partly to manage any issues and disruptive events (e.g. Brexit) - Audits and visits to facilities to guarantee elevated quality standards (for some companies)
NGOs and local communities	<ul style="list-style-type: none"> - Charitable activities and contributions to external exhibitions and shows - Activities designed to benefit local communities
Competitors	<ul style="list-style-type: none"> - Participation in discussions with local stakeholders
Associations	<ul style="list-style-type: none"> - Regular meetings (specific to the context in which each company operates)
Unions	<ul style="list-style-type: none"> - Ongoing dialogue and fulfilment of collective bargaining obligations to trade union associations
Shareholders and financial communities	<ul style="list-style-type: none"> - Shareholders' Assembly - Operating reports, press releases and investor presentations - Analyst calls, investor meetings, roadshows and investor conferences - Dedicated email address: investors@mzb-group.com
Schools and universities	<ul style="list-style-type: none"> - Visits of company representatives to universities and Master's courses in order to attract new talents - Participation in support programmes for students in financial difficulty (e.g. distribution of books) (for some companies) - Collaboration with universities and schools on placement and traineeship projects (for some companies)
Franchisee	<ul style="list-style-type: none"> - Visits to franchise stores and regular meetings (for some companies)

MZBG's 2020 Materiality Matrix



Topic	Meaning for MZBG	Where it appears in the text	Legislative Decree No. 254/2016 Area
Compliance, ethics and integrity	Respect for the values, principles, standards and behavioural norms that guide company conduct, anti-corruption efforts and propriety in negotiations and business.	Ethics and compliance	Fight against active and passive corruption
Product quality and safety	Focus on product safety, starting with the selection of raw materials and the implementation of production and quality control procedures which reflect the highest international standards.	Products and clients	Social impacts
Listening and communicating with customers and consumers	Monitoring of client and consumer perception, both in terms of how their tastes are evolving and how satisfied they are, in addition to adequate communication of all relevant product characteristics.	Products and clients	
Sustainability and traceability of procurement	Focus on social and environmental conditions throughout the supply chain and possibility to trace the "story" of the product by monitoring all key supply chain phases.	The value chain	
Protection of human rights through the value chain	Respect for and promotion of human rights throughout the value chain and integration of these principles into management models and significant company processes.	The value chain	Human rights
Energy efficiency and climate change	Efficient and logical use of energy resources to improve performance and reduce climate-altering emissions linked to activities directly managed by the Group.	Environment	Environment
Responsible waste management and circular economy	Reduction and overall optimisation of waste management, with a particular focus on production materials, food waste and packaging waste.	Environment	
Packaging and sustainable innovation	Development of new packaging solutions which can guarantee a reduction in the consumption of materials used and mitigate their effects on the environment, while at the same time guaranteeing elevated product quality standards.	Environment	
Diversity and equal opportunities	Promotion of equal opportunities and diversity within the company, in accordance with agreements, legislations and guidelines on the national and international levels.	People	People management
Training and development of employees	Personnel training and development activities designed to guarantee the growth, management and strengthening of staff expertise, in accordance with the needs of the Group.	People	
Health and safety in the workplace	Prevention, monitoring and reduction of risks linked to employee health and safety in the workplace.	People	
Professional well-being and retention	Focus on employee well-being and ensuring a positive and attractive company environment.	People	

6. PEOPLE

A close-up photograph of a person's hands operating a professional-grade espresso machine. The machine is made of polished stainless steel and has the brand name 'LEVA' visible on its side. The person is using a black handle to pull down the espresso lever, and a stream of coffee is being dispensed into a white ceramic cup. The background is softly blurred, showing what appears to be a window with a view of a city.

Our people are our most important asset - one that must be protected and enhanced on a daily basis. That's why we strive to build a working environment which allows our employees to grow, develop their talent and operate in the best possible conditions, fostering relationships based on mutual trust and maximum propriety.

6.1 Our human resources

People are one of the key factors in enabling a company to be competitive in the long term. Indeed, building an attractive working environment is considered increasingly important when it comes to guaranteeing the success of an organisation like MZB.

The Massimo Zanetti Beverage Group adopts a people management policy that aims to protect diversity and equal opportunities, as well as promoting training and professional development. The objective is to create a positive work environment, characterised by transparency and openness to dialogue.

The Massimo Zanetti Beverage Group also ensures compliance with national and international labour and occupational health and safety legislation in the management of its employees in all countries where it operates.

All issues related to human resources management and the promotion of health and safety in the workplace are overseen by the individual companies of the Group, in line with the values set out in the Code of Ethics. The companies are also engaged in preventing and monitoring the risks on the workplace and must take specific measures to reduce them.

In 2020, in light of the Covid-19 pandemic that affected all Group companies, particular attention was paid to aspects relating to health and safety in the workplace. In particular, all Group companies adopted all the necessary measures for individual protection and to contain the spread of the virus.

In addition, all Group Companies also adopted new operating methods in 2020, in order to ensure the safety of all employees while carrying on business activities. With the exception of the production departments, all employees were offered the opportunity to work remotely and were provided with the necessary tools to do so.

6.2 Professional wellbeing and retention

The Massimo Zanetti Beverage Group is committed to provide its employees with a stimulating work environment which is capable of fostering individual development.

The monitoring of employee satisfaction and the welfare policies, as well as the projects aimed at promoting employee well-being, pertain to the individual companies.

In September 2020, **Boncafé Thailand** signed up for and obtained the level 3 certification under the "White Factory" project, demonstrating commitment to creating a sound working environment, free from drugs and illegal activities. Monitoring of internal resource satisfaction and welfare policies are defined by individual companies, as are projects to promote employee well-being.

At **Meira**, for example, every two years a survey is carried out to measure the level of satisfaction among employees, identify any area that needs improving and get feedback on potential initiatives.

Brodies does not carry out specific surveys to assess staff satisfaction, but regular staff meetings are organised to survey the views of employees.

MZB Iberia, SZ Austria and Segafredo Zanetti Espresso Worldwide Japan conduct annual surveys on the organisational climate, in order to collect feedback from their employees.

Segafredo Zanetti France also conducts periodic surveys of its employees on their quality of life at work and the results are shared and discussed with staff representatives. The company also organised a number of events to promote cohesion and good spirits among employees, and at the end of the year an HR newsletter was prepared for employees to reinforce the feeling of being a part of the company.

After completing its annual performance review, **Boncafé Thailand** introduced a questionnaire designed to assess the level of employee engagement and inclusion, improve internal communication, gather the opinion of employees and highlight the factors required to ensure a good level of engagement within the organisation.

Massimo Zanetti Beverage USA has developed its own programme - **MZB Way To Wellness** - for the promotion of its employees' health. The initiative, started a few years ago and constantly updated, was integrated in 2018 with a programme focused on nutrition issues.

The company also carries out an assessment every year on the satisfaction of its people. The results are then shared with the Senior Management Team and with individual working groups and serve to develop specific action plans, where necessary.



Kauai adopts MZB USA's human resource management programs and procedures, and during 2020 it implemented a new **monthly newsletter** for its employees through which to improve communication and dialogue and promote the MZB Way To Wellness.

During 2020, **Boncafé Thailand** maintained its initiatives such as the **Bon to Bon** newsletter, to improve internal communication, create a sense of social conscience and promote a culture that encourages collaboration between different people.

MZB Brasil is also attentive to the well-being of its employees and over the years it has carried out numerous activities and initiatives, including, for example, agreements with gyms to facilitate and encourage physical activity and group therapy meetings with a psychologist to support employees with psychological difficulties.

SZ Deutschland offers its employees free drinks and organic fruit baskets in its the "healthy workplace program".

In 2020, **Segafredo Zanetti Poland** started to administer questionnaires to employees leaving the Company. This was done with a view to the long term, in the knowledge that knowing the reasons for leaving will make it possible to improve the internal corporate climate, should the reason be linked to aspects that can be influenced by the Company.

In total, 2020 saw a reduction in hires across the Group. As for employees leaving, in 2020 the turnover rate remained unchanged for women and men [GRI 401-1]

Employee hires and leaving across the Group, 2020		Group hires, 2020		Employee leaving, 2020	
		n.	Rate of Turnover	n.	Rate of Turnover
Men	< 30 years old	101	36%	99	35%
	30 ≤ x ≤ 50 years old	159	15%	167	15%
	> 50 years old	40	6%	99	16%
Total men		300	15%	365	18%
Women	< 30 years old	85	43%	107	54%
	30 ≤ x ≤ 50 years old	87	13%	121	18%
	> 50 years old	21	8%	53	19%
Total women		193	17%	281	24%
Total		493	15,6%	646	20,4%

	2018	2019	2020
Rate of recruitment	24,5%	22,3%	15,6%
Rate of turnover	17,7%	20,6%	20,4%

New hires by region	2018		2019		2020	
	M	W	M	W	M	W
Americas (n.)	181	100	143	70	138	66
Rate of recruitment (%)	31.2	38.2	25.9	26.1	22,8	24,4
Asia and Oceania (n.)	142	156	152	157	66	70
Rate of recruitment (%)	31.2	34.6	29.3	31.9	13,8	15,9
Northern Europe (n.)	60	27	49	26	46	32
Rate of recruitment (%)	18.5	16.7	14.9	16	14,2	19,9
Southern Europe (n.)	59	33	85	35	50	25
Rate of recruitment (%)	9.9	12.5	13.6	12.7	8,2	9,0
Rate of recruitment (%)	22,6	27,8	21,2	24,0	14,9	16,8

Leaving by region	2018		2019		2020	
	U	D	U	D	U	D
Americhe (n.)	148	61	162	71	156	88
Rate of turnover (%)	25,5	23,3	29,3	26,5	25,8	32,5
Asia e Oceania (n.)	136	147	131	141	99	124
Rate of turnover (%)	29,9	32,6	25,3	28,7	20,7	28,1
Nord Europa (n.)	1	26	48	31	45	40
Rate of turnover (%)	0,5	16,0	14,6	19,1	13,9	24,8
Sud Europa (n.)	2	25	57	21	65	24
Rate of turnover (%)	0,4	9,5	9,1	7,6	10,7	8,7
Group rate of turnover (%)	14,7	22,8	19,7	22,0	18,1	24,0

Employee hires and leaving by gender, age, region, in n. and %

6.3 Training and development

The focus of the Massimo Zanetti Beverage Group on training requirements, talent development and professional development is reflected in the many training programmes and multidisciplinary courses made available every year by individual companies to employees of all levels.

In the six largest companies of the Group, annual training plans are prepared based on a skill mapping process, aimed at identifying the area where more training is required and setting out specific action plans in those areas. HR departments prepare specific training plans, assigning courses according to the employee category or the tasks carried out. In many cases, the companies offer “open” training plans: in addition to the mandatory training courses, individual employees may decide, sometimes with the agreement of their managers, which courses to attend.

SZ Austria, for example, employs several tools to identify and assess staff development needs. One is the EVA system, which supports the company in identifying areas of expertise that are of great importance to the success of the organisation. In addition, annual evaluation interviews are set up to analyse the results achieved and the growth objectives for the following year. In the coming years, the planning of the Segafredo Academy is also in the pipeline, in line with the company strategy and the aim of positioning SZ Austria as a top workplace.

At **MZB USA**, for example, the training and professional development of employees is supported with the **MZB Way To Learn** programme. The company publishes an annual list of training courses that employees may ask to attend, partly to remedy deficiencies or

strengthen specific areas identified through performance assessments carried out by their managers.



Massimo Zanetti Beverage Iberia also supports professional skills development through a structured performance evaluation system, conducted on a quarterly basis, focusing on diversified parameters, such as leadership, diligence, flexibility, availability, collaboration, organisation, ethics, productivity, quality and technical aptitude.

The training courses organised during 2020 covered different areas and involved various figures. **Brodies**, for example, organised specific courses for those involved in the production phases (including roasting courses, forklift driving courses and first aid courses) and for those involved in sales in cafes. **MZB Iberia** and **Boncafé International** held courses on Hygiene and Food Safety. During 2020, the **Parent Company** organised Excel courses for some employees in the administration, accounting and secretarial functions.

The 2016-2020 sustainability plan of **Segafredo Zanetti France** also provides for a series of actions and objectives aimed at fostering talent and developing skills through training, promoting a culture of

health and safety with actions and prevention campaigns, and finally developing dialogue with employees.

The initiatives adopted by the individual companies in 2020 have resulted in an average number of hours of training per employee equal to 7.4 hours per person, a slight decline on 2019 due to the limitations imposed by the Covid-19 pandemic and reduced presence at sites and plants. [GRI 404-1]

Training, broken down by gender and job classification, in hours

Training by category	2018	2019	2020
Training provided to Managers and Executives	4.831	5.520	4.284
Training provided to white collar staff	10.047	13.428	6.593
Training provided to blue collar workers	18.108	14.670	12.422
Training by gender	2018	2019	2020
Training provided to women	11.369	11.948	8.518
Training provided to men	21.612	21.671	14.781
Average training per employee	11,0	10,4	7,4
Average training – women	10,0	10,0	7,4
Average training – men	11,1	10,7	7,3

Average training hours were calculated based on total employees at 31/12 of the reference year; this therefore creates a distortion in the categories' averages, and for this reason, the totals were not added up.

6.4 Employee performance assessment

Many Group companies, both at production and trading level, have adopted structured performance assessment systems for their employees.

During 2020, **Boncafé Thailand** introduced a new Strategic Performance Management System which - as well as being more accurate than the previous system - makes it possible to integrate ability evaluations, individual career development plans, KPI monitoring related to company's core values and performance reviews for each employee.

In general, similar systems have been adopted in Asia. **Massimo Zanetti Beverage Vietnam** has developed special KPIs for the different corporate areas, while **Boncafé Malaysia** has implemented an annual performance assessment system based on the KRA (Key Results Area). Two years ago, **The Bean Alliance** - which was acquired in 2019 - adopted a performance assessment system featuring a self-assessment employee questionnaire and feedback from two colleagues or managers. Once the first phase is completed, the employee is invited to a meeting to evaluate their performance in achieving objectives and results.

In South America, **Distribuidora Café Montaña** uses an employee performance assessment system that, every 6 months, assesses key skills such as quality of work, ability to meet deadlines, creativity and initiative and achievement of pre-set targets. Meanwhile, at Brazilian subsidiary **Segafredo Zanetti Brazil**, a regular performance assessment is carried out according to objective criteria.

Boncafé International assesses the performance of its employees twice a year, through direct interviews with staff, culminating in the formalisation of the assessments in standard performance evaluation forms. Salary adjustments, promotions and bonuses are based on the evaluation obtained.

Boncafé Middle East has adopted a performance evaluation system on an annual basis. The evaluation is carried out with the support of a special form that allows to assess the employee in four main areas: performance achieved, value added, deficiencies highlighted and possible areas of improvement.

During 2020, **SZ Poland** revamped the way in which employees are evaluated. In particular, the system for setting individual targets for employees was modified: the managers of all departments have now become responsible for setting KPIs for each individual employee and they are responsible for monitoring performance on a quarterly basis.

Segafredo Zanetti Deutschland assesses the performance of its employees on an annual basis, through staff interviews, carried out on the basis of internally established guidelines.

The Bean Alliance is currently using a self-assessment questionnaire to evaluate employees. Following completion of the questionnaire, each employee receives feedback from two work colleagues or line managers. Once these two steps are completed, an interview takes place.

6.5 Diversity and equal opportunities

The multinational context in which the Group operates, and the strong diversity of its employees have led the companies of the Group to launch targeted initiatives.

Massimo Zanetti Beverage USA, for example, has detailed its commitment to diversity, transparency and the effective operation of its organisation in a series of policies on equal opportunities, selection practices, and the recruitment and promotion of talent. Furthermore, the US company has set out three key areas for people management: health and safety, community support and the creation of a shared company culture.

With its **Equal Opportunities Plan**, meanwhile, **Meira** aims to encourage and improve gender equality in order to avoid any type of discrimination through high-level objectives and guidelines.

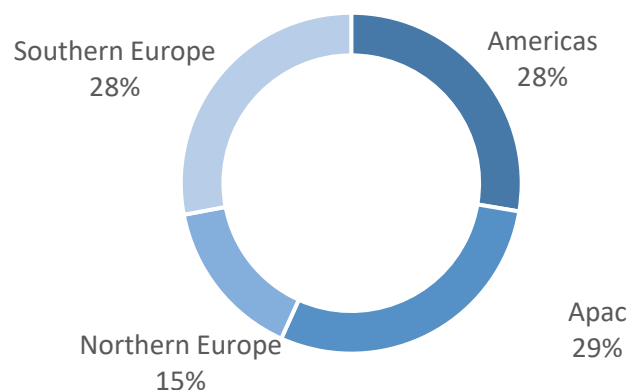
Lastly, as testimony to their commitment to protect and promote diversity and recognise the personal qualities of individuals, **Segafredo Zanetti France** signed more than ten years ago the **Charte de la Diversité** (<http://www.charte-diversite.com>), a voluntary initiative by some French companies to promote all forms of diversity.

During 2020, **Boncafé Thailand** began to collaborate with the Social Innovation Foundation with the aim of integrating people with disabilities into the workplace. The project is scheduled to start in earnest in January 2021.

In 2020, **Boncafé International** also made its commitment official by signing an agreement with government authorities aimed at guaranteeing fair employment practices, from selection, which must take place on the basis of merit, to guaranteeing equal opportunities for training and development, in line with each employee's potential.

Finally, newly acquired company **The Bean Alliance** constantly monitors the composition of work teams to ensure a gender balance is maintained, promotes initiative and a broader culture that encourages the presence of females in leadership roles and makes efforts to build a working environment that makes it possible to juggle work and family.

At the end of 2020, the employees of Group companies falling within the scope of this Non-Financial Statement totalled 3,164. Compared to 2019, also Café Pacaembu, merged in MZB Brasil, entered the perimeter with its 106 employees. The geographic distribution of the workforce in percentage terms is shown in the chart below. The main distribution in geographic terms is in Europe (43%), followed by Asia and the Americas. [GRI 102-8].



Employees by type of contract and gender, number

Permanent contract		2018	2019	2020
Permanent contract employees	Men	1.770	1.866	1.903
	Women	984	1.037	1.031
Full-time	Men	1.749	1.823	1.871
	Women	916	961	970
Part-time	Men	21	43	32
	Women	68	76	61
Total permanent contract employees		2.654	2.754	2.934
Temporary contract		2019	2019	2020
Total temporary contract employees	Men	182	158	111
	Women	153	159	119
Full-time	Men	129	110	84
	Women	60	61	47
Part-time	Men	53	48	27
	Women	93	98	72
Total temporary contract employees		335	317	230
Total employees (temporary and permanent contract)		3.089	3.220	3.164

Most employees had a permanent contract (93%) and, among these, the vast majority was working full-time (97%). In 2020, men employee accounted for 63.7% of the workforce, basically unchanged with respect to 2019 (when the percentage was 62.9%). [GRI 405-1]

In 2020, 45% of the Group's employees are covered by collective bargaining agreements. [GRI 102-41]

Employees by type of contract, gender and geographical area for 2020, number

Permanent contract		Americas	Apac	Northern Europe	Southern Europe
Full-time	Men	573	436	299	563
	Women	258	350	124	238
Part-time	Men	3	13	3	13
	Women	11	13	16	21
Permanent contract employees	Men	576	449	302	576
	Women	269	363	140	259
Permanent contract		845	812	442	835
Temporary contract		Americas	Apac	Northern Europe	Southern Europe
Full-time	Men	28	6	21	29
	Women	2	10	17	18
Part-time	Men	0	24	0	3
	Women	0	68	4	0
Total temporary contract employees	Men	28	30	21	32
	Women	2	78	21	18
Total temporary contract employees		30	108	42	50
Total employee (permanent and temporary contract)		875	920	484	885

Employees by type of contract and gender, number

Employees percentage by type of contract, gender and age	2018		2019		2020	
	M	W	M	W	M	W
Directors	69%	31%	69%	31%	67%	33%
< 30 years old	0%	0%	0%	3%	1%	0%
30 ≤ x ≤ 50 years old	46%	73%	39%	72%	43%	79%
> 50 years old	54%	27%	61%	24%	55%	21%
Managers	59%	41%	59%	41%	59%	41%
< 30 years old	2%	2%	2%	2%	3%	1%
30 ≤ x ≤ 50 years old	53%	82%	52%	80%	52%	78%
> 50 years old	45%	16%	45%	18%	45%	21%
White collar staff	56%	44%	50%	50%	51%	49%
< 30 years old	16%	18%	13%	20%	11%	19%
30 ≤ x ≤ 50 years old	62%	57%	62%	58%	61%	58%
> 50 years old	22%	25%	24%	23%	28%	23%
Blue collar workers	70%	30%	74%	26%	75%	25%
< 30 years old	20%	31%	21%	27%	18%	23%
30 ≤ x ≤ 50 years old	50%	47%	49%	45%	52%	49%
> 50 years old	30%	23%	30%	28%	30%	29%

M: men W: women

6.6 Health and safety in the workplace

Safety in the workplace, employee health and maintenance and improvements to working environments have always been guiding principles for the policies of companies belonging to the Group, particularly as regards production companies.

Among the most virtuous examples in the Group, Segafredo Zanetti Italia has adopted a Health and Safety management system, supported by regular risk assessments and suitable corporate procedures. Every six months, the company also undergoes audits by customers on health and safety issues, and internal audits by the Supervisory Board of the Group. On the basis of these audits, a report is drafted, from which a plan of improvements in the Health & Safety area is developed.

Among the most virtuous examples in the Group are **Segafredo Zanetti Italia** and **La San Marco**, which have adopted a health and safety management system, supported by regular risk assessments and suitable corporate procedures. Every six months SZ Italy also undergoes audits by customers on health and safety issues, and internal audits by the Supervisory Board of the Group and appointed managers. It is from these checks that risks and procedures for improvement in the Health & Safety area are identified. La San Marco, which has had a QHSE Manager since 2016, is now certified according to **ISO 45001: 2018** (Occupational Health and Safety Management Systems). The management system adopted covers all workers and all activities.

Brulerie, in collaboration with the French association "Health in Work", annually verifies compliance with the regulatory requirements on health and safety in the workplace, and each quarter subjects the

production sites to an audit by a control body that reports on any non-compliance found and suggests possible aspects for improvement.

To monitor health and safety issues, **Meira, Boncafé Thailand, Café Montaña e Kauai** created Health and Safety Committees, chaired by an external Safety Manager, who coordinates the activities and processes of the company from a health and safety point of view and prepares a risk assessment report.

Various Group companies, such as **Meria, Boncafé Thailand, Café Montaña** and **Kauai**, have established **Committees** to coordinate health and safety management activities. Specifically, the committees are made up of managers, employee representatives and, in some cases, external professionals, and they monitor the risks and dangers characteristic of the activities carried out, identify the most appropriate measures to minimise and/or to eliminate them and serve the point of reference for workers for any doubts and/or reports on the subject. In the case of **MZB Iberia**, the company is supported by an external consultant in the management of aspects related to health and safety at work, who produces reports in which all the risks related to the different company functions are identified.

Other companies, such as **Brodies, Meira, Boncafé Malaysia, MZB Vietnam, Boncafé International** and **Segafredo Zanetti France**, have established specific **internal policies and procedures** addressed to all employees.

All aspects of occupational health and safety are regulated by **Meria** through a specific Occupational Safety and Health Action Policy, which is required by law in Finland, and which also contains the investigative procedures to be followed should an accident occur. The policy drafted by **MZB Vietnam** has also been developed to ensure compliance with local regulations and contains risks and

specific metrics to monitor performance and then set targets for continuous improvement.

MZB Brasil does not have a specific policy for the management of aspects related to health and safety in the workplace. However, it draws up two documents annually: The Medical Control and Occupational Health Program and the Environmental Risk Prevention Program, which make it possible to analyse the existing risks and identify the appropriate preventive measures.

In 2020, **SZ France** launched a process to identify **occupational risks** and a special **tool** was implemented to define preventive, monitoring and improvement actions to be implemented and assign the relative priority. The Action Plan to be implemented for the following year is defined based on the results of this tool.

As a further example, **Massimo Zanetti Beverage USA** has drawn up an internal program based on the requirements of OSHA (Occupational Safety and Health Administration), which provides for a risk assessment process divided into five phases. MZB USA has also

ATTENTION TO EMPLOYEES THAT EXTENDS BEYOND THE WORKPLACE

KAUAI COFFEE offers employees the option of an annual **flu shot** to help combat the incidence of the flu. In 2021, they intend to offer employees assigned as first responders the Hepatitis B vaccination to ensure protection from blood-borne pathogens.

implemented specific policies, compliance with which is monitored by Safety Committees at each site.

In line with the provisions of the General Accident Insurance Fund (AUVA), which provides guidance on occupational health care, **SZ Austria** has an **occupational physician** available for consultation by all employees. As evidence of the importance attributed to these

aspects, the company also signed the **BGF Charter** in 2020, committing itself to the promotion of health and safety at work and to the implementation of a specific improvement plan.

As far as **training** is concerned, all Group companies actively raise the awareness of their staff with regard to health and safety procedures and fulfil their training obligations as required by law. For example, **Brodies**, which has certified first-aid personnel at all sites, delivers regular refresher training to ensure compliance with local regulations. **Boncafé Thailand** provided numerous training courses during the year, including "Occupational safety", "Health and work environment of the workplace for all workers", "Training First Aid & AED Course" and "Training Basic Fire Fighting", and it is planning to implement the "Zero Accident Activity" campaign aimed at reducing workplace accidents to zero. At the same time, a "**Near Miss Report Activity**" will be implemented, inviting all workers to report any event that could have caused an injury or damage. The initiative is designed to help workers identify risk events and prevent serious accidents.

Puccino's, Segafredo Zanetti Poland, SZ Deutschland, SZ Australia, Boncafé Middle East, The Bean Alliance, Segafredo Zanetti Espresso Worldwide Japan, SZ Coffee System and TikTak do not have a structured system for managing aspects relating to the health and safety of their workers; however, all companies have adopted specific prevention measures, in compliance with the legal requirements of their Countries.

Puccino's, for example, has assessed the risks present and employees have a channel to report any actual or potential dangerous situations, as well as medical insurance. Similarly, **TikTak**, has carried out an inventory and assessment of existing risks, in compliance with legal requirements, and uses an external company to provide assistance to its staff and to record and manage any accidents.

Segafredo Zanetti Poland planned activities and measures based on the results of the risk assessment carried out in the occupational area, according to a nationally recognised standard, and on the existing legal requirements on health and safety. Some of the procedures adopted relate to specific training and measures to be followed when an accident, occupational disease or near miss occurs. The Regulations in force in the Country are applied when investigating work-related accidents and incidents, based on the TOL principle to identify the root cause. The theoretical basis of the TOL method is the assumption that every occupational accident occurs due to technical (T), organisational (O) or labour (L) causes.

With regard to the occupational health and safety of workers, the rate of workplace accidents decreased in 2020 as days of employee absence rose. The analysis of these data shows that, with regard to the internal production of the Group, there were only minor accidents (e.g., injuries, abrasions, sprains) that in some cases did not result in days of absence from work. Despite the inclusion of a new company within the 2020 scope, the hours worked by the Group also fell due to the limitations imposed by the Covid-19 pandemic. In addition, during the three-year period, there were no deaths as a result of accidents at work or accidents with serious consequences, either for employees or contractors. [GRI 403-9]

As regards employee health and safety, in 2020 the rate of frequency of injuries to employees decreased as a result of improved controls. This resulted in an overall decrease in numbers of injuries of around 31%. The analysis of these data shows that, with regard to the internal production of the Group, there were only minor accidents (e.g. cuts, scratches, sprains) that only in a few cases resulted in lengthy

absences from work. During the three-year period, no employee deaths resulting from work-related injuries were recorded. The rate of frequency of work-related injuries among contractors in 2019 was 12.6. [GRI 403-9]

Work related injuries³

EMPLOYEES	2018	2019	2020
Deaths following occupational accidents	0	0	0
Occupational accidents with days of absence	80	55	40
<i>of which, with serious consequences</i>	0	3	0
Other occupational accidents	-	-	22
Total occupational accidents	80	55	62
Days of absence due to recordable occupational accidents	735	1.875	1.710
Hours worked	4.571.058	5.943.821	5.852.629
Commuting accidents	6	5	10
Rate of death following occupational accidents	0,00	0,00	0,00
Rate of occupational accidents with days of absence	17,5	9,3	6,8
Rate of TOTAL occupational accidents	17,5	9,3	10,6
Rate of occupational accidents with serious consequences	0,00	0,50	0,00

OTHER WORKERS	2018	2019	2020
Deaths following occupational accidents	0	0	0
Occupational accidents with days of absence	2	2	3
<i>of which, with serious consequences</i>	0	0	0
Other occupational accidents	-	-	2
Total occupational accidents	2	2	5
Days of absence due to recordable occupational accidents	60	4	54
Hours worked	346.997	159.464	181.813
Commuting accidents	0	0	0
Rate of death following occupational accidents	0,00	0,00	0,00
Rate of occupational accidents with days of absence	5,8	12,5	16,5
Rate of TOTAL occupational accidents	5,8	12,5	27,5
Rate of occupational accidents with serious consequences	0,00	0,00	0,00

³ In order to further comply with the requirements of GRI 403-9, the manner in which the 2018 and 2019 data is presented has been updated.

7. PRODUCTS AND CLIENTS



The Massimo Zanetti Beverage Group recognises the responsibility it has to constantly improve processes and products, in order to guarantee the highest standards and to exceed client expectations while at the same time respecting the environment and future generations.

The mission of MZB, as set out in the Code of Ethics, signed by all companies in the Group, is to **satisfy market needs by providing quality products and services while upholding the ethical values of integrity, honest, transparency and competition** and committing to doing so in full compliance with national and international regulations and legislation.

Ensuring the quality of products is crucial when it comes to being competitive in the market, particularly in the food sector. Quality can be defined as a dynamic concept which brings together a range of different factors such as food safety, the traceability of raw materials and products, communication with clients and the ongoing improvement of internal company processes.

Product quality across all markets is the fundamental principle behind everything MZBG does. For the Group, quality isn't just about providing products that adhere to the international standards - it's also about optimising internal processes, integrating the customer perspective into every business activity and adopting an approach based on constant improvement and constant co-operation with suppliers, which is key to guarantee the observance of regulatory standards and self-regulations.

MZB's commitments are implemented on a local level by the individual companies belonging to the Group through specific quality and food safety policies, which enable us to adapt to specific market requirements. More specifically, in the bigger companies, our quality and food safety policies are implemented through procedures set out as part of management systems certified according to international protocols.

In this context, the quality management activities of Massimo Zanetti Beverage Group focus on **protecting the quality and safety of the product** throughout the value chain, **listening and communicating**

with customers and consumers and ongoing work in product and process innovation.

At the central level, the Group guarantees that all companies operate in compliance with locally applicable regulations in terms of quality and safety and – wherever possible – with the more advanced guidelines and standards on the market. Special departments within the Group's individual companies are responsible for ensuring the quality and safety of products, as well as the efficient management of the relations with customers and consumers in every stage of the production cycle.

Innovation is an integral part of the Group's quality approach, with the aim of developing products that use more and more socially and environmentally sustainable materials and processes. Every year, market trends prompt Group companies to launch new products to meet the requirements and tastes of even the most demanding consumers, according to the different characteristics of the local markets, in accordance with quality, safety and sustainability requirements.

7.1 Client focus

Constant engagement with stakeholders by every company in the Group is a key factor in achieving objectives designed to ensure client and customer satisfaction and allow us to exceed their expectations. The operating companies listen to the requirements of customers and consumers, communicate with these and provide customer support services. Through their internal procedures and management systems, they also monitor customer satisfaction and the resolution of any request or complaint.

In order to guarantee responsible and transparent communication towards our stakeholders, we use a number of channels to provide exhaustive and clear commercial information. Companies involved in production activities take particular care over the information shown on packaging and in terms of ensuring compliance with European labelling legislation. Details are provided on the producer, distributor and the storage methods; with the introduction of EU Regulation No. 1169/2011, the presence of possible allergens is included, with the nutritional information and preparation methods for the product.

As regards commercial communication, during 2020 there were no warnings relating to product non-compliance within the Group, apart from two warnings regarding labelling of product which were immediately resolved by the Group companies involved. [GRI 417-2] [GRI 417-3]

Supported by their quality management systems and policies, the largest companies of the Group have adopted a structured approach to customer care and customer satisfaction, which include the presence of dedicated communication channels, the monitoring

of special indicators to measure customer complaint trends and improvement initiatives defined within targeted annual plans.

In terms of client and customer satisfaction monitoring in the post-sales phase, companies adopt different approaches based on the specific nature of the markets served. **Segafredo Zanetti France**, **Boncafé International**, **Kauai Coffee and Distribuidora Café Montaña**, for example, undertake regular client satisfaction surveys using questionnaires. The results are processed to identify problem areas and improve processes. In Finland, **Meira** has widened the number of communication channels, recording consumer feedback through phone interviews, emails, corporate website and also through its official profiles on the social networks.

La San Marco assesses the satisfaction of its customers indirectly by analysing data from the sales department and the complaints registered. **Puccino's** evaluates the satisfaction of its customers through social media and by administering questionnaires to customers in the store. **SZ Australia** monitors the satisfaction of its customers by sending out a satisfaction questionnaire following the performance of coffee machine maintenance services.

In 2020, **MZB Iberia** also conducted its annual customer loyalty analysis and analysed how many of the customers who made purchases in 2020 had also done so in 2019. The analysis determined that the customer loyalty rate is 71%.

Every year **Boncafé International** monitors the satisfaction of its customers by administering them a "customer satisfaction form". The results recorded in 2020 were more than positive. The overall score obtained was 4.75/5, while the timeliness of product delivery was rated 4.68/5 and finally the accuracy of delivery content recorded a score of 4.71/5.

Segafredo Zanetti Poland, like other Group companies (e.g. **SZ Italy**), has implemented initiatives aimed at promoting the culture of coffee and quality among customers and consumers and improving the overall coffee experience. Through its **Coffee Art Masters** webpage, for example, users can register and participate in online barista courses.



Also in 2019, **Segafredo Zanetti Poland** launched the **Home Barista** programme, a specialist three-hour training course for consumers who wish to expand their knowledge of how to correctly prepare coffee at home, using premium products from the **Selezione** line.

RE-LAUNCH OF BLOGS TO KEEP COMMUNICATION WITH CUSTOMERS ALIVE: THE BEAN ALLIANCE GROUP'S CHOICE

Given the importance Bean Alliance Group gives to **communication** and **dialogue** with its customers, a number of channels were re-launched during 2020 to cultivate relationships with existing customers and connect with possible new consumers.

Bean Alliance Group decided to **enrich the contents of the blogs** present within its online sales channels, in order to tell the detailed **story of its products** and its organisation, and to explain the **positive impacts** of a **conscious purchasing**.

This is aligned with Bean Alliance Group's goal of making consumers more aware and guiding them in their more responsible purchasing choices.





7.2 Research and development

The Massimo Zanetti Beverage Group is constantly committed to promoting a culture of innovation and research into new products within the individual companies. For the Group, innovation means paying particular attention to new market needs, especially those concerning sustainable development and responsible business practices. Therefore, as an international player in the coffee sector, the Group's goal, through the implementation of the Quality Policy, is to continuously improve the Group's products, services and processes through technology and the development of innovative solutions, while also guaranteeing environmental protection and social development.

Unlike customer satisfaction activities, which are mostly managed locally by individual companies, research and development projects, and product innovation in particular, can be managed centrally by the parent company, in collaboration between the departments responsible for Group companies and in partnership with external parties, such as suppliers and universities.

In general, the innovation process for the various Group companies begins with analysis and market research into new trends and consumer needs and the need to adapt to new regulations concerning the use of more sustainable materials.

At **Massimo Zanetti Beverage USA**, as at other Group companies, the innovation process is initiated by the Marketing and Sales departments, which, starting from market studies and the main trends identified, identify new products capable of meeting the expectations of current and potential future customers. A creative session involving various business functions was organised during 2020,

resulting in the development of 460 innovation ideas. All the suggestions received were selected by the marketing department and 24 of them were submitted for consumer evaluation. Sometimes, the request for innovative solutions may come to Group companies directly from the customer. The American subsidiary **Massimo Zanetti Beverage USA**, for example, also receives requests for innovation from large-scale retail customers, and such requests are handled directly by the research and development department. The innovations developed are monitored through the preparation of a performance matrix and the achievement of specific targets.

At **MZB Iberia**, the Quality and New Product Development department works closely with the marketing area and the purchasing/industrial planning department. It is only the synergy between the different company departments that makes it possible to create a new product, based on the satisfaction of specific technical requirements, the search for the right suppliers and the construction of a coherent, effective image. During 2020, the company developed several new products and innovative packaging solutions. Some of these projects were also carried out in partnership with other Group companies.

Segafredo Zanetti France also started production of a new coffee line during 2020: Intermezzo Bio.

Other Group companies, such as **Meira**, have set performance indicators to monitor the number of projects that pass the multiple approval steps and that are considered true innovation projects. Starting in 2021, Meira will participate in the three-year **LCA-foodprint-harmonizing project** sponsored by the Finnish Natural Resources Institute (Luke).

A considerable number of new sustainable Group products was also created, accounting for about 30% of the total new products created

in 2020. This percentage includes the creation of certified products (e.g., RFA certified green coffee, Fairtrade, Utz).

One of the main directions of innovation promoted by the Group is to create a new sustainable packaging using only totally recyclable materials.

In the last two years – 2019 and 2020 – **Segafredo Zanetti SpA** has been actively engaged in experimenting with new types of recyclable plastic packaging, achieving a 50% reduction in non-recyclable packaging in 2020.

During 2020, **SZ Coffee System** successfully completed a number of capsule-related research projects, including compostable hard capsules and compostable and organic soft capsules, made with biodegradable primary packaging.

Brodies is developing a project aimed at creating more environmentally friendly packaging. Specifically, it aims to develop 100% plastic-free tea bags by the end of 2021. The R&D department of **Brulerie** also developed new aluminium-free packaging (NATURA).

In November, **Segafredo Zanetti France** began production of new packaging for the San Marco Bio line, which will be made from 100% of its recycled and recyclable primary packaging, without aluminium. The new products will be launched in early 2021.

La San Marco has a research and development department that aims to design new machines that are increasingly safe, easy to use and in line with the latest technological innovations.

In the year of its centenary, La San Marco introduced **20/20 Plug&Play**. Designed for the lovers of quality espresso who want a professional extraction, even when not at a coffee shop, Plug&Play combines small dimensions with professional performance. Versatile and easy to handle, the small single-unit semiautomatic is a distillation

of precision and refined technology, encased in a compact design with a strong personality. The model is part of the collection of machines of the same name, 20/20, designed by Bonetto Design.



In 2020, **La San Marco** also launched a new high-end electronic model: D. Automotive-inspired design and cutting-edge technology mark this new champion, capable of providing the most demanding baristas with personalised extraction and top-level performance. The new automatic coffee machine allows baristas to set all the operating parameters that influence the production of steam and coffee. This technology further improves control over coffee quality and monitoring of energy consumption.

RESEARCH AND DEVELOPMENT ACTIVITIES BEYOND THE PRODUCT

The research and development activities carried out by the Group were not limited to products, but also included the consumer experience. In 2020, **Segafredo Zanetti Robocup Café** was launched: the **first fully robotic 24-hour self-service coffeehouse**, in the Chinese city of Shenzhen, a well-known hub for computing and artificial intelligence services in the Country.



Segafredo Zanetti Robocup Café offers a fully automated café experience, where customers can order through a touchscreen menu or from their mobile phone via an app. The innovative coffeehouse represents a historic achievement for **Segafredo Zanetti, the first Italian brand able to offer coffee through a fully automated system**, which also includes a system for closing the cup in a protected environment, to guarantee the highest safety standards. Finally, thanks to the use of electronic payment systems and QR codes, customers can enjoy an authentic Italian coffee with peace

of mind. Robocup Café is the result of a partnership with Robocup China.

The minimalist design and the use of natural materials make for a welcoming, pleasant ambiance, ideal for a perfect coffee break with Robocup-Segafredo.

7.3 Quality, safety and product certifications

The monitoring of food safety and quality is extended to all activities throughout production process: from the plantations to the arrival of the green coffee in the plants and the marketing of the finished product. Even before receiving the batch of green coffee from their suppliers, the production company team specialised in monitoring compliance with quality standards and the physical and flavour characteristics of the raw material carries out an initial check on a sample of green coffee. The practice of "coffee cupping", involving the reproduction in the laboratory of the phases of the production process, makes it possible to test the finished product before the entire batch of coffee is produced and marketed. The specialist adopts a practice that allows the immediate perception of aromas and thus evaluates the aspects of the coffee's taste, in particular body (texture or mouthfeel, such as oiliness), sweetness, acidity, flavour and aftertaste.

Once the shipment of the entire batch of green coffee has been approved, we proceed with the initial documentary analysis for acceptance of the incoming raw material. This verification is accompanied by a laboratory analysis to verify the coffee's characteristics and properties. During coffee roasting, a sample is

taken for an organoleptic and physical test through roasting, to assess, among other things, the colour of the roasted coffee and the moisture level; the latter parameters are monitored throughout the grinding stage. During packaging, lastly, the compliance of the packaging in terms of weight and labelling is verified and sampling controls are carried out on product batches.

The main production companies – **Segafredo Zanetti France, Segafredo Zanetti Italia, Café Montaña, Meira OY, Massimo Zanetti Beverage Iberia, La San Marco and Boncafé International** – have adopted a quality management system certified to ISO 9001:2015 standard, which stipulates the definition of responsibilities and controls aimed at ensuring the achievement of key objectives and supporting product quality and customer service, by optimising internal processes. These systems help companies pursue continuous improvement by adequately addressing any cases of non-compliance through targeted corrective actions.

MZB Brasil has ISO 9001:2015 certification for one of its production sites and it is in the process of implementing the necessary systems and procedures to obtain certification at a second plant.

In 2020, **Boncafé Thailand** implemented almost all the requirements of ISO 9001:2015. However, it has not yet undergone third-party certification.

Massimo Zanetti Beverage USA, the Group's largest company in terms of production volumes, does not have a management system certified to ISO standards. Product quality and safety have, however, been given a pivotal role in the production process, as testified by its quality manual, which is constantly updated and improved. In addition, since 2018, a "**Quality Assurance**" role has been established, with responsibility for supervising and optimising all company processes concerning product and process quality with the aim of

standardising them thanks to the implementation of a single **Quality Program** that includes all production sites.

In order to guarantee the safety of its products and to comply with the highest quality standards, **Segafredo Zanetti Italia carries out additional controls beyond those required by law** on raw coffee before it goes into production and additional sampling after the roasting phase to verify the conformity of the finished product with its quality and safety requirements. Furthermore, the creation of *ad hoc* management systems for the Group's production plants allows individual companies, such as **SZ Italy**, to **monitor all phases of coffee processing, guaranteeing traceability**.

In order to further increase the quality level of its products, in the next few years **SZ Austria** is planning to set up a laboratory solely dedicated to coffee tasting during production. **SZ Poland** is developing a cup tasting team to design better tasting products with the same goal in view.



Certification standards and certified companies		
IFS Food Certificate	Unified standard for certifying the safety and quality of food products	<ul style="list-style-type: none"> - Massimo Zanetti Beverage Brasil - Segafredo Zanetti Austria GmbH - Segafredo Zanetti Francia S.A.S. - Segafredo Zanetti S.p.A. - Massimo Zanetti Beverage Iberia S.A. - Segafredo Zanetti Poland sp. z o.o - TikTak
British Retail Consortium	Global standard for food and agriculture safety	<ul style="list-style-type: none"> - Massimo Zanetti Beverage Brasil - Segafredo Zanetti S.p.A. - Massimo Zanetti Beverage Iberia S.A.
Food Safety System Certification 22000	Food and agriculture safety standard for production processes throughout the supply chain	<ul style="list-style-type: none"> - Distribuidora Café Montaña S.A. - TikTak/Segfredo Zanetti Nederland BV - Massimo Zanetti Beverage Vietnam Company Ltd
Safe Quality Food	Food sector safety standard throughout the supply chain	<ul style="list-style-type: none"> - Massimo Zanetti Beverage USA Inc.
Non-GMO Project	Certification that coffee has been grown without the use of Genetically Modified Organisms	<ul style="list-style-type: none"> - Kauai Coffee Company LLC
Supplier Quality Management System	Quality management system for suppliers of food products	<ul style="list-style-type: none"> - Segafredo Zanetti S.p.A. - Segafredo Zanetti Francia S.A.S.
Hazard Analysis and Critical Control Points	European food hygiene safety certification	<ul style="list-style-type: none"> - TikTak - Segfredo Zanetti Nederland BV - Massimo Zanetti Beverage Vietnam Company Ltd - Boncafé International Pte Ltd - Massimo Zanetti Beverage Iberia S.A. - Kauai Coffee Company LLC - Boncafé (Thailand) Ltd - The Bean Alliance
Good manufacturing practice	Certification guaranteeing the integrity of the food production process and compliance with food safety regulations	<ul style="list-style-type: none"> - Boncafé (Thailand) Ltd
Safe and Local Supplier Approval	UK certification guaranteeing compliance of products with food safety regulations	<ul style="list-style-type: none"> - Brodie Melrose Drysdale & CO Ltd.

The MZB Group's food safety certifications

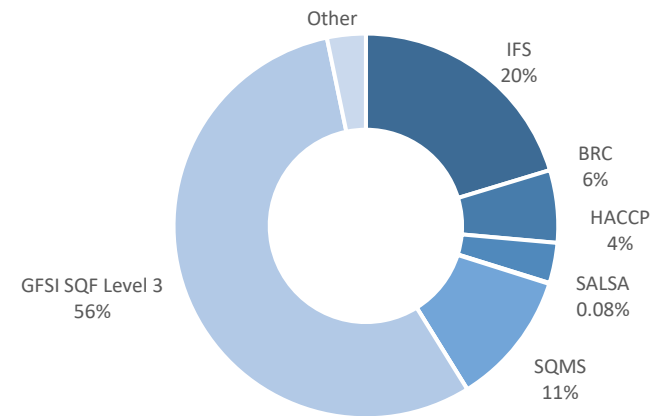
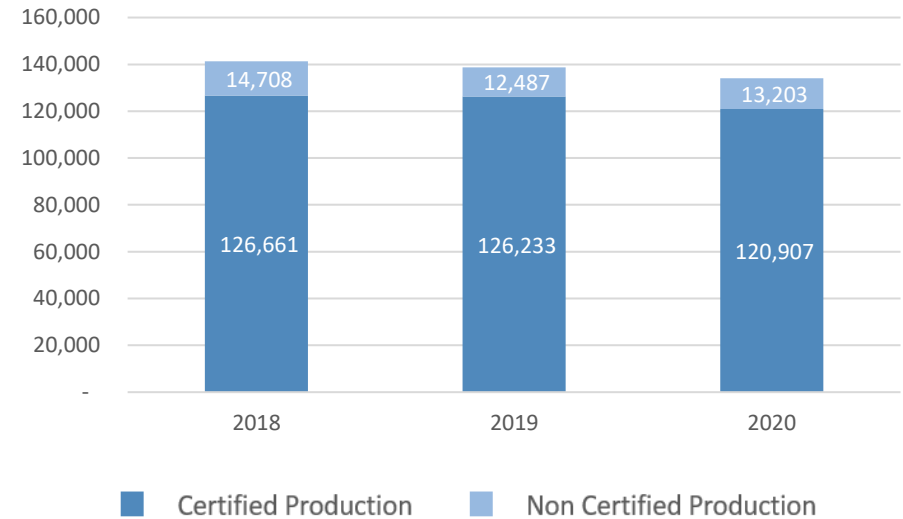
The different companies of the Group have adopted specific procedures and certifications, according to legal obligations and market demands, in particular with regard to food safety and the private label segment. The previous table sets out the main voluntary certifications adopted by the various companies belonging to the Group.

In order to maintain the certifications obtained, all companies constantly monitor the various production phases and have compliance with standards certified by officially recognised certification bodies.

In 2020, 90% of the coffee of the Massimo Zanetti Beverage Group was produced at sites certified according to one of the food safety standards listed above, in line with the level recorded in the two previous years. Certified production is subdivided between the different standards shown in the chart below.

In 2020, 90% of the coffee of the Massimo Zanetti Beverage Group was produced at sites certified according to one of the food safety standards listed above, in line with the two previous years. Certified production is subdivided between the different standards shown in the chart below. [GRI FP5]

Certified production, in respect of the total and by standard, in tonnes



7.4 The Group quality policy

In 2020, all Group companies were required to adopt and comply with the guidelines defined within the Quality Policy, which was developed during 2019.

Companies had to comply with its provisions and also shared the Policy with their major suppliers for optimal results.

During 2019, the five biggest companies in the Group in terms of economic size and impacts generated - Massimo Zanetti Beverage USA, Segafredo Zanetti S.A France, Segafredo Zanetti Italia, Meira and Boncafé International - came together to explore the issues of quality, food safety, traceability, product and process innovation and client and consumer satisfaction.

For each of these areas, the Group produced guidelines with the aim of pursuing shared objectives and standardising company practices by sharing existing best practices, while at the same time acknowledging the intricacies of each individual company in the Group.

The Group's **Quality Policy** has the objective of formalising the Massimo Zanetti Beverage Group's commitment to:

- Guaranteeing quality, safe products
- Adopting business practices designed to increase client satisfaction
- Promoting innovative solutions



Moreover, the Quality Policy aims to regulate aspects such as **innovation, food certification and traceability** and the **importance of consumers** on a Group-wide basis.

INNOVATION

- Innovating to anticipate consumer expectations and improve internal processes
- Innovating to guarantee sustainable growth

FOOD CERTIFICATIONS AND TRACEABILITY

- Guaranteeing product safety across all Group activities and throughout the supply chain
- Monitoring, measuring and improving company processes
- Ensuring elevated quality and coffee traceability standards

IMPORTANCE OF CONSUMERS

- Constantly engaging with clients and consumers
- Exceeding consumer expectations

Those figures responsible for quality management at the individual companies, and indeed all Group employees, must monitor and guarantee the implementation of these criteria and the pursuit of these objectives. Finally, the Quality Policy states that each company in the MZB Group must undertake analyses and checks throughout the supply chain, in order to ensure that obligatory requirements are respected, via site visits, self-assessment questionnaires and/or external audits.

8. THE VALUE CHAIN



The Massimo Zanetti Beverage Group believes in promoting a culture of sustainability through an open dialogue with its stakeholders, in order to ensure continuous, shared improvement.

8.1 Responsible procurement and traceability

The Massimo Zanetti Beverage Group's mission has always been "to make consumers all over the world love quality coffee, ensuring that sustainable values are fully protected".





As such, the Group's commitment to developing trusted relationships with its suppliers, with whom it shares the same level of responsibility for achieving increasingly sustainable targets, is of fundamental importance.

The importance of giving visibility to the coffee journey - from bean to cup - has made it increasingly necessary to adopt systems which ensure **complete traceability of raw materials** throughout the supply chain. As well as increasing trust among consumers, by guaranteeing quality and food safety, these systems also enable us to optimise and increase the efficiency of the activities carried out by various players throughout the supply chain, as well as improving communication and the quality of information.

Green coffee certification, according to the various internationally recognised sustainability standards, is an illustration of control over sustainability matters throughout the entire supply chain



Certifications and certified companies

	<p>Organic - Certification standard for raw agricultural materials which guarantees that they come from supply chains where the principles of organic cultivation are respected. For companies operating in Europe, the regulations that formally set out the characteristics of organic cultivation are defined by EU legislation, while in USA this is done by the National Organic Programme (NOP).</p>	<ul style="list-style-type: none"> - Massimo Zanetti Beverage USA - TikTak - Segafredo Zanetti Nederland - Segafredo Zanetti Poland - Segafredo Zanetti S.p.A. - Distribuidora Café Montaña - Massimo Zanetti Iberia - Segafredo Zanetti S.p.A. - Brulerie des Cafés Corsica - The Bean Alliance - Segafredo Zanetti France
	<p>Fairtrade - This certification guarantees that products bearing the Fairtrade logo have been produced in respect of workers' rights in Asia, Africa and Latin America and that they have been purchased according to fair trade criteria.</p>	<ul style="list-style-type: none"> - Distribuidora Café Montaña - Massimo Zanetti Beverage USA - Massimo Zanetti Iberia - Segafredo Zanetti France - Brodie Melrose Drysdale - Meira - TikTak - Segafredo Zanetti Nederland - Kauai Coffee Company - The Bean Alliance
	<p>UTZ - This standard is based on principles such as transparent commercial practices, traceability of raw materials and compliance with the agreements of the International Labour Organisation (ILO).</p>	<ul style="list-style-type: none"> - Distribuidora Café Montaña - Massimo Zanetti Beverage USA - Segafredo Zanetti Brazil - Gruppo Boncafé - Meira - Boncafé Thailand
	<p>Rainforest Alliance - The standard is based on nine principles: protection of local flora and fauna, protection of eco-systems, protection of the soil, protection of water resources, equal treatment for works and good working conditions, good relationships within communities, integrated management of waste and pesticides, monitoring and peacebuilding.</p>	<ul style="list-style-type: none"> - Distribuidora Café Montaña - Massimo Zanetti Beverage USA - Massimo Zanetti Iberia - Segafredo Zanetti Brazil - Brodie Melrose Drysdale - TikTak - Segafredo Zanetti France - Massimo Zanetti Vietnam - Meira - Segafredo Zanetti S.p.A. - Gruppo Boncafé - Kauai Coffee Company - Segafredo Zanetti Poland sp. z o.o - The Bean Alliance

Meira is the leading company in the Group in terms of purchases of certified coffee. Last year, the company formally adopted a plan for the purchase of certified green coffee, setting specific growth targets for the next few years, **with the aim of purchasing 100% green coffee by 2022.**

In view of this target, moreover, Meira contributes to the achievement of international coffee sustainability goals, including by adhering to international initiatives in the sector. Sourcing certified green coffee has enabled the Finnish subsidiary to launch new certified products on the market during 2020, including a new line of decaffeinated and high-caffeine coffee under the Rainforest Alliance-certified Kulta Katriina brand.



In 2020, Meira also launched the Vallila Roastery line, a special tribute to the historic Helsinki district where the company has been producing coffee for over 100 years and where 30% of all coffee roasted in Finland originates. Uganda Sipi Falls and Honduras Lempira, Vallila Roastery's premium single-origin coffees, come from **Rainforest Alliance and UTZ certified farms** in Honduras and Uganda. Their **packaging is sustainably** produced: vegetable and partially renewable raw materials are used instead of the traditional laminate, thus reducing the environmental impact by 45%. Environmentally friendly materials, optimised pack size to reduce waste and the ability to preserve the authentic taste of coffee are the cornerstones of the new packaging development. In parallel with the launch of Vallila Roastery, Meira took part in a **social project in Honduras to support early childhood education.**

Several companies belonging to the Group have chosen to purchase certified coffee for their production activities.

One of these is Segafredo Zanetti France, whose new coffee bean product "**Premium d'Arôme certified organic**" was recently named **2020 Product of the Year** by French consumers.

This important milestone comes after having obtained the same recognition last year with the La San Marco range of biodegradable capsules.

In addition, Premium d'Arôme BIO has been voted "consumers' favourite product" on Shop Advizor, a major online application used in France by over 500,000 consumers to share their opinions on their favourite products on the market.



In 2020, **Boncafé Thailand** received the prestigious "**Superior Taste Award 2020**" from the International Taste Institute (the world leader in food and beverage evaluation and certification and is recognised by the world's leading industry players and consumers. The products considered for the award are subjected to a blind test, which ensures an objective assessment) on two products: Caffè Crema and Espresso Angelo. These blends, Boncafé Thailand's premium best seller, stand out for their high quality and excellent taste.



During 2020, **Segafredo Zanetti France** launched **Natura Bio** brand products, made with **pure organic coffee** from certified, committed farms in Honduras, Papua New Guinea and Peru.



"We believe in and support a sustainable future for people and the environment."

The Group's range of sustainable and certified products also expanded in 2019 thanks to the acquisition of The Bean Alliance and its brands **Bean Ground & Drunk**, the first coffee in Australia to gain Australian Certified Organic status, and **Oxfam Fair**.

In 2019, The Bean Alliance and Oxfam Fair signed an agreement to continue the production of the certified organic and Fairtrade coffee and chocolate belonging to the Oxfam Fair brand in Australia. Oxfam Fair's products help communities working on coffee plantations and some of the most disadvantaged populations in Australia and across the world.

Funds raised through sales of coffee and chocolate are invested in aid programmes designed to fight poverty. Moreover, Oxfam Fair products guarantee agricultural workers a fair, stable price for their raw materials and include production bonuses, designed to give communities the chance to build a better future for themselves.



CHANGING THE WORLD ONE CUP OF COFFEE AT A TIME



Same Coffee. Same taste. Same Impact.

In 2020, Bean Alliance Group also made **bean ground & drunk** available **in capsules**. Its blends are made exclusively with **organic and Fairtrade certified beans**.

bean ground & drunk is certified by ACO (Australian Certified Organic), the main Australian certification body for organic and biodynamic products, which guarantees consumers that they are buying organic coffee and that the entire process, "from the plant to the cup" is completely free of pesticides and other chemical substances. bean ground & drunk is also Fairtrade certified and contributes to the spread of a greater awareness of fair trade among consumers, which is a source of great satisfaction for the Bean Alliance group.

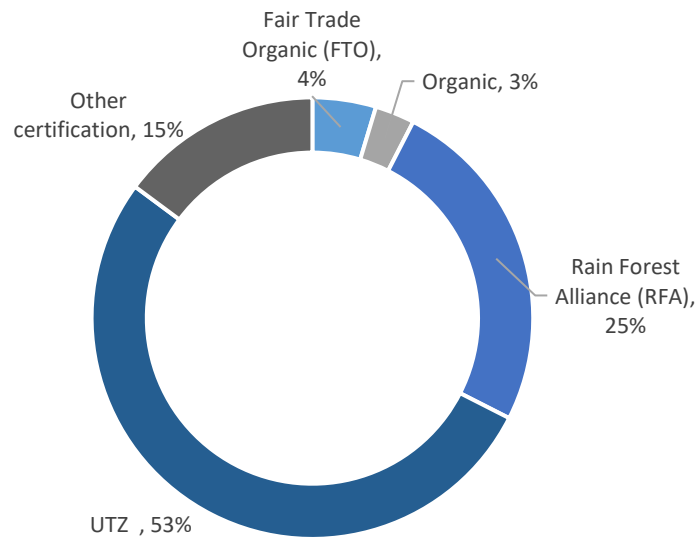


In 2020, the purchases of coffee certified according to the above-mentioned international sustainability standards were 17.9% of the total, a 56% increase on the 2018 figure. [GRI FP2]

In total, during 2020, purchases of coffee certified according to the international sustainability standards reported above stood at 17.9%.

a steady increase compared to the figures recorded in previous years (+17% compared to 2019, also due to the merger with Café Pacaembu). [GRI FP2]

Share of the different certifications in respect of the total for coffee certified according to sustainability standards



ORGANIC AND SUSTAINABILITY GO BEYOND COFFEE

The demand for organic and sustainable products has risen rapidly in recent years, which is why Meira has recently introduced a healthier alternative to the traditional product: **Meira Organic Ketchup** contains 85% tomato, 30% less sugar and salt and is totally preservative-free. In addition, it is produced through the use of renewable and environmentally friendly biogas.



During 2020, Meira also introduced some new additions to its spice range: Ceylon cinnamon and Finnish nettle. The highly selected **spices in the Meira Premium range** are organically grown and produced using sustainable practices. Both new products have been awarded **Organic and FairTrade certifications**.

Over the years, with the aim of improving control over the supply chain, the companies belonging to the Group have implemented systems for the selection, assessment and monitoring of suppliers based on economic criteria, the quality of products purchased and the punctuality of services provided. Moreover, depending on the specific characteristics of individual markets, suppliers are also assessed according to environmental criteria, raw material traceability and the protection of human rights throughout the supply chain.



In addition to an assessment of commercial and technical aspects, the supply procedure of **Massimo Zanetti Beverage USA** stipulates full compliance with the parameters established by all health regulations,

as well as those at government level and set by the Global Food Safety Initiative, which brings together key players in the food industry for the continuous improvement of food safety management systems. Specifically, the company asks that its suppliers compile a detailed checklist with more than 100 questions on traceability and safety, for example, compliance with the HACCP standard, methods used to check for parasites and allergens and application of Good Manufacturing Practices in relation to quality standards.

At the end of 2020, MZB USA sent its suppliers the new Group Responsible Sourcing Policy, asking them to sign it in acceptance and to comply with it. Responses will be received and processed during 2021.

TikTak also asked its suppliers to sign up the new Group policy, with 90% of them responding. During FY21, the company will contact suppliers who have not yet provided a response.

Segafredo Zanetti France has issued a procedure for the approval of new suppliers of packaging material: a self-assessment questionnaire must be returned, followed by onsite inspections, to verify compliance with high quality standards.

The **Boncafé Group** asks its suppliers to complete a self-assessment questionnaire that includes the main sales KPIs, such as the quality of the products supplied or the ability to meet requests. With regard to suppliers of raw materials, the Asian Group also carries out tests on product quality, to verify compliance with the high-quality standards expected within the Massimo Zanetti Beverage Group.

Similarly, **Segafredo Zanetti Italia** has issued procedures for the selection of its suppliers and the assessment of their performance. Multiple parameters are assessed as part of regular supplier assessment cycles, including long-term reliability, compliance with

delivery timeframes and any non-compliance identified. The traceability of the products supplied is also assessed.

To ensure ongoing improvement, **Meira** has updated its supplier assessment and monitoring systems to take into account some social issues concerning labour practices, human rights and social impact. In particular, the company has integrated the BSCI principles (Business Social Compliance Initiative), one of the most important supply chain management systems that support companies in the process of assessing the social compliance of their supply chains. The assessment for coffee suppliers is standardised on the basis of the certification criteria of the European Coffee Federation global platform. Finally, Finnish subsidiary Meira has also developed guidelines relating to procurement practices, which articulate the commitments of the company to pursue ethical principles along its entire supply chain and to guarantee respect for the environment by adopting sustainable business solutions, also in co-operation with its business partners.

In accordance with European regulations⁴ on traceability and food safety, **all of the Group's European roasting facilities** have implemented an effective traceability system of raw materials and packaging materials. This is regularly verified internally and by the various certification bodies during audits.

Tests designed to verify the capacity of Group companies to access information on products sold throughout the supply chain have shown that roasting facilities can assess the required data in an adequate timeframe to guarantee the accuracy and availability of information, confirming the Group's solid controls in this area.

⁴ Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food

MZB USA also meets GFSI requirements, guaranteeing product traceability throughout the supply chain, to the initial coffee cleaning phases.

With regard to the assessment of suppliers against social factors, **Massimo Zanetti Beverage USA** requires suppliers of green coffee in developing countries to show their "**Child Labor Certification**", which states that the suppliers adhere to national and international standards around working practices and conditions. The company also asks its suppliers to acquire numbering systems to identify products so as to facilitate traceability, where necessary. Lastly, the US company encourages its suppliers to become members of the **Green Coffee Association of New York**, an association dedicated to promoting the coffee business, based on rules agreed on among all market players.

When signing agreements with its suppliers, **MZBG and Segafredo Zanetti Italia** require suppliers to accept the Code of Ethics as an integral part of any commercial relationship between the parties and expect that all suppliers and sub-suppliers adhere to the standards and principles set out in the Code.

Brodies evaluates its suppliers using a special Supplier Questionnaire, as expressly required in order to maintain SALSA (Safe and Local Supplier Approval) certification. Similarly, **SZ Austria** evaluates its suppliers according to the rating system established by the International Food Standards, according to which the company is certified.

La San Marco has an ISO 9001:2015 certified supplier evaluation system. In particular, the process requires selecting the supplier on the

law, establishing the European Food Safety Authority and laying down procedures in matters of food safety.

basis of written offers, comparing at least three alternative offers. In addition, tests are carried out on certain samples to assess their quality before a deal is struck.

MZB Iberia has developed a classification system for its suppliers that allows them to be grouped into three general classes (green, yellow and red). The initial assessment, which must be passed in order to be an approved supplier, and the subsequent audit are aimed at verifying compliance with the requirements of 9001 certification.

Boncafé International has also built up a list of approved suppliers over the years; they undergo an annual assessment to verify their ongoing compliance with the requirements of ISO 9001 certification and the HACCP standard. Similarly, **MZB Vietnam**, when selecting suppliers, checks that they comply with the requirements of HACCP and FSSC 22000 standards.

Boncafé Thailand has always required its suppliers to comply with the GFSI (Global Food Safety Initiative) Standards and, starting in 2020, it also requires compliance with the Group's Responsible Sourcing Policy. In particular, suppliers are asked to fill in a questionnaire and, before entering into a commercial agreement, an inspection visit to the supplier's premises is organised. Only after a positive outcome are suppliers registered in the AVL (Approved Vendor List).

MZB Brasil has a Supply Manual that establishes the minimum requirements that must be met by suppliers in order to enter into a business relationship with the company. The requirements cover quality, environmental issues and social responsibility and are verified by filling in a specific form and audit activities.

SZ Poland has also adopted an internal procedure and a system for evaluating suppliers, which include surveys and audits, carried out in the presence of significant risks. The search for and selection of new suppliers are also driven by sustainability factors. In fact, in 2021, the

company aims to introduce the use of packaging material of recycled origin and will therefore seek new suppliers, for both film and boxes.

Segafredo Zanetti France has introduced a procedure for identification and traceability throughout the supply chain which involves recording data using a special piece of software named "**Coffee Trace**". The company invites its suppliers to act correctly and with impartiality by subscribing to the "**Charte des Achats Responsables entre Segafredo Zanetti et ses fournisseurs**". The Charter specifies that suppliers act against all forms of corruption and respect the principles of the United Nations Global Compact (UNGC), the 8 fundamental Conventions of the International Labour Organisation (ILO) and pertinent social and environmental legislation. Suppliers are further required to draft an annual report on the progress made, undergo possible checking to verify their compliance with the principles subscribed to and, if necessary, put in place appropriate corrective measures.

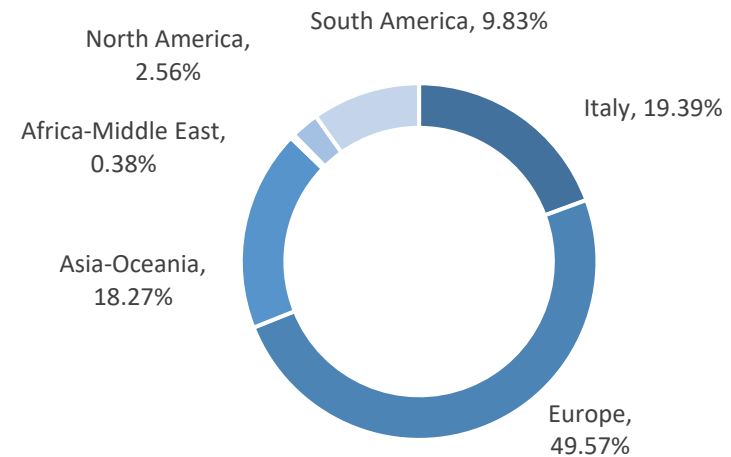
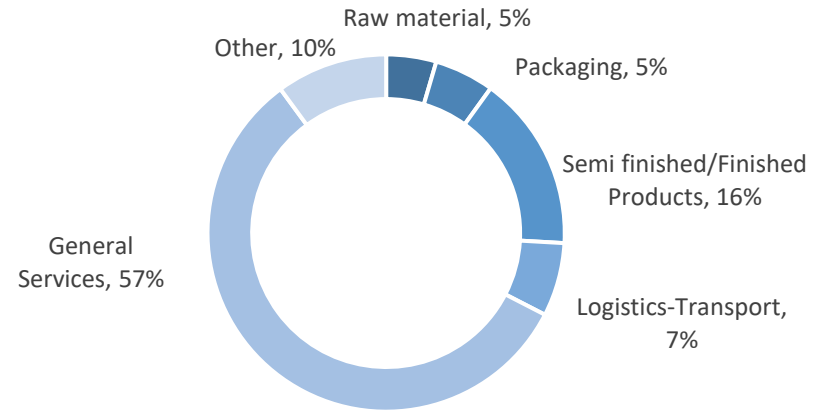
SUPPLIER ASSESSMENT AND MONITORING AT DISTRIBUIDORA CAFÉ MONTAÑA: CURRENT PRACTICES AND FUTURE OBJECTIVES

Distribuidora Café Montaña has introduced a specific procedure for the assessment and monitoring of its suppliers which establishes guidelines for evaluating and approving suppliers of products and services which have an impact on the Good Manufacturing Practices (GMP) quality and safety standards. In addition, legal requirements of suppliers are verified annually on the basis of the parameters set in the Compliance Matrix for Suppliers.

Two assessments on human rights were conducted among companies in the Group in Italy and the Kauai plantations during 2020. [GRI 412-1]

Within this context, 2020 saw MZB Group companies procure goods or services from over 5,000 suppliers. The new acquisition in Brasil led to an increase of around 100 suppliers. General services account for half of total suppliers (57%), followed by suppliers of finished and semi-finished products (16%), transport and logistics (7%) suppliers of packaging (5%) and suppliers of coffee and other raw food materials (5%). Most suppliers are European (52%). [GRI102-9]

Suppliers, according to product type and origin, 2020



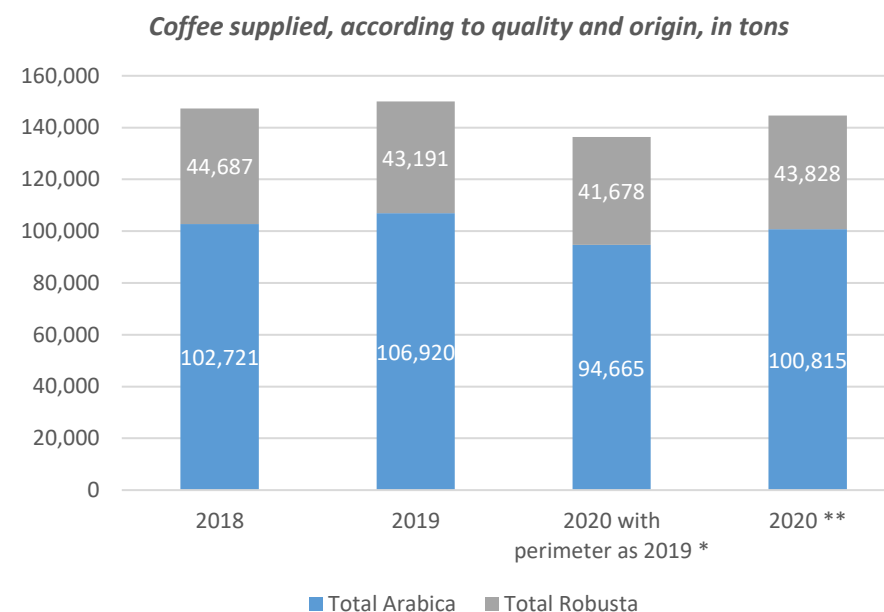
With specific reference to the supply of green coffee, between 2019 and 2020 purchases declined from 150,110 to 144,643 tons (136,343 tons in 2020 on a like-for-like basis). The decline in purchases is closely related to the decline in sales and volumes produced, which in 2020 were impacted by restrictions due to the Covid-19 pandemic.

Turning to the **origin of coffee**, the values for 2020 **changed compared to previous years**, especially for coffee of Robusta quality. In 2019, 63% of Robusta quality coffee came from Asian countries. In 2020, on the other hand, 42% of Robusta quality coffee was purchased from suppliers located in South and Central America, particularly Brazil, and 37% in Asian countries, including Vietnam and Indonesia. As for Arabica quality coffee, most green coffee continues to come from countries in Central and South America, including Brazil, Colombia and Honduras.

Countries of origin of green coffee in 2020

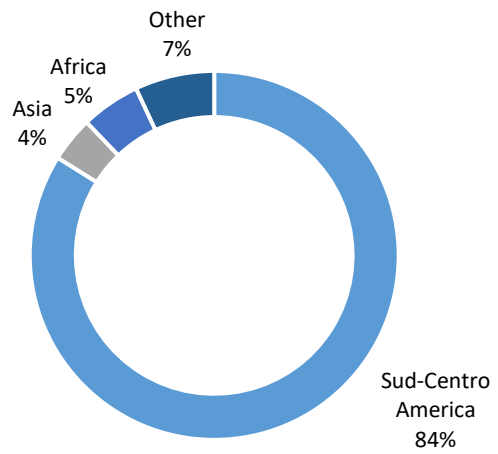
Arabica quality coffee	South-Central America	Brazil, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua and Peru
	Asia	India, Indonesia, Laos, Papua New Guinea, Thailand and Vietnam
	Africa	Burundi, Congo, Ethiopia, Kenya, Malawi, Rwanda, Tanzania, Uganda and Zambia
Robusta quality coffee	South-Central America	Brazil and Mexico
	Asia	India, Indonesia, Thailand and Vietnam
	Africa	Cameroon, Ivory Coast, Madagascar, Tanzania and Uganda

Coffee supplied, according to quality and origin, in tons

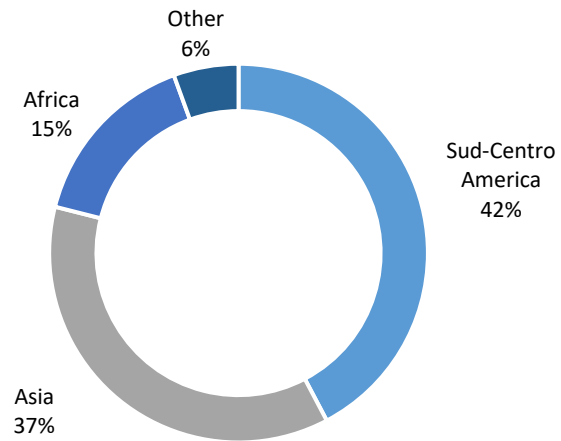


* All 2020 data are highlighted with a double view: the column headed "2020*" refers to the scope without the new Café Pacaembu acquired from SZ Brasil, now MZB Brasil; while the column headed "2020" refers to the entire scope of the Massimo Zanetti Beverage Group. The data included in the graphs refer to the entire consolidation scope.

Arabica Coffee



Robusta Coffee



8.2 Our Group Responsible Sourcing Policy

During 2019, thanks to the commitment and collaboration of the Group's main companies, Massimo Zanetti Beverage Group published the **Responsible Sourcing Policy**, a statement of the Group's commitment to ethical and sustainable coffee sourcing. This Policy was shared with all Group companies and during 2020 the companies shared this policy with their suppliers, requesting them to sign it.

By establishing mandatory requirements, MZB aims to share the Group's values with its suppliers and throughout its supply chain: **the promotion of ethical behaviour and corporate integrity, respect for human rights, and the conservation of the fragile ecosystems from which green coffee comes, as well as of natural resources.**

All MZB Group companies are committed to sharing this Responsible Sourcing policy with their suppliers, particularly their raw materials and packaging suppliers. These suppliers, in turn, are required to accept and comply with the mandatory requirements set in the policy and to verify their application at each stage of the supply chain.

In order to ensure compliance with mandatory requirements, analysis and appropriate assessments of the supply chain will be carried out through site visits, self-assessment questionnaires and/or audits.

The Responsible Sourcing Policy can be consulted in full on the Massimo Zanetti Beverage Group's website.



9. ENVIRONMENT



Protection of the environment and conservation of resources for future generations are the Group's guiding principles in carrying out its activities and in seeking more sustainable solutions.

Environmental responsibility is now recognised as a fundamental prerequisite for operating in the market, due in part to growing public pressure and regulatory developments at the international level.

Climate change, water resources and energy are some of the most relevant issues to be considered in environmental management at local and global levels.

According to the "Global Warming of 1.5°C" report by IPCC5, it is only by halving greenhouse gas emissions by 2030 and eliminating them completely by 2050 that global temperature changes might be contained under +1.5°C, a necessary condition to ensure that climate change does not put entire regions and production systems at risk.

Similarly, with regard to water resources, more than two billion people live in countries subject to high rates of water stress, while around four billion people face severe water scarcity for at least one month a year. Increased demand will, therefore, lead to continued growth in water stress levels, which will also be amplified by the intensifying effects of climate change (UN WATER).⁶Against this backdrop, the new growth strategy announced by the European Union at the end of 2019 – the European **Green Deal** – envisages a push towards better and more efficient resource use by the EU and its member States, aimed at zero net greenhouse gas emissions by 2050 and decoupling, as far as possible, economic growth from resource use.⁷

In parallel, the publication of the **Circular Economy** Package in April 2018 – a set of measures and targets aimed at facilitating the "closing

⁵ Intergovernmental Panel on Climate Change – IPCC. It is the scientific forum created in 1988 by two United Nations bodies, the World Meteorological Organization (WMO) and the United Nations Environment Programme (UNEP) to study global warming.

of the loop" in Europe – and the European Plastics Strategy, have set new recyclability and reusability targets for the totality of plastic material used for packaging by 2030.

Finally, as part of the developments of the EU Action Plan on Sustainable Finance, Regulation 2020/852 on the establishment of the so-called **EU Taxonomy** was published in June 2020. It consists of a unified system for classifying sustainable economic activities in Europe, which introduces guarantees of transparency and comparability in the sustainable finance and green economy markets. In order to address these global issues, the Group has adopted an Environmental Policy, described in section 9.3 "Our Group Environmental Policy", thereby declaring its commitment to protecting the environmental matrices most at risk, in favour of decarbonisation and efficient management of natural resources.

The operational management of environmental aspects remained the responsibility of the individual Group companies in 2020.

Six production companies (Segafredo Zanetti Italia, La San Marco, Segafredo Zanetti Poland, Massimo Zanetti Beverage Vietnam,

⁶ UN, 2019: "The United Nations world water development report 2019: Leaving no one behind"

⁷ European Commission, December 2019: "Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. The European Green Deal".

Boncafé Thailand and Meira) **have adopted a structured environmental management system.**

Meira, La San Marco and, starting this year, **Segafredo Zanetti Italia** also have an environmental management system certified in accordance with the **ISO 14001:2015** international standard, the international benchmark on the subject, while the Scottish company **Brodies** aims to certify its plant according to the ISO 14001:2015 standard by the end of 2021. **MZB Brasil**, likewise, wants to certify one of its plants in 2021 and improve the processes of a second plant, in order to be able to achieve certification in the coming years.

In 2018, **Segafredo Zanetti Poland**, which for years has been committed to the issues of energy and water saving and the reduction of atmospheric emissions, prepared an internal environmental policy in line with national legislative requirements and a list of *green* behaviours shared with employees, in order to encourage them to adopt responsible practices and increase their awareness. In 2020, it updated its policy in order to bring it into line with the Group's environmental policy and is approaching the requirements necessary to obtain ISO 14001:2015 certification.

Massimo Zanetti Vietnam has specific procedures to manage and reduce its environmental impact. First of all, it is equipped with devices that monitor air emissions, in order to verify that the air is clean. In addition, the company is required to prepare an annual environmental report and report the data directly to the authorities. Finally, the environment around the production sites is carefully monitored and waste disposal activities are managed according to a plan.

EMPLOYEE INVOLVEMENT IN COMPANY DECISIONS

During 2020, Segafredo Zanetti Poland organised a **competition for its employees** in which employees could submit their **ideas** on **environmental protection** and **sustainable development**. The best ideas were organised into a list and some initiatives have already been implemented. In addition to separate management of all waste, it was decided to limit the use of plastic bottles for water and water dispensing machines were installed in all key offices. By 2021, at least 50% of the paper currently used in offices will be replaced by environmentally friendly printing paper.

Although **MZB Iberia** does not yet have a certified environmental management system, it is required to comply with local regulations, which require the emissions monitoring, noise containment, payment of fees for packaging and the monitoring of industrial waste produced.

During 2020, **KAUAI COFFEE** joined a 30-year cooperative program to protect endangered seabirds, the **Kauai Seabird Habitat Conservation Program** (KSHCP). In this project, Kauai Coffee will collaborate with state and county agencies and others. Everyone will be asked to pitch in and do their part in order to reduce premature deaths and protect and improve nesting areas in the mountains in the centre of the island.

9.1 Energy efficiency and circular economy

More and more companies in the MZB Group have drawn up an action plan with specific objectives and initiatives in response to the importance of environmental issues, such as energy efficiency, emissions reduction, end-of-life management of products and waste produced. In particular, some Group companies have set specific objectives for the implementation of measures to reduce emissions, in order to reduce their carbon footprint, including through specific choices in terms of energy supply and logistics services and management of company fleets.

For example, **Meira** – a manufacturing company based in Helsinki – has decided to support the strategic plan announced in 2017 by the Finnish capital "Helsinki City Strategy 2017-2021" in achieving the **Carbon Neutrality**⁸ by 2035 by reducing the capital's greenhouse gas emissions by 80%. The remaining 20% will be offset by Helsinki through emission reduction initiatives in neighbouring cities. The main initiatives are directed at reducing energy consumption for heating by adopting new construction standards for buildings and increasing the use of geothermal energy.

This year, **Meira** raised the bar set by its own government and expressed its intention to achieve carbon neutrality by 2030. In December 2020, it therefore approved its new **2030 Climate Strategy**, aligned with the Sustainable Development Goals promoted by the United Nations (Agenda 2030) and based on the use of Science Based Targets. In particular, the company is committed to progressively reducing its CO₂ emissions (energy efficiency and use of energy from renewable sources), reducing the environmental

⁸ Carbon Neutrality is the result of a process of reduction and offsetting of the CO₂ emissions of a specific entity, so that total carbon dioxide emissions are equal to zero.

impact of its production processes (progressive elimination of waste) and making the packaging of its products more sustainable (use of only recycled, recyclable or renewable materials by 2030).

The goal of carbon neutrality by 2030 was then translated into a short-, medium- and long-term action plan. For example, by **2022**, Meira is committed to **halving** its greenhouse gas **emissions** compared to 2018 by switching to using only electricity generated by wind farms and using biogas and district heating obtained from renewable sources.

In 2019, in order to reduce and offset its emissions of carbon dioxide, **Segafredo Zanetti France** renewed its vehicle fleet to consist of hybrid cars and bought certified electricity from renewable sources to offset its entire energy consumption, thus contributing to prevent the issue of 132 tons of CO₂.

With the aim of reducing climate-altering emissions, Group companies have also implemented sustainable solutions for managing product logistics.

Over the years, the reorganisation of logistics and the centralisation in newly created logistics poles have enabled **Segafredo Zanetti Italia** to dispose of around 21 facilities rented for the exclusive use of SZ Italy and thus to optimise consumption, the resources employed and the movement of goods. With the same environmental objective in mind, for primary transport, Segafredo Zanetti Italia has also for several years now required its suppliers transporting raw coffee from the port of Genoa to the Bologna plant to use EURO 5 or higher vehicles. In secondary transport activities, Segafredo Zanetti Italia has set a **target**

of 90% average load saturation, thus committing itself to optimising the quantity of product transported by the individual vehicles.

Massimo Zanetti Beverage USA has been working on a logistics project for some years now, which involves switching to intermodal transport (including rail and road transport) for the handling of goods and products. This mode differs from road-only transport, since it provides optimised load management through units that can be easily moved from one vehicle to another, thus allowing for a higher level of efficiency in transfers. In addition, it has initiated the Regional Set Sailing (RSS) project, which aims to reduce non-full load transport so as to further reduce transport-related emissions. In an effort to reduce the energy needs of its plants, **The Bean Alliance** installed industrial window shading systems on all north- and west-facing windows in 2020, resulting in a reduction in heat from the sun of approximately 83% and a reduction in UV rays of 99%. This made it possible to reduce the intensity of the use of air conditioning systems, thus containing energy requirements and related costs.

Other energy efficiency projects, with a consequent reduction in consumption and costs, concern the installation of LED lighting sources in some of the Group's subsidiaries such as, for example, **Boncafé Thailand, Boncafé Malaysia, Café Montaña, La San Marco, TikTak Segafredo Zanetti Holland, Segafredo Zanetti Espresso Worldwide Japan, The Bean Alliance** and **Brodies**, the latter also by virtue of its intention to certify its plants according to ISO 14001:2015 by the second half of 2021.

⁹ UN Climate Change News. "Costa Rica Commits to Fully Decarbonise by 2050". March, 2019

NEW GOALS FOR CAFÉ MONTAÑA

On 24 February 2019, the President of Costa Rica announced the launch of the National Decarbonisation Plan, with the goal of reducing net greenhouse gas emissions to zero by 2050 in line with the goals of the Paris Agreement on Climate Change⁹. With the aim of reducing greenhouse gas emissions, the National Plan includes significant measures in basic infrastructure and economic sectors, such as public and private transport, energy, industry, agriculture, waste management and land and forest management. In addition, the Plan sets out a roadmap to modernise the economy, generate jobs and foster sustainable growth.

In line with this approach, **Distribuidora Café Montaña** has decided to set itself even more ambitious goals, committing to **zero greenhouse gas emissions by 2020**. However, the Covid-19 pandemic required the Company to focus on other issues and therefore this ambitious goal was postponed until 2021.

As part of this project, **Distribuidora Café Montaña** has already installed a new roasting machine, which is more efficient in terms of production capacity and consumption, with a fume control and reduction system that limits emissions into the atmosphere. In addition, initiatives are planned to support the achievement of this objective, such as training on the waste of resources, especially energy consumption, reforestation, environmental education and proper waste collection and sorting.



TikTak, in addition to replacing light bulbs, plans to insulate the building and install double-glazing in the factory windows, in order to improve energy performance, as indicated within the energy plan drawn up during 2020. In 2020, **MZB Iberia** installed new photovoltaic panels with a maximum generating capacity of 196 Kw. A new 120 Kw production unit is planned to be installed in 2021.

In 2020, **Boncafé Thailand** renovated its air conditioning systems, switching to the Air Handling Unit (AHU) system, which reduces energy consumption and eliminates the emission of chlorofluorocarbons. In addition, a new silencer has been installed in the roasting section, greatly improving environmental noise.

La San Marco continued to replace its old light bulbs with new LED bulbs and installed a new high-efficiency heating system. The old boiler is to be replaced with a new generation condensing boiler in 2021, in order to significantly reduce the consumption of non-renewable energy sources and methane gas consumption.

The plant operated by Café Pacaembu – a company acquired through **MZB Brasil** – is equipped with a modern production system with controlled CO2 emissions, which allows it to maintain the minimum level of release allowed by Brazilian law. In addition, part of Pacaembu's fleet is powered by ethanol, a renewable fuel made from various plant materials that reduces air pollution.

The combination of the above activities in relation to energy supply and the decrease in travel during the year due to the constraints imposed by the Covid-19 pandemic contributed to the decrease in the Group's direct energy consumption by 10% compared to 2019.

In 2020, MZBG reported total energy consumption of approximately 594,694 GJ (609,086 GJ on a full scope basis), down 9% from 2019. [GRI 302-1]

Energy consumption, in GJ

Direct consumption	2018	2019	2020*	2020
Petrol	76,083	79,799	66,170	66,174
Diesel	74,950	97,520	64,893	68,599
Natural gas	271,531	297,024	278,935	278,935
LPG	25,484	22,055	24,743	33,228
Biogas	2,065	2,246	2,497	2,497
Total direct consumption	450,113	498,643	437,238	449,434
Indirect consumption	2018	2019	2020*	2020
Electricity	141,223	133,543	123,854	126,050
Electricity from renewable sources	11,088	11,131	22,283	22,283
Energy for heating	14,841	11,817	11,195	11,195
Energy for cooling	118	124	124	124
Total indirect consumption	167,270	156,615	157,456	159,652
Direct and indirect energy consumption	617,383	655,258	594,694	609,086

Overall, the level of electricity use decreased by 7% on a like-for-like basis in 2020. In addition, in 2020, about 18% of electricity consumption came from renewable sources: double, if compared to 2019.

Given the energy consumption recorded, and in accordance with the GHG Protocol (Greenhouse Gas Protocol), one of the most important international standards for the reporting of greenhouse gas emissions, CO2 emissions are reported in the form of:

- **direct emissions** (Scope 1) arising from the activities of the Group or its subsidiaries, for example, the use of fuels for heating/cooling, roasting and transportation using company cars [GRI 305-1];
- **indirect emissions** (Scope 2) [GRI 305-2], for the transformation of energy bought and used by the company.

In 2020, global emissions came down 2% from 46,704 tons of CO2eq in 2019 to 44,320 tons of CO2eq (full scope). In addition, using the market-based approach – and therefore considering the supply of renewable energy by Segafredo Zanetti France and Meira – indirect emissions (Scope 2) amounted to 13,604 for the Group as a whole, down 29% compared to 2019. Meira contributes to the containment of CO2eq emissions at Group level, thanks in part to the decision to use biogas, a fuel which has a zero emission factor.

Greenhouse gas emissions, in CO2eq tons

Direct emissions	2018	2019	2020*	2020
Petrol consumption	7,385	5,623	4,667	4,667
Diesel consumption	5,476	7,281	4,847	5,124
Natural gas consumption	15,212	16,850	15,776	15,776
LPG consumption	1,630	1,411	1,583	2,609
Ethanol consumption	-	-	-	184
Total direct emissions	29,704	31,165	26,873	28,360
Indirect emissions	2018	2019	2020*	2020
From electricity (L.B.)	17,003	14,961	15,331	15,417
Heating	843	573	537	537
From cooling	22	6	6	6
Total indirect emissions L.B.	17,847	15,539	15,874	15,960
Total emissions (direct and indirect L.B.)	47,571	46,704	42,747	44,320

With regard to the management of waste deriving from production activities, there are many examples of virtuous management by individual MZBG companies, in particular those operating in Europe. **The initiatives carried out by the different companies embrace the concept of circular economy**, today increasingly important in the coffee sector, especially for the management of production waste.

One virtuous practice that is shared by and common to various companies in the Group, such as **Segafredo Zanetti France**, **Segafredo Zanetti Italia**, **Boncafé International** and **The Bean Alliance** and that allows for an improvement in the performance relative to the production of waste involves the **reuse of jute bags** and their sale to external buyers, turning a waste product into a resource. In fact,

jute bags are used in agriculture for the protection of new cultures, for the creation of carpets or for the production of some materials for schools.

Thanks to a series of specific measures aimed at better waste management, such as recycling (for plastics, metals, cardboard), sale to third parties or energy production (for coffee waste), **Segafredo Zanetti France**, for the fourth year running, has achieved **zero waste destined for landfills** (e.g. coffee waste is processed in methanisation units), just like the Italian subsidiary **Segafredo Zanetti Italia**.

Other Group companies, such as **Meira**, **Segafredo Zanetti Italia** and **MZB USA**, have also launched projects in this area and are continuously committed to reducing the amount of waste produced.

In a move towards a circular economy and by-product exploitation, **MZB USA sells green coffee waste to third parties** for the creation of organic **manure** and **fertiliser** for agricultural use.

Segafredo Zanetti Italia collects the silver film generated as a by-product of the roasting activities in an external container using a closed circuit system. This organic residue, once processed, is transformed into pellets, in order to be sold as **fuel for heating**. Alternative measures are being evaluated, including in partnership with universities and research centres, to exploit this type of waste and others, such as coffee powder, in other sectors. Further projects to treat waste materials in a circular economy perspective are being evaluated for implementation in the coming years.

Many companies in the MZB Group adopt similar approaches and place their production residue on the market through authorised companies. **Massimo Zanetti Beverage Vietnam**, **Segafredo Zanetti Brazil**, **The Bean Alliance** and **Segafredo Zanetti Poland** have also taken part in this type of initiative.

Kauai Coffee uses all organic waste generated as a result of coffee processing as natural fertilizer in its orchards. In addition, in order to further improve the process, a feasibility study is underway for the construction of a treatment centre for organic, food and agricultural waste directly on site. The goal is to offset fertilizer use and improve soil health.

Boncafé Thailand returns the cartons in which the goods are delivered and the jute bags containing the coffee beans to some suppliers, in order to allow them to be reused. In addition, waste generated in coffee processing is sold to a specialised company that uses this material to produce electricity. Special attention is also paid to leftover food from the in-house canteen. Workers have the opportunity to take home what is left over, thus minimising waste.

For example, the Australian company **The Bean Alliance** seeks to minimise the waste of obsolete packaging, including through careful planning of its use. However, when it is necessary to discard unused tri-laminate rewrap, Bean Alliance relies on the services of a local company that collects obsolete packaging into rolls and reuses it for various purposes.

Through Café Pacaembu, **MZB Brasil** is strongly committed to environmentally friendly procedures and is always looking for alternatives to reduce environmental impacts. **Reverse logistics** allows Café Pacaembu to offset 100% of the plastic and cardboard used in the coffee packaging and transportation processes. This result received was the "eureciclo" seal, which certifies that the company displaying it invests and actively participates in the recycling process by guaranteeing the approved collection and treatment of the recycled material.

In addition, Pacaembu is committed to reusing the coffee husk (silver husk residue) generated by the roasting process. This layer is rich in important soil nutrients and is a natural fertilizer.

Meira's roasting plant **converts coffee production waste into biogas**, which it then reuses in its own production cycle, thereby reducing carbon dioxide emissions. Among other things, this project contributes to Meira's ambitious environmental goals.



During 2020, the MZB Group produced 9,486.94 tons of waste, an increase of approximately 10% compared to the tons recorded in 2019. The increase in waste during the year is due to a number of causes, including the expansion of the Group's scope and the modernisation of the production process of one company, which has meant that coffee husks are no longer burnt during the production process, but managed separately as waste for composting. [GRI 306-2]

Almost all of the total waste produced, i.e. 99.95%, is classified as non-hazardous waste, in line with the values of previous years.

Waste produced in tons

Hazardous waste	2018	2019	2020*	2020
- of which sent for re-use	0.0	0.0	0.0	0.0
- of which sent for incineration	1.4	0.0	0.6	0.6
- of which sent for recycling	2.3	3.6	0.7	0.7
- of which sent for composting	0.0	0.0	0.0	0.0
- of which held in storage	5.6	3.8	3.6	3.6
- of which sent for landfill	0.2	0.0	0.0	0.0
Total hazardous waste	9.5	8.0	4.9	4.9
Non-hazardous waste	2018	2019	2020*	2020
- of which sent for re-use	479.8	551.7	750.7	750.7
- of which sent for recovery (including energy recovery)	349.7	724.5	186.1	186.1
- of which sent for incineration	2,705.6	2,280.3	3,444.7	3,444.7
- of which sent for recycling	1,991.9	2,015.3	1,876.5	1,891.2
- of which sent for composting	2,568.2	2,302.5	2,616.0	2,616.0
- of which held in storage	255.2	204.0	129.1	129.1
- of which sent for landfill	414.6	497.1	464.2	464.2
- other types of disposal	99.9	57.5	0.0	0.0
Total non-hazardous waste	8,864.7	8,632.9	9,467.3	9,482.0
Total waste (hazardous and non-hazardous)	8,874.1	8,640.9	9,472.2	9,486.9

KAUAI COFFEE IN THE HEART OF HAWAII

The Kauai Coffee Company, located on the Hawaiian island of Kauai, deserves special attention in relation to environmental and social issues. With over 4 million coffee plants, Kauai Coffee is the only company in the Massimo Zanetti Beverage Group that directly manages coffee growing and the related business. Kauai Coffee is committed to sustainable crop management, so that operations are conducted in a manner that respects and protects the land and the sustainability values of the company and of the MZB Group.

In fact, Kauai Coffee has adopted resource and land management measures in line with the values and sustainability practices adopted by the Group. For example, efficient management of water resources is made possible by adopting a drip irrigation system, with over **2,500 miles of drip tubing, which saves and reuses water in the fields**. In addition, the use of drones allows active mapping and constant monitoring of crops, while part of the farmland is dedicated to research and study of new varieties.

Starting in 2019, for the purpose of improving soil quality and water flow in plantations, **MZB USA**, which operates the largest coffee farm in the United States **Kauai Coffee**, in partnership with technicians and experts, developed a series of innovative projects aimed at increasing the knowledge and awareness of local communities regarding the risks related to climate change.

Regarding the use of chemicals, as early as 2018 Kauai decided to reduce the use of all types of pesticides by 2021 and to totally eliminate restricted-use pesticides. Currently, herbicide use has been reduced by 75% due to the farming practices adopted by Kauai Coffee.

Kauai Coffee's 3,100-acre coffee plantation is also certified according to Rainforest Alliance, Fairtrade and NON-GMO standards, thus guaranteeing fair and safe working conditions, the sustainable development of local communities, respect for and protection of the environment and the absence of **Genetically Modified Organisms (GMOs)**.

In addition, as part of the **Sustainable Coffee Challenge** initiative, it decided to implement measures designed to reduce the use of chemical fertilizers by 2022, while maintaining the same crop productivity, **through the regular rotation of cultivated fields and the use of composted organic matter** with high fertilizing power. Besides allowing the soil to acquire nutrients, the regular rotation of cultivated fields decreases water consumption of up to 20%.



9.2 Initiatives and sustainable innovation

The materials used – whether for pods, capsules or traditional coffee packaging – play a key role in preserving the taste and fragrance of the product and maintaining its quality: this is why initiatives to develop more sustainable packaging undergo a complex and structured analysis process before being launched on the market.

The MZB Group's main projects related to product innovation during 2020 involved the development of solutions to use **sustainable packaging**, recyclability of the packaging, while preserving the aroma and the quality of coffee.

In order to reduce the quantity of materials used, the relative costs and the quantities to be disposed of deriving from the use of the product, various Group companies, such as **Segafredo Zanetti Italia and Segafredo Zanetti France**, in collaboration with their suppliers, have launched projects and conducted feasibility tests to verify the applicability to their products of solutions that aim, for example, to reduce the thickness of the materials used or to eliminate certain components, such as aluminium and use recyclable packaging.

Specifically, **Segafredo Zanetti SpA** is actively committed to experimenting with new types of recyclable plastic packaging, achieving a 50% reduction in non-recyclable packaging in 2020 and setting itself the target of achieving over 80% recycled packaging by 2021. The previous non-recyclable packaging has been replaced with polyolefin, an innovative material that has made it possible to eliminate aluminium, while maintaining a high level of protection for

coffee through a patented barrier film, and also to use similar plastic films that allow the packaging to be recycled according to the “Plastic” classification. This new material is currently used in 1 kg packs, widely used in the Ho.Re.Ca. sector, in 250 g packs of ground coffee and in multipacks. New 100% recyclable aluminium capsules and a line of compostable pods are also planned for launch in 2021.

For the products Segafredo Intenso (also organic), Segafredo Pausa, Segafredo Biondo and Katriina Gold Premium, **Meira** has already developed a more ecological packaging solution that makes it possible to reduce the use of packaging material¹⁰. A new type of packaging made using only bio-plastics was also launched in 2020.

The reduction of aluminium in single use capsules is one of the drivers of Massimo Zanetti Beverage Iberia's packaging initiatives. This solution made it possible to reduce the amount of aluminium used by 3.9 tons per year, an almost 40% reduction in the material used for this type of product.

The initiatives to improve packaging have also been officially recognised by the market. At the beginning of 2019, **Segafredo Zanetti France** was awarded “**Product of the Year**” in France (**Elu Produit de l'Année**) for its San Marco range of biodegradable and compostable capsules. San Marco capsules are also certified by *TUV Austria OK Compost*, a certification body authorised by European Bioplastics (European Association of Bioplastics) able to award the Seedling logo to products that comply with the EN 13432 standard regarding the characteristics that a material must possess to qualify as biodegradable or compostable.

¹⁰ Meira, for some of its products, has developed packaging in which aluminium and plastic are reduced by about 30% overall.

In 2020, **SZ Coffee System** launched new compostable hard capsules and compostable and BIO soft capsules made with biodegradable primary packaging.

As early as 2019, the subsidiary **Boncafé International** also introduced its line of compostable capsules in four variants, compatible with the main brands of espresso coffee machines.



Confirming its commitment to the optimisation of packaging materials, **Boncafé** was among the first parties to sign the **Singapore Packaging Agreement**, an initiative launched in 2007 and supported by the Government and by more than 220 companies and NGOs, to reduce packaging waste, which today represents more than one third of domestic waste.



Starting in 2021, **Boncafé Middle East** will also market 100% biodegradable compostable capsules for food service and the mass market.

Massimo Zanetti Beverage USA uses special plastic cups to serve coffee. They are made with 35% less plastic than the leading single use coffee cup format in the United States.

In addition, the packaging of some of MZB USA's products is made of **steel**, a **highly recyclable material** that maintains its quality intact.



Additional initiatives carried out by Group companies – aimed not only at reducing environmental impact but also at encouraging responsible consumer consumption – concern the elimination or reduction of disposable plastic, introducing sustainable products, such as **the Brown Brew Cups of The Bean Alliance** onto the market.

Present on the Australian market mainly with "**Bean Ground and Drunk**", winner of numerous awards in the field of sustainability, including the Australian Organic Awards, a few years ago The Bean Alliance launched a product designed to efficiently use resources and sustainable and ethical materials. In particular, Brown Brew Cups – takeaway coffee cups – are made from responsibly sourced paper, while bioplastic is used for the inner lining of the cup. All Brown Brew Cups carry information on the outside to properly dispose of the product, along with other environmental information.

In addition to generating a lesser impact during their production and disposal, **Brown Brew Cups** are designed to meet the needs of consumers, increasingly choosing to buy responsibly, as well as of baristas, interested in offering a sustainable alternative to customers unwilling to give up their coffee "on the go".

In 2020, The Bean Alliance also began testing a new



type of **flexible, compostable packaging** for 1 kg coffee powder packs.

Similarly, in response to a significant increase in the use of single use cups and glasses observed in recent years in the UK, the Scottish subsidiary **Brodies** offers its customers KeepCups: cups that can be purchased with the drink and reused upon the next visit to Segafredo stores.



Alongside the development of innovative and sustainable products, Group companies adopt responsible behaviour internally. In addition to **Segafredo Zanetti France and La San Marco**, in 2020 MZB Iberia also replaced plastic coffee cups with paper or ceramic ones, in the case of Massimo Zanetti Beverage Group. Segafredo Zanetti Espresso Worldwide Japan replaced paper and plastic cups with glass and ceramic cups in order to reduce waste and encourage reuse.

The constant commitment demonstrated by the initiatives just described and the Group's culture – open to the creation of new partnerships and collaborations, including between the companies themselves – have allowed a general reduction in the tons of materials used for product packaging, particularly wood and jute.

REDUCE, REUSE, RECYCLE: BONCAFÉ'S AWARENESS CAMPAIGN TO REDUCE PLASTIC CONSUMPTION

Through the "Reduce, Re-use and Recycle" initiative, Boncafé International is committed to spreading a culture of more responsible consumption among its consumers. The campaign involved the creation of reusable or compostable shopping bags.



In 2020, Massimo Zanetti Beverage Group utilised approximately 19,149 tons of material for the packing of products. The consumption of packaging material originating from renewable resources¹¹ – namely paper and cardboard – accounted for 30% of total consumption.[GRI 301-1]

¹¹ Renewable material is intended as material deriving from abundant resources that are quickly replenished by ecological cycles or agricultural processes, so

Packaging material, broken down by type, in tons

Material	2018	2019	2020*	2020
Paper	1,153.2	1,206.2	859.71	859.71
Plastic	3,218.8	3,347.7	2,971.04	3,051.04
Cardboard and corrugated cardboard	4,898.4	5,096.7	4,684.37	4,858.37
Glass	672.7	428.8	419.10	419.10
Aluminium	150.8	157.5	131.09	131.39
Tinplate	7,086.5	7,235.0	7,245.79	7,245.79
Reels	136.5	130.4	84.59	84.59
Wood (including pallets)	414.6	35.2	626.56	626.56
Steel	2.0	2.0	1.00	1.00
Bonded materials (plastic and aluminium)	132.4	147.6	383.89	454.89
Flexible film (plastic)	774.4	770.6	736.13	790.13
Jute	140.0	-	-	-
Other (mostly plastic)	429.0	430.8	623.60	626.60
Total material	19,209.3	18,987.6	18,766.8	19,149.1

that the services provided by these and other related resources are not under threat and remain available for future generations.

9.3 Our Group environmental policy

In 2019, the Group's five core companies discussed the main environmental issues relevant to the MZB Group and identified priority areas for engagement. For each area, common objectives were set for the various Group companies, including energy supply sources, emissions, waste and raw materials. In addition, best practices and initiatives already implemented or being tested within some companies more sensitive to certain issues were shared.

The result of these meetings is the Group **Environmental Policy**, which aims to formalise the Massimo Zanetti Beverage Group's commitment to rising to current environmental challenges and integrating them into its core business. The Environmental Policy also aims to create a culture of respect for the environment, raising the awareness of these issues among its stakeholders.

MZB Group companies are committed to adopting and complying with the following mandatory requirements described in the policy shared and accepted by all Group subsidiaries:

ENERGY

- Efficient energy management
- Use of renewable energy
- Energy recovery from by-products

EMISSIONS

- Constant monitoring of greenhouse gas emissions
- Reduction of greenhouse gas emissions and pollutants
- Improving logistics to reduce greenhouse gas emissions

WASTE

- Reduction of waste produced
- Waste recycling
- Generation of by-products
- Customer awareness of how to dispose of products

RAW MATERIALS

- Reduction of packaging materials
- Increased use of recycled raw materials
- Promoting packaging innovation

Those responsible for managing environmental issues within each company and all Group employees have begun to monitor and ensure the implementation of the requirements and the pursuit of these objectives. Finally, the Environmental Policy provides for analysis and checks along the supply chain, in order to ensure that mandatory requirements are met, through site visits, self-assessment questionnaires and/or audits.

The Group is also aware of the importance of environmental issues, such as the protection of biodiversity and forest ecosystems. Although not directly mentioned within the objectives of the Environmental Policy, by adhering to international initiatives, such as the Sustainable Coffee Challenge (SCC), it also undertakes to preserve the value of biodiversity and forest ecosystems, even if present in areas not directly affected by the Group's activities. The initiatives and how these issues are managed are set out in the Group's Responsible Sourcing Policy.



10. LOCAL COMMUNITIES



10.1. Our initiatives

As already highlighted in the previous chapters, the protection of the supply chain through direct support to local communities in the countries where coffee is grown is a key aspect for the Massimo Zanetti Group.

The adoption of sustainable practices and green coffee certifications by local farmers is a way to ensure consistently high standards of quality and safety of the coffee produced and its full traceability.

With the aim of better understanding the realities of coffee growing communities and contributing to their sustainable development, **Meira** has begun "**Sustainability Visits**" to its suppliers' premises. Specifically, at the beginning of 2019, green coffee growing and harvesting locations were visited in Honduras, one of the countries where agricultural production is the main source of income and foreign trade in coffee accounts for 13%¹² of total exports.

Thanks to this visit, **Meira** was able to learn more about social, environmental and quality issues specific to the area with the ultimate goal of promoting the adoption of agricultural practices capable of preserving ecosystems and natural resources, mitigating the impacts of climate change and improving the living and working conditions of local communities.



During this visit, the green coffee certification process was explored and the impacts on the territory and local communities of adhering to the certifications were analysed. This analysis, conducted through direct encounters with farmers, has shown that obtaining coffee certifications (e.g. Rainforest, UTZ and Fairtrade) has generally led to improvements in community welfare and environmental impacts. In fact, communities that decide to implement sustainable and certified cultivation practices can take advantage of some services of social value, such as the possibility of leaving their children at special facilities during working hours. On the other hand, from an environmental point of view, the use of the outermost part of the

¹² The observatory of economic complexity. Honduras Export, 2017. (oec.world/en/profile/country/hnd)

coffee berries as fertilizer, instead of chemicals, has improved the composition of the soil, enriching it with natural minerals.

During 2020, **Meira** strove to reduce **food waste** and partnered with Hursti's food bank and surplus food supermarket WeFood, donating "unsalable" products (expiry date too short for retail). It also collaborated with the Aleksis Kivi Elementary School Parents' Association, Ronald McDonald Children's Foundation and Helsinki City Ohjaamo promoting youth activities.

Other Group companies, such as **TikTak, Brulerie, SZ Poland, MZB USA and MZB Brasil**, offer some of their products free of charge to people in need, through recognised organisations, such as the Food Bank in Groningen (Netherlands) or hospitals (Charity Hospital of Vargem Grande do Sul-SP and Brotherhood of Santa Casa de Misericórdia de Araraquara-SP).

For some years now, **La San Marco** has been committed to a community in northern Thailand where, since the 1990s, a group of missionaries has been working to promote the schooling of the villagers and to guarantee work and income for their families. The coffee machines, donated to the missionaries working in the high mountains of northern Thailand, have contributed to the creation of a virtuous economic network, allowing significant economic growth and supporting the local community's lifestyle.

For several years now, **Boncafé** has also been contributing to the farming populations of the Marcala region. Some initiatives carried out in collaboration with the Zanetti Onlus Foundation in support of **local communities in recent years included the construction of a new school in the Marcala region**. **Boncafé's** partnership with ADECAEH, the association that brings together Honduran coffee exporting companies, and the related initiatives promoted, such as the presence on site and the help of experts, the holding of training

courses (e.g. disposal of non-compliant chemical fertilizers) and a communication campaign aimed at raising awareness among local communities of issues of environmental responsibility and sustainable development, enabled farmers in the Marcala region to certify the coffee they grow, according to internationally recognised standards (e.g. UTZ, Fairtrade and Rainforest). In this context, other Group companies have also set sustainability targets for the responsible management of all the aspects of the value chain, including through participation in international industry initiatives, such as the **Sustainable Coffee Challenge (SCC)**.

Born from the idea that the coffee consumed every day in the world depends, first of all, on the well-being of more than 25 million of farmers and 10 million of hectares of soil used for the cultivation of the raw material, the *Sustainable Coffee Challenge* is an international initiative of co-operation between different operators aimed at promoting sustainability throughout the supply chain by focusing on the wellbeing of local populations.

Designed by **Conservation International** and launched in 2015 in co-operation with 18 partners, today the initiative has been signed by more than 100 partners from 34 Countries, representing the entire coffee value chain, as well as by multi-stakeholder associations, government agencies and NGOs. It integrates the *Sustainable Development Goals* in its framework. Any company or organisation operating in the sector may join the partnership, which requires the definition – immediate or not – of specific commitments and objectives for a set of predefined issues.

These provide direction for the partners' efforts according to 4 compass points, fundamental to increase sustainability in the coffee sector:

- **Sustain Supply:** Implementation of sustainable farming practices to meet the increasing demand for coffee in a socially responsible way, without endangering natural resources;
- **Improved livelihoods:** Ensure to the more than 25 million farmers and to their families a greater share of the profits deriving from the sale of the product, in this way promoting an improvement in living conditions;
- **Conserve Nature:** Conserve forests, the areas with a high biodiversity value and other natural resources;
- **Strengthening Market Demand:** Promoting, supporting and investing in special initiatives that provide the incentives needed to encourage the creation of shared value in the coffee value chain.

Supply chain management, through responsible sourcing practices and support for local communities, is an indispensable part of a company's sustainability strategy. The Massimo Zanetti Group is taking part in the Sustainable Coffee Challenge (SCC) with the aim of contributing to the sustainable development of the coffee industry through collaboration, sharing and promotion of sustainability initiatives.

As stated in the Commitments Hub Report 2020, **Massimo Zanetti Beverage USA**, **Kauai Coffee** and **Boncafé International** have committed to the pursuit of different targets.

Boncafé International has been a partner in the *Sustainable Coffee Challenge* initiative since 2017, and in 2020 it committed in particular to the "Consumer Education & Awareness" target. **Kauai Coffee Company** became a partner in the Sustainable Coffee Challenge in 2019 and focused its energies on pursuing two other goals during the year just ended: "Forest Conservation and Restoration" and "Renovation". Finally, **MZB USA**, a partner in the SCC initiative since 2018, is committed to increasing access to secondary education in

the Marcala region of Honduras by contributing not only through the construction of classrooms for teaching, but also as a project leader in supporting the social development of the region. In fact, the goals it committed to during 2020 were "Education & Health" and "Gender, Youth & Indigenous People".

In this context, MZB USA has also decided to participate in the four *Action Networks* promoted by the Sustainable Coffee Challenge, a network of partner companies in the initiative that are committed to acting in partnership to increase sustainable sourcing, farm renovation and rehabilitation, improved labour and supply chain practices, and mapping and monitoring of coffee plantations and forests.

Lastly, the other *Action Networks* involved the US company on other aspects that are fundamental for the sustainability of coffee and also relevant for the other companies in the MZB Group. One example is the importance of improving the traceability of coffee, protecting the populations that provide this data, and finally ensuring the fair distribution of the benefits brought by greater transparency throughout the supply chain.

In this very special year, **MZB Group stood alongside frontline medical personnel, police, firefighters and those who are suffering and struggling** in these difficult times. Our companies around the world are offering their support, doing what they do best, providing coffee in the hope that it will help bring some relief and energy to those on the frontlines who tirelessly continue to fight this battle.



11. FONDAZIONE ZANETTI ONLUS



FONDAZIONE ZANETTI
ONLUS

The *mission* pursued by the Zanetti Foundation, founded in 2007 by Massimo Zanetti and his children Laura and Matteo, is to help minors in difficulty by supporting national and international projects that promote food and health care, accommodation, education and psychological support, in collaboration with religious organisations, associations and bodies. A focus on children and children's rights, cooperation in development and solidarity, is the hallmark of the Foundation's activities, which also include the organisation of fundraising events and information and awareness initiatives to promote a common culture always on the side of children and the most fragile individuals.

Projects supported

In a year as complex as 2020, the Foundation has been on the side of associations and non-profit organisations that found themselves supporting the most fragile children and families, within the framework of the global health, social and economic emergency, by supporting the following projects:

Brazil | Sports equipment for Centro De Convivência Santo Aníbal

The Zanetti Foundation supported the Centro De Convivência Santo Aníbal project with the purchase of equipment for the gym to allow 200 at-risk and socially vulnerable minors to engage in sports, athletics, football, volleyball and basketball. Sport is a fundamental element in the educational process for everyone.

Brazil | Workshops, seminars and courses for the Casa del Sorriso in Rio de Janeiro

With the pandemic emergency, the Zanetti Foundation's support for the *Casa del Sorriso* project of Cesvi Onlus contributed to preserving the food security of families and minors in extremely vulnerable conditions, involving the distribution of 1,170 food baskets, support and access to basic public services to promote inclusion and rights. 200 children were able to continue taking music lessons remotely.

Eritrea | Food supplementation for children ages 0 to 5

In response to the Covid-19 emergency, the project promoted by Aleimar OdV ensured basic necessities for families in extreme poverty. Thanks to the support of the Zanetti Foundation, 42 sheep were donated to 14 families living in Eritrean villages, increasing food security of 48 children at high risk of malnutrition.



Guatemala | Education and nutrition for girls and families in Maya K'iche's indigenous communities

In order to promote the education and improve the nutrition of 100 girls and adolescents from 14 indigenous Maya K'iche's communities, the Zanetti Foundation, together with Cefa Onlus, supported their distance learning, food security and awareness of gender equality, in accordance with the restrictions imposed by the government. Scholarships and bags of food were provided to support families.

Guatemala | Response to the food and health emergency caused by the passage of Hurricane ETA

The Zanetti Foundation also supported Cefa Onlus in the emergency response to the tropical storm ETA that hit Guatemala and other Central American countries last 3 November. The project made it possible to provide kits with basic foodstuffs, health kits to cope with the still serious Covid emergency in the country and sacks of drinking water to about 600 families and 3,000 individuals.

Guinea-Bissau | Support for the paediatric department of the Raoul Follereau Hospital

The Ahead Onlus Association is committed to fighting the spread of tuberculosis and the most common infectious diseases in children through the support of the department of Pediatrics at the Raoul Follereau Hospital in Bissau, which provides drug and nutritional therapy for 200 children a year. The Zanetti Foundation

covered the costs of part of the medicines necessary to treat minors.

Italy | Ca' Leido - Services and projects for children with Autism

The project promoted by the Cooperativa Sociale Sonda aims to ensure the qualification and education of children with autism, so that they can achieve the greatest possible autonomy, in order to enjoy a quality present and future. The Zanetti Foundation bore the costs of contributing to the purchase of tools for the activities dedicated to children in the new premises.

Italy | Health care in Italy for foreign minors

The Zanetti Foundation supported the Cosmohelp association in treating 6 minors in Italy with serious illnesses that cannot be cured in their countries of origin, in particular 5 children with severe congenital heart diseases and 1 child with another serious illness, bearing the costs for the air travel of the children and their mothers, their stay after hospitalisation and medicines.

Italy | Covid Emergency, support for families

As part of the Covid-19 Emergency project, support from the Zanetti Foundation made it possible to purchase basic necessities via the delivery of shopping vouchers for three months to 6 families with minors. This project was run by the Associazione Segno di Alleanza Onlus, of Treviso, with the aim of providing concrete help to families living in a state of uncertainty and economic insecurity.

Italy | The new media library of Radio Magica

Through [its portal](#), Radio Magica provides all children and young people – including those with special educational needs – with access to free audio and video books, including sign language and alternative augmentative communication, to promote listening, reading and inclusion. The Zanetti Foundation helped to expand the offer of audio and video stories also in LIS and CAA for inclusive listening.

Kenya | Supporting school fees for the children of Talitha Kum

In collaboration with Fondazione Fontana Onlus, the Talitha Kum shelter in Nyahururu offers many orphaned and HIV-positive minors food, accommodation, medical care, psychological support and an education. In the health emergency scenario, support from the Zanetti Foundation covered back school tuition and supported the most fragile schools in the area in terms of safety and safe behaviour.

Nepal | Long-distance adoptions of children in Kirtipur

High unemployment rates and widespread poverty make access to schooling difficult in Nepal. For this reason, since 2015 the Zanetti Foundation has been supporting the long-distance adoption of 10 minors thanks to the programme of the Foundation Without Borders for the continuity of schooling, covering the costs of food, accommodation, clothing and educational materials for minors from the most vulnerable segments of the population.





Nepal | Education and shelter for 13 children from remote villages

Thanks to the Associazione Pietro Taricone Onlus, the school in the village of Ghami, in Mustang, on the border between Nepal and Tibet, hosts 60 children, to give them an education and to protect their Mustang culture that would otherwise be lost. The support of the Zanetti Foundation is dedicated to 13 children (education, food and accommodation) from the most remote villages in the region.

Papua New Guinea | Feeding program for minors in Bereina

In a violent social context of extreme poverty, the Cavanis Fraternity has created *Jesus Good Shepherd Primary School* and the *Fode Center* in the village of Bereina to provide minors with protection, medical care and education. The support of the Zanetti Foundation has assured 50 children at the school a balanced meal a day with rice, meat or fish, boiled bananas, bread and vegetables.



Paraguay | Integral health for children from 0 to 5 years old

As part of the project supervised by the Canossian Foundation at the Centro de Salud Sagrada Familia del Barrio Pacu Cua, a peripheral area of the city of Encarnación, the Zanetti Foundation supported essential basic health for children from 0 to 5 years old, prevention and hygiene education.

Peru | In defence (InDifesa) of children and adolescents from the rural communities of Huancarani, Accha and Omacha

The *InDifesa* project by *Terre des Hommes* assists children and adolescents from the Quechua ethnic group and culture who live in the rural communities of the high Andes in Cusco. The support of the Zanetti Foundation helped to promote a protection and assistance network for 400 minors, ages 6 to 17, in situations of poverty and social exclusion.



Romania | A mother for me too

The Andrea Damato Pilot Centre in Singureni, created by the Bambini in Emergenza Onlus Foundation, takes in abandoned and HIV-positive minors. The Zanetti Foundation sustained the necessary expenses for the fostering of 6 children to 5 "mothers", i.e. 5 local foster properly trained and supported families capable of giving special affection for healthy physical and psychological growth.



Rwanda | Access to health care and education for underage mothers

Within the framework of the *Casa del Sorriso* project in Nyanza, managed by the Rogationist Missionary Organisation, the Zanetti Foundation has given its support to providing 810 children of underage mothers admitted health insurance that is essential for access to basic medical care and support for the nursery school, attended by 390 children.

South Sudan | Nutritional and health support for mothers and children

Reducing maternal and child mortality through an integrated health and nutritional approach, implementing the capacity of Turalei Hospital: this is the aim of the MCC Medical Collaboration Committee project. The Zanetti Foundation's support made it possible to contribute to the expenses related to human resources, community activities, medical equipment and general hospital costs.

Tanzania | Fighting malnutrition in Iringa and Njombe Regions

The Zanetti Foundation supports Doctors with Africa Cuamm in an integrated initiative to combat malnutrition that combines agricultural, health and nutritional interventions to improve the health of mothers and children under 5 years of age in the regions of Iringa and Njombe. An initiative in 60 villages where chronic malnutrition among children reaches some of the highest rates in the Country.

Vietnam | Care and rehabilitation for minors in the Vinh Long province

The Zanetti Foundation contributed to supporting the project of the Italia-Viet Nam Association, which tends to 45 children from families in difficulty who were born with deformities caused by dioxins and welcomes them to the Social Word Center, where they receive care and help to integrate independently through physiotherapy, phonetic therapy, pre-school education and speech therapy.

Zambia | Vocational training for vulnerable young people

The Zanetti Foundation gave its support to organise vocational courses for vulnerable young people from the Mundolobela/AirportCompound village, near Livingstone: an important opportunity to provide a future for boys and girls aged between 16 and 24 who are unable to attend Secondary School. An action promoted by Jacaranda Onlus Association to promote education for all.

Awareness initiatives

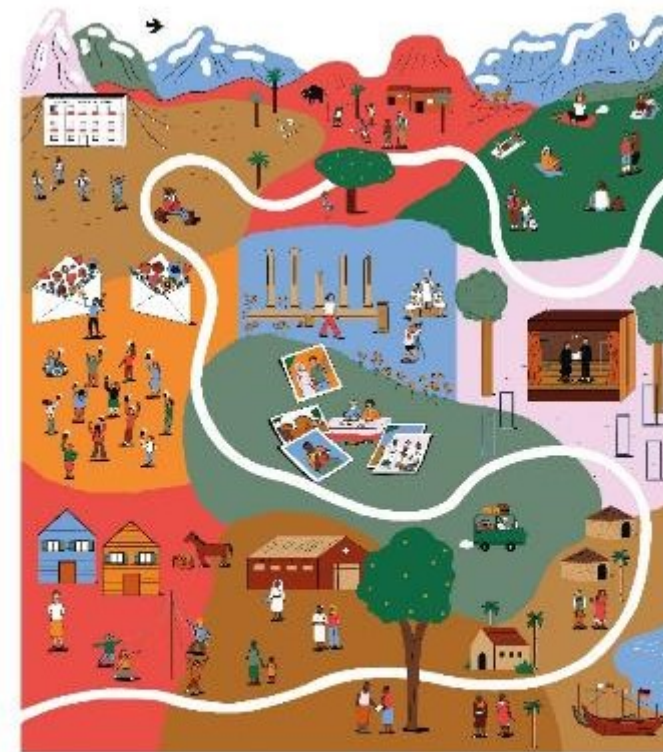
In the first months of the year, before activities were suspended due to the emergency, the cycle of awareness-raising meetings for schools *Passi verso l'Altrove* held two meetings dedicated to current issues to support the younger generations in facing the present and the future: *Young people and social media*, a journey towards a civic digital education in collaboration with Social Warning - Digital Ethical Movement; and the presentation of the book *Guerrieri di sogni. Storie e paesi che dovresti conoscere* (Mondadori, 2018) by journalist and writer Viviana Mazza, which tells true stories of little heroes from around the world.

Passi verso l'Altrove, the documentary produced by the Zanetti Foundation

There are people who choose to dedicate themselves to others quietly, in silence, who may express the most diverse reasons; yet, from one side of the world to the other, even without knowing each other, they share a commitment to humanity. This is the theme of the documentary *Passi verso l'Altrove* (Italy, 2020, 42') produced by Fondazione Zanetti Onlus on the occasion of the 10th anniversary of the cycle of awareness-raising meetings for schools.

Directed by Marco Zuin, the film offers 10 stories told by the direct voice of the protagonists: **Marco Cortesi and Mara Moschini, Renzo Cristofoli and Flora Teot, Dominique Corti, Fausto De Stefani, Simona Atzori, Elena Rocco, Silvia Saini Damato, Davide Demichelis and Alessandro Rocca, Giorgia Benusiglio and Eros Borile.** Their stories represent a small but precious part of the work carried out by the Foundation with the involvement, since 2010, of 15,000 and over 100 speakers to talk about human rights, inclusion, cooperation and solidarity. It is also an opportunity to get to know some of the many initiatives supported by the Foundation: the protagonists of the film are, in fact, also the referents of projects that we have contributed to develop in order to always be on the side of children in difficulty around the world.

The documentary *Passi verso l'Altrove* has been published on the [Zanetti Foundation website](#), where it can be viewed through a password in a booklet illustrated for us by **Francesca Rizzato**, a tool designed and created to continue the work of raising awareness, information and support for projects.



**Passi
verso
l'Altrove**
(Storie towards others)



organizational support
by Fondazione Zanetti

regional support
by Marco Zuin
web: 2020-2021

with the participation of:
Mara Moschini, Mara Moschini
Renzo Cristofoli, Flora Teot
Dominique Corti
Fausto De Stefani
Simona Atzori
Elena Rocco
Silvia Saini Damato
Davide Demichelis
Alessandro Rocca
Giorgia Benusiglio
Eros Borile

with the participation of:
Marco Cortesi, Marco Cortesi
Renzo Cristofoli, Renzo Cristofoli
Flora Teot, Flora Teot
Dominique Corti
Fausto De Stefani
Simona Atzori
Elena Rocco
Silvia Saini Damato
Davide Demichelis
Alessandro Rocca
Giorgia Benusiglio
Eros Borile

Fondazione Zanetti Onlus

Viale Felissent 53 31020 Villorba (Treviso)

Tel. 0422.312680 www.fondazionezanetti-onlus.org

Appendix

Methodology note

In view of the delisting on 15 February 2021, prior to the date of the Board of Directors' meeting to approve the 2020 Financial Statements, MZBG is not subject to the provisions of Legislative Decree 254/2016. However, on a voluntary basis, the Group has decided to prepare the fourth edition of the Sustainability Report and to structure the document in accordance with Article 7 of Legislative Decree No. 254 of 30 December 2016.

The information and data refer to 2020 and the performance trends to the three-year period 2018 – 2020, where available. The scope of reporting for all non-financial information includes 26 of the 55 companies controlled by the Group in Italy and abroad, of which 19 are production and 7 commercial companies (see Appendix – List of MZBG companies included in the scope of the Sustainability Report), established on the basis of a criterion of dimensional relevance in financial and personnel terms. The exceptions to this scope are specifically listed in the document.

As of 2020, Café Pacaembu also entered the scope of the Sustainability Report, following the completion of the merger by incorporation of Segafredo Zanetti Brasil Comercial e Distribuidora de Café S.A. into Café Pacaembu Ltda, which changed its name to Massimo Zanetti Beverage Brasil as of 1 August 2020.

The reporting standard adopted by MZBG for the preparation of its Sustainability Report are the GRI Sustainability Reporting Standards, published in 2016 by GRI - Global Reporting Initiative and subsequent

versions (e.g. GRI 403 Occupational Health & Safety published in 2018), according to the "in accordance-core" option. Furthermore, to report on certain relevant issues, some specific standards in the Sector Supplement "Food Processing" of the GRI-G4 guidelines were used. In particular, in accordance with GRI standard 101: Foundation, paragraph 3, reference is made to the following Reporting Standards in this document.

All 2020 data are highlighted with a double view: the column headed "2020*" refers to the scope without the new Café Pacaembu acquired from SZ Brasil, now MZB Brasil; while the column headed "2020" refers to the entire scope of the Massimo Zanetti Beverage Group. The data included in the graphs refer to the entire consolidation scope.

Aspect	GRI standard	
GRI 205 Anti-Corruption	GRI 205-3	Total number of corruption incidents
GRI 206 Anti-competitive behaviour	GRI 206-1	Legal action related to anti-competitive behaviour, anti-trust and monopoly practices
GRI 207 Tax	GRI 207-1	Approach to tax
	GRI 207-2	Tax governance, control and risk management
	GRI 207-3	Stakeholder engagement and management of concerns relating to tax
GRI 301 Materials	GRI 301-1	Materials used by weight or volume
GRI 302 Energy	GRI 302-1	Energy consumption within the organisation
GRI 305 Emissions	GRI 305-1	Direct emissions of greenhouse gases
	GRI 305-2	Indirect emissions of greenhouse gases

GRI 306 Effluents and waste	GRI 306-2	Waste by type and disposal method
GRI 401 Employment	GRI 401-1	New employee hires and turnover rate
GRI 403 - Health and Safety in the workplace	GRI 403-1	Occupational health and safety management system
	GRI 403-2	Hazard identification, risk assessment and incident investigation
	GRI 403-3	Occupational health services
	GRI 403-4	Worker participation, consultation, and communication on occupational health and safety
	GRI 403-5	Worker training on occupational health and safety
	GRI 403-6	Promotion of worker health
	GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
GRI 403-9	Work-related injuries	
GRI 404 Training and education	GRI 404-1	Average hours of training per year per employee
GRI 405 Diversity and equal opportunities	GRI 405-1	Composition of corporate governance bodies and breakdown of employees according to gender, age, minority group, and other diversity indicators
GRI 412 Human rights assessment	GRI 412-1	Operations that have been subject to human rights reviews or impact assessments
GRI 417 Marketing and labelling	GRI 417-2	Incidents of non-compliance concerning product and service information and labelling
	GRI 417-3	Incidents of non-compliance with regulations or voluntary codes concerning marketing activities, including advertising, promotion and sponsorship

GRI 419 Socio-economic compliance	GRI 419-1	Value of fines and number of significant sanctions for violations of laws and regulations in the economic and social field
Procurement practices	GRI FP2	Percentage of purchased volume which is verified as being in accordance with credible and internationally recognised responsible production standards, broken down by standard
	GRI FP5	Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognised food safety management system standards
Non-GRI indicator		
Volume of coffee purchased	-	Volume of purchases by coffee quality and origin

Calculation methods

With reference to the data contained in this document, it should be noted that estimates were not used, instead the best data available at the time was used to prepare this document. The table below shows the methodology guidelines used for certain indicators.

Injury rates

All rates were calculated as the ratio of the number of fatalities as a result of work-related injuries/work-related injuries/work-related injuries with serious consequences to the total number of hours worked multiplied by 1,000,000.

Greenhouse gas emissions

The calculation for greenhouse gas emissions was done using the principles outlined in the GHG Protocol Corporate Accounting and Reporting Standard. The emissions factors used to calculate CO2 emissions are shown in the tables below. For indirect emissions, the only greenhouse gas considered

was CO2. For direct emissions from diesel, petrol and LPG, CH4 and N2O were also considered, applying the Global Warming Potential (GWP) over 100 years reported in the IPCC IV Assessment Report.

Source Fuel /	Source of emission factor
Diesel Petrol LPG Natural gas	DEFRA (Department of Environment, Food & Rural Affairs), 2018 - 2020 Conversion factors
Ethanol	GHG Protocol - Emission Factors from Cross-sector Tools
Electricity	Factors from Terna, International Comparisons, 2018 were used to calculate Location Based emissions. In particular, the emission factors specific to the Country, where these were available in the Terna Report. With reference to MZB Iberia, which includes Portugal and Spain, the more conservative emission factor relating to Portugal was used. The emission factors referred to the so-called residual mix were used for the computation of emissions in accordance with the market-based approach. Specifically, the emission factors for European Countries were taken from the European Residual Mix 2019 document published by the Association of Issuing Bodies (AIB), while for the US the reference document was e-GRID 2019 - EPA.

Conversion factors

Energy consumption was converted to GJ using DEFRA (Department of Environment, Food & Rural Affairs) conversion factors, 2018 – 2020.

Scope of impact

GRI aspect	Internal scope	External perimeter
GRI 205 – Anti-Corruption	X	Customers, Suppliers
GRI 206 – Anti-competitive behaviour	X	-
GRI 207 – Tax	X	Shareholders and Financial Community
GRI 301 – Materials	X	Suppliers
GRI 302 – Energy	X	-
GRI 305 – Emissions	X	-
GRI 306 – Effluents and waste	X	-
GRI 401 - Employment	X	-
GRI 403 - Health and Safety in the workplace	X	Suppliers
GRI 404 – Training and education	X	-
GRI 405 – Diversity and equal opportunities	X	Suppliers
GRI 412 – Human rights assessment	X	Suppliers
GRI 417 – Marketing and labelling	X	-
GRI 419 – Socio-economic compliance	X	-
GRI Food Processing Sector Supplement		Suppliers

List of MZBG companies included in the scope of the Sustainability Report

Company	Country	Type
Massimo Zanetti Beverage USA Inc.	USA	Production
Boncafé (Thailand) Ltd	Thailand	Production
Segafredo Zanetti France S.A.S.	France	Production
Massimo Zanetti Beverage Iberia S.A.	Portugal/Spain	Production
Segafredo Zanetti Espresso Worldwide Japan Inc.	Japan	Commercial
Segafredo Zanetti S.p.A.	Italy	Production
Kauai Coffee Company LLC	Hawaii	Production
Meira Oy Ltd.	Finland	Production
Segafredo Zanetti Poland Sp. z.o.o.	Poland	Production
Massimo Zanetti Beverage Brasil	Brazil	Production
La San Marco S.p.A.	Italy	Production
Distribuidora Café Montaña	Costa Rica	Production
Boncafé International Pte Ltd.	Singapore	Production
Segafredo Zanetti Austria GmbH	Austria	Production
Segafredo Zanetti Australia Pty Ltd.	Australia	Commercial
Boncafé Middle East Co LLC	United Arab Emirates	Commercial
Segafredo Zanetti Deutschland GmbH	Germany	Commercial
Boncafé Malaysia	Malaysia	Commercial
TikTak/Segafredo Zanetti Nederland BV	The Netherlands	Production
Brodie Melrose Drysdale & CO Ltd.	Scotland	Production
Puccino's	United Kingdom	Commercial
Brulerie des Cafés Corsica SAS	France	Production
Segafredo Zanetti Coffee System S.p.A.	Italy	Production
Massimo Zanetti Beverage Vietnam Company Ltd	Vietnam	Production
The Bean Alliance Group	Australia	Production
Massimo Zanetti Beverage Group S.p.A.	Italy	Commercial

GRI Content Index

[GRI 102-55]

GRI 102: GENERAL DISCLOSURES		PAGE No.	NOTE/ OMISSION
GRI 102-1	Name of organization	7	
GRI 102-2	Activities, brands, products and services	8, 12	
GRI 102-3	Location of headquarters	108	
GRI 102-4	Location of operations	8	
GRI 102-5	Ownership and legal form	17	
GRI 102-6	Markets served	8, 12	
GRI 102-7	Size of the organization	8	
GRI 102-8	Information on employees and other workers	44	
GRI 102-9	Supply chain	74	
GRI 102-10	Significant changes to the organization and its supply chain	74	
GRI 102-11	Precautionary principle	20-23	
GRI 102-12	External initiatives	96-108	
GRI 102-13	Membership of associations	32	
GRI 102-14	Statement from a senior decision-maker	4	
GRI 102-15	Key impacts, risks and opportunities	20-23	
GRI 102-16	Values, principles, standards and norms of behaviour	5, 24	
GRI 102-18	Governance structure	17-19	
GRI 102-40	List of stakeholder groups	34	
GRI 102-41	Collective bargaining agreements	44	
GRI 102-42	Identifying and selecting stakeholders	33	
GRI 102-43	Approach to stakeholder engagement	33-34	
GRI 102-44	Key topics and concerns raised	33-36	
GRI 102-45	Entities included in the consolidated financial statements	109-112	
GRI 102-46	Defining report content and topic boundaries	109-111	
GRI 102-47	List of material topics	35-36	
GRI 102-47	Restatements of information	48	
GRI 102-49	Changes in reporting	109	
GRI 102-50	Reporting period	109	
GRI 102-51	Date of most recent report	109	
GRI 102-52	Reporting cycle	109	
GRI 102-53	Contact point for questions regarding the report	Investor Relations - MZB Group:	marina.cargnello@mzb-group.com
GRI 102-54	Claims of reporting in accordance with GRI Standards	109	
GRI 102-54	GRI content index	113-116	
GRI 102-56	External assurance	117-120	

MATERIAL TOPIC / GRI TOPIC SPECIFIC		PAGE No.	NOTE/ OMISSION
Compliance, ethics and integrity			
GRI 103-1	Explanation of the material topic and its boundary	36, 111	
GRI 103-2	The management approach and its components	21-26	
GRI 103-3	Evaluation of the management approach	21-26	
GRI 201-1	Direct economic value generated and distributed	26	
GRI 205-3	Incidents of corruption and actions taken	26	
GRI 206-1	Legal actions related to anti-competitive behaviour, anti-trust and monopoly practices	26	
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	26	
Packaging and sustainable innovation			
GRI 103-1	Explanation of the material topic and its boundary	36, 111	
GRI 103-2	The management approach and its components	22-23, 89-92	
GRI 103-3	Evaluation of the management approach	89-92	
GRI 301-1	Materials used by weight or volume	92	
Energy efficiency and climate change			
GRI 103-1	Explanation of the material topic and its boundary	36, 111	
GRI 103-2	The management approach and its components	22-23, 79-84	
GRI 103-3	Evaluation of the management approach	79-84	
GRI 302-1	Energy consumption within the organisation	83-84	
GRI 305-1	Direct GHG emissions (Scope 1)	84	
GRI 305-2	Indirect GHG emissions from energy consumption (Scope 2)	84	
Responsible waste management and circular economy			
GRI 103-1	Explanation of the material topic and its boundary	36, 111	
GRI 103-2	The management approach and its components	22-23, 85-87	
GRI 103-3	Evaluation of the management approach	85-87	
GRI 306-2	Waste by type and disposal method	87	
Professional well-being and retention			
GRI 103-1	Explanation of the material topic and its boundary	36, 111	
GRI 103-2	The management approach and its components	22-23, 38-40	
GRI 103-3	Evaluation of the management approach	38-40	
GRI 401-1	New employee hires and turnover rate	40	

MATERIAL TOPIC / GRI TOPIC SPECIFIC		PAGE No.	NOTE/ OMISSION
Occupational health and safety			
GRI 103-1	Explanation of the material topic and its boundary	36, 111	
GRI 103-2	The management approach and its components	22-23, 27-28, 46-49	
GRI 103-3	Evaluation of the management approach	46-49	
GRI 403-1	Occupational health and safety management system	46-49	
GRI 403-2	Hazard identification, risk assessment, and incident investigation	46-49	
GRI 403-3	Occupational health services	47	
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	46-49	
GRI 403-5	Worker training on occupational health and safety	47	
GRI 403-6	Promotion of worker health	47	
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	46-49	
GRI 403-9	Work-related injuries	48-49	
Employee training and development			
GRI 103-1	Explanation of the material topic and its boundary	36, 111	
GRI 103-2	The management approach and its components	22-23, 41-43	
GRI 103-3	Evaluation of the management approach	41-43	
GRI 404-1	Average hours of training per year per employee	42	
Diversity and equal opportunities			
GRI 103-1	Explanation of the material topic and its boundary	36, 111	
GRI 103-2	The management approach and its components	22-23, 43-45	
GRI 103-3	Evaluation of the management approach	43-45	
GRI 405-1	Diversity of governance bodies and employees	44-45	
Protection of human rights along the value chain			
GRI 103-1	Explanation of the material topic and its boundary	36, 111	
GRI 103-2	The management approach and its components	22-23, 64-77	
GRI 103-3	Evaluation of the management approach	64-77	
GRI 412-1	Operations that have been subject to human rights reviews or impact assessments	74	

MATERIAL TOPIC / GRI TOPIC SPECIFIC		PAGE No.	NOTE/ OMISSION
Listening to and communicating with customers and consumers			
GRI 103-1	Explanation of the material topic and its boundary	36, 111	
GRI 103-2	The management approach and its components	22-23, 52-53	
GRI 103-3	Evaluation of the management approach	52-53	
GRI 417-2	Incidents of non-compliance concerning product and service information and labelling	52	
GRI 417-3	Incidents of non-compliance concerning marketing communications	52	
Product quality and safety			
GRI 103-1	Explanation of the material topic and its boundary	36, 111	
GRI 103-2	The management approach and its components	22-23, 51, 57-60	
GRI 103-3	Evaluation of the management approach	57-60	
FP 5	Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards	60	
Sustainability and traceability of procurement			
GRI 103-1	Explanation of the material topic and its boundary	36, 111	
GRI 103-2	The management approach and its components	22-23, 64-77	
GRI 103-3	Evaluation of the management approach	64-77	
FP 2	Percentage of purchased volume which is verified as being in accordance with credible and internationally recognised responsible production standards, broken down by standard	70	
-	Volume of purchases by coffee quality and origin	75-76	



Independent auditor's report on the consolidated non-financial statement

pursuant to article 3, paragraph 10, of Legislative Decree No. 254/2016 and article 5 of CONSOB Regulation No. 20267 of January 2018

MASSIMO ZANETTI BEVERAGE GROUP SPA

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3, PARAGRAPH 10, OF LEGISLATIVE DECREE NO. 254/2016 AND ARTICLE 5 OF CONSOB REGULATION NO. 20267 OF JANUARY 2018

YEAR ENDED 31 DECEMBER 2020

To the Board of Directors of Massimo Zanetti Beverage Group SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5 of CONSOB Regulation No. 20267/2018, we have undertaken a limited assurance engagement on the consolidated non-financial statement of Massimo Zanetti Beverage Group SpA and its subsidiaries (the "Group") for the year ended 31 December 2020 prepared in accordance with article 4 of the Decree and approved by the Board of Directors on 18 March 2021 (the "NFS").

Responsibilities of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree, with the "Global Reporting Initiative Sustainability Reporting Standards" defined in 2016, and updated to 2018, by the GRI - Global Reporting Initiative (the "GRI Standards") and, limited to some indicators, with the "G4 Sector Disclosure – Food Processing" defined in 2014 (hereafter the "G4 Sector Disclosure"), indicated at paragraph "Methodological note" of the NFS identified by them as the reporting standards.

The Directors are also responsible, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the Group and to the extent necessary to ensure an understanding of the Group's activities, its performance, its results and related impacts.

Finally, the Directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for the identification and management of risks generated or faced by the Group.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

PricewaterhouseCoopers SpA

Sede legale: Milano 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 I.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: Ancona 60131 Via Sandro Totti 1 Tel. 071 2132311 - Bari 70122 Via Abate Giampa 73 Tel. 080 3640211 - Bergamo 24121 Largo Belotti 5 Tel. 035 296691 - Bologna 40126 Via Angelo Finelli 8 Tel. 051 6186211 - Brescia 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - Catania 95129 Corso Italia 302 Tel. 095 7532311 - Firenze 50121 Viale Gramsci 15 Tel. 055 2482811 - Genova 16121 Piazza Pievepietra 9 Tel. 010 29041 - Napoli 80121 Via dei Mille 16 Tel. 081 36181 - Padova 35138 Via Vicozza 4 Tel. 049 873481 - Palermo 90141 Via Marchese Ugo 60 Tel. 091 349737 - Parma 43121 Viale Tanara 20/A Tel. 0521 275911 - Pescara 66127 Piazza Ettore Troilo 8 Tel. 085 4545711 - Roma 00154 Largo Poehetti 29 Tel. 06 570251 - Torino 10122 Corso Palestro 10 Tel. 011 556771 - Trento 38122 Viale della Costituzione 33 Tel. 0461 237004 - Treviso 31100 Viale Felissant 90 Tel. 0422 666911 - Trieste 34125 Via Cesare Battisti 18 Tel. 040 3480781 - Udine 33100 Via Poceolle 43 Tel. 0432 25789 - Varese 21100 Via Albuzzi 43 Tel. 0332 285039 - Verona 37135 Via Francia 21/C Tel. 045 8263001 - Vicenza 36100 Piazza Pontefilandolo 9 Tel. 0444 393311

www.pwc.com/it

Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. Our audit firm adopts International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

Auditor's responsibilities

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree, with the GRI Standards and, limited to some indicators, with the G4 Sector Disclosure. We conducted our work in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the NFS is free of material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and consisted in interviews, primarily of company personnel responsible for the preparation of the information presented in the NFS, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

- 1 analysis of the relevant matters reported in the NFS relating to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and with the reporting standard adopted;
- 2 analysis and assessment of the criteria used to identify the consolidation area, in order to assess their compliance with the Decree;
- 3 comparison of the financial information reported in the NFS with the information reported in the Massimo Zanetti Beverage Group's Consolidated Financial Statements;
- 4 understanding of the following matters:
 - business and organisational model of the Group with reference to the management of the matters specified by article 3 of the Decree;
 - policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
 - key risks generated and/or faced by the Group with reference to the matters specified in article 3 of the Decree.

With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under point 5 a) below;

- 5 understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.

In detail, we held meetings and interviews with the management of Massimo Zanetti Beverage Group SpA and with the personnel of Massimo Zanetti Beverage Iberia SA, Boncafé Thailand Ltd and Segafredo Zanetti SpA and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

Moreover, for material information, considering the activities and characteristics of the Group:

- at holding level, Massimo Zanetti Beverage Group SpA,
 - a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify its consistency with available evidence;
 - b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information;
- for the following companies, Massimo Zanetti Beverage Group SpA, Massimo Zanetti Beverage Iberia SA, Boncafé Thailand Ltd and Segafredo Zanetti SpA, which were selected on the basis of their activities, their contribution to the performance indicators at a consolidated level and their location, we carried out meetings and interviews during which we met local management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of Massimo Zanetti Beverage Group for the year ended 31 December 2020 is not prepared, in all material respects, in accordance with articles 3 and 4 of the Decree, with the GRI Standards and, limited to some indicators, with the "G4 Sector Disclosure – Food Processing".

Treviso, 2 April 2021

PricewaterhouseCoopers SpA

Signed by

Filippo Zagagnin
(Partner)

Signed by

Paolo Bersani
(Authorised signatory)

This report has been translated from the Italian original solely for the convenience of international readers. We have not performed any controls on the NFS 2020 translation.