



SUSTAINABILITY REPORT 2021

Massimo Zanetti
MASSIMO ZANETTI
BEVERAGE GROUP

SUMMARY

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MESSAGE TO STAKEHOLDERS

The last few years have brought us many new challenges and complex choices in an ever-changing scenario.

I am proud to note that, in this particular context, during 2021 many of our Group companies have formalised specific objectives to pursue sustainable development with a view to continuous improvement.

These objectives concern, in particular, the efficient management of energy and resources, the optimisation of transport, the prevention of pollution, the minimisation of waste and the valorisation of by-products of coffee processing. In addition, we have embarked on a virtuous path to have 100% of our product packaging completely recyclable, led by Segafredo Zanetti Italia, which also aims to accompany the consumer towards a path of reducing the environmental impact.

Meira, our Finnish company, has joined Science Based Target, a global initiative that guides companies on a path to reduce emissions to combat climate change. The goal of Meira, one of the first companies in the coffee world to obtain Science Based Target approval for its sustainability journey, is in line with the objective of limiting global warming to 1.5 degrees Celsius, the most challenging goal of the Paris Agreement. By 2028, Meira aims to reduce all emissions from its operations by 80% through the transition to electricity from renewable sources only.

Furthermore, Meira aims to have by 2025, at least 90% of its suppliers committed to reporting their emissions and progress against their targets annually to Science Based Target. Finally, Meira is committed to reducing indirect emissions from raw material purchasing, distribution and waste generation by 50% by 2028. Inspired by Meira's ambitions, other Group companies, such as Café Montana, are striving for Carbon Neutrality.

Taking advantage of our presence throughout the supply chain, we launched a new product line "Segafredo Storia", an example of great innovation on the transparency front. It is, in fact, a project based on blockchain technology, which provides full traceability of the supply chain and allows consumers to follow the history of the coffee they have purchased step by step: to get in direct contact with growers, to know the plantations it comes from, the ports it has passed through, the way it has been blended and roasted.

With our international presence we are aware of the potential positive influence that we can generate in promoting the culture of sustainability along the entire value chain and we intend to do our best to promote sustainable development, reducing our environmental impact, enhancing the people we work with, and creating a network of valuable collaborations.

Massimo Zanetti
Chair and CEO
Massimo Zanetti Beverage Group S.p.A.

1. OUR IDENTITY



A man with a beard, wearing a brown jacket, is shown in a close-up, focused on cutting open a large sack of coffee beans. The sack is made of coarse, textured fabric and has some faint markings on it. The background is dark and out of focus, emphasizing the man's hands and the texture of the coffee beans.

**MASSIMO ZANETTI BEVERAGE
GROUP**

Coffee
ambassador
in the world

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 beige apron over a dark purple long-sleeved shirt. The grinder is a light-colored metal device with a hopper of coffee beans on top. The background is a soft, out-of-focus brown. The text is overlaid on the right side of the image.

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 one of the key players in the industry

An aerial photograph of a coffee plantation. The plantation is divided into numerous rectangular plots, each containing rows of coffee trees. A large, clear blue reservoir is situated on the left side of the image, with a dirt road and a small structure at its edge. The background shows a hilly landscape with sparse vegetation under a clear sky.

MISSION AND VALUES

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

THE GLOBAL PRESENCE

Massimo Zanetti Beverage Group was born in the '70s, from the passion for coffee of the founder Massimo Zanetti who 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.

This premise underlies the acquisition in 1976 of La San Marco, one of the leading Italian brands for the supply of professional coffee machines and equipment for bars.

The Group's business developed in the '80s, with the acquisition of companies with production facilities in Austria and France, followed by the incorporation of new companies in Portugal and Spain and distribution agreements with distributors (Germany, England, United States 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 Bean Alliance Group (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.



OUR 2021¹



¹ The economic values shown include all the companies of the Massimo Zanetti Beverage Group consolidated line-by-line. The other Highlights, on the other hand, refer to the companies included in the scope of the Sustainability Report, as detailed in the Methodological Note..



2. OUR
APPROACH TO
SUSTAINABILITY

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.

2.1 The Sustainable Blend

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.

2021 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.

Meira developed and formally approved during 2020 **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.

Furthermore, in order to validate the ambitious climate commitments, Meira has developed "Science Based Targets" for 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. The following targets were validated by Science Based Target initiative (SBTi)² in March 2022.

Going into the details of the objectives, by 2028 Meira is committed to reducing Scope 1 & 2 emissions by 80%, compared to 2019, by switching to the use of only **electricity produced from renewable sources** and using **biogas and district heating obtained from renewable sources**. In addition, Meira has set a target to reduce Scope 3 emissions related to upstream transport and distribution and

² The Science Based Targets initiative (SBTi) is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature

waste generated by operations by 50% over the same time period. Finally, Meira is committed to involving partners in the supply chain through a target requiring suppliers, corresponding to 90% of emissions related to the purchase of goods and services, to develop Science Based Targets by 2025.



(WWF). It drives ambitious climate action in the private sector by enabling organisations to set science-based emissions reduction targets.

Distribuidora Café Montaña, following the launch of Costa Rica's National Decarbonisation Plan³, decided to set even more ambitious targets, committing **to zero greenhouse gas emissions by 2020**. The achievement of this ambitious goal was certified by the Costa Rican government's Climate Change Directorate through the issuance of the "Carbon Neutral" certification in relation to Café Montaña's **GHG Inventory**⁴.

To achieve this goal, Distribuidora Café Montaña initially installed a new roasting machine, more efficient in terms of production and consumption, with a system for controlling and reducing emissions into the atmosphere. In addition, support initiatives were carried out, such as training on the waste of resources, in particular energy consumption, reforestation, environmental education and the correct collection and sorting of waste.

Furthermore, in 2021 the company was selected to participate in a "Decarbonisation Roadmap" pilot project by the Costa Rican government's Climate Change Directorate.

In 2021, **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.

³ Costa Rica's National Decarbonisation Plan aims to reduce net greenhouse gas emissions to zero by 2050 in line with the objectives of the Paris Agreement on Climate Change.

⁴Defined by the Greenhouse Gas Protocol, an initiative that stems from the partnership between the World Resources Institute (WRI) and the World Business Council for Sustainable

Finally, in 2021, **Tiktak** analysed its activities to formalise an action plan and contribute to the achievement of the UN Sustainable Development Goals. In cooperation with its partners, Tiktak decided to focus on five lines of action:

- Production process;
- Energy saving;
- Recycling;
- Packaging;
- Transport.

Development (WBCSD), with the aim of defining global standards for the measurement and management of greenhouse gas emissions.

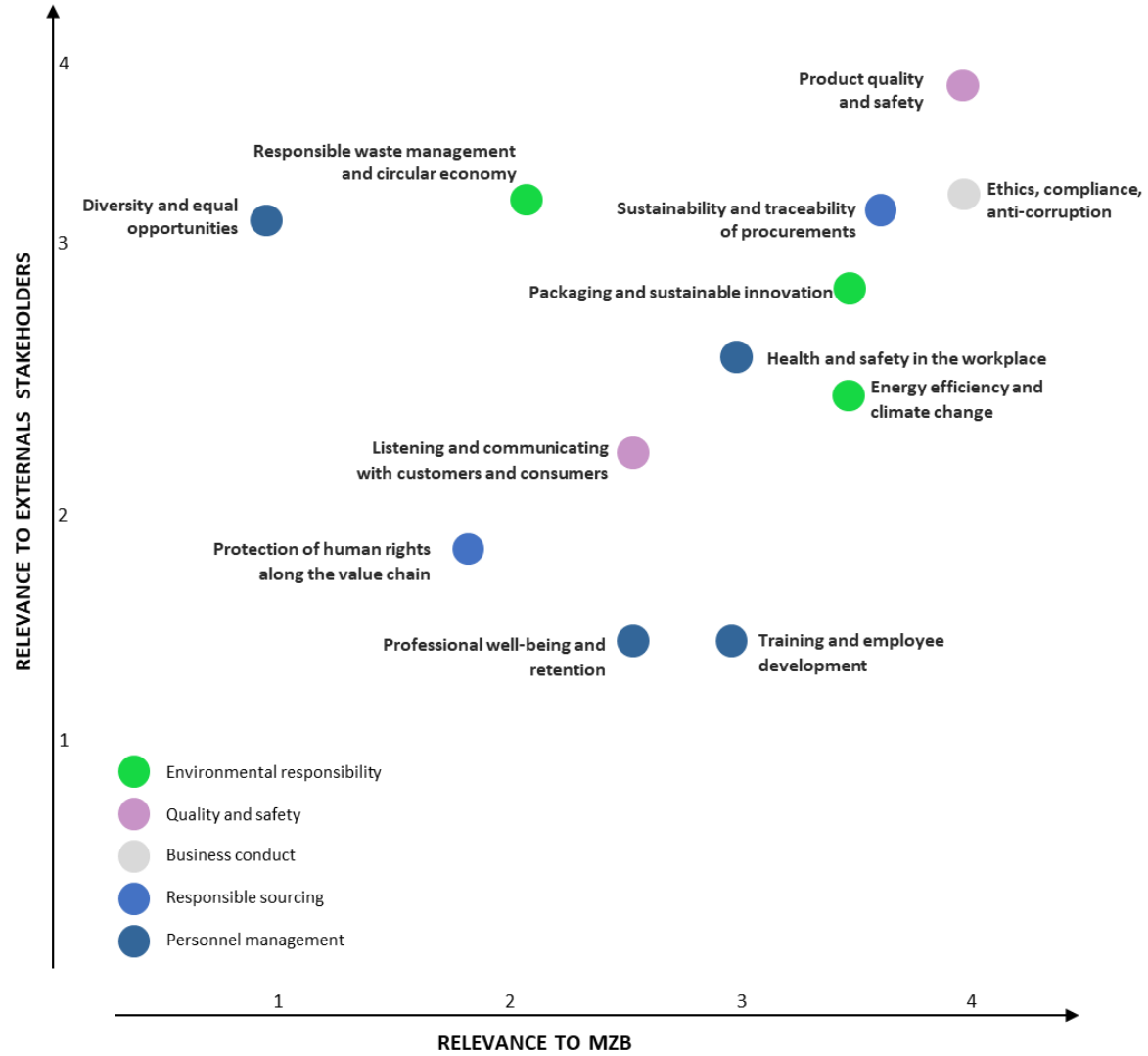
2.2 Dialogue with Stakeholder and Materiality Analysis

The application of the materiality principle makes it possible to select topics for reporting by responding to stakeholder requests for information in a transparent and comprehensive manner. This process is carried out whenever a significant change in the internal or external context of the Group may influence the issues that stakeholders or MZBG consider relevant for its own development from a sustainability perspective. The last update was in 2020, when MZBG assessed the consequences of COVID-19 on priorities. In 2021, as there were no significant changes in the situation compared to the previous year, it was decided to confirm the current results of the materiality analysis.

The table below shows, for each material topic, a brief description and the chapter containing the information on the topic.



MATERIALITY MATRIX



Topic	Meaning for MZBG	Where it appears in the text
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
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
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
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
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
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

Dialogue with stakeholder

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"> - Operating reports, and investor presentations - Analyst calls, investor meetings
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)

COOPERATION WITH LOCAL COMMUNITIES - BONCAFÉ THAILAND

A special form of support and dialogue with local communities has been implemented by Boncafé Thailand, which encourages collaboration between the company and the local community to create sustainable development for both parties. This form of Corporate Social Responsibility is promoted by the Thai Ministry of Industry, which has issued a set of CSR (Corporate Social Responsibility) principles and policies, subsequently implemented by Boncafé Thailand, which has also set up a committee and working group dedicated exclusively to CSR issues.



An aerial photograph of a dense forest with a winding dirt path. The path is light brown and contrasts with the darker green and brown of the trees. The text '3. RESPONSIBLE BUSINESS MANAGEMENT' is overlaid on the left side of the image in white, sans-serif font.

3. RESPONSIBLE BUSINESS MANAGEMENT

3.1 Corporate Governance

On 29 September 2020, MZB Holding S.p.A., a subsidiary of Massimo Zanetti through MZ Industries S.A., launched a voluntary total takeover bid aimed at delisting Massimo Zanetti Beverage Group S.p.A. The delisting took place on 15 February 2021, following Order No. 8732 of 8 February 2021 of Borsa Italiana. The Company's governance model was, until the delisting, in line with the criteria and application principles formulated by the Corporate Governance Code of Borsa Italiana S.p.A. (the "Corporate Governance Code") and the regulatory provisions governing Italian listed companies, according to 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, represented by the Board of Auditors.

The Board of Directors of MZBG plays a central role in the guidance and management of the Company and the Group. In addition to the powers vested in it by law and the Bylaws, the Board of Directors is exclusively responsible for the most important decisions in terms of economic and strategic aspects and in terms of their structural impact on operations, i.e. those functional to the monitoring and guidance of the Company and the Group.

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

MZBG, as parent company, directs the company and group strategies and exercises management and coordination activities pursuant to articles 2497 et seq. of the Italian Civil Code over the Italian companies belonging to the Group that it controls.

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 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.

The Board of Directors of Massimo Zanetti Beverage Group S.p.A. - with reference to the information required by art. 10 para. 1 of Legislative Decree 254/16 on diversity in administration, management and control bodies - consists, until 17 February 2021, of 9 persons, 4 of whom are women and 5 men.

Composition of the Parent Company Board of Directors					
Gender	Age group	Unit of measure	2019	2020	2021
Men	Between 30 and 50 years old	no.	2	2	2
	Over 50 years old	no.	3	3	2
Total Men		no.	5	5	4
Women	Between 30 and 50 years old	no.	3	3	2
	Over 50 years old	no.	1	2	
Total Women		no.	4	4	2
TOTAL		no.	9	9	6

Subsequently, the Extraordinary Shareholders' Meeting held on 3 March 2021 resolved to amend the Bylaws in line with the requirements of an unlisted company by also changing the number of members of the Board of Directors from nine to six as detailed in the table below. The Board of Directors currently in office until the approval of the financial statements as at 31 December 2022 is composed of Massimo Zanetti (Chairman), Matteo Zanetti, Laura Zanetti, Monika Dutkiewicz, Pascal Primo Heritiér, Leonardo Rossi, Directors. The Company adheres to legislation relating to gender balance in its management and controlling bodies.

On 16 March 2021, the Company's Board of Directors made various changes to the organisational chart, due to the changed organisational and governance requirements resulting from the delisting. On a voluntary basis, the role, functions and duties of the director in charge of the internal control and risk management system were confirmed, in accordance with the provisions of the Corporate Governance Code.

Given the complexity of management operations and taking into account that risk taking constitutes a fundamental and essential component of the business, on 24 June 2022, the Board of Directors approved the "**2022 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.

3.2 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, customers, 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 department, which performs annual audits on all Group companies. In addition, some companies, such as Café Montaña, have an Internal Audit department to further monitor these aspects.

In the course of 2021, Meira drew up a first draft of the so-called **Meira Ethical Principles**, outlining the principles already expressed in the Group's Code of Ethics in a more customised and context-specific manner. These principles will be finalised and implemented in 2022.

3.3 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 Ethics⁵.

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 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 planning⁶.

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.

⁵ Code of Ethics, MZB Group, available at the site Massimo Zanetti Beverage Group - Code of Ethics (mzb-group.com).

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.

3.4 The 231 Organisational 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

⁶ For further details, please refer to the contents of MZBG's Annual Report

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.

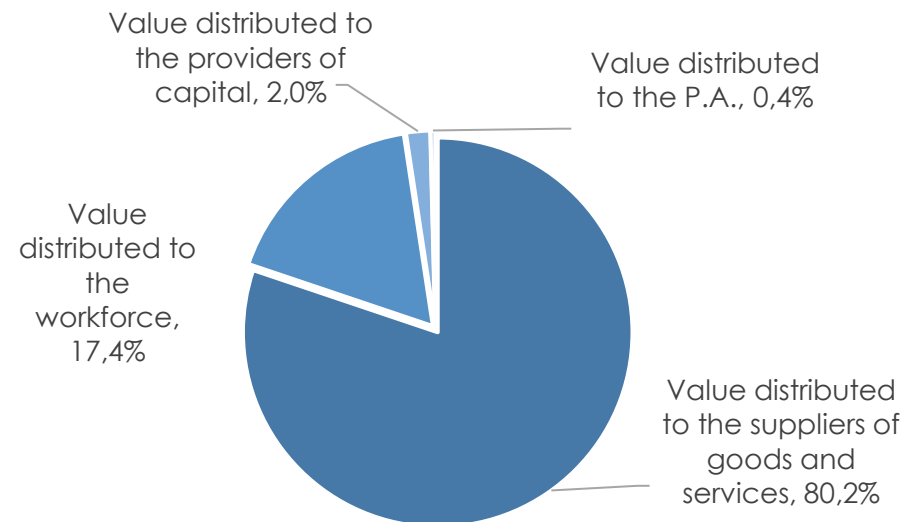
On 09 November 2020, the seventh revision of the Organisational Model 231 was approved. The latest update was necessary mainly in order to reflect the entry into force of Legislative Decree No. 75 of 14 July 2020 implementing Directive (EU) 2017/1371 on the fight against fraud affecting the financial interests of the Union by means of criminal law (so-called PIF Directive).

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.

In the three-year period 2019-2021, there were no incidents of non-compliance with laws and regulations in the economic and social areas, with the exception of two cases of social-economic non-compliance that resulted in administrative sanctions for Meira OY, promptly handled by the company [GRI 419-1]. Similarly, there were no legal actions for anti-competitive behaviour, antitrust and monopolistic practices during the three-year period [GRI 206-1]. Lastly, in 2021, there were no incidents of corruption [GRI 205-3].

3.5 Sustainable value creation

In 2021, Massimo Zanetti Beverage Group S.p.A. recorded a generated economic value of approximately €850 million⁷. Of this, more than €840 million, equal to 99%, was distributed to stakeholders: 17.4% was distributed to the workforce, 80.2% to the suppliers of goods and services, 2.0% to providers of capital and 0.4% to the Public Administration.



⁷ The economic values shown include all the companies of the Massimo Zanetti Beverage Group consolidated on a line-by-line basis.

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
Cafè 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 producters)

MZB Brasil	<ul style="list-style-type: none"> - ABIC- Brazilian Coffee Industry Association - Flavia Baldin - Member of the Marketig 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



4. THE VALUE CHAIN

The Massimo Zanetti Beverage Group believes in promoting a culture of sustainability through an open dialogue with its stakeholders aimed at continuous and joint improvement

4.1 Our Group Responsible Sourcing Policy

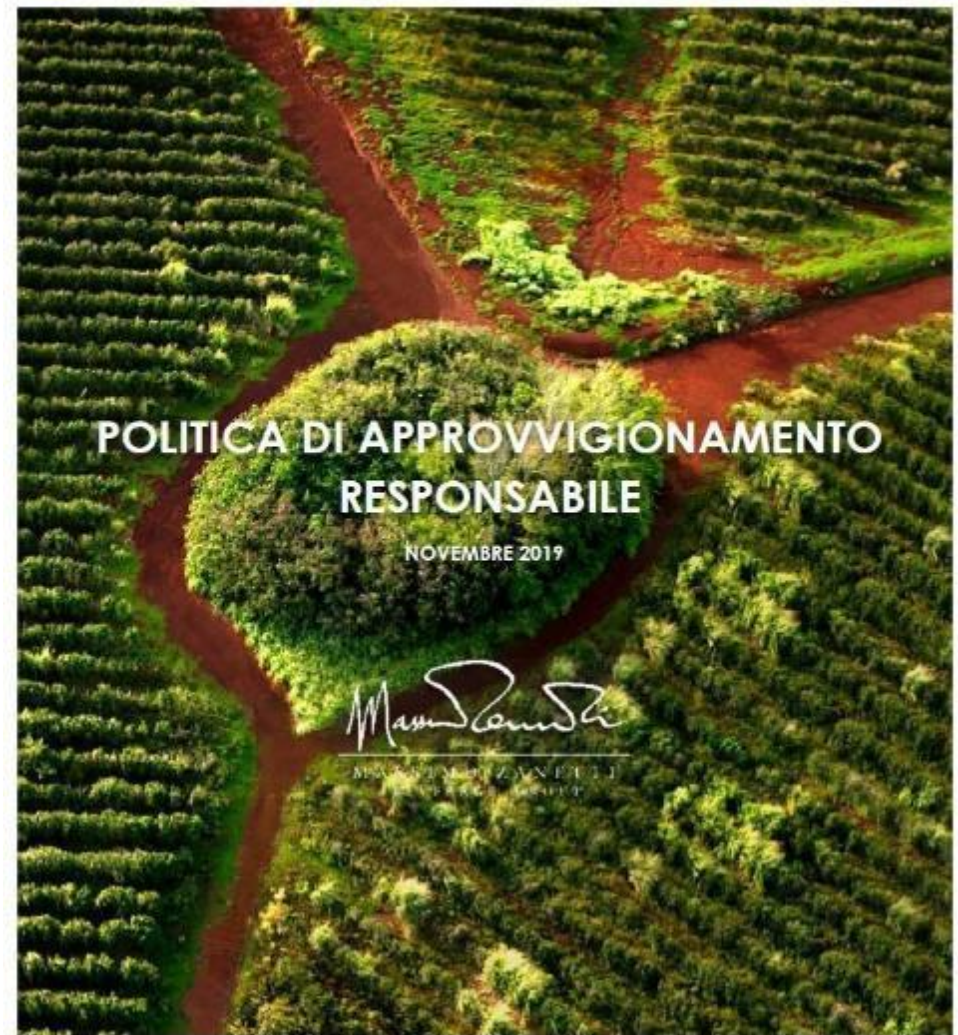
During 2019, thanks to the commitment and collaboration of the Group's main companies, Massimo Zanetti Beverage Group published the **Responsible Sourcing Policy**, a statement of the Group's commitment to ethical and sustainable coffee sourcing. This Policy was shared with all Group companies and since 2020, the companies have 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 check of the supply chain are evaluated 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.



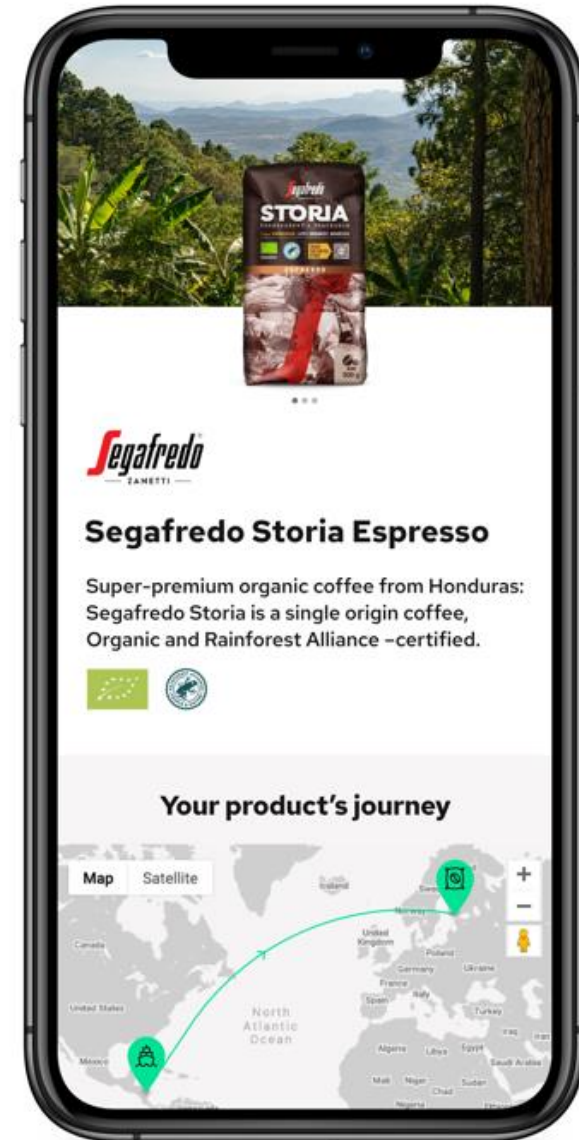
4.2 Responsible sourcing and traceability

It has always been the mission of the Massimo Zanetti Beverage Group to "make consumers all over the world love quality coffee, in full compliance with the values of sustainability".

Fundamental therefore is the Group's commitment to developing relationships of trust with its suppliers with whom it shares the same responsibility in achieving increasingly sustainable goals.

The importance of giving visibility to the path of coffee, from bean to cup, has made it increasingly necessary to adopt systems that allow the **complete traceability of raw materials** along the entire supply chain. These systems not only increase consumer confidence by guaranteeing product quality and safety, but also optimise and streamline the activities of players throughout the supply chain and improve communication and the quality of information.

The certification of green coffee according to various internationally recognised sustainability standards is an expression of the control and monitoring of sustainability aspects along the entire supply chain.



CAREFUL SELECTION OF SUPPLIERS

Over the years, with the aim of improving control over the supply chain, Group companies have implemented systems for selecting, evaluating and monitoring suppliers based on economic criteria, the quality of the products purchased and the punctuality of the service rendered by them. In addition, depending on the specifics of individual markets, suppliers are also assessed for environmental aspects, traceability of raw materials and protection of human rights in the supply chain.

All Group companies, when establishing contracts with their suppliers, require their counterparts to accept the Code of Ethics as an essential part of any business relationship between the parties and expect all their suppliers and subcontractors to comply with the standards and principles set out in this Code of Ethics.

All of the Group's European roasting plants, also in compliance with the European regulation⁸ that regulates traceability and food safety aspects, have implemented an effective traceability system for raw and packaging materials that is periodically verified both internally and by the various certification bodies during audits.

Tests to verify the ability of Group companies to trace back information on products marketed throughout the supply chain demonstrated the ability of roasters to access the required data in time to ensure the accuracy and availability of the information, confirming the strong control over this aspect.

In addition to the evaluation of commercial and technical aspects, the purchasing procedure of **Massimo Zanetti Beverage USA** stipulates full compliance with the parameters established by all

⁸ 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

health regulations and those at government level and by the GFSI (Global Food Safety Initiative), which brings together key players in the food industry with the purpose of continuously improving food safety management systems. In particular, the company asks that its suppliers compile a detailed check list with more than 100 questions on traceability and safety, for example, on compliance with the HACCP standard, methods used to check for the presence of parasites and allergens and application of Good Manufacturing Practices in relation to quality standards. As part of the evaluation of suppliers on social issues, MZB USA requires green coffee suppliers in developing countries to submit their "**Child Labor Certification**", which proves compliance with the applicable national and international standards on working practices and conditions. The company also asks its suppliers to acquire numbering systems to identify products so as to facilitate traceability, where necessary. The US company also 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. Finally, since 2021, MZB USA has implemented the six-monthly rating-based evaluation of its 10 most important suppliers (they account for 85% of all purchases).

Segafredo Zanetti Italia has issued procedures for the selection of its suppliers and the assessment of their performance. In the regular assessment cycles on suppliers, multiple parameters are assessed, such as long-term reliability, compliance with delivery times and detected non-conformities. The traceability of the products supplied is also assessed. In addition, since 2021, the company has also started

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

asking its suppliers for information and documents on their performance and environmental certifications.

Tiktak also asked its suppliers to sign the new Group policy, which formalises an action plan to contribute to the achievement of the UN Sustainable Development Goals, initially receiving a response from 90% of them. In the course of 2021, it committed to 100% supplier focus on five lines of action: production process, energy saving, waste collection, packaging and transport.

Segafredo Zanetti France has set up a product identification and traceability procedure along the entire supply chain, which involves recording data using a specific software called "**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. Moreover, the French company has issued a specific 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. Finally, in 2021, the company introduced new social criteria in the evaluation of certain suppliers, which will be gradually extended over the years to the entire supply chain.

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 the quality of products, to verify they comply with the high-quality standards expected within the Massimo Zanetti Beverage Group.

Finland's **Meira** monitors suppliers according to certain social aspects of labour practices, human rights and social impact. In particular, the company integrated the BSCI (Business Social Compliance Initiative) principles and the certification criteria of the European Coffee Federation's global platform in order to structure an effective social and environmental assessment process of the supply chain. With regard to coffee suppliers, before the decision to purchase, the Finnish company purchases some test batches that turn into an actual purchase once they have passed a series of rigorous quality tests. Finally, the Finnish company makes regular visits to plantations and processing plants in the countries of origin of the coffee purchased. In this way, Meira ensures effective compliance with social, environmental and quality standards throughout its supply chain.

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 basis of written offers, comparing at least three alternative offers. In

addition, tests are carried out on certain samples to assess their quality and sustainability before a deal is struck.

MZB Iberia has developed a classification system for its suppliers that allows them to be grouped into three macro-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 requires 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.

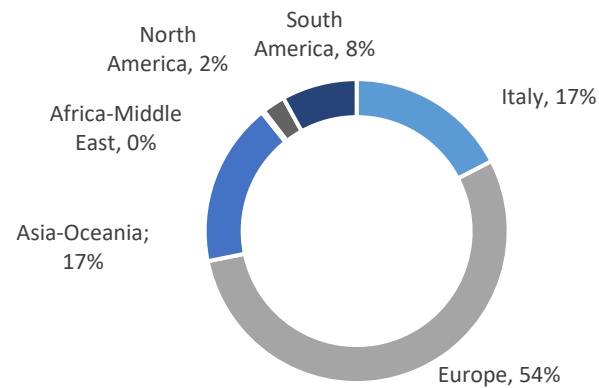
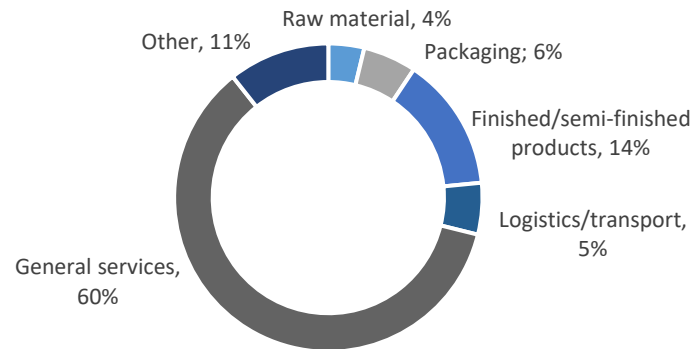
SZ Poland has also adopted an internal procedure and a system for evaluating suppliers, which include surveys and audits, carried out in the presence of significant risks. The search for and selection of new suppliers are also driven by sustainability factors.

Distribuidora Café Montaña has set up a specific supplier evaluation and approval procedure, which establishes guidelines for the evaluation and approval of suppliers of products and services that affect Good Manufacturing Practices (GMP) quality and safety standards. In addition, an annual audit of the legal requirements of suppliers is carried out on the basis of the parameters established within the Compliance Matrix for Suppliers.

As in previous years (2020 and 2019), two human rights assessments were conducted in 2021 at Group companies, in Italy and at the Kauai plantation. [GRI 412-1]

In this context, MZB Group companies procured from more than 6,000 suppliers during 2021. General services account for more than half of all suppliers (60%), followed by suppliers of finished and semi-finished products (14%), logistics and transport (5%), packaging (6%) and coffee and food raw materials (4%). Most suppliers are European (54%). [GRI 102-9]

Suppliers, according to product type and origin, 2021



and volumes produced, which in 2021 were still impacted by restrictions due to the Covid-19 pandemic.

Looking at the **origin of the coffee**, it is possible to notice an alignment with the 2020 trend, especially as regards Robusta quality coffee. In fact, in 2019, 63% of Robusta quality coffee came from Asian countries. In 2021, on the other hand, 59% (42% in 2020) of Robusta quality coffee was purchased from suppliers located in South and Central America, particularly Brazil, and 31% (37% in 2020) 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 (81.5% in 2021).

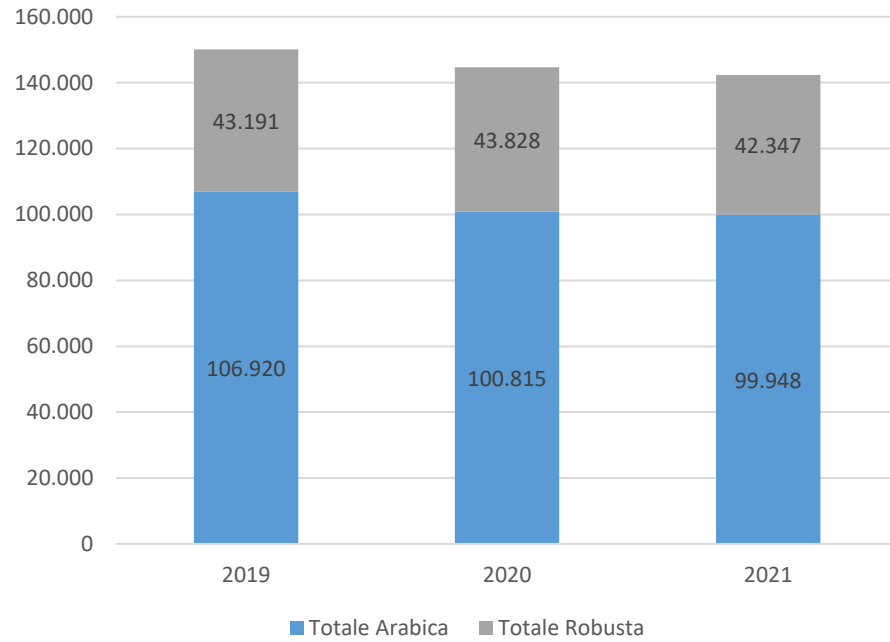
Countries of origin of green coffee in 2021

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

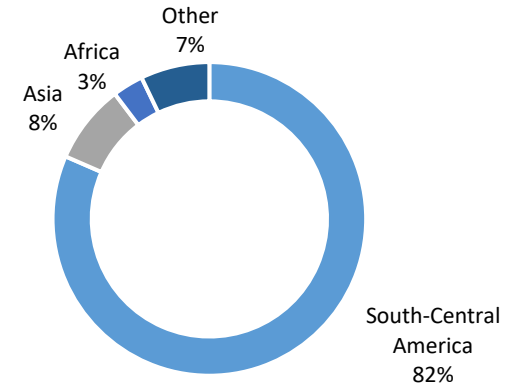
With specific reference to the supply of green coffee, between 2020 and 2021, its level of purchases decreased from 144,643 to 142,295 tons. The decline in purchases is closely related to the decline in sales

Coffee supplied, according to quality and origin

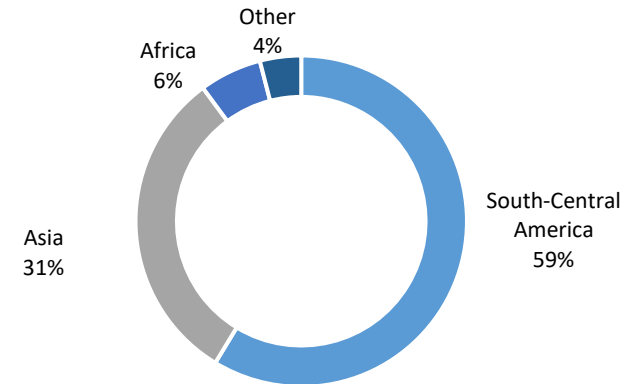
Coffee supplied, according to quality and tons



Arabica Coffee, according to origin



Robusta Coffee, according to origin

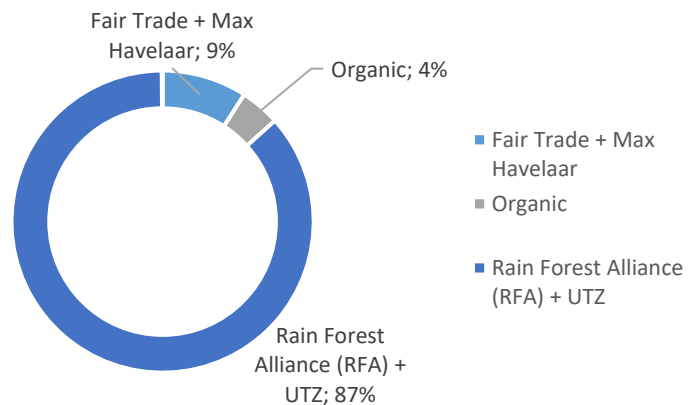


CERTIFIED COFFEE

Among the Group's companies, **Meira** is the leader when it comes to purchasing certified coffee. In fact, the company has formally adopted a certified green coffee purchasing plan as early as 2019, setting itself precise growth targets for the coming years, with the **aim of purchasing 100% certified green coffee by the end of 2022**, and is also committed to achieving this goal by adhering to international industry initiatives such as the **Sustainable Coffee Challenge (SCC)**.

In 2021, the purchases of coffee certified according to the international sustainability standards mentioned below were 16.1% in total. [GRI FP2]

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





Organic - Certification standard for agricultural raw materials that guarantees that they come from supply chains where the principles of organic cultivation are respected. For companies operating in Europe, the standards formalising the characteristics of organic cultivation are defined by EU regulations, while in the USA by the National Organic Programme (NOP).



Fairtrade - The certification guarantees that products bearing the Fairtrade mark have been produced in respect of workers' rights in Asia, Africa, Latin America and have been purchased according to fair trade criteria.

Fairtrade- Max Havelaar - The certification is issued by the Max Havelaar Foundation and attests that the products have been purchased in accordance with fair trade criteria.



Rainforest Alliance - The standard is based on 9 principles: protection of local flora and fauna, protection of ecosystems, protection of the soil, protection of water resources, fair treatment of workers and good working conditions, good relations within the community, integrated waste and pesticide management, monitoring and peace building.



UTZ⁹ - The standard is based on principles such as transparency of business practices, traceability of raw materials and compliance with International Labour Organisation (ILO) conventions.

Certified coffee	Organic	Fairtrade + Max Havelaar	RFA + UTZ
Company¹⁰			
MZB Iberia	x		x
SZ Italia	x		x
SZ France	x	x	x
Boncafé Thailand			x
Brodies		x	x
Brulerie	x	x	
Meira		x	x
MZB USA	x	x	
MZB Vietnam			x
SZ Poland	x		x
Tiktak	x	x	x
The Bean Alliance		x	x

⁹ UTZ merged with Rainforest Alliance as of 2018.

¹⁰ The table only shows companies purchasing green coffee. Boncafé International, Café Montana, SZ Austria and MZB Brasil do not currently purchase certified coffee.

Sourcing certified green coffee has enabled the Finnish subsidiary to launch new certified products on the market, including a new line of decaffeinated and high-caffeine coffee under the **Rainforest Alliance**-certified **Kulta Katriina** brand. During 2021, the Kulta Katriina line expanded with the introduction of Kulta Katriina Plus Smooth, a certified low-acid coffee.



Among the different products, since 2019, **Segafredo Zanetti Italia** has been producing SUPREMO coffee, a coffee with a sweet and fruity aroma, made from a selection of 100% Arabica, organic coffee from the best plantations in Central America and Africa and Rainforest Alliance Certified.



The Group's range of sustainable and certified products was also expanded through the acquisition of Bean Alliance and its brands **Bean Ground & Drunk**, the first coffee in Australia to be certified organic according to the Australian Certified Organica standard, and **Oxfam Fair**. For the past eleven years, Bean Alliance Group has been working with Oxfam Australia, an internationally recognised organisation promoting the dignity of workers and fighting poverty and inequality, producing the FAIR branded range and, starting in 2019, exclusively producing a new premium ethical coffee line. Through its products, Oxfam Fair is committed to helping communities working on coffee plantations and the most disadvantaged people in Australia and around the world. Funds raised from coffee and chocolate sales are invested in anti-poverty aid programmes.



In addition, the production of Oxfam Fair products guarantees farmers a fair and stable price for their raw materials and production premiums to give communities the chance to build a better life for themselves.

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

Bean ground & drunk is certified ACO (Australian Certified Organic), Australia's leading certification body for organic and biodynamic products, which guarantees consumers that they are buying organic coffee and that no pesticides or other chemicals are used throughout the entire process, "from the plant to the cup". Bean ground & drunk is also Fairtrade certified and contributes to a greater awareness of fair trade among consumers.



Tiktak also continuously strives throughout the supply chain to make its products more reliable, transparent and verifiable. For years, the Dutch company has introduced a number of BIO, Rainforest Alliance and Fairtrade certified products to the market: Segafredo Selezione Organica, Segafredo Climate, Tiktak Organica and Tiktak Duet. Furthermore, in 2021 Tiktak introduced the **GO GREEN!**, a package designed for the most conscientious coffee lovers that contains a combination of all the company's certified coffees.



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 healthier alternatives to the traditional products such as **Meira Organic Ketchup**, which contains 85% tomato, 30% less sugar and salt and is totally preservative-free.

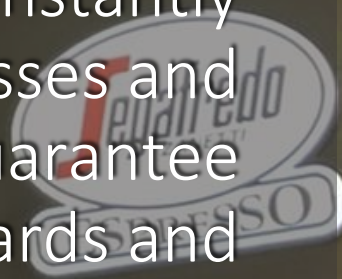
Moreover, already in 2020, Meira introduced some new additions to its spice range: Ceylon cinnamon and Finnish nettle. The highly selected **spices in the Meira Premium range** are organically grown and produced using sustainable practices. Both new products have been awarded **Organic and FairTrade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

Spring 2021 saw the launch of **Meira Dips**, which contain herbs and spices from the freshest harvest without flavour enhancers and starch. These sauces contain on average 30% less sugar and salt than traditional sauces and do not contain any artificial flavourings or additives, resulting in a vegan and gluten-free product.



5. PRODUCTS AND CUSTOMERS

Massimo Zanetti Beverage Group recognises its responsibility to constantly improve its processes and products in order to guarantee high quality standards and exceed customer expectations, while respecting the environment and future generations.



Satisfying the needs of the market by providing quality products and services, while respecting the ethical values of integrity, honesty, transparency and competition, and committing to do so in full compliance with national and international regulations and legislation is MZB's mission, defined in the Code of Ethics and subscribed to by all Group companies.

Ensuring quality products, especially in the food sector, is essential to be competitive in the market. Quality can be described as a dynamic concept that encompasses such diverse topics as food safety, traceability of raw materials and products, communication with customers and continuous improvement of internal company processes.

The quality of the products offered in all markets is the fundamental principle that guides MZBG's work. For the Group, quality does not only mean providing products that adhere to the highest international standards, but also optimising internal processes, integrating the customer perspective in every business activity, 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 commitment is translated locally within the Group's companies into specific quality and food safety policies that allow for market specificities. In particular, in larger companies, food quality and safety policies are made operational by specific procedures defined within management systems certified according to international protocols.

In this context, the quality management activities of Massimo Zanetti Beverage Group evolve along two lines: **protecting the quality and safety of the product** along the entire value chain, **listening and communicating with customers and consumers**, and the continuous **search for 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. Specific functions 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.

An integral part of the quality concept promoted by the Group is also innovation aimed at developing products that increasingly use socially and environmentally sustainable materials and processes. The evolutionary trends of the market, in fact, every year lead the companies of the Group to launch new products, which aim to satisfy the needs and tastes of even the most demanding consumers starting from the different characteristics of the local markets, always respecting the quality requirements, product safety and sustainability.

5.1 Customer centricity

The constant involvement of stakeholders by all Group companies is a key aspect in achieving the objectives aimed at satisfying consumers and customers and exceeding 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.

RESPONSIBLE AND TRANSPARENT COMMUNICATION

To ensure responsible and transparent communication to its stakeholders, MZBG uses a number of dedicated channels that provide comprehensive and clear information. Production companies are especially attentive to the information provided on packaging and to complying with EU regulations on labelling. Specifically, 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.

During 2021, **MZB USA** implemented a formal product labelling review process. In particular, through multi-departmental involvement (Marketing, Legal, Quality, Sales and others), a comprehensive process of checking product labels throughout the various production and marketing stages is carried out to ensure their accuracy and regulatory and legal compliance.

With regard to marketing communication, six reports of non-compliance related to marketing and labelling were registered within

the Group during 2021: four product non-compliances and two reports related to product labelling. However, in no case did the non-compliance result in fines or penalties, which were instead immediately resolved by the Group company involved. [GRI 417-2] [GRI 417-3]

CUSTOMER CARE AND CUSTOMER SATISFACTION

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.

Brodies handles all product-related complaints or non-compliance cases in accordance with the Customer Compliant Procedure.

With regard to the monitoring of customer and consumer satisfaction after the sale, companies adopt different approaches according to the peculiarities of the market served. **Segafredo Zanetti France, MZB Brasil, SZ Austria, Boncafé International, Kauai Coffee and Distribuidora Café Montaña**, for example, conduct periodic satisfaction surveys among their customers using questionnaires, also by resorting to the use of specialised companies. 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 maintenance services performed on coffee machines.

Every year, **Boncafé International** monitors the satisfaction of its customers by administering them a "customer satisfaction form". The results recorded in 2021 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.

Bean Alliance Group attaches primary importance to **communication** and **dialogue** with its customers. Starting in 2020, communication channels and methods were revised to **enrich the content of blogs** within the online sales channels. Bean Alliance wanted to publicise the **history of its products** and reality, as well as to raise awareness and guide customers in their more conscious and responsible purchasing choices. In 2021, the topics of most interest and customer engagement included the impact and recycling of **bean ground & drunk capsules**, **Australian Certified Organic (ACO)** products, the value of Fairtrade in the annual **Fairtrade Fortnight** report and the state of the art of Organic and Ecological Agriculture on **Earth Day**.

In 2021, **Boncafé Middle East** inaugurated its **new Service Centre**, a state-of-the-art facility capable of serving a larger number of

customers than its predecessor, as well as providing high-level technical training and after-sales support.



5.2 Innovation and Research

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.

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. In 2021, a multifunctional NPD (New Product Development) team was formally established to meet bi-weekly to discuss new product development, innovation and other projects.

At **MZB Iberia**, the Quality and New Product Development department works closely with the marketing area and the purchasing/industrial planning department. For the Portuguese company, it is only possible to create new products thanks to the

synergy between the various company functions, based on the satisfaction of specific technical requirements, the search for the right suppliers and the construction of a coherent, effective image.

Other Group companies, such as **Meira**, have defined performance indicators to monitor the number of projects and to analyse those that pass the multiple approval steps envisaged and then come to be considered real innovation projects. As of 2021, Meira has participated in the three-year **LCA-Foodprint-harmonizing project** sponsored by the Finnish Natural Resources Institute (Luke). The project aims to develop a harmonised methodological framework based on scientific and practical criteria in order to more correctly assess the environmental significance of food products.

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 2020, the year of its centenary, La San Marco presented the **20/20** machine collection, the design of which bears the signature of Bonetto Design. In 2021, the collection was officially introduced to the market, designed for lovers of quality espresso who also want a workmanlike extraction outside the coffee shop. In 2021, La San Marco also officially introduced the new high-end electronic model to the market: **D. Design**. Automotive inspiration and cutting-edge technology are the hallmarks of this new machine, which is able to programme all the operating parameters that influence steam and coffee output. This technology further improves control over coffee quality and monitoring of energy consumption.



The excellent design that distinguishes the machines produced by La San Marco was also recognised in 2021, when the famous **La San Marco V6** coffee machine was once again selected by ADI and ADI Design Museum as one of the **best products of high-tech Italian industrial design**. La San Marco V6 is a revolutionary double-barrel lever coffee machine model, a high-tech manufacturing jewel. The machine was also displayed in two important exhibitions, organised on the occasion of the **G20 Summit in Rome** and **Dubai Design Week**. In Rome, the machine was displayed as part of the exhibition "*Italian Design. People, Planet, Prosperity - Innovation, Creativity, Responsibility*", which had 41 design objects selected and displayed at EUR, the Nuvola and the Palazzo dei Congressi.

La San Marco V6 was the only coffee machine selected and exhibited. In Dubai, however, the machine was inside the Italian Pavilion, where the selected objects were organised according to five thematic areas: *Imagin-able, Relation-able, Live-able, Move-able and Work-able*, the category into which La San Marco's V6 was placed.



BRAND REVITALISATION - GRAVITY ESPRESSO

On the occasion of its 40th anniversary in 2021, **The Bean Alliance** launched the rebranding of its urban-hipster brand Gravity Espresso.

The brand has been completely revitalised with the aim of responding to the new and sensitive needs of baristas, café owners and, above all, new generations of consumers (Gen Y and Gen Z). In addition to the new product design, the marketing campaign carried out by the Australian company included a series of collaborations, from local radio stations and magazines to clothing brands in order to create a clothing line as well.

Bean Alliance's efforts also received official recognition, reaching the finals of the Australian National Marketing Excellence Awards 2021.



A REVOLUTIONARY PRODUCT THAT PROVIDES TRANSPARENCY TO THE CONSUMER THROUGH BLOCKCHAIN TECHNOLOGY

In 2021, 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 technology¹¹, 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 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.

¹¹ 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.

5.3 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.

The Group's five main companies in terms of economic importance and impact generated - Massimo Zanetti Beverage USA, Segafredo Zanetti S.A. France, Segafredo Zanetti Italy, Meira and Boncafé International - discussed issues of quality, food safety, traceability, product and process innovation, and customer and consumer satisfaction. In relation to these areas, Group guidelines have been defined in order to pursue common goals, standardise corporate practices by sharing best practices already in place, but at the same time considering the specificities of each Group company.

The Group **Quality Policy** aims to formalise the Massimo Zanetti Beverage Group's commitment to:

- Guaranteeing quality and safe products
- Adopting business practices aimed at increasing customer satisfaction
- Promoting innovative solutions



In addition, the Quality Policy aims to regulate at Group level certain aspects such as **innovation, food certification, traceability and consumer focus**.

INNOVATION

- Innovating to anticipate our consumers' expectations and improve internal processes
- Innovating to ensure sustainable growth

FOOD CERTIFICATION AND TRACEABILITY

- Ensuring product safety in all Group activities and along the supply chain
- Monitoring, measuring and improving business processes
- Ensuring high quality standards and traceability of coffee

CONSUMER CENTRICITY

- Constantly involving customers and consumers
- Exceeding consumer expectations

Those responsible for managing quality within each company and all Group employees must monitor and ensure the implementation of the requirements and the pursuit of these objectives. Finally, the Quality Policy requires each company of the MZB Group to carry out analyses and assessments along its supply chain, in order to ensure that the mandatory requirements are met, through onsite visits, self-assessment questionnaires and/or external audits.

5.4 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 Italy, 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 2021, **Boncafé Thailand** continued the implementation of the requirements set by ISO 9001:2015. However, it has not yet undergone third-party certification. Also in 2021, **Boncafé Middle East** started the process of implementing the protocols and procedures necessary to obtain HACCP 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 Italy 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, **SZ Austria** is setting 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. **MZB Iberia**, on the other hand, revised its Group Quality Policy in 2021, adopting some additional controls to respond even more precisely to the needs of the company.

In 2021, 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. [GRI FP5]

GRI FP-5: Process certifications concerning food safety management systems and companies complying with these standards¹²

	IFS Food Certificate	Unified quality assurance standard valid for all food products		Hazard Analysis and Critical Control Points (HACCP)	European food hygiene certification
	British Retail Consortium (BRC)	Global Standard for agri-food safety		ISO 9001	Quality Certification that is an international standard applicable by all organisations, operating in any business sector.
	Food Safety System Certification 22000	Agri-food safety standard in production processes along the supply chain		KOSHER	Certification ensuring compliance with the Kosher food standards.
	Good Hygiene Practice (GHP)	Standard for the correct implementation of a Food Safety Management System		Safe Quality Food (SQF)	Food safety standard along the supply chain
	HALAL	Quality certification that ensures the conformity of systems, processes, services and products to the requirements set by Halal norms and international Halal standards		Safe and Local Supplier Approval (SALSA)	Certification widespread in the United Kingdom that proves regulatory compliance of products with food safety requirements
	Supplier Quality Management System (SQMS)	Supplier Quality Management System for Food Products			

¹² RFA, Organic and Fairtrade certifications are both product and process 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 table above lists the main voluntary certifications adopted within the various Group companies. 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.

A close-up photograph of a person's hands operating a Leva espresso machine. The person is pulling down the lever on the left and holding the handle of the coffee spout on the right. The machine is stainless steel and has the brand name 'LEVA' visible on its side. A white coffee cup is placed under the spout, and coffee is being dispensed into it. The background is a blurred cityscape.

6. PEOPLE

People are our most important asset, to be protected and valued every day. That is why we are committed to building a working environment in which our employees can grow, develop their talents and operate under the best conditions, building relationships based on mutual trust and inspired by the utmost fairness.

6.1 Human Capital

People are one of the main factors for a company to be competitive in the long run. In fact, building an attractive working environment is considered increasingly crucial to ensure the success of a business like MZB.

The Massimo Zanetti Beverage Group adopts a management of people oriented towards the protection of diversity and equal opportunities, as well as training and professional development, with the aim of creating a favorable working climate based on transparency and dialogue.

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. Overall, the management of human resources and the promotion of health and safety in the workplace are in fact overseen by the individual Group companies, in line with the values expressed 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.

During 2021, all the necessary measures for individual protection and for the containment of the spread of the Covid-19 virus were carried out. Furthermore, in order to ensure the safety of all employees and, at the same time, carry on business activities, all Group companies, wherever possible, continued to offer their employees the option of working in smart working mode.

6.2 Professional well-being and retention

The Massimo Zanetti Beverage Group is committed to provide a stimulating work environment to its employees, developing the individual people. 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.

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

Regular staff meetings are organised at **Brodies** where the views of the workers can be gathered.

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. In 2021, the company also organised some events to promote cohesion and good humour among employees.

Boncafé Thailand implemented, at the end of the annual performance evaluation, a questionnaire to assess employee engagement and inclusion in Asia, improve internal communication, collect employee opinions and highlight the factors that determine 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.

In 2021, **Kauai** implemented a new **organisational efficiency survey** to collect employees' opinions and highlight the factors that determine the organisation's strengths and weaknesses. In addition, during the year, Kauai restarted the **Suggestion Box** initiative, which had been suspended due to the Covid-19 pandemic emergency, to collect questions, concerns and suggestions from its employees. Compared to previous years, in 2021, traditional feedback collection underwent a significant technological improvement, introducing QR technology in order to increase participation and facilitate collection.

During 2021, **Boncafé Thailand** has maintained the **Bon to Bon newsletter**, created in 2019, to improve internal communication, create social awareness and a culture that promotes collaboration between 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, such as, for example, agreements with gyms to facilitate and encourage physical activity or 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 programme".

In 2021, **Segafredo Zanetti Poland** continued 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.

Overall, there was an increase in both recruitments and terminations at Group level in 2021. [GRI 401-1]

Recruitments and terminations by gender, age and geographical area, in number and percentage

Group recruitments and terminations, 2021	Recruitments of Group, 2021		Terminations of Group, 2021	
	no.	Turnover rate	no.	Turnover rate
Men < 30 years old	111	40%	105	37%
Men 30 ≤ x ≤ 50 years old	183	17%	224	20%
Men > 50 years old	46	7%	112	18%
Total men	340	17%	441	22%
Women < 30 years old	107	54%	99	50%
Women 30 ≤ x ≤ 50 years old	117	17%	141	21%
Women > 50 years old	18	6%	46	17%
Total women	242	21%	286	25%
Total	582	18.4%	727	23%

	2019	2020	2021
Group hiring rate	22.3%	15.6%	19.3%
Group turnover rate	20.6%	20.4%	24.1%

Recruitments, by region	2019		2020		2021	
	M: men	W: women	M	W	M	W
Americas (no.)	143	70	138	66	133	80
Hiring rate (%)	25.9	26.1	22.8	24.4	22	19
Asia and Oceania (no.)	152	157	66	70	86	102
Hiring rate (%)	29.3	31.9	13.8	15.9	18	23.1
Northern Europe (no.)	49	26	46	32	58	30
Hiring rate (%)	14.9	16	14.2	19.9	18	18.6
Southern Europe (no.)	85	35	50	25	63	30
Hiring rate (%)	13.6	12.7	8.2	9.0	10.4	10.8
Group hiring rate (%)	21.2	24	14.9	16.8	16.9	21

Employees leaving, by region	2019		2020		2021	
	M: men	W: women	M	W	M	W
Americas (no.)	162	71	156	93	202	76
Turnover rate (%)	29.3	26.5	25.8	34.3	33.4	28
Asia and Oceania (no.)	131	141	99	124	109	144
Turnover rate (%)	25.3	28.7	20.7	28.1	22.8	32.7
Northern Europe (no.)	48	31	45	40	55	38
Turnover rate (%)	14.6	19.1	13.9	24.8	17	23.6
Southern Europe (no.)	57	21	65	24	75	28
Turnover rate (%)	9.1	7.6	10.7	8.7	12.3	10.1
Group turnover rate (%)	19.7	22	18.1	24.4	21.9	24.9

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.

At the basis of the definition of the annual training plans, in the six major companies of the Group there is a process of mapping the skills of employees, aimed at identifying any areas that require training and identifying specific lines of action in these 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.

MZB USA, through its **MZB Way To Learn** programme in support of staff training and growth, annually publishes a list of training courses in which each individual employee can request to take part, also in

order to fill possible gaps or enhance specific areas identified during the assessment of skills by their manager.



Massimo Zanetti Beverage Iberia also supports the development of professional skills through a structured performance assessment system that involves all employees, on a quarterly basis, focused on diversified parameters (including, leadership, diligence, flexibility, availability, collaboration, organization, ethics, productivity, quality and technical aptitude). At the end of 2021, **MZB Iberia** embarked on a path of innovation in its performance management system, taking the stimulus from recent developments in the HR field.

The training courses organised during 2021 covered different areas and involved various figures. For example, **SZ Poland** and **Tiktak** organised specialised courses dedicated to the sales area, while **MZB Iberia** and **Boncafé International** organised courses on Hygiene and Food Safety. The **parent company** organised Digital Awareness and Leadership courses in 2021. Other Group companies provided general training courses for their employees: administration, health and safety, first aid.

The actions carried out by the individual companies resulted in an average of 7.5 training hours per employee in 2021, in line with 2020,

and lower than in 2019 due to the limitations related to the Covid-19 pandemic and the reduction of presence at the sites and plants. [GRI 404-1]

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

Training by category	2019	2020	2021
Training provided to Managers and Executives	5,520	4,284	4,008
Training provided to white collar staff	13,428	6,465	7,788
Training provided to blue collar workers	14,670	12,376	10,802
Training by gender	2019	2020	2021
Training provided to women	11,948	8,390	6,702
Training provided to men	21,671	14,735	15,896
Average training per employee	10.4	7.6	7.5
Average training – women	10.0	7.6	3.5
Average training – men	10.7	7.6	14.5

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.

Boncafé Thailand further improved its Strategic Performance Management System in 2021, implementing real time monitoring of KPIs linked to the company's core values and a summary of each employee's performance.

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). Also **The Bean Alliance** has adopted a performance assessment system since 2019 based on a self-assessment questionnaire by the employee and feedback from two colleagues or managers. Once the first stage has been completed, the employee is invited for an interview to assess the achievement of set goals 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. At the Brazilian subsidiary too, **MZB 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.

SZ Poland evaluates employees through an individual evaluation system. In particular, the heads of all departments are responsible for defining the KPIs for each individual employee and it is their responsibility to monitor 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.

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. In addition, the American company has defined three basic guidelines of action for people management: health and safety, community support and the creation of a widespread corporate culture.

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

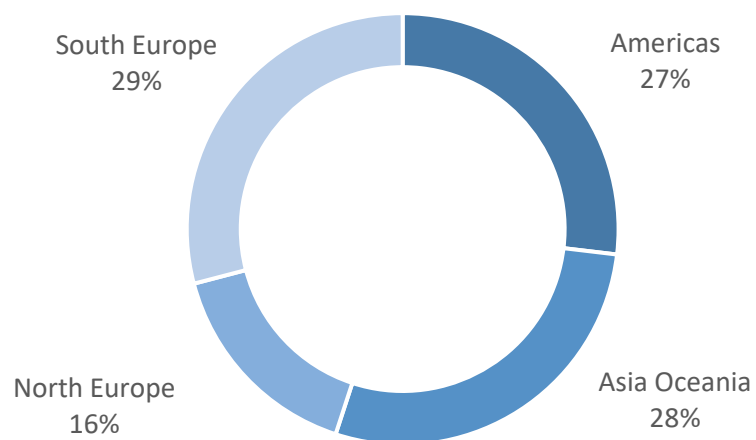
As testimony to their commitment to protect and promote diversity and recognise the personal qualities of individuals, **Segafredo Zanetti France** signed more than ten years ago the **Charte de la Diversité** (<http://www.charte-diversite.com>), a voluntary initiative by some French companies to promote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

During 2021, **Boncafé Thailand** launched a project in collaboration with the Social Innovation Foundation with the aim of integrating people with disabilities and prisoners into the working environment.

Boncafé International 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, **The Bean Alliance**, too, constantly monitors the composition of work teams to maintain a gender balance within them, promotes initiatives and a culture that encourages women in leadership roles and a work environment that allows for the reconciliation of work and family life.

At the end of 2021, there were 3,013 employees working in the Group companies included in the scope of this Sustainability Report. The Group's workforce is distributed geographically according to the percentages shown in the chart below. The main distribution in geographic terms is in Europe (45%), followed by Asia and the Americas. [GRI 102-8]



In 2021, 45% of the Group's employees are covered by collective bargaining agreements. [GRI 102-41]

Employees, according to type of contract and gender, number

Permanent contract		2019	2020	2021
Permanent contract employees	Men	1,866	1,903	1,838
	Women	1,037	1,031	1,015
Full-time	Men	1,823	1,871	1,806
	Women	961	970	950
Part-time	Men	43	32	32
	Women	76	61	65
Total permanent contract employees		2,754	2,934	2,853
Temporary contract		2019	2020	2021
Total temporary contract employees	Men	158	111	77
	Women	159	119	83
Full-time	Men	110	84	56
	Women	61	47	38
Part-time	Men	48	27	21
	Women	98	72	45
Total temporary contract employees		317	230	160
Total employees (permanent and temporary)		3,220	3,164	3,013

Most employees had a permanent contract (95%) and, among these, the vast majority was working full-time (97%). Men employee accounted for 63.6% of the workforce, basically unchanged with respect to 2020 (when the percentage was 63.7%). [GRI 405-1]

Employees, by type of contract, gender and geographical area for 2021, number

Permanent contract		Americas	Asia Oceania	Northern Europe	Southern Europe
Full-time	Men	519	422	299	566
	Women	262	329	117	242
Part-time	Men	3	10	6	13
	Women	9	13	18	25
Permanent contract employees	Men	522	432	305	579
	Women	271	342	135	267
Total permanent contract employees		793	774	440	846
Temporary contract		Americas	Asia Oceania	Northern Europe	Southern Europe
Full-time	Men	17	3	18	18
	Women	0	9	17	12
Part-time	Men	0	20	1	0
	Women	0	42	3	0
Total temporary contract employees	Men	17	23	19	18
	Women	0	51	20	12
Total temporary contract employees		17	74	39	30
Total employees (permanent and temporary)		810	848	479	876

Employees, by professional category, gender and age group, percentage

Percentage of employees by professional category, gender and age group	2019		2020		2021	
	M	W	M	W	M	W
Executives	69%	31%	67%	33%	71%	29%
of which <30 years old	0%	3%	1%	0%	0%	0%
of which 30 ≤ x ≤ 50 years old	39%	72%	43%	79%	49%	80%
of which >50 years old	61%	24%	55%	21%	51%	20%
Managers	59%	41%	59%	41%	58%	42%
of which <30 years old	2%	2%	3%	1%	3%	3%
of which 30 ≤ x ≤ 50 years old	52%	80%	52%	78%	51%	78%
of which >50 years old	45%	18%	45%	21%	46%	18%
Employees	50%	50%	51%	49%	51%	49%
of which <30 years old	13%	20%	11%	19%	11%	17%
of which 30 ≤ x ≤ 50 years old	62%	58%	61%	58%	61%	55%
of which >50 years old	24%	23%	28%	23%	29%	28%
Workers	74%	26%	75%	25%	76%	24%
of which <30 years old	21%	27%	18%	23%	17%	19%
of which 30 ≤ x ≤ 50 years old	49%	45%	52%	49%	51%	53%
of which >50 years old	30%	28%	30%	29%	32%	27%

M: men W: women

6.6 Health and safety in the workplace

Safety at work, workers' health, and the care and improvement of working environments have always been founding principles of the policies of the Group's companies.

Also within the Code of Ethics, the importance attached by the Group to health, hygiene and safety in the workplace is emphasised, and it is clearly stated that MZB is committed to preventing all potential forms of risk both in relation to its own employees and the employees of external companies, within the scope of the latter's work at MZB.

Among the most virtuous examples in the Group are **Segafredo Zanetti Italy** 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, pursued the certification **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.

Various Group companies, such as **Meira**, **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 **Meira** 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.

SZ France identifies **occupational risks** through a specific **tool** for defining preventive, monitoring and improvement actions to be implemented with assignment of the relative priority. The Action Plan to be implemented for the following year is defined based on the results of this tool. Furthermore, since 2021, the company has introduced so-called "Behavioural Safety Visits" in order to improve dialogue with employees on occupational safety.

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

Kauai offers employees the option of an annual flu shot to help combat the incidence of the flu. Since 2021, the company has offered employees assigned as first responders the Hepatitis B vaccination to ensure protection from blood-borne pathogens.

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**, periodically carries 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.

As regards the health and safety aspects of workers, in 2021, the rate of accidents at work with days of absence related to employees is slightly increasing but remains below the rate recorded in 2019. The analysis of said data shows that, following the slight increase in the number of accidents, mainly related to minor injuries (e.g. injuries, abrasions, sprains), there was an increase in the number of days of absence due to accidents at work.

Finally, hours worked by the Group also dropped 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]

Work-related injuries

EMPLOYEES	2019	2020	2021
Deaths due to occupational accidents	0	0	0
Occupational accidents with days of absence	55	40	44
<i>of which with severe consequences</i>	3	0	1
Other occupational accidents	0	22	22
Total occupational accidents	55	62	66
Days of absence for recordable occupational accidents	1875	1,710	2,673
Hours worked	5,943,821	5,852,629	5,770,616
Commuting accidents	5	10	15
Rate of deaths due to occupational accidents	0.0	0.0	0.0
Rate of occupational accidents with days of absence	9.3	6.8	7.6
Rate of TOTAL occupational accidents	9.3	10.6	11.4
Rate of occupational accidents with severe consequences	0.5	0.0	0.2

OTHER WORKERS	2019	2020	2021
Deaths due to occupational accidents	0	0	0
Occupational accidents with days of absence	2	3	5
<i>of which with severe consequences</i>	0	0	0
Other occupational accidents	0	2	0
Total occupational accidents	2	5	5
Days of absence for recordable occupational accidents	4	54	109
Hours worked	159,464	181,813	127,402
Commuting accidents	0	0	2
Rate of deaths due to occupational accidents	0	0	0
Rate of occupational accidents with days of absence	12.5	16.5	39.2
Rate of TOTAL occupational accidents	12.5	27.5	39.2
Rate of occupational accidents with severe consequences	0	0	0



7. THE 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 IPCC¹³, 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)¹⁴. Against 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.¹⁵

¹³ 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.

¹⁴ UN, 2019: "The United Nations world water development report 2019: Leaving no one behind"

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

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 7.1 "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 2021.

Six production companies (Segafredo Zanetti Italy, La San Marco, Segafredo Zanetti Poland, Massimo Zanetti Beverage Vietnam, Boncafé Thailand and Meira) **have adopted a structured environmental management system.**

¹⁵ 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".

Meira, La San Marco, Segafredo Zanetti Italia and from 2021 also **Brodies** have an **environmental management system certified** in accordance with the international standard **ISO 14001:2015**, the international reference point on the subject. **MZB Brasil** instead continued with the activities in order to certify one of its plants 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 in 2021, it continued to implement 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.

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.

7.1 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 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.

7.2 Energy efficiency and reduction of environmental impacts

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.

As anticipated in paragraph 2.1, 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**¹⁶ by 2035. Meira has further raised the bar set by its government and, as described above, is pursuing the goal of achieving carbon neutrality by 2030 through its 2030 Sustainability Plan, which was approved by Science Based Targets on 7 February 2022.

Distribuidora Café Montaña also supports its government in achieving Costa Rica's National Decarbonisation Plan. In fact, in addition to achieving the ambitious goal of obtaining the "Carbon Neutral" certification in relation to the GHG inventory in order to verify the

¹⁶ 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.

calculation methodology in 2021, the company was selected to participate in a "Decarbonisation Roadmap" pilot project by the Climate Change Directorate of the Costa Rican government.

Finally, **SZ Poland** also formalised its Sustainability Strategy in 2021, defining a number of specific environmental goals aimed at reducing non-recyclable waste, improving energy efficiency and promoting a strong sustainability culture within the organisation.



ENERGY CONSUMPTION AND EMISSIONS

Various projects and initiatives have been implemented by the different Group companies to reduce their energy consumption and related emissions.

Some of the 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.**

Tiktak, in the course of 2021, continued the activities of isolating its headquarters and installing double glazing in the windows of the factory in order to improve energy performance, as indicated in the energy plan drawn up in 2020.

La San Marco continued the installation of new LED lamps, reaching a replacement rate of 80%, with the aim of completing this activity by the end of 2022. In addition, the replacement of the old boiler with a new generation condensing boiler was completed during the year in order to significantly reduce the consumption of non-renewable energy sources and the consumption of methane gas.

MZB Iberia installed new photovoltaic panels during 2020 with a maximum generating capacity of 196 Kw, which was upgraded during 2021 with the installation of a new 120 Kw generating unit, bringing internal energy production to 20% of the company's total needs. In 2022, MZB Iberia planned to install a second photovoltaic system, with the aim of achieving at least 35% of internal energy production.

SZ Austria has also embarked on the road to energy efficiency, and in the course of 2022, has set itself the goal of completing the plan to

install a photovoltaic system with a maximum generation capacity of 90 kW.

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.

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.

Over the years, the reorganisation of logistics and the centralisation in newly created logistics poles have enabled **Segafredo Zanetti Italy** 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.

Massimo Zanetti Beverage USA continued the project for 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 order to reduce and offset its carbon dioxide emissions, **Segafredo Zanetti France** has renewed its car fleet with a fleet of hybrid cars. In addition, both SZ France and Meira purchased certified electricity

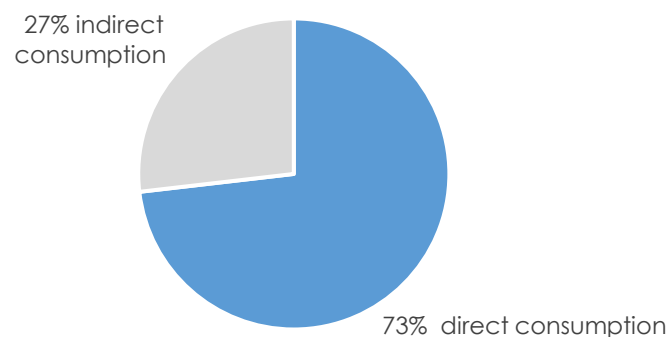
from renewable sources to cover their entire needs, thus contributing to the avoidance of 1,061 tons of CO₂ emissions¹⁷ in 2021.

Due to the limitations imposed by the Covid-19 pandemic, the above-mentioned activities in relation to energy supply helped to keep the Group's direct energy consumption in line with 2020, with a slight decrease of 3%.

Energy consumption, in GJ

In 2021, MZBG recorded total energy consumption of approximately 600,232 GJ, down by 2% compared to 2020. [GRI 302-1]

% energy direct and indirect consumption



¹⁷ Calculated according to the Market Based methodology.

Indirect consumption	2019	2020	2021
Electricity	133,543	126,050	126,981
Electricity purchased from renewable sources	11,131	22,283	19,694
Electricity self-produced from renewable sources		113	1,069
Energy for heating	11,817	11,195	13,210
Energy for cooling	124	124	119
Total indirect consumption	156,615	159,765	161,074
Direct and indirect energy consumption	655,259	611,859	600,232

Direct consumption	2019	2020	2021
Petrol	79,799	66,174	17,927
Diesel	97,520	68,599	80,826
Natural gas	297,024	278,935	288,972
LPG	22,055	33,228	46,698
Biogas	2,246	2,497	2,517
Ethanol	0	2,660	2,219
Total direct consumption	498,644	452,093	439,158

Overall, the level of electricity use remains in line to 2020, with a slight increase of 1%. In addition, in 2021, about 16% of electricity consumption came from renewable sources.

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 2021, global emissions came down 5% from 44,320 tons of CO_{2eq} in 2020 to 42,077 tons of CO_{2eq}. 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 12,740 for the Group as a whole, down 6% compared to 2020. Meira contributes to the containment of CO_{2eq} 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 CO_{2eq} tons

Direct emissions (CO_{2eq})	2019	2020	2021
Petrol consumption	5,623	4,667	1,266
Diesel consumption	7,281	5,124	6,051
Natural gas consumption	16,850	15,776	16,285
LPG consumption	1,411	2,609	2,986
Ethanol consumption	-	184	153
Total direct emissions	31,165	28,360	26,740
Indirect emissions (CO_{2eq})	2019	2020	2021
From electricity (L.B.)	14,961	15,417	14,704
Heating	573	537	627
From cooling	6	6	6
Total indirect emissions L.B.	15,539	15,960	15,336
Total emissions (direct and indirect L.B.)	46,704	44,320	42,077

WASTE PRODUCED

As far as the management of waste from production activities is concerned, there are numerous examples of virtuous management in place at the various Group companies. **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.

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 fifth 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 Italy**.

In addition, **SZ Italia**, as well as **MZB USA and Meira** have initiated projects in this area and are continuously engaged in the reduction 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 Italy 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.

One virtuous practice that is shared by and common to various companies in the Group, such as **Segafredo Zanetti France, Segafredo Zanetti Italy, 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.

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.

Kauai Coffee uses all organic waste generated as a result of coffee processing as natural fertiliser in its orchards. In addition, in order to further improve the process, a feasibility study is continuing 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.

The Australian company **The Bean Alliance** seeks to minimise the waste of obsolete packaging, 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.

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.

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, Café 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.

Since 2020, Segafredo Zanetti Poland has organised **competitions for its employees** in which they 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, the use of plastic bottles for water was eliminated and water dispensing machines were installed in all key offices. In addition, almost 70% of the paper currently used in offices was replaced in 2021 (compared to the predetermined 50%), in favor of paper for ecological printing.



During 2021, the MZB Group produced 10,004.68 tons of waste. [GRI 306-3] Moreover, almost all of the total waste generated, i.e. 99.73%, is classified as non-hazardous waste.

Waste produced in tons

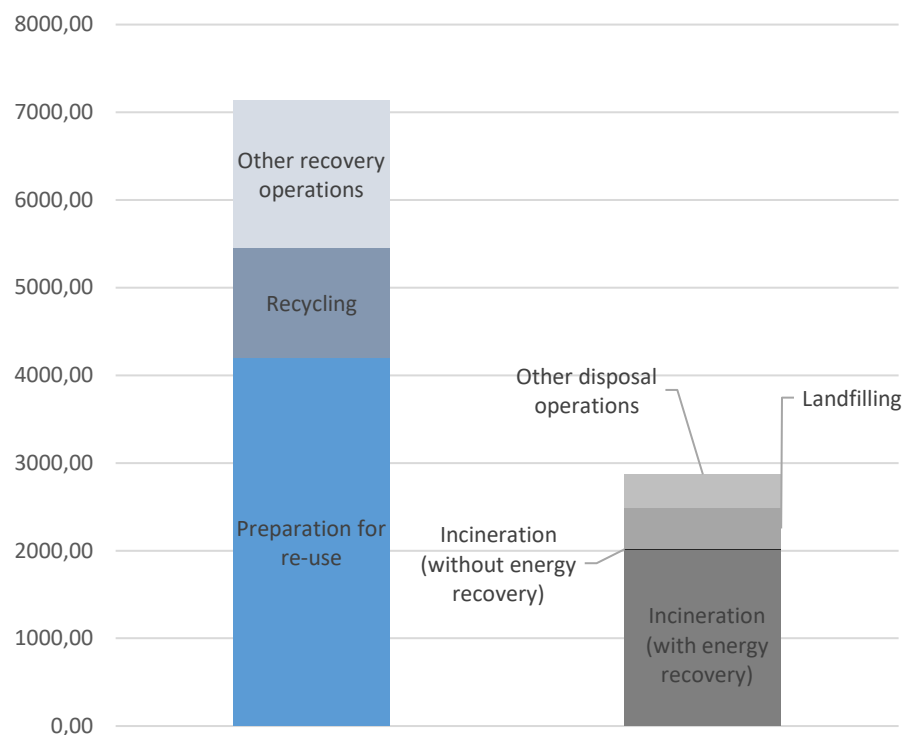
Composition of non-hazardous waste (t)	Waste not intended for disposal	Waste intended for disposal	Waste generated
Plastic	123.80	24.24	148.04
Paper	488.84	45.06	533.90
Metals	248.10	0.22	248.32
Workforce	376.10	99.46	475.55
Other non-hazardous coffee waste	3838.68	1101.10	4939.78
Canvas	451.86	569.80	1021.66
Wood	268.22	54.90	323.12
Electrical material	15.07	6.97	22.03
Liquid waste	3.03	129.56	132.59
Mowing	4.25	0.00	4.25
General waste	1184.81	820.87	2005.68
Construction waste	10.42	0.00	10.42
Waste water	0.00	10.00	10.00
Waste for energy recovery	98.78	0.00	98.78
Rainwater sludge	0.00	1.02	1.02
Minor waste ¹⁸	2.03	0.07	2.10
Total non-hazardous waste	7113.99	2863.26	9977.25

¹⁸ Waste with a total weight of less than 1.5t was included in this category: Glass, non-hazardous insulation materials (e.g. polyurethane), toner, alkaline batteries, tape (e.g. printing on tape).

Composition of hazardous waste (t)	Waste not intended for disposal	Waste intended for disposal	Waste generated
Solvents	0.00	0.03	0.03
Contaminated objects	0.97	0.27	1.24
Oils	17.80	1.46	19.26
Oil filters	0.15	0.00	0.15
Batteries and accumulators	0.02	0.01	0.02
Contaminated electronics and electrical equipment	1.99	0.00	1.99
Bulbs	0.12	4.23	4.35
Toners & ink cartridges	0.09	0.03	0.11
Hazardous insulation materials	0.00	0.27	0.27
Contaminated organic waste, solids	0.00	0.01	0.01
Total hazardous waste	21.14	6.29	27.43
Total waste	7135.13	2869.55	10004.68

In addition, the following graph illustrates the totality of waste by destination. In particular, more than 70% of waste goes to recovery, recycling or reuse activities [GRI 306-3, GRI 306-4, GRI 306-5].

Waste by destination (2021)



Waste for recovery (t) 2021			
Hazardous waste	On site	At an external site	Total
Preparation for re-use	0.00	17.97	17.97
Recycling	0.00	2.88	2.88
Other recovery operations	0.00	0.28	0.28
Total hazardous waste	0.00	21.137	21.14
Non-hazardous waste	On site	At an external site	Total
Preparation for re-use	2756.00	1426.24	4182.24
Recycling	0.00	1246.38	1246.38
Other recovery operations	0.00	1685.39	1685.39
Total non-hazardous waste	2756.00	4358.01	7114.01
Total waste	2756.00	4379.14	7135.14

Waste for disposal (t) 2021			
Hazardous waste	On site	At an external site	Total
Incineration (with energy recovery)	0.00	0.00	0.00
Incineration (without energy recovery);	0.00	0.29	0.29
Landfilling;	0.00	4.47	4.47
Other disposal operations	0.00	1.53	1.53
Total hazardous waste	0.00	6.29	6.29
Non-hazardous waste	On site	At an external site	Total
Incineration (with energy recovery)	0.00	2013.77	2013.77
Incineration (without energy recovery)	1.00	3.43	4.43
Landfilling	0.00	464.80	464.80
Other disposal operations	0.00	381.27	381.27
Total non-hazardous waste	1.00	2863.26	2864.26
Total waste	1.00	2869.55	2870.55

KAUAI COFFEE: SUSTAINABLE AGRICULTURE IN THE HEART OF HAWAII

For Kauai Coffee, producing coffee sustainably is a cultural and environmental commitment. The largest coffee farm in the United States is putting the welfare of employees, the land, natural resources and the community first.

Thanks to an ambitious sustainability programme, Kauai Coffee Company has achieved the exclusive **triple certification of Fair Trade, Rainforest Alliance and non-GMO for its entire production**. Fair Trade certified products from Fair Trade USA contribute to improving the working conditions and quality of life of farmers and local communities. The Rainforest Alliance seal certifies the use of sustainable agricultural practices aimed at protecting the environment and living conditions as well as promoting human rights.

KAUAI COFFEE joined a 30-year cooperative programme to protect endangered seabirds, the **Kauai Seabird Habitat Conservation Program** (KSHCP). In this project, Kauai Coffee collaborates 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.

Finally, to obtain non-GMO certification, companies undergo one of the most rigorous audits in North America.

Kauai Coffee Company's commitment to **sustainable agriculture** is concrete. Responsible cultivation depends on careful management and the correct use of technology. With its 1250 hectares and 4 million coffee plants, Kauai Coffee is the largest coffee farm in the world to

use drip irrigation, a system that delivers nutrients directly to the roots of individual plants through a network of pipes more than 4000 km long, greatly reducing the use of fertilisers and herbicides and eliminating the traditional irrigation method.

Water and soil conservation are two key elements of the company's sustainability programme. To reduce water use during the harvesting phase, water is diverted from the drip irrigation system to the coffee processing plant.

Approximately 2,750 tons of processing waste is reused as a nutrient for the soil itself and similarly, water is filtered and recirculated within the company. In addition, as part of the **Sustainable Coffee Challenge** initiative, the company decided to implement measures designed to reduce the use of chemical fertilisers by the second half of 2022, while maintaining the same crop productivity, **through the regular rotation of cultivated fields and the use of composted organic matter** with high fertilising power. Besides allowing the soil to acquire nutrients, the regular rotation of cultivated fields decreases water consumption of up to 20%.

7.3 Sustainable packaging and circularity

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. It is indeed essential that in addition to increasing the recyclability of the wrapper, the aroma and quality of the coffee is preserved.

Specifically, **Segafredo Zanetti Italia** has been actively experimenting with new types of recyclable plastic packaging: in 2021, 86% of the total was derived from recycled plastic, with the goal of reaching 100% in 2022. The replacement has mainly been 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. In addition, new 100% recyclable aluminium capsules and a dedicated line of compostable pods will be introduced in 2021.

SZ Poland has also introduced the use of packaging materials of recycled origin and has set itself the target of using 100% recycled cartons by 2023. **Segafredo Zanetti France** introduced new packaging for the San Marco Bio line, made from 100% of its recycled and recyclable primary packaging, without aluminium.

Brodies succeeded in completing a project to develop 100% plastic-free tea bags in 2021, taking the Group a step further in creating more environmentally friendly packaging.

In 2021, **Puccino's** continued its commitment to reduce the overall use of virgin plastic (PET) in favour of recycled plastic (RPET), reaching 30% of all plastic used during the year.

MZB Iberia developed an innovative packaging solution in 2021, which at the same time made it possible to streamline certain stages of production and logistics.

Meira, on the other hand, already in 2021, has developed a more environmentally friendly packaging solution that reduces the use of packaging material¹⁹. By 2021, 42% of all packaging used by Meira was made of recyclable, recycled or renewable raw materials.

Several Group companies have committed to the market introduction of **compostable capsules**. In 2019, **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.

In the case of **Segafredo Zanetti France**, the range of compostable capsules has been officially recognised by the market. At the beginning of 2019, **Segafredo Zanetti France** in fact received the recognition "**Product of the Year**" (**Elu Produit de l'Année**) for its San Marco range of biodegradable and compostable capsules. San Marco BIO capsules are also certified by *TUV Austria OK Compost*, a certification body authorised by European Bioplastics (European

¹⁹ Meira, for some of its products, has developed packaging in which aluminium and plastic are reduced by about 30% overall.

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.

As of 2021, Café Montaña also replaced traditional capsules with biodegradable compostable ones, while **Boncafé Middle East** started marketing them for food service and mass market. Also in the course of 2021, **Bean Alliance Group** converted the lid and base of its capsules to aluminium, which together with the remaining polypropylene part allows 100% recycling of the product.



Confirming its commitment to the optimisation of packaging materials, **Boncafé International** 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.



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. The packaging of some other products, on the other hand, is made of **steel**, a **highly recyclable material**, which keeps its quality intact. Furthermore, in 2021, MZB USA joined other Group companies by introducing 100% recyclable capsules, in the case of the American company made from aluminium.



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 2021, The Bean Alliance also begun 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.

Also in 2021, **SZ Coffee System** continued on the path of reduction in the use of circularity and recovery, replacing cups made of a mix of plastic and paper with single-material cups (paper or polyethylene) in order to improve recyclability.

Alongside the development of innovative and sustainable packaging, 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 addition, in 2021 SZEW Japan removed all chopsticks in favour of wooden ones, and in some cafeterias, plastic straws were replaced by paper ones.



SZ DEUTSCHLAND AGAINST FOOD WASTE

In the course of 2021, SZ Deutschland started to cooperate with TooGoodToGo, committing itself to the fight against food waste by selling its products at reduced prices at the end of the day, while at the same time promoting awareness-raising activities among its customers.

In 2021, Massimo Zanetti Beverage Group utilised approximately 17,838 tons of material for the packing of products, a decrease compared to 2020 (19,149). The consumption of packaging material originating from renewable resources²⁰ – namely paper and cardboard – accounted for 33% of total consumption. [GRI 301-1]

Packaging material, broken down by type, in tons

Material	2019	2020	2021
Paper	1,206	860	889
Plastic	3,348	3,051	3,039
Cardboard and corrugated cardboard	5,097	4,858	4,999
Glass	429	419	309
Aluminium	158	131	107
Tinplate	7,235	7,246	6,089
Reels	130	85	83
Wood (including pallets)	35	627	581
Steel	2	1	2
Bonded materials (plastic and aluminium)	148	455	294
Flexible film (plastic)	771	790	811
Jute	-	-	-
Other (mostly plastic)	431	627	635
Total material	18,988	19,149	17,838

²⁰ Renewable material is intended as material deriving from abundant resources that are quickly replenished by ecological cycles or agricultural processes, so

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

8. LOCAL COMMUNITIES



8.1 Our social 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.

During 2021, **Meira** continued its commitment to reduce **food waste** partnering with Hursti's food bank and surplus food supermarket WeFood, donating "unsalable" products (expiry date too short for retail). It also continued to collaborate 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 Misericordia 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 provide work and income for their families. The coffee machines, donated to missionaries working in the high mountains of northern Thailand, have contributed to the creation of a virtuous economic network, enabling significant economic and lifestyle growth in the local community.

Sharing has always been part of **Boncafé Middle East's** corporate culture. For this reason, during the month of Ramadan, the company donated 10 UAE Dirhams for each pack sold of its "Premium - Locally Roasted" line to local NGOs.

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 indicated in the Commitments Hub Report 2021, **Massimo Zanetti Beverage USA**, a partner in the Sustainable Coffee Challenge (SCC) initiative since 2018, in 2021, 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. The goals of the SCC it committed to during 2021 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.

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, ensuring the fair distribution of the benefits brought by greater transparency throughout the supply chain.

In 2021, La San Marco organised the exhibition "La San Marco. One hundred years of coffee design", in collaboration with ERPAC, at the Luigi Spazzapan Gallery of Contemporary Art in Gradisca d'Isonzo (GO). The exhibition, which is also available digitally via a dedicated

virtual tour²¹, retraces the most important stages of La San Marco's 100 years through a selection of the most famous models, which have made history all over the world for the famous Italian brand.



²¹ <https://www.lasanmarco.com/one-hundred-years-of-coffee-design.php>

9. ZANETTI ONLUS FOUNDATION



FONDAZIONE ZANETTI
ONLUS

Established in Treviso in 2007, the Foundation wanted by the Zanetti family is a secular and independent organisation that operates without any discrimination of culture, ethnicity or religion. Its mission is to help minors in difficulty through the support and promotion of national and international projects that promote food and health care, shelter, education and psychological support.

A focus on children and children's rights is the hallmark of the Foundation's activities, which organises fundraising events, awareness initiatives and public meetings to promote a common culture always on the side of children.

Projects supported in 2021

In such complex years, 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 Rogationist Institute's project to protect children and adolescents in situations of risk and social vulnerability by purchasing equipment for the centre's gymnasium. The 200 minors accommodated thus have the opportunity to practice athletics, five-a-side football, volleyball, basketball, table tennis and court tennis, sporting activities that are valuable for their education.

Brazil | Food and health safety, workshops, seminars and courses for the Casa del Sorriso in Rio de Janeiro

The Zanetti Foundation's support for the Cesvi Onlus project has helped to preserve the food safety of families and minors in extremely vulnerable conditions, through access to basic public services and the launch of a vaccination campaign for adults and children. Through online lessons, educational and cultural activities of art and music education were also developed.

Ivory Coast | Good Morning Africa, Carrefour Jeunesse Socio-Educational Centre

The Zanetti Foundation's support for the Grand Bassam Socio-Educational Centre has made it possible to run support and start-up courses for school reintegration, reading courses, and workshops on the use of new technologies. The aim of the Hic Sunt Leones Association, which promotes the project, is to make the centre an important reference point for young people.



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

To promote education and improve the nutrition of 100 girls and adolescents from 14 K'iche's indigenous Mayan communities, the Zanetti Foundation supported, with CEFA Onlus, scholarships, the purchase of distance learning materials and creation of community gardens. Following agroecology, the gardens also supported 150 families by training mothers on proper nutrition and gender equality

Italy | Covid Emergency, support for families

For 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 Segno di Alleanza Onlus Association, of Treviso, with the aim of providing concrete help to families living in a state of fragility and economic insecurity.

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

As part of the Sonda Social Cooperative's project to guarantee a present and a future of quality for minors with autism followed by the Centro Ca' Leido, the Zanetti Foundation's support contributed to the purchase of a new 9-seater minibus for transporting children and young people to school, for educational outings and summer educational trips.



Italy | The new media library of Radio Magica

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

Italy | The guesthouse A House with Butterflies

The Zanetti Foundation's support contributed to the costs of renting a guesthouse for family members who have to assist minors with Eating and Weight Disorders being treated at the [Eating Disorders Centre](#) in Portogruaro (Venice). An important economic and psychological help for families who are far away from their places of origin.

Italy | The New Horizons

Through the Emilia-Romagna Region's humanitarian programme, the [Cosmohelp Odv Onlus Association](#) was able to have children with serious illnesses that cannot be treated in their countries of origin treated in Italy. The Zanetti Onlus Foundation helped to pay for the air travel expenses of 6 children and their mothers, for their accommodation during their time away from the hospital and for medicines.

Italy | Spiaggia Amica

As part of the social and professional inclusion project Spiaggia amica (Friendly Beach), promoted by the association [Gli amici di Nemo Onlus](#) in Arzachena, Sardinia, we took part in the realisation of

a disability-friendly inflatable boat, with an innovative design, conceived to allow people with disabilities to experience the sea no longer as a barrier and in complete safety.

Kenya | Supporting school fees for the children of Talitha Kum

The project promoted by [Fontana Onlus Foundation](#) enables orphaned and HIV-positive minors housed in the Talitha Kum shelter in Nyahururu to be able to study, receive food, accommodation, medical care and psychological support. Thanks to the Zanetti Foundation, the project reached 639 minors, and indirectly more than 4,000 people in the communities where they live.

Nepal | Education and shelter for 13 children from remote villages

The school in the village of Ghami, Mustang, houses 60 children to enable them to receive an education and to maintain their mustang culture, which has been isolated over the years and not merged with Tibet, and which would otherwise be lost. The Zanetti Foundation's support made it possible to provide education, food and accommodation in the [Ghami Solar School](#) to 13 children from the most remote villages in the region.

Nepal | Education for the children of Kirtipur

High unemployment rates and poverty make access to schooling in Nepal very difficult: only 37% of children reach the primary level of education. Since 2015 the Zanetti Foundation has been supporting the long-distance adoption of 10 minors thanks to the programme of the [Foundation Without Borders](#) covering the costs of food, accommodation, clothing and educational materials.



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

The Canossian Foundation 's project is developed in the Centro de Salud Sagrada Familia in Barrio Pacu Cua, a peripheral area of the city of Encarnación where more than 3,000 people live in precarious sanitary conditions. The Zanetti Foundation has supported an indispensable basic health service for children aged 0 to 5 years who are referred to the centre.



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

The Terre des Hommes project assists children and adolescents from the Quechua ethnic group and culture of the rural communities of the high Andes in Cusco. In the extended lockdown, with the support

of the Zanetti Foundation, it was possible to equip 32 children with beds and mattresses and to distribute 130 tables and benches to enable them to study at home and have a space reserved for them.

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, in some cases, 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 children of underage mothers admitted health insurance that is essential for access to basic medical care, proper nutrition and support for nursery school.

Sierra Leone | In support of malnourished children in Pujehun

Objectives of the intervention of Zanetti Onlus Foundation and of NGO Doctors with Africa CUAMM are the prevention and treatment of child malnutrition in Sierra Leone. Through the purchase of Segafredo Zanetti products, a portion of the proceeds was donated to support medical care, the purchase of equipment and the purchase of therapeutic food for the Pujehun Maternal and Children's Hospital.



The NGO Doctors with Africa CUAMM is developing an integrated action to combat malnutrition in Tanzania that combines agricultural, health and nutritional interventions to improve the health of communities, mothers and children under 5. The support of the Zanetti Foundation has supported the action in 60 villages where chronic malnutrition of children has incidence rates among the highest in the country.

Uganda | Caring for children to create a future

Providing the best possible care, to the greatest number of people, at the lowest cost: St. Mary's Hospital Lacor in Gulu operates with this objective. The Zanetti Foundation's support has been dedicated to the purchase of medicines and to human resources for the paediatric department, in order to promote wide access to basic and specialist care for boys and girls, who represent 25% of the hospital's patients.

Uganda | A better future in Northern Uganda: scholarships and work kits for 10 young heads of families

A two-year course of study for 10 young heads of families living in socio-economically vulnerable conditions and the delivery of a post-diploma work kit to start a micro-entrepreneurial activity: the Good Samaritan ODV project promotes vocational education and autonomy, with the support of the Zanetti Foundation.

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

South Sudan | On the side of the weakest: a brick for the protection of children's rights

Through the rehabilitation of the Ananatak dispensary, the Amref Health Africa/Medical Collaboration Committee project ensured that pregnant women and children under the age of five in Tonj East Counties had access to health and nutrition services in an appropriate health facility. In addition to the maintenance work, the support of the Zanetti Foundation made the purchase of medical supplies and new medical equipment possible.

Ukraine | Psychological support for young cancer patients

Thanks to the commitment of the Zaporuka Foundation and the support of the Zanetti Foundation, it was possible to guarantee the young patients in the paediatric ward of the Kiev National Cancer Institute, and their families, psychological support during their treatment. There were 126 children and 133 parents involved in respectively 560 and 450 psychological sessions that helped them to identify their emotions, accept themselves at different stages of their illness and overcome difficulties with confidence.

Tanzania | Fighting malnutrition in Iringa and Njombe Regions

welcomed 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 supported the association Progetto Jacaranda Onlus to organise vocational training courses for vulnerable young people in the Mundolobela village, near Livingstone. The courses are important because they offer an opportunity for human and professional growth and a future to boys and girls aged between 16 and 24 who are unable to attend secondary school.

Awareness initiatives

The information and awareness-raising initiatives that the Zanetti Onlus Foundation carried out in 2021 also aimed to support parents, families, and teachers in the context of the pandemic, through the contribution of authoritative and sensitive professionals.

The eighth edition of *Fiabe al parco*, a fundraising event, and the cinema presentations of the documentary *Passi verso l'Altrove*, produced by the Zanetti Onlus Foundation, took place in person always respecting the safety conditions.

Parents today between complexity and new challenges

Free online meeting with Anna Pileri, April

Realised in collaboration with the FISM - Federazione Italiana Scuole Materne (Italian Federation of Nursery Schools), from Treviso, the event allowed to share new educational horizons for girls and boys 0-6 in times of the Covid-19 emergency. Together with Anna Pileri, PhD in Pedagogy and Psychology, lecturer at the IUSVE University of Venice-Mestre, over 500 people attended to discuss the situation of the pandemic that has disrupted the everyday life of families and the reconciliation of work with childcare and new needs.

Fiabe al parco

Fairy tale readings for children and families, among the trees and flowers of Villa Zanetti park, September

The event, held in attendance in September, involved children and their families, who had a nice opportunity to be together amidst nature and magical characters thanks to the volunteers of LILT Giocare in corsia. The association, to which the day's proceeds went,

has been involved for almost 30 years in proposing recreational activities dedicated to the young patients of the Ca' Foncello Hospital Paediatrics of Treviso and Conegliano Hospital.

Zanetti Onlus Foundation

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What happened to the children. Chronicles of a country that does not look to the future

Free online book presentation with author Annalisa Cuzzocrea, May

In cooperation with [Terre des Hommes Italia](#), the book by journalist Annalisa Cuzzocrea was presented to stimulate a discussion on the consequences of the isolation and closure of schools, especially for the most fragile minors and those living in difficult contexts.

Passi verso l'Altrove, documentary

Public presentations, October and December

The documentary Passi verso l'Altrove was presented publicly for the first time at the Cinema Edera in Treviso, with a double screening, in front of an audience of 200 people. The evening was attended by protagonists Marco Cortesi, Mara Moschini, Renzo Cristofoli, Flora Teot, Fausto De Stefani, Dominique Corti, Silvia Saini Damato, Alessandro Rocca and Father Eros Borile, and director Marco Zuin. Subsequently, the film was presented on International Volunteer Day, in collaboration with Volontarinsieme - CSV Belluno Treviso, at the Cinema Corso in Treviso.

The film, produced by the Foundation on the occasion of its 10th anniversary for schools, was viewed online by almost 2000 students in Veneto and throughout Italy.

Appendix

Methodology note

In view of the delisting on 15 February 2021, MZBG is not subject to the provisions of Legislative Decree no. 254/2016. However, on a voluntary basis, the Group decided to prepare the fifth edition of the Sustainability Report, continuing the previous version published on 20 May 2021.

The information and data refer to 2021 and the performance trends to the three-year period 2019 – 2021, 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 2021, 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 data included in the tables and graphs refer to the entire consolidation scope.

The reporting standard adopted by MZGB 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 306 Waste published in 2020 and 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.

Aspect	GRI standard
GRI 201 Economic performance	GRI 201-1 Directly generated and distributed economic value
GRI 205 Anti-Corruption	GRI 205-3 Total number of corruption incidents
GRI 206 Anti- competitive behaviour	GRI 206-1 Legal actions 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 Emissions	GRI 305-2 Indirect emissions of greenhouse gases

GRI 306 Waste	GRI 306-1	Waste generation and significant waste-related impacts
	GRI 306-2	Management of significant waste-related impacts
	GRI 306-3	Waste produced
	GRI 306-4	Waste not intended for disposal
	GRI 306-5	Waste intended for disposal
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
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 recognized 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.

Conversion factors

Source Fuel	Source of emission factor
Diesel Petrol LPG Natural gas	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors 2021
Ethanol	GHG Protocol - Emission Factors from Cross-sector Tools
Energy Electrical	For the calculation of emissions according to the location-based approach, emission factors were used, which were taken from the European Residual Mix 2020 document published by the Association of Issuing Bodies (AIB). 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 2020 document published by the Association of Issuing Bodies (AIB), while for the US the reference document was e-GRID 2020 - EPA. It is specified that with reference to MZB Iberia, which includes Portugal and Spain, the more conservative emission factor relating to Portugal was used. For Costa Rica, the emission factor of Mexico was used as it was not available.

Energy consumption was converted to GJ using DEFRA (Department of Environment, Food & Rural Affairs) conversion factors, 2021.

Scope of impact

GRI aspect	Internal scope	External perimeter
GRI 201 – Economic performance	X	Shareholders, Suppliers
GRI 205 – Anti-Corruption	X	Customers, Suppliers
GRI 206 – Anti-competitive behaviour	X	-
GRI 207 – Tax	X	Shareholders
GRI 301 – Materials	X	Suppliers
GRI 302 – Energy	X	-
GRI 305 – Emissions	X	-
GRI 306 – 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	<i>USA</i>	Production
Boncafé (Thailand) Ltd	<i>Thailand</i>	Production
Segafredo Zanetti France S.A.S.	<i>France</i>	Production
Massimo Zanetti Beverage Iberia S.A.	<i>Portugal/Spain</i>	Production
Segafredo Zanetti Espresso Worldwide Japan Inc.	<i>Japan</i>	Commercial
Segafredo Zanetti S.p.A.	<i>Italy</i>	Production
Kauai Coffee Company LLC	<i>Hawaii</i>	Production
Meira Oy Ltd	<i>Finland</i>	Production
Segafredo Zanetti Poland Sp.z.o.o.	<i>Poland</i>	Production
Massimo Zanetti Beverage Brasil	<i>Brazil</i>	Production
La San Marco S.p.A.	<i>Italy</i>	Production
Distribuidora Café Montaña	<i>Costa Rica</i>	Production
Boncafé International Pte Ltd	<i>Singapore</i>	Production
Segafredo Zanetti Austria GmbH	<i>Austria</i>	Production
Segafredo Zanetti Australia Pty Ltd	<i>Australia</i>	Commercial
Boncafé Middle East Co LLC	<i>United Arab Emirates</i>	Commercial
Segafredo Zanetti Deutschland GmbH	<i>Germany</i>	Commercial
Boncafé Malaysia	<i>Malaysia</i>	Commercial
Tiktak/Segafredo Zanetti Nederland BV	<i>The Netherlands</i>	Production
Brodie Melrose Drysdale & CO Ltd	<i>Scotland</i>	Production
Puccino's	<i>United Kingdom</i>	Commercial
Brulerie des Cafés Corsica SAS	<i>France</i>	Production
Segafredo Zanetti Coffee System S.p.A.	<i>Italy</i>	Production
Massimo Zanetti Beverage Vietnam Company Ltd	<i>Vietnam</i>	Production
The Bean Alliance Group	<i>Australia</i>	Production
Massimo Zanetti Beverage Group S.p.A.	<i>Italy</i>	Commercial

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MASSIMO ZANETTI BEVERAGE GROUP SPA

**INDEPENDENT AUDITOR'S REPORT ON
SUSTAINABILITY REPORTING**

YEAR ENDED 31 DECEMBER 2021



Independent auditor's report on Sustainability Reporting

To the Board of Directors of Massimo Zanetti Beverage Group SpA

We have been engaged to undertake a limited assurance engagement on the Sustainability Report of Massimo Zanetti Beverage Group SpA and its subsidiaries (hereinafter also the "Group") for the year ended 31 December 2021.

Responsibilities of the Directors for the Sustainability Report

The Directors of Massimo Zanetti Beverage Group SpA are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards") in 2016 and updated to 2020, and, limited to some indicators, with the "G4 Sector Disclosure – Food Processing" defined in 2014 (hereafter the "G4 Sector Disclosure"), as illustrated in the "Methodological note" section of the Sustainability Report.

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

The Directors are also responsible for defining the sustainability performance targets of Massimo Zanetti Beverage Group, as well as for identifying its stakeholders and material topics to be reported on.

Auditor's Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC Italia 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

PricewaterhouseCoopers Business Services Srl

Società a responsabilità limitata a socio unico
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Auditor's Responsibilities

Our responsibility is to express a conclusion, based on the procedures performed, on whether the Sustainability Report complies with the requirements of the GRI Standards. We conducted our work in accordance with "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Information" (hereinafter also "ISAE 3000 Revised") issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. That standard requires that we plan and perform procedures to obtain limited assurance about whether the Sustainability Report is free from material misstatement.

The work performed was less in scope than in a reasonable assurance engagement conducted in accordance with ISAE 3000 Revised and, consequently, we did not obtain assurance that we became aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgement and included inquiries, primarily of personnel of the Company responsible for the preparation of the information presented in the Sustainability Report, inspection of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

- 1) We analysed the process of definition of the material topics reported on in the Sustainability Report, with reference to the method of their identification in terms of priority for the various categories of stakeholders and to the internal validation of the results of the process;
- 2) We compared the financial information reported in the Sustainability Report with the information included in the Group's annual consolidated financial statements;
- 3) We obtained an understanding of the processes underlying the generation, collection and management of significant qualitative and quantitative information included in the Sustainability Report.
In detail, we inquired of and discussed with management personnel of Massimo Zanetti Beverage Group SpA, Segafredo Zanetti Italia SpA and La San Marco SpA and we carried out limited analyses of documentary evidence, in order to obtain information about the processes and procedures supporting the collection, aggregation, processing and submission of non-financial information to the corporate function in charge of the preparation of the Sustainability Report.

Furthermore, for significant information, taking into account the activities and characteristics of the Group:

- at holding level, Massimo Zanetti Beverage Group SpA,
 - a) with reference to the qualitative information presented in the Sustainability Report, we carried out interviews and obtained supporting documents to verify its consistency with available evidence;
 - b) with reference to quantitative information, we performed both analytical procedures and limited tests to verify, on a sample basis, the accuracy of data aggregation.
- for the following companies, Massimo Zanetti Beverage Group SpA, Segafredo Zanetti Italia SpA and La San Marco SpA, which we selected based on its activities its contribution to performance indicators at a consolidated level and location, we met the persons responsible and obtained



documentary evidence, on a sample basis, about the correct application of the procedures and calculation methods applied for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of Massimo Zanetti Beverage Group for the year ended 31 December 2021 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, 29 June 2022

PricewaterhouseCoopers Business Services Srl

Signed by

Paolo Bersani
(Partner)

This report has been translated from the Italian original solely for the convenience of international readers. We have not performed any controls on the Sustainability Report 2021 translation.

coffee s. m. [from Turkish *kahve*, which is from Arabic *qahwa* "wine; stimulant drink"].
– 1. Name of certain plant species of the genus *Coffea*, from whose seeds, roasted and ground into a powder, the well-known beverage is brewed. The most prized and longest-cultivated species is *Coffea arabica*: a 5-6 m (2-3 in cultivated plants), evergreen sapling with opposite, oval, acute, glossy leaves. The flowers are fragrant, white, in dense inflorescences at the axil of the leaves; the fruit, called a *cherry*, is an almost spherical drupe, first green, then red, and finally brown: it contains two nubs, each of which envelops a seed (*grain* or *coffee bean*).

