



2022 SUSTAINABILITY REPORT

Massimo Zanetti
MASSIMO ZANETTI
BEVERAGE GROUP

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1. OUR IDENTITY



A man with a beard, wearing a brown jacket, is shown from the chest down. He is using a small knife to cut open a large, burlap coffee sack. The sack is filled with dark coffee beans. The background is dark and out of focus.

1.1 THE MASSIMO ZANETTI BEVERAGE GROUP

Always
ambassador
of coffee
in the world

Massimo Zanetti Beverage Group S.p.A. (hereinafter also “MZB” or “Group”) is one of the world's leading manufacturers, processors and distributors of roasted coffee. The **Group boasts a portfolio of more than 40 brands**: some internationally known, such as the Segafredo brand, synonymous with Italian espresso coffee since 1960, and others leaders in local markets, thanks to an identity capable of fusing tradition 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 boasts **integrated control over 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 wide range of products, which includes all types of roasted coffee - from ground coffee, beans, instant coffee and coffee available in pods or capsules - allows the Group to meet the preferences and expectations of all its customers.

In addition to coffee, MZB produces and sells tea, spices, cocoa, chocolates and other food products, purchased from a network of selected suppliers.

In addition, the Group operates a network of about 400 café franchises worldwide.

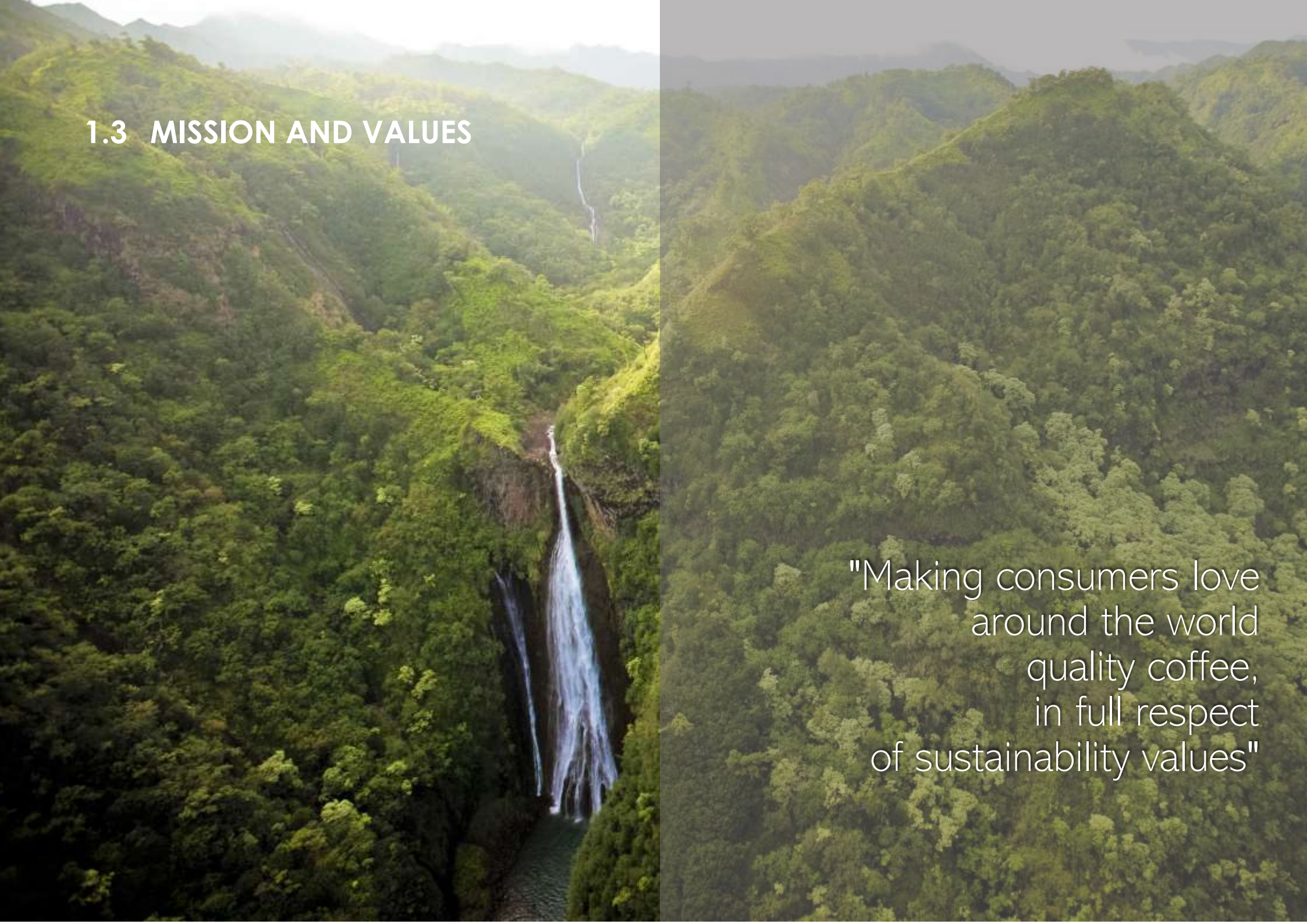
The combination of these activities and a diversified product offering results in a particularly significant Group market presence in the United States, Italy, France, the Iberian Peninsula, Finland and Asia-Pacific. **Despite its Italian origins, Italy now accounts for less than 10% of the Group's turnover.**





1.2 A HISTORY OF PASSION FOR COFFEE

Massimo Zanetti's passion for the world of coffee and entrepreneurial vision have enabled the Group Massimo Zanetti Beverage to become an international reference player in the sector. A history with deep Italian roots and a strategy focused on opening up to international markets



1.3 MISSION AND VALUES

"Making consumers love
around the world
quality coffee,
in full respect
of sustainability values"

1.4 GLOBAL PRESENCE

The Massimo Zanetti Group was founded in the early 1970s when the founder, Massimo Zanetti, bought Segafredo, a Bologna-based coffee roasting company active mainly on 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.

International expansion began in the 1980s, first with the acquisition of several companies with production facilities in Austria and France, followed by the establishment of sales companies in Portugal and Spain, and finally the establishment of commercial agreements with distributors in Germany, England, the 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.

In the early 1990s, the Group's growth strategy and European and international expansion continued with the acquisition of the Dutch company **TikTak** and the Finnish company **Meira**, one of the leading coffee companies in Finland (with the well-known Kulta Katriina brand).

The process of internationalisation moved beyond Europe, with the acquisition of **Café Nova Suissa** in Brazil and a distributor in Australia. The Group's global affirmation continues with the acquisition of four historic American brands: **Chock Full o'Nuts**, **MJB**, **Hills Bros** and **Chase and Sanborn** and the modern roasting plant in Suffolk, Virginia.

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

In 2014, MZB acquired 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 completes the acquisition of **Nutricafés S.A.** that, after the merger with Segafredo Zanetti Portugal, becomes MZB Iberia. The Group also continues to invest, acquiring shareholdings in strategic, expanding markets such as Canada (**Club Coffee**), Australia (**Tru Blue**) and Indonesia (PT Caswells).

During 2019, three new companies were acquired: **The Bean Alliance** (Australia), **Café Pacaembu Ltda** (Brazil) and, through its subsidiary Massimo Zanetti Iberia, **Cafés Nandi SA** (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.

In, 2021, the company **Hoja Verde Gourmet Hovgo** was acquired, based in Ecuador, a country producing the best coffee and cocoa qualities in the world.

Finally, with a view to focusing on the core-business activities inherent to the production and global distribution of coffee, in February 2023 **La San Marco S.p.A.**, active in the production and marketing of professional coffee machines and bar equipment, has been sold.



Manufacturing Plant

MZB USA	Suffolk, Virginia
Kauai Coffee	Kauai, Hawaii
Café Montana	Alajuela, Costa Rica
Hoja Verde Gourmet	Cayambe, Ecuador
Café Pacaembu	Vargem Grande do Sul, Brazil
MZB Iberia	Amadora, Portugal
SZ France	Rouen, France
Brulerie	Ajaccio, France
Brodie	Musselburgh, UK
Tiktak SZ	Groningen, Netherlands
Meira	Helsinki, Finland
SZ Poland	Bochnia, Poland
SZ Austria	Salzburg, Austria
SZ Italy	Rastignano (Bologna), Italy
Boncafé Thailand	Chonburi, Thailand
Boncafé International	Singapore
MZB Vietnam	Ho Chi Minh City, Vietnam
Boncafé Indonesia	Jakarta, Indonesia
BAG	Melbourne, Australia
SZ Coffee System	Casale sul Sile (Treviso), Italy



1.5 OUR 2022



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



2. OUR APPROACH TO SUSTAINABILITY

For Massimo Zanetti Beverage Group sustainability is to convey the principles of respect, responsibility, dedication and professionalism every day, giving the start to a virtuous circle that generates a commitment that is shared and proactive.

2.1 The Sustainable Blend

For the Massimo Zanetti Beverage Group, acting responsibly through respect for the values of quality and sustainability is an integral part of its business and the daily actions of the individual companies. These principles are promoted by the Group towards its customers and consumers, employees and the local communities where MZB operates, in a logic of giving back to the territory that has always been part of the company's DNA and entrepreneurial approach.

During 2022, the path already started in 2019 was continued, which had led to the identification of a sustainability roadmap, "**The sustainable blend**", to focus all Group companies on non-financial issues and build common responses in a constantly evolving context. "The sustainable blend" is based on four strategic areas: environmental responsibility, product and process quality, procurement practices and valuing people.

Specifically, during 2019, the Group's main companies (Segafredo Zanetti Italy, Segafredo Zanetti France, Massimo Zanetti Beverage USA, Meira and Boncafé) shared strategic guidelines on non-financial issues that are highly relevant to the business and society, expressing the Group's values and commitment, and formalised the following Policies:

- the **Environmental Policy** aims to define a common approach to the management of environmental issues, such as energy supply, emission reduction, efficient use of natural resources and raw materials, and responsible end-of-life management of products;
- the **Quality Policy** promotes innovation and the sharing of best practices among the various Group companies and defines a

common approach to ensure high standards of quality and food safety and maximum customer and end-consumer satisfaction;

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

As part of the promotion and dissemination of responsible procurement methods, the main Group companies have also defined a number of specific initiatives and objectives aimed at maximising and improving the impact of individual companies and the Group along the supply chain. Some of these initiatives have already been published in international projects such as the **Sustainable Coffee Challenge (SCC)**.

"The sustainable blend" also envisages the gradual adoption of a Group approach to sustainability, starting with the implementation of the above-mentioned policies in Group companies.

Meira continues to operate in line with the **sustainability goals** it developed and formally approved in 2020, which it has set itself to achieve within the next three years. These goals are in line with the Sustainable Development Goals promoted by the United Nations and are divided into four main **areas**:

1. **Reliable and tasty products and services**
2. **Science based climate work**
3. **Well-being of individuals**
4. **Sustainable operations.**

For each area, **KPIs** and **targets** have been set, to be achieved **year by year** until 2030. 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)¹ in April 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

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 set Science Based Targets by 2025.



¹ The Science Based Targets initiative (SBTi) is a collaboration between CDP, United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature

(WWF). SBTi promotes ambitious climate action in the private sector by allowing organisations to set science-based emission reduction targets. <https://sciencebasedtargets.org/>

Distribuidora Café Montaña, following the launch of Costa Rica's National Decarbonisation Plan², 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**³.

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** formalised a **Sustainability Strategy** that led to the definition of some specific goals to be achieved within a predetermined timeframe. The key target areas will be:

- Limitation of non-recyclable **waste**,
- Progressive improvement in structure and energy **consumption**,
- Promotion of a **sustainable culture** within the organisation.

² 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.

³ Defined 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

Also **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.

Finally, in **2022**, **SZ Italy** reached the ambitious goal set by the **Sustainable Packaging Project**, which was launched in 2017. Specifically, the Italian Company has come to use 100% fully recyclable product packaging. To achieve this goal, the Company has been actively experimenting with new types of recyclable plastic packaging (e.g. polyolefin) and the replacement of polypropylene product packaging in favour of Forest Stewardship Council (FSC)-certified single-material paper packaging.

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

ECOVADIS SILVER MEDAL FOR TIKTAK

In 2022, **TikTak** was awarded a silver medal in recognition of their EcoVadis rating.

EcoVadis is an international platform that measures sustainable impact, aiming to improve companies' environmental and social practices by harnessing the influence of global logistics chains.

TikTak achieved an overall score of **56/100** as the average of 4 indicators: Environment, Labour and Human Rights, Ethics and Sustainable Procurement.



2.2 Stakeholder Dialogue and Materiality Matrix

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 MZB consider relevant for its own development from a sustainability perspective. Also for 2022, the Group decided to confirm the results of the last update of the materiality analysis in 2020. However, in view of the changes introduced by the GRI Standards 2021⁴, a preliminary analysis of the impacts of MZB on the economy, society and people, including those on their human rights, was carried out.

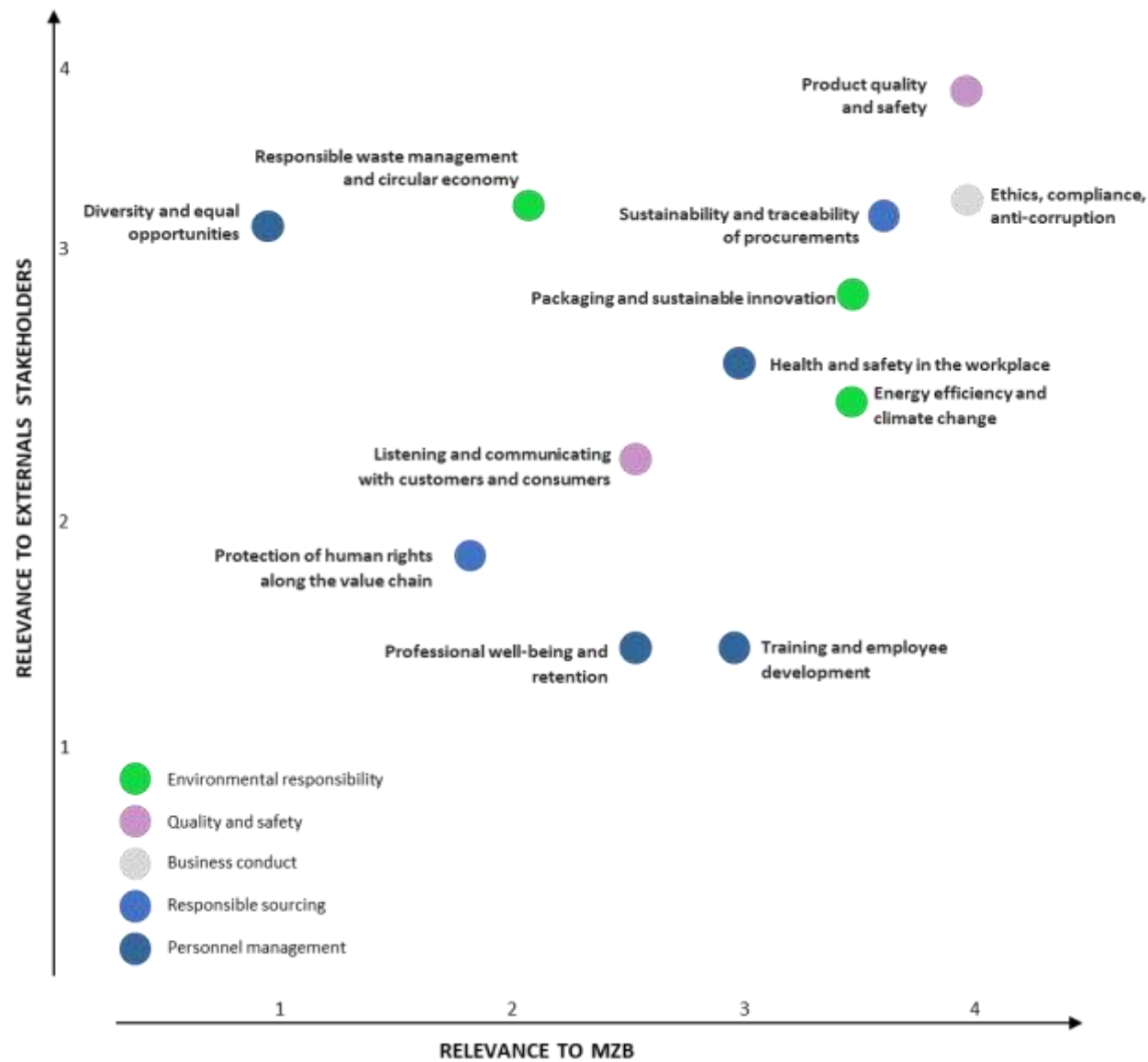
The Group aims to complete the materiality analysis update during 2023, in compliance with the GRI Standards 2021.

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

⁴ GRI 3: Material Topics 2021 provides step-by-step guidance to companies on how to identify material topics. It also explains how Industry Standards are used in this process.

Material topics are those topics that represent the most significant impacts of an organisation on the economy, the environment, people including human rights.

THE MATERIALITY MATRIX OF MZB



Material topic	What it means for MZBG	What are the associated impacts	Where is it dealt with in the text
Compliance, ethics and integrity	Respect for the values, principles, standards and norms of conduct that guide business conduct, anti-corruption and fair dealing and trade.	- Anti-competitive conduct. - Loss of sensitive corporate data and employees' personal data. - Incidents of corruption. - Unethical tax practices. - Lack of corporate compliance.	Responsible business management
Product quality and safety	Attention to product safety starting with the selection of raw materials and production and quality control procedures in line with the best international standards.	- Damage to consumer health.	Products and customers
Listening to and communicating with customers and consumers	Monitoring the perceptions of customers and consumers, both in terms of their changing tastes and their satisfaction, and correctly communicating all relevant product features.	- Improving the socio-economic performance of products. - Inadequate communication of relevant product characteristics. - Consumer non-satisfaction	Products and customers
Sustainability and traceability of procurement	Attention to social and environmental conditions along the supply chain and the possibility of reconstructing the 'history' of the product by monitoring all key steps in the supply chain.	- Lack of supply chain traceability. - Contribution to the creation of a sustainable value chain.	Value chain
Protection of human rights along the value chain	Respect for and promotion of human rights along the value chain and integration of these principles into meaningful management models and business processes.	- Violations of rights and abuses in the workplace. - Forced labour, child labour and human rights violations in their supply chain.	Value chain
Energy efficiency and climate change	Efficient and rational use of energy resources to improve performance and reduce climate-altering emissions related to activities directly managed by the Group.	- Greenhouse gas emissions from energy consumption - Release of harmful toxic substances. - Logistics-related climate change impacts. - Impact of the Group's activities on biodiversity.	The Environment
Responsible waste management, circular economy	Reduction and overall optimisation of waste management, with particular reference to production materials, food waste and packaging.	- Water withdrawal, consumption and discharge. - Waste production. - Impact on the environment and people's health related to the end-of-life of products.	The Environment

Material topic	What it means for MZBG	What are the associated impacts	Where is it dealt with in the text
Packaging and sustainable innovation	Development of new packaging solutions that can guarantee a reduction in the consumption of materials used and mitigate their effects on the environment, while ensuring a high standard of product quality.	- Impact of raw materials used to produce and package products. - Improving the environmental performance of products.	The Environment
Diversity and equal opportunities	Promotion of equal opportunities and diversity within the company in accordance with national and international conventions, legislation and guidelines.	- Gender inequality and other elements of diversity.	People
Employee training and development	Training and human capital development activities to ensure the growth, management and strengthening of workers' know-how in line with the Group's needs.	- Up-skilling and professional development of employees.	People
Occupational health and safety	Prevention, monitoring and reduction of occupational health and safety risks for employees.	- Occupational health and safety	People
Professional well-being and retention	Attention to the well-being of employees and ensuring a positive and attractive corporate climate.	- Socio-economic impacts on local communities. - Promotion of better employment conditions through the adoption of collective bargaining and/or equivalent instruments. - Promotion of the well-being of employees.	People

Dialogue with stakeholders

Dialogue with stakeholders is fundamental 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 tools used are many: 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 channels of involvement
Employees and collaborators	- Continuous communication by different means (intranet, newsletter, questionnaires, etc.) - Internal satisfaction survey (for some companies) - Regular meetings, including those on occupational health and safety
Customers and consumers	- Market research, mystery shopping - Tests, focus groups, questionnaires, online interviews and telephone calls, Product Evaluation and Customer Satisfaction (for some companies) - Social media (e.g. Facebook, Twitter) and corporate websites, newsletters - Virtual events and meetings (for some companies) - Customer Service
Bartenders	- Training courses (Segafredo Academy) for professional, quality service, dedicated annual championships - Meetings and sessions to define training opportunities, dedicated events - Newsletter
Suppliers	- Co-development activities - Business meetings and continuous communication, also to manage possible critical and 'disruptive events' (e.g. Brexit) - Audits and factory visits to ensure high quality standards (for some companies) - Supplier questionnaire (annual completion for some companies)
NGOs and local communities	- Charitable activities and contributions to exhibitions and external performances - Activities carried out locally for the benefit of local communities - Specific communications by e-mail
Competitor	- Participation in joint association tables
Trade Associations	- Periodic physical and virtual meetings (specific to the context in which each company operates)
Trade Unions	- Constant dialogue through physical and virtual meetings and fulfilment of bargaining obligations with trade unions
Shareholders and Financial Community	- Investor meeting - Specific meetings
Schools and Universities	- Participation in support programmes for students in financial difficulties (e.g. distribution of books) (for some companies) - Collaboration with universities and schools in internship and apprenticeship projects (for some companies)
Franchisee	- Visits to franchise shops and periodic physical and virtual 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 these issues. For the second year in a row, it received the CSR-DIW Continuous Award.



3. RESPONSIBLE BUSINESS MANAGEMENT



3.1 Corporate Governance

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 Statutory 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.

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 and consolidated financial statements for the financial years ending 31 December 2015 to 31 December 2023 was 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 Leg. Decree No. 231, which will monitor the compliance, operation and update of the Model. Moreover, Segafredo Zanetti S.p.A. and Segafredo Zanetti Coffee System 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 of 6 persons, 2 of whom are women and 4 men.

Composition of the Parent Company Board of Directors					
Gender	Age group	Unit of measure	2020	2021	2022
Men	Between 30 and 50 years old	no.	2	2	1
	Over 50 years old	no.	3	2	3
Total Men		no.	5	5	4
Women	Between 30 and 50 years old	no.	3	2	2
	Over 50 years old	no.	2		
Total Women		no.	4	4	2
TOTAL		no.	9	9	6

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 Board of Directors of the Company confirmed, 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 27 March 2023, the Board of Directors approved the “**2023 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.



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.

Among the initiatives promoted by Group companies during 2022, we would like to highlight the commitment of the Finnish company **Meira**, which has finalised and implemented the “**Meira Ethical Principles**”, outlining the principles already expressed in the Group's Code of Ethics in a more personalised manner and closer to the characteristic context.

3.3 Compliance with tax regulations

One of the fundamental principles and values accepted and shared by MZB is the respect for all laws, regulations, administrative measures and in general the regulatory provisions applicable, 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

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

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

and maintain a collaborative, clear and transparent relationship with the tax authorities.

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

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

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 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 Italy S.p.A. and Segafredo Zanetti Coffee System S.p.A. have adopted their own Organisational Models pursuant to Decree 231/2001 and appointed a Supervisory Board.

In the period 2019-2022, 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, occurred in 2021, promptly handled by the company. [GRI 2-27] Similarly, there were no legal actions for anti-competitive behaviour, antitrust and monopolistic practices during the period. [GRI 206-1] Lastly, in 2022, there were no incidents of corruption. [GRI 205-3]

In order to enable all persons in the MZBG Group to report conduct that is not in line with the Code of Ethics, Policies and Procedures or applicable regulations, the Group has set up a **whistleblowing system**.

The modalities and operating instructions on the use of reporting channels are appropriately set out in the Whistleblowing Policy, which is available to all staff on the company intranet.

A report of a potential breach may be sent by e-mail (whistleblowing@mzb-group.com) or by registered letter (addressed to Internal Audit MZB Group - Viale Gian Giacomo Felissent 53, 31020 Villorba - TV, Italy).

The Company is committed to ensuring the utmost confidentiality in the handling of reports and will not tolerate any form of retaliation that may be a consequence of the report and its corrective measures.

Through the whistleblowing system, during 2022, a report was received and followed up with appropriate investigations. After adequate investigation, the Supervisory Board did not deem it necessary under Legislative Decree 231/2001 and the Model to recommend further investigations or activities.

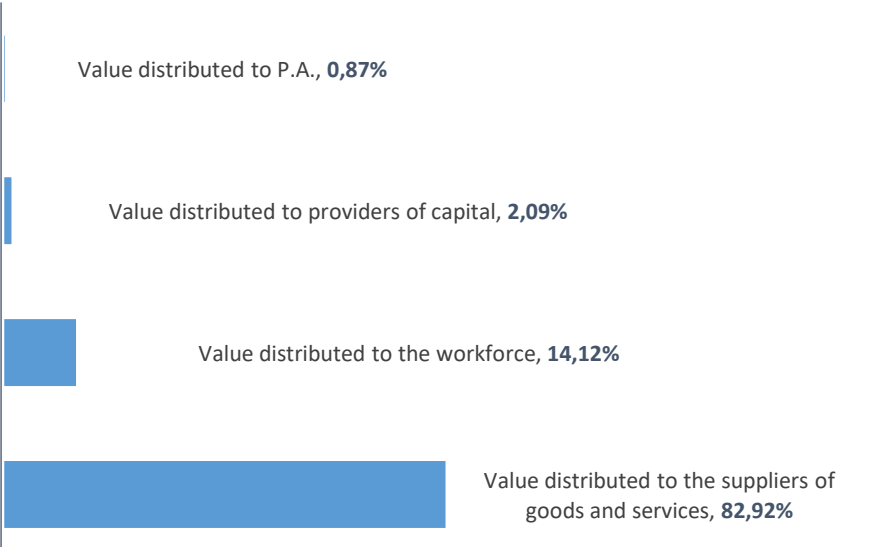
3.5 Sustainable value creation

In 2022, Massimo Zanetti Beverage Group S.p.A. recorded a generated economic value of approximately €1,157 million⁷.

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

Of this, more than €1,133 million, equal to 92.91%, was distributed to stakeholders: 14.12% was distributed to the workforce, 82.92% to the suppliers of goods and services, 2.09% to providers of capital and 0.87% to the Public Administration.

Generated and distributed economic value



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	- UK Tea & Infusions Association - Guild of Fine Food - Fairtrade - Rainforest Alliance
MZB Iberia	- AICC - Associations of Portuguese coffee roasters
Boncafé International	- SNEF - Singapore National Employers Federation - SMF - Singapore Manufacturing Federation - SAFEMS - Singapore Association of Food Equipment Manufacturing
Boncafé Thailand	- Industrial Estate Authority of Thailand - The Federation of Thai Industries
Café Montaña	- 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	- Kauai Chamber of Commerce - Kauai Economic Development Board - Hawaii State Board of Agriculture - Hawaii Coffee Growers Association - Hawaii Coffee Association
MZB Brasil	- ABIC- Brazilian Coffee Industry Association - Flavia Baldin - Member of the Marketing Committee at the ABIC Association - Valdenice Lopez - Member of the strategic committee at Associação ABIC

SZ Austria	- Kreditschutzverband (Credit Protection Association) - MCS Marketing Club - ÖFV Franchise Verband - Industriellenverband (Trade Union) - Markenartikelverband (Brand Product Union)
Meira	- Finnish Food & Drink association - Coffee and Roastery association - Spice association - The Helsinki region Chambe or Commerce - National Organic Association
MZB USA	- National Coffee Association (NCA) - Green Coffee Association (GCA) - Specialty Coffee Association (SCA) - Private Label Manufacturers Association (PLMA)
SZ Poland	- Business Centre Club
SZ Deutschland	- German Coffee Association (DKV) - Marketing Club Munich - German Council of Shopping Centres - FGM (Fördergesellschaft Marketing University Munich)
SZEW Japan	- Japan Food Service Association - Italian Chamber of Commerce in Japan - Shinjuku Convention & Visitors Bureau
The Bean Alliance	- Australian Coffee Rosters Association - Internal Women in Coffee Corp 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

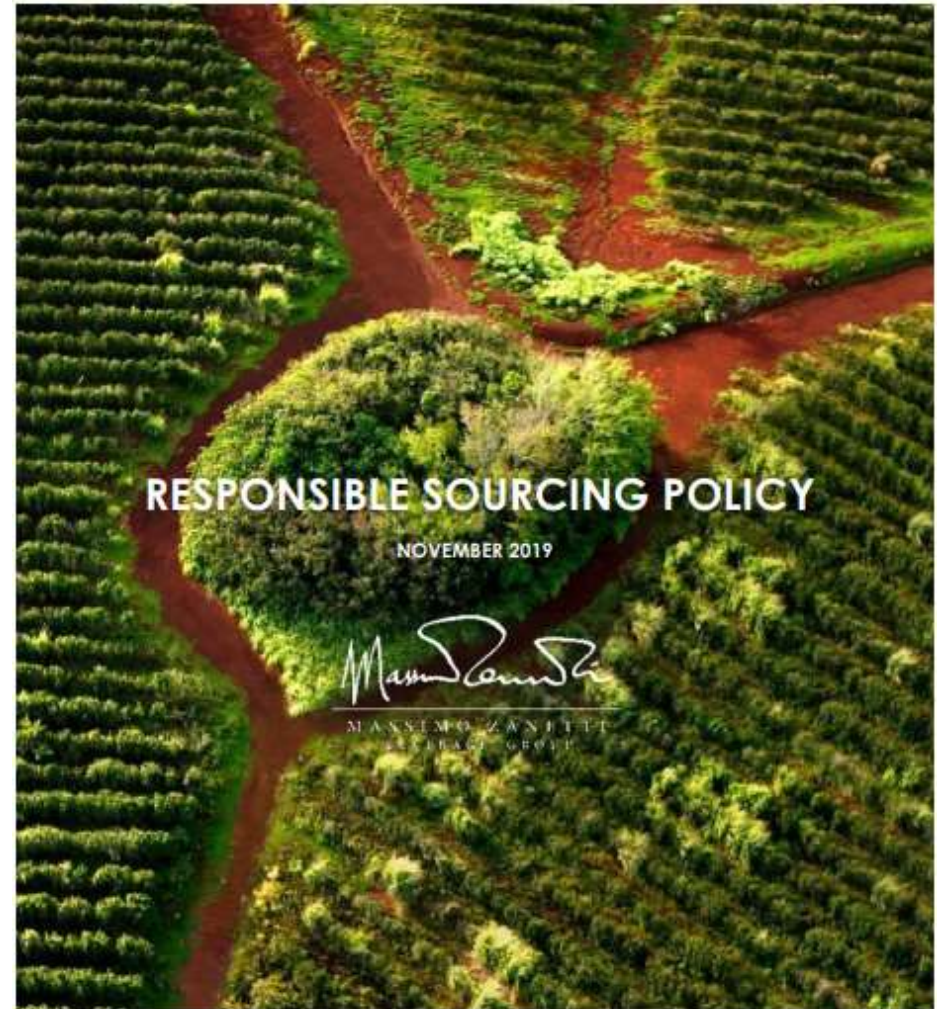
During 2019, thanks to the commitment and collaboration of the Group's main companies, Massimo Zanetti Beverage Group published the **Responsible Sourcing Policy**, a statement of the Group's commitment to ethical and sustainable coffee sourcing.

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.



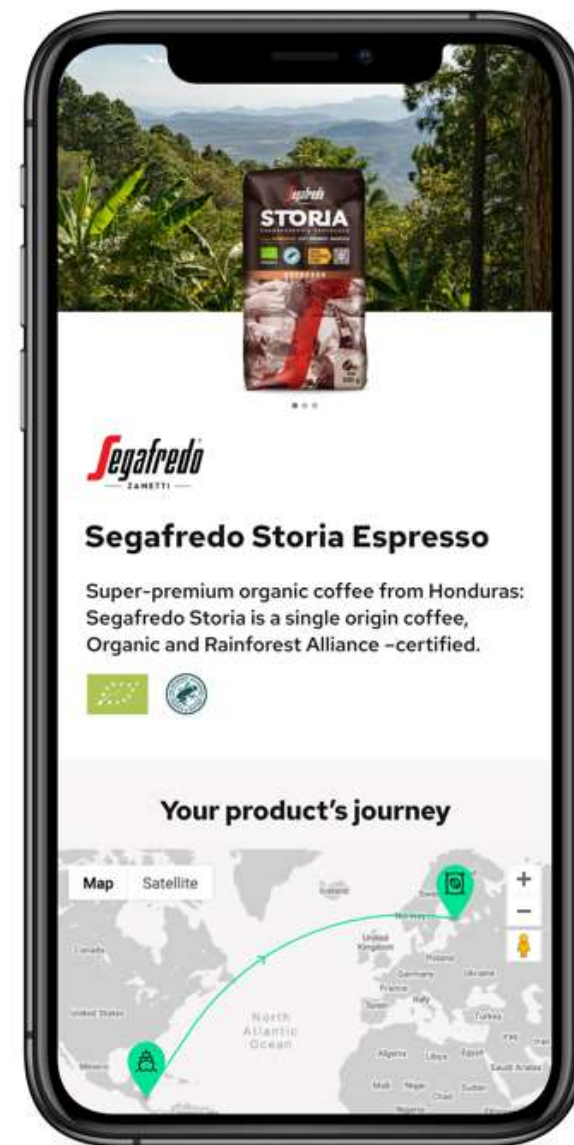
4.2 Responsible sourcing and traceability

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

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 Italy 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

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 law,

establishing the European Food Safety Authority and laying 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 2022, 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.

Bean Alliance, in the period June 2022 - February 2023, revised its Procurement Policy and Procedure, outlining the forecasts of the Group's Responsible Procurement Policy with respect to the needs and peculiarities of its operating context: from green coffee purchasing to general services.

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 it has committed to the BSCI (Business Social Compliance Initiative). 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. The coffee value chain is also traceable to farm, co-operative or at minimum to processing facility. 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 has deep knowledge of each origin country.

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.

MZB Iberia has developed a classification system for its suppliers that allows them to be grouped into three macro-classes (green, yellow

and red), based on the level of compliance obtained from the evaluation. 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 identified 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.

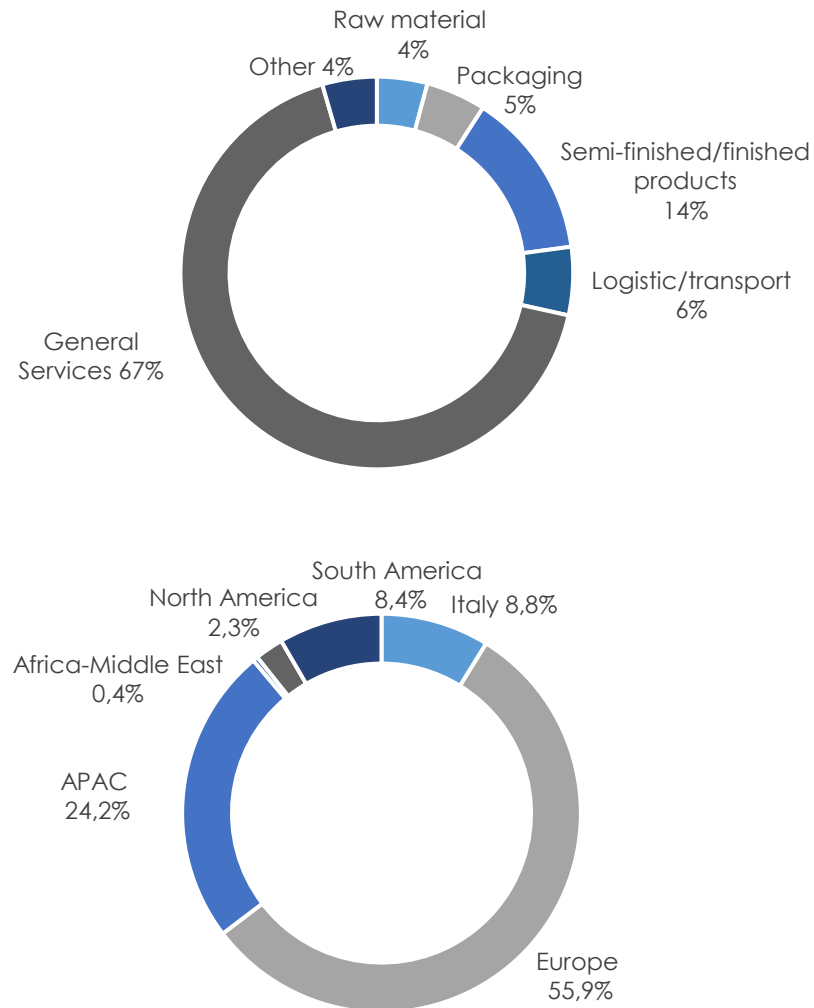
Distribuidora Café Montaña has set up a specific procedure, which establishes guidelines for the evaluation and approval of suppliers of products and services that affect Good Manufacturing Practices (GMP) quality and safety standards. In addition, an annual audit of

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 2021), two human rights assessments were conducted in 2022 at Group companies, in Italy and at the Kauai plantation. [\[Operations that have been subject to human rights reviews or impact assessments\]](#)

In this context, MZB Group companies procured from nearly 5,600 suppliers during 2022 (in line with 2021*). General services account for more than half of all suppliers (67%), followed by suppliers of finished and semi-finished products (14%), logistics and transport (6%), packaging (5%) and coffee and food raw materials (4%). Most suppliers are European (56%). [\[GRI 2-6\]](#)

Suppliers, according to product type and origin, 2022



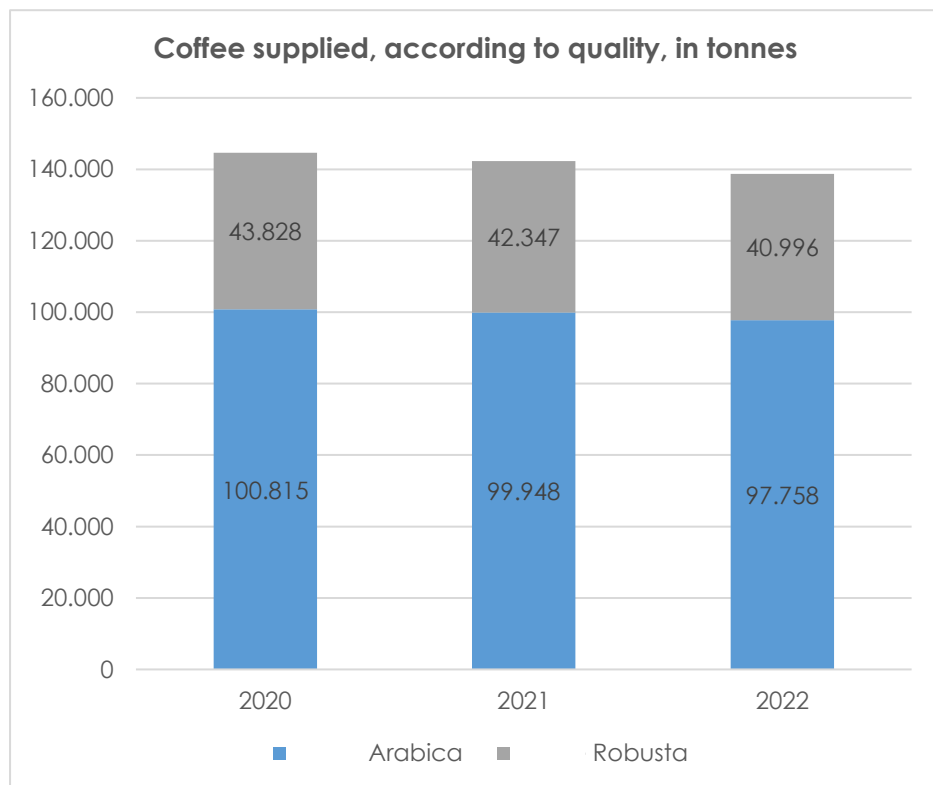
With specific reference to the supply of green coffee, between 2021 and 2022, its level of purchases decreased from 142,295 to 138,754 tonnes.

Looking at the **origin of the coffee**, in 2022, 12% of Robusta quality coffee was purchased from suppliers located in South and Central America (59% in 2021), particularly Brazil, and 64% (31% in 2021) 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 (85.7% in 2022).

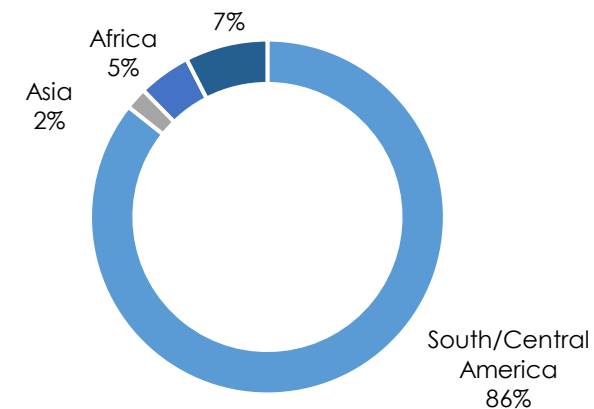
Countries of origin of green coffee in 2022

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

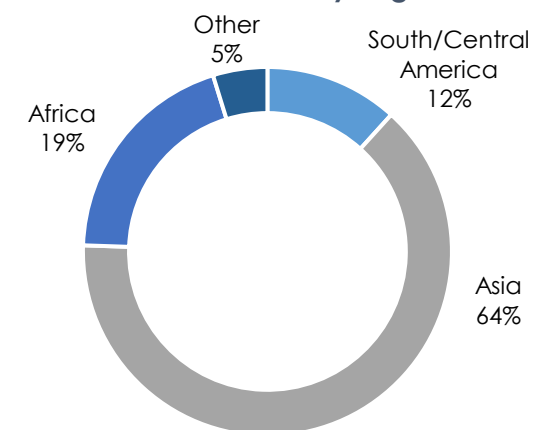
Coffee supplied, according to quality and origin



Arabica coffee by origin



Robusta coffee by origin

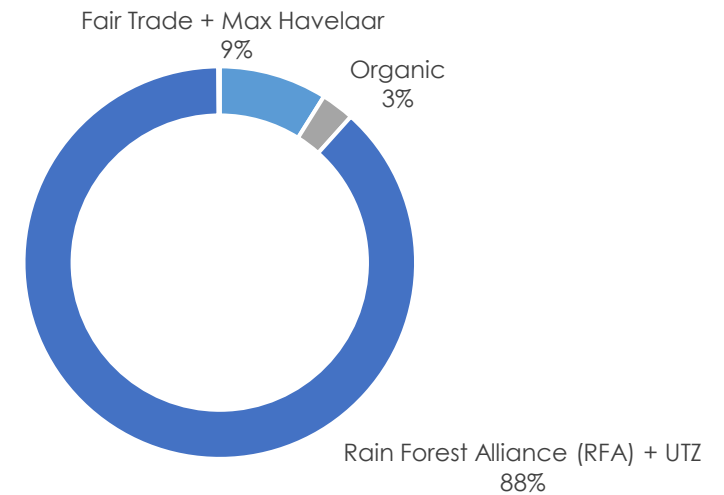


CERTIFIED COFFEE

Among the Group's companies, **Meira** is the leader when it comes to purchasing certified coffee. In fact, the company formally adopted a certified green coffee purchasing plan as early as 2019, setting itself precise growth targets for the coming years, and is committed to achieving this goal also by joining international industry initiatives such as the **Sustainable Coffee Challenge (SCC)** with the **goal of purchasing 100% certified green coffee by the end of 2022**. However, in 2022 Meira was only able to purchase 83% of the certified green coffee, due to the disruption in its supply chain. For this reason, the Finnish company was forced to postpone the achievement of this ambitious goal by a year.

In 2022, the purchases of coffee certified according to the international sustainability standards mentioned below were 16.8% in total. [GRI FP2]

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





RAINFOREST RESERVE

AN ASIAN SUSTAINABLE COFFEE INITIATIVE

From the highlands of Da Lat and Dak Lak in Vietnam, Boncafé presents Rainforest Reserve – an exquisite Asian coffee blend using the finest beans from Rainforest Alliance Certified™ farms in Vietnam. The farmers are trained in methods that help safeguard the health of the land and benefit farm communities, and can boost yields at the same time. By enjoying Rainforest Reserve coffee, you are helping to ensure the long term well-being of the farm communities, forests and wildlife on which we all depend.

BONCAFÉ

Discover more at www.boncafe.com





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	Swiss Water Process
Company¹⁰				
MZB Iberia	x		x	
SZ Italy	x		x	
SZ France	x	x	x	
Boncafe international				
Boncafe Thailand				
Brodies		x	x	x
Brulerie	x	x		
Cafè Montana				
Meira	x	x	x	
MZB USA	x	x	x	x
MZB Vietnam			x	
SZ Austria				
SZ Poland	x		x	
TikTak		x	x	
MZB Brasil				
The Bean Alliance		x	x	x

⁹ UTZ merged with Rainforest Alliance as of 2018.

¹⁰ The table only shows companies purchasing green coffee. Boncafe International, Boncafe Thailand, SZ Austria, Cafè Montana, e 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 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 Italy** 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.

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.



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 Organic standard¹¹, 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.



¹¹ Australian Certified Organic is Australia's leading certification body for organic and biodynamic products, guaranteeing consumers the purchase of an

organic coffee and the total absence of pesticides and other chemicals in the whole process, "from plant to cup".

ORGANIC AND SUSTAINABILITY GO BEYOND COFFEE

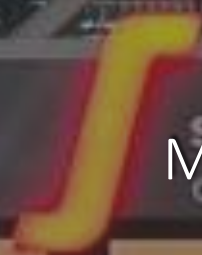
The demand for organic and sustainable products has risen rapidly in recent years, which is why Meira has recently introduced healthier alternatives to the traditional products such as **Meira Organic Ketchup**, which contains 85% tomato, 30% less sugar and salt, totally free of preservatives and produced locally with only the use of biogas in the production process.

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 represents one of the fundamental principles and values of MZB, 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 MZB'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, with the nutritional information and preparation methods for the product.

During 2022, **MZB USA** continued the 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.

In 2022, **Bean Alliance** introduced the "Planet friendly packaging" label for coffee bean packages, recyclable and made of PET/PE

(polyester) soft plastic. The label contains disposal instructions and transparency for consumers.

With regard to marketing communication, four reports of non-compliance related to marketing and labelling were registered within the Group during 2022: three product non-compliances and a report 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. **MZB USA, 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. **Meira and Boncafé Thailand** have 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. **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 2022 were more than positive. The overall score obtained was 4.8/5, while the timeliness of product delivery was rated 4.65/5 and finally the accuracy of delivery content recorded a score of 4.8/5.

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. Since 2020, two channels have been introduced to obtain consumer feedback via e-commerce sites. Also 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.

Boncafé Middle East with the **Service Centre**, is capable of serving a larger number of customers than the previous service, 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.

Boncafé International has had a Research and Development Committee in Singapore for years, which is composed of Baristas, as well as the company's multidisciplinary team, who pass on their field experience on customer preferences in the development of new products.

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)¹². 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.

SZ Poland is developing a cup tasting team to design better tasting products. In addition, the company introduced the figure of the New Product Development Coordinator, with the task of coordinating the work between the various departments from research and development to product introduction on the market.

¹² <https://www.luke.fi/en/projects/lcafoodprint>

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 technology¹³, 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 in the chain, providing the final consumer with complete visibility of product history.

Through Segafredo Storia, consumers also 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.



¹³ 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

Since 2020, all Group companies with their main suppliers have been called to adopt and comply with the guidelines defined in the **Quality Policy**, drawn up during 2019.

This policy addresses issues of quality, food safety, traceability, product and process innovation, 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, lastly, 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 the evaluation of 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**, **MZB Brasil** 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.

In 2022, **Boncafé Thailand** continued the implementation of the requirements set by ISO 9001:2015. However, it has not yet undergone third-party certification. In 2022, **Boncafé Middle East** obtained 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. With the same aim, during 2021, **MZB Iberia** updated the Group Quality Policy to respond even more precisely to the needs of society.



GRI FP-5: Process certifications concerning food safety management systems and companies complying with these standards¹⁴

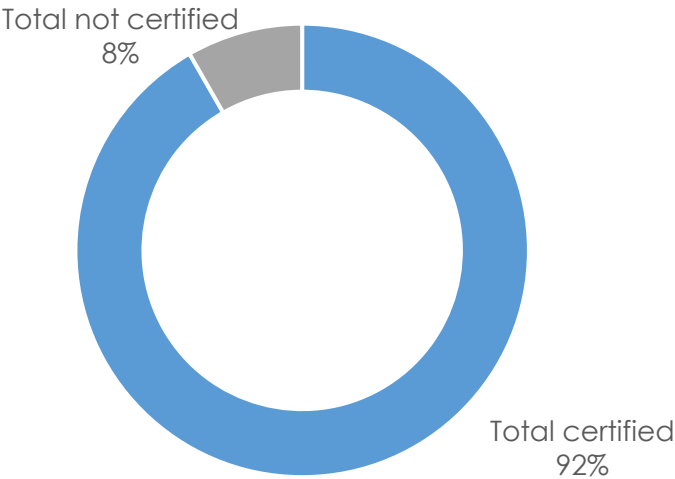
	IFS Food Certificate	Unified quality assurance standard valid for all food products		Hazard Analysis and Critical Control Points (HACCP)	European food hygiene certification
	British Retail Consortium (BRC)	Global Standard for agri-food safety		ISO 9001	Quality Certification that is an international standard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

¹⁴ RFA, Organic and Fairtrade certifications are both product and process certifications.

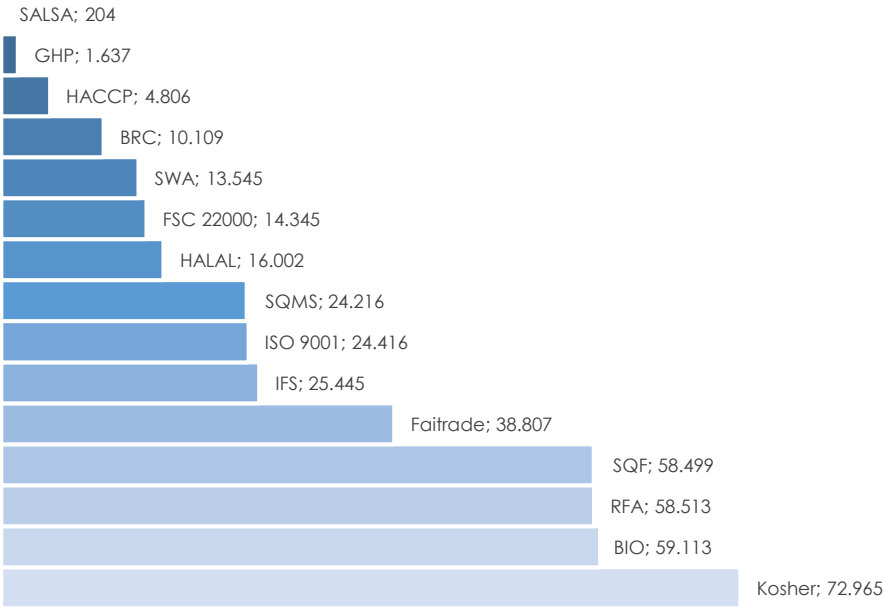
The different companies of the Group have adopted specific procedures and certifications, according to legal obligations and market demands, in particular with regard to food safety and the private label segment. The table above lists the main voluntary certifications adopted of the various Group companies. Furthermore, all the companies constantly monitor the various stages of production and entrust the verification of compliance with the standards to officially recognised certification bodies.

In 2022, 92% 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]

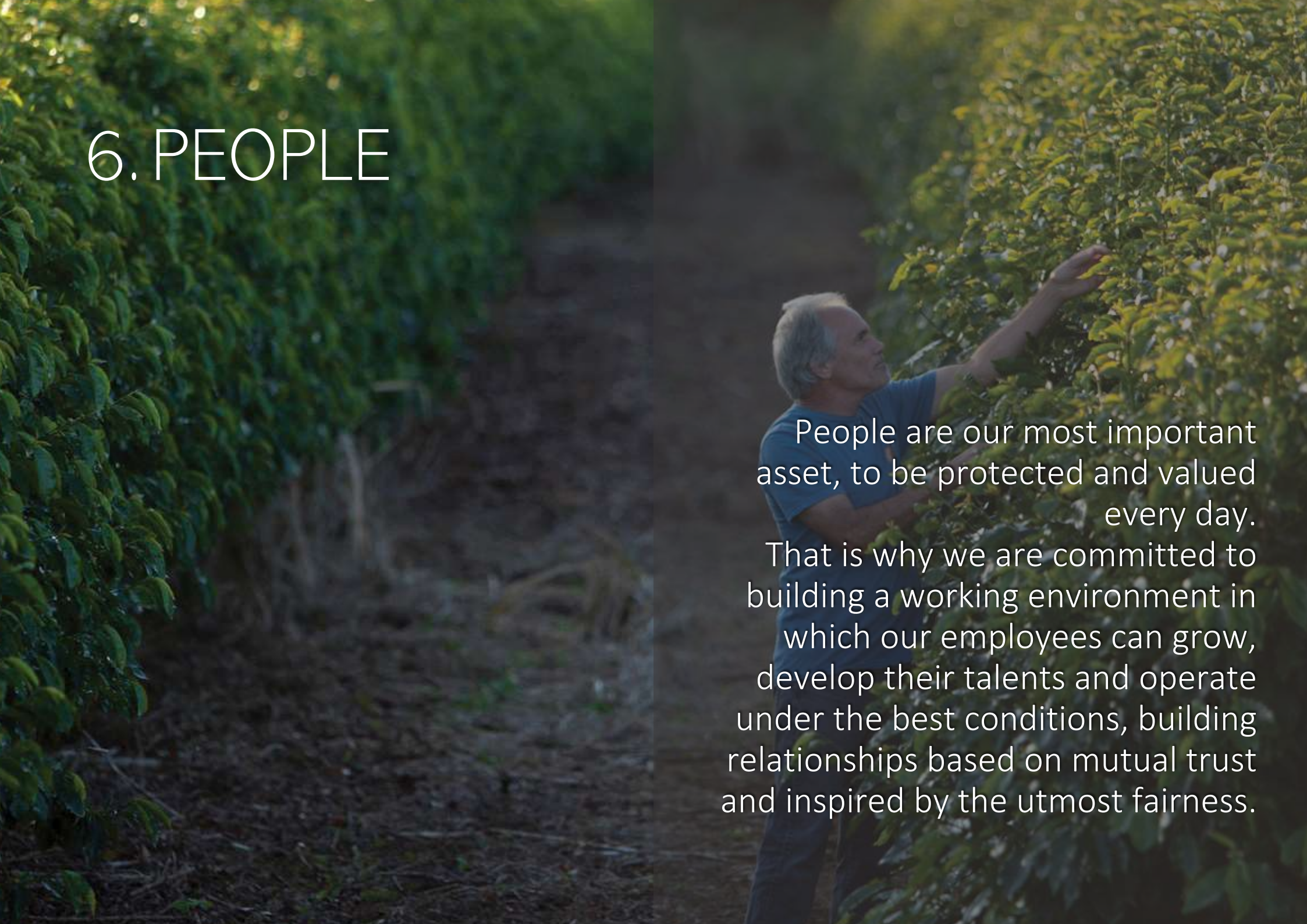
% of coffee produced in certified production sites



Certified production by differen standards, tons



6. PEOPLE

A photograph of a man with grey hair, wearing a blue t-shirt, standing in a field of coffee plants. He is reaching up to touch or inspect the leaves of a plant on the right. The background is a dense field of similar plants, slightly out of focus. The lighting is soft, suggesting late afternoon or early morning.

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.

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 and Puccino's** where the views of the workers can be gathered.

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 2022, the company also implemented a team climate audit and a health and wellness programme offering, for example, yoga and meditation classes.

In 2021, 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 organisation¹⁵.

¹⁵ However, due to an internal restructuring of the HR Function, this questionnaire was not administered in 2022.

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, also includes 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.

Since 2022, Kauai has started conducting the Employee Engagement Survey, through the service offered by the Hawaii Employers Council. Previously, **Kauai** had conducted a **survey on organisational efficiency** to collect employees' opinions and highlight the factors that determine the organisation's strengths and weaknesses.

Boncafé Thailand has been using **Bon to Bon** newsletters since 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 2022, **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, the group recruitment rate increased from 19.9% in 2021 to 25.8% in 2022 and the group turnover rate from 24.7% to 24.9%. [GRI 401-1]

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

Group recruitments and terminations, 2020		Recruitments of Group, 2022		Terminations of Group, 2022	
		no.	Turnover rate	no.	Turnover rate
Men	< 30 years old	149	58%	114	44%
	30 ≤ x ≤ 50 years old	222	22%	210	21%
	> 50 years old	59	10%	92	15%
Total men		430	23%	23%	23%
Women	< 30 years old	122	69%	112	63%
	30 ≤ x ≤ 50 years old	187	28%	173	26%
	> 50 years old	27	10%	39	14%
Total women		336	30%	30%	29%
Total		766	26%	740	25%

	2020	2021	2021*	2022
Group hiring rate	15.6%	19.3%	19.9%	25.8%
Group turnover rate	20.4%	24.1%	24.7%	24.9%

Recruitments by geographical area	2020		2021		2021*		2022	
M: men W: women	M	W	M	W	M	W	M	W
Americas (no.)	138	66	133	80	133	80	196	85
Hiring rate (%)	23%	24%	22%	19%	25%	30%	36%	31%
Asia and Oceania (no.)	66	70	86	102	86	102	162	190
Hiring rate (%)	14%	16%	18%	23%	19%	26%	33%	44%
Northern Europe (no.)	46	32	58	30	58	30	39	30
Hiring rate (%)	14%	20%	18%	19%	18%	19%	13%	19%
Southern Europe (no.)	50	25	63	30	63	30	38	29
Hiring rate (%)	8%	9%	10%	11%	12%	11%	8%	11%
Group hiring rate (%)	15%	17%	17%	21%	19%	22%	24%	30%

Employees leaving by geographical area	2020		2021		2021*		2022	
M: men W: women	M	W	M	W	M	W	M	W
Americas (no.)	156	93	202	76	202	76	183	86
Turnover rate (%)	26%	34%	33%	28%	37%	28%	33%	32%
Asia and Oceania (no.)	99	124	109	144	109	144	128	151
Turnover rate (%)	21%	28%	23%	33%	24%	37%	26%	35%
Northern Europe (no.)	45	40	55	38	55	38	34	50
Turnover rate (%)	14%	25%	17%	24%	17%	25%	11%	32%
Southern Europe (no.)	65	24	75	28	69	27	65	41
Turnover rate (%)	11%	9%	12%	10%	13%	10%	13%	16%
Group turnover rate (%)	18%	24%	22%	25%	24%	26%	22%	30%

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 next few years, the planning of the Segafredo Academy is also envisaged.

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 in 2022 covered different areas and involved various figures. For example, **SZ Poland** organised courses for the sales area, **TikTak** on quality for the production area, and **MZB Iberia**, **Boncafé International** and **Brodies** on Hygiene and Food Safety. Other Group companies provided general training courses for their employees: administration, health and safety, first aid.

The actions carried out by the individual companies in 2022 resulted in an average of 6.3 hours of training per employee, in line with 2021. [GRI 404-1]

Training, broken down by gender and job classification, in hours¹⁶

Training by category	2020	2021	2021*	2022
Training provided to Managers and Executives	4,284	4,008	4,001	3,264
Training provided to white collar staff	6,465	7,788	7,261	6,606
Training provided to blue collar workers	12,376	10,802	8,981	8,891
Training by gender	2020	2021	2021*	2022
Training provided to women	8,390	6,702	6,690	6,716
Training provided to men	14,735	15,896	13,553	12,045
Average training per employee	7.6	7.5	6.9	6.3
Average training – women	7.6	3.5	3.6	6.0
Average training – men	7.6	14.5	12.5	6.4

6.4 Employee performance assessment

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

¹⁶ 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.

Boncafé Thailand updated 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. Furthermore, in 2022, the Thai company further improved performance monitoring by implementing the Performance Appraisal Form, an online tool that links performance monitoring with employee upskilling.

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 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.

Puccino's has a performance appraisal system that is conducted through regular individual, semi-annual and annual reviews. It focuses on several criteria such as Mystery Shopper results, Brand Defined Standards and financial KPIs.

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 develop initiatives aimed at diversity.

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

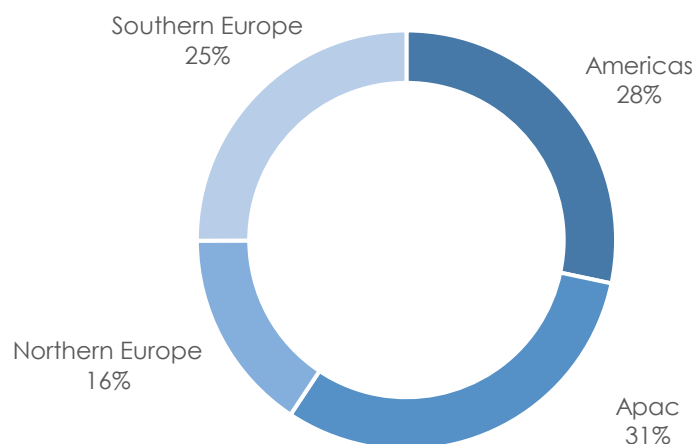
As testimony to their commitment to protect and promote diversity and recognise the personal qualities of individuals, **Segafredo Zanetti France** signed more than ten years ago the **Charte de la Diversité** (<http://www.charte-diversite.com>), a voluntary initiative by some French companies to promote all forms of diversity. Furthermore, in 2022, the company achieved a score of 87 out of 100 in the assessment for the Professional Equality Index between men and women, which is required by French law.

Since 2021, **Boncafé Thailand** has collaborated 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.

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 2022, there were 2,970 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 (41%), followed by Asia and the Americas. [GRI 2-7]



In 2022, 43% of the Group's employees are covered by collective bargaining agreements. [GRI 2-30]

Most employees had a permanent contract (94%) and, among these, the vast majority was working full-time (97%). Men employee accounted for 62.4% of the workforce, basically unchanged with respect to 2021 (when the percentage was 62.9%). [GRI 405-1]

With regard to non-employees, 67 people were employed in 2022 (+12% compared to 2021*), most of whom performed their duties

through labour administration contracts. Almost all of this category of workers were employed in production. [GRI 2-8]

Employees, according to type of contract and gender, number

Permanent contract		2020	2021	2021*	2022
Permanent contract employees	Men	1,903	1,838	1,760	1,770
	Women	1,031	1,015	1,000	1,022
Full-time	Men	1,871	1,806	1,729	1,741
	Women	970	950	936	955
Part-time	Men	32	32	31	29
	Women	61	65	64	67
Total permanent contract employees		2,934	2,853	2,760	2,792
Temporary contract		2020	2021	2021*	2022
Total temporary contract employees	Men	111	77	77	82
	Women	119	83	83	93
Full-time	Men	84	56	56	55
	Women	47	38	38	28
Part-time	Men	27	21	21	27
	Women	72	45	45	65
Total temporary contract employees		230	160	160	175
Total employees (permanent and temporary)		3,164	3,013	2,920	2,970

Employees, by type of contract, gender and geographical area for 2022, number

Permanent contract		Americas	Asia Oceania	Northern Europe	Southern Europe
Full-time	Men	529	451	289	472
	Women	266	341	128	220
Part-time	Men	4	7	7	11
	Women	7	18	17	25
Permanent contract employees	Men	533	458	296	483
	Women	273	359	145	245
Total permanent contract employees		806	817	441	728
Temporary contract		Americas	Asia Oceania	Northern Europe	Southern Europe
Full-time	Men	30	4	13	8
	Women	5	8	8	7
Part-time	Men	0	27	0	0
	Women	0	62	2	1
Permanent contract employees	Men	30	31	13	8
	Women	5	70	10	8
Total temporary contract employees		35	101	23	16
Total employees (permanent and temporary)		841	921	464	744

M: men W: women

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

Percentage of employees by professional category, gender and age group	2020		2021		2021*		2022	
	M	W	M	W	M	W	M	W
Executives	67%	33%	71%	29%	70%	30%	69%	31%
of which <30 years old	1%	0%	0%	0%	0%	0%	0%	0%
of which $30 \leq x \leq 50$ years old	43%	79%	49%	80%	50%	80%	46%	75%
of which >50 years old	55%	21%	51%	20%	50%	20%	54%	25%
Managers	59%	41%	58%	42%	58%	42%	57%	43%
of which <30 years old	3%	1%	3%	3%	3%	3%	3%	3%
of which $30 \leq x \leq 50$ years old	52%	78%	51%	78%	52%	78%	52%	75%
of which >50 years old	45%	21%	46%	18%	45%	18%	46%	21%
Employees	51%	49%	51%	49%	51%	49%	49%	51%
of which <30 years old	11%	19%	11%	17%	11%	17%	11%	15%
of which $30 \leq x \leq 50$ years old	61%	58%	61%	55%	61%	55%	56%	60%
of which >50 years old	28%	23%	29%	28%	28%	27%	33%	25%
Workers	75%	25%	76%	24%	75%	25%	73%	27%
of which <30 years old	18%	23%	17%	19%	18%	19%	19%	24%
of which $30 \leq x \leq 50$ years old	52%	49%	51%	53%	53%	54%	54%	53%
of which >50 years old	30%	29%	32%	27%	30%	28%	27%	23%

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 that operate at MZB.

A virtuous example within the Group is **Segafredo Zanetti Italy**, which has adopted a health and safety management system, accompanied by periodic risk assessments and supported by specific company 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.

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.

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 occupational health and safety aspects, but it does organise occupational safety events through the Internal Commission for Accident Prevention and 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. **Boncafé International** also conducts Health and Safety risk assessments and has certified its commitment in this regard by achieving BizSAFE Level 3 (bizSAFE Level 3)¹⁷.

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**, on the other hand, provided numerous training courses during the year, including "Occupational safety, health and work environment of the workplace" for all employees, "Training First aid & CPR Training", "Ergonomic training" and "Training Fire drill and fire Fighting", and plans 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 **Tiktok** 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. In addition, since 2022, the company has also included the risks of bullying and harassment in the workplace in its risk assessment and subsequently created *ad hoc* policies to manage these risks.

Tiktok, periodically carries out an inventory and assessment of existing risks, in compliance with legal requirements, and uses an external

¹⁷ bizSAFE Level 3 recognises that the company has conducted a risk assessment for each activity and work process in your workplace, in accordance with the requirements of the WORKPLACE SAFETY AND HEALTH (RISK MANAGEMENT) REGULATIONS

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 2022 the rate of accidents at work with days of absence relating to employees decreased, reaching the lowest value in the last three years. The analysis of these figures shows that, while the number of accidents decreased, there was a decrease 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]

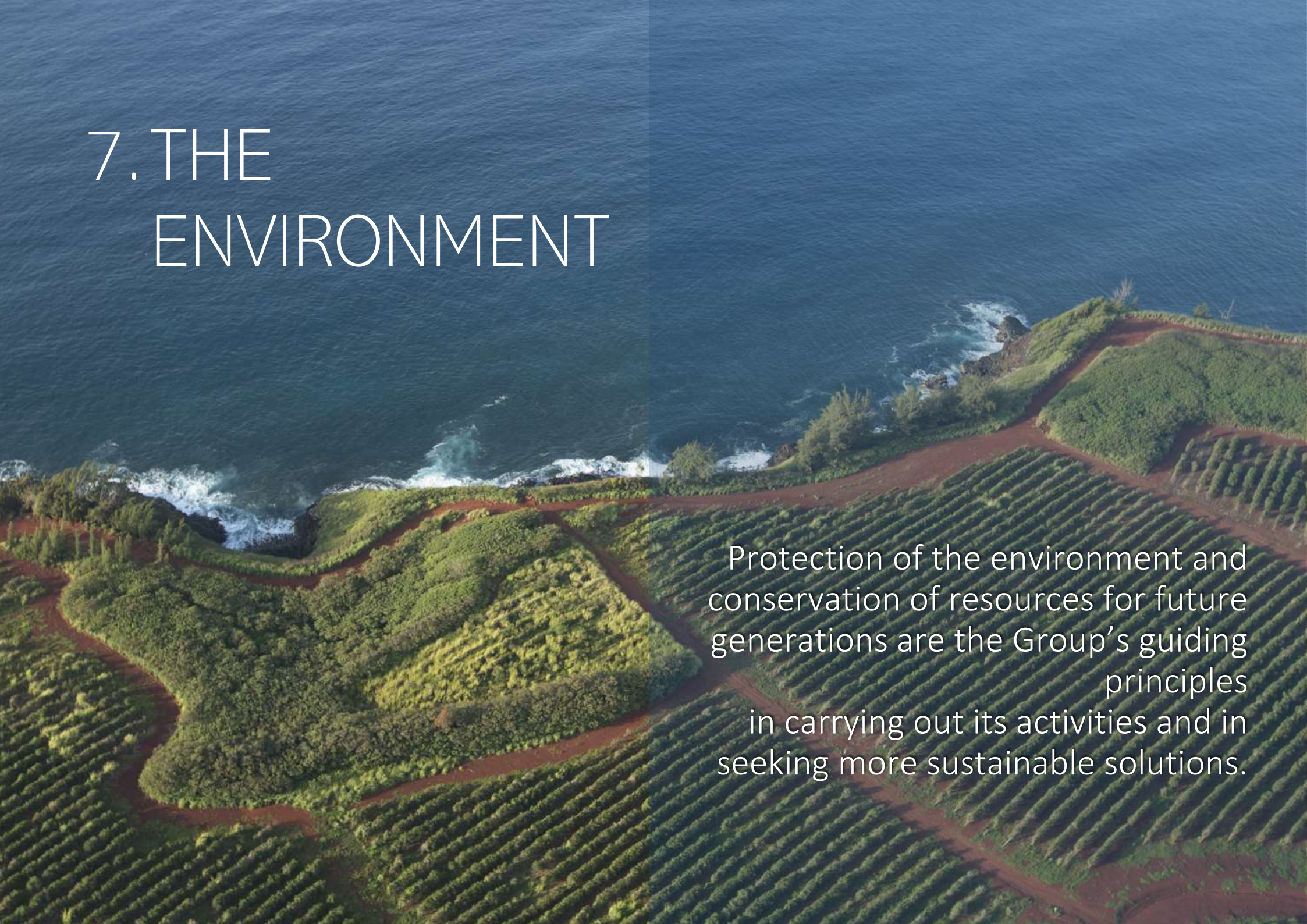
Work-related injuries - employees

EMPLOYEES	2020	2021	2021*	2022
Deaths due to occupational accidents	0	0	0	0
Occupational accidents with days of absence	40	44	44	31
<i>of which with severe consequences</i>	0	1	1	0
Other occupational accidents	22	22	22	26
Total occupational accidents	62	66	66	57
Days of absence for recordable occupational accidents	1,710	2,673	2,553	2,213
Hours worked	5,852,629	5,770,616	5,648,357	5,666,257
Commuting accidents	10	15	15	19
Rate of deaths due to occupational accidents	0.0	0.0	0.0	0.0
Rate of occupational accidents with days of absence	6.8	7.6	7.8	5.5
Rate of TOTAL occupational accidents	10.6	11.4	11.7	10.1
Rate of occupational accidents with severe consequences	0.0	0.2	0.2	0.0

Work-related injuries - other workers

OTHER WORKERS	2020	2021	2021*	2022
Deaths due to occupational accidents	0	0	0	0
Occupational accidents with days of absence	3	5	5	0
of which with severe consequences	0	0	0	0
Other occupational accidents	2	0	0	3
Total occupational accidents	5	5	5	3
Days of absence for recordable occupational accidents	54	109	109	0
Hours worked	181,813	127,402	127,402	88,668
Commuting accidents	0	2	2	3
Rate of deaths due to occupational accidents	0	0	0	0
Rate of occupational accidents with days of absence	16.5	39.2	39.2	0.0
Rate of TOTAL occupational accidents	27.5	39.2	39.2	33.8
Rate of occupational accidents with severe consequences	0	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 IPCC¹⁸, 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).¹⁹ 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.²⁰

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 2022.

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

Meira and **Segafredo Zanetti Italy** 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

¹⁸ 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.

¹⁹ UN, 2019: "The United Nations world water development report 2019: Leaving no one behind"

²⁰ 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".

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 2022, 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.

7.1 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**²¹ by 2035. Meira has further raised the bar set by its government and, as described above, has committed to reduce absolute scopes 1 and 2 GHG emissions by 80 % by 2028 from a 2019 base year – plan that was approved by Science Based Targets initiative in April 2022.

²¹ 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.

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 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, 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, Segafredo Zanetti Espresso Worldwide Japan, The Bean Alliance**.

Tiktak, in the course of 2022, 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.

MZB Iberia installed a second photovoltaic system in 2022, which, together with the one installed in 2020, allowed the company to produce 37% of its total energy needs internally. Similarly, **SZ Austria** also achieved its goal of supporting its energy needs through self-generation of electricity, following the installation of a photovoltaic system.

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. 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, over the year, **SZ France, Brodies and SZ Deutschland** have renewed their car fleet with a fleet of hybrid cars.

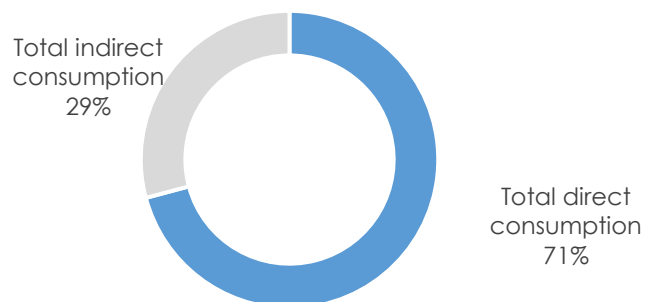
Finally, **SZ Austria Meira**, purchase certified electricity from renewable sources to cover its entire needs.

All of the above-mentioned activities in relation to energy supply have contributed to a reduction in the Group's direct energy consumption, with a 12% decrease compared to 2021*.

Energy consumption, in GJ

In 2022, MZBG recorded total energy consumption of approximately 541,016 GJ, down by 9% compared to 2021*. [GRI 302-1]

% direct and indirect energy consumption



Overall, the level of electricity use remains in line with 2021*, with a decrease of 3%. In addition, in 2022, about 20% of electricity consumption came from renewable sources.

²² The decrease in petrol consumption is due to a change in the methodology of Segafredo Zanetti France, which in previous years also considered the consumption of suppliers.

Direct consumption	2020	2021	2021*	2022
Petrol ²²	66,174	17,927	17,740	21,333
Diesel ²³	69,835	81,732	81,632	76,792
Natural gas	278,935	288,972	286,554	255,540
LPG	33,228	46,698	46,698	26,809
Biogas	2,497	2,517	2,517	2,845
Ethanol	2,660	2,219	2,219	0
Total direct consumption	453,329	440,064	437,361	383,318
Indirect consumption	2020	2021	2021*	2022
Electricity	126,050	126,981	125,698	122,289
Electricity purchased from renewable sources	22,283	19,694	19,694	22,166
Electricity self-produced from renewable sources	113	1,069	1,069	1,699
Energy for heating	11,195	13,210	13,210	11,543
Energy for cooling	124	119	119	0
Total indirect consumption	159,765	161,074	159,791	157,698
Direct and indirect energy consumption	613,094	601,138	597,152	541,016

²³ In the Sustainability Report 2021, it was reported that diesel consumption for the years 2021 and 2020 was 80,826 and 68,599 GJ, respectively, due to incorrect conversion. Consequently, the relevant GHG Scope 1 emissions were also restated.

Given the measured energy consumption, and in accordance with the Greenhouse Gas Protocol²⁴, CO_{2eq} emissions are reported as:

- **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.

As they are directly related to energy consumption, emission trends are in line with the latter: the decrease in energy consumption caused a consequent overall decrease in emissions (in 2022, overall emissions decreased by 12% from 41,872 tonnes CO_{2eq} in 2021* to 36,656 tonnes CO_{2eq}). Therefore, the reduction in emissions is attributable to initiatives related to the transition to renewable energy sources and energy efficiency. In particular, this reduction is linked to the purchase of 100 per cent energy from renewable sources by SZ Austria and Meira, which thus contributed to the avoidance of 359 tonnes of CO_{2eq} in 2022²⁵. Moreover, 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} tonnes

Direct emissions (CO_{2eq})	2020	2021	2021*	2022
Petrol consumption	4,667	1,266	1,253	1,182
Diesel consumption ²⁶	5,216	6,118	6,111	5,069
Natural gas consumption	15,776	16,285	16,148	14,291
LPG consumption	2,609	2,986	2,986	2,447
Ethanol consumption	184	153	153	0
Total direct emissions	28,452	26,808	26,651	22,989
Indirect emissions (CO_{2eq})	2020	2021	2021*	2022
From electricity (L.B.)	15,417	14,704	14,589	13,119
Heating	537	627	627	547
From cooling	6	6	6	0
Total indirect emissions L.B.	15,960	15,336	15,221	13,666
Total emissions (direct and indirect L.B.)	44,320	42,077	41,872	36,656

²⁴ The Greenhouse Gas Protocol stems from the partnership between the World Resources Institute and the World Business Council for Sustainable Development, with the aim of defining global standards for the measurement and management of greenhouse gas emissions.

²⁵ Calculated according to the Market Based methodology.

²⁶ In the Sustainability Report 2021, it was reported that the emissions related to diesel consumption for the years 2021 and 2020 were 6,051 and 5,124 respectively. For further details, please refer to Note 24 and the Methodological Note.

WASTE GENERATED

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 sixth year running, has achieved zero **waste destined for landfills** (e.g. coffee waste is processed in methanisation units), just like **Segafredo Zanetti Italy**.

MZB USA and SZ Austria, in a move towards a circular economy and by-product exploitation, **sell 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, in partnership with universities and research centres, to exploit this type of waste, such as coffee powder, in other sectors.

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 Italy²⁷, Boncafé International**, which 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, thus turning a waste product into a resource. In fact, jute bags are used in agriculture for the protection of new cultures or for mulch, for the creation of carpets, 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 energy. 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,

²⁷ From 2022, 100% of the jute bags used by SZ Italy will be treated as by-products and sent for recycling.

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.



Waste produced in tonnes

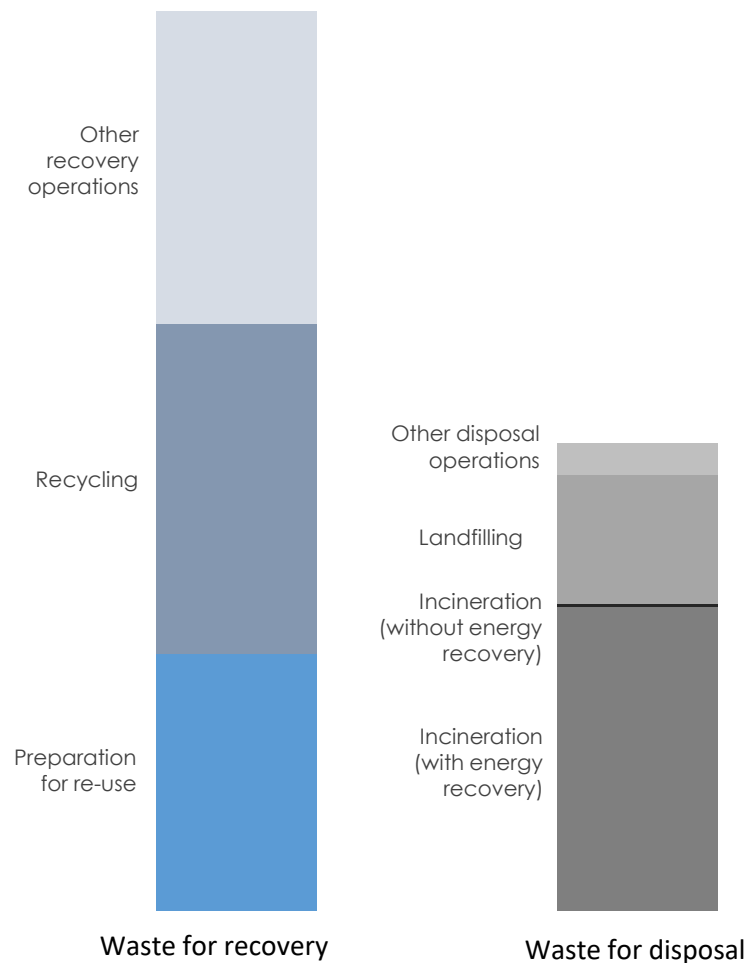
Composition of non-hazardous waste (t)	Waste diverted from disposal	Waste intended for disposal	Waste generated
Plastic	62.81	20.04	82.84
Paper	385.78	18.52	404.30
Metals	304.82	0.20	305.02
Workforce	343.68	106.07	449.75
Other non-hazardous coffee waste	1,024.59	667.64	1,692.23
Canvas	445.22	295.00	740.22
Wood	277.97	54.90	332.87
Electrical material	16.05	4.84	20.89
Air filters	0.17	0.00	0.17
Liquid waste	0.00	8.50	8.50
Mowing	1.40	0.00	1.40
General waste	1,026.13	910.67	1,936.80
Construction waste	22.62	0.00	22.62
Waste water	0.00	0.00	0.00
Waste for energy recovery	96.18	0.00	96.18
Rainwater sludge	0.00	0.00	0.00
Minor waste ²⁸	2.37	0.12	2.49
Total non-hazardous waste	4,009.78	2,086.50	6,096.27

²⁸ 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 diverted from disposal	Waste intended for disposal	Waste generated
Solvents	0.00	0.55	0.55
Contaminated objects	0.32	0.19	0.51
Oils	0.31	0.02	0.33
Oil filters	0.06	0.00	0.06
Batteries and accumulators	0.46	0.00	0.46
Contaminated electronics and electrical equipment	3.08	0.00	3.08
Bulbs	0.21	0.10	0.31
Toners & ink cartridges	0.08	0.04	0.12
Hazardous insulation materials	0.00	0.00	0.00
Paints	0.12	0.00	0.12
Paper soiled with ink and alcohol	0.00	0.01	0.01
Containers with residues of hazardous substances	0.00	0.01	0.01
Total hazardous waste	4.64	0.92	5.56
Total waste	4,014.41	2,087.42	6,101.83

In addition, the following graph illustrates the totality of waste by destination. In particular, more than 65% of waste goes to recovery, recycling or reuse activities [GRI 306-3, GRI 306-4, GRI 306-5]

Waste by destination (2022)



Waste for recovery (t) 2022

Hazardous waste	On site	At an external site	Total
Preparation for re-use	0.00	0.17	0.17
Recycling	0.00	3.95	3.95
Other recovery operations	0.00	0.30	0.30
Total hazardous waste	0.00	4.41	4.41
Non-hazardous waste	On site	At an external site	Total
Preparation for re-use	2.30	1,145.85	1,148.15
Recycling	8.50	1,457.91	1,466.41
Other recovery operations	70.42	1,324.82	1,395.24
Total non-hazardous waste	81.22	3,928.57	4,009.80
Total waste	81.22	3,932.98	4,014.41

Waste for disposal (t) 2022

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	0.14	0.14
Landfilling;	0.00	0.62	0.62
Other disposal operations	0.00	0.10	0.10
Total hazardous waste	0.00	0.85	0.85
Non-hazardous waste	On site	At an external site	Total
Incineration (with energy recovery)	0.00	1,359.09	1,359.09
Incineration (without energy recovery)	0.00	10.18	10.18
Landfilling	0.00	576.38	576.38
Other disposal operations	0.00	140.89	140.89
Total non-hazardous waste	0.00	2,086.54	2,086.54
Total waste	0.00	2,087.42	2,087.42

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.

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. Kauai has recently implemented the usage of drones to scout any areas of intervention, limiting the damages of any pest and respond efficiently.

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 tonnes 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 initially set itself the objective 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 fields²⁹ and the use of composted organic matter** with high fertilising power. However, Kauai Coffee had to postpone the target achievement by one year (December 2023), following the discovery of the presence of coffee leaf rust and Coffee Berry Borer (CBB) on the island of Kauai, the combating of which was the company's main commitment during 2022.

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, protecting and improving nesting areas in the mountains in the centre of the island.

²⁹ 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, in 2022, the milestone reached by **Segafredo Zanetti Italy**, which has come to use 100% of its product packaging completely recyclable, stands out. The substitution of packaging materials took place on a dual track. On the one hand, the Company has actively engaged in experimenting with new types of recyclable plastic packaging, and in particular 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. On the other hand, polypropylene product packaging has been completely replaced in favour of Forest Stewardship Council (FSC)-certified single-material paper packaging. Finally, in 2022 SZ Italy increased the use of 100% recyclable aluminium capsules and compostable pods.

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 produces 100% plastic-free tea labels and bags, taking the Group a step further in creating more environmentally friendly packaging.

MZB Iberia continued to work on innovative packaging solutions in 2022, which at the same time allow to make some stages of production and logistics more efficient.

Meira, on the other hand, has developed a more environmentally friendly packaging solution that reduces the use of packaging material. For the packaging of some of its products, the Company reduced the use of aluminium and plastic by about 30% in total. The ultimate objective for the company is to have all packaging material 100% recyclable, renewable or recycled sources by 2030.

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 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.

Furthermore, in 2022, the French company completely replaced traditional capsules with compostable ones for the *Quotidien Normandy* line.

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 since 2021, **Bean Alliance Group** has converted the lid and base of its capsules to aluminium, which together with the remaining polypropylene part allows 100% recycling of the product. Moreover, it began testing a new type of **flexible, compostable packaging** for 1 kg coffee powder packs.



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 standard single

use coffee cup format in the United States. The packaging of other products, on the other hand, is made of **steel**, a **highly recyclable material**, which keeps its quality intact.

Furthermore, in 2021, the US company aligned with other Group companies by introducing 100% recyclable capsules for some of its brands, in the case of the American company made from aluminium. In 2022, the commitment on this front continued with the market introduction of compostable coffee pods for the *Hills Bros.* brand.



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. They are takeaway coffee cups, 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.

Similarly, **Puccino's** sells and promotes the use of KeepCups to reduce the number of disposable cups by applying a discount on beverages purchased with this type of cup. While, 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.

In 2022, **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**, 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, **SZEW Japan** removed all chopsticks in favour of wooden ones and, in some cafeterias, plastic straws were replaced by paper ones.



NATURE - MORE THAN A COFFEE, A CONCRETE COMMITMENT

Demonstrating its concrete commitment to sustainability, Segafredo Zanetti has created “**Natura**”, a sustainable project capable of generating a positive environmental, social and economic impact on people and the planet.

Segafredo Natura Bio, the new 100% Arabica blend from **organic farming**, is a product of excellence cultivated using only natural substances and avoiding over-exploitation of resources.

The entire production phase of Segafredo Natura, from cultivation in the countries of origin to roasting and packaging at the plants, **protects the natural balance of the ecosystem**.

The company adopts methods that ensure respect for the earth, limiting or avoiding the use of chemically synthesised products and substances, helping to maintain high levels of biodiversity.

Furthermore, with the aim of involving partners, customers and consumers in the sustainability journey, Segafredo offers them the opportunity to play a fundamental role in protecting and preserving the environment.

For every new Segafredo Natura Bio bar customer, the company has committed to planting **10 new trees** in a protected natural area on the slopes of Mount Majella in Abruzzo, creating the first Segafredo forest in Italy.

In addition, bars that purchase Segafredo Natura Bio can provide their customers with various **materials** such as **100% recyclable Made in Italy** napkins, compostable take away cups and organic sugar.

Finally, consumers receive a free bag with each coffee that they can reuse at home for various uses, e.g. as fertiliser for plants.



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 addition, in 2022, it started working with the start-up Relevo GmbH to support and raise awareness for the use of reusable packaging, a key element in the fight against food waste.

In 2022, Massimo Zanetti Beverage Group utilised approximately 17,053 tons of material for the packing of products, a decrease compared to 2021* (-5.4%). The consumption of packaging material originating from renewable resources³⁰ – namely paper and cardboard – accounted for 33% of total consumption [GRI 301-1]

Packaging material, broken down by type, in tonnes

Material	2020	2021	2021*	2022
Paper	860	889	889	758
Plastic	3,051	3,039	3,039	2,808
Cardboard and corrugated cardboard	4,858	5,216	5,185	4,933
Glass	419	309	309	299
Aluminium	131	106	106	141
Tinplate	7,246	6,095	6,095	5,717
Reels	85	83	83	102
Wood (including pallets)	627	581	557	588
Steel	1	2	2	2
Bonded materials (plastic and aluminium)	455	294	294	281
Flexible film (plastic)	790	811	811	781
Jute	-	-	-	-
Other (mostly plastic)	627	679	669	642
Total material	19,149	18,104³¹	18,040	17,053

³⁰ 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.

³¹ In the Sustainability Report 2021, it was reported that the Group used approximately 17,838 tonnes of product packaging materials in 2021, due to an inaccuracy in the calculation of a subsidiary.

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 2022, **Meira** continued its commitment to reduce **food waste** partnering with Hursti's food bank and surplus food supermarket WeFood, donating products with an expiry date that is 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 including, **TikTak**, **Brulerie**, **SZ Poland**, **MZB USA** and **MZB Brasil** offer some of their products free of charge to people in need through recognised organisations. In particular, TikTak supports the Food Bank in Groningen (Netherlands), while MZB Brasil supports several entities, including hospitals such as the Charity Hospital of Vargem Grande do Sul-Sao Paulo).

MZB USA also continues to support local communities through the **MZB Way to Care** programme, with volunteer activities and donation opportunities offered throughout the year to engage employees and support local communities and organisations.

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:

- **Sustainable 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.

Massimo Zanetti Beverage USA, a partner of the Sustainable Coffee Challenge (SCC) initiative since 2018, has committed to increasing access to secondary education in the Marcala coffee-producing region of Honduras in 2021, through the construction of the first complete secondary education classroom at La Escuela Jaime Martínez Guzmán. MZB USA informed the SCC that it had achieved this goal in June 2022, thus fulfilling its ambitious goal of offering children in this community the opportunity to continue their schooling

beyond primary education, in a country where there is a high rate of school drop-outs even before completing compulsory education.

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.

9. ZANETTI ETS FOUNDATION



Established in 2007, the Zanetti Ets Foundation is a secular and independent organisation that operates without any discrimination of culture, ethnicity or religion. Its mission is to help minors in difficult circumstances through the support of national and international projects that particularly promote food and health care, psychological support, shelter and education. Attention to the world of children, respect for their rights, cooperation, inclusion and solidarity in general is the basis of the activities of the Zanetti Ets Foundation, which is also developed through fundraising events and awareness-raising initiatives to promote a culture that is always on the side of children. Through its commitment, the Foundation works to build a world that respects children's rights, enshrined in the UN Convention on the Rights of the Child, and where child malnutrition can no longer make millions of children suffer every year.

Since 2017 to date, the Foundation has supported 249 projects in more than 25 countries, conducted 130 awareness-raising and training events and 32 fundraising events.

Projects supported in 2022

In 2022, the Zanetti Ets Foundation supported 18 projects in Italy and other countries around the world. Through constant synergy with various non-profit organisations, it has worked to address the real needs of children in difficulty and to bring about concrete change in their lives.

Brazil | The art of ceramics for social inclusion

Promoter entity: **Instituto Rogacionista Santo Anibal**

The Centro De Convivência Santo Aníbal in Bahia works to welcome and protect children and adolescents in situations of risk and social vulnerability. A space for human promotion that looks after around 200 minors and where all activities are free of charge. With the support of the Zanetti Ets Foundation, it was possible to purchase several essential tools to expand a ceramics workshop used for recreational activities and to train and professionalise adolescents, girls and boys from families in difficulty.

Guatemala | Promotion of girls' and women's rights and prevention of gender-based violence

Promoter entity: **CEFA Onlus**

In Guatemala, women, girls and children, especially indigenous ones, experience serious situations of hardship, oppression and sexual, physical, economic and psychological violence. To support them and help them develop their independence, the support of the Zanetti Ets Foundation made it possible to enrol 30 girls in school and purchase the necessary school supplies for them. In addition, they were able to support the work of an educator and offer scholarships and workshops to 100 Mayan girls and adolescents from the Department of Quiché, one of the poorest in the country.

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

Promoter entity: **Canossian Voica Onlus Foundation**

Supported since 2018, the project is located in the Centro de Salud Sagrada Familia, a facility run by the Canossian Sisters and located in Barrio Pacu Cua in Encarnación, in the south of the country. With the support of the Zanetti Ets Foundation, it has been possible to follow

the children, particularly those in the 0-5 age group, and to carry out free medical check-ups, medication, vaccinations, distribute medicines, multivitamin complexes and provide milk, as well as hold training sessions for mothers.

Poland | Medicines and food for Ukrainian refugee children in Poland

Promoter entity: **Violet Moon Association**

In order to be close to the Ukrainian child refugees in Poland, the Zanetti Ets Foundation supported the St. Maximilian Kolbe Centre, located in Harzeze and run by the Friars Minor Conventual and the Missionaries of the Immaculate Father Kolbe, which took in mothers and children fleeing the war. The intervention saw the free distribution of medicines, food, nappies and useful products for the personal hygiene of minors. In addition, other basic necessities were delivered to a number of relief and shelter organisations operating on the Ukrainian-Polish border.

Uganda | Caring for children to create a future

Promoter entity: **Piero and Lucille Corti Foundation ONLUS**

Providing the best possible care, to the greatest number of people, at the lowest cost: this is the aim of St. Mary's Lacor Hospital in Gulu, the largest non-profit hospital in equatorial Africa, where even those who cannot pay are treated. With the support of the Zanetti Ets Foundation, it was possible to guarantee the hospital's paediatric department a monthly supply of medicines and to support the work of a paediatrician and a specialist nurse.

Kenya | Inclusive education in Laikipia County

Promoter entity: **Fontana Onlus Foundation**

The project, developed locally by the Saint Martin Catholic Social Apostolate, has contributed to the inclusion of and access to schooling for children from disadvantaged families and marginalised groups in Laikipia County. It also strengthened support networks through training to promote a safe learning environment at home, at school and in the community. With the support of the Zanetti Ets Foundation, it was possible to pay school fees for 150 minors, purchase study materials and guarantee educational and psychological support at school.

Rwanda | Access to medical care and preschool support in Nyanza and Huye districts

Promoter entity: **Friends of Peoples Padua**

Thanks to this project, the children of teenage mothers housed in the Nyanza House of Smiles, a facility that supports young women living on the margins of the community, receive care, proper nutrition, health insurance and access to basic medical care every year. With the support of the Zanetti Ets Foundation, 800 children and their mothers received health insurance and medical care when needed. In addition, 150 children attended the school thanks to the payment of fees and the expansion of spaces.





Tanzania | Fighting malnutrition in Iringa and Njombe Regions

Promoter entity: **Doctors with Africa Cuamm**

The project, supported by the Zanetti Ets Foundation for the third consecutive year, has seen an integrated action to combat malnutrition with interventions in the agricultural, socio-health and nutritional spheres, making it possible to improve the health status of communities, first and foremost of mothers and children under 5. In particular, a new malnutrition unit was set up in 2022 in the Kilolo district hospital, a referral point for severe acute malnutrition cases, with a doctor and two specialised nurses.

Uganda | A better future for child heads of families

Promoter entity: **Good Samaritan Onlus**

Through the awarding of scholarships and the handing out of a work kit, the project supported by the Zanetti Ets Foundation has fostered the education and professional integration of 10 girls and boys who are heads of families in conditions of socio-economic vulnerability and in the absence of stable adult reference figures. The beneficiaries, after a number of individual meetings to get to know each other and provide orientation, chose to pursue different study and work paths through the involvement of various vocational schools in the Gulu department in the north of the country.

Zambia | Education for all in Mundolobela

Promoter entity: **Association Project Jacaranda Onlus**

Promoting education through the purchase of school equipment, the construction and maintenance of kindergartens and primary and secondary schools: these are the objectives of the project. The target groups are children, girls and boys from families in difficulty. The support of the Zanetti Ets Foundation contributed to the construction of a fifth building for St. Patrick's Secondary School, in Mundolobela Village, near Livingstone. The facility welcomed new classrooms to give more children the opportunity to receive free education.

Ukraine | Physical rehabilitation for children with cancer

Promoter entity: **Friends of Peoples Padua**

At such a complex time for Ukraine, the Zanetti Ets Foundation supported the rehabilitation treatment of children with cancer who were treated in the country's still active hospitals. In particular, physiotherapy sessions benefited 50 minors with solid tumours in the

lower or upper limbs and spinal tumours. The 730 physiotherapy sessions, conducted by two physiotherapists who continue to implement new rehabilitation methods, took place in the dedicated rooms, but, in special situations, also online, achieving excellent results.

Italy | The New Horizons Care for children with serious illnesses

Promoter entity: **Cosmohelp Odv Association**

The project helped to treat foreign minors in Italy with serious illnesses that could not be treated in their countries of origin. The costs of hospitalisation and surgery were borne by the Emilia-Romagna Region's Department of Health, while all other costs - air travel, internal transport, hospitality during hospital discharge, medicines and rehabilitation - were part of the project costs. Thanks to the support of the Zanetti Ets Foundation, it was possible to contribute to the care of four children with congenital heart disease and one child with leukaemia.

Italy | With Fido, assisted reading for children with special educational needs

Promoter entity: **Rocking Motion**

Developed in the BRaT - Biblioteca dei Ragazzi in Treviso, this project allowed for assisted reading with dogs to motivate and facilitate 6- and 7-year-old children with special educational needs to read. Reading dogs help children regain self-confidence and cope with difficulties in reading aloud. With the support of the Zanetti Ets Foundation, it was possible to accompany 5 children in individual reading sessions with speech therapists.

Italy | The guesthouse A House with Butterflies

Promoter entity: **La Fenice Onlus Association**

Eating disorders are disorders that mainly affect women and arise mainly during adolescence, disrupting people's lives. Zanetti Ets Foundation supported a project linked to one of the reference facilities in Italy for the treatment of these pathologies: the Provincial Centre in Portogruaro (Venice). In particular, it contributed to the necessary expenses to run a guesthouse for family members who have to care for minors in the centre. Important economic and psychological help for families far away from their places of origin.

Italy | Spazio Bisciò. A neighbourhood space for girls and children in the northern districts of Treviso.

A place of ideas, creativity and experimentation that works with children to promote change, integration and inclusion. Inaugurated in June 2022 in San Paolo di Treviso, Spazio Bisciò welcomes minors from the northern districts of the city every afternoon, Monday to Friday, and offers them a healthy snack, workshops, meetings and study support. A space conceived and designed by the Zanetti Ets Foundation in synergy with the La Esse Cooperative, which has proposed, and continues to propose, to the many children received, but also to the community, educational and training courses that are always free of charge and carried out by qualified educators.

Italy | A new device for the Neonatal Intensive Care Unit in Treviso.

In October, the Zanetti Ets Foundation donated to the Neonatal Intensive Care Unit and Neonatal Pathology of the Ca' Foncello Hospital in Treviso, directed by Professor Paola Lago, an advanced system for continuous monitoring of brain function in newborns. Called Be Micro, the latest-generation device provides immediate information on brain function, without having to wait for the classic electroencephalogram to be read by a paediatric neurologist. The beneficiaries are all infants at risk of neurological outcomes admitted to the Treviso hospital.

Nepal | Education for the children of Kirtipur

Promoter entity: **Foundation Without Borders Onlus**

In Kirtipur, a town located 10 km from Kathmandu, there is the Rarahil Memorial School, which offers more than 1,000 children a primary school education and vocational training. Set up thanks to the efforts of mountaineer Fausto De Stefani, the facility can count on a group of qualified local educators and can also accommodate the poorest students who come from distant areas. The Zanetti Ets Foundation continued the long-distance adoption of 10 minors by covering the necessary expenses for board and lodging, the purchase of clothing and educational material.



Together for the children of Brazil

Campaign in synergy with Segafredo Zanetti S.p.A. and Cesvi

Promoted in synergy with Segafredo Zanetti and CESVI, the Together for the Children of Brazil campaign enabled the Zanetti Ets Foundation to raise awareness and funds for an important project for children living in Manguinhos, a complex of 13 favelas on the outskirts of Rio de Janeiro where more than 55,000 people live. The project was developed in Cesvi's Casa del Sorriso (House of Smiles), which takes in minors, protecting them from marginalisation, violence and social hardship and offers them food, medical care, education, recreational activities and psychological support. A place where kids learn that what matters is not simply surviving, but above all studying and building a better future away from the favela and violence.

Initiatives and events 2022

Steps to the Elsewhere 2022-2023

Meetings with schools

November and December 2022

With the first two appointments in 2022, the Zanetti Ets Foundation has returned, after a period of suspension caused by the pandemic, to offer schools the cycle of meetings called Steps to the Elsewhere. The new season was inaugurated with the screening of the documentary *Passi verso l'Altrove* (Steps to Elsewhere) at the Cinema Edera in Treviso, followed by a meeting in which Enrico Galliano, writer of numerous bestsellers and lecturer, held an interactive dialogue with students on the themes of happiness, the importance of making mistakes, love, courage and freedom.



Hearts in the storm

Public meeting with Alberto Pellai and Enrico Galiano
31 March, Auditorium Fondazione Cassamarca, Treviso.

Alberto Pellai, psychotherapist and writer, and Enrico Galiano, teacher and writer, together for the first time to talk about the educational and developmental challenges of the Covid generation. The conversation, led by journalist Valentina Calzavara, involved parents, teachers, educators and psychologists in order to accompany young people to grow with awareness and empathise with them, even from their mistakes. The sold-out event was attended by over 500 people.

Fairy tales in the park 2022

Animated readings for children
15 May, Villa Zanetti Park, Villorba (Treviso).

The eagerly awaited appointment with fairy tale readings by the LILT association's volunteers *Giocare in corsia* once again involved many children and adults.

The free donations collected on this occasion were donated to the association that for 30 years has been offering recreational activities to the young patients of the Ca' Foncello Hospital Paediatrics of Treviso and Conegliano Hospital to make the ward a child-friendly place.



Read here. Galactic (e)standards guide for teenagers

Book presentation

28 September, Auditorium of Villa Zanetti, Villorba (Treviso).

Read here. Guida galattica (e)norme per adolescenti (Mondadori) is a 3.0 guide to civic education to help young people and those who want to educate on legality find their way around laws, norms, rights and duties of all citizens. Written with the National Association of Magistrates and the contribution of many authors and personalities, the guide was presented by Andrea Gajo, lawyer and councillor of the Zanetti Ets Foundation, Silvia Melandri, lawyer and editor of the book, and Maria Grazia Martelli, lawyer and member of the association *Libera, Names and numbers against the Mafia*.

Lucille of the Achilles

Book presentation

1 October, Palazzo Rinaldi, Treviso.

In synergy with the 4 Passi Treviso Fair and the Treviso Comic Book Festival, the graphic novel *Lucille degli Acholi* (Editrice Il Castoro) by Ilaria Ferramosca with illustrations by Chiara Abastanotti was presented. The book recounts the extraordinary life of Lucille Teasdale a woman who was able to fight for her great dream of becoming a surgeon, defying the prejudices of the time, and to make the world a better place. The meeting was attended by Dominique Corti, daughter of Lucille, doctor and president of the Corti Foundation, which the Zanetti Ets Foundation has been supporting for several years by supporting the paediatric ward of the Lacor Hospital in Uganda.

Perlasca, the courage to say no

Theatre performance by and with Alessandro Albertin

4 November, Busan Theatre, Mogliano.

A fascinating, overwhelming and moving monologue on the story of Giorgio Perlasca, a Righteous Among the Nations. An ordinary man who, in the Budapest of 1944, put himself at the service of the Spanish Embassy and faced death every day to save the lives of more than 5,200 people. He lived in the shadows for more than 40 years until his heroism was made known to the world in 1988. The proceeds of this show, attended by more than 150 people, went to projects for children in need supported by the Zanetti Ets Foundation.

Steps to Elsewhere, the documentary

Public meetings

The journey of the documentary *Steps to Elsewhere*, directed by Marco Zuin and produced in 2020 by the Zanetti Ets Foundation to celebrate 10 years of awareness-raising meetings for schools, continued in 2022 on numerous public occasions and in synergy with various non-profit organisations. The presentations, accompanied by the Foundation staff and the cast of the film, always aroused attention and curiosity towards the stories, protagonists and projects told.

Zanetti Onlus Foundation

Viale Felissent 53 - 31020 Villorba (Treviso)

Tel. 0422.312680

fondazionezanetti-ets.org

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 sixth edition of the Sustainability Report, continuing the previous version published on 4 October 2022.

The scope of reporting for all non-financial information includes 25 of the 57 companies controlled by the Group in Italy and abroad, of which 18 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.

As of 2022, La San Marco SpA was excluded from the reporting boundary following its sale in February 2023. In order to ensure compliance with the reporting principles outlined in “GRI 1: Foundation 2021”, and in particular the principle of comparability, an additional column was introduced in the tables, entitled “2021*”. This column shows the data for FY 2021 excluding the data of La San Marco SpA. Please note that comments on trends in the period 2022-2021 refer to the column 2021*.

The data included in the tables and graphs refer to the entire consolidation scope. The exceptions to this scope are specifically listed in the document.

This Sustainability Report has been prepared according to the *with reference* approach of the 2021 GRI Sustainability Reporting Standards (GRI Standards); please refer to the GRI Content Index for more details on the indicators used. Furthermore, to report on certain relevant issues, some specific standards in the Sector Supplement “Food Processing” of the GRI-G4 guidelines were used.

The Sustainability Report is audited internally by the Sustainability Department and approved by the Group Board of Directors. It is also subject to a limited audit by the independent third-party firm PricewaterhouseCoopers Business Services SpA.

As a result of refinements to the Group's reporting process, the Company considered updating some data for the years 2021 and 2020, which were found to be inaccurate. Updated (*restated*) data are given in the paragraphs: 7.2 *Energy efficiency and reduction of environmental impacts* and 7.3 *Sustainable packaging and circularity*.

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.

Employees and other non-employees

The counting of the number of workers was carried out following the head count methodology.

Injury rates

The accident rate was calculated using the following formula:

$$\frac{\text{numero di infortuni}}{\text{numero di ore lavorate}} \times 1.000.000$$

Energy consumption and greenhouse gas emissions

To represent energy consumption in GJ and direct greenhouse gas emissions (Scope 1), MZBG used conversion and emission factors provided by the UK Department for Environment, Food and Rural Affairs (DEFRA) for the years 2022, 2021 and 2020, respectively.

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 CO_{2eq} emissions are shown in the tables below.

Source Fuel	Source of emission factor
Diesel Petrol LPG Natural gas	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors 2022
Ethanol	GHG Protocol - Emission Factors from Cross-sector Tools
Electricity	Indirect greenhouse gas emissions related to the purchase of energy (Scope 2) were calculated conservatively, using only the Location-based approach, as the residual mixes of some countries, necessary to use the Market-based approach, were not available. For the calculation of emissions according to the Location-based approach, the most recently available factors for each country were used, considering AIB (Association of Issuing Bodies) 2022 and DEFRA Conversions Factors 2022. It is specified that in the case of the US, the reference document was the EPA's e-GRID 2022 Database. For Vietnam, Costa Rica and Malaysia, the Default Grid Factors 2021 prepared by the IFI TWG (Technical Working Group of the International Financial Institutions) were used. In the case of Brazil and Japan, the factors were sourced from the Climate Transparency Report 2022. For the United Arab Emirates, the source was the Dubai Electricity & Water Authority (DEWA) 2021. For Australia, the Australian Government Department of Environment & Energy Emissions Factors 2022 were used. Finally, factors provided by the government authorities (Singapore Energy Market Authority (EMA) 2021 and Thai Government Ministry of Energy) 2021 were used for Singapore and Thailand, respectively.

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

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

For any questions, please contact the MZB Group Legal and Corporate Affairs Department: marina.cagnello@mzbgroup.com

GRI Content Index

Declaration of Use	Massimo Zanetti Beverage Group S.p.A. has reported the information mentioned in this GRI Content Index for the period 01/01/2022 - 31/12/2022 according to the <i>with reference</i> approach of the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	INDICATORS	REFERENCE	NOTE/OMISSION
GRI 2: GENERAL DISCLOSURES 2021			
GRI 2-1	Organisation details	Methodology note	
GRI 2-2	Entities included in the organisation's sustainability reporting	Methodology note	
GRI 2-3	Reporting period, frequency and contact point	Methodology note	
GRI 2-4	Restatements of information	Methodology note	
GRI 2-5	External assurance	Methodology note	
GRI 2-6	Activities, value chain and other business relationships	4.2 Responsible sourcing and traceability	
GRI 2-7	Employees	6.5 Diversity and equal opportunities	
GRI 2-8	Workers who are not employees	6.5 Diversity and equal opportunities	
GRI 2-9	Governance structure and composition	3.1 Corporate Governance	
GRI 2-11	Chair of the highest governance body	3.1 Corporate Governance	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	2.1 The Sustainable Blend	
GRI 2-14	Role of the highest governance body in sustainability reporting	2.1 The Sustainable Blend	
GRI 2-15	Conflicts of interest	3.4 The 231 Organisational Model	Process of disclosure of conflicts of interest to stakeholders not included
GRI 2-16	Communication of critical concerns	3.4 The 231 Organisational Model	Unreported number and nature of critical issues communicated to the highest governance body
GRI 2-22	Statement of sustainable development strategy	2.1 The Sustainable Blend	
GRI 2-23	Policy commitments	2.1 The Sustainable Blend 3.4 The 231 Organisational Model 4.1 Our Group Responsible Sourcing Policy 5.3 Group Quality Policy 7.1 Our Group environmental policy	
GRI 2-26	Mechanisms for seeking advice and raising concerns	3.4 The 231 Organisational Model	
GRI 2-27	Compliance with laws and regulations	3.4 The 231 Organisational Model	
GRI 2-28	Membership associations	3.5 Sustainable value creation	
GRI 2-29	Approach to stakeholder engagement	2.2 Stakeholder Dialogue and Materiality Matrix	

GRI 2-30	Collective bargaining agreements	6.5 Diversity and equal opportunities	
GRI 3: MATERIAL TOPICS 2021			
GRI 3-1	Guidance to determine material topics	2.2 Stakeholder Dialogue and Materiality Matrix	
GRI 3-2	List of material topics	2.2 Stakeholder Dialogue and Materiality Matrix	
MATERIAL TOPIC / GRI TOPIC SPECIFIC			
Compliance, ethics and integrity			
GRI 3-3	Management of material topics	3.5 Sustainable value creation	
GRI 201-1	Directly generated and distributed economic value	3.5 Sustainable value creation	<i>The figures in this indicator refer to the entire Group, in alignment with the Consolidated Financial Statements.</i>
GRI 205-3	Confirmed incidents of corruption and actions taken	3.4 The 231 Organisational Model	
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3.4 The 231 Organisational Model	
GRI 207-1	Approach to tax	3.3 Compliance with tax regulations	
GRI 207-2	Tax governance, control and risk management	3.3 Compliance with tax regulations	
GRI 207-3	Stakeholder engagement and management of concerns related to tax	3.3 Compliance with tax regulations	
Packaging and sustainable innovation			
GRI 3-3	Management of material topics	7.3 Sustainable packaging and circularity	
GRI 301-1	Materials used by weight or volume	7.3 Sustainable packaging and circularity	<i>The data in this indicator refer to the Group's production companies</i>
Energy efficiency and climate change			
GRI 3-3	Management of material topics	7.2 Energy efficiency and reduction of environmental impacts	
GRI 302-1	Energy consumption within the organisation	7.2 Energy efficiency and reduction of environmental impacts	
GRI 305-1	Direct (Scope 1) GHG emissions	7.2 Energy efficiency and reduction of environmental impacts	
GRI 305-2	Indirect (Scope 2) GHG emissions	7.2 Energy efficiency and reduction of environmental impacts	
Responsible waste management and circular economy			
GRI 3-3	Management of material topics	7.2 Energy efficiency and reduction of environmental impacts	
GRI 306-1	Waste generation and significant waste-related impacts	7.2 Energy efficiency and reduction of environmental impacts	
GRI 306-2	Management of significant waste-related impacts	7.2 Energy efficiency and reduction of environmental impacts	
GRI 306-3	Waste generated	7.2 Energy efficiency and reduction of environmental impacts	<i>The data in this indicator refer to the Group's production companies</i>
GRI 306-4	Waste diverted from disposal	7.2 Energy efficiency and reduction of environmental impacts	

GRI 306-5	Waste directed to disposal	7.2 Energy efficiency and reduction of environmental impacts
Professional well-being and retention		
GRI 3-3	Management of material topics	6.2 Professional well-being and retention
GRI 401-1	New employee hires and employee turnover	6.2 Professional well-being and retention
Occupational health and safety		
GRI 3-3	Management of material topics	6.6 Health and safety in the workplace
GRI 403-1	Occupational health and safety management system	6.6 Health and safety in the workplace
GRI 403-2	Hazard identification, risk assessment, and incident investigation	6.6 Health and safety in the workplace
GRI 403-3	Occupational health services	6.6 Health and safety in the workplace
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	6.6 Health and safety in the workplace
GRI 403-5	Worker training on occupational health and safety	6.6 Health and safety in the workplace
GRI 403-6	Promotion of worker health	6.6 Health and safety in the workplace
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.6 Health and safety in the workplace
GRI 403-9	Work-related injuries	6.6 Health and safety in the workplace
Employee training and development		
GRI 3-3	Management of material topics	6.3 Training and development
GRI 404-1	Average hours of training per year per employee	6.3 Training and development
Diversity and equal opportunities		
GRI 3-3	Management of material topics	6.5 Diversity and equal opportunities
GRI 405-1	Diversity of governance bodies and employees	6.5 Diversity and equal opportunities
Protection of human rights along the value chain		
GRI 3-3	Management of material topics	4.2 Responsible sourcing and traceability
NOT GRI	Operations that have been subject to human rights reviews or impact assessments	4.2 Responsible sourcing and traceability
Listening to and communicating with customers and consumers		
GRI 3-3	Management of material topics	5.1 Customer centricity
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling	5.1 Customer centricity
GRI 417-3	Incidents of non-compliance concerning marketing communications	5.1 Customer centricity

Product quality and safety			
GRI 3-3	Management of material topics	5.4 Quality, safety and product certifications	
FP 5	Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards	5.4 Quality, safety and product certifications	<i>The data in this indicator refer to the Group's production companies</i>
Sustainability and traceability of procurement			
GRI 3-3	Management of material topics	4.2 Responsible sourcing and traceability	
FP 2	Percentage of purchased volume which is verified as being in accordance with credible and internationally recognised responsible production standards, broken down by standard	4.2 Responsible sourcing and traceability	<i>The data in this indicator refer to the Group's production companies</i>
NOT GRI	Volume of purchases by coffee quality and origin	4.2 Responsible sourcing and traceability	



MASSIMO ZANETTI BEVERAGE GROUP SPA
INDEPENDENT AUDITOR'S REPORT ON
SUSTAINABILITY REPORTING
YEAR ENDED 31 DECEMBER 2022



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 2022.

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"), 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 are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) 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 Management 1 (ISQM 1), which requires the firm to design, implement and operate a system of quality management including policies or 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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Società soggetta all'attività di direzione e coordinamento della PricewaterhouseCoopers Italia Srl
www.pwc.com/it

Auditor's Responsibilities

Our responsibility is to express a limited assurance conclusion, based on the procedures we have performed, regarding the compliance of the Sustainability Report 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 Financial 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.

Therefore, the procedures performed were less in extent than those performed in a reasonable assurance engagement conducted in accordance with ISAE 3000 Revised and, consequently, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgement and included inquiries, mainly 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) analysis of the process of definition of the material topics reported on in the Sustainability Report, with reference to the method applied in the analysis and understanding of the Company's environment, the identification and prioritisation of the actual and potential impacts, and the internal validation of the results of the process;
- 2) 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 Segafredo Zanetti Austria GmbH and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, aggregation, processing and submission of non-financial information to the function responsible for the preparation of the Sustainability Report.

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

- at holding level, Massimo Zanetti Beverage Group SpA,
 - a) with reference to the qualitative information presented in the Sustainability Report, we carried out interviews and obtained supporting documentation 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 entities, Segafredo Zanetti Italia SpA and Segafredo Zanetti Austria GmbH, which we selected on the basis of their activities, their contribution to performance indicators and their location, we carried out onsite visits during which we met the persons in charge and obtained documentary evidence, on a sample basis, regarding the correct application of the procedures and calculation methods applied for the indicators.

Conclusion

Based on the procedures 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 2022 is not prepared, in all material respects, in accordance with the requirements of the GRI Standards as illustrated in the "Methodological note" section of the Sustainability Report.

Treviso, 20 March 2024

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 2022 translation.



Kauai

<https://kauaicoffee.com/>