



SUSTAINABILITY REPORT

2023

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# FOREWORD BY THE BOARD OF DIRECTORS

Dear readers,

Welcome to our first sustainability report, the aim of which is to provide insights into our vision of, and commitment to, sustainable organisational development.

Sustainability is not merely a buzzword for us; it's an essential pillar of the company's entrepreneurial success. We firmly believe that all the facets of sustainability: environmental, social and governance (ESG) – form the basis for first-class coffee.

Ecological awareness and environmental responsibility are part of everything we do. We know our coffee culture must be in harmony with nature with the aim to ensure sustainability in the long term. Consequently, we support sustainable cultivation methods, the protection of biodiversity, and encourage resource efficiency to the greatest possible degree.

We believe customer satisfaction and impeccable quality are inextricably linked with sustainability; and with treating people and nature responsibly in order to produce premium-class coffee.

As an employer, we value healthy and happy employees. We are committed to guaranteeing a safe working environment that promotes the personal and professional development of our employees. We believe only motivated and committed individuals are empowered to implement our vision of sustainability.

This report summarises our efforts, challenges faced and targets set. Together, we are working to create a sustainable future.



Wolfgang Reichl  
CEO Central Europe  
Segafredo Zanetti Austria Ges.m.b.H.

Dear readers,

This report provides an insight into our efforts and progress in the fields of production and supply chain improvement, and honest opinions on upcoming challenges and future goals.

The sustainability report is a first step toward presenting the intensive work we have done over the past few months. We reveal our vision, outline our commitment, and detail concrete measures for a more sustainable future.

We are firmly convinced that sustainable methods and activities have a significant influence on the quality of our products. The respectful treatment of people and the environment are central to our daily actions.

A sustainable and transparent supply chain is a crucial requirement for the achievement of these goals. We work closely with our partners and suppliers to ensure raw ingredients, and the materials required for production and distribution, are manufactured under fair working conditions. Similarly, great importance is attached to the best possible environmental compatibility of our packaging. Indeed, we are working to minimise packaging material usage in general.

Climate protection is also a key concern. We are working hard to reduce our CO<sub>2</sub>e emissions and to protect the environment.

Our vision is to ensure every sip of our first-class coffee specialities benefits people and the environment.



ppa. Mag. Dieter Bretz  
CFO Central Europe/Director Production AT  
Segafredo Zanetti Austria Ges.m.b.H.

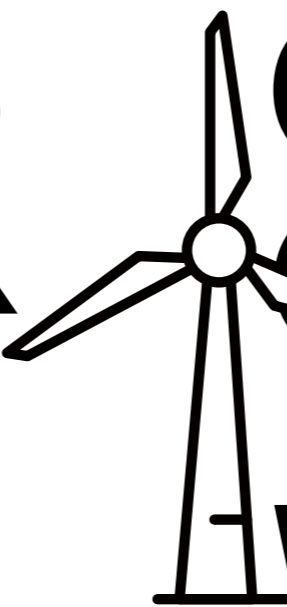
SEGAFREDO  
ZANETTI  
AUSTRIA

# THE YEAR 2023



**4707.0**  
TONNES OF GREEN COFFEE PURCHASED

**3781.3**  
TONNES OF  
PRE-PACKAGED  
ROASTED COFFEE  
PRODUCED



**1.08**  
kWh (SCOPE 1 & 2\*)  
ENERGY CONSUMPTION PER KG OF  
PRE-PACKAGED ROASTED COFFEE

**0.21 kg**  
CO<sub>2</sub>e-EMISSIONS (SCOPE 1 & 2\*)  
PER KG OF PRE-PACKAGED ROASTED COFFEE



**65**  
EMPLOYEES

**27.7**  
FEMALE

PROZENT



**72.3%**  
MALE

\*Scope 1: Natural gas, Fuels (diesel, petrol); Scope 2: Electricity



# ABOUT THIS REPORT

Segafredo Zanetti Austria Ges.m.b.H. is abbreviated to Segafredo Zanetti in this report. Unless explicitly stated elsewhere, this refers to Segafredo Zanetti in Austria.

If *Segafredo Zanetti* is used to refer to the brand, it is written in italics, as are all other brand names.

Segafredo Zanetti Austria is a subsidiary of Massimo Zanetti Beverage SA, a part of the Massimo Zanetti Beverage Group (abbreviated to MZB in this report).

Segafredo Zanetti Austria also coordinates and manages sales in Central Europe (CE) countries: Czech Republic, Serbia, Slovakia, Hungary, Slovenia and Croatia. These activities are not covered by the report.

Segafredo Zanetti's sustainability report includes developments in all ESG areas – Environment, Social and Governance – for the reporting period from 1<sup>st</sup> January 2023 to 31<sup>st</sup> December 2023.

The key figures relate to 2023. The cut-off date for employment figures was the end of 31<sup>st</sup> December 2023.

Key employee figures relate to Segafredo Zanetti in Austria, that is – the production site and the seven sales offices. Environmental indicators relate to the production site in Hallwang. Reporting data are based on invoices. The invoice date provides the respective reference point in time.

2021 provides the base year for targets. Index figures relate to pre-packaged roasted coffee.

CO<sub>2</sub>-equivalent (CO<sub>2</sub>e) calculation factors for electricity are sourced from the IEA 2022 database and the electricity services named on invoices. The calculation factors for diesel, petrol and natural gas are based on information published on 29.11.2022 by the Umweltbundesamtes GmbH. (Austrian Federal Environment Agency).

Segafredo Zanetti is committed to the ten principles of the UN Global Compact, and the United Nations' Sustainable Development Goals.

The company is not subject to non-financial reporting obligations. Nevertheless, Segafredo Zanetti has proactively imposed an annual non-financial reporting obligation in the form of a sustainability report. Furthermore, the information contained is also presented as part of the MZB Group report.

This report was published on 22<sup>nd</sup> March 2024.



# THE COMPANY

In 1973, Massimo Zanetti bought the small Segafredo roastery in Bologna, laying the foundations for what is now a world-famous company – Segafredo Zanetti.

Having initially limited business activities to Italy, Segafredo Zanetti entered the Austrian market in the 1980s by purchasing the *fabia* coffee brand.

Segafredo Zanetti is also a manufacturer and producer of numerous coffee specialities, sold along with merchandise from other MZB branches via various channels in Austria and numerous CE countries.

In addition to *Segafredo Zanetti*-brand products, roasted according to an Italian blend and roasting process, the company continues to produce premium Viennese coffee exclusively for the gastronomy and hotel industry under the *fabia* brand name.

## MASSIMO ZANETTI BEVERAGE GROUP

The Massimo Zanetti Beverage Group S.p.A. has its headquarters in Treviso, Italy, and is one of the world's leading producers, processors and distributors of roasted coffee. The group has a portfolio of more than 40 brands.

The MZB Group comprises a network of production, sales and distribution companies around the entire world.

The MZB Group's most important sales channels are: Mass Market – serving national and international food retailers, and Food Service – a division mainly targeting cafés, restaurants, hotels, catering companies and large-scale catering operators. The Private Label segment also produces its own brands for food retailers and caterers.

The Group offers a broad product range of all types of roasted coffee - including ground coffee, whole beans, instant coffee, and coffee in pods or capsules. The MZB Group also produces and distributes tea, spices, cocoa, chocolate and other food products, and operates a network of around 400 café franchises worldwide.

MZB initiated activity in green coffee trading with the acquisition of the Swiss company Cofiroasters S.A. The majority of MZB's green coffee for its roasteries is obtained via Cofiroasters.

Until the QuattroR SGR S.p.A. investment group acquired a 50 per cent stake in the company at the end of 2023, MZB was wholly owned by Massimo Zanetti, who was also Managing Director. QuattroR has now appointed a new Managing Director, and Massimo Zanetti has become a member of the Supervisory Board.

## SEGAFREDO ZANETTI AUSTRIA

As a 100 per cent subsidiary of Massimo Zanetti Beverage SA, itself a subsidiary of Massimo Zanetti Beverage Group S.p.A, Segafredo Zanetti Austria GmbH also belongs to the MZB Group. The head office and production site are located in Hallwang in the province of Salzburg.

Segafredo Zanetti also runs seven Austrian sales offices – in the provinces of Salzburg, Upper Austria, Vienna, Styria, Carinthia and two offices in Tyrol.

## Management Board

Management Board at Segafredo Zanetti is split between two executives: Wolfgang Reichl has been with the company since 1991, and in the position of General Manager Central Europe since 2016. He is responsible for marketing, sales and HR.

Mag. Dieter Bretz has been CFO Central Europe and Director Production AT since 2018. He is responsible for production, which also includes responsibility for sustainability and IT.

### Central Europe (CE)

The Austrian office runs sales, distribution and finances in Croatia (Segafredo Zanetti Croatia d.o.o.), Slovenia (Segafredo Zanetti Trgovanje skavo d.o.o.) and Serbia (Segafredo Zanetti d.o.o.). The companies there are 100 per cent subsidiaries of Segafredo Zanetti Austria.

Segafredo Zanetti Austria also coordinates and manages sales, distribution and finances in the Czech Republic (Segafredo Zanetti CR spol. S r.o.), Slovakia (Segafredo Zanetti SR spol. S.r.o.) and Hungary (Segafredo Zanetti Hungária Kft.). Segafredo Zanetti Austria only controls shares of no more than 2 per cent of these companies.

Segafredo Zanetti Austria has a one percent stake in the company in Germany (Segafredo Zanetti Deutschland G.m.b.H.) and provides financial support.

Romania, Montenegro and Bulgaria are supplied by distributors and, directly, as in the food trade by Segafredo Zanetti Austria.

### Stakeholders

Segafredo Zanetti stakeholders are all those people affected by the company's activities, or whose activities impact on the company. Primarily, they are employees, customers and consumers in the Food Service and Mass Market, suppliers, sponsors, associations and banks.

In 2023, a survey on sustainability was conducted as part of the materiality analysis. Numerous stakeholders participated.

Regular customer/supplier meetings and discussions strengthen the relationship between Segafredo Zanetti and its respective stakeholders.

Monthly OneForAll calls and the annual conference inform employees about current events and developments. Employees receive additional information via the OneForAll information platform.

Employee surveys and annual employee appraisal interviews provide employees with opportunities to give and receive feedback.

### Membership of associations and interest groups

Segafredo Zanetti is a member of several associations and interest groups. Therefore Segafredo Zanetti supports a number of causes, has access to extensive information, and provides the opportunity to discuss experiences with fellow members of the industry.

The Austrian Coffee and Tea Association (Kaffee- und Teeverband – KTV) is an independent lobbying organisation that aims to represent and promote the overarching interests of the domestic coffee and tea industry.

Segafredo Zanetti joined the Global Compact Network Austria in 2023. The organisation assists companies as they align their strategies and activities with the sustainability targets and visions of the UN Global Compact. The central elements of the UN Global Compact are its 10 universal principles, and support is provided for the 17 Sustainable Development Goals (SDGs). Membership is a commitment to these 10 universal principles and the SDGs.

Segafredo Zanetti has been a Climate Alliance company (Klimabündnis-Betrieb) since 2023. The Climate Alliance is Austria's largest network of municipalities supporting climate protection, and backing

campaigns for climate protection, climate justice and a sustainable lifestyle. As a Climate Alliance member, the company is actively committed to protection of the climate.

Segafredo Zanetti is a member of ECR Austria (Efficient Consumer Response), a non-partisan platform for the consumer goods industry, enabling retail industry members to address topics relevant to the industry, and to cooperate proactively on the development of solutions.

The company is also part of the German Branded Goods Association (Markenartikelverband – MAV). The association represents the branded goods industry and the interests of its members in their dealings with politicians, the public, national and international media and retail partners.

Segafredo Zanetti is a member of the Marketing Club Salzburg. The Marketing Club Salzburg promotes dialogue between fellow professionals, and is a non-partisan interest platform identifying as a centre of excellence for marketing ideas.

The Kreditschutzverband von 1870 (KSV1870) is an Austrian creditor protection organisation, and represents the interests of its voluntary members by protecting businesses from financial loss and promoting their liquidity. Segafredo Zanetti is a member of KSV1870.

The Austrian Franchise Association (Österreichische Franchise-Verband – ÖFV) represents the interests of the Austrian franchise industry, representing both franchisors and franchisees, overseeing the establishment of franchise agreements and ensuring quality standards are kept high.

The Industriellenvereinigung (IV) is a voluntary and independent federation of Austrian industries representing the interests of Austrian industry. Segafredo Zanetti is a member of this association.

## CORPORATE STRATEGY

Sustainability is integral to the company's philosophy and is taken into account when making all decisions. Consequently, various aspects of sustainability are reflected in corporate strategy.

The corporate credo sets out a vision, mission and values to be adhered to actively by all employees. The statements are formulated using 'We' to enable each and every individual in the company to identify with this credo to the maximum.

### Vision

To combine tradition and modernity to offer a supreme-quality, unique and sustainable, coffee experience. Every sip of coffee we produce should make a positive contribution to the lives of people, and to the environment.

### Mission

To apply our craftsmanship and knowledge right down to the roots of the coffee plant, while showing our appreciation of the environment, people and products, to create unique coffees with their own special characters.

We take our environmental responsibility seriously along the entire supply chain – from the high quality of our beans and in-house roasting – down to enjoyment of the very last sip.

We strive to guarantee customers the highest quality, and provide a pleasant working environment for employees. Honesty, respect and transparency in all our actions, creates a positive impact on all the communities with whom we work and live.

### Values

Segafredo Zanetti has established and documented its most important values in the course of corporate strategy development:



We share our **passion** for coffee with everyone and convey joie de vivre with every sip.



We are **transparent** and honest in our communication and actions.



We guarantee unrivalled **quality** by providing everything from the bean to the finished coffee from a single source.



We are partners, and treat all people as equals, with respect and **appreciation**.

### PRODUCTION IN AUSTRIA

Coffee specialities are produced at the Hallwang production site for *Segafredo Zanetti* using traditional Italian drum roasting procedures and recipes, and for *fabia* using Viennese procedures and recipes.

Austria is the only MZB-Group company that produces and packages espresso in the form of ground coffee.

The company also produces 'Private Label' products.

Currently, no certified products (e.g. Fairtrade, organic, Rainforest Alliance etc.) are manufactured in Austria, but there are plans to do so in 2024.

In October 2023, production was expanded from a single shift to a three-shift operation. The change-over, and resulting increase in production volume, has impacted key production volume-related figures.

At the end of 2023, a rental agreement was signed for the building next to the production centre in Hallwang. It is now used primarily for warehousing purposes, simplifying logistics, eliminating the need to coordinate with a warehouse partner, and reducing transportation time and expense. The new building has also impacted certain key figures.

### Products

The company roasts products for the Food Service sector and for the Mass Market at its site in Hallwang. Apart from the *Segafredo* Espresso Classico ground coffee in a can, only whole bean products are produced here.

The manufacturer produces *Segafredo* Linea Bar products and breakfast coffee exclusively for the Food Service sector. Similarly, *fabia* products are also roasted solely for this segment.



The company manufactures the following products for the Mass Market: *Segafredo* Selezione and Passione lines, *Segafredo* Intermezzo and *Segafredo* Espresso Classico ground coffee.





## SALES SEGMENTS

Segafredo Zanetti is primarily active in two sales channels: Food Service – for the gastronomy and hotel sectors; and Mass Market – serving the traditional food retail sector.

### Gastronomy - Food Service

Segafredo Zanetti offers customers in the gastronomy and hotel sectors exclusive products only available via direct sales. The coffee range for the gastronomy and hotel sectors is divided into four areas: Whole beans, ground coffee, instant coffee and single serve portions (capsules).

In addition to the company's most important coffee brand, *Segafredo Zanetti, fabia* also plays an important role as a regional brand. MZB also sells coffee products under the *TikTak* brand.

As well as coffee, Segafredo Zanetti offers restaurants a variety of MZB products, including Caffè Crema (iced coffee), Hot Ciok (cocoa), the Brodies tea range, iced tea and the energy drink Lion Lap.

An additional range of coffee accessories, referred to as 'Selection Products', is also provided, and includes chocolate almonds, organic biscottini, organic biscuits, sugar in conventional and organic quality, and coffee cream in the Corporate Design of each brand.

### Food retail - Mass Market

Mass Market comprises the food retail trade, and the Cash & Carry markets – or wholesale pick-up market. It ensures Italian coffee specialities are delivered directly to consumers' homes.

### Brands

In addition to the products manufactured in Austria, Segafredo Zanetti also sells other MZB Group products through various distribution channels. As well as coffee beans, ground coffee and coffee capsules, such products include iced coffee, cold coffee drinks, cocoa, tea, iced tea and the energy drink Lion Lap.

Segafredo Zanetti distributes the following MZB brands in Austria:



La San Marco, the manufacturer of professional-standard coffee machines, coffee grinders and equipment for cafés, was part of the MZB Group until it was sold at the beginning of 2023.

## SEGAFREDO BRAND SHOP

The company's online shop has a large selection of products that can be ordered online and delivered straight to homes. In addition to coffee, the online shop also offers exclusive accessories, such as cups and barista equipment.

## SEGAFREDO ZANETTI BARS

'Segafredo Zanetti Espresso' franchise bars (cafés) have been established worldwide to guarantee high quality standards and make the brand expertise tangible. The world's first Segafredo Zanetti Espresso opened in 1989 in Vienna's Graben district. There are currently more than 400 franchise locations of this type around the world.

The 2021 revision of the concept has given existing franchisees the option of switching to the new system, or continuing as traditional gastronomy customers – with Segafredo Zanetti as their coffee supplier.

MZB Services is an MZB subsidiary based in Romania. It has developed new franchise systems, customisable on a modular basis depending on the location. MZB Services offers support and advice with the development and implementation of café concepts. The concepts applicable to the Austrian market are Segafredo Select and Segafredo Caffè.

## OFFICE CONCEPT

Segafredo Zanetti has developed a set-up concept specifically designed for office requirements, allowing for a clearly calculable price model related to the size of the company, number of employees and coffee kitchens. The company cooperates with the coffee machine manufacturer JURA to cover the demand for machines of different designs and expansion options, and to ensure comprehensive professional technical support.

## SCUOLA DI BARISTA

Segafredo Zanetti strives to guarantee the highest quality standards, from the beans to in-house roasting – through to enjoyment of the end product in the cup. In order to achieve this goal with customers from the restaurant and hotel industry, trained employees offer barista seminars in the three in-house „Scuola di Barista“ training centres or directly in the partner establishments. A barista's expertise, craft and skills include the perfect preparation of coffee specialities, comprehensive knowledge of coffee cultivation, practical technical know-how regarding machine and grinder settings. And, of course, the provision of excellent service quality for the guest.

Segafredo Zanetti's customer seminars are complemented by voluntary training courses for employees. At Segafredo Zanetti each member of staff has the opportunity to be trained at various levels and become a certified SCA (Speciality Coffee Association) barista. Sales representatives are required to complete at least the intermediate certificate – and to undergo regular recertification.

# SUSTAINABILITY MANAGEMENT

## ORGANISATION FOR THE PROMOTION OF SUSTAINABILITY

The position of sustainability manager was created to develop sustainability management processes, and to deal with all topics relevant to sustainability. She cooperates with the Sustainability Council which drives forward key topics, and consists of the managing directors and department heads.

The Sustainability Manager is based in the production department and reports to the Head of Production. The CFO is responsible for sustainability on the Management Board.

The Management Board is responsible for approval of the sustainability report.

## AREAS OF SUSTAINABILITY AND THE KEY TOPICS

Environmental, social and governance (ESG) topics recognised internally and externally as material were defined in a multi-stage process in the materiality analysis carried out in 2023. For this purpose, a stakeholder survey was conducted on top of the internal assessment.

### Areas of sustainability

The key topics are divided into four areas of sustainability.



#### CUSTOMER SATISFACTION

"Best quality ensured by sustainable action."

J Quality and safety of products



#### ENVIRONMENTAL RESPONSIBILITY

"A coffee culture in ecological balance."

J Climate protection and energy



#### SUSTAINABLE SUPPLY CHAIN

"Create a resilient supply chain via sustainable action."

J Environmental aspects of the supply chain

J Raw ingredients and materials



#### RESPONSIBLE EMPLOYER

"An attractive employer with healthy and satisfied employees."

J Attractive employment

J Health and safety in the workplace

**Key topics**

The six top-ranking topics from the materiality analysis were identified as the key sustainability topics at Segafredo Zanetti. Special focus is placed on these topics.

Key figures have been determined for each key topic. They are regularly monitored to observe developments and take measures towards improvement.

RANKING	KEY TOPICS	KEY FIGURES	TARGETS 2030
1	<b>QUALITY AND SAFETY OF PRODUCTS</b> Guarantee consumer health and safety at all times. Fulfil legal requirements and standards, and comply with International Food Standard (IFS).	<ul style="list-style-type: none"> <li>• IFS certification</li> <li>• Number of complaints</li> </ul>	
2	<b>CLIMATE PROTECTION AND ENERGY</b> Contribute to climate protection by minimising the impact on the climate, thus supporting global climate protection goals. Use energy efficiently, continuously optimise energy consumption and rely on renewable energy sources.	<ul style="list-style-type: none"> <li>• Energy consumption (total in production &amp; fuels)</li> <li>• Energy consumption (in production) per kg of pre-packaged roasted coffee</li> <li>• CO<sub>2</sub>e emissions - Scope 1 &amp; 2 (total)</li> <li>• CO<sub>2</sub>e emissions (Scope 1 &amp; 2) per kg of pre-packaged roasted coffee</li> </ul>	<ul style="list-style-type: none"> <li>• Energy consumption (total): -10%</li> <li>• Fuels: -50%</li> <li>• Energy consumption per kg of pre-packaged roasted coffee: -10%</li> <li>• CO<sub>2</sub>e emissions (total): -42%</li> </ul>
3	<b>RAW INGREDIENTS AND MATERIALS</b> Procure raw ingredients and materials responsibly and as regionally as possible. Optimise requirements and consume efficiently. Pay attention to sustainable packaging and the situation is continuously improved. Promote certified green coffee (e.g. Fairtrade, organic, Rainforest Alliance).	<ul style="list-style-type: none"> <li>• Weight of packaging material used (total)</li> <li>• Proportion of certified green coffee in production (total)</li> <li>• Sustainable product portfolio in production (total)</li> <li>• Proportion of certified products per segment</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable product portfolio: &gt;50%</li> </ul>
4	<b>ENVIRONMENTAL ASPECTS OF THE SUPPLY CHAIN</b> Organise the supply chain in an environmentally conscious manner, especially with regard to emissions. Avoid chemical substances and pesticides in the cultivation of raw ingredients and materials. Require and review ongoing environmental management assessment for all suppliers and business partners. Promote certified green coffee (e.g. organic).	<ul style="list-style-type: none"> <li>• Percentage of new suppliers screened using environmental criteria</li> <li>• (Absolute) number of suppliers screened using environmental criteria</li> </ul>	
5	<b>HEALTH AND SAFETY IN THE WORKPLACE</b> Employees are the greatest asset. Promotion of the physical and mental health of employees is an important aspect. Guarantee awareness of workplace safety, especially in production.	<ul style="list-style-type: none"> <li>• Number of work-related injuries (total)</li> <li>• Total Recordable Injury Rate (TRIR)</li> </ul>	
6	<b>ATTRACTIVE EMPLOYMENT</b> An attractive employer is more appealing to potential employees and promotes the motivation, satisfaction and development of existing employees. In conjunction with open communication culture, an exemplary corporate culture leads to increased recognition and appreciation of employees, and a more intensive exchange of knowledge.	<ul style="list-style-type: none"> <li>• Employees by gender, generation, employment relationship (temporary/permanent, full-/part-time)</li> <li>• Employees with collective labour agreements</li> <li>• Total number and rate of new employees by age group and gender</li> <li>• Total number and rate of staff turnover by age group and gender</li> <li>• Job satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Staff turnover: &lt;30% (annual target)</li> <li>• Women in management positions: Equal to the proportion of women in the general workforce (annual target)</li> </ul>

**Additional topics**

Other topics relevant to Segafredo Zanetti but not classified as material:

RANKING	ADDITIONAL TOPICS
7	<b>ENVIRONMENTALLY-FRIENDLY TRANSPORT</b> Ensure the transportation of raw materials and products is over short distances, and is environmentally friendly. Promote alternative and intermodal (multi-modal) transport options.
8	<b>COMPLIANCE WITH LEGAL AND ETHICAL STANDARDS</b> The company's actions must always be ethically correct and in accordance with legal requirements.
9	<b>WASTE AND RECYCLING</b> Avoid waste and recycle unavoidable waste. Promote waste avoidance and the recycling of packaging among customers and consumers.
10	<b>FUTURE VIABILITY OF THE BUSINESS MODEL</b> Align the business model for the long term. Actively pursue new developments (e.g. digitalisation, artificial intelligence) and the requirements of sales, distribution, gastronomy and hotel segments.
11	<b>DIVERSITY AND EQUAL OPPORTUNITIES</b> Promote and utilise diversity to open up new opportunities and develop potential. There should be equal opportunities and conditions for all employees - regardless of age, gender, origin and other diversity factors.
12	<b>SOCIAL ASPECTS IN THE SUPPLY CHAIN</b> Ensure compliance and ongoing compliance checks as regards human rights in the supply chain and with business partners. Promote certified green coffee (e.g. Fairtrade).
13	<b>CORPORATE GOVERNANCE</b> Observe the principles of proper corporate governance. Transparency and correct reporting contribute to this end. Assume responsibility for digital input/output, ensure information is handled responsibly, and guarantee the highest level of data protection.
14	<b>SUSTAINABLE CONSUMPTION, CUSTOMER AND CONSUMER COMMUNICATION AND SATISFACTION</b> Actively promote sustainable behaviour among customers, consumers and business partners by way of training and information. Ensure products are advertised honestly, transparently, realistically and free of discriminatory clichés.
15	<b>EDUCATION AND ONGOING TRAINING</b> Training programmes should provide employees with the knowledge required for a specific area of work. Ongoing training helps employees to keep up-to-date with the latest knowledge in order to be prepared for changes in the world of work. Personal development is an aspect of great importance.
16	<b>NATURE CONSERVATION AND BIODIVERSITY AT THE PRODUCTION SITE</b> Make a positive contribution to nature conservation and preserve ecosystems and biodiversity. Reduce air pollution and avoid noise.
17	<b>CONTRIBUTE TO SOCIETY</b> Create wealth by creating jobs. Take on responsibility for and within your region. Promote a peaceful and inclusive society.
18	<b>WATER CONSUMPTION IN PRODUCTION</b> Ensure efficient water consumption in production, while avoiding water pollution and wastewater emissions.

## SUSTAINABILITY TARGETS

Targets have been set for 2030 for all the key environmental indicators. Annual targets have also been set for employee indicators.

Energy consumption targets, environmental targets and a product portfolio target have all been set for 2030 with 2021 chosen as the base year. The targets relate to Scope 1 (natural gas, diesel and petrol) and Scope 2 (electricity). CO<sub>2</sub>e emissions relate to production and the fuels used in company cars. Energy consumption per kilogramme of pre-packaged roasted coffee only relates to production. The CO<sub>2</sub>e emissions target is derived from the Science Based Targets Initiative (SBTi). The sustainable product portfolio target relates to products manufactured by the company in Austria.

KPI	ANNUAL TARGET	TARGET 2030	2023 <sup>4</sup>
ENERGY CONSUMPTION <sup>1</sup> (kWh)	–	-10 %	-5.0 %
FUELS (kWh)	–	-50 %	-3.8 %
ENERGY CONSUMPTION <sup>1</sup> PER KG (kWh)	–	-10 %	+0.6 %
CO <sub>2</sub> e-EMISSIONS <sup>2</sup> (t CO <sub>2</sub> e)	-4.7 %	-42 %	-5.9 %
SUSTAINABLE PRODUCT PORTFOLIO <sup>3</sup> (%)	–	50 %	0 %
FLUCTUATION	<30 %	–	22.2 %
WOMEN IN LEADERSHIP POSITIONS	% = to proportion in the general workforce		18.2% (Proportion of women: 27.7%)

<sup>1</sup> Scope 1 & 2: Hallwang production & fuels

<sup>2</sup> Scope 1 & 2: Hallwang production & fuels; target based on SBTi

<sup>3</sup> Production Hallwang

<sup>4</sup> Compared to the base year 2021

## SDGS

Segafredo Zanetti is committed to the UN Global Compact and the United Nations Sustainable Development Goals. Focus is placed on these four SDGs:



**Ensure healthy lives and promote well-being for all at all ages**



**Ensure access to affordable, reliable, sustainable and modern energy**



**Ensure sustainable consumption and production patterns**



**Take urgent action to combat climate change and its impacts**

Other relevant SDGs are:



## SUSTAINABILITY MEASURES

Measures are defined to improve sustainability and achieve targets at Segafredo Zanetti.

MEASURE	STATUS
<b>GENERAL</b>	
Innovation lab	Done
Sustainability strategy	Done
Vision - Mission - Values	Done
Climate Alliance company	Done
UNGC membership	Done
Sustainability on the segafredo.at website	In progress
Sustainability data reporting process	In progress
ESG risk assessment	New
<b>CUSTOMER SATISFACTION</b>	
Segafredo Club app	Done
QR with info on cleaning and preparing coffee-making equipment	In progress
Digitalisation of the ordering process	New
<b>ENVIRONMENTAL RESPONSIBILITY</b>	
Silver skin as a fertiliser	Done
Energy certificate	Done
E-charging station	Done
CCF (CO <sub>2</sub> footprint) calculation for 2021	Done
New compressor	Done
Renewal of air conditioning system at production centre in Hallwang	Done
UV light/active carbon odour filtre	Done
Replacement of the catalytic converter (exhaust emissions)	Done
Revision of the waste disposal concept	Done
Sound-proofing measures	Done
Sustainable cleaning products from the external cleaning company	New
Introduction of ISO 14001	New
Compressor heat recovery	New
Fuel-saving training for field sales staff	New

## MASSNAHME

MASSNAHME	STATUS
Changeover to green electricity in Vienna and Linz	New
Uniform printer settings for double-sided and greyscale	New
Digital thermostats in communal areas	New

## SUSTAINABLE SUPPLY CHAIN

Rework of box packaging concept (uniform sizes & printing)	Done
Recyclable packaging	In progress
Assessment of environmental and social aspects for suppliers	New
Revision of procurement guidelines	New

## RESPONSIBLE EMPLOYER

Job ticket support	Done
Expansion of massage availability	New
Reporting on initial and ongoing training hours	New
Employee survey	New
Lunchtime exercise	New

## ACTIVE COMMITMENT

Segafredo Zanetti has donated to Licht ins Dunkel that aids physically and intellectually impaired individuals, as well as psychosocially disadvantaged families with children.

In 2022 and 2023, rather than giving customers and partners presents for Christmas, Segafredo Zanetti donated to the Iron Road for Children (IRFC) charity project. Iron Road for Children is Austria's largest open-brand festival for motorbikes, Vespas and US cars, where numerous live acts perform for a good cause. Under the slogan 'A heart for children', donations are collected for sick children from all over Austria. Segafredo Zanetti was involved for the 2nd time as the official coffee partner.

The Zanetti family's Fondazione Zanetti ETS was founded in Treviso in 2007 as a secular and independent organisation that works without any discrimination in terms of culture, ethnicity or religion. Their mission is to help children in difficulty by supporting and promoting national and international projects that provide food, healthcare, shelter, education and psychological support. Children and their rights are at the heart of the Foundation's activities. The foundation organises fundraising campaigns, awareness-raising initiatives and public events to promote a shared culture that always advocates the requirements of children. Segafredo Zanetti Austria is one of the foundation's supporters, too.

Coffee that will no longer be sold is donated to charitable and aid organisations like the Flachgauer Tafel or Bauern helfen Bauern.

## **SUSTAINABILITY WITHIN THE MZB GROUP**

For the Massimo Zanetti Beverage Group, sustainability is about communicating the principles of respect, responsibility, dedication and professionalism every day. This sets a positive cycle in motion and, in turn, generates shared and proactive commitment.

Responsible action, as regards respecting the values of quality and sustainability, is an integral part of the business activities and daily operations of the MZB's individual companies. The Group promotes these behavioural principles for interaction with customers and consumers, with employees, and with local communities in which the MZB Group operates.

The journey began in 2019, and in 2022 continued with the establishment of a sustainability roadmap: The Sustainable Blend. All Group companies are required to focus on non-financial issues and develop joint responses on an ongoing evolutionary basis.

The Sustainable Blend focuses on four strategic areas: Environmental Responsibility, Product and Process Quality, Procurement Practices and Valuing People.

In 2019, strategic guidelines were adopted on non-financial topics of great importance to the company and society, expressing the Group's values and sense of commitment. These guidelines relate to the environment, quality and responsible procurement.

MZB publishes an annual sustainability report for the entire Group. It is posted in English on the MZB Group website (<https://www.mzb-group.com/en/sustainability>) and reports on compliance with GRI standards.

### **MZB Group Materiality Analysis**

In 2020, the MZB Group carried out a materiality analysis in accordance with the requirements of the GRI standard. This identified five focal areas of sustainability:

- Environmental responsibility
- Quality and safety
- Business conduct
- Responsible sourcing
- Personnel management



# VALUE CHAIN

The most important effects along the value chain are referenced in the key topics. The entire value chain was analysed and a plan of key topics produced – from green coffee cultivation through to disposal.

## COFFEE FARMING

### COFFEE CULTIVATION | HARVESTING

- Climate protection & energy
- Raw ingredients & material
- Environmental aspect of the supply chain



## COOPERATIVES

### REGIONAL PROCESSING

- Climate protection & energy
- Environmental aspect of the supply chain



## TRANSPORTATION

### COOPERATIVES FOR PORTS IN EUROPE

- Climate protection & energy

## STORAGE & TRANSPORTATION

### SALES & DISTRIBUTION

- Climate protection & energy



## DISPOSAL

### PACKAGING | GROUNDS

## PRODUCTION

### ROASTING | PACKAGING

- Product quality & safety
- Climate protection & energy
- Raw ingredients & material
- Health & safety in the workplace
- Attractive employment



## CONSUMPTION

### GASTRONOMY | HOTEL | HOMES

- Product quality & safety



# CUSTOMER SATISFACTION

The company aims to guarantee supreme quality via sustainable action.

Excellent craftsmanship, absolute mastery of the art of roasting, and compliance with the latest technical standards, enables Segafredo Zanetti to guarantee consistently high quality in every cup - at home, in restaurants and bars, and in hotels.

Products must be advertised honestly, transparently, realistically and free of discriminatory clichés.

The key topic for customer satisfaction is quality and safety of products.

## QUALITY AND SAFETY OF PRODUCTS

Consumer health and safety are to be guaranteed at all times. All legal requirements and standards must be met and there must be compliance with the International Food Standard (IFS).

### Quality control

Upon delivery, green coffee is subjected to a quality check that includes water content, pH value, a visual inspection and cupping. The green coffee is only emptied into the silos if the inspection result is positive.

Roasted coffee quality is checked after the roasting process for every new batch. The test analyses water content, colour, pH value, a visual inspection and sample tasting.

### IFS food certification

The roastery undergoes an annual IFS food audit. The organisation and production process are assessed with regard to quality and safety in food production. The goal is the production of safe, authentic, high-quality products in accordance with legal requirements. All the products which are roasted in Austria bear IFS Food certification.

## The MZB Group Policy for quality

The MZB Group has established quality requirements in its quality guidelines. These must be complied with by all the companies in the Group to ensure the quality and safety of all products.

### Innovation

- Innovation should be focused on consumer trends and improving company processes.
- Emphasis environmentally friendly innovation.

### Food certification and traceability

- Product safety is secured within all operations, and along the value chain.
- Monitor, measure and improve processes.
- Coffee quality and traceability.

### Customer-centric approach

- Customer engagement.
- Customer satisfaction

### Laboratory tests

Every year, additional samples of green coffee and roasted coffee are sent to an external laboratory for quality checks to establish chemical values and check for the presence of allergens.



### Complaints

There are very few complaints about products manufactured in Austria. The proportion of complaints compared to the volume sold is a fraction of a percentage point.

The main cause of complaints is the presence of a foreign object similar in size or weight to a coffee bean and found in the packaging. Despite multiple machine cleaning steps, it is not always possible to remove all foreign bodies.

COMPLAINTS IN PER CENT	2021	2022	2023
Complaints about the volume sold	0.001%	0.001%	0.001%

### SUSTAINABLE PRODUCTS

Segafredo Zanetti defines sustainable products as products whose green coffee is certified as organic, Fairtrade and/or from the Rainforest Alliance.

These certifications ensure that the green coffee is grown and processed in line with environmentally friendly methods, and/or that key aspects of social justice and conditions are considered to be at a fair level. Green coffee ratings vary according to the certification system.

The company has set itself the target of increasing the proportion of sustainable products roasted in Austria in its portfolio to 50 percent by 2030.

No certified products are currently produced in Austria. Certification for fair trade and organic production was issued in 2023. Plans have been made to introduce the first Fairtrade organic products which are to be roasted and packaged from mid-2024.

Segafredo Zanetti sells certified products manufactured by MZB Group companies - namely, *Segafredo Storia* (RFA & Bio) and *Segafredo Selezione Organica* (RFA & Bio) for the Mass Market, and *TikTak Bio Organica Dark Roast* (Bio & Fairtrade), *Segafredo Organic* (RFA & Bio) and *Segafredo Alleanza* (RFA) for the Food Service.



The demand for sustainable and certified coffee is particularly strong in the Mass Market. Consumers are receptive and the products are well received. Product pricing is often the decisive factor. Overall price increases have led to a slight fall in demand. Nevertheless, the proportion of sustainable products in Segafredo Zanetti sales volumes to the Mass Market increased again in 2023. In 2022, the share of certified coffee in kilos was 3.5 per cent, a rise of 1.2 per cent on the previous year.

There is also growing demand for certified products in the Food Service sector. Customers are increasingly valuing sustainability and regional sourcing. The share of certified coffee (in kg) in Segafredo Zanetti sales volumes to the Food Service sector was 7.5 per cent in 2023, and the assumption is this trend will continue in the years to come.

Share of sustainable products volume (kg) sold in the respective segment:

IN PROZENT	2021	2022	2023
Mass Market	2.3%	2.3%	3.5%
Food Service	6.7%	7.1%	7.5%

### GASTRONOMY EQUIPMENT

In addition to the various specialty coffees, gastronomy is also provided with equipment such as coffee machines, grinders, crockery and various merchandising items (e.g. umbrellas, deckchairs, aprons, table displays etc.).

Should maintenance be required, the machines are serviced by external partners commissioned by Segafredo Zanetti or the customer.

The new ToGo cups are made from 100 per cent renewable materials and can be disposed of with paper waste. As the PE coating accounts for less than five per cent of the cup overall, it is still considered to be made entirely of paper.

In 2023, the company purchased its own reusable cups, to be used primarily for events at which the use of crockery made of ceramics or porcelain, paper or cardboard cups is not permitted and/or viable.

### GASTRONOMY CUSTOMER TRAINING

Trained baristas from the sales team provide ongoing training for gastronomy customers. Particular emphasis is placed on familiarity with the machines and supreme quality in the cup.

As quality is very much an issue for customers, the barista training courses are very popular and provide genuine added value for caterers.

### SEGAFREDO CLUB APP

The Segafredo Club app was launched at the end of 2023. It enables users to collect loyalty points by participating in various activities across all points of contact with the brand. These can be exchanged for exclusive rewards. The Segafredo webshop is integrated into the app and every purchase is rewarded with loyalty points. Club members enjoy exclusive access to exciting competitions and special offers.

The app has an integrated café finder to enable users to find nearby locations where they can enjoy *Segafredo* coffee.

Use of the app is currently limited to the Austrian market, as this is a pilot project and Austria is acting as a test market for the planned expansion into other countries.



# ENVIRONMENTAL RESPONSIBILITY

Segafredo Zanetti aims to ensure a culture of coffee in harmony with nature.

To this end, the negative impact of production on the environment must be minimised as far as is viable. If possible, a positive contribution should be made to the environment.

Minimising the impact on the climate contributes to climate protection and underlines the company's support for global climate protection goals. It is necessary to use energy efficiently, optimise energy consumption continuously, and move reliance to renewable energy sources.

Similarly, in production, attention must be paid to the efficient consumption of water. The company is assuming more responsibility by cutting back on water pollution and wastewater emissions.

Segafredo Zanetti aims to make a positive contribution to nature conservation, to the preservation of ecosystems and biodiversity, to the reduction of air pollution, and to noise avoidance.

The key topic in this area is climate protection and energy.

The company has established a regular environmental reporting system to monitor developments.

## ENERGY CONSUMPTION AND EFFICIENCY

Segafredo Zanetti's largest single source of energy consumption is natural gas (74.3 per cent of total energy consumption). Natural gas is used to heat the roasting oven, as the air has to reach around 550°C. Currently, there is no viable sustainable alternative to generate this level of heat.

Natural gas is also used to heat the offices. However, this only accounts for a fraction of the consumption in comparison with the roasting oven.

Electricity powers the offices (lighting, air conditioning, electrical appliances, e-charging station etc.), the warehouse, and is used to run the packaging machine. Compared to natural gas, electricity accounts for only 8.9 per cent of total energy consumption. 100 per cent of the electricity Segafredo Zanetti uses comes from renewable energy sources.

Additional energy consumption is accounted for by the fuel for the vehicle fleet. All sales staff, individual department heads and managing directors run company cars. Car fuel accounts for 16.9 per cent of total energy consumption.

In 2022, the company carried out an energy check at the Hallwang site. This resulted in a number of energy-saving measures involving LED lighting, electric forklifts and heat recovery systems. These are to be implemented in the near future.

Segafredo Zanetti has set itself a target to reduce overall energy consumption – in production and in terms of fuel – by 10 per cent by 2030 (base year 2021). Another two targets are the reduction of energy consumption per kilogramme of pre-packaged roasted coffee by 10 per cent by 2030 (base year 2021), and a 50 per cent reduction in fuel consumption by 2030 (base year 2021).

### Energy consumption

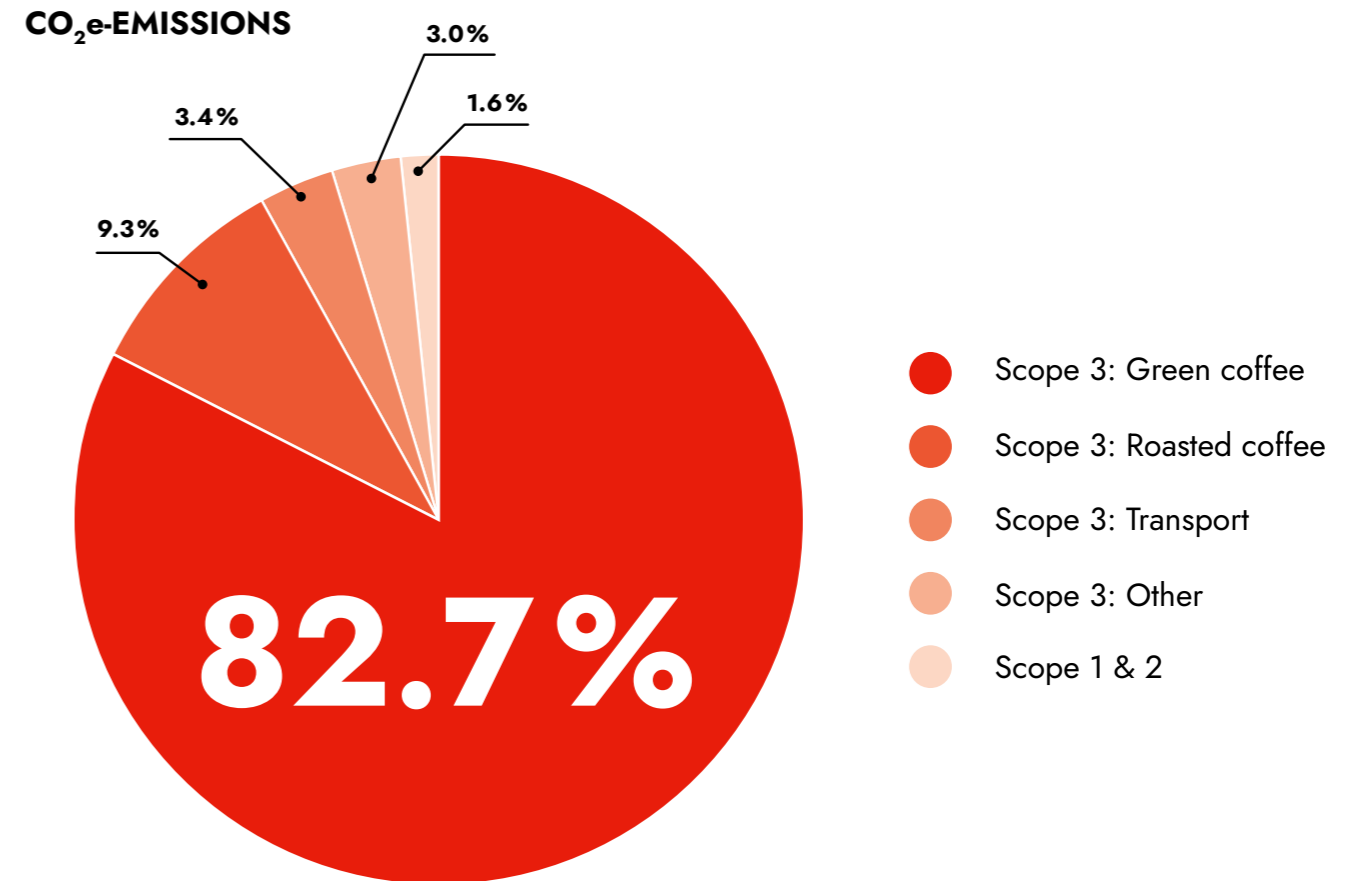
The data for electricity and heat are sourced from the production site in Hallwang. The sales offices are rented and account for a minimal share of energy consumption compared to production. The fuel data includes the company's entire vehicle fleet.

Total energy consumption fell from 2022 to 2023. This was mainly due to the reduction in production volume. In summer 2023, production was halted for a few weeks to facilitate conversion work. However, the per kilogramme energy consumption of pre-packaged roasted coffee increased slightly, as electricity and energy were still required for the conversion work.

ENERGY CONSUMPTION IN kWh	2021	2022	2023
Electricity	344 226	355 703	363 632
<b>Electricity</b>	<b>344 226</b>	<b>355 703</b>	<b>363 632</b>
Natural gas	3 253 653	3 488 832	3 044 525
<b>Heat</b>	<b>3 253 653</b>	<b>3 488 832</b>	<b>3 044 525</b>
Diesel	715 212	742 166	586 056
Petrol	3 279	50 365	104 871
<b>Fuel</b>	<b>718 491</b>	<b>792 531</b>	<b>690 927</b>
<b>Energy consumption</b>	<b>4 316 370</b>	<b>4 637 066</b>	<b>4 099 084</b>
<b>kWh per kg of pre-packaged roasted coffee</b>	<b>1.08</b>	<b>1.07</b>	<b>1.08</b>

### CLIMATE PROTECTION

The CO<sub>2</sub>e emissions generated by energy consumption were calculated for the first time in 2021. CO<sub>2</sub>e emissions in Scope 1 (natural gas, diesel and petrol), Scope 2 (electricity) and Scope 3 (upstream and downstream supply chain) were all taken into consideration. Segafredo Zanetti's CO<sub>2</sub>e footprint shows that the majority (over 98 per cent) of CO<sub>2</sub>e emissions are generated in Scope 3.



In particular, the cultivation of purchased green coffee accounts for the largest share (85 per cent) of CO<sub>2</sub>e emissions. There are major differences between the various coffee-growing countries.

Consequently, the company is aiming to increase the proportion of sustainable or certified products in its portfolio to 50 per cent by 2030, thus minimizing the CO<sub>2</sub>e emissions of green coffee as much as possible.

Scope 1 and 2 share is very low (less than 2 per cent). Natural gas consumption accounts for the largest share of Scope 1. Due to using electricity generated purely from renewable energy sources (only at the production site), there are no Scope 2 (market-based) CO<sub>2</sub>e emissions.

Segafredo Zanetti has set itself the target of reducing absolute CO<sub>2</sub>e emissions from Scope 1 and 2 by 42 per cent by 2030 (base year 2021), based on the Science Based Targets Initiative (SBTi).

### CO<sub>2</sub>e emissions Scope 1 and 2

Electricity and heat data are sourced from the production site in Hallwang. Fuel consumption data (diesel and petrol) includes the company's entire vehicle fleet.

The reduced consumption of natural gas led to a fall in CO<sub>2</sub>e emissions from 2022 to 2023. However, the CO<sub>2</sub>e emissions per kilogramme of pre-packaged roasted coffee remained unchanged, as the production volume decreased over the same period

EMISSIONS IN TONNES OF CO <sub>2</sub> e	2021	2022	2023
Fuel	183	201	175
Heat	651	698	609
<b>Scope 1</b>	<b>833</b>	<b>899</b>	<b>784</b>
Electricity (market/location)	0/60	0/62	0/63
<b>Scope 2 (market/location)</b>	<b>0/60</b>	<b>0/62</b>	<b>0/63</b>
<b>Scope 1 &amp; 2 (market/location)</b>	<b>833/893</b>	<b>899/961</b>	<b>784/848</b>
<b>kg CO<sub>2</sub>e per kg of pre-packaged roasted coffee</b>	<b>0.21</b>	<b>0.21</b>	<b>0.21</b>

### CO<sub>2</sub>e emissions from the roasting process after the filtre

A state-of-the-art catalytic converter was installed to reduce CO<sub>2</sub>e emissions from the roasting process. Resultantly, the Corg. value fell to less than 40mg/m<sup>3</sup> and odours have been reduced to below 2000 GE/m<sup>3</sup>. In addition, a UV light filtre was installed in the cooling system to reduce exhaust air odour emissions to almost zero.

### WASTE IN PRODUCTION

The company does its very best to avoid waste. Unavoidable waste is recycled. However, waste

plays a subordinate role within the company, meaning it's not a significant topic.

Segafredo Zanetti has a regularly revised waste management concept containing detailed information about waste and how to handle it.

Biogenic waste, cardboard and mixed waste are generated in production. Biogenic waste makes up the largest part of the company's waste output, mainly accounted for by the silver skins that separate off from the coffee beans during the roasting process.

Other forms of waste generated during production include cardboard and mixed waste. All non-biogenic and non-cardboard waste is disposed of as mixed waste.

Liquid waste is generated when cleaning the new UV filter installed in 2023, and is disposed correctly.

WASTE IN METRIC TONNES	2021	2022	2023
Mixed waste	22.87	20.39	13.88
Cardboard waste	6.44	9.52	15.25
Biogenic waste	64.78	80.1	27.11
Liquid waste	–	–	8.74
<b>Total waste</b>	<b>94.09</b>	<b>110.01</b>	<b>64.98</b>

Since June 2023, Segafredo Zanetti has been passing on the silver skins to farmers in collaboration the company Maschinenring Salzburg reg.Gen.m.b.H. The farmers use them as fertiliser, which has drastically reduced the proportion of biogenic waste.

The 'big bags' green coffee is delivered in are flexible artificial fabric containers. These are collected and sold on. Despite no longer being viable for use in the food sector, they can be reused for a variety of other purposes, and are therefore not labelled as waste.

### FURTHER PROJECTS BEARING ENVIRONMENTAL RESPONSIBILITY

Coffee that can no longer be sold due to its best-before date is sold via the 'Too Good To Go' app or donated. This counteracts coffee wastage, as hardly any coffee has to be disposed of.

In 2023, an e-charging station was installed at the production site in Hallwang for employees to charge their company cars on site. An electric car was added to the fleet at the end of 2023.

For the first time, as part of a pioneering pilot project initiated by the Austrian Coffee Association (KTV) and Altstoff Recycling Austria (ARA), all the major coffee capsule suppliers are collaborating on a raw materials recycling project. This project is running from October 2023 to the end of March 2024. The idea is to develop a standardised solution for the various resources in the raw material cycle; the main aim being to collect all the capsules

produced by the many different manufacturers, regardless of the material. Subsequently, the capsules are carefully sorted, the aluminium and plastic cleaned of coffee residue for processing and reuse in subsequent recycling runs. From October 2023 to the end of March 2024, consumers in Upper Austria, Krems Land and Schwechat can hand in all the capsules they have collected.

## **THE MZB GROUP POLICY FOR ENVIRONMENT**

The MZB Group has its own environmental policy guideline, to which all subsidiaries, including Austria, are expected to adhere. This guideline covers four key areas:

### **Energy**

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

### **Emissions**

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

### **Waste**

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

### **Raw material**

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



# SUSTAINABLE SUPPLY CHAIN

Segafredo Zanetti aims to create a resilient supply chain via sustainable activity.

Segafredo Zanetti sees the supply chain as an important lever for generating a positive impact in environmental and social terms by choosing specific suppliers and trading partners.

Social aspects in the supply chain involve human rights compliance within the company and among its business partners.

The supply chain must be given an environmentally conscious design, especially in terms of emissions. In future, environmental management assessments of all suppliers and business partners will be carried out on a regular basis.

Segafredo Zanetti insists on certified green coffee (e.g. Fairtrade, organic) reflects these concerns.

The key sustainable supply chain topics are environmental aspects of the supply chain, as well as raw ingredients and materials.

## RAW INGREDIENTS AND MATERIALS IN PRODUCTION

Segafredo Zanetti procures raw materials as responsibly and as regionally as possible. Requirements are being optimised, and procured goods used efficiently. Close attention is being given to ensuring packaging is environmentally sustainable, and implementation is constantly being improved. The company also aims to ensure certified green coffee (e.g. Fairtrade, organic, Rainforest Alliance) is used moving forward.

Green coffee is the only raw ingredient required for production. No other raw ingredients are required in the coffee roasting process.

Packaging coffee requires the use of composite materials, cardboard packaging, wrapping film, and cans for the ground coffee. Roasted coffee is filled into 500g or 1000g packaging units made of composite materials. 4, 6, 8 or 10 of these a time are packed into cardboard boxes. The cardboard boxes are stacked on pallets for transport and wrapped in film to seal and secure them. In order to reduce the volume of cardboard consumed, Segafredo Zanetti is ensuring packaging sizes are kept as large as possible. For this reason Segafredo Zanetti is gradually changing over to cardboard boxing designed to hold eight 1000-gramme bags.

Cans are also packed in cardboard boxes, stacked on pallets and secured with wrapping film.

In 2023, most of the cardboard packaging was redesigned. Full-surface printing has been phased out, significantly reducing the amount of ink required for printing.

## Green coffee

Segafredo Zanetti sources green coffee from various countries in Asia, Africa and South America. It is purchased via MZB's sister company Cofiroasters.

Fairtrade-certified organic green coffee was first purchased in 2023. As it is intended to expand production of Fairtrade organic products, the amount of Fairtrade organic green coffee purchased will increase. In 2023, Fairtrade organic green coffee accounted for 0.5 per cent of bean purchasing.

Due to a fall in production volume, the quantity of green coffee purchased fell from 5200 tonnes in 2022 to 4700 tonnes in 2023. 1.2 kg of green coffee are required to produce a kilogramme of pre-packaged roasted coffee. This figure was the same for both years.

### Packaging materials in production

The weight of packaging materials fell slightly compared to 2022 due to the reduced production volume.

PACKAGING MATERIALS IN TONNES	2021	2022	2023
Cardboard boxes	251.2	218.7	188.5
<b>Renewable materials</b>	<b>251.2</b>	<b>218.7</b>	<b>188.5</b>
Laminated film	75.5	108.7	127.0
Wrapping film	1.0	3.1	3.1
Tin cans	8.4	7.4	3.8
<b>Non-renewable materials</b>	<b>84.9</b>	<b>119.2</b>	<b>133.9</b>
<b>Packaging materials</b>	<b>336.1</b>	<b>337.9</b>	<b>322.4</b>

### SUPPLIER ASSESSMENTS

No supplier assessments of environmental and social aspects were carried out in 2023. In future, all new suppliers will be assessed, and existing suppliers reassessed on a regular basis.

Segafredo has not been able to identify any suppliers who encroach upon their employees' rights to freedom of association and collective bargaining, or who pose a significant risk of incidents of child labour, forced or compulsory labour.

### TRANSPORT ROUTES

Transportation of raw materials and products should be environmentally friendly and cover short distances. There is to be promotion of alternative and intermodal (multi-modal) transport options.

Green coffee is transported by ship from the country of origin to Europe in 1-tonne big bags. The green coffee is then transported by road freight from various ports in Europe to the production centre in Hallwang. The pre-packaged roasted coffee is delivered to customers by truck.

Segafredo Zanetti only deploys Euro 6 trucks on its transport routes. These transport routes lead primarily from the ports to the production site, and from there to the customers.

### THE MZB GROUP POLICY FOR RESPONSIBLE SOURCING

The MZB Group has its own responsible sourcing policy. All suppliers who enter into a business relationship with the MZB Group must comply with its directives. The policy reflects the comprehensive nature of the Group's commitment to sustainable and responsible practices up and down the supply chain.

#### Ethics and business integrity

- Businesses comply with the law and act with integrity.
- Businesses conduct fair operating practices.
- Businesses are accountable and maintain accurate books/records.
- Businesses respect the rights of local communities.

#### Human rights

- All workers are above the minimum age.
- All workers have freely chosen employment.
- All workers have the right to associate freely.
- All workers have reasonable working hours and rest days.
- All workers are treated fairly and impartially.
- All workers are paid faire wages with access to benefits.
- All workers' health and safety is overseen.

#### Environment

- Natural resources and biodiversity are conserved and protected.
- Energy use and waste production are reduced.
- The use of chemical substances is managed responsibly.
- Packaging is innovative and sustainable.



# RESPONSIBLE EMPLOYER

As a responsible employer, Segafredo Zanetti is aware of its obligations towards its employees, society and the environment.

Retaining existing employees is one important aspect here, as is positioning the company as an attractive employer in an increasingly difficult labour market.

A responsible employer is expected to promote the motivation, satisfaction and development of its employees. An exemplary corporate culture leads to open communication, greater mutual recognition and respect, and a more intensive exchange of knowledge.

Promoting the physical and mental health of employees is a top priority and includes safety in the workplace, especially in production.

Employees receive a free lunch at the Hallwang site and have access to free fresh fruit. Segafredo Zanetti employees also have the opportunity to take advantage of two massage sessions per month at the plant in Hallwang.

Employees can buy coffee products at cost price and receive discounts from partner companies and partner hotels.

Employees have the opportunity to undergo barista training. This is carried out by Segafredo Zanetti's own authorised 'Specialty Coffee Association' (SCA) Trainers (AST).

Key topics for the company in this area are attractive employment, health and safety in the workplace, diversity and equal opportunities, and education and ongoing training.

## EMPLOYEE SATISFACTION

Only satisfied employees can ensure corporate success in the long term. Employee satisfaction covers issues such as the type and content of work, working hours, leadership positions, organisation and management, working atmosphere, salary, information and communication, initial and further training opportunities, promotion and career opportunities, job security and cooperation between colleagues.

In 2021 and 2022, employee satisfaction was surveyed as part of the workplace health promotion (BGF – Betriebliche Gesundheitsförderung) project. Employee satisfaction was gauged at 93 per cent in 2021, and 96 per cent in 2022 for a year-on-year increase of 3 per cent.

EMPLOYEE SATISFACTION IN PER CENT	2021	2022	2023
Job satisfaction (BGF)	93%	96%	no survey

No employee satisfaction survey was conducted in 2023. An annual survey is planned for the future.

**COMMUNICATION**

Segafredo Zanetti has emphasised the importance of strong communication in recent years. Every employee has been granted access to a dedicated communication channel created using Microsoft Teams in response to the problematic nature of social interaction during the COVID-19 pandemic.

In 2022, the system was revised and expanded into OneForAll intranet with a SharePoint-based solution. This provides employees with all the information they require, keeps them up-to-date on the latest news, and facilitates an exchange of information on a wide range of topics.

The Management Board and the respective department heads report on the latest developments and upcoming projects in the monthly OneForAll calls. These calls were introduced by Management Board and made accessible to all employees. Recordings are saved on the OneForAll intranet to give employees the opportunity to listen to the calls at any time.

All department heads can discuss the various projects at the weekly Monday meeting and each department head has a regular weekly meeting with the Management Board in order to exchange ideas.

Annual appraisal interviews between leadership management and their employees were introduced in 2021. The main feedback from these meetings is discussed by HR with the Management Board, and measures devised wherever necessary.

There is an annual 2-day conference attended by all employees, combining information about the previous year, current projects and team building.

In 2023, the company established the Innovation Lab to give all employees an opportunity to contribute ideas and suggestions for improvements. The Innovation Lab team reviews the ideas and suggestions, endeavouring to implement them with the people involved.

**DIVERSITY**

At Segafredo Zanetti, encouraging diversity enables the company to take advantage of new opportunities and to promote potential. The approach is based on the notion of ensuring equal opportunities and conditions for all employees - regardless of age, gender, origin or other diversity factors.

A number of measures have been implemented in recent years to make work easier for the 50+ generation. These include the introduction of a robot arm for palletising, the delivery of green coffee in big bags that can be transported by forklift trucks, ergonomic workstations and workplace massages in Hallwang.

**Gender and generational distribution**

The proportion of female employees increased from 2022 to 2023. The Management Board continues to consist of two male managing directors.

In terms of average age, the proportion of employees aged 50+ years decreased slightly, although the absolute number remained the same. Never-

theless, the proportion of 30-50 year olds rose slightly. The proportion of employees aged under 30 is low compared to the other generations, and fell only slightly.

The company has set itself the target of ensuring the proportion of female leadership positions reflects the overall proportion of females in the workforce. In 2023, the proportion of women in leadership positions was 18.2 per cent, as it was in 2022. However, the proportion of female employees was 27.7 per cent. Thus, the target for 2023 was not achieved.

<b>EMPLOYEE DEMOGRAPHICS</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Females	17.9%	25.4%	27.7%
Males	82.1%	74.6%	72.3%
0-29 years	9.0%	9.5%	9.2%
30-50 years	55.2%	52.4%	53.8%
50+ years	35.8%	38.1%	36.9%
<b>Employees</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>LEADERSHIP POSITIONS DEMOGRAPHICS</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Females	10.0%	18.2%	18.2%
Males	90.0%	81.8%	81.8%
0-29 years	0.0%	9.1%	9.1%
30-50 years	50.0%	54.5%	54.5%
50+ years	50.0%	36.4%	36.4%
<b>Leadership positions</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**DISTRIBUTION BY EMPLOYEE CATEGORY**

	2021	2022	2023
Females	0.0%	0.0%	0.0%
Males	3.0%	3.2%	3.1%
0-29 years	0.0%	0.0%	0.0%
30-50 years	1.5%	1.6%	1.5%
50+ years	1.5%	1.6%	1.5%
<b>Management Board</b>	<b>3.0%</b>	<b>3.2%</b>	<b>3.1%</b>
Females	1.5%	3.2%	3.1%
Males	10.4%	11.1%	10.8%
0-29 years	0.0%	1.6%	1.5%
30-50 years	6.0%	7.9%	7.7%
50+ years	6.0%	4.8%	4.6%
<b>Head of department</b>	<b>11.9%</b>	<b>14.3%</b>	<b>13.8%</b>
Females	16.4%	22.2%	24.6%
Males	58.2%	50.8%	41.5%
0-29 years	7.5%	7.9%	4.6%
30-50 years	43.3%	38.1%	40.0%
50+ years	23.9%	27.0%	21.5%
<b>Employees</b>	<b>74.6%</b>	<b>73.0%</b>	<b>66.2%</b>

	2021	2022	2023
Females	0.0%	0.0%	0.0%
Males	10.4%	9.5%	16.9%
0-29 years	1.5%	0.0%	3.1%
30-50 years	4.5%	4.8%	4.6%
50+ years	4.5%	4.8%	9.2%
<b>Workers</b>	<b>10.4%</b>	<b>9.5%</b>	<b>16.9%</b>

**EDUCATION AND ONGOING TRAINING**

Education and ongoing training enable Segafredo Zanetti employees to gain knowledge required for their respective areas of work, and remain up-to-date to be prepared for changes in the world of work. Personal development is an important educational aspect and helps to promote the long-term competitiveness of the company.

The Segafredo training voucher was introduced for all employees in 2022. Each employee is entitled to an equivalent of half their gross monthly salary per calendar year. This sum can be used for further specialised and ongoing training. The application is easily and unbureaucratically accessible for all employees.

However, there is still no standardised reporting of training hours. Segafredo Zanetti is currently working on a comprehensive reporting system.

**HEALTH AND SAFETY IN THE WORKPLACE**

People are the company's most important resource, so promotion of the physical and mental health of

employees has a high priority. Safety in the workplace, especially in production, is constantly being improved.

Segafredo Zanetti belongs to the Workplace Health Promotion (BGF – Betriebliche Gesundheitsförderung) network and was awarded the BGF seal of approval in 2023. Workplace health promotes physical, mental and communal health. The seal of approval for workplace health promotion was awarded for 2023 to 2025. Courses on various areas of health are offered via the BGF network. Every employee is entitled to take part in these courses – free of charge and at any time.

Three appointed first aiders will be present in production in 2023 and will receive regular training. In 2024, there is to be an additional point of emphasis on first-aid training for field staff.

The company is supervised by an occupational physician and a safety expert from the General Accident Insurance Board (AUVA).

**Health**

A massage and shiatsu programme has been available to all employees at the Hallwang site since 2021. A trained masseur comes to the site every fortnight and a further offer to the sales offices is currently being evaluated.

Furthermore, Segafredo Zanetti offers its employees a varied selection of sports via the myClubs app. The app can be used to train with over 1000 sports service providers - including yoga, sports and fitness studios.

Ergonomic office workstations have been installed in Hallwang. Height-adjustable desks help to make working more comfortable and convenient.

**Safety**

The company has two safety representatives (SVP) in compliance with legal requirements.

The task of the safety representatives is to inform, advise and support employees and the workforce's representative bodies in all matters relating to health and safety. Safety representatives also represent the interests of employees (and consult with the employee bodies) as regards interaction with the employer, the competent authorities and other bodies. They advise employers on the implementation of employee safety measures, ensure that the appropriate facilities and precautions are in place, and inform employers of any deficiencies. They ensure that the necessary protective measures are applied and work together with safety experts and occupational physicians.

Safety representatives carry out unannounced inspections at regular intervals. If risks are identified during these inspections, they are immediately discussed with the responsible head of department. Measures are implemented to minimise risks.

Beginning in 2022, an annual virtual training session has been held for all production-area employees. These training sessions are recorded and used to train other new employees.

The safety representatives regularly conduct workplace inspections with the workshop manager.

**Accidents**

As in 2022, there were no accidents at Segafredo Zanetti in 2023.

**EMPLOYEES**

NUMBERS	2021	2022	2023
Total work-related injuries	0	0	0
Work-related injuries with serious consequences	0	0	0
Number of hours worked	115 898	109 751	102 625
TRIR <sup>1</sup>	0.0	0.0	0.0

**EMPLOYMENT TREND**

Workforce size remained at almost the same level. The number of employees rose from 63 in 2022 to 65 in 2023. Vacant positions are generally filled, but with a delay explained primarily by the shortage of skilled labour, the baby boomer generation retirement wave and a phenomenon known as 'The Great Resignation'.

Collective agreements apply to all employees. At Segafredo Zanetti, two valid collective bargaining agreements apply in their respective versions: Salaried employees and apprentices in retail companies have their own collective agreement. Wage earners are subject to a separate collective agreement

NUMBERS	2021	2022	2023
Employees	67	63	65

<sup>1</sup> Berechnungsgrundlage: 1.000.000 Arbeitsstunden

### Type of employment

The proportion of employees working part-time is 13.8 per cent, a rise of almost 6 per cent on the previous year. All employees have a permanent employment contract.

NUMBERS	2021	2022	2023	%
Females	3	5	8	44.4%
Males	1	0	1	2.1%
<b>Part-time</b>	<b>4</b>	<b>5</b>	<b>9</b>	<b>13.8%</b>
Females	9	11	10	55.6%
Males	54	47	46	98.0%
<b>Full-time</b>	<b>63</b>	<b>58</b>	<b>56</b>	<b>86.2%</b>

### Fluctuation

Staff turnover at Segafredo Zanetti fell from 2022 to 2023.

The company offers every departing employee an exit interview in which the reasons for leaving can be discussed. The reasons are analysed by HR and discussed with the Management Board to devise measures for strengthening employee retention.

Segafredo Zanetti has set itself the goal of keeping annual staff turnover below 30 per cent. The figure for 2023 was well below the target at 22.2 per cent. Generally speaking, higher fluctuation rates are not unusual in smaller companies.

NUMBERS	2021	2022	2023	%
Females	5	5	2	12.5%
Males	17	15	12	25.5%
0-29 years	0	4	5	83.3%
30-50 years	16	10	7	21.2%
50+ years	6	6	2	8.3%
<b>Resignations</b>	<b>22</b>	<b>20</b>	<b>14</b>	<b>22.2%</b>

### Entries

Most of the employees who left the company in 2023 have been replaced. A new position for e-commerce was established.

NUMBERS	2021	2022	2023	%
Females	4	5	5	31.3%
Males	20	11	9	19.1%
0-29 years	3	2	6	100.0%
30-50 years	21	10	8	24.2%
50+ years	0	4	0	0.0%
<b>Entries</b>	<b>24</b>	<b>16</b>	<b>14</b>	<b>22.2%</b>

### Interns and trainees

The company offers young people the opportunity to gain work experience in a company for a few weeks in the summer. Areas of responsibility vary, and range from the marketing department to the production department.

Segafredo Zanetti is currently not training apprentices.

# CORPORATE GOVERNANCE

Segafredo Zanetti is committed to complying with the principles of correct corporate governance, to which transparency and correct reporting contribute significantly. Accepting responsibility for digital activity is also important for the company, as are the responsible handling of information and data protection.

## MZB CODE OF ETHICS

The Code of Ethics is binding for all entities, directors, managers, salaried and waged employees, auditors, audit firms, agents, co-operating businesses, and anyone acting on a significant and continuous basis on behalf of, or in the interests of, the MZB Group.

The ethical principles should inspire all activities of the MZB Group, also when carried out by suppliers, consultants, dealers, contractors or subcontractors, business partners, consortia or joint ventures, who must also comply with the rules of the Code of Ethics in the respective areas.

## Principles and values

- Legality
- Responsibility
- Honesty and fairness
- Transparency
- Integrity
- Reliability
- Objectivity
- Respect
- Environment and Safety
- Quality
- Social responsibility

## Areas of the Code of Ethics

- Relationships with shareholders and the market
- Relationships with authorities, public administrators and private business partners
- Transparency of accounting and internal controls
- Personnel policy
- Confidentiality
- Environment and Safety
- Code of Ethics implementation

## COMPLIANCE

The company's actions must be ethically correct and comply with legal requirements at all times.

There must be no known violations of laws and regulations, or cases of corruption.

In 2023 at Segafredo Zanetti, there were no legal proceedings due to anti-competitive behaviour, illicit antitrust or monopoly practices, no violations of product and service information rules, or labelling rules, and no violations in connection with marketing and communication.

## WHISTLEBLOWING

The MZB Group developed a whistleblowing policy in 2022.

Ethical behaviour is promoted and individuals are encouraged to report unlawful behaviour or breaches of company regulations.

The MZB Group has implemented a system for reporting violations that includes the confidentiality of the whistleblower's identity, and ensures he/she is protected from discriminatory or retaliatory measures.

# OUTLOOK

The aim is to eliminate all reasons that could prevent or hinder the submission of reports.

A possible violation can be submitted by e-mail or by registered post.

## DATA PROTECTION

Compliance must be ensured with all European General Data Protection Regulation (GDPR) requirements. Every employee receives training on the GDPR and data protection rules. Information on data protection is available to all employees at all times.

In future, products with Fairtrade and organic certification are to be manufactured in Austria. To this end, in 2023 production was audited for both forms of certification. The first Fairtrade and organic products will be available in 2024 for both the Mass Market and Food Service segments. Additional products are to follow.

Hot Ciok is now a Rainforest Alliance-certified product, and the Brodies tea range has been expanded to include an organic tea selection.

CartoCan 'Ready to Drink' cold coffee drinks are a new product. Packaging involves the use of an innovative and environmentally sustainable cardboard tube-can made with 70 per cent renewable raw materials (FSC certified). The drink bears Rainforest Alliance certification.

ISO 14001-compliant environmental management is to be introduced in production in Hallwang in 2024.

There are plans to set up a supplier evaluation system. All new suppliers will be subject to evaluation. Existing suppliers will be reassessed on a regular basis.

One point of focus for 2024 is the improvement of sustainability data processing. A standardised process is to be established, and this will also improve quality.

In future, developments in sustainability topics and key figures will be summarised and published in an annual Segafredo Zanetti sustainability report to be made available on the website



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