

JOY TO GO

FOR GENERATIONS TO COME



FOREWORD FROM CEO

The role we all play, as individuals and as a business, in addressing climate change is central for us at Selecta, as well as for our clients and consumers.

Selecta's purpose is to bring moments of joy to our consumers millions of times a day by serving them delicious food and drinks at any time, in the workplace and on the go. Sustainability is an integral part of bringing our purpose to life as sustainable sourcing and distribution ensures we can meet the needs of our clients and consumers, today and in the future.

In 2022, we planned and executed a reinvention of our Pelican Rouge Coffee brand to make it fully sustainable. With over 150 years of history in the brand and over 585 million cups of Pelican Rouge coffee consumed every year, we understood that it was a bold move both from an economic and consumer perspective. At Selecta, we have a long-term vision. We want to be a leader within our industry and ensure that we do the right thing, right away. A complete rebrand within a year is an incredible result for us, and it has been well received by our clients and consumers who appreciate the new sustainable approach of Pelican Rouge.

Another accomplishment of 2022 was in setting the tone and approach for electrifying our fleet of vehicles. The way in which we distribute our product to our clients is vital in reducing our carbon footprint. We introduced two lighthouse projects in two major European cities, Amsterdam and Oslo, where we led the way for electrifying our fleet. With an outstanding reception from our clients and our associates, these lighthouse projects have provided clear evidence around the importance of electric vehicles, and a huge incentive for us to continue and accelerate our efforts to fully electrify our fleet by 2030.

Sustainability will continue to be at the forefront of everything we do – in our purpose, business processes and Culture Principles. In 2023, we will continue to execute on our existing programs – rolling Pelican Rouge out to more clients, expanding our impact in coffee communities through our farm-level projects; further electrifying our fleet of vehicles to reduce our carbon footprint. We will also continue our efforts with suppliers to deliver more sustainable food packaging and shift to multi-use cups.

We are also focused on communicating more with our consumers so they are aware of the sustainability of the products they consume. There are roughly 10 million moments per day where we interact with clients or consumers through our products, and every moment matters. Our aim is to bring a second “joy moment” as individuals feel good that the product they purchased was produced and distributed in a sustainable way.

I'm excited for what the future holds, and I look forward to continuing to collaborate with our clients, partners, associates, and other stakeholders in 2023 to enhance our impact, reduce our footprint and ensure joy to go – not only for today, but also for generations to come.





Marissa Célette

Chief Strategy and Sustainability Officer, Selecta Group

INTRODUCTION FROM CHIEF STRATEGY AND SUSTAINABILITY OFFICER

At Selecta, it's clear that sustainability is not only the right action for society and the environment, but it is an essential element in delivering high-quality, competitive, and value-add solutions to our clients and consumers.

We emphasize sustainability in all aspects of our business. It is part of our ONE Selecta principles, incorporated in the needs analysis discussions with our clients, embedded in our product roadmap with suppliers, and integrated across our operations and distribution.

Sustainability must be part of our daily way of working to deliver significant results at an accelerated pace. We've set ambitious targets to achieve net zero carbon emissions from Selecta operations by 2030 and across our supply chain by 2040. To reach these goals, we are investing in telemetry and electric vehicles and are making fundamental changes in our daily route planning and operations. We are actively working with suppliers to reduce carbon emissions across our supply chain, including building regenerative farming techniques into our farm-level programs.

Arguably our biggest achievement in 2022 was the relaunch of Pelican Rouge coffee as a fully sustainable brand – with RFA certification, traceability, recyclable packaging, inseting programs to reduce the carbon footprint, and farm-level programs supporting our farmers. This successful relaunch was a testament to the passion and hard work of functional experts across the Pelican Rouge Coffee Roaster and Selecta who worked tirelessly to bring the new Pelican Rouge coffee to consumers in record time.

Our sustainability report highlights the impact we delivered across our sustainability pillars last year, from healthier assortments and more sustainable products like the Pelican Rouge coffee, to our CO₂ reductions in our fleet and real estate, to the launch of a Diversity & Inclusion program across Selecta. It is a chance to step back and reflect on how much has been accomplished, as we continue our efforts to deliver a more sustainable tomorrow.

ABOUT SELECTA GROUP

Selecta is the Foodtech leader in Europe focused on bringing 10 million moments of joy to consumers every day. We do this through innovative solutions, world-class brands and best-in-class service across the 16 European markets we serve. We pride ourselves on delivering joy – one coffee, one bite, and one smile at a time.

Our purpose

Making people feel great millions of times a day by bringing them delicious food and drinks at any time, in the workplace and on the go.

Our vision

Selecta is the world-class distributor for world-class brands.



Our business

Selecta Group is a Foodtech company that has been headquartered in Switzerland since 1957, with a leading route-based, self-service distribution network in Europe. We specialize in offering innovative food solutions and world-class coffee brands in the workplace and public spaces. With an annual turnover of €1.4 billion, our success is due to our 6,500 talented and dedicated associates who deliver moments of joy for our clients and their consumers every single day.

Since 2020, we have transformed Selecta to a 'ONE Selecta' approach across our 16 markets. One of the key components is our 'glocal' model which combines a group-level strategy with local execution. This approach has allowed Selecta to move toward a consistent core range of solutions, drive scale in our relationship with suppliers and partners, and ensure the execution of critical sustainability programs such as the expansion of telemetry or group-wide training platforms. Whilst we focus on the benefits and effectiveness of this approach, we also understand that specific local needs and relationships remain important too. For example, we source fresh food for our Foodies solutions from local and regional suppliers to keep our supply chains short and the products fresh.

Part of this transformation to a ONE Selecta approach has been the implementation of the Selecta Belief System which is central to how we do business. Building on our purpose of delivering millions of moments of joy every day, the belief system highlights what we believe we need to do every day to bring our purpose to life. It starts by fundamentally understanding our clients and consumers' needs so we can bring tailored solutions that meet those needs. Once the solutions are in place, it's Selecta's role to deliver industry leading service. We believe that can only be done if we act on all inquiries within 24 hours and provide solutions within 48 hours. Through taking these steps, we are confident that we can retain 100% of our clients, grow existing clients and win new ones. This is what we strive to deliver every day.

ONE SELECTA BELIEF SYSTEM RITUAL

- We **BELIEVE** in delivering millions of moments of JOY every day.
- We **BELIEVE** in completing a Joy Needs Analysis that solves for our clients' and consumers' needs.
- We **BELIEVE** in innovative solutions and services that create joyful experiences and moments by understanding those needs.
- We **BELIEVE** in delivering industry leading service, acting on all inquiries within 24 hours & providing solutions within 48 hours.
- We **BELIEVE** in retaining 100% of our clients, growing our existing ones and winning new ones.

Our innovative solutions

We are constantly developing innovations which meet the changing needs of our clients and consumers. Whether it be self-service canteen replacements, wholesale delivery, fresh food, or quality coffee moments, we strive to bring the right solution to our clients.

One of our innovative solutions is Foodies, which offers a huge range of fresh and nutritious, vegan and plant-based dishes. It is a modular concept, and its size and features can be tailored to each client. Completely self-service and attendant-free, its 24/7 food and drink service complements modern spaces. On a smaller scale, we offer Foodies Grab & Go which provides fresh drinks and healthy snacks from smart fridges, offering a healthier alternative to conventional vending machines; Grab & Go also offers a hot steam food solution, where we provide healthy, fresh, and hot meals in less than a minute.

Our coffee solutions keep everyone happy and energized and are tailored to the needs of our clients on-the-go or at the workplace. From tabletop coffee machines for small office spaces, to bean-to-cup machines for coffeehouse moments and floor-standing machines for large offices, we offer a vast range of options. For commercial use, we offer barista-style machines for a vibrant coffee experience. Complementing these machine solutions is the coffee corner, elevating the coffee machine into a joyful modern space for a coffee break. Alongside our coffee solutions, we also offer hot tea assortments and chilled water solutions that provide fresh and filtered water.

Our classic vending solutions and more modern smart vending solutions provide a wide range of refreshment solutions, tasty and healthy snacks, and hot and cold drinks from trusted brands. Our new “snack market” concept – a low-cost and low energy-consumption alternative to our classic vending solutions – also offers a wider range of snacks and beverages since a wider range of product sizes and shapes can fit this solution.



Our brands

We pride ourselves in our products and materials. We source from well-known A-brand partners, including global and local suppliers, who provide us with hot and cold drinks, snacks, fresh food, disposables, and other products.

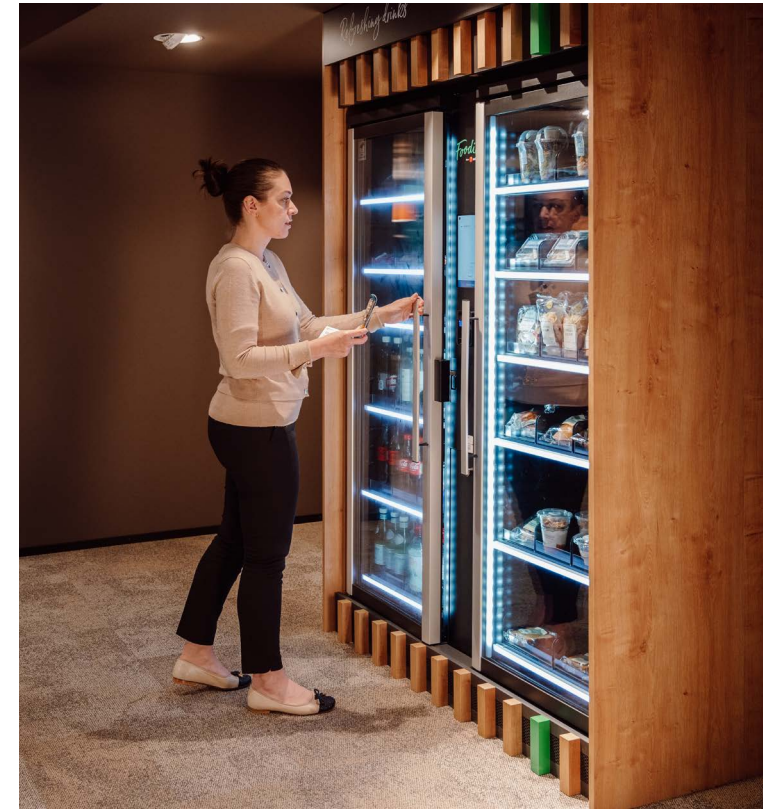
We provide high-quality coffee across our markets through our own brands and coffee partnerships. Our own brands – Pelican Rouge and Miofino – are produced by our Pelican Rouge Coffee Roasters roasting facility in the Netherlands. Pelican Rouge sets itself apart with its fully sustainable coffee and expertise from bean to barista: from sourcing and roasting, to blending and serving.

We also engage in partnerships with leading global coffee brands such as Starbucks, Lavazza, Nescafé, and Zoégas. Through our ‘We Proudly Serve Starbucks® Coffee’ program we provide an automated self-service option for a wide selection of Starbucks beverages within the workplace or on the go. Similarly, through our Nescafé social hubs, we create a rich coffee experience for the workplace. Our partnership with Lavazza makes a broad range of Lavazza coffee solutions available for clients of all sizes, including the ‘Lavazza Everyday’ concept for locations with large audiences.

Certified sustainable options are available for all coffee brands we serve, including Fairtrade and Rainforest Alliance. Our goal is to increase the share of certified coffees, building upon our work in 2022 to make our Pelican Rouge coffee brand fully certified.

Our partnerships go beyond coffee. We actively work with some of the best A-brand companies – like Mars, Coca-Cola and Red Bull - to bring their products to the consumers who love them.

In our Foodies micromarket solutions, we partner with top retailers in specific markets such as Coop in Switzerland, Albert Heijn in the Netherlands and Delhaize in Belgium. These retail partnerships allow us to provide fresh and nutritious food solutions from top local retailers and ensure a short supply chain.





Key Facts & Figures

Present in

16 countries
across
Europe

365k installations

€ 1,4 billion revenue

10
MILLIONS OF
MOMENTS OF
JOY DELIVERED
EVERYDAY

6,500
passionate associates
& owner-associates

Our clients

The needs of our clients are central to our work and are at the heart of what we do. We established our One Selecta Belief System to ensure that as a first step, we understand the business needs of our clients and then work to develop tailor-made solutions that bring joy to our consumers through our food and drink solutions.

Our client base is large and varied, including a mix of small and medium-sized enterprises and large companies in diverse sectors such as healthcare, education, retail, public transport, petrol, hotels and leisure, restaurants and cafés, office spaces, manufacturing, and logistics.

Our governance

The Selecta Group is a private limited company. Our governance consists of a Board, an Operating Committee (OpCo), and group-wide Leadership Forums that are critical for the execution of our strategy.

Selecta's Board is responsible for the approval of the Group's strategy, business and financial plans and results. It has formal oversight of appointment and removal of senior executives, approves significant investment and divestment decisions, and reviews the critical strategic initiatives across the Group. The Board and its Audit Committee have regular meetings throughout the year.

The OpCo consists of the group-level functional leaders reporting into our CEO and Chairman, who are responsible for ensuring the execution of our Selecta strategy and purpose. Our Group-level functional leaders represent the following areas: Finance, Human Resources, Technology, Service, Commercial, Procurement, Strategy, Sustainability and Legal. These leaders are responsible for developing and executing the functional strategy at Group level and across local entities.

Selecta's Leadership Council is a forum consisting of OpCo members and the leaders of Selecta's largest markets. The Council meets regularly virtually and in-person to discuss critical topics across the organization and ensure the One Selecta strategy is executed in all markets. The Leadership Circle comprises the members of the Leadership Council plus the country leadership teams and representatives across Group-level functions and is responsible for execution of key strategic initiatives.

Sustainability topics are discussed across these layers; day-to-day decisions about sustainability are made at the OpCo level, driven by the Chief Strategy & Sustainability Officer. Regular updates and calls to action are discussed in the broader leadership groups. In addition, specific cross-functional committees have been established to further embed sustainability across the Group: the Sustainability Network, Diversity & Inclusion Working Group, and Health & Safety Committee.

Execution of the sustainability initiatives are driven by the Chief Strategy and Sustainability Officer, along with the wider sustainability network. This sustainability network includes leads from key Group-wide functions such as fleet or real estate and representatives from the markets. This network provides feedback on Group-wide sustainability initiatives, supports in local execution, and identifies new ideas which are relevant for our local clients and consumers. Regular reviews are also made market-by-market to track progress and execute larger initiatives.

Another critical group across Selecta is our 170 owner associates who have an equity stake in the company. Individuals who are driving the ONE Selecta transformation and demonstrating hard work and leadership have the opportunity to become a co-owner of the company. This unique structure gives owner associates a further responsibility for cascading Selecta's Principles, Belief System, and transformation initiatives and in return, the opportunity to benefit from the successful transformation of the company. Owner associates meet monthly to highlight key initiatives underway.

OUR SUSTAINABILITY APPROACH

As Europe's leading food and drink solutions provider in the workplace and on the go, we bring millions of moments of joy to people every day. Sustainability is an integral part of the way we do business. We have developed a structured approach to work toward a sustainable future in collaboration with our associates, clients, suppliers, and other key stakeholders. Together, we have committed ourselves to four strategic pillars, targeting the key areas in which we can make a positive impact.

¹ The group-wide sustainability approach was developed in 2018 based on a materiality analysis for which internal and external stakeholders were consulted. The materiality matrix can be found in the Sustainability Report 2018.

As ONE Selecta, we are committed not only to delivering high-class service, but also to doing so in a sustainable way – with respect for our environment, our consumers, our communities, and our associates. In 2021, we focused on strengthening our sustainability approach; we reviewed the structure of our sustainability pillars, identified vital signs for all key impact areas, and set clear targets. Furthermore, we continued implementing existing initiatives, and started working on new initiatives that will help us reach our targets.

We have structured our sustainability approach around material issues where Selecta can make an impact. This has been done in collaboration with our associates, clients, and other key stakeholders based on a materiality assessment conducted in 2018 and has evolved with our changing business throughout the years¹. We intend to complete a full 'double materiality' assessment at the end of 2023 to recalibrate our list of topics and prepare for elements of the Corporate Sustainability Reporting Directive (CSRD) reporting framework.

In this report, we have also included a Global Reporting Initiative (GRI) table to show our commitment in complying with the GRI guidelines, and to inform our readers on what matters to us and why. To find out more, [click here](#). In addition, we included a matrix of the UN Sustainability Development Goals (SDGs) to illustrate our Sustainability Pillars, efforts, and the selected SDGs that Selecta has identified as areas where we can make the most material impact ([see Annex 1](#)).

Selecta's Sustainability Approach

The needs of our clients are central to our work and are at the heart of Selecta has committed to four strategic pillars, and we have further advanced our key initiatives within each of these pillars over the course of 2022.

In this report, we will illustrate the initiatives and progress we have made across our four strategic pillars.



“ Arguably our biggest achievement was the relaunch of the Pelican Rouge coffee brand as a fully sustainable brand – with RFA certification, traceability, recyclable packaging, inseting programs to reduce the carbon footprint and farm-level programs supporting our farmers. ”

Marissa Célette

Chief Strategy & Sustainability Officer, Selecta Group

The four strategic pillars of our sustainability approach encompass the key topics that are of major importance to our business.

RESPECTING OUR ENVIRONMENT

HEALTHY AND SUSTAINABLE PRODUCTS

SUSTAINABILITY IN OUR SUPPLY CHAIN

BEING AN EMPLOYER OF CHOICE

Key highlights

Respecting the environment

We focus on the reduction of CO₂ emissions across our value chain, from farm to cup. In line with the Paris Agreement², we have developed carbon reduction targets to become a Net Zero company. This means that the emissions that occur in our company and supply chain do not contribute to climate change. For Scope 1 and 2 emissions we plan to be Net Zero by 2030, and for Scope 3 emissions by 2040. Our key initiatives to reduce our Scope 1 and 2 emissions are route optimization through telemetry, the transition to a fully electric fleet, and further shifting to renewable energy in our buildings. For Scope 3 emissions, our initial focus is reducing emissions in our coffee supply chain, particularly at the farm-level where most emissions occur.

Healthy and sustainable products

We integrate circularity in our client solutions, from packaging to waste reduction and recycling. To reduce the footprint of our packaging materials, we are working toward 100% use of recyclable packaging at the Pelican Rouge roasting facility by 2025, and 50% use of recyclable packaging for our total assortment by 2030. We aim to reduce the amount of food waste to a maximum of 5% of our sales by 2025. We are also continuing our successful in-house program to refurbish our machines, thus ensuring the sustainability of our machine park.

Through our Foodtech solutions, we offer a wide range of certified sustainable coffee and other products, including a growing range of healthier, plant-based, and diet-specific choices. We aim to further expand the share of healthier choices in our assortment. In this context, our goal is that 60% of our fresh food assortment and 30% of our snack market assortment should have a Nutri-Score A or B by 2025.

Sustainability in our supply chain

We are committed to sourcing our raw materials and products responsibly, and to having a positive impact on the countries and communities we source from. Our ambition is that 100% of Pelican Rouge brand coffee from our roasting facility should be certified sustainable by 2023. In addition, all suppliers should comply with the principles of the Selecta Supplier Code of Conduct by 2025.

Through the Selecta Coffee Fund, we invest in farm-level programs in the coffee communities we source from, and collaborate with our supply chain partners to build long-term sourcing partnerships and support farmer livelihoods, social equity, and thriving ecosystems. Our goal is to directly reach at least 2,500 and, indirectly, 15,000 farmer families through the Selecta Coffee Fund by 2025.

Employer of choice

Bringing moments of joy begins with a joyful workplace. Our associates are at the center of our success, and we are committed to offering long-term career prospects, supported by learning and development programs with the highest ethical standards. We prioritize health and safety of our associates, and work toward zero preventable accidents in our workplace.

We focus on diversity and inclusion in the way we work and the way we make recruitment and promotion-related decisions. Providing equal opportunities for women is an important part of this; therefore, we have set a goal for 40% of all Selecta positions and 40% of first-level leadership positions to be held by women by 2024.

In 2021, we continued to implement our sustainability approach across the Selecta Group. The roll-out of our sustainability initiatives, the monitoring of progress, and the development of new projects and sustainable client solutions is guided by our leadership team. The targets we set support us in reaching our sustainability goals and in tracking progress. Our sustainability goals, as well as key results and activities of 2022, are summarized in Table 1. This report further highlights the activities and results achieved in 2022.

Figure 1: The four strategic pillars of our sustainability approach encompass the key topics that are of major importance to our business

² The goal of the Paris Agreement is to limit global warming to well below 2 degrees Celsius, and preferably to 1.5 degrees Celsius, compared to pre-industrial levels.

OUR SUSTAINABILITY GOALS AND RESULTS

TOPICS	TARGETS	INITIATIVES	PROGRESS IN 2022	GOALS FOR 2023
RESPECTING THE ENVIRONMENT				
CARBON FOOTPRINT REDUCTION	<ul style="list-style-type: none"> Net zero emissions in Scope 1 and 2 by 2030 5% annual emission reduction of Scope 1 and 2 100% of the new benefit cars are electric by 2025 100% of the new operations cars are electric by 2030 	<ul style="list-style-type: none"> Fleet electrification Route optimization and telemetry Renewable energy in owned warehouses and offices Energy saving through temperature management, LED lighting etc. 	<ul style="list-style-type: none"> Reduced the number of vehicles from 5,071 to 4,785 vehicles Achieved 89 electric vehicles Launched Lighthouse projects with a full electric fleet in Amsterdam and Oslo 115,000 machines with telemetry across Selecta Expanded Telematics to improve driver behaviour and fuel consumption 	<ul style="list-style-type: none"> Complete the Telematics implementation to increase safe & eco-friendly driving behaviour Complete the telemetry roll-out to addressable machines across the Group Accelerate our transition to a full electric fleet by reaching 480 electric vehicles by the end of 2023 Continue energy saving efforts in our physical assets (both leased and owned)
	<ul style="list-style-type: none"> Net zero emissions in Scope 3 by 2040. 100% of the CO₂ Pelican Rouge coffee brand is compensated or reduced by 2025 	<ul style="list-style-type: none"> CO₂ baseline for scope 3 emissions Farmer-level offsetting & insetting programs in our coffee supply chain Client solutions with lower CO₂ footprint 	<ul style="list-style-type: none"> Prioritized our Scope 3 impact areas Launched two new farm-level programs and strengthened CO₂ reduction aspects of two previous programs Determined the CO₂ footprint of our PLNT products and reduction vs. milk products 	<ul style="list-style-type: none"> Calculate the CO₂ baseline for scope 3 emissions Initiate CO₂ baseline assessments and initiatives in our farm-level programs with clear target carbon reductions
WASTE	<ul style="list-style-type: none"> 30% reduction of waste to landfill by 2030 	<ul style="list-style-type: none"> Waste management programs at our owned warehouses and offices Increase our recycling efforts in the Pelican Rouge roaster 	<ul style="list-style-type: none"> Launched a pilot with Caffelinc to upcycle off-spec coffee beans from our roaster Donated 2,000 kg of coffee from our Pelican Rouge roaster to reduce waste 	<ul style="list-style-type: none"> Continue setting up waste management programs across Selecta owned sites
HEALTHY AND SUSTAINABLE PRODUCTS				
CIRCULARITY	<ul style="list-style-type: none"> 100% recyclable packaging at Pelican Rouge by 2025 50% recyclable packaging of the total assortment by 2030 	<ul style="list-style-type: none"> Sustainable & circular alternatives for packaging Recycling of cups, coffee bags, and coffee grounds Refurbishment of our machines 	<ul style="list-style-type: none"> Launched the new Pelican Rouge blends in mono-material packaging Launched a pilot in partnership with Caffelinc to upcycle spent coffee grounds Continued refurbishing machines in our sites across Switzerland, Spain & BeNeLux Introduced reusable mugs in Selecta offices Continued phase out of plastic cups 	<ul style="list-style-type: none"> Transition all the Pelican Rouge coffee blends to mono-material bags by Q1 2023 and broaden the scope to instant coffee Identify new opportunities for re/upcycling packaging and spent coffee grounds Offer our clients circular solutions such as cups recycling and upcycling spent coffee grounds Continue to offer machine refurbishment to our clients
FOOD WASTE	<ul style="list-style-type: none"> Reduce food waste to a maximum 5% of sales by 2025 	<ul style="list-style-type: none"> Increase the efficiency and accuracy of our planograms and consumer awareness campaigns Set-up partnerships with food suppliers 	<ul style="list-style-type: none"> Adjusted the filling rate and planograms of Smart Fridges to prevent food waste Offer discounted and free give-aways of Best Before Date (BBE) products to local non-profit organizations 	<ul style="list-style-type: none"> Tailor the assortment based on forecasted sales data to continue minimising waste Set up partnerships with 'fight food waste' companies or innovators
HEALTHY CHOICES	<ul style="list-style-type: none"> 60% of Foodies assortment and 30% of snack market assortment have Nutri-Score A/B by 2025 	<ul style="list-style-type: none"> Nutri-score labelling on all pre-packed foods. Increase consumer awareness 	<ul style="list-style-type: none"> Initiated Nutri-Score labelling Achieved average 48% of Foodies Micromarkets assortment with a Nutri-Score rating A or B 	<ul style="list-style-type: none"> Increase the share of Nutri-Score A and B in Foodies micromarkets, and other solutions Continue to position the healthier products in prime space of the planogram

OUR SUSTAINABILITY GOALS AND RESULTS

TOPICS	TARGETS	INITIATIVES	PROGRESS IN 2022	GOALS FOR 2023
SUSTAINABILITY IN OUR SUPPLY CHAIN				
RESPONSIBLE SOURCING	<ul style="list-style-type: none"> 100% of Pelican Rouge coffee from our roaster is certified by 2023 	<ul style="list-style-type: none"> Rainforest Alliance (RA) and Fairtrade (FT) certification of coffee 	<ul style="list-style-type: none"> Newly-launched Pelican Rouge coffee blends are fully certified by RA or FT 53% of the coffee sold by Pelican Rouge coffee roaster was RA/FT certified 25% of all coffee sold by Selecta was RA/FT certified Launched a traceability system to increase our coffee supply chain transparency 	<ul style="list-style-type: none"> Source certified RA/FT coffee for Pelican Rouge branded coffee Expand the coverage of our traceability system in our coffee supply chain
	<ul style="list-style-type: none"> >2500 farmer families supported through the Selecta Coffee fund by 2025 	<ul style="list-style-type: none"> Selecta Coffee Fund partnerships in coffee-producing communities 	<ul style="list-style-type: none"> Developed two new farm-level programs in Colombia and Honduras Supported directly 1.040 farmers in Burundi and Rwanda; supported 1.563 farmers across all Selecta Coffee Fund programs 	<ul style="list-style-type: none"> Execute new farm programs in Honduras and Colombia; Kick-off program in Vietnam Develop next steps in Burundi and Rwanda Identify a farm-level program in our largest country of origin: Brazil Expand Selecta Coffee Fund awareness and contributions to all Selecta markets
	<ul style="list-style-type: none"> All suppliers comply with the principles of the Selecta Supplier Code of Conduct by 2025 	<ul style="list-style-type: none"> Selecta Supplier Code of Conduct 	<ul style="list-style-type: none"> Developed the Supplier Sustainability Assessment Completed assessments of suppliers which represent 80% of spend across the Group 	<ul style="list-style-type: none"> Roll-out Supplier Sustainability Assessments to all Selecta suppliers
EMPLOYER OF CHOICE				
HEALTH & SAFETY	<ul style="list-style-type: none"> Zero preventable accidents in our workplace 	<ul style="list-style-type: none"> Selecta Associates Health & Safety Program 	<ul style="list-style-type: none"> Launched and implemented a new Group Health & Safety policy Implemented Group-wide incident reporting in our data reporting system 	<ul style="list-style-type: none"> Further strengthen our health & safety network with best practices Launch trainings for our associates on key health & safety topics
DIVERSITY & INCLUSION	<ul style="list-style-type: none"> 40% of all Selecta positions and 40% of first-level leadership positions are held by women by 2024 	<ul style="list-style-type: none"> Selecta Diversity & Inclusion Program Selecta Diversity & Inclusion Policies around fairness in recruiting, promotion and compensation 	<ul style="list-style-type: none"> Launched the D&I program across the Group Increased women in First-Level Leadership roles (26%, +3% vs. 2021) and Country Leadership roles (19%, +3%) Reached 43% women on our Group OpCo, and 21% women on our Leadership Council 	<ul style="list-style-type: none"> Roll-out the Selecta Diversity & Inclusion Program and meetings across the group Continue to embed our D&I program with local activities for associates across the Group

RESPECTING OUR ENVIRONMENT



CO₂ IMPACT

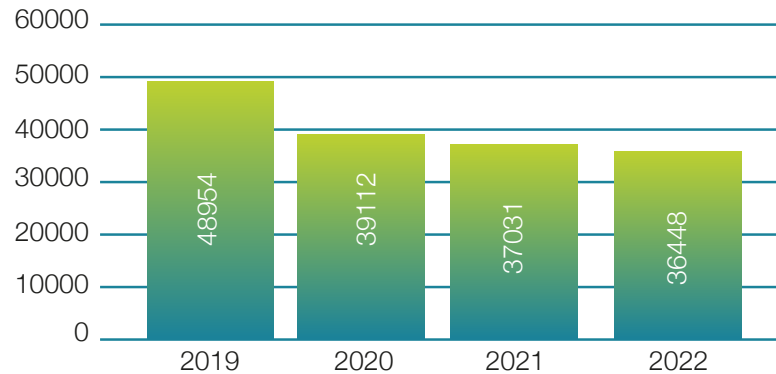
At Selecta, we are working towards becoming Net Zero. Becoming Net Zero means that emissions caused by our business activities, both directly in our supply chain and through the indirect impact of our operations, do not contribute to climate change. Our goal is to become climate neutral for our scope 1 and 2 emissions by 2030, and to become climate neutral for our scope 3 emissions by 2040.

Scope 1 and 2 emissions

In order to reach Net Zero by 2030, we must reduce our Scope 1 and 2 emissions by at least 5% annually. By end of 2022, we reduced our scope 1 and 2 CO₂ footprint to 75% of our 2019 baseline levels. From 2021 to 2022, we delivered 1.5% reductions versus the 2019 baseline. This lower-than-target result was a combination of including business travel in private vehicles (2% total impact) – a value which had not been included in previous year – and 13% growth in net sales.

SCOPE 1 & 2 EMISSIONS AT SELECTA GROUP 2022

In metrics tons of CO₂-eq

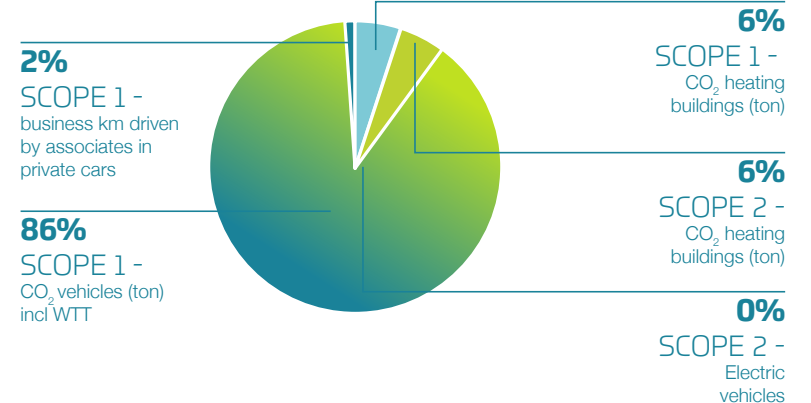


Note: 2 new categories (EVs in scope 2 and business KM private vehicles associates in scope 1).

We are committed to further driving our CO₂ reduction initiatives to ensure future CO₂ emissions are in line with our targets despite strong growth forecasts. Our fleet represents 86% of our scope 1 and 2 CO₂ emissions, so is the main focus of our initiatives. We actively implement telemetry to optimize kilometers driven, transition to electric vehicles, and work to improve driving behavior to optimize fuel usage and to keep our associates safe on the roads. At the same time, we are optimizing our real estate footprint and promoting more effective practices to reduce CO₂ emissions from electricity and heating.

BREAKDOWN SCOPE 1 & 2 EMISSIONS AT SELECTA GROUP 2022

In metrics tons of CO₂-eq



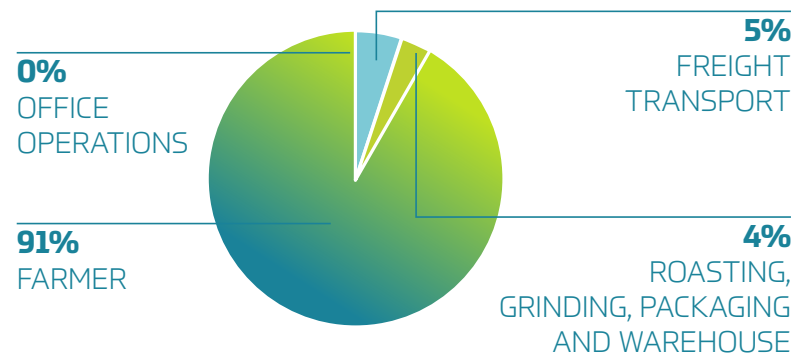


Scope 3 emissions

Across Selecta, we analyzed and prioritized our scope 3 CO₂ footprint across the 15 scope 3 elements at Selecta. Through 2023, we will work on our baseline and action plan to address the most material elements including purchased goods & services, upstream and downstream transport, use of sold products and end of life treatment of our machines and products. This will help us prepare for confirming our targets with SBTi, which we aim to do in 2024.

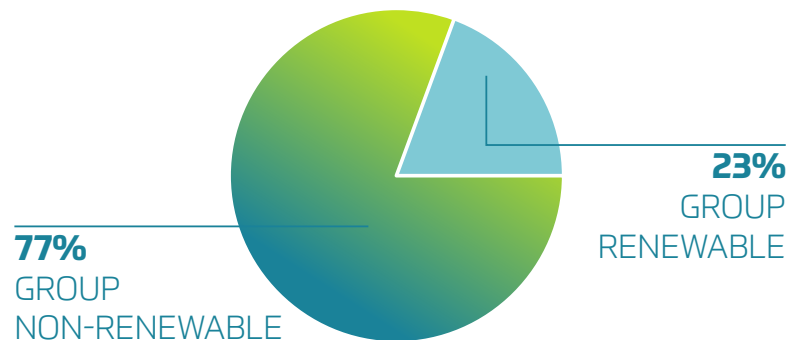
SCOPE 3: EMISSION OF THE PELICAN ROUGE COFFEE VALUE CHAIN 2022

Contribution total 2022 (%)



BREAKDOWN OF SCOPE 1 & 2 AT SELECTA GROUP (2022)

Energy Consumption: Non-renewable vs. Renewable



ELECTRIFYING OUR FLEET

One of the most important areas of our distribution business is transport – our business could not function without our vehicles to bring our food and beverage solutions to our clients and consumers every day. With sustainability at the core of our values, we understand the importance of making our fleet more sustainable.

We started to optimize our fleet of vehicles in 2021. By the end of 2022, we had 89 full electric vehicles (EVs) within our fleet. We have ambitious aims and by the end of 2023, we aim to have nearly 480 electric vehicles.

To continue our efforts in making our fleet more sustainable, we have introduced a Green Car Policy that highlights that electric vehicles are the choice for our associates. In cases where a Selecta associate is unable to move to an electric vehicle due to required range or charging infrastructure availability, we have a policy to swap vehicles across our associates to ensure we still meet our electrification targets.

Some challenges we face with optimizing our fleet are the long lead times from vehicle manufacturers, the range and the payload of the vehicles. With many other businesses shifting their focus to EVs, we forecast our orders in advance to ensure we can hit our electrification targets for 2023 and years to come.



“ Very happy with my Renault Megane E-tech. Not comparable to a fuel car and good for our sustainability program. ”

Peter Vervloet
Client Solutions Specialist in The Netherlands

Lighthouse projects

To trial our approach to fully optimizing our fleet of vehicles, we have launched Lighthouse Projects in Amsterdam and Oslo. Fully electrifying our fleets in these cities allows us to gain insights into how we can make this transition effectively across our Selecta markets.

Choosing Amsterdam as one of the cities for our Lighthouse Project was simple. Like many cities in Europe, Amsterdam is pushing for the use of EVs within its city center. As we set our sights on a more sustainable future, our aim for Amsterdam and the vehicles we drive in and around the city is to reduce CO₂ emissions whilst driving cost efficiency. At the start of the project in the Dutch capital, we scoped 21 vehicles – including cars and vans – to be replaced by EVs. Since then, we have replaced over 90% of our vehicles in Amsterdam with EVs and ended 2022 with 33 EVs in the Netherlands. We will continue to drive our efforts towards being fully electric, and to create a solid infrastructure for our EVs and drivers.

Norway has high demands for protecting the environment and corporate social responsibility, and with sustainability at the forefront of our ambitions for the future, we were keen to contribute to this development as soon as possible. We set out to replace all fossil fuel cars and refrigerated vans with EVs, and Oslo was our starting point for the transition. Replacing refrigerated vans with electric vans is a huge win for us; as a key component in our delivery process, replacing these vans was vital. Although more difficult to transition into EVs than smaller vehicles, we overcame the payload and range challenges for these vehicles despite Norway's harsh winter weather conditions to make our goals a reality in Oslo. By the end of 2023, we are aiming for 95% of our fleet to be EVs.

We had 89 electric vehicles at the end of 2022 and planning to reach 480 electric vehicles by the end of 2023

Our challenges

Our Lighthouse Projects in Amsterdam and Oslo raised challenges which we are actively addressing to make the electrification possible in these markets, as well as others.

In Amsterdam, our associates with EVs are allowed to take their vehicles to their place of residence in the evenings rather than parking at their local depots. Most associates do not have charging points near their homes, and so charging is a challenge. To combat this, we have requested charging stations close to where our associates live and plan to install a charging station at our brand-new depot in Amstelveen, as charging stations in city centers are frequently occupied. Since the range of the electric vehicles is key, we've optimized the daily routes keeping the range and charging infrastructure in mind.

In Oslo, charging is less of a concern due to Norway's strong charging infrastructure of 18,000 charging stations, meaning our drivers are confident they can charge their vehicles countrywide. We have also agreed with some of our clients to charge at their sites. Aside from charging, our challenges in Norway are in replacing our refrigerated vans that drive longer distances. To combat this challenge, we will optimize the routes to support a smooth transition from conventional vehicles to EVs.

Continuing our efforts into the future

We saw great progress last year, and we will continue our efforts this year and into the future. By the end of 2022, we are proud to say that we had 89 EVs and now have a target of nearly 480 by the end of 2023.

Our continuous efforts to transition our fleet of vehicles to electric has been well received by our associates and clients alike, and both groups understand the importance of sustainability and how our efforts can help make a meaningful impact.



ROUTE OPTIMIZATION

Making our fleet more sustainable stretches further than the type of vehicles in our fleet. Alongside our efforts to switch to only electric vehicles coming into our fleet by 2030, we have put additional initiatives in place to ensure a more sustainable approach towards driving.

At Selecta, we understand that it's better to use electric vehicles compared to conventional vehicles, but we also understand that the best kilometer driven is one that you don't need to drive at all.

Selecta Joy Ambassadors and Technical Joy Ambassadors are out on the road serving our machines every day, and the routes they drive are critical to ensuring we maximize our impact and deliver joy to our clients in the most efficient way.

Our telemetry system allows us to gain real-time insights into our machines and understand whether they need refilling, technical support or maintenance. The system allows us to shift to dynamic route planning and optimize the routes our associates take; this avoids unnecessary journeys, resulting in best-in-class service, lower payload, reduced carbon footprint and fewer kilometers driven. A positive outcome for our business, our associates, and the environment.

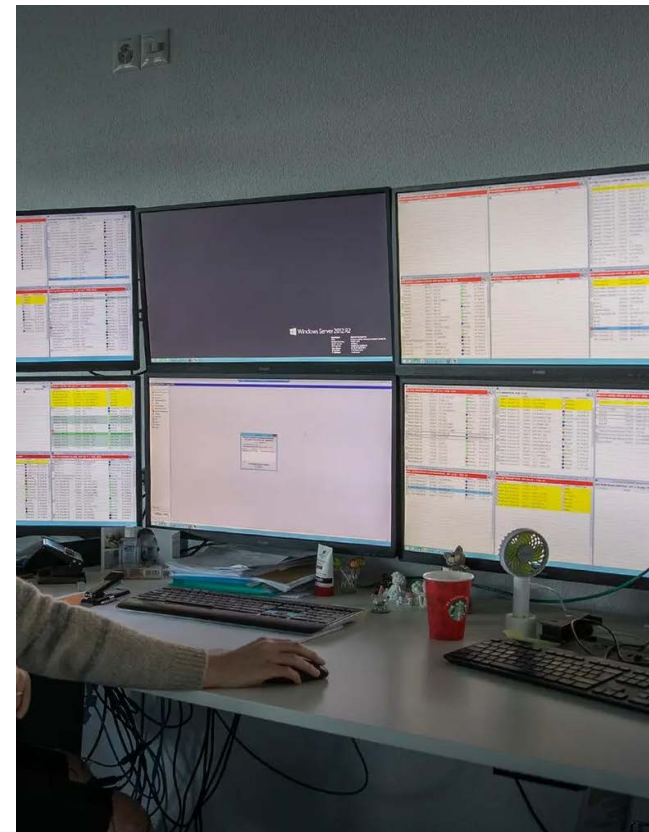
In combination with our telemetry system, we use pre-kitting technology to prepare the right products for the machines. The telemetry system indicates how many units of each product is needed in a given machine and the pre-kitting system allows us to prepare exactly those products so the Joy Ambassador can more efficiently refill the machine. This also allows less waste as cartons are sorted and disposed of properly at our warehouse rather than in the field.

In 2022, we further rolled out telemetry to our machines across markets, reaching roughly 115,000 machines across Selecta. We have ongoing telemetry projects in 2023 with an aim to install telemetry to around 21,000 machines in the year.

We further took steps in 2022 to optimize our planning processes and resources by implementing centralized route planning in markets which used to have more decentralized models. For example, the United Kingdom implemented centralized planning and Austria merged planning into a DACH organization along with Switzerland and Germany. This, along with telemetry and pre-kitting, allowed us to take further reductions in our vehicles and reduce the distance driven, which consequently impacted our environmental footprint. In January 2022, we had 5,071 vehicles and by the end of 2022, we managed to reduce our fleet to 4,785 vehicles.

More Sustainable Driving Behavior

We have also introduced a driver behavior program for all Selecta drivers which provides incentives to reduce speeding, idling, harsh braking and fuel consumption, which in turn increases the usability of our vehicles and keeps people safe. We have implemented a telematics system within all of our service vehicles which produces a score for each driver on their efficiency in relation to speeding, idling and braking. Using this system, we are able to improve the performance of our drivers, compare different driver groups by region and aim to manage driving behavior actively.



We have further implemented a 'beeping' sound in the vehicles to provide real-time information to drivers rather than at the end of the journey, so they can improve their behavior and vehicle performance promptly. Not only does this system allow drivers to reduce fuel consumption and ultimately, our carbon footprint, but it also allows for better upkeep and running costs of our vehicles. Last year, we spent €70 million on fuel and with our driving behavior program, we aim to save at least 10%.

ENERGY IN OUR BUILDINGS

At Selecta, we recognize the importance of optimizing our energy consumption throughout our facilities and offices to further reduce our carbon footprint.

We operate offices, distribution centers and warehouses in all our 16 countries across Europe. At the beginning of 2022, we had 278,000 square meters and by the end of the year, we had 247,000 square meters of real estate within the Group. Over the course of last year, we further optimized our real estate footprint and disposed of 30,000 square meters to reduce our total real estate coverage to 250,000 square meters. This optimization and space reduction further reduces Selecta's energy usage and CO₂ footprint. We will further look to optimize our real estate footprint in 2023 and future years.

To execute on this space reduction, we have moved into smaller sites for several of our warehouses, depots and offices across the Group. We are increasingly strategic and sustainability-focused when choosing new locations – incorporating insights around distance from our clients and associates to reduce kilometers driven, and optimizing building set up to reduce energy usage.

One example of this sustainable decision-making criteria is the new hub in Amstelveen, greater Amsterdam. The choice of this building was influenced by its set-up with electrical heating and intelligent lighting systems – two aspects which make this a more sustainable alternative to other real estate options in the area. Along with our green fleet which delivers to our client base in the area, it is a strong showcase for sustainable distribution to our Dutch clients.



As well as our energy saving program, we have introduced green energy standards for new sites. We have established two main standards: generating green energy and purchasing green energy. We utilize solar panels and green energy wherever possible.

Optimizing energy in our buildings

In our portfolio, Selecta is made up of roughly 20% office space and 80% logistics real estate. Most of our real estate footprint remains stable from year-to-year. Therefore, reduction of CO₂ from real estate requires a deeper understanding of how we use energy in our buildings.

To achieve energy reduction across our buildings, Selecta launched an energy saving program in 2022. We developed guidelines on energy usage Group-wide, outlining how to schedule energy usage to optimize our energy and ultimately, become more sustainable.

Lighting and heating our facilities is vital, but the way we approach them has changed. Switching to LED lighting offers a more energy efficient alternative to conventional lighting, and we are actively

moving toward LED in our facilities with long-term leases. We invested approximately €150,000 in 2022 to implement LED lighting in the Netherlands, Belgium, Spain, Italy, and Switzerland. In addition to lighting, we have also focused on insulation and the reduction in heating as part of our energy saving program.

Beyond these investments, we have appealed to our Selecta associates to make more energy-conscious choices. Across our locations, we have taken measures to optimize operating hours, reduce the hours in which our facilities are heated, and set the temperature in our office locations to 19°C – a temperature that reduces energy consumption while being considered optimal for employee wellbeing. Finally, we have cascaded internal communications which highlight the role each individual can play in reducing energy usage in small ways, like turning off the lights when leaving a room. Together, we are continuing to achieve significant energy savings through these measures.



Certifications

In line with the European Green Deal, Pelican Rouge Coffee Roasters have been working towards becoming Net Zero by 2030, with most of its emissions being caused by electricity and gas in the production processes and packaging lines. We are proud to say that for three consecutive years, Pelican Rouge Coffee Roasters and Selecta Netherlands have achieved Level 3 on the CO2 Performance Ladder – a well-renowned European sustainability management system that helps organizations to demonstrably reduce their CO2 emissions.

Our aim is to continue reducing our carbon footprint and achieve Level 5. To achieve this, we must understand and influence the emissions of our suppliers and clients throughout our value chain. In 2022, Pelican Rouge achieved the Ecovadis Gold Certification for the fifth time, which puts our roasting facility in the top 5% out of 60,000 companies that are benchmarked by Ecovadis.

Waste Reduction Initiatives

We have introduced initiatives at our Pelican Rouge Coffee Roasters to reduce waste. At our roasters, there are quantities of beans that are unable to be used – for example, if they have reached their expiration date – so we find ways to reuse those beans through our partnership with Caffe Inc., or through conversion to green energy at bio-fermentation plants.

In 2022, our Pelican Rouge Coffee Roasters delivered 2,200kg of off-spec coffee and 1,700kg of spent coffee grounds to Caffe Inc. to use in their coffee by-products. They recycled and reused the roasted coffee beans for high-end coffee-based products like coffee oil, coffee blocks, and coffee colorants.

HEALTHY AND SUSTAINABLE PRODUCTS



RESPONSIBLE CHOICES THROUGH INNOVATIVE CONCEPTS

Distributing sustainable brands

We are actively working with our partners and suppliers to incorporate sustainable options in our assortment.

In our food assortment, we look for fresh, regional products that our consumers love. That means, wherever you find Selecta solutions on your travels, you will find local specialties. This regional assortment means shorter supply chains and lower CO₂ footprint along with support for the local producers.

In our snack portfolio, we work with leading food companies to develop exclusive innovations that bring healthy alternatives and vegan options to the market. We've been testing some vegan alternatives to major candy bars since 2022, with hopes to go-to-market in 2023. Within our hot drinks portfolio, we look to bring certified sustainable brands to our consumers. 53% of coffee sold by Pelican Rouge and Selecta is certified



Sustainable tea is another major pillar in our portfolio. Before 2020, we sold around 58 million tea bags every year and in 2022, we sold an estimated 70 million tea bags. We have updated our tea offerings by creating a portfolio which is based on three certified sustainable product ranges, including our own exclusive Fineleaf brand. The Fineleaf teas are certified, organic, and entirely produced and sourced in Sri Lanka. Our tea bags use string instead of staples, meaning they are fully recyclable.

70%
of our assortment in Switzerland is
regionally sourced.



Use of Plant Based

beverage in coffee has seen an ever-increasing number of consumers enjoying the delicious taste of their Alpro Oat Cappuccino, Coconut or Almond Flat White in their coffee shop of choice. We are delighted to be teaming up with Selecta Europe as we are partnering to make Alpro Oat Barista available in new channels and outlets.



Plant-based alternatives

We have built out a range of plant-based products which offer healthy and sustainable alternatives for our clients and consumers.

We developed PLNT, a range of plant-based toppings consisting of three flavours: chocolate, oat or coconut. These alternatives offer healthy choices for those who are lactose intolerant or choose plant-based alternatives as part of a healthy diet; they also contribute to our sustainability goals with their lower CO₂ footprint and lower water impact.

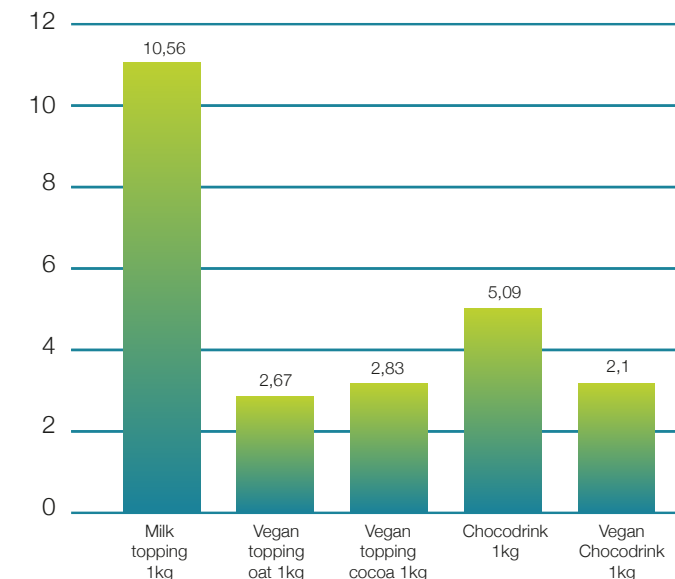
In 2022, we collaborated with ClimatePartner to calculate the CO₂ emissions for our plant-based products versus our milk-based products, in line with the greenhouse gas protocol and Product Life Cycle Accounting and Reporting Standard. The calculations show that our vegan, plant-based products produce a substantially lower amount of CO₂ per kg.

Alongside our PLNT brand, we have joined forces with Alpro to serve millions of clients with healthy, - great tasting plant-based products. Alpro's Oat Barista milk has 3.5 times less CO₂ impact than regular milk; if an average consumer switches from regular milk to Alpro Oat Barista, it saves an estimated 80kg of CO₂ and 176 litres of water per week.

Market trend data suggests an overall shift in consumption from dairy to non-dairy. By 2026, we estimate that around 50% of the market for milk and toppings will be plant-based. We are already making great progress, and we aim to continue these efforts into the future.

SCOPE OF EMISSIONS: PLANT-BASED TOPPINGS OF THE PELICAN ROUGE BRAND

CO₂/KG Product Level



Note: The products shown are based on PRCR blends, packaging materials and production

PELICAN ROUGE: RELAUNCHING THE BRAND

One of the biggest transformations in 2022 towards making our business more sustainable was the relaunch of our Pelican Rouge brand. With over 150 years of history and over 585 million cups of Pelican Rouge coffee consumed every year, Pelican Rouge coffee represents a pillar within the Selecta hot drinks portfolio.

At the start of 2022, we set out to make the Pelican Rouge coffee a sustainable coffee solution for our consumers. By end of November 2022, we proudly re-launched the sustainable Pelican Rouge coffee brand.

The new Pelican Rouge brand is based on three key pillars: heritage, great taste, and sustainability.

HERITAGE

**GREAT
TASTE**

SUSTAINABILITY



The end result is a sustainable coffee based on five main elements:

1. Certified coffee

All our Pelican Rouge coffee blends are now RFA or Fairtrade certified. This forms the basis for a sustainable and traceable coffee.

Whilst we were developing our new coffee blends for the relaunch, the market was facing a shortage of certified coffees. To overcome this challenge, we made sure to plan ahead and work with our suppliers to meet our sustainability targets. We are proud to say that the Pelican Rouge coffee brand is fully certified.

2. Recyclable Packaging

Traditional coffee packaging cannot be recycled due to its composition and so, sustainably minded suppliers have started to offer mono-material packaging, consisting of a single type of plastic, which allows for recycling of these coffee bags.

As part of the Pelican Rouge reset, we have switched all Pelican Rouge coffee bean packaging to mono material. To do so, we thoroughly tested our mono material packaging under various operational and storage conditions to ensure it meets our high standards for quality and taste.

3. Path to CO₂ Neutral

CO₂ neutrality could be achieved through offsetting but at Selecta, we have made a commitment to invest in efforts that make long-term improvements in our supply chain to reach neutrality. This requires a long-term investment and support for coffee farmers to transition to more environmentally friendly ways of farming and planting of shade, fruit, and other carbon-storing trees



4. Traceable & Transparent Sourcing

We are interested in where coffee comes from, who grows it, and how it gets from farm to cup. We are committed to building meaningful trading relations with our partners and farmers through our long-term collaboration and agreements. We use traceability systems to increase transparency in our supply chain and showcase the positive social and environmental impact of our coffee sourcing.

We started testing and using these systems in 2022 and aim to further expand this approach among coffee trades over time. Through our partnerships with our suppliers and use of the **Beyco platform** – a global independent coffee connection and trading platform on blockchain – along with Rainforest Alliance and Fairtrade archives, we trace Pelican Rouge coffee back to its origin. [CLICK HERE TO DISCOVER MORE!](#)

5. Farm-Level Programs

Pelican Rouge supports and is actively involved in farmer-centered programs as we believe that a sustainable coffee supply chain benefits everyone involved. We provide farmers with opportunities to develop professionally, to further improve their livelihoods, to build a prosperous community and have the ability and resources to transition to climate resilient farming.





Farm-level programs focus on the following areas:

1. Farmer prosperity
2. Social equity
3. Eco-system protection
4. Carbon reduction & climate resilience

More details about the Farm-Level programs can be found on page X

Beyond Coffee

Making the Pelican Rouge coffee sustainable does not stop at the coffee itself – we believe it’s important to offer an entirely sustainable coffee experience for our clients and consumers. That’s why we have worked with our partners and teams to develop sustainable ingredients, cups and furniture to complete the Pelican Rouge experience. From plant-based milk alternatives to RFA certified sugars and cacao, to sustainable coffee corner furniture materials, we offer our clients a full assortment of sustainable alternatives.



Rolling out our new brand

In support of our new Pelican Rouge coffee, we organized a wide range of launch activities to communicate this internally and externally in Q4 2022. Our local market teams were trained on the meaning of the new brand and sustainability elements of the Pelican Rouge coffee.

Reactions from our clients have been positive overall, and we are looking forward to further expanding the reach of Pelican Rouge coffee in 2023.



SUSTAINABLE MACHINES AND ENERGY CONSUMPTION

Selecta's Foodtech solutions bring self-service, fresh food, snack and coffee options for our clients and consumers, and requires the right technology and machines that meet our consumers' needs. Energy consumption is a critical aspect of the sustainability of our solutions. We take steps to optimize energy usage through the design of our machines and in the choice of the optimal machine for the client size and expected consumption. To ensure our machines can be as efficient as possible and have the potential for a long lifecycle, we only install new machines where we can expect substantial footfall and usage.

For machines already in the field, we regularly review the performance of the machines and look to optimize the number of machines at any given site. Machines with revenue under a given threshold of sales per machine per day are reviewed internally and with Selecta's clients for potential to reduce the number of service visits or ultimately move or remove the machine.

We are actively working to make our machines as energy efficient as possible by developing algorithms that lessen peak temperatures and only turn the machines on during the hours they are frequently used. With this new approach, we can save up to 10% of energy consumption.

Sustainable machines also mean implementing a sustainable approach to cleaning these machines. Working with our service teams and machine manufacturers, we've extended the cleaning cycle of our machines to 36 hours, which reduces the use of detergents and still

maintains the quality of our products and solutions. To optimize even further, we are testing self-flushing machines. Whilst we aim to deliver the highest quality service to our clients, we are also responsible for reducing our carbon footprint wherever possible and believe these self-cleaning solutions will allow us to meet both goals.

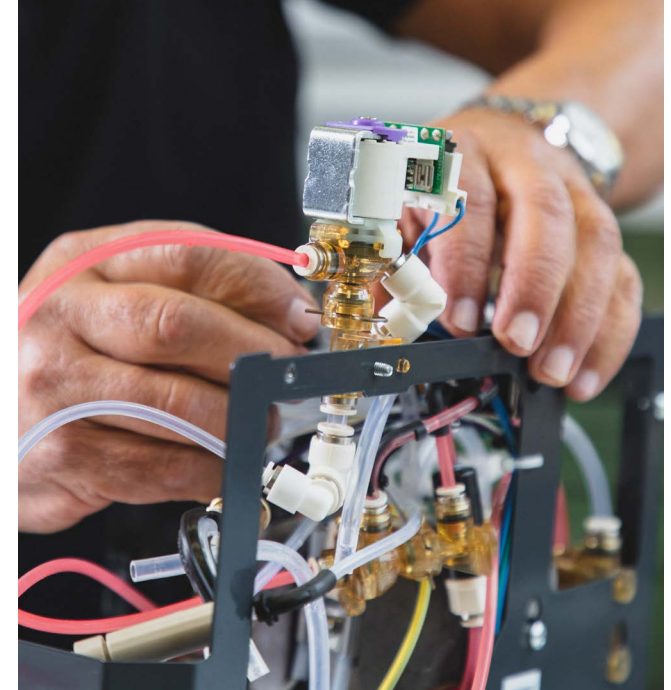
The lifecycle of our vending machines

At Selecta, we use European-sourced equipment as often as possible. This ensures quality, lowers the repair and replacement interval, and improves sustainability of the machines through shorter supply chains.

We pride ourselves on providing a long lifecycle for our machines. Once a machine comes back to Selecta to be serviced – usually after a five-year contract – we examine its functionality and either refurbish the machine or use it for spare parts. This gives machines usually a second or third, and in some cases, even a fourth lifetime. We manage this through local refurbishment centers in Switzerland, Spain, and Benelux region. In addition, we have partnerships with machine manufacturers such as de Jong DUKE in the Netherlands to support our refurbishment efforts. In 2022, we refurbished 13,961 machines throughout the United Kingdom, Spain, Italy, Belgium and the Netherlands.

Sustainable hydration for a healthier planet

Plastic pollution is one of the largest contributors to the world's current environmental issues. At Selecta, we have doubled down on our efforts to reduce plastic waste and other associated impacts related to the use of plastic bottles.



In 2022, we increased our cold-water machines coverage across all markets to tackle plastic pollution and reduce the carbon footprint associated with the transportation of bottled water. In addition to these environmental benefits, our automated water solutions cut off the usage of detergent and water to clean plastic bottles.

Our cold-water machines provide fresh and ready-to-drink filtered water 24/7 with the touch of a button. These solutions reduce water waste by offering fresh, cold water from the machine. Research has shown that approximately 16 liters of fresh water is being spilled every year on average per person due to adjusting tap water to the right temperature. Moving away from water solutions that require transport and focusing on fully automated solutions that reduce water waste and plastic usage improves the sustainability of our services.

TRANSITIONING FROM PLASTIC TO PAPER CUPS



A significant portion of Selecta's business comes from the sale of coffee in the office and on-the-go; the sustainability of our coffee products and coffee cups, are a fundamental part of our business that we are addressing in our sustainability goals. Our cups strategy is based on two pillars: a shift to multi-use cups, where possible and, where single-use cups are required (e.g., for on-the-go consumers), we look to find the best end of life option to avoid the materials being incinerated or put into landfill.

We strive to improve our sustainability standards and do so by using paper cups in most markets. All our paper cups are made from paperboard with FSC® or PEFC labels and carry the EU prescribed Single Use Plastic (SUP) mark.

Some markets, such as Switzerland, Italy and the United Kingdom are in the transition from plastic cups to either hybrid or paper cups. We plan to execute the transition away from plastic in these countries in 2023, and we continue an open and collaborative conversation with our suppliers to use sustainable cups in our markets. Selecta has also launched a new 'Re-use me' initiative for our Selecta Joy to Go and Pelican Rouge cups. We encourage people to use the paper cups more than once through a call-to-action marked on the cup.

To reduce the volume of materials we use, we are changing all our paper cups to be single-wall cups. This transition will see a 29% reduction in carton size, 44% reduction in paper weight, 55% reduction in paper board and 20% reduction in carbon footprint. A single-wall cup consumes

less energy and paper to produce, and transport-related emissions are reduced due to the lighter weight and more compact carton size. Alongside its sustainable benefits, transitioning to single-wall cups positions Selecta in line with the market as the share of double-wall cups has decreased; it provides us more stability in the supply chain with the reduction of out-of-stock risk; offers options to provide cup sleeves for promotions and communications; and lowers production costs.

We are also transitioning secondary components, like lids, stirrers and cutlery for more sustainable options. We are transitioning our lids from plastic to fibre lids, our stirrers from plastic to FSC wood or hybrid, and our cutlery from plastic to wood or bamboo.

Shifting to Multi-use Cups

We are shifting to multi-use cups in our Selecta locations and offering these as part of our assortment for clients.

In October 2022, we introduced reusable cups in our market headquarters in Solna, Sweden and Oslo, Norway to replace paper cups. The multi-use cups are made from recycled coffee husk and can be used by associates throughout the day and put in the dishwasher when finished.

The cups are intentionally offered in two colors, natural and charcoal, to ensure the cups are easy to identify and recycle at their end-of-life through our HuskeeLoop program, where they are recycled into new Huskee products. The Huskee cups have helped reduce the consumption of



paper cups by 75% and have also received outstanding feedback from both associates and clients.

Following the introduction of Huskee cups in Sweden and Norway, we replaced all paper cups with ceramic cups and tea glasses at our HQ in the Netherlands which hosts 150 associates. We saw similar results to Sweden, and associates reported they were satisfied with the ease of use and quality of the reusable cups.

Similar initiatives have been launched across Selecta locations in France, Germany, in our Group-wide headquarters in Switzerland, and in our Pelican Rouge coffee roaster in Dordrecht, Netherlands.

ZERO WASTE COFFEE PROGRAM



We want to find the best end-of-life for our products. In the Netherlands, we have kicked off a recycling program with third-party waste management service, Green Waste. Through this program, clients may opt-in for certified recycling of their coffee waste and receive certified reports on the amount of waste recycled and saved from the landfill. Green Waste goes directly to our client sites and makes sure all waste streams (cups, spent coffee grounds, and recyclable packaging) go into recycled products. At Selecta, we believe it's key to use a waste handler that can put the waste into recycling rather than landfill.



Coffee Cups: We aim to recycle all paper cups into hygiene paper and continue to offer re-usable cups as an alternative to single-use cups.

For cups in the Netherlands, we work with Brickbin cup collector bins. The Brickbin is made from recycled materials and coffee waste; it's a circular design product and offers a clear added value through its recyclability.

Coffee grounds: We aim to re-purpose coffee grounds or at least recycle coffee grounds into biogas.

To minimize the waste produced from our coffee – whether that be coffee beans that can't be sold or spent coffee grounds at our client premises – we have partnered with start-up and biorefinery for coffee waste, Caffe Inc.

The collaboration involves high-quality processing of discarded coffee grounds to extract oil and dyes for the cosmetics industry, while the remaining solid material is used as feedstock for coffee-based products. Last year, Caffe Inc. received 2.2 tons of off-specification coffee and 1.7 tons of spent coffee grounds from the Pelican Rouge Roaster.

Coffee Packaging: We aim to recycle mono-material coffee packaging, as it is a plastic that can be recycled. We will inform our clients that most other coffee pouches and secondary packaging like powdered milk pouches aren't recyclable as they contain multiple types of plastic and advise them to include this waste in their own waste disposal. The other product categories are scheduled to make this transition to mono-material packaging in 2023 and 2024.

INNOVATIVE FRESH FOOD SOLUTIONS

Foodies

We understand that food in the workplace and beyond isn't just about eating – it's an opportunity to meet, connect and share ideas. Our Foodies solution provides clients with an inviting, modern space that acts as a room for thought, joy and collaboration. The solution is tailored to meet our clients' needs for flexible and conscious food choices, all whilst promoting and creating a positive impact on the environment. We offer a wide range of fresh and healthy products, including vegan and local options.

Conscious choices

In all of our solutions, we offer healthy alternatives and regional products.

Within our planograms, we incorporate nutritional alternatives – focusing on lower sugar and lower fat alternatives and keeping these healthier products in the most visible parts of the planogram.

When designing our planograms, we leverage sales data highlighting our best-selling products and understand the clients' needs to encourage sales and minimize waste.

Within our planograms, we made a shift toward more nutritional offers

– focusing on lower sugar and lower fat alternatives and keeping these healthier products in the most visible parts of the planogram.

We also offer a regional assortment to shorten the supply chain and reduce our CO₂ footprint. In our vending machines, we stock at least two snacks that are regional and specific to that market, meaning that locals can enjoy their local snacks and visitors can try the local snacks of that market.

Water is one of our best sellers across Selecta markets. We work with our suppliers to offer more sustainable water options. The exact sustainable feature varies in each market – whether carbon neutral, locally sourced or recycled packaging. Given how much water we sell, we saw the benefit to increase the amount of water available in all vending machines, thereby reducing how often our teams need to travel to restock the machines and creating a lower CO₂ footprint.

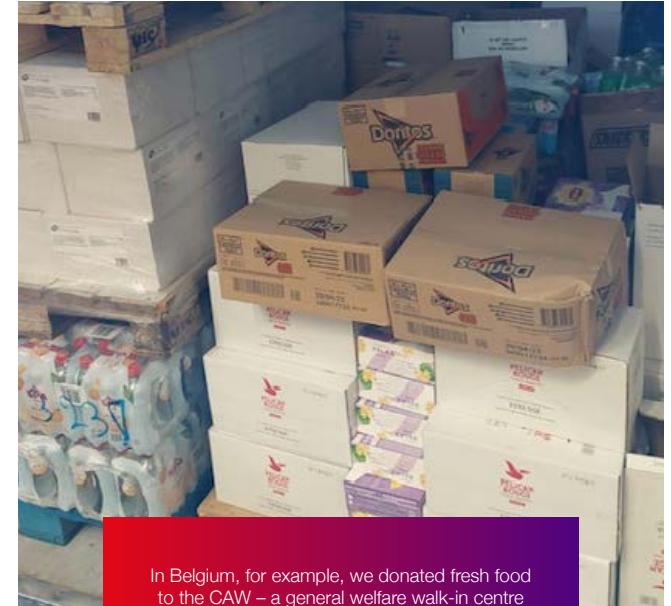
We also offer tap solutions where consumers can access filtered and sparkling water from our machines with a touch of a button. This is a sustainable solution with less plastic, less water waste, and a healthy beverage option for the workplace and on the go.

Food waste

The majority of our food waste comes from our fresh food that has shorter best before dates. To ensure that we can provide fresh, tasty food, we have put processes in place to minimize waste.

Our waste reduction technique is based on three cascading main elements:

- 1. Assortment:** We set our planograms to reduce the expected waste by only stocking fresh food that has over 5 days of freshness, regionally sourcing the product to maximize the time of product on shelf, and leveraging consumption data to optimize the planogram and fill rates across our sites.



In Belgium, for example, we donated fresh food to the CAW – a general welfare walk-in centre Dageraad (formerly De Steenhouwer) located in Antwerp, Belgium

- 2. Promotions:** We offer promotions to consumers prior to weekends and holidays to support sell-out of our product and avoid food waste.
- 3. Partnerships:** We work with local partners and food banks to distribute food to those who need it rather than letting it go to waste.

While our impulse snack products have much longer shelf lives and therefore much lower risk of creating waste, we have piloted specific machines in Italy and Germany to sell out the products we have close to expiration date. We stocked these machines with snacks that were close to their expiration date and sold them for a heavily discounted price; the snacks consistently sold out and showcased an innovative solution that reduced food waste.

SUSTAINABILITY IN OUR SUPPLY CHAIN

WORKING WITH SUSTAINABLE SUPPLIERS



As a Foodtech distribution leader, Selecta relies on partners and suppliers to deliver our solutions to our clients and consumers. That also means we must ensure our suppliers align with our values and vision for sustainability throughout the supply chain.

In 2022, we introduced a supplier risk assessment to identify any potential risks across our supplier base.

Through a comprehensive qualification tool, Selecta assessed the environmental, social and governance (ESG) programs of our suppliers. We scored and grouped our suppliers on a traffic-light system: green, amber and red. No action was taken if the suppliers scored green; if the supplier was scored amber, we would not increase our business with them but encourage further alignment and address any potential risks; if the supplier was scored red, we would stop our business with them, reassess the necessity of their business and offer a supplier development program to support the improvement of the supplier along the ESG criteria.

We have completed assessments of suppliers which represent the top 80% of spend across the Group. The next wave of the program will focus on the top suppliers for each local market, allowing us to cover around 90% of our total spend. We will then look to assess the remaining providers by end of 2023.

Assessing our suppliers has allowed us to understand what our suppliers do from a sustainability perspective, how they perform and if there are any issues to consider. Improved transparency with our suppliers means we can improve together, make our supply chain more transparent and identify potential risks before any issues occur.

In addition to the risk assessment, we updated and implemented our Supplier Code of Conduct. Through the Supplier Code of Conduct we ensure that our new and existing suppliers are aligned to what we see as critical, sustainable elements within our supply chain.



“ We, Groupe SEB with our professional PCM brands WMF and Schaeerer, have also signed the UN Global Compact with its 10 principles related to human and labor rights, the environment and anti-corruption. It is great to see and work with a business partner like Selecta who shares the same principles in tune with our commitments to responsible corporate values. Selecta's Code of Conduct reflects the same ambitions, and we share the same values. Even the distribution and signature of this Code of Conduct document was efficient and environmentally friendly - all done electronically. Well done, Selecta! ”

Hubert Schick

Global Account Manager, GBU Professional Coffee Machines

SELECTA COFFEE FUND

As part of our sustainable supply chain, Selecta has developed strong sourcing relationships with traders and farmers in our farm-level programs. In 2022, we kicked-off new programs in Honduras and Colombia and expanded the funding model by linking these programs to the sale of our fully sustainable Pelican Rouge coffee brand.

RWANDA PROGRAM OVERVIEW

Rwanda is world renowned for its high-quality Arabica beans, and at Selecta, we have been active in the southern province of the country since 2016. Our Selecta Coffee Fund program supports our community of coffee farmers by improving their farming knowledge and running a successful Heifer Program which increases and diversifies farming income and improves their family's diet. We work with both male and female farmers to reinforce gender balance and ensure the opportunity for women to have professional work.

Heifer Program Distribution

By the end of 2022, we have given cows to 474 beneficiaries of which 34% were female farmers. These farmers benefit from higher income related to the sale of milk and newborn calves and have access to organic fertilizer to improve yields of coffee and secondary crops. We have trained the farmer beneficiaries on how to maintain their cows including training on hygiene, feeding, healthcare, and treatment.

To ensure a healthy life for the cows, we provide free veterinarian services and medical treatment of the distributed cows through two local veterinarians and an operational leader. The services include free medicines and vaccines, 24/7 veterinary services for our beneficiaries, and follow-up appointments every 3 months to minimize mortality rates. As a result, we have been considered the most successful Heifer Program in Rwanda.

Training

To ensure the farmers we work with can maximize the potential of their yields and additional income streams, we offer training to all our beneficiary farmers. We offer start-up training and annual refreshment training including coffee farming best practices; seedling usage; and financial small business management, including budget planning, book and data reporting, and profitability.

By the end of 2022, we had trained 440 farmers in Rwanda, including 147 female farmers.

Monitoring progress and outcomes

In 2022, the total household income for a beneficiary of this program was RWF 1023664 (€864); an increase of 135% from 2021 and higher than the average across the country.

The largest increase in household income versus 2021 came from coffee farming income, which increased by 146% to RWF 719.160 (€607) as the coffee yield of 1.1 kg per coffee tree was the highest level since 2020. The farmers of our program in Rwanda perceived a 37% higher yield on average compared to non-beneficiary farmers in the same farming area. The additional sources of sale of young cows or milk contributed on average, per household, RWF 304504 (€257), among heifer program beneficiaries.

By 2025, we aim to reach and impact more than 1,000 households in Rwanda, work with beneficiaries with a minimum of 30% women, and continue to source coffee from our beneficiary farmers. We also aim to double the average annual income of farmers within the next 5 years.

We are further working on a self-sustaining model for our Heifer Program to ensure the lasting success of the program and build the potential for expansion directly into the model.

Viviane Mukagasana, Farmer in Rwanda

Meet Viviane, a 34 years old farmer beneficiary of the Selecta Coffee Program in Rwanda. She received a cow from Selecta in 2019 when she was a farmer with more than 300 coffee trees.

Since becoming a program beneficiary, she has expanded her coffee farm to 682 coffee trees and earns money from the sale of newborn calves and milk.

Viviane says:

“ I want to take this opportunity thanking Selecta for the donated cow, which improved my livelihood. Due to improved financial means, I got married, and I became able to meet the basic needs, including paying for health insurance ”

Key facts & figures

474

beneficiaries received a cow from Selecta Coffee Fund

Annual average income has increased by

135%

versus 2021

Program beneficiary farmers have a

37%

higher coffee yield compared with non-beneficiary farmers in the same region

BURUNDI PROGRAM OVERVIEW

Through the Selecta Coffee Fund, we partner with Supremo, Rainforest Alliance, and SUCCAM – a local green coffee exporter in the Mumirwa region in Burundi. The program in Burundi builds upon a network of certified farmers and takes the next step – beyond certification – to improve farmers' livelihoods. Before the program started, we conducted a local impact assessment in 2020 to gain more insight into the local context and select the most impactful interventions.

The program's targets focus on reaching a living income for coffee farmers by increasing the quantity and quality of coffee yield and diversification of income. Additionally, the program strengthens women's social and economic position while rehabilitating community water sources in partnership with ZOA International.

Yield, profitability, and training for coffee farmers

The program in Burundi focuses on rejuvenating trees through the construction of nurseries and providing Good Agricultural Practices (GAP) training for farmers. The first GAP trainings took place at the beginning of 2021, and by the end of that year, 509 farmers were fully trained, including 60 female farmers. By the end of 2022, we achieved our target and trained 566 farmers (476 male and 90 female farmers). The Good Agricultural Practices Trainings focused on five relevant topics for farmers in Burundi: Coffee Quality Management, Sustainable Practices adapted to Climate Change, Capacity Building for Intercropping, Harvesting Methods, and Management of Productive Coffee Trees (Mulching, Pruning & Composting). In 2022, we completed

16 GAP trainings and noticed farmers being especially interested in the Compost Production and Organic Fertilization training session.

To complement the training, we support farmers with the construction of nurseries. The coffee rejuvenation program plays an essential role in coffee production during off and on cycle years and aims to increase the current average coffee yield of the program beneficiaries (2kg of coffee per tree). By the end of 2022, we constructed six nurseries. Due to the scarcity of coffee seeds in Burundi in 2021 and 2022, the program has started refilling the nurseries with other seeds (fruit and vegetables such as lemons, mandarins, and onions) to diversify farms and enable access to an additional income and improved household diets

Gender equality and women's empowerment

We partnered with ZOA International to complete the Gender Assessment in 2021 and developed a plan of action in 2022. The plan consists of Gender Empowerment Trainings for female and male farmers, establishing Village Savings and Loan Associations (VSLAs) in nine villages of the region to create a safety net for women, and creating access to finance for women who are interested in developing business opportunities. By the end of 2022, we impacted 30 households with the women's empowerment training and expect to impact 270 household directly and 2,970 indirectly with the farmer-to-farmer approach.

Access to clean water

ZOA International conducted a Global Water, Sanitation and Hygiene (WASH) field study focused on the communities around two coffee washing stations (Rusekabye & Nyagashiha) in 2021 and prioritized 20 out of 36 water sources for rehabilitation. The deployment of resources started in August 2022 and, with the support of the workforce of community members, we rehabilitated 29 water sources by the end of 2022. This is equivalent to safer and cleaner drinking water for a total of 1,175 households (almost 6,000 direct beneficiaries). Additionally, 30 community members in each village received hygiene training and placards were constructed and positioned next to each rehabilitated water source explaining the best practices to maintain and protect these natural water springs. 1,175 households (almost 6,000 direct beneficiaries). Additionally, 30 community members in each village received hygiene training and placards were constructed and positioned next to each rehabilitated water source explaining the best practices to maintain and protect these natural water springs.



Key facts & figures

6

nurseries

566

beneficiaries of
the GAP training

29

water sources
rehabilitated

HONDURAS & COLOMBIA PROGRAMS OVERVIEW

Honduras

Selecta partnered with Mercon, TerraGenesis and Rainforest Alliance to set up Five Model Farms paving the path for 123 farmers in El Paraiso, Honduras to transition to regenerative agriculture practices. The Five Model Farms aim to showcase and promote regenerative farming practices to increase family income, climate resilience, and reduce carbon emissions (initially 15% after the regenerative system has been fully implemented) of Honduran coffee smallholders.

In 2022, we launched a broad range of studies to understand the local context, including a Living Income Assessment and a Baseline Assessment of the farms by using the Cool Farm Tool.



Colombia

We initiated a farm-program in the Huila region of Colombia in collaboration with Solidaridad, SUCDEN and Global Cafés in Colombia. This program in the coffee triangle of Colombia aims to onboard approximately 400 farmers from the Global Cafés Cooperative in Huila to the Selecta Coffee Fund program. The program will focus on implementing agroforestry principles and practices, delivering improved living standards for our farmers while having an environmental impact through reduced CO₂ emissions from our coffee farms.

Selecta aims to build long-term sourcing relationships with these farmers and establish transparency by recording coffee purchases on the BEYCO platform, a global independent coffee trading platform that brings transparency to the coffee supply chain.



BEING AN EMPLOYER OF CHOICE



OUR ONE SELECTA CULTURE

In 2022, we focused on further embedding the ONE Selecta approach across our 16 markets.

As a purpose-led company, our Belief System and our Principles are the foundation of our success. Our Belief System is the building block for how we deliver joy to our clients. Our Principles indicate what we expect from our Associates, and what they can expect from Selecta in return. The belief system indicates what we do, while the Principles highlight how we do it. Together, they form the foundation of our Selecta culture.

We continue to put significant effort into communicating and embedding our 12 Selecta Principles and our Belief System in our daily ways of working. We launched an Ed App training highlighting the Principles with videos from leaders across the organization. In our new Owner Associates meetings, we dedicated several hours to discussing our Principles and Belief System so they better resonate with our associates. In our markets, in-person trainings were held to better communicate what these Principles mean in our day-to-day work.

Early in 2022, we realized the need to better embed our Belief System into our daily ways of working across Selecta. We therefore created the Belief System daily ritual as a spoken commitment to our clients and consumers. This ritual is spoken aloud at the start of every meeting at Selecta and helps us to keep these commitments at the heart of our daily work.



In 2022 we also held two Principles Days as opportunities for our office-based associates to work side-by-side with our front-line associates and understand better how living our Principles brings joy to our clients.

Beyond our efforts to further strengthen our Selecta culture, we took several steps throughout 2022 to continuously improve as an employer of choice.

Diversity & Inclusion

Diversity and Inclusion in the workplace is key to the success of our business. We are committed to recruiting, developing and retaining a diverse workforce and consciously fostering an inclusive workplace where everyone can bring their best self to work and have a seat at the table.

Last year, we launched a diversity and inclusion (D&I) program to ensure inclusion of our associates, irrespective of their gender, sexual orientation, race, ethnicity, age, disability, or other personal characteristics. The program included a first-ever celebration of International Women's Day across Selecta and a conscious inclusion training session with our Global leadership team and market leaders in which we discussed the benefits of D&I and facilitated breakout groups to go into depth on how we can improve our approach.

Across the Group, our focus is on finding the best candidate for a given position and we expect and encourage each Selecta associate to voice his or her perspective in how we can better deliver joy to our clients. We facilitate this through quarterly Townhall meetings and monthly Open Conversations with our CEO and Chairman, offering individuals a forum to openly ask questions or provide feedback. We also actively encourage anyone in the organization to contact our CEO or our leadership team to raise challenges or opportunities.

We also have a SpeakUp program at Selecta which reflects our commitment to operating ethically and continuously support a culture of trust and transparency; the motto of our SpeakUp program – 'If you see something, say something' – supports our culture of transparency and allows associates to confidentially report an incident without any fear of retaliation or any other negative consequences.



We have embedded diversity into our recruitment and promotion policies to ensure we look at a broad range of candidates for any open position. As part of our efforts to increase diversity at Selecta, we established a policy to have a balanced slate when interviewing candidates and to choose the most diverse candidate in situations when we have multiple equally-qualified applicants for a position.

By the end of 2024, we are aiming for 40% of our workforce to be women, including 40% at First-Level Leadership level, 30% at Second-Level/Area Leadership level and 25% at Country Leadership level. By the end of 2022, we saw an increase of women in First-Level Leadership roles (26%, +3% vs. 2021) and Country Leadership roles (19%, +3% vs. 2021). At a Group-Wide Leadership level, we have 42% women representation on our OpCo, and 21% women on our Leadership Council. We track progress on our targets on a semi-annual basis using a sustainability data platform to understand gaps and how we can address them.

In 2023, we are further expanding our D&I program to build out sessions which will be delivered locally in all our markets. These sessions will cover important topics such as the importance of diversity & inclusion, unconscious bias, and mental health. Materials will be provided to our local teams to lead discussions in local language to have maximum impact for our Associates and tailor discussions to the key points for each audience.



Health, safety & well-being

At Selecta, we believe that ensuring the health and safety of all stakeholders is essential to our success. We are committed to providing a safe and healthy environment for all our associates, clients, partners, contractors, visitors, and any other persons who may be affected by our activities and we comply with local and EU Health & Safety legislation and regulations pertaining to our operations.

To further improve our efforts, we launched a new Group-wide health and safety policy and escalation path last year; the new policy means that we have enhanced transparency on health and safety matters across the entire business and a minimum standard which all local entities must achieve on Health & Safety topics.

The policy also highlights the reporting requirements on health & safety incidents. All accidents and non-harm incidents must be reported within 3 calendar days; accidents that involve first responders (e.g., paramedics, police or fire brigades) must be reported to the country leader within 24 hours; and any accident that results in death must be reported to the Group CEO within 8 hours. This Group-wide reporting allows us to better identify health and safety risks in our organization so we can better address them.

Following the roll-out of our new health and safety policy, we hosted training for all 6,500 associates to ensure they understood their responsibilities and what they could expect from Selecta.

Selecta also established a Health & Safety Network which meets regularly to share best practices and discuss how we can further improve.

Learning and Development

Selecta has invested extensively in steady learning, training, and professional development programs. In 2022, we launched our training modules with tailor-made content for our associates on EdApp —a digital tool enhancing learning through interactive videos, quizzes, games, and assessments. Using this system has increased the internal knowledge of our associates and helped amplify our ONE Selecta approach by making the same content and learning available to our Associates across our 16 markets. The system also provides a solid foundation of knowledge for any of our new starters when they are onboarding.

The learning modules created are available in 10 languages to better support individual learning. In 2022, our Associates completed 8,524 hours of Ed App training across 6,400 associates. We currently have 15 courses ranging from our Selecta Belief System, sustainability, and cyber security to essential knowledge about coffee.

In addition, we launched the Selecta Solutions System (SSS) – an

A-Z of everything Client Solutions Specialists (Selecta's title for the sales professionals) need to know to bring JOY to our clients. We provide an opportunity for growth development by bringing our Client Solutions Specialists together to discuss the Need Based Solutions (NBS) approach. In addition, our experts in our NBS approach visit each market on a monthly basis to provide dedicated training and guidance.

In September 2022, we launched a Graduate Program to support recent graduates in their first role as a Client Solutions Specialist. This program included trainings about all elements of Selecta and the NBS approach and tracked their individual progress and performance. In the first year of the program, we had 22 graduates join Selecta. We look forward to welcoming another group of graduates into the program in 2023.

In 2023, we are further strengthening our learning approach by creating new content including more practical, hands-on learning and on-demand content for our associates in the field. We are also embedding follow-up to the learning throughout the organization by using Power BI to enable team leaders to see what lessons their teams have completed and ensure the trainings were effective.

Community initiatives

We actively support the local communities in the countries where we operate through various community projects and initiatives. These range from charity projects to programs aimed at social inclusion/disaster relief. For example, we donate coffee and tea to Villa Pardoes, Jarige Job, and Ronald McDonald House Charities. During the Ukraine humanitarian crisis, we shipped almost 2,000kg of ground coffee and other products from the Pelican Rouge Coffee Roasters hot drinks portfolio to Ukraine, with a value of €50,000. In Belgium, we partnered with Centrum Algemeen Welzijnswerk (CAW) to donate fresh food close to expiration date from our Foodies markets. This has required the collaboration from our JOY Ambassadors bringing the food back to the warehouse in Boom and distributing it to CAW.

ETHICS/ GOVERNANCE



ETHICS AT SELECTA

Code of Conduct

Our Code of Conduct defines the expected standards of behavior for conducting business that everyone at Selecta, in every market and at every level, must adhere to. It outlines Selecta's commitment to conducting business with fairness and integrity and in line with our Selecta Principles.

While the Code of Conduct was launched in 2022 and rolled out through internal communications and EdApp training, we will further embed the Code in 2023 by launching training and live sessions to help associates understand specific, real-life situations they may encounter. All new associates will also receive this training as part of their onboarding into Selecta.

SpeakUp program

We are committed to providing a workplace based on integrity and high ethical standards, but there may be times when our associates observe or experience misconduct that violates our Code and/or the underlying policies. In these situations, associates may rely on our SpeakUp program as a confidential way to report any concerns.

The SpeakUp program was relaunched in 2022 and rolled out through an internal communications campaign throughout the year to ensure that we foster a culture in which everyone feels encouraged and safe to say something if they see something. Our aim is to maintain a culture of transparency and openness in which concerns can be raised without fear of retaliation.

As part of the relaunch, we developed and formalized an investigation process and created templates to support and standardize the management of speak up cases.

All investigations in 2022 were conducted in a timely manner and corrective actions were taken.

In 2023, we will continue to foster a culture where associates feel safe to raise their hand if needed.



ANNEX



Annex 1







The 2030 Agenda for Sustainable Development, which was adopted in September 2015 by the member states of the United Nations, focuses on people, planet and prosperity. It includes 17 Sustainable Development Goals (SDGs) and balances the three dimensions of sustainable development: economic, social and environmental. To contribute to the SDGs, partnerships among all stakeholders are required and needed: business, governments, NGOs and civil society.

As a leading Foodtech company, Selecta has a role to play in advancing towards the SDGs. In line with our mission to “deliver millions of moments of JOY every day” and our four Sustainability Pillars, we have decided to direct our efforts towards the SDGs on which our activities have the most material impact.

Legend: ✓ Selecta Impact

UN Sustainable Development Goals (SDGs)

Throughout our sustainability work, we align our goals and initiatives with the following 6 SDGs which are most impacted by Selecta’s business model and ways of working:

SUSTAINABILITY PILLARS	INITIATIVES	 3 GOOD HEALTH AND WELL-BEING Good Health & Well-being	 5 GENDER EQUALITY Gender quality	 8 DECENT WORK AND ECONOMIC GROWTH Decent work and economic growth	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION Responsible consumption & production	 13 CLIMATE ACTION Climate action	 17 PARTNERSHIPS FOR THE GOALS Partnership for the goals
RESPECTING THE ENVIRONMENT	<ul style="list-style-type: none"> • Electrification of our fleet • Route Optimization • Telemetry • Renewable energy in our warehouses & offices 				✓ ✓ ✓ ✓	✓ ✓ ✓ ✓	✓
HEALTHY AND SUSTAINABLE PRODUCTS	<ul style="list-style-type: none"> • Sustainable alternatives for packaging • Recycling of cups, coffee bags and coffee grounds • Refurbishment of our machines • Reduce food waste • Healthy choices & Nutri-score labelling 	✓			✓ ✓ ✓ ✓ ✓	✓ ✓ ✓ ✓	✓
SUSTAINABILITY IN OUR SUPPLY CHAIN	<ul style="list-style-type: none"> • A fully Sustainable Coffee Brand • Selecta Coffee Fund (supporting farmer communities) • Supplier Code of Conduct & Risk Assessment 		✓ ✓	✓ ✓ ✓	✓ ✓ ✓	✓	✓
EMPLOYER OF CHOICE	<ul style="list-style-type: none"> • Selecta Associates Health & Safety Program • Selecta Diversity & Inclusion Program 	✓ ✓	✓	✓ ✓			

Annex 2

GRI content index 2022

In the table, reference is made to the Sustainability annual report 2022 of Selecta Group. The full report can be downloaded at <https://www.selecta.com/int/en/selecta-group/sustainability> (English version)

Statement of use: Selecta Group has reported the information cited in this GRI content index for the period January 1, 2022 - December 31, 2022 with reference to the GRI Standards

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: GENERAL DISCLOSURES 2021	2-1 Organizational details	See section: About Selecta Group See subsection: Our Business (p. 3) See subsection: Our Innovative Solutions (p. 4) See subsection: Our Brands (p. 4) See subsection: Our Clients (p. 5) See subsection: Our Governance (p. 5)
	2-2 Entities included in the organization's sustainability reporting	See section: About Selecta Group See subsection: Our Business (p. 3)
	2-3 Reporting period, frequency and contact point	January - December 2022 Yearly (p. 39)
	2-4 Restatements of information	No restatements to note
	2-5 External assurance	This report has not been audited externally
	2-6 Activities, value chain and other business relationships	See section: About Selecta Group See subsection: Our Business (p. 3) See subsection: Our Innovative Solutions (p. 4) See subsection: Our Brands (p. 4) See subsection: Our clients (p. 5) See section: Ethics at Selecta See subsection: Code of Conduct (p. 36) See subsection: SpeakUp Program (p. 36)
	2-7 Employees	See section: About Selecta Group See subsection: Our Business (p. 3) See section: Our one Selecta Culture See subsection: Diversity & Inclusion (p. 33)
	2-8 Workers who are not employees	Selecta engages with a limited number of external consultants who are also covered within Selecta's policies and working conditions
	2-9 Governance structure and composition	See section: About Selecta Group See subsection: Our Governance (p. 5) See section: Ethics at Selecta See subsection: Code of Conduct (p. 38) See subsection: SpeakUp Program (p. 38)
	2-10 Nomination and selection of the highest governance body	See section: About Selecta Group See subsection: Our Governance (p. 5)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: GENERAL DISCLOSURES 2021	2-11 Chair of the highest governance body	See section: About Selecta Group See subsection: Our Governance (p. 5)
	2-12 Role of the highest governance body in overseeing the management of impacts	Management of sustainability impacts is done at OpCo level and reported to Selecta's Board
	2-13 Delegation of responsibility for managing impacts	See section: About Selecta Group See subsection: Our Governance (p. 5)
	2-14 Role of the highest governance body in sustainability reporting	Sustainability reporting is done at OpCo level and reported to Selecta's Board
	2-15 Conflicts of interest	Selecta has a policy and disclosure questionnaire to identify and avoid conflict of interest
	2-16 Communication of critical concerns	See section: Ethics at Selecta See subsection: Code of Conduct (p. 38) See subsection: SpeakUp Program (p. 38)
	2-17 Collective knowledge of the highest governance body	No information reported
	2-18 Evaluation of the performance of the highest governance body	No information reported
	2-19 Remuneration policies	See the 2022 Financial statements (p. 52) See subsection 34.2 'Compensation of key management personnel' https://www.selecta.com/int/en/selecta-group/investor-relations
	2-20 Process to determine remuneration	No information reported
	2-21 Annual total compensation ratio	See the 2022 Financial statements (p. 52) See subsection 34.2 'Compensation of key management personnel' https://www.selecta.com/int/en/selecta-group/investor-relations "
	2-22 Statement on sustainable development strategy	See section: Foreword from the CEO (p.2) See section: Our Sustainability Approach See subsection: Selecta's Sustainability Approach (p. 6) See subsection: Key highlights (p.7)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: GENERAL DISCLOSURES 2021	2-23 Policy commitments	See section: About Selecta Group See subsection: Our Governance (p. 5)
	2-24 Embedding policy commitments	See section: About Selecta Group See subsection: Our Governance (p. 5)
	2-25 Processes to remediate negative impacts	No information reported
	2-26 Mechanisms for seeking advice and raising concerns	See section: Ethics at Selecta See subsection: Speak Up Program (p. 38)
	2-27 Compliance with laws and regulations	See section: About Selecta Group See subsection: Our Business (p. 3)
	2-28 Membership associations	Not applicable
	2-29 Approach to stakeholder engagement	Selecta website https://www.selecta.com/int/en/selecta-group/investor-relations
	2-30 Collective bargaining agreements	Managed locally through country-based worker's councils, European worker's council in development
GRI 3: MATERIAL TOPICS 2021	3-1 Process to determine material topics	See the Sustainability Report 2018 (p. 11) https://www.selecta.com/int/en/selecta-group/sustainability
	3-2 List of material topics	See the Sustainability Report 2018 (p. 11) https://www.selecta.com/int/en/selecta-group/sustainability
	3-3 Management of material topics	See section: About Selecta Group See subsection: Our Governance (p. 5)
GRI 201: ECONOMIC PERFORMANCE 2016	201-1 Direct economic value generated and distributed	No information reported

GRI STANDARD	DISCLOSURE	LOCATION
	201-2 Financial implications and other risks and opportunities due to climate change	No information reported
	201-3 Defined benefit plan obligations and other retirement plans	See the 2022 Financial statements (p. 37) See subsection 25.2 'Defined benefit plans' https://www.selecta.com/int/en/selecta-group/investor-relations
	201-4 Financial assistance received from government	No information reported
	GRI 202: MARKET PRESENCE 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage
	202-2 Proportion of senior management hired from the local community	No information reported
GRI 203: INDIRECT ECONOMIC IMPACTS 2016	203-1 Infrastructure investments and services supported	No information reported
	203-2 Significant indirect economic impacts	No information reported
GRI 204: PROCUREMENT PRACTICES 2016	204-1 Proportion of spending on local suppliers	95% of total spend is on local suppliers
GRI 205: ANTI-CORRUPTION 2016	205-1 Operations assessed for risks related to corruption	No information reported
	205-2 Communication and training about anti-corruption policies and procedures	Anti-corruption training was rolled-out to all associates in 2022
	205-3 Confirmed incidents of corruption and actions taken	No incidents of corruption
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No issues reported

GRI STANDARD	DISCLOSURE	LOCATION
GRI 207: TAX 2019	207-1 Approach to tax	Selecta website: https://www.selecta.com/int/en/selecta-group/tax-approach
	207-2 Tax governance, control, and risk management	Selecta website: https://www.selecta.com/int/en/selecta-group/tax-approach
	207-3 Stakeholder engagement and management of concerns related to tax	Selecta website: https://www.selecta.com/int/en/selecta-group/investor-relations https://www.selecta.com/int/en/selecta-group/tax-approach
	207-4 Country-by-country reporting	No information reported
GRI 301: MATERIALS 2016	301-1 Materials used by weight or volume	No information reported
	301-2 Recycled input materials used	No information reported
	301-3 Reclaimed products and their packaging materials	See section: Pelican Rouge Relaunch (p.21) See subsection: Recycling Packaging (p. 22)
GRI 302: ENERGY 2016	302-1 Energy consumption within the organization	See section: Energy in our Buildings (p.16) See subsection: Optimizing energy in our buildings (p. 16)
	302-2 Energy consumption outside of the organization	See section: Sustainable Machines & Energy Consumption (p.22)
	302-3 Energy intensity	See section: Electrifying our fleet (p.13) See subsection: Lighthouse projects (p. 13) See section: Energy in our Buildings (p.16) See subsection: Optimizing energy in our buildings (p. 16)
	302-4 Reduction of energy consumption	See section: Energy in our Buildings (p.16) See subsection: Optimizing energy in our buildings (p. 16)

GRI STANDARD	DISCLOSURE	LOCATION
	302-5 Reductions in energy requirements of products and services	See section: Electrifying our fleet (p.13) See subsection: Lighthouse projects (p. 13) See section: Energy in our Buildings (p.16) See subsection: Optimizing energy in our buildings (p. 16) See section: Sustainable Machines & Energy Consumption (p.22)
GRI 303: WATER AND EFFLUENTS 2018	303-1 Interactions with water as a shared resource	Water is not a material topic in Selecta. Still, we aim to provide water efficient solutions and we continue efforts to reduce water usage in our roasting facility.
	303-2 Management of water discharge-related impacts	
	303-3 Water withdrawal	
	303-4 Water discharge	
	303-5 Water consumption	
GRI 304: BIODIVERSITY 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable
	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity is relevant in our coffee supply chain See Selecta Coffee Fund (p. 30 and see 304-3)
	304-3 Habitats protected or restored	Biodiversity is a core part of our regenerative agriculture approach at farm-level See Selecta Coffee Fund (p. 30 - 33)
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	See section: CO2 Impact (p.11) See subsection: Scope 1 and 2 Emissions (p.11)

GRI STANDARD	DISCLOSURE	LOCATION
	305-2 Energy indirect (Scope 2) GHG emissions	See section: CO2 Impact (p.11) See subsection: Scope 1 and 2 Emissions (p.11)
	305-3 Other indirect (Scope 3) GHG emissions	See section: CO2 Impact (p.11) See subsection: Scope 3 Emissions (p.12)
	305-4 GHG emissions intensity	No information reported
	305-5 Reduction of GHG emissions	See section: Electrifying our fleet (p.13) See section: Route optimization (p.15) See section: Energy in our buildings (p.16)
	305-6 Emissions of ozone-depleting substances (ODS)	No information reported
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	No information reported
GRI 306: WASTE 2020	306-1 Waste generation and significant waste-related impacts	No information reported
	306-2 Management of significant waste-related impacts	No information reported
	306-3 Waste generated	No information reported
	306-4 Waste diverted from disposal	See section: Zero waste coffee program (p. 26)
	306-5 Waste directed to disposal	See section: Zero waste coffee program (p. 26)
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1 New suppliers that were screened using environmental criteria	See section: Working with Sustainable Suppliers (p.29)
	308-2 Negative environmental impacts in the supply chain and actions taken	See section: Working with Sustainable Suppliers (p.29)

GRI STANDARD	DISCLOSURE	LOCATION	
GRI 401: EMPLOYMENT 2016	401-1 New employee hires and employee turnover No information reported	New employees: -526 Headcount Employee turnover: 21.2%	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Temporary staff are not entitled to an annual bonus on top of base pay	
	401-3 Parental leave	Selecta offers parental leave in line with local regulations in each market of operations	
GRI 402: LABOR/ MANAGEMENT RELATIONS 2016	402-1 Minimum notice periods regarding operational changes	Local minimum notice periods apply if not otherwise regulated	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1 Occupational health and safety management system	See section: Our one Selecta culture (p.35) See sub-section: Health, safety & well-being (p.36)	
	403-2 Hazard identification, risk assessment, and incident investigation		
	403-3 Occupational health services		
	403-4 Worker participation, consultation, and communication on occupational health and safety		
	403-5 Worker training on occupational health and safety		
	403-6 Promotion of worker health		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
	403-8 Workers covered by an occupational health and safety management system		
	403-9 Work-related injuries		298 work-related injuries were reported in 2022 for 9.8 million hours worked
	403-10 Work-related ill health		No information reported externally

GRI STANDARD	DISCLOSURE	LOCATION
GRI 404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	See section: Our one Selecta culture (p.35) See sub-section: Learning and Development (p.36)
	404-2 Programs for upgrading employee skills and transition assistance programs	See section: Our one Selecta culture (p.35) See sub-section: Learning and Development (p.36)
	404-3 Percentage of employees receiving regular performance and career development reviews	Selecta countries have yearly employee appraisals, discussing targets for the coming year, reflecting on performance, and defining suitable development measures. We have introduced assessments for leadership groups in Sales and Service. We plan to roll these out further. Selecta top management is doing a yearly 360-degree feedback to provide honest feedback and ensure high level performance
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016 GRI 306: WASTE 2020	405-1 Diversity of governance bodies and employees	See section: About Selecta Group See subsection: Our Governance (p. 5) See section: Our one Selecta culture (p.35) See sub-section: Diversity & Inclusion (p.36)
	405-2 Ratio of basic salary and remuneration of women to men	No information reported
GRI 406: NON-DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective actions taken	No information reported
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	See the Supplier Code of Conduct (p. 8) See subsection 'Employment Compliance' https://www.selecta.com/uk/en/legal/supplier-code-of-conduct
GRI 408: CHILD LABOR 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	See the Supplier Code of Conduct (p. 9) See subsection 'Employment Compliance' https://www.selecta.com/uk/en/legal/supplier-code-of-conduct
GRI 409: FORCED OR COMPULSORY LABOR 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	See the Supplier Code of Conduct (p. 9) See subsection 'Employment Compliance' https://www.selecta.com/uk/en/legal/supplier-code-of-conduct
GRI 410: SECURITY PRACTICES 2016	410-1 Security personnel trained in human rights policies or procedures	Not applicable

GRI STANDARD	DISCLOSURE	LOCATION
GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016	411-1 Incidents of violations involving rights of indigenous peoples	Not applicable
GRI 413: LOCAL COMMUNITIES 2016	413-1 Operations with local community engagement, impact assessments, and development programs	See section: Our one Selecta culture (p.33) See sub-section: Community Initiatives (p.34)
	413-2 Operations with significant actual and potential negative impacts on local communities	See section: Our one Selecta culture (p.33) See sub-section: Community Initiatives (p.34)
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1 New suppliers that were screened using social criteria	See section: Working with Sustainable Suppliers (p.27)
	414-2 Negative social impacts in the supply chain and actions taken	See section: Working with Sustainable Suppliers (p.27)
GRI 415: PUBLIC POLICY 2016	415-1 Political contributions	Selecta does not give financial or other support to political parties or political campaign efforts
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416-1 Assessment of the health and safety impacts of product and service categories	See section: Reponsible choices through innovative concepts (p.18) See subsection: Distributing sustainable brands (p.18) See subsection: Plant-based alternatives (p.18) See section: Innovative fresh food solutions (p.25) See subsection: Foodies (p.25) See subsection: Conscious choices (p.25)
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No information reported
GRI 417: MARKETING AND LABELING 2016	417-1 Requirements for product and service information and labeling	Selecta follows regulations on product and service labeling and outlines the same expectation of compliance for Selecta suppliers See the Supplier Code of Conduct (p. 4) See subsection 'Legislation Compliance' https://www.selecta.com/uk/en/legal/supplier-code-of-conduct
	417-2 Incidents of non-compliance concerning product and service information and labeling	No incidents reported
	417-3 Incidents of non-compliance concerning marketing communications	No incidents reported
GRI 418: CUSTOMER PRIVACY 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Selecta Data Privacy Notice https://www.selecta.com/int/en/legal/data-privacy-notice

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Selecta Group AG

Group Headquarters
Alte Steinhäuserstrasse 14
6330 Cham
Switzerland

selectacorporatecommunication@selecta.com
www.selecta.com

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