

JOY TO GO

FOR
GENERATIONS
TO COME



Preface

JOY TO GO, FOR GENERATIONS TO COME

2020 was an extraordinary and challenging year. The COVID-19 pandemic severely impacted everyone's lives. Selecta responded swiftly, implementing measures to keep our associates and clients safe while continuing to deliver the best possible service.

2020 was the starting point for re-writing the story of Selecta. Under a new leadership team, we started the implementation of our transformation vision to achieve our goal of bringing millions of moments of joy every day. Selecta is transitioning from a decentralized set-up to a GLOCAL model, combining global resources with a strong local execution. We focus on delivering high quality service to clients through a best-in-class go-to-market strategy and strong partnerships with globally recognized brands.

2020 was an important year for our sustainability journey, and we made progress under each of our four strategic pillars. Last year, as many as 47% of the vending machines we installed were refurbished vending machines. By extending the lifecycle of our machines, we avoid industrial waste and reduce our environmental footprint. We also installed an additional 9,300 smart vending machines. Tracking the machine's inventory remotely through telemetry allows us to make our routing more efficient and thus reduce emissions.

Furthermore, we increased the share of sustainably certified coffee and continued to work together with our suppliers to ensure responsible procurement throughout our supply chain. In 2020, we also strengthened the Selecta Coffee Fund with a project in Burundi, in East Africa, the birthplace of coffee. The activities of the fund focus on improving the lives of coffee farmers, their families, and the communities we source our coffee from.

Our people are key to achieving our goal of providing millions of moments of joy every day. That's why we train our teams on site to become Client Solution Specialists. With our learning and development program we invest not only in ourselves, but also in our people's careers.

I am very proud of how our associates demonstrate resilience and dedication to serve our clients, customers and also their communities. The Covid-19 pandemic has demonstrated the importance of strong company values and partnerships throughout our value chain. I look forward to continuing to work with our clients, customers, and other stakeholders in 2021 to enhance our impact and ensure joy to go, not only for today, but also for generations to come.



Christian Schmitz
Chief Executive Officer,
Selecta Group

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AN APPETITE FOR LIFE AND FOR THE FUTURE

Sustainability is an integral part of how we work. It matters. We aim to always act positively, ensuring our suppliers and their communities thrive. We focus our approach on four pillars. These are important to our business but we know they're important to our clients' businesses too.

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About us

THE SELECTA GROUP

Selecta is the partner to fuel your success with safe, attendant-free, innovative solutions, with world-class brands and with a level of service that goes beyond what is expected. We are the market leader in most of the 16 European countries we serve. Every day we bring joy: one coffee, one bite, one smile at a time.

Our business

Selecta was founded in 1957 in Switzerland, and ever since, our business has been growing across Europe. These days the Selecta Group operates in 16 European countries, and in most of these countries we are the market leader. 2020 was a challenging year for our business. The pandemic has changed the way we work and live, with offices closed and people working from home. However, we will continue to adapt and stay resilient, focusing on our clients' needs and continuing to serve moments of joy to the out-of-home market. 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 associates, our environment, our communities and the generations to come.

Our client solutions

We are passionate about creating many different moments of joy, including surprising and innovative solutions tailored to our clients' needs. Whether it is full-site catering, wholesale delivery, fresh food to stay or to go, or quality coffee moments — we create the vibe that enables businesses to thrive. The key services we offer are our classic vending solutions, quality coffee moments and full-site catering with our Foodies concept.

Our classic vending offer is based on innovative technology and world-class support. We offer a wide choice of popular hot and cold drinks, fresh food and snacks. Our healthy vending machines make healthier choices and fresh food the natural choice. Our coffee solutions are tailored to our client's needs. At the workplace or on the go, we provide best-in-class solution, from instant to barista-style coffee.

Foodies is our innovative MicroMarket solution that offers fresh and delicious food choices around the clock. It provides attendant-free food and drink in the workplace and beyond. Other solutions we offer include Safety Station vending machines that provide Personal Protective Equipment (PPE) to help people feel safe when returning to work and while on the go. We also offer filtered water dispensing solutions that provide alternatives to bottled or unfiltered tap water.



KEY FACTS & FIGURES 2020

16
countries

**THOUSANDS OF
HAPPY CLIENTS**

**NEARLY
450,000**
points of sale

8,000+
associates

€ 1,14 BILLION
Turnover

**MILLIONS OF MOMENTS
OF JOY DELIVERED EVERY DAY**

About us: The Selecta group

Our brands

We provide premium quality coffee across all our markets. Our own brands Pelican Rouge and miofino are roasted by Pelican Rouge Coffee Roasters, bringing expertise to every step of the bean-to-cup journey, and recycling coffee waste streams. Since 2017, Pelican Rouge Coffee Roasters has been Gold-rated by Ecovadis, a globally recognized standard for sustainability and transparency in supply chains, putting us in the top 5% of the 60,000 companies listed. Besides our own coffee brands, we also collaborate in global premium coffee partnerships with Starbucks (Nestlé), Lavazza and Nescafé. For all key coffee brands in our portfolio we offer certified options, including Fairtrade, Rainforest Alliance and UTZ. We constantly work towards increasing the share of certified coffee.

Other products and materials are sourced from a wide range of suppliers of well-known brands, both globally and locally. They provide us with hot and cold drinks, snacks, healthy options, fresh food, disposables and other products. In the Foodies MicroMarket there is a strong focus on local products with short supply chains to reduce our environmental footprint.

Our clients

Our client base is large and varied. We work in close collaboration with our clients in various sectors. These include healthcare, retail, leisure and tourism, public transport, education, garden centers, hotels, restaurants, cafés, catering, and manufacturing and logistics. We distinguish two main market channels,

workplace and on-the-go. Workplace is all about tailor-made vending and coffee concepts at the workplace of our clients. The on-the-go segment covers our public vending machines, which are located in high traffic public locations, such as airports, train and subway stations and petrol stations.

Our governance

Selecta provides reliable and innovative food and drink solutions and world-class service. We are international and never far away. Our 24/7 mentality translates into our governance. To be able to respond quickly to our client's need, we work with daily to weekly reporting. In this way we make an impact on sustainability on a daily basis.

The Selecta Group consists of a Board, Operating Committee and Leadership Council. Sustainability topics and opportunities are discussed in the Sustainability Steering Committee, and decisions are made at the executive level. In 2020, Selecta introduced a new leadership team, and a new business strategy was developed that aims to work towards ONE Selecta. The leadership team drives our ONE Selecta transformational global to local strategy.

ONE SELECTA Belief System

Identify solutions products
& services creating **joyful
experiences** and moments

Complete joy needs
analysis identifying client
& consumers needs



Retain 100% of clients,
grow existing clients,
and win new clients

Deliver industry leading service
acting on all inquiries in 24 hours &
providing solutions in 48 hours

About us

OUR SUSTAINABILITY APPROACH

We are the leading unattended route-based self-service coffee and convenience food provider in Europe, and sustainability is an integral part of the way we do business. We have a clear plan for a sustainable future, and this plan has been developed in collaboration with our associates, clients and other key stakeholders. Together we have committed ourselves to four strategic pillars, targeting the key areas in which we can make a positive difference.

The four strategic pillars of our Sustainability Approach encompass the topics that are of major importance to our business.¹

**RESPECTING
OUR
ENVIRONMENT**

**SOURCING
RESPONSIBLE
PRODUCTS**

**SUPPORTING
OUR
COMMUNITIES**

**BEING AN
EMPLOYER
OF CHOICE**

In 2020, we continued the implementation of our Sustainability Approach across the Selecta Group. The roll-out of our sustainability initiatives, the monitoring of progress, and the development of new approaches is guided by our dedicated Sustainability Steering Committee. The activities and the results we achieved in 2020 are detailed in the following chapters.

To further strengthen our Sustainability Approach, we reviewed our strategy and long-term sustainability goals. This process will continue in 2021 and will give further direction to our projects and activities. For example, we are committed to developing a comprehensive approach to reduce our carbon footprint, as well as to further develop our ambitions and partnerships with regard to responsible sourcing and impact coffee.

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.

Our sustainability approach

OUR SUSTAINABILITY GOALS AND RESULTS

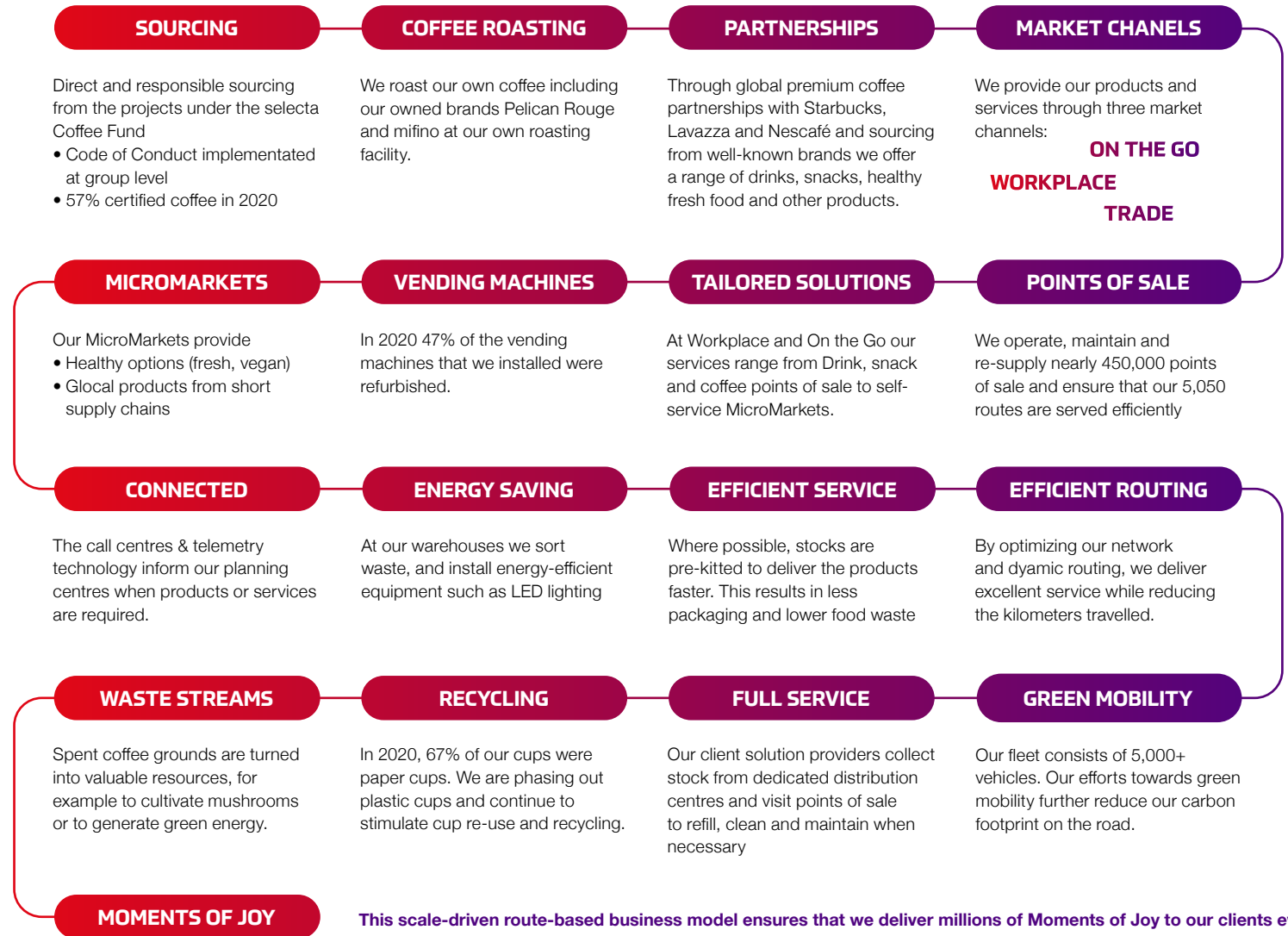
MATERIAL TOPIC	TOPIC	GOALS 2020	RESULTS 2020	GOALS 2021
RESPECTING OUR ENVIRONMENT				
CIRCULAR ECONOMY	REFURBISHMENT	<ul style="list-style-type: none"> Further increasing the number of refurbished vending machines across the group. Working towards a group-wide approach on refurbishment. 	<ul style="list-style-type: none"> Further increase in the share of refurbished vending machines installed (to 47%). First steps taken towards a group-wide approach on refurbishment. 	<ul style="list-style-type: none"> Further increase the number of refurbished vending machines across the group. Working towards a group-wide approach on refurbishment.
	CUP RECYCLING AND RE-USE	<ul style="list-style-type: none"> Developing and deploying alternative options to reduce single-use plastics 	<ul style="list-style-type: none"> Further reduction in the share of plastic cups from 49% to 33% at the Group level. Selecta Austria already switched to 100% paper cups² 	<ul style="list-style-type: none"> Further reducing and/or phasing out the use of single-use plastic cups, in line with EU directive. Building additional partnerships with our clients and partners to develop and deploy alternatives.
REDUCTION OF CARBON FOOTPRINT, EFFICIENT TRANSPORT	ROUTE & LOGISTICS NETWORK OPTIMIZATION	<ul style="list-style-type: none"> Upscaling the installation of smart vending machines across the group. Increasing the number of warehouses where the required products for each machine are pre-kitted. Continuing logistic network optimization activities. Increase the number environmentally friendly hybrid and fully electric cars 	<ul style="list-style-type: none"> Telemetry further rolled-out and warehouses made suitable for pre-kitting in Austria, Germany, Switzerland, France, the UK, Spain, and the Netherlands. 23% of the nearly 450,000 vending machines we operate are smart vending machines. 9,300 additional smart vending machines installed in 2020. Number of distribution centers in France reduced to 60, without compromising on lead time and quality. Green car policy developed for benefit cars 	<ul style="list-style-type: none"> Further roll-out of telemetry and pre-kitting across the group. Completing the transition to smart vending machines in Spain, Germany, Switzerland, and a large part of France. Implementation of green car policy across the group
	REDUCTION OF CARBON FOOTPRINT, EFFICIENT TRANSPORT			
SOURCING RESPONSIBLE PRODUCTS				
INNOVATIVE PRODUCT OFFERINGS	FOODIES MICROMARKETS	<ul style="list-style-type: none"> Rolling out the Foodies MicroMarket concept to more countries Continuing to test new products across our portfolio of concepts 	<ul style="list-style-type: none"> Hundreds of Foodies MicroMarkets were installed across the group. Vegan, plant-based and local food choices included in the concept. Local food options keep supply chains short. 	<ul style="list-style-type: none"> Continuing strong and continued growth of the Foodies MicroMarkets concept across all markets and continuing to develop healthy and local food options.
	ETHICAL BUSINESS OPERATIONS	RESPONSIBLE SOURCING	<ul style="list-style-type: none"> Ensuring our suppliers are committing to more responsible sourcing practices as well as to respecting human rights through audits 	<ul style="list-style-type: none"> In 2020 57% of the green coffee that we produced sourced was certified by Fairtrade, UTZ / Rainforest Alliance.
SUPPORTING OUR COMMUNITY				
SUPPORTING COFFEE FARMERS	SELECTA COFFEE FUND	<ul style="list-style-type: none"> Continuing to support the livelihoods of coffee farmers in East Africa through projects funded by the Selecta Coffee Fund. 	<ul style="list-style-type: none"> Selecta Coffee Fund strengthened with a project in Burundi to improve the livelihoods of 10,500 coffee farmers. Continuation of the Rwanda project, focusing on the coffee value chain. 	<ul style="list-style-type: none"> Continuing implementation of project in Burundi (to reach 10,500 farmers). Continuing and strengthening the project in Rwanda.
BEING AN EMPLOYER OF CHOICE				
HEALTH & SAFETY	HEALTH & SAFETY	<ul style="list-style-type: none"> Providing a safe and healthy working environment for our employees. 	<ul style="list-style-type: none"> New procedures and control measures were implemented to keep associates safe during COVID-19. Health and safety measures and guidelines at the workplace. Drive Home Safe Program developed to ensure our associates return home safe every day. 	<ul style="list-style-type: none"> Working towards zero accidents in the workplace. Continuing to adapt and adjust to new ways of working, and to support our clients in safely returning to the office.
LEARNING AND DEVELOPMENT	TRAINING & DEVELOPMENT	<ul style="list-style-type: none"> Provide training and development opportunities for all our associates. 	<ul style="list-style-type: none"> To tailor our offering even more to our clients' needs, a client solutions training was implemented for our sales force and top 100 leaders. 	<ul style="list-style-type: none"> Continuing and further rolling out of client solutions training across the group.

² Numbers from Italy are not included in the calculations over 2020

Our sustainability approach

OUR VALUE CHAIN

Connecting our products to our clients and consumers.



SOURCING

Direct and responsible sourcing from the projects under the selecta Coffee Fund

- Code of Conduct implemented at group level
- 57% certified coffee in 2020

COFFEE ROASTING

We roast our own coffee including our owned brands Pelican Rouge and mifino at our own roasting facility.

PARTNERSHIPS

Through global premium coffee partnerships with Starbucks, Lavazza and Nescafé and sourcing from well-known brands we offer a range of drinks, snacks, healthy fresh food and other products.

MARKET CHANELS

We provide our products and services through three market channels:

ON THE GO
WORKPLACE
TRADE

MICROMARKETS

Our MicroMarkets provide

- Healthy options (fresh, vegan)
- Glocal products from short supply chains

VENDING MACHINES

In 2020 47% of the vending machines that we installed were refurbished.

TAILORED SOLUTIONS

At Workplace and On the Go our services range from Drink, snack and coffee points of sale to self-service MicroMarkets.

POINTS OF SALE

We operate, maintain and re-supply nearly 450,000 points of sale and ensure that our 5,050 routes are served efficiently

CONNECTED

The call centres & telemetry technology inform our planning centres when products or services are required.

ENERGY SAVING

At our warehouses we sort waste, and install energy-efficient equipment such as LED lighting

EFFICIENT SERVICE

Where possible, stocks are pre-kitted to deliver the products faster. This results in less packaging and lower food waste

EFFICIENT ROUTING

By optimizing our network and dynamic routing, we deliver excellent service while reducing the kilometers travelled.

WASTE STREAMS

Spent coffee grounds are turned into valuable resources, for example to cultivate mushrooms or to generate green energy.

RECYCLING

In 2020, 67% of our cups were paper cups. We are phasing out plastic cups and continue to stimulate cup re-use and recycling.

FULL SERVICE

Our client solution providers collect stock from dedicated distribution centres and visit points of sale to refill, clean and maintain when necessary

GREEN MOBILITY

Our fleet consists of 5,000+ vehicles. Our efforts towards green mobility further reduce our carbon footprint on the road.

MOMENTS OF JOY

This scale-driven route-based business model ensures that we deliver millions of Moments of Joy to our clients every day

RESPECTING OUR ENVIRONMENT

We are committed to minimizing the environmental impact of our operations by reducing our carbon footprint and contributing to a circular economy. We make optimal use of our fleet, provide energy-efficient vending solutions, and optimize our waste streams, including plastics, disposables, and coffee grounds.

Respecting our environment

CIRCULAR ECONOMY

Increased lifecycle of vending machines

By refurbishing our vending machines, we greatly reduce our environmental footprint and avoid industrial waste. This makes our refurbished machines attractive for clients with high sustainability standards. We refurbish our machines to the highest standards and include the latest technology, ensuring similar performance as brand-new machines.

In 2020, we further increased the rate of refurbished vending machines. Of all the vending machines that we installed, as many as 47% were refurbished, compared to 43% in 2019. Within the Selecta group, Italy is clearly the frontrunner, with almost 4,800 refurbished machines installed. Here, vending machines typically run about five client cycles, and they reach lifetimes of 20 years and beyond. Spain and France also have a high number of refurbished vending machines installed. Our ambition is to further increase the rate of refurbished machines across our machine park in all countries.

At the end of a client cycle, we assess if the vending machine will be refurbished. For each machine, we refurbish about 90% of the machine's weight. Of the remaining 10%, a large part is plastics, which are recycled and used elsewhere. However, not all vending machines are suitable for refurbishment. The assets that are not suitable are sold to other markets, where they are used as entire machines or for spare parts. In this way, we avoid scrapping as much as possible. We need to ensure that the quantity and quality of refurbishment is well aligned with our clients' needs. Currently, most of the refurbishment takes place in-

“OUR REFRUBISHED MACHINES ARE AN ATTRACTIVE OFFER FOR CLIENTS THAT HAVE HIGH STANDARDS OF SUSTAINABILITY”.

Tjerry Sanders
Group Coffee Solutions
& Equipment Manager, Selecta



house, and our refurbishment programs are organized per country. To further increase the efficiency of our activities and better serve our clients, we are moving towards an approach at the group level, for example by setting up strategically located regional refurbishment centers and by collaborating with external partners. This will allow us to move and rotate our refurbished assets more freely and efficiently across all the Selecta countries.

Circularity is an emerging topic for many of our clients. Circularity means reducing the amount of waste that is generated and re-using and recycling waste streams as much as possible. Our refurbished vending machines provide a clear answer to this. At the same time, we also see that requirements on water and energy consumption are becoming more stringent. The trade-off between refurbishment and energy efficiency is a challenge that will require our attention.

Cup recycling and re-use

The EU directive on single-use plastics aims to prevent and reduce the impact of certain plastic products on the environment. The directive focuses on the ten most commonly found single-use plastic items on European beaches. Plastic cups, including lids and stirrers are among these items. Plastic stirrers will be banned from mid-2021, since suitable alternatives are readily available. For cups, there are currently less widely available alternatives, which is why member states only have to achieve a significant reduction by 2026. Implementation takes place at the level of the European member states.

In 2020, we supplied a total of 1.1 billion cups to our clients across all Selecta countries. Last year the transition to paper cups continued in all our markets. This resulted in a further decrease in the share of plastic cups, from 49% in 2019 to 33% in 2020. Last year, Selecta Austria already

Respecting our environment: Circular economy

switched from plastic to 100% paper cups. All of our paper cups are either PEFC- or FSC-certified.

Together with our suppliers and clients, we work towards environmentally friendly alternatives for plastic disposables and towards increasing the recyclability of our cups, including paper cups. A great example is CIRCUP in the Netherlands, an initiative that starts in 2021. CIRCUP stands for Circular Collection and Recycling of Paper Cups and Other Paper Laminate Packaging, and it aims to investigate and improve the recyclability of paper



cups. Even though paper cups are 100% recyclable, in practice the large majority of these cups are burned as waste. The more businesses join CIRCUP, the more cups can be recycled. Important points of attention include the quality of the cups offered to recyclers, the homogeneity in the applied fiber types, the collection and sorting of cups, and the different options for recycling.

Coffee waste streams

We turn our waste streams into valuable resources. In the Netherlands, Pelican Rouge and Selecta are collaborating with Kwekersgilde and Cirkellab. Kwekersgilde is an urban farming initiative that collects used coffee grounds at the client and then uses these as soil to cultivate oyster mushrooms. The mushrooms are then sold to local restaurants. The soil on which the mushrooms are grown is once more re-used, this time as fertilizer. This helps us to contribute to a circular economy.

Additionally, most of the organic waste from the coffee beans is collected at the roaster's and processed into green electricity and heat in a biomass fermentation installation. In other markets, there are also initiatives to bring more value to our waste streams, for example by collecting spent coffee grounds at the client and using them as a source of renewable energy.

Packaging

Sustainable packaging is an emerging topic on our sustainability agenda. Initially, our focus was on reducing the amount and weight of packaging materials. Also the impact of other initiatives such as telemetry and pre-kitting contribute to reducing the amount of packaging materials.

In 2021, we will further develop our sustainable packaging strategy. In addition to reducing packaging materials, we are moving more towards circularity by further exploring re-usability and recyclability. For our own products such as coffee, we are investigating the use of mono materials. Using only a single material for our packaging enhances the recyclability. In 2021, we will start a pilot with sustainable coffee bags without aluminum. For other products, we will collaborate with partners, suppliers and clients in our value chain to explore and implement more sustainable packaging.

**“AT ACHMEA,
WE WANT TO
CONTRIBUTE
TO A HEALTHY,
SAFE AND
FUTURE-PROOF
SOCIETY.”**



These goals are also translated into facility management and into the way we select our suppliers. Our collaboration with Selecta contributes to achieving these goals. All vending machines that Selecta has installed at Achmea are refurbished. In this way we contribute to a circular economy and to our goal to achieve fully sustainable and CO2-neutral business operations by 2030. In addition, we have made agreements about other sustainability aspects, such as reducing the entire chain of services, the use of plastics and the availability of healthy choices.”

Rob Hagenaars
Supply Chain Manager, Achmea



Respecting our environment

REDUCTION OF CARBON FOOTPRINT

Green mobility

Every day a great many of our associates are on the road to serve our clients. Our fleet is an essential part of our organization. By the end of 2021 we aim to have about 5,000 vehicles in place. The majority of our vehicles are vans (85%), and most of the fleet is leased (90%). In 2020, we renewed our policy for benefit cars at the group level. We also developed new guidelines for the selection of more environmentally friendly benefit cars. From now on, a fully electric benefit car will always be our first choice. Alternatives are considered only if a fully electric car does not match the driver's profile, for example if they are on the road a great deal. Driving electrically contributes to the reduction of our carbon footprint. Our new car policy will be implemented in 2021 in all Selecta countries. With this policy in place, we will gradually be moving towards a fully electric fleet. The initial focus lies on benefit cars, covering 15% of our fleet. It is our ambition that all our benefit cars will be fully electric by 2025. For vans, suitable electric alternatives are limited; however, we have extended the time horizon to 2030 to work towards 100% electrification for the entire fleet.

Telemetry, pre-kitting and route optimization

We optimize our routes to reduce operational costs, the number of routes we operate and the kilometers traveled to deliver our services. This contributes to a reduction of our carbon footprint. Telemetry and pre-kitting are important instruments to further optimize our routes. In 2020, 23% of the nearly 450,000 vending machines we operate were smart vending machines, compared to 20% in 2019. These smart vending machines are equipped with Internet of Things telemetry that allows us to remotely



monitor the machine's inventory at any time. In this way, we have immediate insight into what machines need to be replenished and what products need to be pre-kitted. This enables us to plan our routes dynamically and to deliver our products from the distribution center to the vending machine as efficiently as possible, thus further improving the service we provide to our clients. Besides these operational and environmental benefits, telemetry was also very valuable during COVID-19. Unnecessary visits to the clients' location were easily avoided, contributing to the health and safety of our employees.

The information on the machine's replenishment needs, provided by telemetry, is used to generate a dynamic route plan. If the scale of operations allows it, the required products for each machine are pre-kitted at the warehouse. This means that only the products that are out of

“FROM 2021 ONWARDS, LEASED ELECTRIC CARS WILL BE THE NEW NORM. THIS IS AN IMPORTANT FIRST STEP TO SIGNIFICANTLY REDUCE THE CARBON FOOTPRINT OF OUR FLEET.”

Eddy Scheerlinck
Group Fleet Manager, Selecta

Respecting our environment: Reduction of carbon footprint

stock at the machine are selected and transported. Consequently, our merchandisers have to carry less weight to the van and from the van to the machine. Moreover, heavy lifting in the warehouse is safer than in the small space of a van. The pre-kitting allows us to order products with less packaging materials because with pre-kitting the risk for product damage is lower. At the warehouse we have proper waste separation and sorting systems in place, and waste in the field is reduced. Telemetry and pre-kitting also mean that less inventory is needed at the warehouse, and less food goes to waste.

In 2020, we installed 9,300 additional smart vending machines. Thus, the share of smart vending machines increased to 23%, compared to 20% in 2019. Of the 5,050 routes we operate daily across Europe, about 20% already make use of telemetry. Telemetry is already applied in Austria, Germany, Switzerland, France, the UK, Spain, and the Netherlands. Telemetry will be further rolled out across our markets in 2021 and beyond. In 2021, we will complete the transition to smart vending machines in Spain, Germany, and Switzerland. Implementation in other countries will continue, especially in France. A next step beyond telemetry is data intelligence, which will further improve our forecasts on stock, routes, and planning, to enhance operational efficiency.

Telematics

Telematics is all about getting a detailed understanding of the use of our fleet. We analyze the way our associates use their company vehicle to gain insight

into safety, sustainability, and costs. This information is used for fleet management, and training is provided to our drivers to support them in driving more responsibly. This not only improves the safety of our associates on the road, but also improves sustainability due to lower fuel consumption, lower emissions, and less maintenance such as replacing tires, oil and breaking fluid.

Logistic network optimization

Logistic network optimization considers the locations of our distribution centers. With a network of strategically located distribution centers, we can further reduce the number of kilometers traveled, this contributing to lowering the carbon footprint of our operations. A good example is Selecta's distribution network in France. Here, the number of distribution centers was reduced to 60 without compromising on lead time and the quality of our services. In Switzerland, logistic network optimization has led to the relocation of distribution centers. At some of our hubs, pre-kitting was made available to allow for last-mile delivery directly from the distribution center.

Energy-efficient machines

Eco-design & Energy Labelling Regulations in the EU and UK triggered a new energy label for refrigerated vending machines. The new labeling is effective from March 2021. It requires all new vending machines to display an energy label and bans the least efficient machines. At Selecta this means that all new equipment will comply with the new regulation. This will improve transparency on energy efficiency for our clients and consumers. Some of our older vending machine models will be moved or taken off the market.



KEY FACTS & FIGURES 2020

47%
REFURBISHMENT RATE
Percentage of refurbished machines installed in 2020
2019: 43%
2018: 33%

20%
of our routes make use of telemetry

PRE-KITTING
enables us to reduce our carbon footprint & reduces (food) waste

9,300
Smart vending machines (23%) installed in 2020

SPENT COFFEE GROUNDS ARE RE-USED
for example to cultivate mushrooms and to generate renewable energy

ELECTRIC BENEFITS CARS
are the new norm from 2021 onwards

OUR RESPONSIBLE PRODUCTS

We are committed to sourcing our raw materials and products responsibly and to stimulating healthier choices through innovative concepts. We offer a wide range of certified sustainable products and a variety of healthy food and drinks.

Our responsible products

RESPONSIBLE CHOICES THROUGH INNOVATIVE CONCEPTS

Foodies

Foodies from Selecta is our innovative food and beverages solution at the workplace and other semi-public places such as libraries and hospitals. Foodies provides an inspiring meeting place where people are productive, connected, and joyful. It also offers healthy, fresh, and premium food choices. This wide variety of food choices is accessible at any time of the day. Even though Foodies is attendant-free, it is fully serviced daily with real-time monitoring. Foodies responds to our client's need for more flexible food solutions and more diverse and healthy food choices. Foodies solutions offer a wide range of fresh and healthy products, including vegan and local food options. In this way, Foodies provides joy to the workplace and beyond.

Partnerships are crucial for Foodies to make impact. We work closely with our suppliers – ranging from large A-brands to local suppliers – to innovate, increase our healthy and sustainable offerings, optimize logistics, and reduce food waste. Local sourcing is an emerging element in the Foodies concept. By keeping the supply chains short, we can reduce our environmental footprint.

“SUSTAINABILITY IS A KEY DRIVER FOR OUR CLIENTS AND THE CONSUMERS WE SERVE. FOOD BRINGS PEOPLE TOGETHER AND DELIVERS MOMENTS OF JOY. WE WANT TO PROVIDE AN EXCITING FOOD EXPERIENCE WHILST INSPIRING CONSUMERS IN THE WORKPLACE AND BEYOND TO MAKE HEALTHIER CHOICES.”

Marco Retel
Group Director Foodies, Selecta

Besides more responsible sourcing, we also pay attention to sustainable packaging. In 2020, hundreds of Foodies MicroMarkets were operated across the group. For 2021, Foodies expects strong and continued growth across all markets, in line with the growing demand for safe, attendant-free solutions that are accessible 24/7, reflecting a new way of working in the office. We have a clear strategy in place, but the total sustainability impact of our offerings is key to realizing this growth.



KEY FACTS & FIGURES 2020

HUNDREDS OF FOODIES MICROMARKETS operated across Europe

Sourcing of **LOCAL PRODUCTS**

INCREASE IN HEALTHIER FOOD CHOICES including vegan and plant-based

14,000 tonnes of coffee produced by Pelican Rouge

ECOVADIS GOLD RATING Received by Pelican Rouge

57% of the green coffee we sourced was sustainably certified

MOVE TOWARDS SOURCING OF IMPACT COFFEE FROM BURUNDI AND RWANDA

Our responsible products



“WE ARE COMMITTED TO WORKING WITH OUR SUPPLIERS, FARMERS AND RELEVANT COFFEE SECTOR PARTNERS TO JOINTLY ADDRESS THE PRIORITY SOCIAL AND ENVIRONMENTAL ISSUES IN OUR COFFEE SUPPLY CHAIN, FROM TREE TO CUP”

Sander de Vos
Managing Director, Pelican Rouge Coffee Roasters



Responsible procurement and roasting of coffee

Established 150 years ago, Pelican Rouge has a rich coffee heritage and tradition. Its high-quality coffees are sourced, blended, and roasted by our coffee roaster in Dordrecht, the Netherlands. Annually, we roast 14,000 tonnes of coffee. The majority of the coffee we produce is sustainably certified by Fairtrade and UTZ / Rainforest Alliance. In 2020, the share of sustainably certified coffee further grew to 57%, compared to 52% in 2019.

Sustainability at Pelican Rouge touches upon all aspects of the coffee value chain: from tree to cup, and even recycling the coffee waste streams. We are committed to making our operations more sustainable, by offering carbon-neutral coffee options, by supporting coffee communities through the Selecta Coffee Fund, and by minimizing our environmental footprint. We aim to move towards 100% sustainably certified coffee. In addition, we are committed to sourcing ‘impact coffee’ directly from the coffee farmers that are supported by the Selecta Coffee Fund. This enhances the traceability of our coffee and directly impacts the livelihoods of the coffee farmers who we source from. Our ambition is to make all our coffee production fully carbon-neutral, from cradle to shelf. About one-third of the energy used to roast our Pelican Rouge blends is currently powered by 3,850 solar panels on the roof of our roastery. In 2025 we aim to use 100% locally produced energy. Our environmental management system is ISO 14001 certified. We also received a gold recognition status on EcoVadis, a globally recognized standard for sustainability and transparency in supply chains, putting us in the top 5% of the 60,000 companies listed.

Ethical business operation

At Selecta we work together with our suppliers to ensure responsible procurement throughout our supply chain. We offer a wide range of certified sustainable products to serve a moment of joy to our clients and customers. Ethical business operations and human rights are key, both within our organization and in working with our suppliers. Our Code of Conduct (CoC) provides clear guidelines on what we expect from our associates. The Supplier Code of Conduct details what stakeholders can expect from Selecta, and what we expect from our business partners. From 2020, the renewed Supplier CoC was rolled out at the group level.



“THE MANTRA OF OUR COMPANY IS ‘FOR EARTH FOR LIFE’.

This promotes healthy eating, lifestyles, and sustainability. So investing in Foodies was an easy choice for us. We spoke to our employees and undertook a survey to find out what they really wanted us to provide, in terms of vending. What came out very strongly was the desire for healthier foods and more variety for vegetarians, vegans and those with allergies.”

Solly Wilson
Supply Chain Manager,
Kubota



SUPPORTING OUR COMMUNITY

We are committed to having a positive impact on the countries and communities in which we operate. We invest in supply chain initiatives in the countries from which we source our coffee, and we engage in the European communities where we are active.



Supporting our community

SELECTA COFFEE FUND

The Selecta Coffee Fund is one of Selecta's continuing commitments to making a difference in East Africa, the birthplace of coffee, to taking our social responsibility and to contributing to a better world. Our activities focus on improving the lives of the coffee farmers, their families and the communities that we source our coffee from.

Supporting coffee farmers

Worldwide there are about 25 million coffee farmers, most of whom are smallholders in low- and middle-income countries. Smallholders produce coffee on small plots, and many of them depend on coffee as their main source of income. They often face challenges such as low productivity, fluctuating yields due to changing weather conditions, and price fluctuations in the global coffee market. This puts pressure on their livelihoods and makes it difficult for them to live on the proceeds of their own production. We want to contribute to the livelihoods of coffee farmers by sourcing our coffee responsibly.

Certification is an important starting point to address sustainability issues, but more is needed to address the root causes of socioeconomic and environmental concerns. Therefore, we want to collaborate with partners in our coffee value chain in the origins we source from to directly reach the coffee farmers, their families and their communities. In this way we establish a direct link between our projects in coffee communities and the coffee that we produce.

“WE FURTHER STRENGTHENED THE SELECTA COFFEE FUND AND ENLARGED OUR EAST AFRICA FOCUS BY ADDING THE PROJECT IN BURUNDI TO OUR PORTFOLIO. IN 2021, WE WILL WORK WITH OUR CLIENTS TO FURTHER EXPAND THE SCALE AND IMPACT OF THE SELECTA COFFEE FUND.”

Michael Bech-Jansen,
Managing Director Region North, Selecta



A sustainable investment model

We work towards a sustainable investment model that is built on collaboration with our clients and that is driven by the sale of our coffee. Currently funds for the Selecta Coffee Fund are raised in the Netherlands, Denmark, Norway and Sweden through the sales of our coffee own brands miofino and Pelican Rouge. This is invested in projects that benefit coffee farmers, their families and their communities. Through the Selecta Coffee Fund, we aim to improve the livelihoods of coffee farmers, providing them with opportunities to develop professionally and to have the ability and resources to live on the proceeds of their production. To achieve this in a

sustainable way, we stimulate good conditions for entrepreneurship and for the development of the community.

In 2020, we further strengthened the Selecta Coffee Fund with an additional project in Burundi. Burundi is located in East Africa, the birthplace of coffee. It is a vast, varied region, where some of the world's finest coffee is produced. Burundi is among the poorest countries in the world and is considered a high-risk origin. Here, positive impact is most needed, and this is precisely why we invest in responsible sourcing to contribute to the livelihoods of coffee farmers and their families.

Supporting our community : Selecta Coffee Fund

Burundi

Coffee is the primary export product of Burundi. The climatic conditions are favorable and the country is well-known for its excellent coffee quality. However, coffee smallholders face challenges with low production, old coffee trees and fluctuating yields. With the Selecta Coffee Fund, we contribute to the livelihoods of coffee farmers and their families. We collaborate with Supremo, Rainforest Alliance and SUCCAM, a local coffee exporter, in a project in the Mumirwa region in Burundi. The project builds upon a network of certified farmers and takes a next step – beyond certification – to move towards a living income for coffee farmers. A key activity is the gradual rejuvenation of old coffee trees with younger, more climate-resilient trees. Diversification and training of farmers on Good Agricultural Practices (GAP) will further improve productivity, not only for coffee but also for other crops. The project aims to have reached 10,500 farmers by 2022. In Burundi, women play an important role in agriculture and coffee cultivation, but they often lack decision-making power. Improving the economic and social position of women is another important focus area of the project.



In 2020, we carefully prepared for the implementation of the project with all the partners involved. A local impact assessment was carried out to gain more insight into the risks and priorities in the coffee supply chain in the project area. The first GAP trainings took place at the beginning of 2021, and we started to prepare the nurseries. In 2020, we sourced a first batch of coffee from the project area. It is our ambition to include coffee from Burundi as a standard origin in our coffee blends.

Rwanda

Rwanda is a coffee exporting country that is well-known for its high-quality Arabica beans. Coffee is mainly produced by smallholders on small plots that are scattered on hillsides. Since 2016, we have been active in the Southern province of Rwanda to contribute to the livelihoods of coffee farmers and their families. In 2020, we focused the project even more on improving both coffee productivity and household income. We work together with local stakeholders to train farmers on GAP in coffee production and distribute cows at the household level. Cow manure is used as organic fertilizer at the coffee plot and helps to increase yields. A cow also has other benefits for the household, as its milk is an important protein supplement for the household's diet, especially for children who are growing up. Moreover, the sale of surplus milk provides opportunities for additional household income.

Last year, the project reached hundreds of households. We continued the distribution of cows, and we also provided dedicated training on GAP and animal husbandry in order to improve coffee production. In this training, we focused on the empowerment of women lead farmers. This becomes clear from the participants, as about one-third of them is female. In 2020, we conducted a survey in the project region to gather information on the region and the results of the project. The survey showed that 98% of the project beneficiaries are still rearing cows. In 2021, we will continue our activities through which we contribute to a more sustainable coffee sector in Rwanda. Of our miofino Rwanda coffee blend, 40% of the beans have been purchased from Rwanda.

“WITH THIS PARTNERSHIP WE TAKE A NEXT STEP BEYOND CERTIFICATION.

In 2020, we formalized our collaboration with Selecta to further support coffee farmers in Burundi to directly enhance the livelihoods of 10,500 coffee farmers.”

Thomas Delbar
Head of Supply Chain Sourcing,
Supremo



Supporting our community

COMMUNITY INITIATIVES

We actively support the communities in the countries where we operate. We do this with community projects and initiatives that range from charity projects to programs aimed at social inclusion. Besides initiatives in our local markets, we also support projects and initiatives that support vulnerable global communities.

Local initiatives

In Spain we continued our collaboration with the Juegaterapia Foundation. We support their project El Jardín de mi Hospi, which establishes attractive play areas for hospitalized children. Consumers can contribute to this initiative by buying their coffee from our solidarity coffee machines installed in their companies. In the Netherlands, Selecta supports Stichting Jarige Job, a foundation that provides birthday boxes to families who cannot afford to celebrate their children's birthdays. We are proud to support this initiative by serving volunteers free coffee while they work, as well as selecting the presents and packing these boxes of delights. Since the collaboration started in 2015, 100,000 of these moments of joy have been delivered.

“AT SELECTA WE CARE ABOUT OUR LOCAL COMMUNITIES AND ABOUT THE COMMUNITIES WE SOURCE OUR COFFEE FROM, SO OUR COLLABORATION WITH CLOSE THE GAP IS A PERFECT FIT!”

Roland Ludwig
Group CTO at Selecta



In the UK, Selecta started a partnership with OLIO to move towards zero food waste. Food that is nearing its expiry date is collected by Food Waste Heroes, and OLIO then shares this food among their local community via the OLIO app. In this way, surplus food is shared with the community and not thrown away. These are just a few examples of how our associates are involved in initiatives to support our local communities. There are many other markets in which we run initiatives to reduce food waste, often by supporting local food banks.

Global initiatives

In 2020, Selecta Spain continued its collaboration with AUARA, a social enterprise that allocates 100% of its dividend to developing clean water access projects for the people who need it most. Thanks to the sales made through Selecta vending machines over the past year, nearly 3.4 million liters of drinking water have changed the lives of more than 1,300 people in low- and middle-income countries. The Point Foundation supports and empowers vulnerable children and young people in coffee- and tea-growing regions in Rwanda and South Africa. They do this by sponsoring students throughout their education, and by providing funds for housing and other care. Selecta UK has been supporting the Point Foundation for some years now, by providing donations for the education, nutrition, and care of young people and people with disabilities. Access to education allows these students to develop personally and build their careers.

In 2020, Selecta became one of Close the Gap's new donors and business partners to make a positive difference worldwide. Close the Gap is a social enterprise that aims to bridge the digital divide by supporting educational, medical, entrepreneurial, and social projects in low- and middle-income countries. They do this by providing access to refurbished high-quality, pre-owned donated computers. This partnership aligns well with our GLOCAL approach and our sustainability ambition to care for people, planet, and society. By supporting Close the Gap we can have a positive impact on the people living, learning and working in some of the countries where our coffee is sourced. In 2020, we donated the first batch of ICT assets.

“WE ARE DELIGHTED TO BE ABLE TO WORK WITH AUARA, AND TO BE PART OF ITS SOLIDARITY AND SUSTAINABILITY, DOING OUR BIT TO CONTRIBUTE TO A BETTER WORLD.”

Oscar Aragón
Managing Director of Selecta Spain

“WE ARE VERY GRATEFUL FOR THIS FIRST DONATION OF HIGH-QUALITY USED ASSETS.”

Being a 'Glocal' player, we look forward to partnering with Selecta. One of Close the Gap's strengths is that we pick up material from pretty much all over the world in order to help bridge the digital divide.”

Didier Appels
Responsible for Strategic Partnerships at Close the Gap



BEING AN EMPLOYER OF CHOICE

We are committed to providing a great, safe, and diverse workplace for our associates. Our people are key to achieving our goal of providing millions of moments of joy every day.



Being an employer of choice

A GREAT, SAFE, AND DIVERSE WORKPLACE

The impact of Covid-19

2020 was an extraordinary and challenging year. The COVID-19 pandemic severely affected everyone's lives. Selecta responded immediately by implementing and activating measures to keep our people and clients safe. We continued to provide our clients with the best possible service, in compliance with the rules and regulations in each individual country. We introduced a range of convenient hygiene and safety solutions to help people feel safe when returning to work and while on the go. We developed Safety Stations, which are dedicated vending machines that contain health and safety products. People can easily obtain their face masks and sanitizing gels if they lose them or forget to bring them from home. Selecta also added protective equipment such as face masks, hand sanitizers and disinfectant wipes, in its smart vending machines in addition to regular snacks and drinks. Contactless payment minimizes physical contact during purchase.

At the workplace, coffee corners are typical places where people gather. We developed a set of rules to use our coffee machine in a safe and hygienic way. Social distancing is crucial to avoid contamination, and it is a priority when our associates serve our machines. By providing sanitizing dispensers and hygiene kits, we further contribute to helping people feel safe when returning to work. These products and services have been available since May 2020, and they have sparked great interest from companies, consumers and the general public.

Commitment to our clients and communities

The COVID-19 pandemic further demonstrated our commitment to the clients and communities we serve. In all our markets, our associates undertook significant efforts to support their local communities in these special and unique times. In Switzerland, Selecta collaborated with the Swiss Federal Institute of Technology in Zurich (ETH) to enable students to take rapid COVID tests for free. ETH offers 3,000 PCR tests per week and Selecta provided the vending machines free of charge. By making these tests available, Selecta helped to combat COVID in Switzerland. Moreover, in Spain free coffee was provided to hospitals to support and fuel the tremendous work that was being done by healthcare professionals in the frontline of the fight against COVID-19.

A similar initiative was developed in Italy, which was hit hard during the first wave of the pandemic. Selecta Italy also developed a special video to thank the men and women in field operations who were on the road every day during the crisis to make sure our clients' sites remained well-stocked, safe, and fully operational. In other markets, such as France and the Netherlands, donations were directly delivered to hospitals, such as healthy snacks to signal support for frontline responders, and this was strongly connected to the values of Selecta to bring moments of joy. At Pelican Rouge Coffee Roasters, we made free COVID-19 tests available for our staff to ensure safety in the workplace.

Health and safety

The health and safety of our associates always comes first. We are committed to providing a safe and healthy environment for all our associates, clients, contractors, and visitors. We have rigorous procedures in place throughout our operations, in compliance with quality management and food safety standards. New procedures and control measures are implemented to safeguard the health of our associates. Across the group, we are working towards zero accidents in the workplace. Our people are on the road every day. Our Safe Home program provides drivers with one-to-one online road safety and awareness training. We want everyone to get home safely every day.



“IT IS IMPORTANT TO US THAT WE ARE ABLE TO RESPOND OUR CLIENTS’ CHANGING NEEDS, AND THESE PRODUCTS AND SERVICES ENABLE US TO DO JUST THAT. THE SAFETY STATION IS A GREAT EXAMPLE, ALLOWING CONSUMERS TO ACCESS NECESSARY EQUIPMENT 24/7 IN AN EASY AND SAFE WAY.”

Tim Goossens
Managing Director Belgium

Being an employer of choice

Learning and development

Selecta is a great place to work, where everyone is valued and has the opportunity to reach their full potential. Most of our associates are out in the field serving our clients. The needs of our clients are central to what we do. We wish to bring joy every day through the products and services that we offer. We want to ensure that we tailor our offerings to our clients' needs.

Therefore, we train our teams on site to become our Client Solution Specialists. This shift in our culture requires training and development. This has been and will be a key priority in our learning and development program. With this program we invest not only in ourselves, but also in our people's careers. This makes us more attractive as an employer and we support the professional development of our associates. We started implementing the client solutions training with our sales force and top 100 leaders, and we aim to further roll this out across the organization.

Diversity and inclusion

With more than 8,000 associates in 16 countries, our people reflect the communities and clients we serve. Being inclusive is important to us. We want to hire the best people for the job, with the right skills, mindset, and culture. Background, age, and gender do not play a role when we hire new staff.

We work towards a more gender-balanced work force, and we see the best results in the countries where our program is most mature, such as in Switzerland, Finland, Sweden, and the UK. Overall, women currently make up around 30% of our

“OUR PEOPLE CARE ABOUT THE COMPANY AND WANT TO CONTRIBUTE TO MAKING IT A BETTER PLACE TO WORK AS WE CREATE MILLIONS OF MOMENTS OF JOY FOR OUR CLIENTS AND CONSUMERS.”

Barbara Becker
Chief Human Resources Officer, Selecta

workforce. The share of women is currently greatest in Finland, where 70% of the workforce consists of women. Most of our associates have permanent contracts (97%) and work on a fulltime basis (92%).

At Selecta, we want to foster an inclusive culture, ensuring all voices are heard. We maintain the highest standards of ethics, integrity, and teamwork, and we always expect open and honest communication. This is reflected in our Code of Conduct that sets out general guidelines for conducting business with the highest standards of ethics and integrity. We encourage our associates to report any violations of our Code of Conduct, group policies and standards, or other concerns that they might have.



KEY FACTS & FIGURES 2020

8,000+
ASSOCIATES

30% women **70%** men

97%
PERMANENT
CONTRACTS

29% women **71%** men

92%
FULL-TIME

26% women **74%** men

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JOY TO GO

