

Sustainability Report 2022

Espresso House Group



ESPRESSO HOUSE

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A word from Anssi Thureson

DEAR READER

Welcome to our 2022 Sustainability Report.

Espresso House's promise is that we will always do better. Things we do today may be great, but there is always room for improvement for our colleagues, for our planet and for our guests.

2022 was a year of rebuilding from the pandemic. As a result of the pandemic, many experienced coffee shop employees left the industry in 2020 and 2021, and it took time to get fully up to speed again. We have spent a lot of our time and effort to train and onboard new colleagues, so they feel safe and prepared for their tasks in the coffee shops and ready to welcome our guests.

For me personally I was honoured to be appointed Group CEO in May, a position I have accepted with great humility. Thanks to our amazing family at Espresso House, I am surrounded by wise and passionate individuals, working together to navigate our journey forward.

THREE PILLARS OF SUSTAINABILITY

Our Sustainability work and efforts are divided into three areas: our People, our Products, and our Planet. We have made improvements across all areas this past year and we are committed to ambitious plans for 2023 and beyond.

OUR PEOPLE

Espresso House's foundation is our people, which comes to life in interactions with our guests. I believe in leading by listening, so I spent my first 100 days as CEO traveling and talking to our people. I met so many hardworking and dedicated colleagues and I want them to feel valued for the amazing work they do. This is why we made the decision to increase salaries for our coffee shop employees in 2023 and in total we will invest 81 MSEK in salaries this year. In Germany, our colleagues received a salary increase in 2022.

For the second consecutive year we activated CupTogether, our long-term commitment to fight loneliness and build bridges between people. We want Espresso House to be an open and welcoming environment for all people in our local communities. A talk over a cup of coffee can help people open up and help those who are struggling.

CupTogether is also about being a warm and inclusive workplace for our people. Our colleagues are young, many live alone, and for some people, interactions at work is their only social contact of the day. This obliges us to provide a good working environment with creating a safe community, especially for mental well-being. Mental health has deteriorated in our society and supporting mental health improvement is a responsibility for us, both for our colleagues and for people in the communities in which we operate.

OUR PRODUCTS

In 2022 we reached our 50 % goal of food and drinks assortment available as plant-based. This is a true milestone and we want to inspire our guests to try alternatives they might not have previously chosen. Thanks to our innovation teams and colleagues in our bakery we will continue to learn and explore more about the endless possibilities of plant-based products.

At Espresso House we are taking responsibility from bean to cup. In 2022, 100 % of our coffee was verified according to Enveritas Standards and I am also pleased that for the first year since the pandemic, we could resume our important farm visits to our coffee producers.

OUR PLANET

As the largest coffee shop brand in the Nordics, we have a responsibility to be a sustainability leader, ensuring effective use of materials and recycling.

In 2021, we started mapping our carbon footprint according to the GHG Protocol. In 2023, our ambition is to work towards setting science-based emission reduction targets in line with the recommendations and criteria of the Science Based Target Initiative. I am very much looking forward to continuing this important journey.

LOOKING FORWARD

At the time of writing this, it is April 2023, and, for this year we have expansion plans for both existing and new geographies. Our business model will change to include local partners, such as licensing, and I am very excited to pursue this new operational direction. Most of all I look forward to another year of meeting many more talented and passionate

individuals across the company. Meet for small talk and in-depth discussions. Meet to address challenges and provide support. This energizes me.

Best wishes,



Anssi Thureson

CEO Espresso House Group

Anssi Thureson started his journey as the CEO for Espresso House Finland in 2016, and, in 2020 became the COO for Espresso House Group. He has been Group CEO since May 2022.



The year of 2022



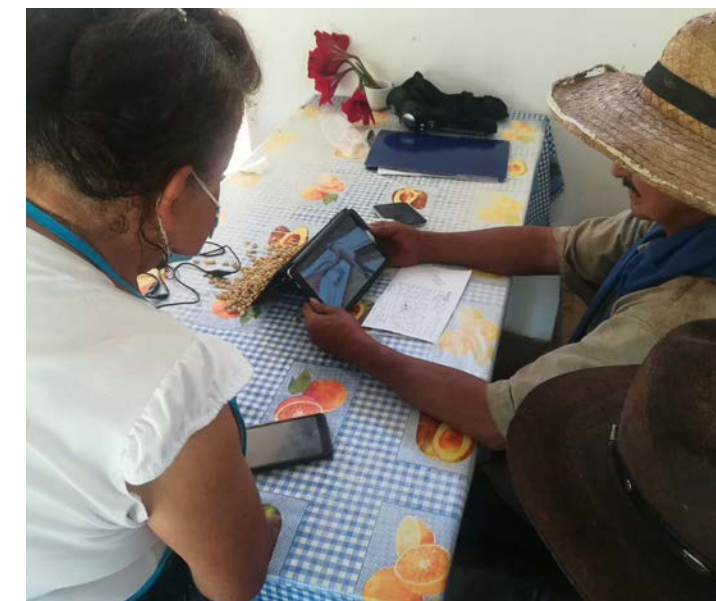
Reached our goal of having 50% plant-based options on the food and drinks menu



With our initiative CupTogether, we continued to fight loneliness



We employed 7,191 colleagues and received 89,000 work applications



We continued for the 3rd year to support farmers in Colombia with the Farmer Field School



Together with our guests we donated over 1 million SEK to important social causes



Espresso House was awarded 'Best Coffee Chain Nordic region' at the European Coffee Awards 2022



We made a commitment to set climate goals in line with the Science Based Target Initiative (SBTi)



We started phasing out the use of plastic cups in favor of using real glass and paper cups



Our Story

About Espresso House

Our story began in 1996. Two young students, Charles and Elisabet Asker, opened the first Espresso House coffee shop in the small town of Lund, Sweden. From the beginning, passion and quality were the beacons of everything they did, and this is still true today.

Now, over a quarter of a century later, Espresso House has grown into a leading premium coffee shop brand in the Nordics. The Group now operates coffee shops under the brands Espresso House, and Johan & Nyström. We are established in five countries: Sweden, Norway, Denmark, Finland, and Germany. At the end of 2022, we were proud to have a total of 506 coffee shops. During 2022, we opened 27 new Espresso House Coffee Shops including 2 conversions from Balzac Coffee to Espresso House in Germany. We welcomed more than 47 million guests, and, by December 2022, we employed over 7,000 cherished colleagues across our markets.

Espresso House Group is owned by JAB Holdings BV which is headquartered in Amsterdam. The board of directors consist of twelve ordinary members, of whom eleven represent JAB Holdings, and one is from Espresso House. The Board consist of ten men and two women. Anssi Thureson is Chief Executive Officer for Espresso House Group and also an appointed board-member. He was appointed by the Board of Directors and took office in May 2022. Espresso House's Chief Financial Officer, Anders Ljungdahl, was also appointed in May 2022.

OUR BRANDS



ESPRESSO HOUSE

Revenue:
3,260,346,000 SEK
Guests: 47,587,052
Employees: 7,191

Sweden

Opened in 1996
259 coffee shops

Norway

Opened in 2013
62 coffee shops

Finland

Opened in 2015
74 coffee shops

Denmark

Opened in 2016
68 coffee shops

Germany

Opened in 2018
39 coffee shops

Espresso House Group Head Office: Solna, Sweden



JOHAN & NYSTRÖM

Revenue:
178,348,000 SEK
Guests: 191,694
Employees: 77

Sweden

Opened in 2008
3 coffee shops

Finland

Opened in 2011
1 coffee shop



About Espresso House

OUR OMNI-CHANNEL PROPOSITION

We want to be where our guests are – wherever they are! Besides in our coffee shops our guests can enjoy our coffee at workplaces at Barista Stations and shop-in-shops, for instance in gas stations. Our Consumer Packed Goods can be found in selected grocery stores. Furthermore, we offer home delivery through local partners and catering services.



COFFEE AT HOME



DELIVERY



CATERING



BARISTA STATIONS

ESPRESSO HOUSE - BEST COFFEE CHAIN NORDIC REGION

Espresso House was awarded the 'Best Coffee Chain Nordic region' at the European Coffee Awards 2022 on Tuesday 18th October 2022. Held in London as part of the Allegra European Coffee Symposium, the awards recognized companies and individuals who have made the most outstanding contributions within the European coffee shop and food-to-go markets.

Stina Möller, Country Manager at Espresso House Sweden, received the prize at the gala dinner:

"The people of Espresso House are the foundation and heart of our brand. They meet and greet our guests every day. Our business is happening in our coffee shops, so I would like to dedicate this award to all of our amazing people in our coffee shops. This is your award! Thank you!"



Our Sustainability Manifest

Espresso House is built on consideration for our colleagues, our guests, and our planet. We strive to be better and to make smart choices today that will benefit our planet tomorrow.

Our Approach to Sustainability

Nature, society, and business are interconnected. Espresso House, we are aware that our activities and the choices we make have an impact on our planet in various ways. We have a responsibility towards future generations, and we know that sustainability means more than simply complying with the law. It is therefore our responsibility, duty, and will to contribute to a better and more sustainable future. Our aim is to work towards reducing any negative impact and, instead, find and create solutions that have a positive impact throughout our value chain.

For us, sustainability is a key, long-term commitment that needs to be placed at the core of what we do as a company. In our work we are guided by our strategy, goals, and policies. Sustainability an integral part of our brand strategy and brand pillars.

Read more about our Sustainability Framework on page 101.



ESPRESSO HOUSE

WARM &
WELCOMING

NORDIC
ROOTS

PUBLIC
PREMIUM

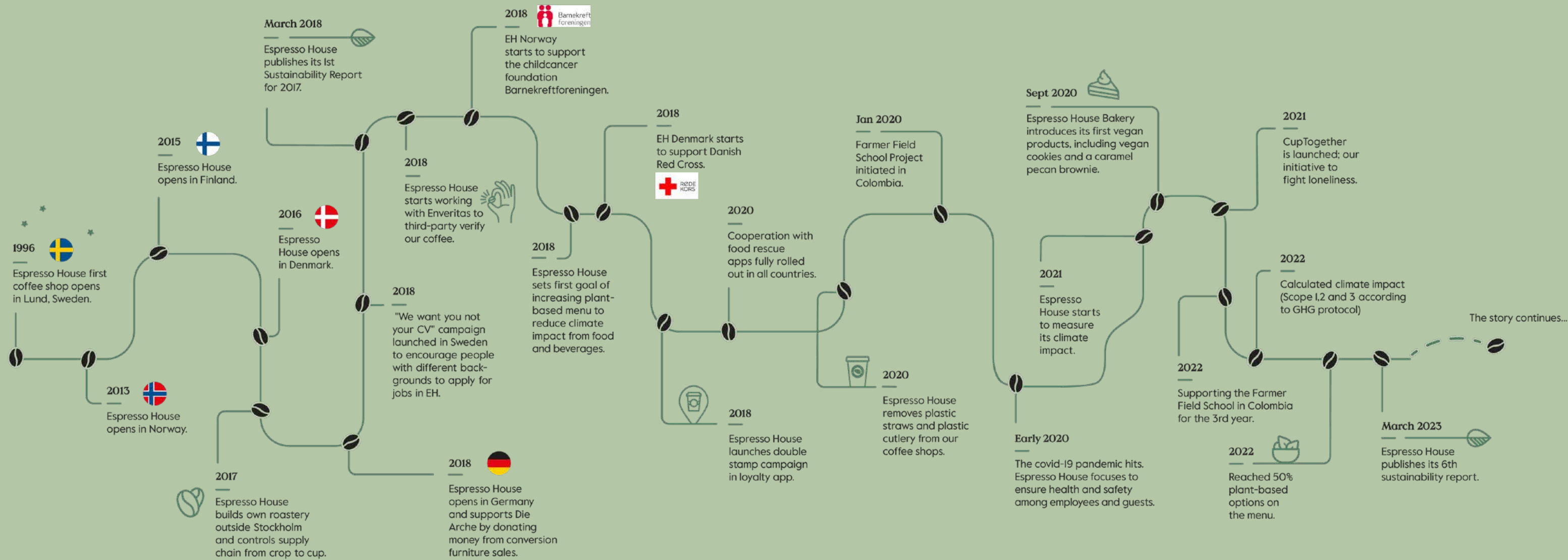
TOMORROW
FRIENDLY

TOMORROW FRIENDLY

Sustainability is built into every building block of Espresso House. With passion we care about both our Planet and our People, of course we will act responsibly today but also ensure a greater Tomorrow. We promise to always improve for the better and to be Tomorrow Friendly.



Espresso House Milestones



Our Impact

People



Our people

OUR PEOPLE, OUR FOUNDATION

Our people are and will always be the foundation of our brand and our most important ambassadors. Our aim is to be an inclusive, safe, warm, and welcoming workplace that allows our people to develop and grow with us. At Espresso House, everyone is welcome just the way they are! Ultimately, it is our people who make Espresso House who we are as a company and, therefore, is our first priority. People is therefore one of our three Sustainability pillars in the Espresso House Sustainability Framework (p. 101).

Our five people values, as outlined on the following page, set the foundation of our culture and guide us in our everyday work. The Human Resources Manager in each country and company is responsible for the people function, guided by our HR policies, and with support from our Group Human Resources team. As of December 2022, we had just over 7,000 cherished employees at Espresso House Group. During the year we received 89,000 work applications across all markets, which is an increase of 33% versus the previous year. 78% of the total employee workforce at Espresso House Group was in 2022 covered by collective bargain agreements. Performance and development reviews with employees are held on a regular basis, and annually at a minimum..

We want to be
an inclusive, safe,
warm, and welcoming
workplace where our
people can grow
and develop.



Our People Values

We want
each other's
best.

We talk to
each other,
not about
each other.

We have fun
at work while
creating
profitability.

The guest
always
goes first.

We love
initiative and
responsibility.



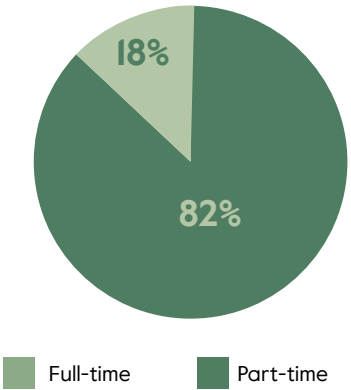
EMPLOYEES (HEAD COUNT AS OF 31 DECEMBER)

Year	Total	Sweden	Norway	Denmark	Finland	Germany	Johan & Nyström
2022	7191	3714	947	995	938	520	77
2021	6517	3320	869	903	909	435	81
2020	5188	2941	647	466	667	375	92

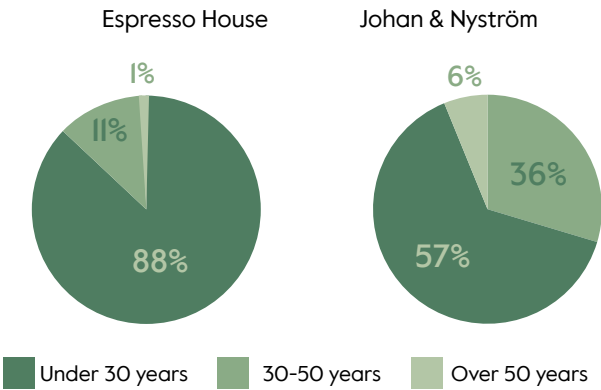
GENDER DISTRIBUTION

Year	Espresso House		Johan & Nyström		Coffee Shop Managers		Senior Management	
	Men	Women	Men	Women	Men	Women	Men	Women
2022	19%	81%	56%	44%	15%	85%	50%	50%
2021	17%	83%	56%	44%	18%	82%	57%	43%
2020	17%	83%	59%	41%	18%	82%	57%	43%

FULL-TIME VS. PART-TIME



EMPLOYEE AGE GROUPS



EXAMPLE OF SAFETY CHECKS
(COFFEE SHOP)

- Investigate
(plan & perform the safety round)
- Risk evaluation
(Conclude on the risk in every
area while doing the safety round)
- Review/Action
(review the answers and
create an action plan)
- Follow up that the actions
are taken accordingly and that
risks are mitigated



HEALTH PRESENCE
GOAL 95%

Espresso House	Johan & Nyström
2022 - 92,3%	2022 - 93,2%
2021 - 93,2%	2021 - 93,9%

Safe Place to Work

OCCUPATIONAL HEALTH AND SAFETY

Espresso House Group is a major youth employer, and, for many people, Espresso House is their first job.. In 2022, 88% of our employees were under the age of thirty and 93% of our total workforce is employed in operational roles in our coffee shops. Our greatest responsibility is to ensure a safe work environment and to allow for a workplace where everyone feels accepted and welcome for exactly who they are. Our ongoing work on occupational health and safety is based on national legislations, policies, work processes, and guidelines across the countries in which we operate. Health and Safety routines are incorporated in our onboarding and training for all our employees both as digital trainings and on-the-job-training.

Since 2022, we have rolled out a harmonized toolkit across all markets to ensure workplace safety. The tools are used to assist in the reporting of work-related hazards and follow-up actions required. Work-related hazards are identified through risk assessments made through safety rounds, internal revisions, employee surveys, feedback channels, and through continuous dialogue with our employees. Safety guidelines are in place in every coffee shop. Work-related hazards and hazardous situations can be reported by employees through a digital compliance system that is overseen by the HR department.

The Human Resource and Operations departments are responsible for facilitating and contributing to the the identification, reporting and mitigation of potential hazards and risks. Work environment representatives are present in all the markets and receive training on health and safety matters.

In 2022 Espresso House began to use a new range of cleaning detergents which are both better for the environment and safer for our employees which are easier to store and use.

ANTI-CORRUPTION

Espresso House is a company that our guests, employees and suppliers can trust and we are aware of the importance of operating in a transparent manner in accordance with existing laws and regulations. We do not tolerate corruption of any kind and our Anti-Corruption Policy guides us in this commitment. The Finance department has the ultimate ownership of the anti-corruption policy as well overseeing its implementation, monitoring and compliance. In 2022, there were no potential corruption incidents reported.

WHISTLEBLOWER FUNCTION

In accordance with the EU Whistleblower Directive, we have a whistleblower function in place which, enables suspected malpractice, unlawful or unethical behavior to be reported anonymously by all our colleagues. We will always encourage our employees to report wrongdoings and protect them when doing so. The whistleblower service is run through an external service provider and is fully implemented in all five countries.

Our people make us better

FEEDBACK MAKES US BETTER

At Espresso House we want to provide a work environment where our people feel that they are heard. We value and recognize feedback from our employees as crucial, because it enables us to further develop and enrich our leadership, our teams, and our company. We regularly undertake surveys, focus groups, team meetings, and individual meetings where queries and thoughts can be raised openly. Individual performance and career development reviews are held regularly with employees. Feedback channels for our colleagues are in place in all countries. To improve and professionalize the way we internally communicate, we also launched Workplace by Facebook, a communications platform for everyone in our organization. The platform was fully rolled out in all countries at the beginning of 2022.

We also maintain a “Barista Pulse” system. This tool provides us with quick and important feedback by simply asking the question “How was your shift?” on an everyday basis. This allows us to have insight into our colleagues’ feelings and wellbeing on a daily basis. The survey is anonymous and indicates to the team leaders if they need to respond to changes in employee sentiment. During 2022, we got approximately 270,000 responses from our Baristas through the Barista Pulse system. The average score during 2022 shows workshift satisfaction on the “Smiley Face” of the score range.



ADVISORY BOARD

We have had an Advisory Board since 2021, which is a cross-market initiative with representatives from both shops and offices, feeding input directly to our Group CEO. The purpose is to meet with colleagues across markets and representatives of group management, to discuss and share ideas and initiatives that can improve Espresso House for our guests and as a workplace.



OUT OF OFFICE

At Espresso House it is very important that every single person in our Service offices understand how operations in the coffee shops work. At the end of the day, our service office is there to give support to the people in our Coffee shops. Every quarter we organize an “Out of Office”. Where employees at our corporate offices, regardless of position, say ‘goodbye’ to the office for a day and ‘hello’ to one or two coffee shops to work alongside with our Baristas. This provides an opportunity for everyone to be present in the Coffee shops where our people are creating coffee experiences for thousands of guests every day. This helps us to get to better know, observe, and understand the operations of our coffee shops, and the needs of our employees.



Great Place to Work

93% of our people are coffee shop employees. The majority are young and Espresso House is often many people's first employer. This carries a big responsibility to us as an employer, introducing young people to working life and giving them a good start to their careers.

Training is a cornerstone to create a good workplace. Another aspect for solid workplaces may be less tangible but equally important; the employee rights. All employees of Espresso House should know of their rights, know where to turn to with questions and concerns if things don't feel right or are not working properly.

Another important aspect is to ensure a safe work environment. This includes safety at work in terms of personal safety with electrical equipment and chemicals but also a workplace where everyone feels accepted and warmly welcomed for exactly who they are.

Espresso House is about people and for people, both as a workplace and an open space for guests. The core of our business starts and ends in the coffee shops and comes to life in the interaction with our guests. Coffee shop employees are our

most important resources and we want our people to feel valued for the amazing work they do.

"We want our people to experience a great start to their working life in a safe and welcoming environment. Happy employees who feel valued and looked after at the workplace collectively creates a positive work environment. I believe training and routines are the keys to achieve job satisfaction. When you know what is expected of you and have the skills to perform your tasks, you feel in control and are able to achieve your daily goals; uncertainty on the other hand can create worry and dissatisfaction on site."

As a young person, knowing your rights in the workplace is not always a given, which we know from experience. In our onboarding we talk and discuss employee rights and it covers for instance breaks, working hours and sick-leave.

We are an open and inclusive workplace and it is heart-warming to see friendships being formed in our shops. People meet and make friends for life and we know that the coffee shop with colleagues plays an important social role for many of our employees.

From 1st January 2023 we are increasing salaries for our coffee shop employees as an add-on per hour. We want to invest in our people, see them grow with us and we want Espresso House to be an attractive workplace. This pay rise will take us in the right direction to be an even better and more competitive employer and will help us build a sustainable brand, both short and long term."

Anu Ukonlinna
HR Manager Espresso House Finland



"From 1st January 2023 we are increasing salaries for our coffee shop employees as an add-on per hour. We want to invest in our people."



Recruiting and Training

WE WANT YOU – NOT YOUR CV

At Espresso House we want people to feel welcome just the way they are. A resumé might be important, but ultimately we hire for attitude and train for skills our focus is to find the person with the right personality and drive, and to enable them to grow with us. This is the message behind our inclusive recruitment process that we call ‘We want you – not your resumé’*, promoting opportunities regardless of background.

ESPRESSO HOUSE ACADEMY

In our aim to offer our guests a world class coffee experience, education and training of our Baristas and leaders is key. We want to see our employees thrive in their job both as valuable individuals and as team members. It is therefore our priority to secure the right introduction, knowledge and prerequisites to succeed in their role. Our training includes practical and theoretical training. The theoretical part is run on a digital platform called Academy Skills with customized, informative and interactive training aimed for the different roles within Espresso House. The platform provides training for both coffee shop and office employees and is adapted to different languages depending on location. The interactive gamification training tool is meant to enhance the learning experience for everyone, used by both Baristas and office employees. With the platform already in use in Sweden since 2021, in 2022 we successfully implemented the platform in all countries. The feedback we received in autumn 2022 was that 95% of our employees across all countries find the digital training helpful and think it is relevant to their work. Over 4,000 employees answered the survey.

In 2022, we strengthened our training department further by centralizing the training function with a dedicated team on a Group level. The purpose of this team is to develop the training policies and procedures and ensure alignment and

harmonization across all markets. This work will continue in 2023 where we will aim to align introductions and strengthen our leadership program for all operational managers as well.

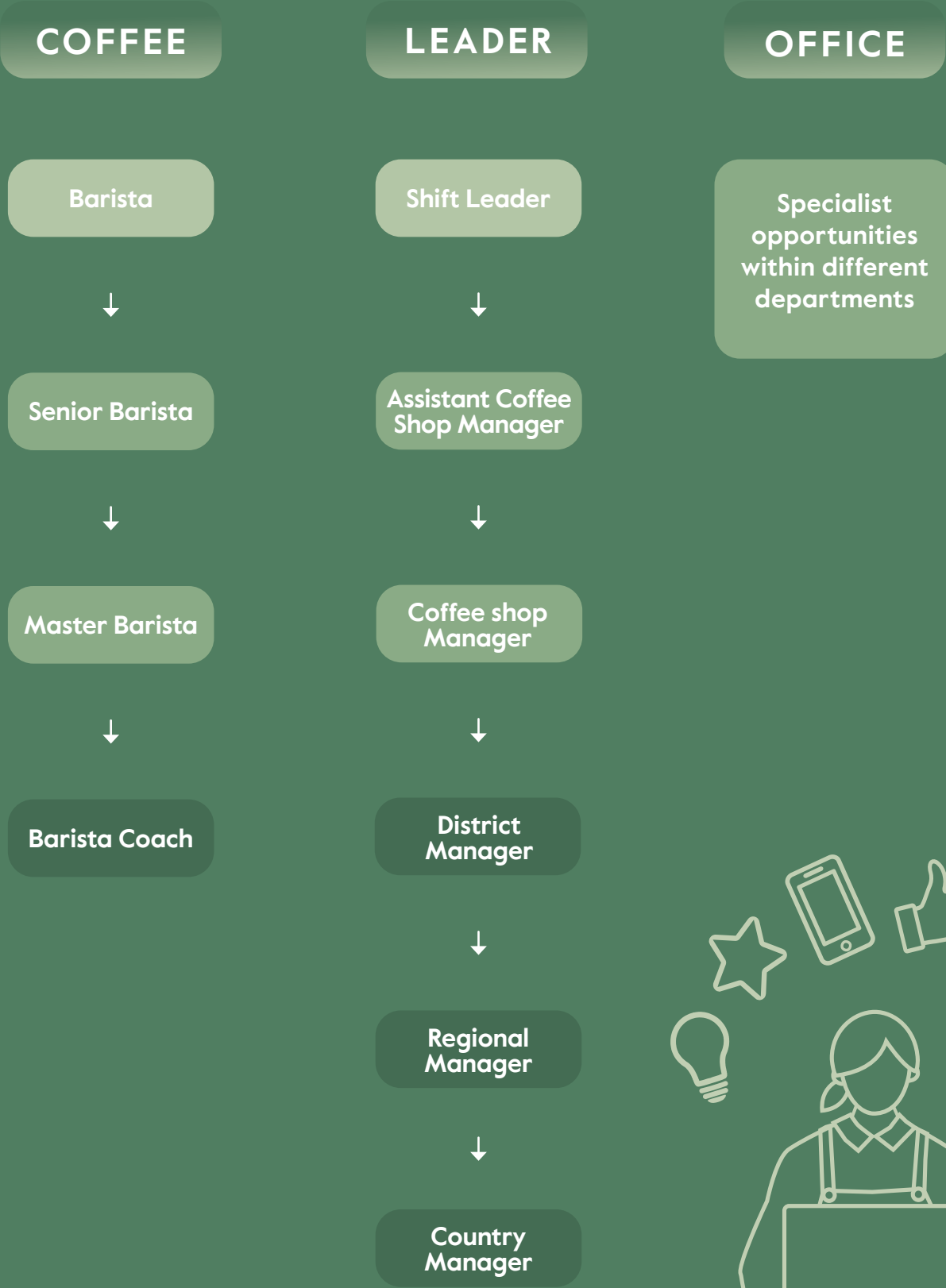
OUR DIFFERENT PATHS AND OPPORTUNITIES

At Espresso House we offer different employment opportunities and paths for growing within the company. We train for new skills and roles in our operations either specializing within coffee or to develop into a leadership role.

95% of our employees find our digital training helpful and relevant to their work

AVERAGE HOURS OF TRAINING FOR NEW COFFEE SHOP BARISTAS

2022	35 hours
2021	35 hours
2020	26 hours



* Implemented by Espresso House Sweden in 2018

Developing our leaders

YOUNG LEADERS

At Espresso House we place high importance on good leadership. We offer opportunities to discover our coffee shop branches and build knowledge for the future with an opportunity to work in leading positions. Alongside our People Values, we have our Leadership Principles that guide us and our colleagues on our clear priorities and standards. We are today proud to work with hundreds of young leaders across all markets, knowing that it is also our responsibility to ensure that we provide the right opportunities, training, and encouragement to take on leadership roles and to grow with us.

DISTRICT MANAGER TRAINEE PROGRAM

Being a District Manager at Espresso House is a fast paced and dynamic role with responsibility for 8-10 coffee shops in a district. These leaders have an important role in motivating, developing and helping our Coffee Shop teams to succeed. Offering a training platform with the right opportunities and support for them is therefore essential.

The Espresso House trainee program for District Managers lasts approximately 9 months and is designed to educate and provide a broader understanding of our operations, giving a unique opportunity to understand our business on a deeper level. The program includes digital education, individual training and development within the specific professional role. Since the start of the program in 2015 we have seen 94 employees successfully graduate from the program. In 2022 eight district managers graduated from the program. One of them is Felix White, today one of our cherished District Managers at Espresso House Sweden.

"Since October of 2022 I have been given the opportunity to work as a district manager full time and it was a smooth transition from my previous role as a Coffee Shop Manager largely thanks to the District Manager trainee program. Today I use everything I learned during the program in my day-to-day work as a District Manager. My learnings range from monthly closing to budgeting to routines in our operations and everything in between. Thanks to the program, my Regional Manager and I could get to work on important improvements for our district straight away, since I was up to speed on the basics of my role from the beginning.

My most important learning from the program is probably to believe in myself and the people around me! During my year as a trainee, I faced many different challenges. Understanding that no challenge is too big, if faced with the right mindset, has been really important when guiding myself and the coffee shop managers in my district through challenging tasks." - Felix White



We develop
our people

We choose
dialogue
and welcome
feedback

We are fair,
reliable
and we
always do
our best.

We have high
standards
and give high
support

We love
initiative and
responsibility.

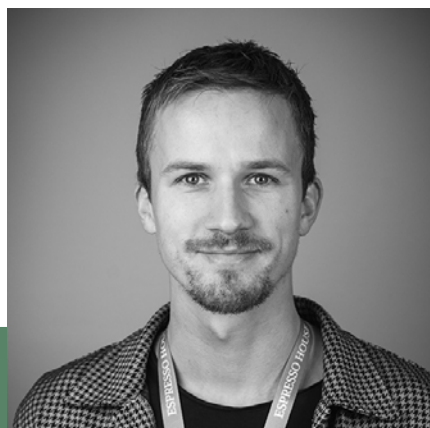
My Espresso House Journey

The story of my journey at Espresso House is an amazing journey that started in the cozy café at Nygatan 175 in Linköping in 2009. There were rumours of a trendy café opening in the heart of Linköping and as a recent graduate looking for a job to fund my future travels, I jumped at the opportunity to join the team.

While my friends ended up in warehouses and driving forklifts, I was able to get a job behind the green neon-lit coffee shop working alongside some amazing people. Over the years I took breaks to travel, study and worked a few weekends in the coffee shop. In 2012, we even won the very prestigious Coffee Shop of the Year award.

After finishing my bachelor thesis, with the support of the marketing team at Espresso House, I joined the Product & Marketing Team in Stockholm. From there, I have grown and developed in this amazing company. Having spent almost a decade in various product- and marketing positions. Today I am the Chief Commercial Officer of Espresso House Group.

Pontus Wretman, Chief Commercial Officer



My Espresso House journey started in April 2019 as a "Recruiting Ninja". Since then, many things have changed, and yet again, I'm still part of a people company with planet in focus.

2022 took an extreme turn in my personal life with the sudden loss of my mother. I was fortunate to be part of a loving and caring team in Denmark and my manager at that time, Camilla Nyholm, and the HR team had my back and made it possible for me to have my ups and downs alongside the ever-rolling operations. It seems irrational today, however the period was a time for further development in my professional life; I was granted an additional education and added new tasks to my desk which enabled me to exceed even further within HR. I felt ready for next step.

Next step happened very quickly, and since August 2022 I have been working as the HR Business Partner at our Support Center, providing our strategic departments with HR support and contributing to the overall people strategies for Espresso House. I continue to feel privileged to have gotten the chance to develop Espresso House even further; We reach for the stars, and I love to be part of an ambitious team and a caring working environment.

Christel Hansen, HR Business Partner



My Espresso House story began in 2018 as a Barista in Helsinki. I spent following three years in Töölöntori coffee shop, and this was the best place for me to learn and grow. I developed from being an insecure and shy Barista to someone who loves a day at work when there is a constant line of guests, noise and lots of drinks on the production screen to make.

Soon, I realized that I was interested in coffee, so I became a Senior Barista. My manager at that time was such a wonderful leader, she saw something in me and made me a Shift Leader. In 2021 I became an Assistant Manager and soon after that a Coffee Shop Manager of the Töölöntori shop. As of October 2022 I have had the privilege to manage two small coffee shops, Mikonkatu and University Metro, which has given me a whole new level of challenges and opportunities, and taught me very much about what it means to be a leader and a manager.

What I like mostly about Espresso House is that I feel my work is appreciated, and we are encouraged to grow and challenge ourselves. I can see leadership that genuinely want to do the best they can for their employees.

I wish you all happy coffee drinking moments!

Lilla Doloczki, Coffee Shop Manager, Finland



My Espresso House journey began as a temporary job and a summer that I will always remember. Espresso House was "the place to be" and my 18-year-old self was saving up money for my move to Spain.

My plan was to stay in Spain but Espresso House, my colleagues and not least my regulars, who are still my best and closest friends, made me change my mind. This June marks 20 years ago.

I started as a Host and shortly after I advanced to Barista/Senior Barista. After a few months as a shift manager (ACSM), Stina Möller, Regional Manager at that time, gave me the opportunity to become the Site Manager (Coffee Shop Manager) of two Coffee Shops in Malmö.

In 2007, I began my studies at the School of Economics in Lund. I was given the opportunity to combine studies with work; both in a shop and in the finance department - what a dream! Throughout my studies, I worked extra as finance assistant and when I graduated in 2011, I was offered a full-time employment at Espresso House. From Finance assistant which turned into System Manager and Financial Controller. After this: Head of Coffee Shop Controlling and finally my present position: Senior Financial Controller.

Almost 20 years in the same company but I can honestly say that it has never felt boring. There is always something happening. And the relationship that 20 years ago was unpredictable, exuberant and revolting is today more mature, structured and secure. But not boring. Never boring.

Rakel Kimhi, Financial Controller, Group



A diverse and inclusive workplace

EQUAL RIGHTS AND OPPORTUNITIES

At Espresso House we are against all forms of discrimination and we believe that diversity contributes positively to the company as a whole. Safeguarding equal opportunity and diversity is a cornerstone of our human resources policy, and in our work, we are committed to a broad range of equal rights and opportunities.

Not only is it important to work actively for women and men to have equal rights and opportunities, all our colleagues must have the right to be themselves, regardless of who they are or their backgrounds. We believe in the equal value of all people and that everyone should have the same opportunities and rights in working life, regardless of gender, gender identity or expression, ethnic affiliation, religion or other beliefs, disability, sexual orientation or age. In this way, all our existing and potential colleagues should feel welcomed, respected and safe at Espresso House, a workplace that is characterized by diversity. The plan goes hand in hand with our Equality Policy and our People Policy. The Human Resource Department holds ownership of these policies.

To follow up on the views of our employees we always include a question on discrimination in our employee survey. In our latest survey from 2022 we saw that 89% of our employees fully agree with the statement “I find the company to be a workplace free from discrimination, regardless of ethnicity, disability, gender, transgender identity, sexual orientation, religion or age”.

Our continuous goal is to always be an open and inclusive employer, fostering an environment where all employees have the same opportunity to achieve their full potential, and where everyone is accepted for whom they are. This will always be one of our top priorities.

STRONGER BENEFITS

As a part of always improving and becoming a better place to work we need to listen to the needs of our employees. In the surveys and dialogues with our people we were asked to improve on employee benefits, especially related to parental leave. Since January, 2022, we have supported our employees at Espresso House Sweden who are on parental leave by compensating for the difference in income between parental benefit and salary. This means that our employees on parental leave will keep the same income during their leave. We want to be a responsible employer in all stages of life: as a student working part-time, as a full-time employee and as a parent caring for their children.



EMPLOYEE RATING OF STATEMENT:	
<i>"I find the company to be a workplace free from discrimination, regardless of ethnicity, disability, gender, transgender identity, sexual orientation, religion or age"</i>	
2022	89%
2021	91%
2020	81%
GOAL	100%

CupTogether with us!

For the second consecutive year we activated Cup Together for Christmas. CupTogether is our long-term program and commitment to fight loneliness and break taboos in society. For every cup of filter coffee sold, 1 SEK/10 cent was donated to a local association that is dedicated to prevent loneliness. For Christmas season 2022 Espresso House Group raised a total amount of 1 million SEK.

Loneliness is also an issue for our young colleagues. Many live alone and for some individuals the social contact at work is the only social interaction of the day. This obliges us to provide a good working environment at all levels, but especially for mental well-being, and at Espresso House it is important to build a culture that is open, warm, and inclusive.

Each market supported different local associations and causes.

- Espresso House Sweden supported Maskrosbarn in their work to help children whose parents suffer from addiction, mental illness or violence and raised 509,062 SEK.
- Espresso House Finland raised 20,097 EUR for MIELI Mental Health Finland whose aim is to promote mental health, provide crisis support for those in need and work to prevent mental health issues.
- Espresso House Norway collaborated with Skravlekopp in creating meeting places for people and raised 123,652 NOK for this cause.
- Espresso House Denmark raised 100,000 DKK for the Danish Red Cross in their work to support those who are alone or stand out from society.
- Espresso House German supported Aktionsbündnis Seelische Gesundheit by raising 3,814 EUR for their work to promote mental health.

Skravlekopp

**MASKROS
BARN**

mieli
Suomen Mielenterveys ry

**RØDE
KORS**

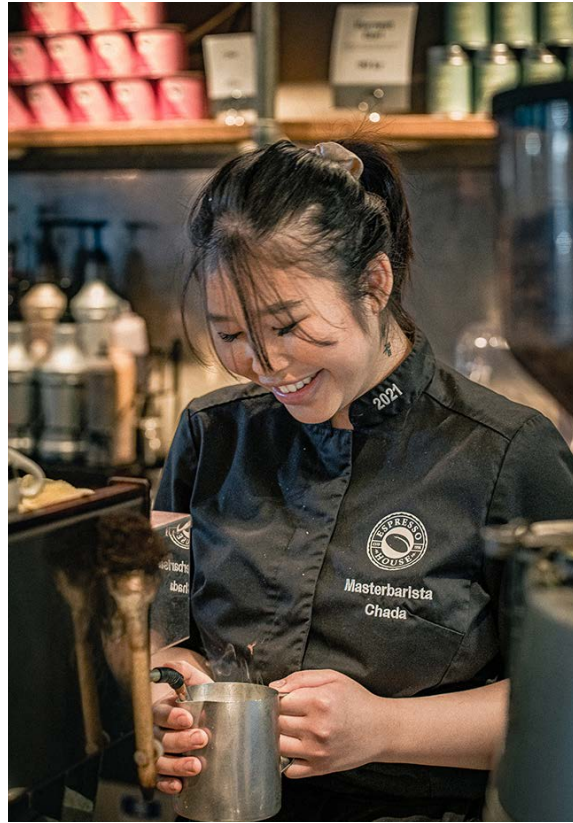
**Aktionsbündnis
Seelische Gesundheit**



STENBECKSPRISET 2022

Our collaboration with Maskrosbarn was awarded first prize in category Best Business Partnership of Stenbeckspriset 2022 by Giva Sweden an acknowledgement that our initiative CupTogether makes a difference in people's lives.

Giving back to communities



ESPRESSO HOUSE FINLAND

Participated in the Green Ribbon campaign organized by MIELI Mental Health Finland. The campaign raises awareness of people's mental health and raises funds for MIELI's mental health work and crisis intervention. During the campaign, Espresso House Finland donated over 9,000 € to MIELI.



ESPRESSO HOUSE GERMANY

Supported the „Aktionsbündnis Seelische Gesundheit“ (Association for mental health) during Mental Health Day and Week.. Team Germany was wearing the signature symbol for mental health on their aprons, the green ribbon, to raise awareness.

Also, Espresso House Germany supported one of the organizations united in the “Aktionsbündnis”, called “REDEZEIT FÜR DICH” (speaking time for you) by offering a safe space in a coffee shop. The aim is for people to come by to talk to volunteering experts about any kind of problems they might have. This was the first time the organization was able to offer these talks in live meetings.



ESPRESSO HOUSE NORWAY

For the fifth year in a row, Espresso House was a proud partner of Barnekreftforeningen in Norway. Throughout September, International Childhood Cancer Month, guests showed their support by buying gold bows in all coffee shops, and in addition made a donation. In total, team Norway raised 280,149 NOK.

Espresso House Norway was also part of a virtual race. By donating 30,000 NOK the team signed up their running team, which consisted of people both from support office and coffee shops. In total they ran/walked over 2,752.3 km during a month.



STAND UP FOR UKRAINE

Across Espresso House Group, from coffee shops, bakery, roastery and office spaces, employees were showing their support and compassion for the people of Ukraine.

Our employees have made donations to the Red Cross in their work to support in this humanitarian crisis, and we as a company have matched those donations in addition to raising funds from our sales. Local initiatives have also begun and we will continue to explore ways to support as a business and as individuals.



JOHAN & NYSTRÖM

The project “For a healthy soil” is an incentive from Johan & Nyström together with the coffee producer FAF Coffees and farmers in the Bob-o-link project in Brazil. Johan & Nyström contribute by donating 5 SEK/€ 0.5 per kilo we sell of our Bob-o-link espresso.

The projects fund an agronomist that teach the producers about more efficient ways of working with their soil sustainably, so that producers can get as good yield as possible year after year. Together with the producers, the agronomist will develop individual action plans. Every year FAF Coffees conducts analyses on its soil, which gives all the tools needed to measure and see the ongoing development of the project.

Product



A responsible Menu

DEVELOPING OUR MENU

The Espresso House menu is built on the heritage of a traditional Swedish 'fika', which often is a coffee or tea served with something sweet on the side. Having an average of 130,000 guests visiting us each day, we always look to anticipate guest demands and changing tastes through product development. We offer a wide range of hot and cold drinks with both sweet and savory pairings suitable for breakfast, lunch, dinner, or lighter meals. Our own Bakery (in Arlöv, Sweden) provides us with a large range of bread and pastry options, and our Roastery (in Länna, Sweden) carefully roasts the coffee beans for our coffee menu.

We are aware that what we serve has an impact on the environment, on our guests, and on people in and around our supply chain. The food origin, animal welfare, responsible sourcing, food waste and climate impact are amongst other things highly significant when it comes to food production. Our own climate calculations (p.82) confirm that Espresso House Group's greatest climate footprint comes from our menu and what we serve our guests. Our aim must therefore be to provide our guests with a sustainable and high quality product assortment. Our product development is managed on a Group level together with coordinators in our different markets. The team is guided by our product sourcing principles which is a set of sourcing rules focusing on national and responsible sourcing of certain product categories, as well as

our target on plant-based assortment (p.61).

In 2022, we have kept our focus on our coffee and fika heritage and at the same time have adapted to the new behaviors post-pandemic that requires more take-away friendly options both in the assortment as well as for disposable materials (p.88). In terms of food, focus in 2022 has been to get back to where we were before the pandemic; To continue our focus on adding more plant-based options to our menu and update the existing assortment to become more climate friendly. We are continuously on the look for quality and excellence, always with a focus on guest expectations and responsibility in the supply chain.

CAGE-FREE EGGS

While we have increased the proportion of plant-based options on the menu, some of our most popular products do contain meat and poultry. We are concerned with the welfare of farm animals used in the company's supply chain and committed to work with our suppliers to ensure that we live up to high standards of animal welfare. We have a set goal to ensure that 100% of our whole eggs and egg ingredients are produced from hens who live in a cage-free environment by 2025. By the end of 2022, 100% of our whole eggs met this criteria. We are also writing a new animal welfare policy for Espresso House Group covering meat, poultry and seafood which will be implemented during 2023.

SUPPLIER CODE OF CONDUCT

At Espresso House we value strong, trusted, and transparent relationships with our suppliers and for us it is important that we create a mutual understanding of our core values. In this work we ask our suppliers to sign our Supplier Code of Conduct, which entails our standards and work in accordance with internationally recognized minimum standards for human rights, labor law, the environment and anti-corruption. The Supplier Code of Conduct is based on the ten principles of the UN Global Compact, the ILO's fundamental conventions and the OECD guidelines for multinational enterprises. The Supplier Code of Conduct is mandatory and used by all countries and companies under Espresso House Group. The supply chain department has the overall responsibility for reviewing suppliers' compliance with the Code of Conduct.

PERCENTAGE OF PRODUCT SUPPLIERS THAT HAVE SIGNED CODE OF CONDUCT

- 2022 - 97%
- 2021 - 98%
- 2020 - 97%

We are continuously on the look for quality and excellence, always with a focus on guest expectations and responsibility in the supply chain.

Quality

QUALITY ASSURANCE


Providing safe high-quality products requires continuous development and refinement of our processes and routines. We have an established code of practice on how food should be handled in our coffee shops and kitchens. We document and review these policies on an ongoing basis, and we take any shortcomings in hygiene and food safety routines very seriously. Since 2021 we have a new online Quality Assurance Program and associated training in all our markets. The purpose was to further strengthen our routines and compliance across areas including food safety, allergens and cleanliness. To further ensure and secure a functioning quality program we launched an upgraded training on food safety in 2022. This training was specifically targeting our Coffee shop managers and district managers and will be part of our leaders' training in quality areas going forward. In addition, hygiene audits are carried out with external professional partners in all countries.

ALLERGENS

Guest and food safety is our outmost priority. At Espresso House, we have product information on product content on our website across all our markets so guests can gain full access to needed information on possible allergens. Some of our products are prepacked and have a complete table of contents with allergens marked with capital letters. Our baristas also receive training on allergens, risks related to these, and food handling to avoid allergen risks. The training is part of our Quality Assurance Program.

**In 2022
we successfully
launched an
upgraded training
on food safety for
our Coffee shop
Managers and
District Managers.**

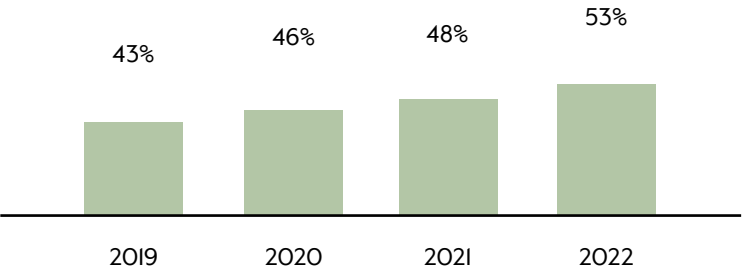


The background is a solid teal color. It is decorated with various green plant branches and leaves. In the top left, there are dark green, elongated leaves. In the top right, there are lighter green, rounded leaves. On the left side, there are more dark green, elongated leaves. On the right side, there are lighter green, elongated leaves. At the bottom, there are several branches with small, light green leaves.

100% yummy
is our promise.
Plant-based is
your choice.



PLANT-BASED FOOD AND DRINKS ON THE MENU* AVERAGE ESPRESSO HOUSE



*The average % is based on the food and drinks that were plant-based and drinks that could be served as plant-based. 'Ready to drink' assortment not included. Espresso House only.

Planet-friendly menu

PLANT-BASED IS HERE TO STAY

It's our goal that 50% of our food and drinks menu is available as plant-based or have an option to be served as plant-based. We are happy to say that we reached this goal in 2022!

The decision to move along the path towards increasing our variety of plant-based food and drink items has been guided by the need from both our guests and our planet. While the demand for plant-based is increasing, The Intergovernmental Panel on Climate Change (IPCC)* has presented evidence that shifting to a more plant-based diet is one of the most significant ways to reduce greenhouse gases from the agriculture sector. Our Group product department and Bakery work to innovate and renew the assortment on a regular basis, always bearing in mind our guests' expectations on sustainable, high quality and great tasting products. We believe in doing good things, for the sake of taste, but also for the environment. What we also believe in is free choice. However, in order to choose, there must be alternatives. Therefore, we aim to have plant-based options in all our product categories across all countries. We are continuously evaluating plant-based ingredients that can replace our current ingredients without affecting quality or taste of the product.

In 2022 the bakery developed three new vegan products (Breakfast Sandwich, Halfbaked Choco Caramel Muffin and Rocky Road Brownie). We asked Thomas Edgarn, Head of Bakery about the secrets behind our tasty plant-based products: *"Basically, it does not differ much from baking products that are not vegan. We only use the finest raw materials in our products and our employees have a high professional know-how*

about recipes and baking. One important aspect is never to try any short cuts when baking. It never pays off!

Of all vegan products we have produced over the years I think the baking of the vegan semla is the one I enjoyed the most. In the beginning I was not certain about the idea at all, but through meticulously testing the recipe over 30 times, we developed a product of which we are proud."

OAT-FRIENDS

There is an increased demand for plant-based alternatives to cow's milk according to our own guest statistics. Circa 13% of all crafted hot and cold drinks were sold with plant-based alternatives in 2022. The plant-based options include oat, soy and coconut milk with some variations between the countries. Oat is the most popular alternative amongst our guests.

In 2022, Espresso House expanded its collaboration with Oatly, and now we have Oatly oat drink in all our markets! By strengthening our partnership with Oatly to include all five markets we also strengthened our plant-based options for our guests.

*https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_FullReport.pdf

Espresso House Bakery

CERTIFIED FOR QUALITY AND FOOD SAFETY

At our own bakery in Arlöv we have a dedicated team of 49 people who develop and bake our own high-quality bread and pastries for our coffee shops. In 2022 the bakery produced over 4,000 tons of products. The Bakery continuously evaluates the challenges and opportunities in its operations from a sustainability perspective. The coordination of this work is managed by the Quality, Product and Development Manager together with the Environment, Health and Safety Coordinator.

Our food safety and quality at the bakery is fundamental and we have a high functioning quality management system. In 2022 the bakery was certified for quality and food-safety, with the grade AA+ according to the British Retail Consortium (BRC) Food Safety Standard*. The audit was unannounced. The certification gives assurance that our products are safe and of high quality.

UTZ MEMBERS

Our efforts in ensuring responsible sourcing of raw ingredients such as cocoa is important for us. Since 2020, the Bakery a member of UTZ Certification (now part of the Rainforest Alliance**). To ensure responsible sourcing and traceability in the value chain of cocoa, our goal is to source 100% certified cocoa powder and compound cocoa products. In 2022, 100% of all cocoa powder purchased was certified by UTZ.

In 2022
our Bakery
was certified
with the Grade
AA+ by the
BRC Food Safety
Standard

UTZ OR RAINFOREST ALLIANCE CERTIFIED	
Year	Cocoa Powder
2022	100 %
2021	100 %
2020	77 %

BRC QUALITY AND FOOD SAFETY CERTIFICATION	
Year	Grade
2022	AA+
2021	AA



* <https://www.brcgs.com/>
** <https://www.rainforest-alliance.org/utz/>



TOP SPECIALTY GRADE COFFEE

Our Specialty Coffee

FROM CROP TO CUP

With our vision to create a world class coffee experience to our world class guests we are committed to serving the highest quality coffee. In 2022, Espresso House Group sourced Specialty Coffee* from eleven different countries, and we brewed over ten million cups of drip coffee to our coffee-shop guests. We are undoubtedly passionate about coffee. However to us, coffee is not only about the perfectly brewed cup it is just as much about the people who grow and nurture it, our coffee farmers.

Being one of the world's most traded agricultural products, coffee plays a vital role in the socio-economic development and the livelihoods of millions of people around the world who depend on the crop as their livelihood. Given the current and predicted climate change trends, research shows that the coffee industry is facing challenges. The coffee crop is sensitive and require specific conditions to thrive and the most ideal cultivation areas for coffee can be found along the equator in the 'coffee belt'. Without action to reduce carbon emissions, climate change is predicted to impact agricultural systems and crop performance around the world and reduce the global area suitable for coffee production. The climate threat alongside market volatility and increased

production costs poses real challenges and therefore we must take responsibility to ensure that our coffee has been responsibly sourced.

Together with our Roastery and Johan & Nyström, we believe that we have an opportunity to create positive impact in our coffee value chain by creating strong relationships with farmers and to promote the sustainability of their livelihoods. The Espresso House coffee portfolio is coordinated through an internal Coffee Council with members from both Espresso House and Johan & Nyström.

OUR OWN ROASTERY

At Espresso House Group we are proud to say that all our Specialty Coffee has been roasted in our very own state-of the art Coffee Roastery located in Länna, just outside Stockholm. The Roastery roasts the coffee beans for both Espresso House and Johan & Nyström. Roasting Specialty Coffee is an art which requires a high degree of knowledge and understanding. We are committed to craft roasting, and our experienced Roast Masters use the slow roasting method to ensure that every batch of beans is roasted to perfection.

SHARE OF COFFEE ORIGINS 2022

Espresso House & Johan & Nyström

South America - Brazil, Peru & Colombia	88%
Central America - Honduras, Nicaragua, El Salvador & Panama	8%
Africa - Kenya, Ethiopia & Burundi	3%
Asia - Indonesia	1%

*Specialty Coffee is coffee ranked with at least 80 points on a 1-100 scale by the Specialty Coffee Association (SCA)
<https://sca.coffee/>

Responsible Sourcing

COFFEE SOURCING PROGRAM

At Espresso House we want to take responsibility from bean to cup and ensure that we are a part of a sustainable coffee future. Our commitment is to source Specialty Coffee with responsibility from bean to cup. Guiding this work is our Coffee Sourcing Program. It contains routines, actions and principles towards ensuring responsible sourcing of coffee. This sourcing program includes farm visits, self-assessments and third-party assessments of the coffee farms and cooperatives. In 2022, we were happy to be able to resume our own farm-visits for the first time since the pandemic started.

100% VERIFIED COFFEE BY ENVERITAS

Since 2018 Espresso House Group has completed third-party verifications of the coffee farms, cooperatives, and mills. The verifications provide us with valuable insights in to the performance across our own coffee supply chain. Our trusted partner Enveritas* is an independent, nonprofit organization that verifies the coffee for sustainability, traceability, and improvement activities. Enveritas helps us to gain a deeper understanding of the farming practices because it provides us with truthful, independently-verified sustainability claims about the coffee we purchase at point of origin. The verifications are undertaken during harvest and cover key social, environmental and economic standards.

The mission of Enveritas is to particularly help smallholder farmers, in the coffee industry. They

are often excluded from high-value sustainability markets, not necessarily because their practices do not meet standards, but because it is more challenging to verify their activities. These farms are small, not organized into groups, their supply is not aggregated consistently, and they live in places that are difficult to reach. Enveritas closes this gap, by travelling to these places and verifying their sustainability practices, with no cost for the farmer.

In 2022 we stepped up our ambition and commitment to responsible sourcing. We have gone from verifying 20% of the coffee portfolio yearly, to now verifying 100% yearly. The results from farms, cooperatives and millers are reviewed and opportunities for improvement are being assessed.

100% of our
coffee was verified
according to
Enveritas Standards
during 2022



ENVERITAS PILLARS OF SUSTAINABILITY

Social	Environmental	Economic
No Child labor	No deforestation	Above the poverty line
No forced labor	No pollution	Transparent pricing
Minimum wage respected	Biodiversity protection	Ethical business practices
No discrimination	Soil conservation	No forced land evictions
Clean water	Water conservation	Sustainable production
Decent housing	Energy conservation	Quality improvement
Worker Rights and benefits	No GMOs	Traceability
Freedom of association	No banned pesticides	Access to training
Written contracts	Safe chemical handling	Access to finance
Occupational health and safety	Pest and disease management	Records kept

*<https://www.enveritas.org/>

ESPRESSO
HOUSE



Meeting the farmers

OUR SHADE-GROWN COFFEE FROM EL SALVADOR

We value strong relationships with our coffee suppliers and in October 2022 we were happy to welcome the Menendez coffee farming brothers from El Salvador. It was a very inspirational meeting held at our Roastery just outside Stockholm where knowledge, laughter and coffee was shared. They told their story of how they produce the high quality and shade-grown Specialty Coffee that we purchase from them. We received interesting information on their environmental responsibility and on their engagement in the community where their coffee farm is providing a large proportion of employment opportunities in the community.

“The most important point for us, is the direct trade relationship between Espresso House Group and our farms which is vital to keep our farms running, and providing hundreds of families with work and economic sustainability”

Miguel Menendez, Coffee Farmer.

A very important issue for the Menendez family is to care for the environment, and hence work actively with planting shade trees to keep a healthy and productive plantation. El Salvador has been deforested through the past century, giving the coffee plantations a vital role in the local ecosystem and the natural habitat for local and migrating species.

“The variety of shade trees that we plant in the plantations are native and inga trees. The combination of coffee and shade trees creates a forest ambient, called a secondary forest, which is

vital for the local ecosystem. In the past five years we have planted on average 75,000 trees yearly. In addition, there is a native forest of 12 hectares directly attached to the farm, which is a virgin cloud forest. This forest has never been touched due to its elevation. Coffee in El Salvador grows up to 1,700 meters above sea level, and this forest is at 1,700-2,000 meters. We protect and guard this native forest, as it is an important heritage to the original forest and part of only 2% total of the surviving native forest in El Salvador”.

In 2022, our 3rd party verifier Enveritas visited the Menendez coffee farms and undertook an independent assessment on their sustainable farm practices to ensure sustainable farming conditions. We were pleased that they meet all three key social, environmental and economic standards to a 100%. We will visit the farm again in 2023.

During 2023, Espresso House will be serving their high quality specialty coffee as one of our Seasonal Brews.



Our Green Coffee Buyer's Experience

The majority of our coffee is sourced from Brazil. This year, first time past the pandemic, Jonas Hult, resumed his farm visits and travelled to south east Brazil to meet our producers in Cerrado and Mogiana.

"In Cerrado I met a few, but very large producers whereas in Mogiana it was the opposite case, several but small producers. The visits we make on site give us a snapshot of the conditions of the coffee farms and are part of our self-assessment program for sustainable sourcing. Our visits are important for building long term relationships with our producers, to strengthen the ties."

There are some stories from Jonas' trip which have had a significant impact on him. He mentions a producer in Cerrado who lost over 40% of his entire harvest due to the long drought and, some years ago, his dry mill was lost in a fire.

"Despite this, he was in good spirits and incredibly driven to continue developing and improving the quality of his coffee. There are many encounters where I marvel at people's determination and drive in challenging situations."

In addition to Jonas Hult's visits and self-assessments we undertake third-party verifications as described on page 66.

"Enveritas visited the producers in Brazil and has been our main tool for gaining knowledge and understanding of the actual conditions of the farms where we source coffee. This is crucial to us, as we don't see the whole picture when visiting."

FUTURE CHALLENGES

The main challenge to coffee farming is the climate. Rising temperatures and disrupted weather patterns have severe consequences for producers: from new diseases and pests to poor soils and lower volumes. Farmers need both money and security to dare to invest in their farm and to be better prepared for climate variability.

The best way to support our farmers going forward is to pay more for the coffee and secure long-term purchases with good foresight. In addition, we can provide financial support to implement projects and initiatives to improve the field.

The pandemic caused a shortage of workers, particularly in South and Central America and the enormous insecurity was illuminated among producers; what are the markets like, can people drink coffee, are the buyers still there, are the roasters still there, will we be able to ship? These were all questions that were raised, but to which, long-term contracts could be one concrete solution.

As always when it comes to global issues, whether pandemic, recession or climate change, it is the people at the lower part of the value chain who are most vulnerable.

In 2023 Jonas looks forward to continue his travels and will visit the coffee farms in El Salvador and Brazil.



Jonas Hult, Green Coffee Buyer





Supporting the Coffee Community

THE FARMER FIELD SCHOOL IN COLOMBIA

At Espresso House Group we are aware that our vision to create a world class coffee experience is dependent on the success of the coffee farmers who produce the coffee. Supporting our farmers is an important part of our commitment towards creating positive and meaningful impact for them and their families. The coffee we buy comes from regions that are vulnerable to the impacts of climate change as well as various socio-economic challenges. With this in mind, we strive to identify projects that are designed to tackle some of these challenges.

In 2022, Espresso House Group continued to support the Farmer Field School in Colombia, a project we started supporting in 2020. The school is a joint project coordinated by our partner Caravela and their Grower Education Programme*. The school encourages and supports farmers in the region through the teaching and sharing of knowledge on high quality coffee production and sustainable farming practices. Physical and virtual classrooms are provided as well as individual farm-visits and workshops held by professional agronomists. The classes are free of charge for the farmers.

Ultimately, the aim of the project is to support sustainable development and farmers' livelihoods through increased productivity and improved quality whilst protecting the nature.

In 2022, a total of 464 coffee producers benefited from the project in one way or an other.

"The training we receive at the Farmer Field School allows us to learn about different coffee topics we did not know about, to keep experimenting to achieve better quality, learn about costs and farm income, and interact with other coffee producers and learn from them too. It has been a beautiful experience and this year we will continue taking advantage of offered resources and learn more everyday."

Arley Jiménez, Farmer

FARMER FIELD SCHOOL - ACCOMPLISHMENTS				
Year	Classes	Work-shops	Farm visitis	Attendees
2020-2022	209	100	845	1,236 farmers

Solar Cells in Burundi

SOLAR CELLS - THE WAY FORWARD!

Together with Long Miles Coffee in Burundi, Johan & Nyström started a project to build solar cells on the roof of their coffee washing stations in 2022. Thanks to the energy that the sun generates, operations will be more stable, cheaper and better for the environment!

Thanks to the money raised by the project, Long Miles Coffee will now be able to buy solar cells to cover the electricity needs for two of their washing stations. It will lead to more efficient work, better coffee quality, a safer working environment and reduced environmental impact when the need for diesel generators disappears.

ELECTRICITY - A SCARCE COMMODITY

The coffee growers in Burundi work all day picking coffee berries on their farms. When evening comes, they bring the day's harvest to the Long Miles washing station where the berries are sorted, washed and then dried. By this time it is dark and lighting is needed at the sorting tables to be able to see which berries are of the right quality and which need to be discarded. This process requires electricity as do water pumps and other machines, such as those that separate the beans from the pulp. Until now, diesel generators have been used to get electricity, but the operation is unreliable since it is difficult to get fuel. Moreover, fuel is expensive and environmentally unsustainable.

The coffee producers are the most important resource of our Roastery and we were happy to be able to give back to them this Christmas. All our guests were encouraged to participate and contribute, 20 SEK per kilo Christmas Coffee sold was dedicated to the project. The campaign resulted in a donation of 80,000 SEK for the project.

Planet



The Planet

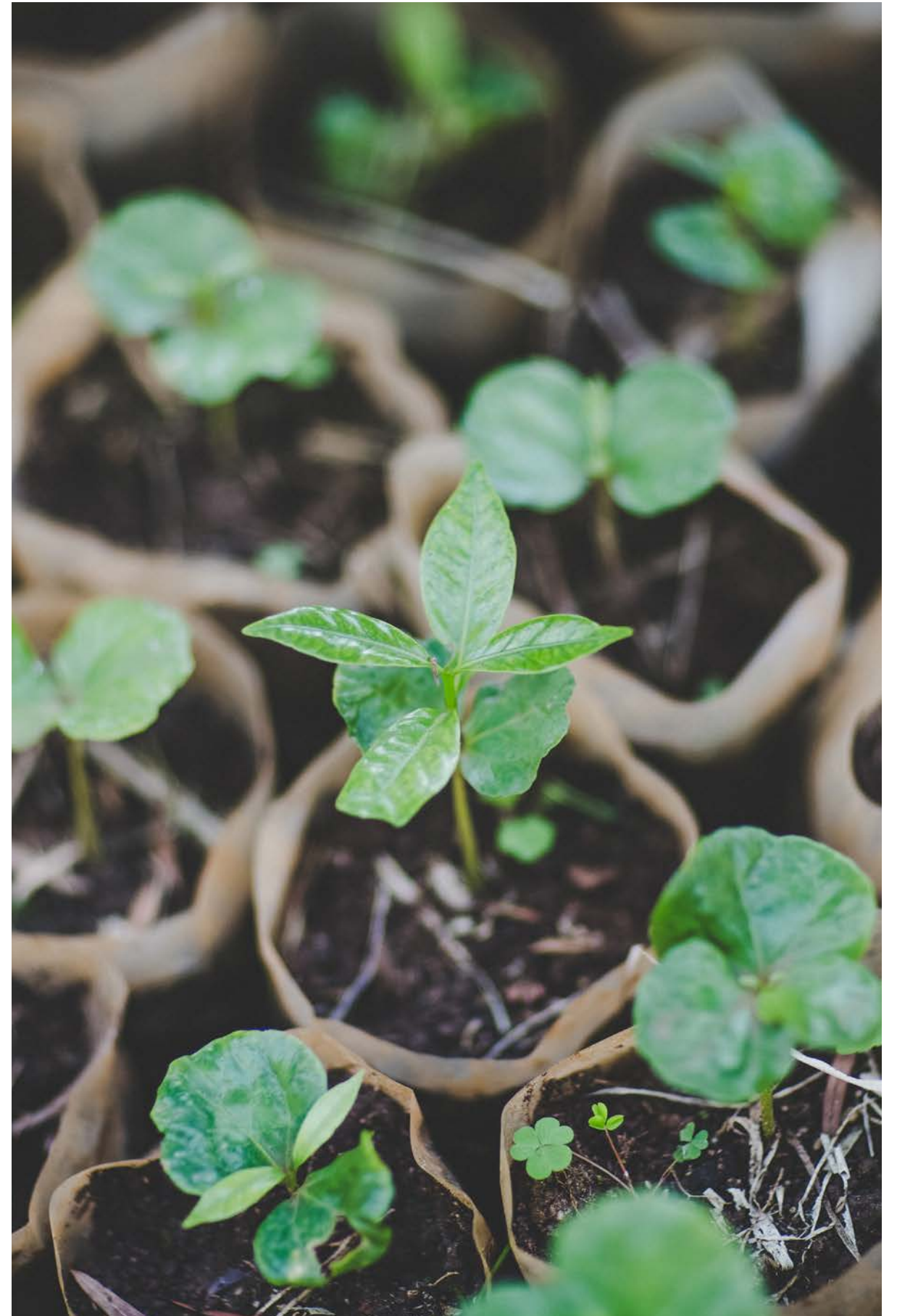
OUR IMPACT

Espresso House Group recognizes that we, in our business activities across the value chain, have an impact on the planet. We are also well aware that our long-term commercial resilience is dependent upon the health of our planet. Thus, addressing climate change must be a central and integrated component in our sustainability strategy. It is our responsibility to always strive to prevent, minimize and, whenever possible, to eliminate any negative impact that our business leaves through our value chain and our business activities including operating our Coffee Shops, Bakery, and Roastery. The Planet therefore makes up one of our three Sustainability pillars in Espresso House Sustainability Framework (p. IOI).

PRODUCTION ENERGY AND TRANSPORTS

In our Roastery with operating roasting machines that work long hours, we try to limit the environmental impact stemming from this energy usage by maximizing the production hours and batch sizes. Since 2021 we use biogas from bio waste in the roaster, replacing LPG (Liquefied Petroleum Gas). The change will significantly reduce the greenhouse gases from this particular step of the roasting process. Furthermore, the Roastery is using outgoing transportations (within the Nordics) that are 100% climate compensated by our logistics partner. At Espresso House we also try to streamline transports across our operations and activities to reduce the amount of transports used. Our main product distributor HAVI uses 99% renewable fuel for own transport vehicles in Sweden.

We continuously do what we can to try and reduce our impact, and we now aim to set targets, monitor and reduce our footprint even further, and to ensure that our strategy is aligned with our stakeholders' expectations.



DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS (SCOPE 1, 2, & 3)

Greenhouse Gas (GHG) emissions in Metric Tons of CO2e	2019	2020	2021
Direct GHG emissions (Total Scope 1)	672	548	532
Indirect GHG emissions (Total Scope 2), Market based*	7,071	5,936	6,068
TOTAL (Scope 1 & 2)	7,743	6,484	6,600
Indirect GHG emissions (Total Scope 3), Market based	N/A	N/A	41,888
TOTAL (Scope 1, 2, & 3), Market based			48,488

Scope 1: Direct emissions from controlled sources such as owned or leased vehicles, and cooling agents

Scope 2: Indirect emissions from purchased electricity and heating

Scope 3: Indirect emissions occurring from activities and assets not owned or controlled by the organization.

Greenhouse Gas (GHG) emissions are defined as the term carbon dioxide equivalents (CO₂e) and is used to label different greenhouse gases in a common unit. For any quantity and type of greenhouse gas, CO₂e determines the amount of CO₂ which has the equivalent global warming impact. CO₂e includes the following GHG gases: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃. Both actual and estimated data has been used.

Source of emission factors: Scope 1: SEPA (2021). Emissionsfaktorer och värmevärden (2021). Swedish Environmental Protection Agency. BEIS (2021). UK Government conversion factors for greenhouse gas reporting. Department for Business, Energy and Industrial Strategy, London. Scope 2: UN (2021). IPCC (2007), Swedish Energy Markets Inspectorate (2021).

*Scope 2 according to location-based calculations: 1892 tons of CO₂e in 2019, 1829 tons of CO₂e in 2020 and 1541 tons of CO₂e in 2021.

Data for 2022 will be gathered during 2023 and reported in the next year's Sustainability Report.

Our Climate Footprint

OUR CLIMATE FOOTPRINT

In 2021, we started our work to map our climate impact for the year of both 2019 and 2020. We choose to include 2019 as we wanted the results of a pre-pandemic year that could show us a realistic baseline. The calculations were carried out according to the GHG Protocol (Greenhouse Gas Protocol*) which quantifies the greenhouse gases (Scope 1 & Scope 2) that occur directly and indirectly from our business activities. Following the GHG protocol, emissions are calculated according to both the market-based and location-based method. Espresso House Group applies the operational control approach, and the emission assessment across all of our markets including coffee shops, offices, the Bakery and the Roastery.

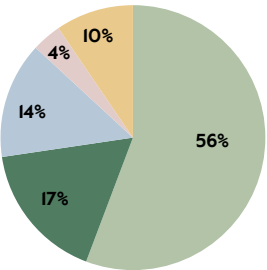
In 2022 we continued to map our impact by calculating our whole value chain, by adding Scope 3 to the calculations for the year of 2021. This includes the indirect emissions occurring both upstream and downstream in the value chain, not controlled by the organization. This is where we also find our largest climate footprint (86%). Of our total emissions, 56% is found in the category of purchased goods and services, which confirms that our largest impact comes from what we serve our guests.

SCIENCE BASED TARGET COMMITMENT

To take responsibility and address the risks related to climate change, Espresso House Group has decided to set emission reduction targets in line with climate science. As a first step in this progress Espresso House made in 2022 a commitment to set climate goals in line with the Science Based Target Initiative (SBTi)**. With this initial step we show our ambition to setting science-based emission reduction targets in line with

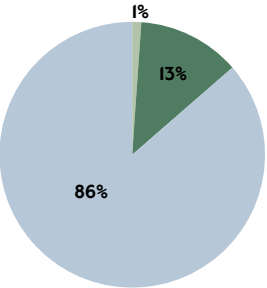
the SBTi criteria and recommendations. Our next step will be to develop the targets and define a pathway to reach that goal.

EMISSION DISTRIBUTION 2021



- Purchased Goods & Services
- Capital Goods
- Electricity & Heating
- Transport
- Other

SCOPE 1, 2 & 3 2021 MARKET BASED



- Scope 1
- Scope 2
- Scope 3

*<https://ghgprotocol.org/>
**<https://sciencebasedtargets.org>

Improving our Waste Management

WASTE MANAGEMENT AT ESPRESSO HOUSE

Proper waste management plays an important role in ensuring a sustainable society and the protection of the environment that we depend on. We have a responsibility to improve waste management in our coffee shops and production units. Packaging materials and biowaste stands for a large portion of the waste generated from the operations in our Coffee shops and production units.

We have a waste management policy set on a group level while each country is responsible for the implementation and follow-up to ensure compliance to national regulations. The work towards solid waste management is challenging but possible. The implementation differs from country to country with local rules and regulations that we need to adhere to in five different markets. Since 2019, all our newly built coffee shops were redesigned with floorplans to provide for even better integration of waste management.

BIOWASTE IN COFFEE SHOP

Through our waste management policy we set a long-term goal that 100% of our coffee shops should have food waste management systems in place (i.e. separates biowaste for collection). In December 2022, just over half of all our coffee

shops in all markets now separate food waste. We are working through the challenges to be able to achieve our goal and we are aware that we have an important job to continue.

REDUCING WASTE IN OUR PRODUCTION UNITS (BAKERY AND ROASTERY)

To minimize waste in our production facilities we plan and utilize the production process for each product carefully. Due to the high volumes, the risk for production scrap is high. Scrap is evaluated on an ongoing basis and initially at the product development stage. We adapt and optimize the settings of the machineries to avoid waste in the processes. In our Bakery the scrap is separated and treated as organic waste and is sent to be processed externally into biogas. Our goal is to keep production scrap under 2%, and we ended 2022 with 1.9% which is an improvement from the previous year. In our Roastery we try to minimize the impact of coffee waste in the production by repurposing it. Organic byproducts such as coffee dust emitted in the roasting process is collected and compressed into pellets and sent to either farmers or to district heating facilities.



Zero Food to Waste

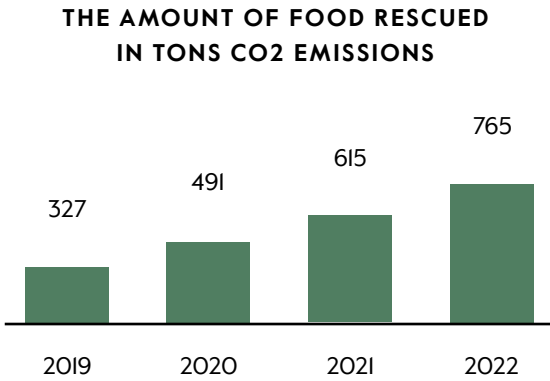
FOODWASTE AT ESPRESSO HOUSE

Wasted food is a large and complex global problem that brings significant environmental, social, humanitarian and economic consequences. It is estimated that up to a third of all food that is produced for human consumption is lost or wasted. At Espresso House, we work actively to prevent and minimize food waste in our operations. We work specifically with avoiding food waste in the first instance by keeping healthy inventory level and by systematic planning of food preparation to ensure freshness and quality of the products.

Since 2018 we have partnered with leading food rescue application services in all our markets. Espresso House Finland collaborates with ResQ Club and Espresso House Sweden, Norway, Denmark and Germany are all cooperating with Too Good To Go. These services enable us to sell good and high quality surplus food at a discounted price, instead of throwing it away. In 2022, approximately 250,000 meals were rescued.

We really appreciate the valuable partnerships we have with professional food rescue companies, because with their expertise and app solutions, they help us in our mission towards ensuring that zero food should go to waste.

In the last
4 years, food
equivalent to
2198 tons of CO2
have been
rescued through
food rescuing
applications



Packaging & Materials

PLASTIC REDUCTION PROMISE

As the largest coffee shop brand in the Nordics, we have a responsibility to be a sustainability leader, ensuring effective use of materials and recycling. While packaging for us is important to protect the quality of the product, we must continuously source materials that are better for the environment. Before the pandemic we saw an average of 35% of our guests ordering takeaway, while in 2022 this number has increased to an average of 50%. This changed consumer behavior comes with an increased use of single-use materials. Overall, our main approach to managing the impact of packaging and materials can be divided into three areas: Reduce, Replace and Reuse.

REDUCE AND REPLACE

An average of 50% of Espresso House's guests chose to sit down in our coffee shops when having their coffee. This provides an opportunity of reducing the use of disposables as we serve the majority of our products in porcelain. While reducing plastics is our priority, we also need to focus on finding environmentally better materials for the

disposables that are still in use. In the past years we have made a significant amount of changes already.

In 2022, Espresso House continued its mission in reducing plastics, phasing out plastic cups for cold beverages in all markets. Instead, we use glasses for our seated guests and paper cups for takeaway. Eliminating plastic cups in favor of glasses and paper cups is an important step in our sustainability efforts. With this change we estimate that we will avoid using 123 tonnes of plastic annually.

The next step in Espresso House's sustainability efforts is to phase out plastic lids for hot drinks ordered as takeaway. Using less plastic is part of Espresso House's sustainability commitment and by 2025 the goal is to reduce fossil-based virgin plastic in guest packaging materials by 50%.

"Our efforts to find new and better solutions for our food and beverage are ongoing. Our packaging must meet quality and hygiene requirements as well as function in the daily operations of our coffee shops. We are taking one step at the time, and we are continuously

OUR GOALS FOR PLASTICS REDUCTION, BY 2025

- 50% reduction of fossil-based virgin plastics in our primary packaging*
- 30% average recycled content in our primary plastics packaging
- 5% of takeaway drinks served in reusables

STATUS 2022

14%
16%
1.4%

exploring materials that are better for the environment, as well as ways of working that can offer new sustainable opportunities for our business," says Eva Alm, Sustainability Manager Espresso House Group.

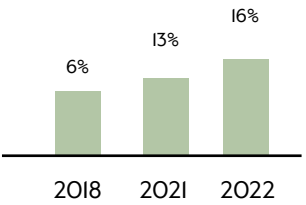
REUSE

We want to encourage our guests to favor reusables over disposables, and we offer a "double stamp" reward in our Espresso House app to the guests who bring their own reusable cup. We hold a range of reusables for sale in our coffee shops, including our 80% wood fiber cup. During the pandemic the use of reusables was halted due to safety measures taken. However it has resumed in all markets again, and we hope to see an increased use in the coming years. In 2022, in Germany we partnered up with RECUP to enable a circular reusable cup system for our guests (p.91).

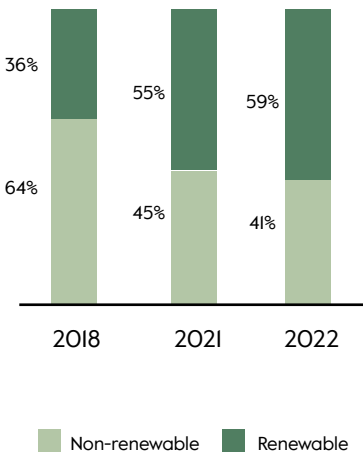


Our Espresso House branded 250ml Juice and smoothie bottles are now made from 100% recycled plastics

SHARE OF RECYCLED PLASTICS CONTENT IN OUR PRIMARY PLASTIC PACKAGING



SHARE OF MATERIALS USED IN OUR PRIMARY PACKAGING



* Virgin plastics is plastic resin that has been produced without any recycled content. The status percentage is based on the kilo of plastics used per SEK (Revenue) 2018 vs 2022.

Reducing Plastic One Cup at a Time

ESPRESSO HOUSE GERMANY PARTNERS WITH RECUP

As of 1st January 2023 we were obliged by law in Germany to offer reusable packaging as an alternative to single-use packaging. Espresso House Germany therefore initiated a partnership with RECUP* to trial a reusable cup scheme in September 2022. RECUP is a company with a mission to deal with packaging waste on a large scale by removing disposable materials from the market. The cups used by RECUP are 100% recyclable and free from BPA. One RECUP can replace around 1,000 disposable cups. For a three month test phase we managed to implement the system in 39 coffee shops and by using the system we avoided the usage of approximately 4,000 single-use cups.

*<https://recup.de/>





Keep the Oceans clean

OCEAN ALLIANCE

The Keep Sweden Tidy Foundation (Håll Sverige Rent) is a non-profit organisation that promotes recycling and combats litter through public awareness campaigns and environmental education. Espresso House Sweden has joined forces together with Håll Sverige Rent and since 2020 is a member of their initiative Ocean Alliance*. The Ocean Alliance gather companies and organizations with a common vision – a sea without plastics.

The Ocean Alliance works towards a more circular economy in its strive to stop plastic leakage into the sea by minimizing plastic waste at the source, where most originates from land. The vision and targets by Ocean Alliance are aligned with the vision and targets of the Ellen MacArthur Foundation's Plastics Pact Network.

Espresso House Sweden supports and endorses the Ocean Alliance's vision by planning and working towards the refusal of unnecessary and problematic single-use plastics, reducing the use of fossil-based virgin plastics and increase reuse and recycling (p. 88). In 2022, Espresso House also participated in the annual clean-up day in Sweden (which is a part of the World Clean-up Day) on September 17th. Across the country, Espresso House employees participated voluntarily by cleaning up litter and waste from the ground. Espresso House Sweden will continue to support the Ocean Alliance in 2023.

WORLD ENVIRONMENT DAY

On the World Environment Day in 2022, Espresso House Norway took part for the second year by gathering the people at our support office. We spent this important and meaningful day by cleaning up litter on the streets around our coffee shops in Oslo. The World Environment Day is a United Nations day for environmental action. It aims to create awareness and to inspire people to protect and restore our environment.

OCEAN
ALLIANCE



*<https://hsr.se/oceanalliance>

Our Coffee Shops

DESIGN AND CONSTRUCTION

Espresso House coffee shops are built to provide a cozy and friendly atmosphere for our guests to always feel welcome to relax and enjoy their coffee. Developing and improving our concept is a continuous process and it involves the design, building, and management of the coffee shops while enabling a safe and practical work environment for our employees. The construction department carefully plans processes which reduce our impact on the environment.

When building, our focus is to first adapt to the premises, both in terms of design and lighting. Secondly, we strive to source sustainable high-quality materials to ensure the longevity of our furniture and fixtures. Third, we reuse as much as possible when we rebuild shops today to avoid waste, and by keeping functioning older layout structures we save lots of material such as new flooring, fewer new furniture and less building materials are being used. This is both economical and environmentally friendly. Furthermore, we strive to reduce transport distances by streamlining transports and, if possible, co-transporting products and materials to shop-sites.

In 2022, our focus has been on managing global price increases and material shortages, while continuing to optimize the store experience for both guests and staff. Ultimately, guest behavior and the care for the comfort and safety for the individual are the main drivers for the way we design and develop the physical environment in our coffee shops. The rapid development of digitalization places new and different demands on the physical environment, since the new channels creates a stronger takeaway behavior which leads to altered workflows and need for space.

FURNITURE AND MATERIALS

At Espresso House we favor local and European suppliers for our furniture. Reduced distances simplify distribution, minimize transportations, and also allow for a faster improvement cycle in terms of quality and sustainable materials. Furthermore it has enabled us to manage healthier inventory levels and therefore we reduce the risk of unnecessary wastage from outdated or faulty products and materials.

What many people do not know is that the majority of all our Coffee shop furniture is actually designed and produced in Sweden.

In fact, 76% of all our investments in furniture in 2022 was for furniture produced in Sweden with the majority designed inhouse.

In addition we work together with our supplier to find textile materials that are better from a sustainability point of view in terms of both quality and production. On average 40% of our seats are now being designed and produced with textile material that has been certified according to OEKO-TEX.

We strongly believe in product design with reused materials, and fully functioning furniture and materials are reused according to the cascade principle. This means that when we rebuild or refurbish shops, we reuse what can be reused and we restore broken furniture to be used in either existing coffee shops or in new projects. For example, instead of replacing old table tops with new ones during renovations, we remove the sheet metal, re-sand and re-varnish the old table tops to use them for many years to come.

**In 2022, 76%
of all furniture
was produced
in Sweden**

Sustainability Governance

Espresso House Materiality Assessment

MATERIALITY ANALYSIS

A significant number of people are directly or indirectly affected by our choices and actions. The stakeholders' expectations, along with the company's own strategic direction, steer the priorities for Espresso House Group's sustainability work. We think it is important to hold dialogue, inform, educate, and create transparency around the work we do. The content and scope of our work has been guided by the materiality principle.

The topics that are most relevant to our stakeholders and our business, were identified through a materiality analysis in 2021. Through surveys, workshops and interviews we explored the expectations from our internal and external stakeholders, as well as the social, environmental and economic impacts along our value chain. The data and information received allowed us to narrow down our priorities to focus on the areas of our business where we could have the most positive change and impact. The analysis laid the foundation of our sustainability framework and strategy that guides us in our decision-making. The senior leadership team and the board has reviewed and validated the sustainability framework. The Framework groups our material topics into the three areas of **People, Product and Planet**.

Espresso House Group will during the next year complete a new comprehensive double materiality assessment in accordance with the new EU corporate sustainability reporting directive (CSRD).

OUR STAKEHOLDERS

GUESTS

Our guests represent our most important stakeholder group. In 2022 we welcomed over 47,000,000 guests in our coffee shops.

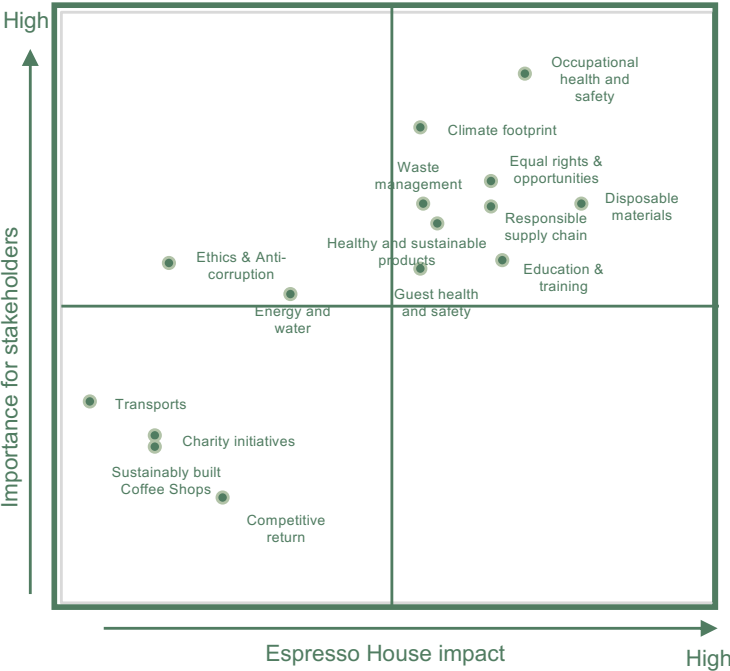
COLLEAGUES

Our people are our foundation. Opinions and feedback from our employees are key in becoming an even better employer.

SUPPLIERS

We have continuous dialogue with our suppliers who have a major impact on our business.

OUR MATERIALITY MATRIX



OUR SUSTAINABILITY FRAMEWORK

PEOPLE	Occupational health and safety
	Development, education and training
	Equal rights and opportunities
PRODUCT	Sustainable and high quality products
	Responsible supply chain
PLANET	Climate footprint
	Circular economy (Waste and materials)

Governance

SUSTAINABILITY GOVERNANCE

At Espresso House Group, the overall strategic direction of matters regarding the company’s impact on the economy, environment and the people lies with the senior leadership team. The senior leadership team consist of seven people with different functions.

Our Chief Executive Officer (CEO) has responsibility for approving, and updating the organization’s purpose, value or mission statements, strategies, policies, and goals related to sustainability. Sustainability is embedded in every function in the organization and the coordination of the work is undertaken at Group level. The Chief People Sustainability Officer is responsible for leading the assessment and management of our environmental and social risks and opportunities in the organisation and throughout our value chain. Specialists are found in the different departments, subsidiaries and countries, which allows us to take group-wide responsibility with local relevance and to ensure full compliance with relevant laws and regulations. The board of directors, audit committee and remuneration committee are continuously following

up on management decisions and their impact on the organization. The processes for evaluating the performance of the leadership in overseeing the management of the organization’s impacts on the economy, environment, and people; includes regular meetings (minimum four times a year), and bi-annually reporting to JAB Holdings on selected KPI’s. Furthermore, sustainability plans and objectives are presented, discussed, and followed up on annual basis by the remuneration committee and by the board of directors. During these sessions, knowledge is shared and discussed and it is also where the strategic direction is reviewed and approved.

Concerns regarding the company’s potential and actual negative impacts on stakeholders are communicated to the leadership team, board of directors, audit committee or remuneration committee depending on the nature of the concern.

The Board of Directors holds the overall responsibility for the Sustainability report and approves the annual report of which the Sustainability report is a part.

POLICY COMMITMENT

The work on sustainability is guided by our sustainability strategy, people values, and several policy documents including the Environmental Policy, People Policy, HR policies, Anti-Corruption policy, Coffee Sourcing Program, Sourcing Principles, Waste Management Policy and the Supplier Code of Conduct. A new Code of Conduct and Sustainability Policy is being developed for 2023. Relevant policy documents have been approved by the board. The responsibility for policy implementation lies with the specific function and expertise.

RISK MANAGEMENT

Espresso House Group is exposed to several sustainability risks in the whole value chain and our risk management covers all levels of the value chain, from coffee bean to coffee cup. Our risk management is undertaken in a continuous, integrated, and systematic process. The materiality analysis has been an essential part in assessing our risks. By evaluating and analyzing our risks continuously we are able to identify important matters that potentially can have a negative impact both upstream and downstream our value chain. The activities described in this report demonstrate the different actions and steps that we have taken to manage our sustainability risks, as well as to strengthen our opportunities under the areas of **People, Product and Planet**.

RESPONSIBLE BUSINESS CONDUCT AND TRANSPARENCY

At Espresso House Group we recognize our responsibility to promote and operate with respect for human rights in everything we do, and we continuously work to understand the human rights risks related to our activities. To meet our responsibilities and to

identify real and potential negative impacts in our value chain we are undertaking a human rights due diligence assessments in line with the OECD Guidelines*. In accordance with the Norwegian Transparency Act (In Norwegian: Åpenhetsloven) we will publish an annual report on our due diligence assessment in 2023..

REMUNERATION POLICY

Remuneration policy for the senior leadership team includes: base pay, short term incentive (measured by KPIs) and long term incentive (partner program). Sign-on and recruitment incentive payments can be used when applicable. Clawback is standard when appropriate. All compensation for executives are market relevant and variable pay is always linked to performance/value creation.

All compensation decisions for the Espresso House leadership team are done by the Remuneration Committee, and the Remuneration Committee members are all shareholders. Market data is provided by consultants but all decisions are made within Espresso House Group and the Remuneration Committee.



The Senior leadership team as of February 2023

<https://mneguidelines.oecd.org/duediligence/>

Sustainable Development Goals

SUSTAINABLE DEVELOPMENT GOALS

The 2030 agenda for Sustainable Development, developed through the UN, aims to end poverty and hunger, reduce inequalities, and injustices in the world, promoting peace and protect our planet. The development goals consists of 17 goals and cover three dimensions of sustainable development: economic, social and environmental.

Espresso House fully recognizes and supports the 2030 agenda and we agree that the private sector plays an important role in order to meet these goals. While we recognize that Espresso House can contribute to all goals, we have identified our major contributions to be connected are goals 2, 4, 8, 10, 12, and 15. These are related to sustainable agriculture, improved livelihoods and protection of biodiversity at the coffee farms that we source our core product from. We identified our important role being a responsible youth employer offering decent work and skills training for employment. We also hold a position to contribute to a safe workplace where equal rights and opportunities always should be promoted as a given. Furthermore, we have an important work to do on sustainable consumption and production where we have a responsibility to work towards circular economy by minimizing food waste, improving waste management and working towards better and more sustainable materials and packaging.

THE GLOBAL GOALS For Sustainable Development





About this report

This report is the sixth sustainability report for Espresso House Group, and the report outlines the prioritized activities in different sustainability topics identified through the materiality principle. Our approach targets the three key pillars of People, Product and Planet and this Sustainability Report covers our progress in these areas. The Chief Executive Officer and four members of the senior leadership team has reviewed and approved the material topics and data reported.

This report is guided by the legal requirements of the EU Non-Financial Reporting Directive (2014/95/EU), and it has been prepared with reference to the Global Reporting Initiative (GRI) principles. Global Reporting Initiative (GRI) is the independent international organization that helps businesses, governments and other organizations understand and communicate their sustainability impacts. A comprehensive view of the GRI framework can be found on their website www.globalreporting.org.

The data and activities in this report occurred between January 1st and December 31st, 2022, unless stated otherwise. The content of this report has not been externally assured and we reserve the right to correct any errors and update this report accordingly if needed.

The Sustainability Report applies to the subsidiaries within the Espresso House Group in 2022 including Espresso House, Johan & Nyström and Balzac Coffee. For the purpose of this report all Balzac Coffee activities falls under Espresso House Germany. The report content covers the parts of our business over which we have operational control and does not include franchised or outsourced operations.

All subsidiaries operating under Espresso House Group in 2022 are included in the financial revenue results in this report.

GRI Content Index

GRI Index

GRI 2 General Disclosures	Name of disclosure	Page	Omissions or comments
GRI 2-1	Organizational details	12	EH Group AB Pyramidvägen 7, 169 56 Stockholm, Sweden (New Headquarter address for EH since September 2022)
GRI 2-2	Entities included in the organization's sustainability reporting	107	All subsidiaries operating under Espresso House Group
GRI 2-3	Reporting period, frequency and contact point	107	Annual Sustainability report, reported calendar year. Publicationdate: 31 March 2023. The period of this report aligns with EH Group's financial report. Contact: Eva Alm, Sustainability Manager EH Group. eva.alm@espressohouse.se
GRI 2-4	Restatements of information		No significant restatements
GRI 2-5	External assurance		Not externally assured
GRI 2-6	Activities, value chain and other business relationships	12, 14, 48, 54, 55, 65, 66, 94, 31	No significant changes compared to previous reporting period.
GRI 2-7	Employees	31	Gender and location-based data for temporary and permanent employees will be included in next years report.
GRI 2-8	Workers who are not employees		Information incomplete: Data not gathered for this report.
GRI 2-9	Governance structure and composition	12, 102	
GRI 2-10	Nomination and selection of the highest governance body		All recruiting follows a robust process where aspects such as diversity, competencies, experiences, team structure and Personality traits are valued
GRI 2-11	Chair of the highest governance body	12	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	102	
GRI 2-13	Delegation of responsibility for managing impacts	102	
GRI 2-14	Role of the highest governance body in sustainability reporting	106, 111	

Statement of use	Espresso House Group has reported with reference to the GRI Standards for the period: January 1 st 2022 to December 31 st 2022.
GRI 1 used	GRI 1: Foundation 2021

GRI 2 General Disclosures	Name of disclosure	Page	Omissions or comments
GRI 2-15	Conflict of interest		A new Conflict of interest Policy will be implemented during 2023.
GRI 2-16	Communication of critical concern	102	
GRI 2-17	Collective knowledge of the highest governance body		Data will be included next years report.
GRI 2-18	Evaluation of the performance of the highest governance body	102	
GRI 2-19	Remuneration policies	103	
GRI 2-20	Process to determine remuneraion	103	
GRI 2-21	Annual total compensation ratio		Confidential information
GRI 2-22	Statements on sustainable development strategy	4, 5, 18, 19, 100, 101	
GRI 2-23	Policy commitment	46, 54, 103	
GRI 2-24	Embedding policy commitments	28, 33, 40, 46, 54, 62, 66, 83, 84, 86, 88	
GRI 2-25	Process to remediate negative impacts	33, 34, 35, 46, 54, 66	
GRI 2-26	Mechanisms for seeking advice and raising concerns	33	
GRI 2-27	Compliance with laws and regulations		No significant instances of non- compliance with laws and regulations during the reportig period.
GRI 2-28	Membership associations		EH Sweden: Visita EH Norway: Virke EH Denmark: Horesta EH Finland: MaRa EH Germany: Dehoga Johan & Nyström: Visita, Livsmedelsarbetarförbundet
GRI 2-29	Approach to stakeholder engagement	33, 34, 46, 100, 101	
GRI 2-30	Collective bargaining agreements	28	

GRI Index

Topic Standards	Name of disclosure	Page	Omissions or comments
GRI 3-1	Process to determine material topics	100, 101	
GRI 3-2	List of material topics	100, 101	
200 ECONOMIC			
GRI 205: Anti-Corruption 2016			
GRI 3-3	Management approach	33	Employees are informed of our Anti-corruption policy in our digital training tool. Our supplier code of conduct also includes statement on anti-corruption commitment.
GRI 205-3	Confirmed incidents of corruption and action taken	33	
300 ENVIRONMENT			
GRI 301: Materials 2016			
GRI 3-3	Management approach	88, 89	
GRI 301 - 2	Recycled input materials used	88, 89	J&N not included
EH Disclosure	Share of materials in primary packaging (non-renewable vs. Renewable)	88, 89	J&N not included
GRI 305: Emissions 2016			
GRI 3-3	Management approach	82, 83	The results from the climate calculation for 2022 will be included in the Sustainability Report for 2023.
GRI 305 -1	Direct (Scope 1) GHG emissions	82, 83	Direct emissions from owned/leased vehicles, and cooling agents
GRI 305 -2	Indirect (Scope 2) GHG emissions	82, 83	Indirect emissions from purchased electricity and heating
GRI 305-3	Other indirect (Scope 3) emissions	82, 83	
GRI 306: Waste 2020			
GRI 3-3	Management approach	84	
GRI 306 - 1	Waste generation and waste-related impacts	84, 86, 88, 89, 96, 97	
GRI 306 - 2	Management of significant wasterelated impacts	84, 86, 88, 89, 91, 96, 97	Circularity measures.
GRI 308: Supplier environmental assessment			
GRI 3-3	Management approach	55	
308-1	New suppliers that were screened using environmental criteria	55, 56	

Topic Standards	Name of disclosure	Page	Omissions or comments
400 SOCIAL			
GRI 403: Occupational Health and Safety			
GRI 3-3	Management approach	33	
GRI 403 - 1	Occupational health and safey management system	33	100% of our employees are covered by our occupational health and safety management systems.
GRI 403 - 2	Hazard Identification, risk assessment , and incident investigation	32, 33	
GRI 403 - 3	Occupational Health Services		We cooperate with external health services and/or health insurance companies in all countries.
GRI 403 - 4	Worker participation, consultation, and communication on occupational health and safety	33	
GRI 403 - 5	Worker training on occupational health and safety	33	
GRI 403 - 6	Promotion of worker health		Data not gathered for the period
GRI 403 - 7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	33	
GRI 403 - 8	Workers covered by an occupational health and safety management system		100% of employees are covered
EH Disclosure	Health Presence	32	Percentage Health Presence
GRI 404: Education & Training			
GRI 3-3	Management approach	40, 41	
GRI 404-1	Average hours of training per year per employee	40	Data covers average hour per new barista. Data for office employees and J&N not included.
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	40, 41, 42	J&N not included
GRI 405: Diversity & equal opportunity			
GRI 3-3	Management approach	46	
GRI 405-1	Diversity of governance bodies and employees	12, 31	
GRI 414: Supplier social assessment			
GRI 3-3	Management approach	55	
GRI 414-1	Percentage of new suppliers that were screened using social criteria	55, 56	
GRI 416: Customer health and safety			
GRI 3-3	Management approach	55, 62	
EH Disclosure	Food safety	56, 62	Allergens and Food quality & safety in Bakery



ESPRESSO HOUSE