



Sustainability Report 2023

Espresso House Group

ESPRESSO HOUSE

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A word from Tobias Frohm

DEAR READER

I am delighted to welcome you to Espresso House Group's 2023 Sustainability Report.

At Espresso House, sustainability is embedded across every decision we make as a company. Our promise is that we will always strive to secure a better tomorrow for our guests, our communities, our people, and our planet.

HIGHLIGHTS FROM 2023

In 2023, I'm proud that we have continued to make meaningful progress across all three pillars of our sustainability strategy: Our People, Our Product, and Our Planet.

OUR PEOPLE

This year we launched "Brew Your Future," cementing our dedication to promoting opportunities regardless of professional background. Through our development and training programs, we seek to lay the ground for our employees' success, whether they stay at Espresso House for a summer, a year, or their entire career.

We are also committed to giving back to the communities in which we operate, and I am so pleased that the market-wide rollout of our CupTogether charity initiative to fight loneliness and break taboos in society about mental health was a great success. For the Christmas season, we raised approximately 86 000 EUR for local mental health charities across our markets.

OUR PRODUCTS

We also made great strides when it comes to our product. We provide meaningful fika moments to our guests across our markets, underpinned by our dedication to quality, ingredient transparency, responsibly sourced ingredients, and variety to cater to all our guests' dietary requirements and preferences.

In 2023, we expanded our plant-based offerings to over half of our menu, we continue to reduce production scrap, and contribute to a circular economy by making changes to our packaging to comply with EU and local regulations.

This year our coffee was also 100% verified by Enveritas, with whom we have worked since 2018 to conduct third-party verifications of coffee farms, cooperatives, and mills, at no cost to the smallholder farmer.

OUR PLANET

To do our part to ensure the planet's survival, in 2023, we affirmed our commitment to reducing our carbon footprint and, like many companies, further refined our carbon accounting processes to incorporate Scope 3 emissions into our calculations.

LOOKING AHEAD TO 2024

In 2024, we will double down on our commitment to always acting with sustainability at the forefront of every decision. As part of this, following our in-depth carbon accounting to assess our 2023 footprint, in 2024, we will set climate goals in line

with the Science Base Target Initiative (SBTi). As the world around us increases in complexity, through climate change, regulation to address it, and macro events outside of everyone's control, we too must adapt. Therefore, in 2024, we will be unveiling a new sustainability strategy to ensure that we remain increasingly agile, prepared, science-based, and forward-thinking for our people, products, and planet.

I would like to thank the entire Espresso House team for their continued commitment to working today, to create a better tomorrow.

Very best,
Tobias



Tobias Frohm
Chief People and Sustainability Officer



The Year of 2023



We opened 15 new Espresso House Coffee Shops and 5 new franchise coffee shops.



We welcomed more than 44 million guests.



We employed over 1 400 cherished colleagues across our markets.



We saved 997 tons CO2 by selling 375 843 food rescue bags through food rescue apps.



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, and we are happy to say that in 2023, 57% of our menu met the criteria.



Together with our guests we donated approximately 1,3 million SEK to important social causes.



Eliminating plastic cups in favour of glasses and paper cups was an important step in our sustainability efforts. With that change we estimated that we would avoid using 123 tonnes of plastic annually. In 2023 we reduced plastic by 226 tons compared to 2022.

Our Story





About Espresso House

Our story began in 1996 in Lund in the south of Sweden when two young students, Charles and Elisabet Asker, opened the first Espresso House coffee shop there. From day one, 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 with a 505 coffee shops at the end of 2023. During 2023 we opened 15 new Espresso House Coffee Shops and 5 new franchise coffee shops. We welcomed more than 44 million guests, and during 2023, we employed over 1 400 colleagues across our markets.

Espresso House Group is owned by our shareholders BV who are based in Amsterdam. The Board of Directors consist of eleven ordinary members, of whom ten represent our shareholders, and one representative from Espresso House. The Board consist of nine men and two women. Jacek Szarzynski is Chief Executive Officer for Espresso House Group and an appointed boardmember. The current Chief Financial Officer was appointed in October 2023.




ESPRESSO HOUSE	JOHAN & NYSTRÖM
Revenue: 3 805 502 000 SEK	Revenue: 200 146 000 SEK
Guests: 44 406 407	Guests: 198 194
Employees: 6228	Employees: 71
Sweden Opened in 1996 253 coffee shops	Sweden Opened in 2008 2 coffee shops
Norway Opened in 2013 64 coffee shops	Finland Opened in 2011 1 coffee shop
Finland Opened in 2015 80 coffee shops	
Denmark Opened in 2016 61 coffee shops	
Germany Opened in 2018 44 coffee shops	
Espresso House Group Head Office: Solna, Sweden	



Our Omni-channel Proposition

Omni-channel means integrating different channels, or platforms, through which customers can engage with a company. These channels include but are not limited to physical stores, online websites, mobile apps, and social media. The key idea behind omni-channel is to create a seamless and consistent experience for customers, regardless of the channel they use.

In simple terms, omni-channel is about making sure that whether you shop in a store, on a website, or through a mobile app, that the information, services, and overall experience are connected and consistent. At Espresso House we want to be where our guests are – wherever they are! Besides in our coffee shops our guests can enjoy our coffee at workplaces in “Barista Stations” and shop-in-shops, for instance, in gas stations. Our Consumer Packed Goods you can find in selected grocery stores, and we offer home delivery through local partners and catering services.



Our Approach to Sustainability

Nature, society, and business are interconnected. At Espresso House, we are aware that our activities and the choices we make have an impact on our planet in various ways. We, therefore, know that sustainability means more than simply complying with the law and have a responsibility for protecting the planet for future generations. It is our responsibility, duty, and our 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 is an integral part of our brand strategy and brand pillars.

This commitment extends to our workplace and employment practices. As one of the largest youth employers in the Nordics, we are committed to being a responsible employer and providing decent work and skills training for employment. We are committed to fostering a safe workplace that upholds equal rights and opportunities. Additionally, our focus extends to sustainable consumption and production, where we shoulder the responsibility of working towards a circular economy. This involves minimizing food waste, enhancing waste management, and striving for better, more sustainable materials and packaging.

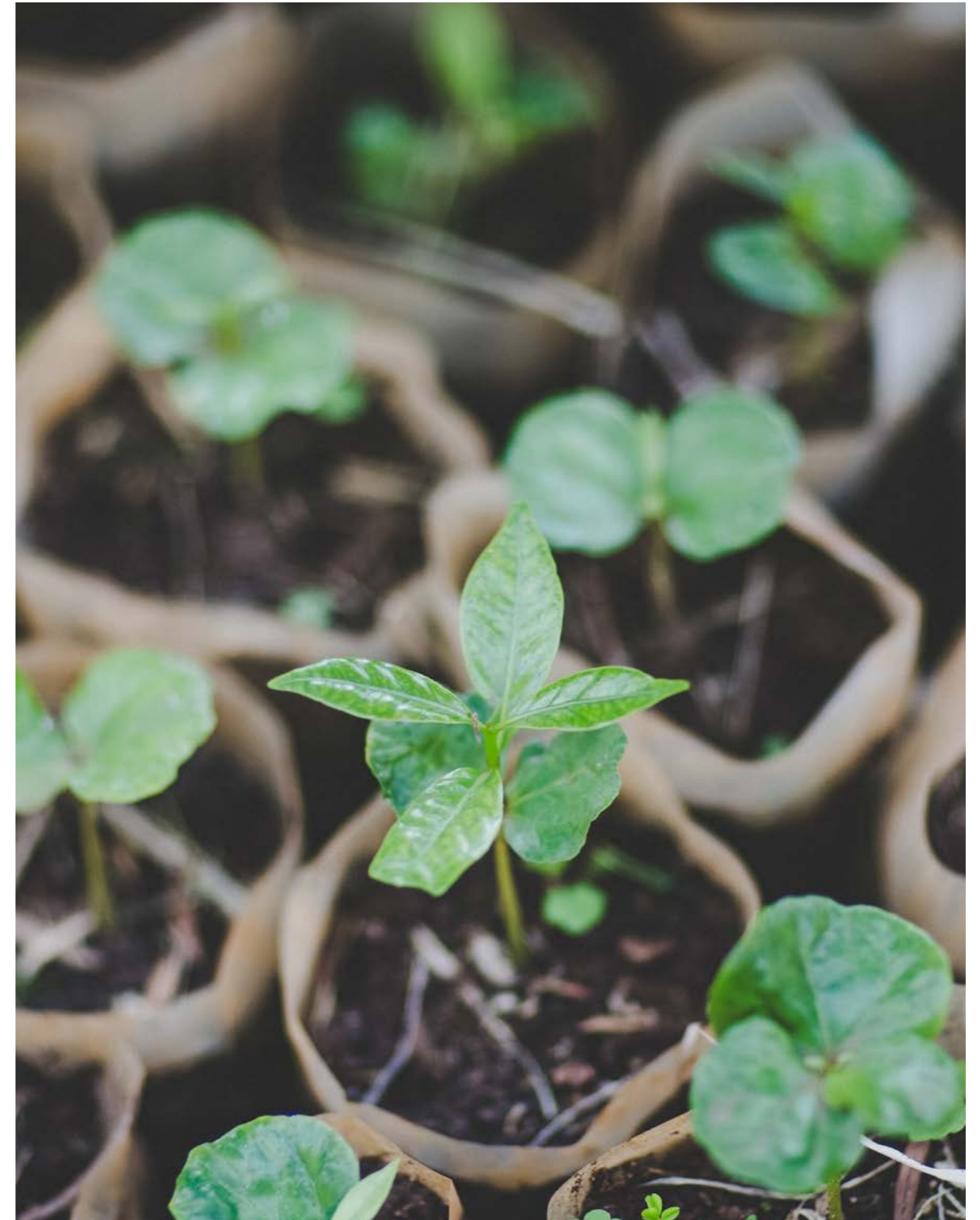
TOMORROW FRIENDLY

Sustainability is built into every building block of Espresso House. We deeply care about both our Planet and our People, acting responsibly today to be Tomorrow Friendly. We promise to always improve for the better and to be Tomorrow Friendly.

SUSTAINABLE DEVELOPMENT GOALS

The 2030 Sustainable Development Agenda, formulated by the UN, aims to eradicate poverty and hunger, alleviate global inequalities and injustices, foster peace, and safeguard the planet. Comprising 17 goals, these development objectives span three dimensions: economic, social, and environmental.

Espresso House fully acknowledges and endorses the Agenda 2030, recognizing the pivotal role that the private sector plays in achieving these goals. While understanding that Espresso House can contribute to all goals, a thorough evaluation has pinpointed our major contributions linked to goals 2, 3, 4, 8, 10, 12, and 15. These contributions focus on sustainable agriculture, enhancing livelihoods, and preserving biodiversity in the coffee farms from which we source our core product.



People



Our People

WELCOMING ENVIRONMENT

Espresso House is committed to fostering an inclusive, safe, and nurturing environment where individuals can flourish both personally and professionally in the retail and coffee industry. Embracing ESG, Environmental, social and governance, principles, Espresso House endeavors to operate with integrity, responsibility, and as a trustworthy employer. Our mission extends beyond our immediate community to encompass a broader ESG vision: taking care of each other, cultivating a positive atmosphere for our colleagues and guests, and making a meaningful impact on society and the environment through sustainable practices in our shops and beyond.

As one of the Nordic's largest youth employers, Espresso House is the first workplace for many of our colleagues. It is a privilege to take care of our colleagues and an opportunity for collective development. With this, of course, comes important responsibilities. Our duty is to ensure that our colleagues feel prepared to face the opportunities and challenges that come with taking this journey with us.

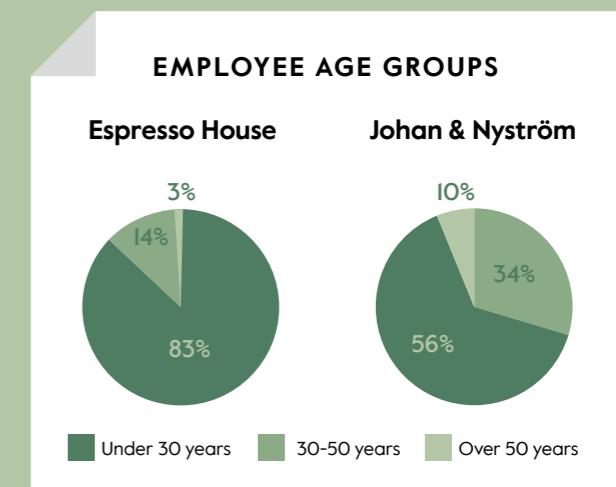
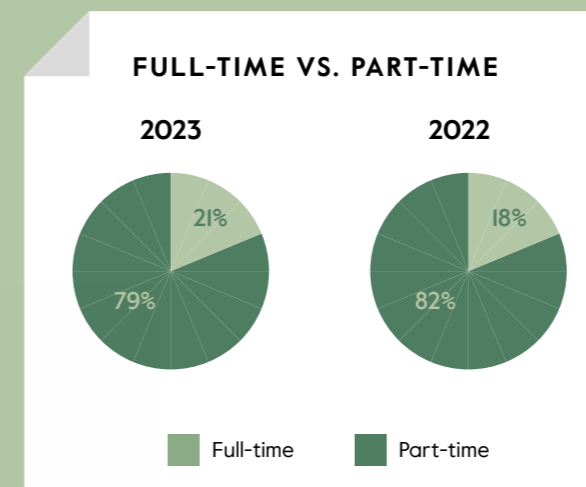
We work hard to build a trusting environment where we offer support, and we love to see our people grow. Across all our operations, we offer training and career path opportunities for our people and constantly seek input as to how we can improve. We know that we are stronger together.

Our five people values 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 2023, we had over 6 000 employees in Espresso House Group. During the year we received around 61 000 and work applications across all markets and hired over 1 400. 100% of our company's employees are covered by collective agreements in countries where such agreements exist. Ensuring that all our team members benefit from the protections and, benefits outlined in these collective agreements is a testament to our commitment to fostering fair and supportive working conditions across our global workforce. Performance and development reviews with employees are held on a regular basis, at a minimum, annually.



EMPLOYEES								
(Head count as of 31 December)								
Year	Total	Sweden	Norway	Denmark	Finland	Germany	Johan & Nyström	Bakery
2023	6 299	3 260	823	743	756	596	71	50
2022	7 240	3 714	947	995	938	520	77	49
2021	6 563	3 320	869	903	909	435	81	46



- People always come first
- We talk with each other
- We have fun in what we do
- We want each other's best
- We love initiative and responsibility.



Safe Place to Work

OCCUPATIONAL HEALTH AND SAFETY

In 2023, 83% of our employees were under 30 years old and 93% of our total workforce works 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 systematic work on occupational health and safety is based on national legislations in addition to Espresso House policies, work processes and guidelines in our different countries. Health and Safety routines are incorporated in our onboarding and training for all our employees both as digital trainings and on-the-job-training.

feedback, including raising any ethical concerns, we have an easy-to-use platform for anyone to share their views. This can be submitted at any time via our guest inquiry platform <https://espressohouse.zendesk.com/hc/en-us/requests/new>.

Our Speaking Up platform is available across all markets and enables Espresso House internal and external stakeholders to raise any ethical concerns they have so that the Group can promptly and effectively investigate them.

Work-related hazards are identified through risk assessments conducted through safety rounds, internal revisions, employee surveys, feedback channels, and continuous dialogue with our employees. Safety guidelines are clearly signposted for employees in every coffee shop. Work-related hazards and hazardous situations can be reported by employees into a digital compliance system that is reviewed and investigated by the HR department.

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

ANTI-CORRUPTION AND SPEAKING UP

We aim to foster a transparent and open workplace where all our employees and guests have a voice. If there is ever a desire to share any form of

STAFF TURNOVER

Espresso House	Johan & Nyström
2023 - 58,1 %	2023 - 44,8%
2022 - 62,5%	2022 - 44,3%

HEALTH PRESENCE GOAL 95%

Espresso House	Johan & Nyström
2023 - 92,1%	2023 - 90%
2022 - 92,3%	2022 - 93,2%
2021 - 93,2%	2021 - 93,9 %

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 develop 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. Individual performance and career development reviews are held regularly with employees, at a minimum, annually. Feedback channels for our colleagues are in place in all countries.

We also maintain an internally developed "Barista Pulse" system which provides an indicator of how employees are feeling. This tool provides us with quick and important feedback by simply asking the question "How was your shift?" on an everyday basis. The survey is anonymous and indicates to the team leaders if they need to respond to a declining atmosphere or work environment in the shop. During 2023 we received approximately 290 000 responses from our Baristas. The average score during 2023 was 5,75 out of 10 possible, which indicates that employees are generally happy at work. Where scores fell below this average, team leaders assessed feedback from employees and took action as appropriate to build and maintain a positive working environment.

ADVISORY BOARD

We have had an Advisory Board since 2021. The Advisory Board was formed as across market forum 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 further develop Espresso House to create a better experience 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 understands how operations in the coffee shops work so that they can better support employees in our Coffee shops. Every quarter we organize a day called 'Out of Office'. This means that all employees at our service offices, regardless of position, say 'good-bye' to the office for a day and 'hello' to one or two coffee shops to work shoulder to shoulder with our Baristas. This helps us to get to know, observe, and understand the operations of our coffee shops better, and the needs from our employees, which is so important for us to be able to develop Espresso House together!





Hearing impaired
No hard hats

Julia

ESPRESSO HOUSE



Brew your Future

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 our focus is to find the person with the right personality and drive, and to enable for 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 professional background.

“Brew Your Future” is integral to our employee skills and competence development plans. Upon joining Espresso House, new employees speak with their managers about their personal motivations and goals. This topic continues to be a part of the conversation during performance and development reviews, that are held on a regular basis, at a minimum, annually.

The purpose behind these dialogues is to ensure that all our employees are actively working towards becoming the individuals they aspire to be. To achieve this, it is crucial to tap into their inner motivations.

Engaging in activities that align with one’s inner drive on a regular basis provides a heightened sense of purpose. This, in turn, yields positive results such as increased happiness, fewer conflicts, enhanced trust, reduced sick leave, and improved efficiency at work.

When individuals feel appreciated and acknowledged for who they are, they thrive and become valuable assets to their managers, colleagues, guests, and the company.

WISER EVERY WEEK

Starting in 2024, we are reinforcing the concept of “Brew Your Future” by incorporating insights on leadership, psychology, communications, union work, influencing, and other relevant topics through our “Wiser every week” initiative. This initiative is now a fixed part of the weekly newsletter distributed every Tuesday. These 52 topics will also be included in the education for all our Safety Officers in the stores, along with additional training for our Coffee Shop Managers and Assistant Managers.

The underlying idea is that a better understanding among our workforce of the goals set by local management makes it easier for them to contribute meaningfully and actively be a part of achieving these objectives.

AVERAGE HOURS OF TRAINING FOR A NEW ROLE IN THE COFFEE SHOP

New hire introduction	15 hours
Barista	15 + 11 hours
Master Barista	15 + 11 + 40 hours
Shift Leader	15 + 11 + 19 hours
Assistant Manager	15 + 11 + 19 + 20 hours
Coffee Shop Manager	15 + 11 + 19 + 20 + 40 hours

INTRODUCTION TRAINING COMPLETIONS

Baristas	Coffee Shop Managers
2023 - 73%	2023 - 88%
2022 - 82%	2022 - 93%





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. Safeguarding equal opportunity and diversity is a cornerstone of our Human Resources policy, and our everyday business practices.

Not only is it important to work actively for women and men to have equal rights and opportunities, but all our colleagues must have the right to be themselves, regardless of who they are or their background. 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. Thus, we focus on all seven grounds for discrimination and work to actively prevent any form of discrimination in the workplace. 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 and differences.

We always include a question on discrimination in our employee survey. In our latest survey from 2023 we saw that 88% of our employees agree totally 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 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 who they are. This will always be one of our top priorities.

STRONGER BENEFITS

As a part of continuously 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 our employee benefits packages, 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 the statutory 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.

SUPPLEMENTAL SALARY

Supplemental salary refers to additional compensation or extra pay that is provided to an employee in addition to their regular or base salary. This extra payment is often given for various reasons, and it is intended to supplement the employee's income beyond their standard wages.



THIS IS HOW MANY PEOPLE UTILIZED THE SUPPLEMENTAL SALARY DURING PARENTAL LEAVE IN THE REPORTED YEARS BELOW.

2023	85 employees
2022	38 employees



Giving Back to Communities

Giving back to the community as a company is a meaningful and impactful practice that goes beyond simple corporate responsibility – it is an investment in the well-being and sustainability of the communities in which Espresso House operates.

Social Responsibility: Espresso House plays an important role in society. With this role comes the responsibility to contribute positively to the communities we serve, including supporting local initiatives and charities. **Economic Sustainability:** By investing in social initiatives, Espresso House contributes to building a healthier and more skilled workforce. Research shows that young employees often feel a sense of pride and purpose when their company is involved in community initiatives which, in return, boosts productivity, innovation, and overall economic growth in society. By contributing to social initiatives, Espresso House helps to address social issues and stimulate economic development, which leads to a cycle of positive impact, contributing to the community's overall well-being.

Environmental Sustainability: By actively participating in community development Espresso House contributes to creating a more stable and sustainable environment, fostering conditions for long-term success.

ESPRESSO HOUSE FINLAND

Participated in the Green Ribbon campaign organized by MIELI Mental Health Finland. The campaign advocates for all peoples' right to good mental health and raises funds for MIELI's mental health work and crisis intervention. During the campaign, Espresso House Finland raised 7 000 EUR for mental health work.

ESPRESSO HOUSE GERMANY

In 2023, we supported "Aktionsbündnis Seelische Gesundheit" (Association for mental health) and "REDEZEIT FÜR DICH" (Speaking time for you) during mental health day in October by offering a safe space in a coffee shop, as part of our CupTogether initiative. The purpose is for people to come by and talk for free to volunteer experts about any kind of topics and problems they might have. This event took place again in December in a coffee shop in both Berlin and Hamburg.

ESPRESSO HOUSE NORWAY

For the sixth 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 through donations. In total, team Norway raised 245 732 NOK. The money will go to support research into childhood cancer. The Children's Cancer Association also provides services and support for families where children and young people are affected by cancer and works with information and advocacy work to put childhood cancer on the political agenda.

Espresso House Norway was also part of a digital race in partnership with Barnekreftforeningen which consisted of people both from support office and coffee shops. In total they ran/walked over 2378,25 km during September.

CupTogether

CupTogether is our long-term program and commitment to fight loneliness and break taboos in society. For every cup of filter coffee sold in 2023, 1 crown/10 cents were donated to local associations dedicated to preventing loneliness. There were also merchandise sales, including CupTogether cups. In 2023, we rolled out CupTogether to all markets. CupTogether began in Norway in partnership with Skravlekoop, to whom on top of money raised in our coffee shops, we donated 200 000 SEK.

Each market supported different local associations and causes:

- Espresso House Sweden supported [Maskrosbarn](#) in their work to support children whose parents suffer from addiction, mental illness, or violence and raised 400 000 SEK.
- Espresso House Finland raised 15 000 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 200 000 NOK.
- Espresso House Denmark raised 100 000 DKK for the [Folkebevægelsen mod Ensomhed](#) in their work to support those who are alone or stand out from society.

- Espresso House German supported [Aktionsbündnis Seelische Gesundheit](#) by raising 5 500 Euro for their work to promote mental health.

Loneliness is also an issue for our young staff. Many live alone and for some colleagues, 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.



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 122 000 guests visiting us each day, we always need to stay on our toes when it comes to product development and meeting guest demand. 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 pastries, 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 factors when it comes to food production. Our own climate calculations confirm that Espresso House Group's biggest 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 rules focusing on national and responsible sourcing of certain product categories, as well as our target on plant-based assortment.

ANIMAL WELFARE

Cage-free Eggs

While we have increased the proportion of plant-based options on the menu, still some of our most popular products do contain meat and poultry products. We are concerned with the welfare of farm animals used in the company's supply chain and committed to working with our suppliers to ensure that we live up to high standards of animal welfare. We have set a 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.

European Chicken Commitment

As part of our commitment to providing our guests with a great dining experience, we have decided to collaborate with the European Chicken Commitment (ECC) until 2026.

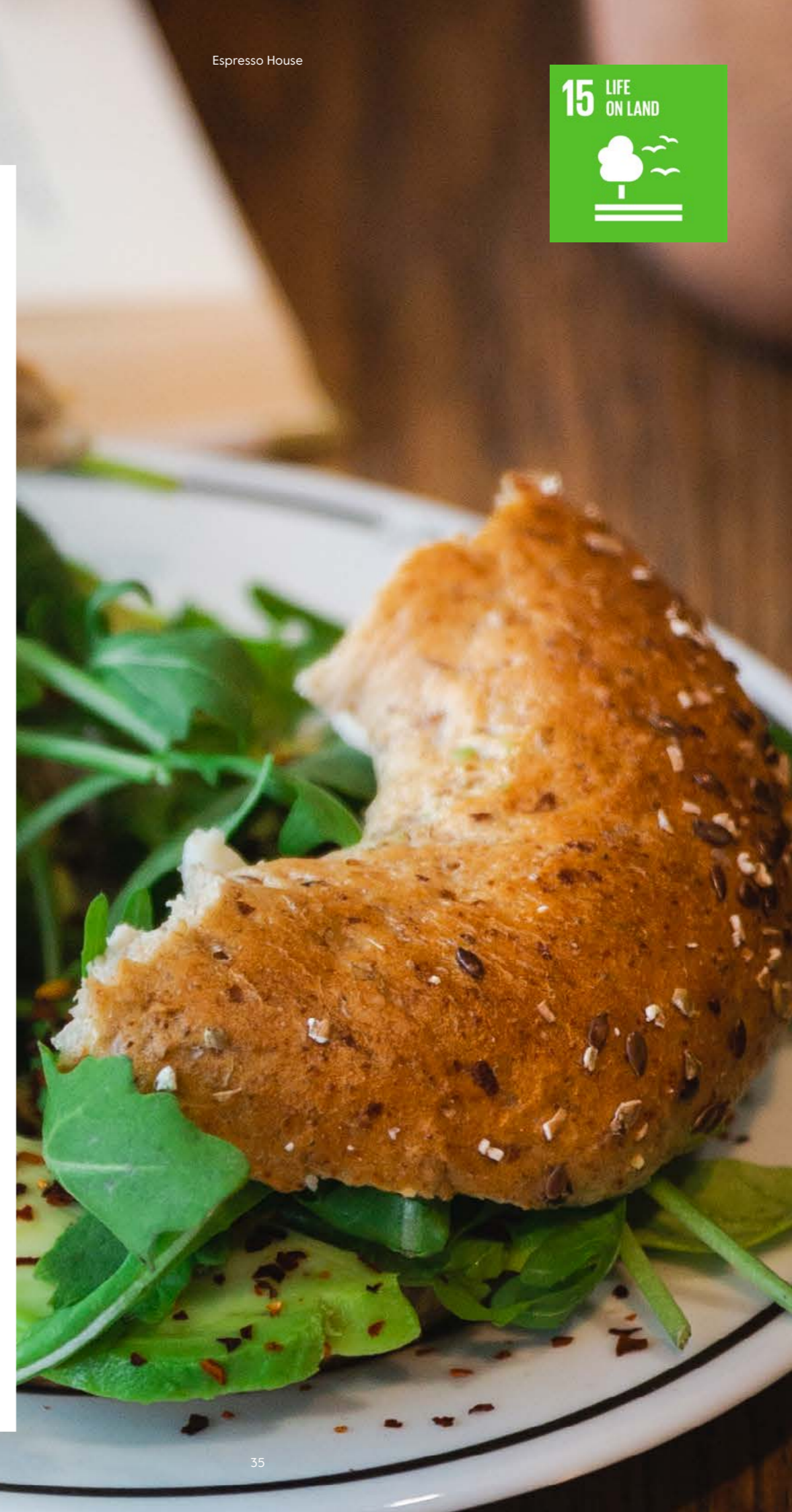
We aim for the animals to have had the best possible conditions, and that's why we have chosen to work with the ECC. ECC is a policy collaboratively developed by 34 animal welfare organizations in Europe and is particularly crucial for achieving a high level of animal welfare for chickens across all European countries. In Sweden, which has stringent animal welfare standards where only chickens raised and slaughtered within the country are utilized, it means that we are already closely aligned with the ECC criteria. Further to this, we are writing an Animal Welfare Policy which will be published in 2024.

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 outlines 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.

PERCENTAGE OF PRODUCT SUPPLIERS THAT HAVE SIGNED OUR SUPPLIER CODE OF CONDUCT

2021	99%
2022	97%
2023	99%



Quality

Quality is essential for us at Espresso House and, as a growing company it is important to have a continuous high quality across services, products, and suppliers. In 2023, we strengthened our Supply Chain & Procurement team with a Quality Manager whose purpose is to improve the quality assurance and quality management on a centralized level.

During 2023 we have focused on our product development process, sourcing routines and are now doing continuous risk assessments and supplier audits. Communication with our partners and suppliers have improved and we already see the results from it. We will continue developing this work going forward.

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. We have a Quality Assurance Program and training in all our markets to further strengthen our routines and compliance with food safety, allergens, and cleanliness. In addition, hygiene audits are carried out by external professional partners in all countries.

ALLERGENS

Guest and food safety are our outmost priorities. At Espresso House we have ingredient information for our menu 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 are always there to help with allergen

information if requested, and they also receive specific training on allergens, risks related to these, and food handling to avoid allergen risks or cross-contamination. The training is part of our Quality Assurance Program.

Guest and food safety are our outmost priorities.





Planet-Friendly Menu

PLANT-BASED IS HERE TO STAY

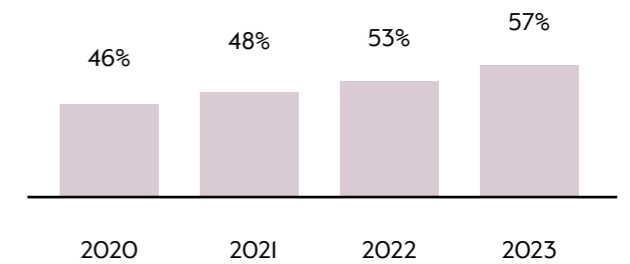
It's our goal that 50% of our food and drinks menu is available as plant-based or have the option to be served as plant-based, and we are happy to say that during 2023, 57% of our menu met the criteria.

The choice to progress toward expanding our range of plant-based options is driven by the demands of both our customers and our commitment to the environment. With a rising interest in plant-based choices, the Intergovernmental Panel on Climate Change (IPCC) has compelling evidence that transitioning to a more plant-based diet can be one of the most impactful approaches to mitigate greenhouse gas emissions from the agricultural sector.

Our Group product department and Bakery work to innovate and renew our assortment on a regular basis, with a focus on our guests' expectations of sustainable, high quality, and great tasting products.

Our most popular vegan pastries are our classic chocolate ball and the blueberry pie. 758 817 chocolate balls and 677 919 Blueberry pies were enjoyed during guests fika moments in 2023.

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



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

Espresso House Bakery

At the bakery located outside of Malmö, product quality, work environment, and sustainability permeate everything we do, underpinned by our quality management system. We are BRC-certified with an A grade. With the same level of dedication, sustainability is an integrated part of our factory processes.

SUSTAINABLE KPI

From a production perspective, we carefully seek to avoid “production scrap” across the entirety of our products’ lifecycle – from initial innovation to disposal. In 2023 the yearly production scrap was 1,3%. One of the keys to this year’s success in lowering production scrap was to move some of the ownership to the production team closest to the product who are reporting and making follow-ups every day.

Closely related to scrap is our waste KPI, “kilo waste per ton produced.” We had lower ton of production 2023 than 2022 but we still managed to lower the waste per ton produced. Production scrap is a big factor here as well.

Our goal is to sort our waste effectively and as organized as possible. Currently we have ten sorting methods (plus the smaller ones like batteries, glass, etc.) We will continue to optimize waste sorting in 2024, including sorting out more plastics from the combustible category.

ENERGY – A GLIMPSE OF THE FUTURE

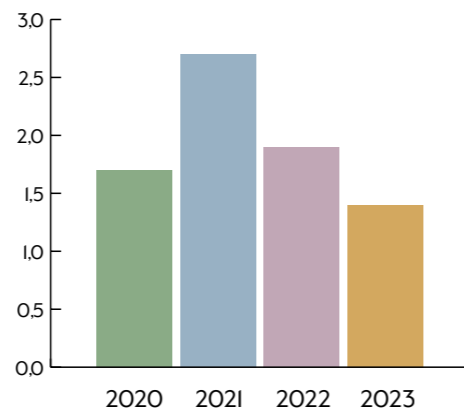
In 2022, 100% of our electricity was from hydro-power. Currently we are phasing in solar power via the property owners. In 2023, 12,3% of our electricity was from solar power. We plan to expand solar power even more in the coming

years as this will allow us to work towards becoming 100% fossil fuel free should costs rise or if regulations require this.

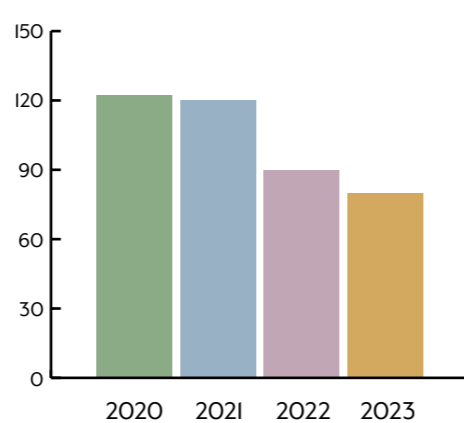
TRANSPORTATION

We value locally produced raw materials whenever possible. For example, our top seller, the cinnamon bun has locally produced flour (from Skånemöller) and sugar (from Örtofta). Since last year, we have a program in place to log every transportation in and out of the bakery to strengthen our credibility in climate reporting and to map opportunities for improvements.

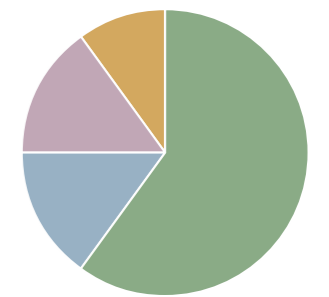
PRODUCTION SCRAP %



KG WASTE PER TON PRODUCED



ENERGY DISTRIBUTION



- Hydroelectric
- Natural gas
- District heating
- Solar power



WASTE DISTRIBUTION

Metal	0%
Soft plastic	0%
Shortening	1%
Wood	1%
Hard plastic	1%
Hazardous waste	2%
Raw materials	8%
Cardboard	12%
Combustible	28%
Organic	47%

Our Specialty Coffee

OUR ROASTERY

At Espresso House Group we are proud to say that all our Specialty Coffee is roasted in Johan & Nyström Roastery, a state-of-the-art Coffee Roastery located in Länna, just outside Stockholm. Roasting Specialty Coffee is an art which requires a high degree of knowledge, and we are committed to craft roasting. Our experienced Roast masters use the slow roasting method to ensure that every batch of beans is roasted to perfection.

We specialize in specialty coffee. This means that all the coffee we purchase scores at least 80 points on a 100-point scale, a grading set by the international coffee organization, the Specialty Coffee Association.

We have high standards for the producers we work with, in terms of both sustainability and quality.

Our work extends beyond coffee and, this year, we made a concerted effort to increase our focus on our tea. We have reviewed the assortment to simplify your offering. Ultimately, we believe that the path to a good cup of tea should be as straightforward as letting the tea bag steep for 2 minutes.

SUSTAINABILITY IN EVERY STAGE

The absolute priority for us is that coffee production is sustainable throughout the entire process. It begins with the plant, which thrives in fertile and nutrient-rich soil, requiring a diverse ecosystem that can grow and flourish on its own terms, not dictated

by mass production. Those who excel at this, who understand and master the art of coffee cultivation, are our producers who passionately grow, harvest, and refine their coffee plants!

Jute sacks filled with the finest raw coffee beans arrive at our facility in Länna, and here, we take on the responsibility for their sustainable and gentle treatment. Our roasters are powered by biogas, and we utilize hydropower in production — which are small but significant steps in minimizing our environmental footprint. Even the final step, delivering to our customers, is done with a partner that offsets 100% of its carbon emissions.

We care about our planet and collaborate with producers and partners who share the same commitment, now and forever!

FROM CROP TO CUP

With our vision to create a world class coffee experience to our world class guests we are committed to serve the highest quality coffee. In 2022, Espresso House Group sourced Specialty Coffee from 11 different countries, and we brewed over 10 million cups of drip coffee to our coffee-shop guests. Our passion for coffee is no secret. However, for us, coffee is not only about the perfectly brewed cup. It's just as much about the people who grow and nurture it, the coffee farmers. As always, we have made several visits to our fantastic coffee producers over the past year. In a good business relationship, there is no "us" and "them," only shared

goals. Therefore, we develop a strong partnership with our coffee producers. Together, we make the coffee world better and enable more people to enjoy specialty coffee.

10 years or more – that's how long we have been working with several of our producers. It's simply because they are the best and we know and trust each other. Every time we enter a partnership with a new producer, it is with the intention that it will be lasting, trusting, and mutually beneficial. Our close and long-standing relationships are based on a shared philosophy and the desire to together improve conditions for coffee farmers around the world - Through sustainability and quality!



SHARE OF COFFEE ORIGINS 2023 Espresso House and Johan & Nyström

South America - Brazil, Peru & Colombia	83%
Central America - Honduras, Nicaragua, El Salvador & Panama	11%
Africa - Kenya, Ethiopia & Burundi	6%

Coffee Sourcing Program

At Espresso House we seek to take responsibility from crop to cup and ensure that we are a part of a sustainable, specialty coffee future. Guiding this work is our Coffee Sourcing Program which codifies 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.

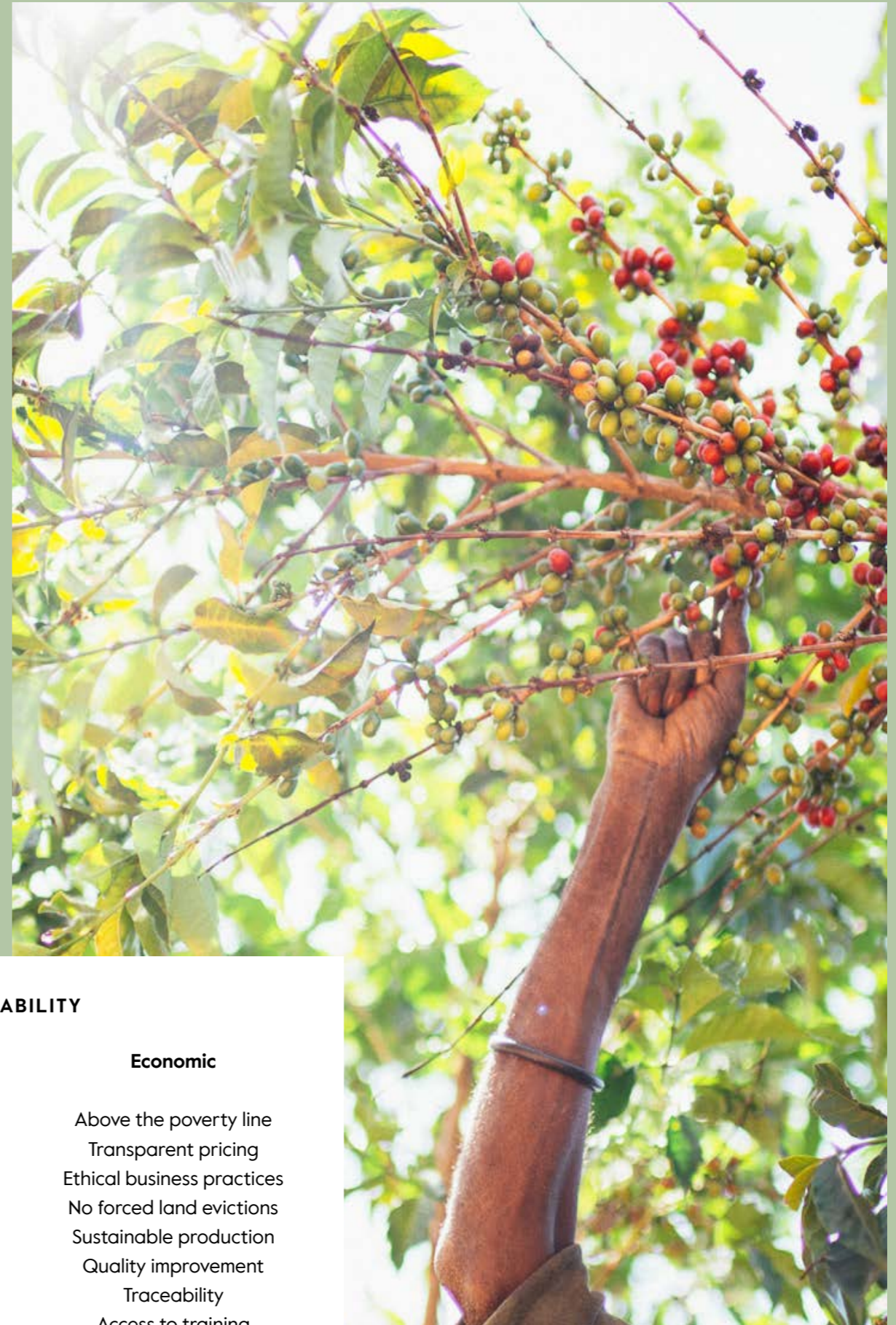
100% VERIFIED COFFEE BY ENVERITAS

Since 2018, Espresso House Group has completed third-party verifications of the coffee farms, cooperatives, and mills. The verifications provide us with valuable insights into the performance across our own coffee supply chain. Our trusted partner, [Enveritas](#), is an independent, nonprofit organization that verifies coffee supply chains for sustainability, traceability, and improvement activities. Enveritas helps us to gain a deeper understanding of farming practices as they provide 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 help smallholder farmers, in a globally sustainable coffee industry. Smallholder farmers 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 often live in remote areas. Enveritas closes this gap by travelling to the farms and verifying their sustainability practices, without any cost for the farmer.

We have gone from verifying 20% of the coffee portfolio annually, to now verifying 100% annually. The results from farms, cooperatives and millers are reviewed and opportunities for improvement are assessed.



ENVERITAS PILLARS OF SUSTAINABILITY

Social

- No Child labor
- No forced labor
- Minimum wage respected
- No discrimination
- Clean water
- Decent housing
- Worker Rights and benefits
- Freedom of association
- Written contracts

Environmental

- No deforestation
- No pollution
- Biodiversity protection
- Soil conservation
- Water conservation
- Energy conservation
- No GMOs
- No banned pesticides
- Safe chemical handling

Economic

- Above the poverty line
- Transparent pricing
- Ethical business practices
- No forced land evictions
- Sustainable production
- Quality improvement
- Traceability
- Access to training



Experiences from Our Green Coffee Buyer

Green coffee buyer, Jonas Hult, plays an important role in visiting the producers.

“Even though I have been working with buying coffee for more than eight years, I’m continuously amazed by the drive and ambition many producers have. When visiting the Menendez family in El Salvador in February, the father, Miguel Sr. was walking around the farm apologizing for the way the farm looked. It was just after harvest, so it’s only natural that the coffee trees are not in their prime. But for him, it’s a matter of pride. Miguel, has been running the farms for decades, also told me about the new experimental varieties they are cultivating for the future.

Another example is Felipe Croce, highly regarded as one of the best coffee producers in the world, who constantly tries to evolve and progress his practices. This includes experimenting with different types of shade trees and cover crops, as well as varieties, to improve quality, productivity, and environmental benefits.

In another part of Brazil, I met with two larger estates, that, in contrast with the common practices in the region, take their own path. The Naimeg family installs solar panels and bio-factories to reduce their climate impacts. The other farm, run by Gabriella Sanchez, is working with Regenagri, a certification on regenerative farming practices. Coffee producers globally are facing massive

challenges, from low prices to labour shortages and climate changes. Therefore, it’s really inspiring to see so many producers pushing forward towards not only a sustainable but hopefully a thriving future for coffee. Our part, as a buyer and roaster, is to support that in the best way possible.”

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 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 help level the playing field.

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

In 2024, Jonas looks forward to continuing his travels and will visit the coffee farms in Honduras and Brazil among others.



Jonas Hult, Green Coffee Buyer



Planet





Our Footprint

OUR CLIMATE FOOTPRINT

In 2021, we started our work to map our climate impact for 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 initial calculations were carried out according to the Greenhouse Gas Protocol (GHG 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 covers all our markets including coffee shops, offices, the Bakery, and the Roastery.

In 2023, our commitment to ESG principles led us to a comprehensive evaluation of our entire value chain's impact. We meticulously accounted for indirect emissions, both upstream and downstream, which are not directly managed by our organization but are integral to our operations. It became evident that our most significant climate footprint lies within the realm of purchased goods and services. This revelation underscores the fact that the choices we make in what we offer to our guests are the predominant contributors to our environmental impact.

As part of our commitment to sustainability we will be conducting a comprehensive climate calculation analysis in the early months of 2024. This analysis marks a significant step towards unravelling the complexities of our planet's climate system and identifying potential patterns and trends that can guide us in mitigating environmental risks and

fostering resilience. Furthermore, this analysis will not only focus on global-scale phenomena but also zoom in on regional variations and localized impacts, recognizing the diverse challenges faced by communities around the world. Through this comprehensive approach, we aspire to generate insights that are not only scientifically robust but also practically relevant for stakeholders at all levels, from policymakers and businesses to individuals.

INCREASE IN OUR CARBON FOOTPRINT

Though our calculations and analysis is still underway. Early data suggests a trend of increasing carbon emissions. The increase in reported carbon footprint figures for many organizations during 2023 can be attributed to significant improvements in reporting methodologies and analytical capabilities, rather than a straightforward rise in emissions. As companies have become more proficient in accurately assessing their environmental impact, the numbers have started to reflect a more comprehensive picture of their carbon footprint.

SEVERAL FACTORS CONTRIBUTE TO THIS PHENOMENON:

Enhanced Reporting Standards: There has been a global shift towards more stringent and detailed reporting standards on carbon emissions. Regulatory bodies and environmental organizations have developed frameworks that require companies to report not only direct emissions, but also indirect emissions associated with their value chain (i.e. Scope 3). As companies align with these standards, previously unaccounted-for emissions are being included in their reports.

Better Data Collection and Analysis: Technological

advancements have enabled more precise data collection and analysis. Companies are now able to track emissions from a wider array of sources within their operations and supply chains. Improved data analytics tools help in identifying and quantifying emissions with greater accuracy, leading to a more detailed understanding of where and how carbon footprints are generated.

Increased Scope of Reporting: Many organizations have expanded the scope of their carbon footprint assessments to include Scope 3 emissions, which cover indirect emissions such as those from business travel, procurement, waste, and employee commuting. As these are often more significant than direct emissions, their inclusion has naturally led to higher reported totals.

Greater Transparency and Accountability: With rising awareness and concern over climate change, there is a growing demand from consumers, investors, and regulatory bodies for transparency and accountability in environmental reporting. This pressure has encouraged companies to adopt more comprehensive reporting practices, which, in turn, reveal a more substantial carbon footprint.

Recognition of Previously Overlooked Emissions: As methodologies improve, companies are recognizing and reporting emissions sources that were previously overlooked or underestimated. This includes aspects like the use of sold products, end-of-life treatment of sold products, and investments, which significantly contribute to the overall carbon footprint.

In essence, the apparent increase in carbon footprints during 2023 does not necessarily indicate

that companies are polluting more. Instead, it reflects a positive shift towards more accurate, transparent, and comprehensive environmental reporting. By understanding the full extent of their carbon footprints, companies are better equipped to implement effective strategies for reducing their environmental impact and moving towards sustainability.

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, in 2022, Espresso House made a commitment to set climate goals in line with the Science Based Target Initiative (SBTi). Our next step will be to develop the targets, define a pathway to reach that goal, and to integrate this in our new sustainability strategy, the details of which are outlined in our Sustainability Governance section.



Zero Food to Waste

FOODWASTE AT ESPRESSO HOUSE

Addressing the global issue of wasted food is a complex challenge with far-reaching environmental, social, humanitarian, and economic implications. Approximately one-third of all food produced for human consumption is estimated to be lost or wasted. At Espresso House, we recognize our responsibility and actively engage in efforts to prevent and minimize food waste within our operations.

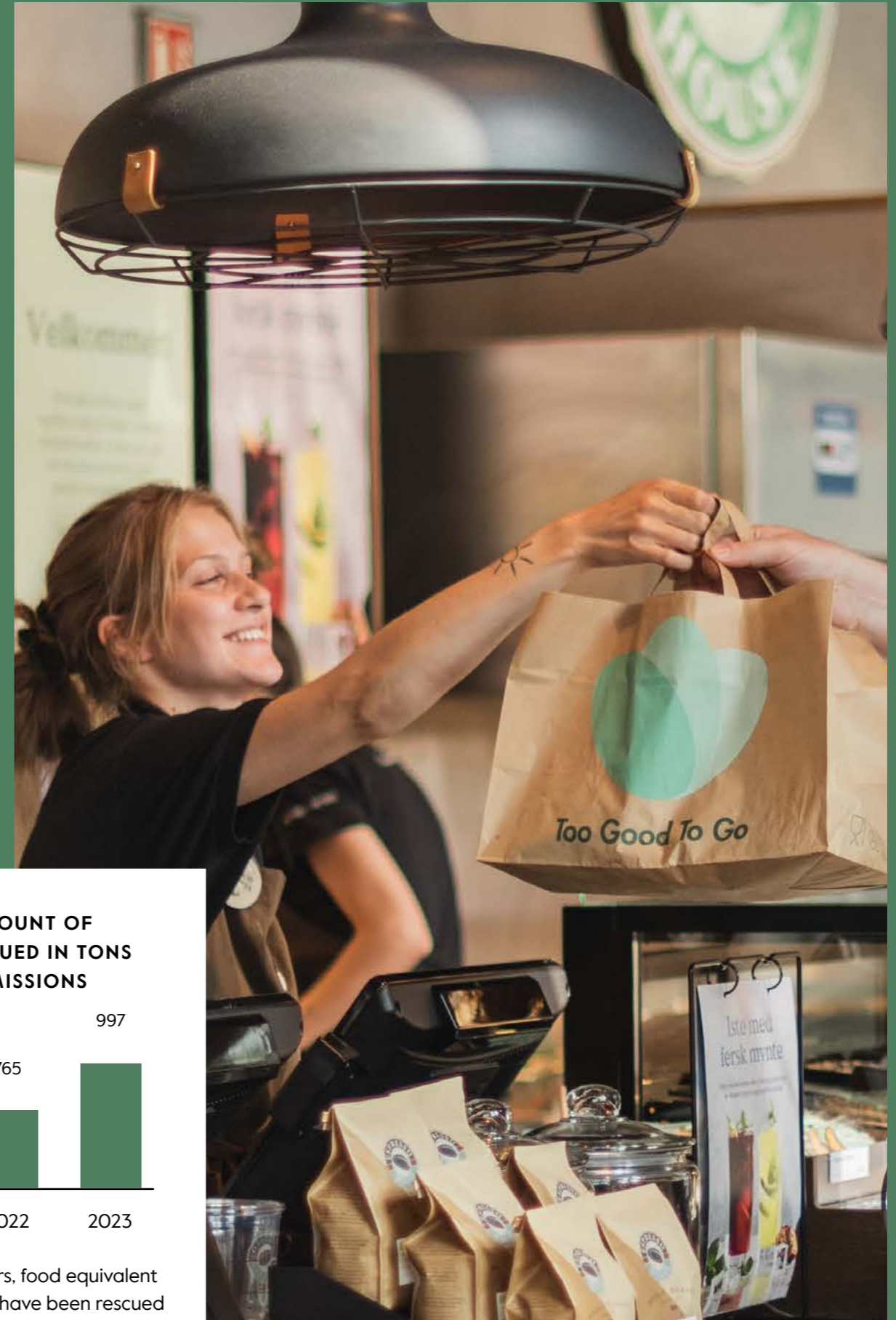
In addition to our partnership with professional food rescue companies, better meal planning in our coffee shops is a comprehensive approach that tackles food waste from multiple angles. It embodies a commitment to sustainability, operational efficiency, and customer satisfaction, ultimately contributing to the broader goal of reducing the environmental footprint of the food service industry.

Our approach focuses on proactive measures to avoid food waste from the outset. We maintain healthy inventory levels and employ systematic planning for food preparation to ensure the freshness and quality of our products. Since 2018, we have formed partnerships with leading food rescue application services in all our markets. In Espresso House Finland, we collaborate with ResQ Club and Too Good To Go is our partner in Sweden, Norway, Denmark, and Germany. These services empower us to sell surplus food of good and high quality at discounted prices, thereby diverting it from being discarded.

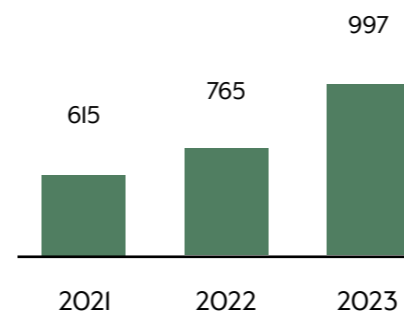
**During 2023
375 843 food
rescue bags
were sold in all
markets.**

During 2023 375 843 food rescue bags were sold.

We highly value our partnerships with professional food rescue companies. Their expertise and innovative app solutions play a crucial role in our mission to ensure that no food goes to waste. Through these collaborations, we strive to make a positive impact on the reduction of food waste, aligning with our commitment to responsible and sustainable practices.



**THE AMOUNT OF
FOOD RESCUED IN TONS
CO2 EMISSIONS**



In the past 3 years, food equivalent to 1 932 tons CO2 have been rescued through food rescuing applications

Packaging & Materials

PLASTIC REDUCTION PROMISE

Being the largest coffee shop brand in the Nordics, Espresso House has a large responsibility to secure the use of and the disposal of our different materials. While packaging for us is important to protect the quality of the product from the time it is made all the way to the guest, we must continuously develop to secure materials that are better for the environment. In average 50% of our guests were ordering take way during 2022. During 2023, we can see a slight change as the average was 45%.

REDUCE AND REPLACE

As of 2023, an average of 55% of Espresso House's guests chose to sit down in our coffee shops while having their coffee. This provides an opportunity to reduce the use of disposables as we serve most of our products in porcelain. While reducing plastics is our priority, we also need to focus on finding more sustainable materials for the disposables that are still in use. In the past years we have made a significant number of changes already.

During 2023, Espresso House started to phase out plastic lids for hot drinks ordered as take-

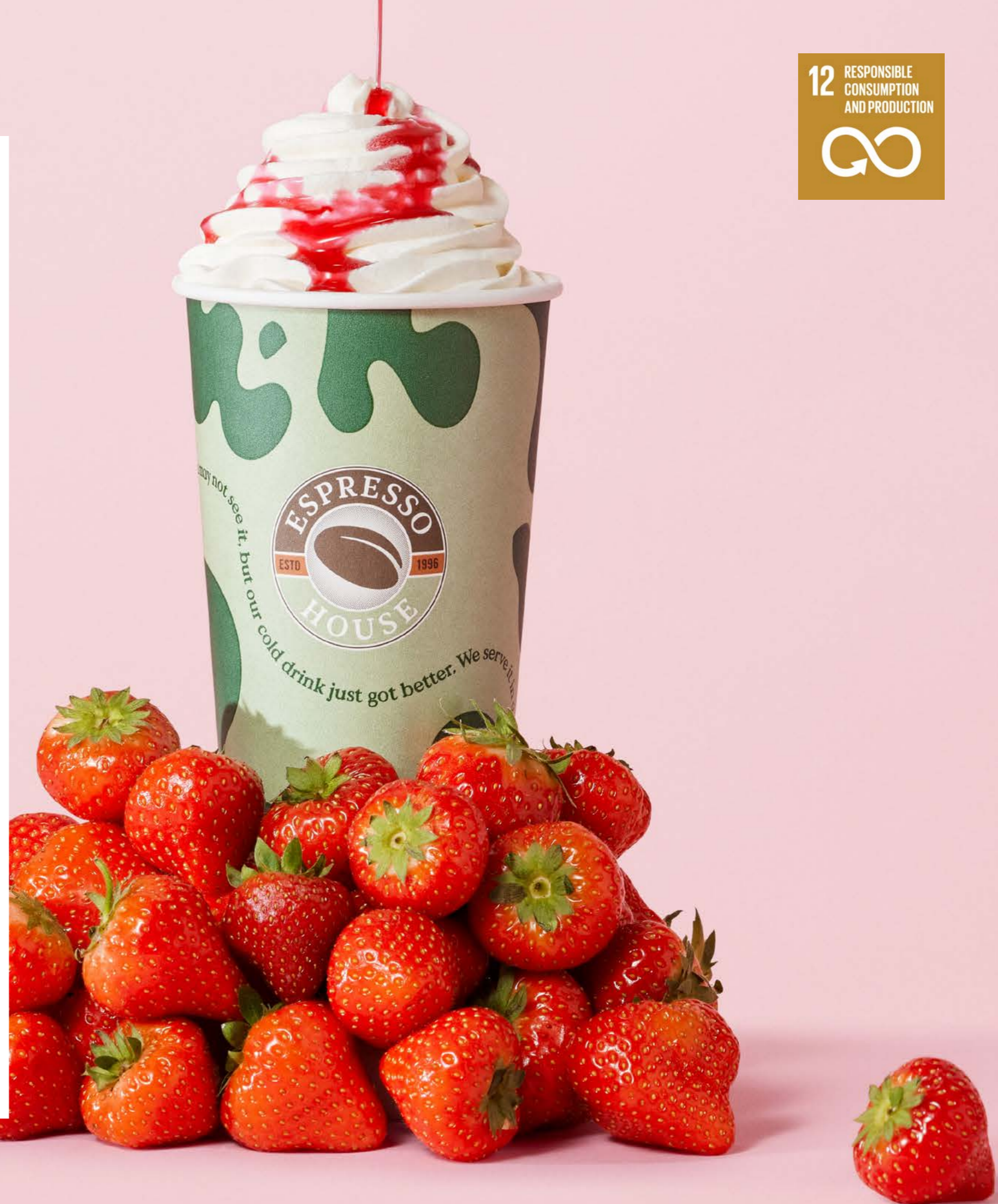
away. Using less plastic is part of Espresso House's sustainability promise and by 2025 the goal is to reduce fossil-based virgin plastic in guest packaging materials by 50%.

In 2022, Espresso House started 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 favour of glasses and paper cups was an important step in our sustainability efforts. With that change we estimated that we would avoid using 123 tons of plastic annually. During 2023 we reduced plastic by 226 tons compared to 2022.

In 2024, we will have an even greater reduction of plastic as we switch from salad packaging made of plastic to food containers made of paper.

REUSE

We want to encourage our guests to favor reusables over disposables. During 2023 we offered a "double stamp" reward in our Espresso House app to the guests who bring their own reusable cup. Approximately 600 000 guests brought their own cup.





Reducing Plastic One Cup at the Time

REUSABLE TAKE AWAY PACKAGING

On 5 June 2019, Directive (EU) 2019/904 of the European Parliament and of the Council on the reduction of the impact of certain plastic products on the environment was published. Additionally, the directive corresponds to the guidelines set forth by the European Commission on single-use plastic products, in accordance with the EU Directive (EU) 2019/904 aimed at reducing the environmental impact of specific plastic products.

This directive emphasizes the urgent need to address the environmental consequences associated with certain plastic products including single-use plastic items, including disposable cups and containers which contribute significantly to pollution, marine litter, and environmental degradation. The directive further emphasizes the importance of adopting sustainable alternatives to reduce the environmental footprint.

By embracing reusable mugs and food containers, restaurants and cafes can contribute directly to the objectives outlined in Directive (EU) 2019/904. Reusable items align with the principles of waste prevention, encouraging a shift away from the reliance on single-use plastics. This not only aids in minimizing plastic pollution but also promotes a circular economy by reducing the overall consumption of disposable items.

Furthermore, adhering to the European Commission's guidelines on single-use plastic products reinforces a commitment to environmental stewardship. It reflects a proactive approach to mitigating the adverse effects of plastic waste on ecosystems, marine life, and public health.

ESPRESSO HOUSE SWEDEN WORK WITH PANTER AND TINGSTAD

As of 1st January 2024, we were obliged by law in Sweden to offer reusable packaging as an alternative to single-use packaging. Espresso House Sweden has entered into an agreement with Tingstad and the tech company Panter to offer reusable cups and food containers through a digital return system at all its coffee bars starting from the beginning of the year. The products are made of polypropylene (PP), and they are 100% recyclable, BPA-free, without smell and taste, and approved for food contact. The products withstand cleaning in the dishwasher, heating in the microwave, and storage in the freezer.

ESPRESSO HOUSE GERMANY WORKS WITH RECUP

Since September 2022, we have been partnering with RECUP to offer reusable packaging at our coffee shops in Germany. 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, free from BPA, and LCA. One RECUP can replace up to 1 000 disposable cups. From 1st January 2023, we offer this reusable cup option at all our coffee shops in Germany and avoided the use of approximately 36 400 single-use cups during the year.

GERMANY

Total sold takeaway drinks	2 690 668
RECUP (small + standard size)	36 399
RECUP share of takeaways sales	1,4 %

FINLAND

Total sold takeaway drinks	23 727
RECUP (small + standard size)	996
RECUP share of takeaways sales	4,2 %

Our Coffee Shops

DESIGN AND CONSTRUCTION

Espresso House coffee shops are designed to offer a warm and welcoming ambiance, ensuring our guests always feel at ease to unwind and savour their coffee, tea or fika. The evolution and enhancement of our concept are ongoing processes encompassing the design, construction, and management of our coffee shops, all while fostering a secure and efficient workspace for our employees. The construction department meticulously plans procedures to minimize our environmental footprint.

When constructing, our primary focus is to adapt to the space, considering both design aesthetics and lighting. Secondly, we prioritize sourcing sustainable, high-quality materials to guarantee the durability of our furniture and fixtures. Thirdly, in our efforts to rebuild shops, we emphasize reusing materials extensively to minimize waste. By retaining functional existing layout structures, we reduce the need for new flooring, furniture, and building materials, resulting in both economic and eco-friendly benefits. Additionally, we aim to reduce transportation distances through streamlined logistics and, whenever possible, combining the transport of products and materials to our shop locations.

In 2023, our attention was dedicated to managing global price hikes and material shortages, while continuously refining the store experience for guests and staff. Ultimately, guest behaviour and the well-being of individuals guide our approach to designing and developing the physical environment in our coffee shops. The swift rise of digitalization poses new challenges, influencing the physical environment due to the increased prevalence of take-away behaviour, altering workflows, and space planning.

FURNITURE AND MATERIALS

At Espresso House, we prioritize local and European suppliers for our furniture to streamline distribution, minimize transportation, and expedite the improvement cycle in terms of quality and sustainable materials. This approach not only helps maintain healthier inventory levels but also reduces the risk of unnecessary waste from outdated or faulty products and materials.

What may surprise many is that most of our coffee shop furniture is designed and produced in Sweden. In fact, 76% of our furniture investments in 2023 were allocated to products manufactured in Sweden, with the majority

designed in-house. Additionally, we collaborate with our suppliers to identify textile materials that align with sustainability goals in terms of both quality and production. On average, 40% of our upholstered seats now feature textile materials certified according to [OEKO-TEX](#) standards.

We strongly advocate for product design using reused materials, following the waterfall principle. When we rebuild or refurbish shops, we prioritize the reuse of functional furniture and materials. For instance, during renovations, instead of replacing old tabletops with new ones, we take a sustainable approach by removing the sheet metal, re-sanding, and re-varnishing the existing tabletops, ensuring their use for many years to come.

Sustainability Governance

Building a new Sustainability strategy



We're at an exciting point in our sustainability journey where we want to be even more Tomorrow Friendly and make sure our business makes a positive impact on our environment in both the near and long-term. Therefore, we're working on a new strategy to be more sustainable. This means we want to do more than just reduce harm to the environment; we aim to make sure our work helps our planet and people, while also making sure our business can thrive for years to come.

WHY A NEW SUSTAINABILITY STRATEGY?

The decision to craft a new sustainability strategy is driven by several key factors:

- **Evolving Global Challenges:** The urgency of global environmental issues, such as climate change, biodiversity loss, and resource depletion, continues to escalate. These challenges require us to adapt and enhance our efforts in protecting the environment.
- **Stakeholder Expectations:** Our stakeholders, including customers, employees, investors, and community members, increasingly demand greater transparency, accountability, and action on sustainability issues. Meeting these expectations is not only our responsibility but also crucial to maintaining trust and credibility.
- **Regulatory Landscape:** As governments around the world intensify their focus on sustainability, regulatory requirements are becoming more stringent. Anticipating and exceeding these requirements will position us as a leader in our industry.
- **Innovation and Opportunity:** Advancements in technology and sustainability practices offer new opportunities to improve efficiency, reduce

costs, and create value for our business and stakeholders. Embracing innovation will enable us to stay competitive and relevant.

- **Ethical Obligation:** Beyond the business case, we have a moral obligation to do our part in ensuring a liveable planet for future generations. Our actions today will have a lasting impact on the world we leave behind.

OUR APPROACH

Developing our new sustainability strategy is a comprehensive and inclusive process, engaging with stakeholders across all levels of our organization and beyond to gather insights, expectations, and ideas. Our approach is rooted in the following principles:

- **Science-Based Targets:** Our goals and actions will be aligned with the latest scientific understanding and best practices to ensure they are both ambitious and achievable.
- **Transparency and Accountability:** We are committed to being open about our processes, successes, and challenges. Establishing clear metrics and reporting regularly on our progress will be key to this.
- **Collaboration:** We recognize that achieving sustainable development is not something we can do alone. Partnering with other businesses, governments, NGOs, and communities will amplify our impact.
- **Innovation:** We will leverage cutting-edge technologies and innovative business practices to drive sustainability throughout our operations.

LOOKING AHEAD

The development of our new sustainability strategy is a journey that will require time, effort, and collaboration. It represents our commitment to being a responsible business that balances economic growth with environmental stewardship and social well-being.



Espresso House Materiality

MATERIALITY ANALYSIS

Our choices and actions have a profound impact on a significant number of individuals, both directly and indirectly. The expectations of stakeholders, combined with the company's strategic direction, determine the priorities for Espresso House Group's sustainability initiatives. We believe in fostering dialogue, providing information, educating, and ensuring transparency regarding our activities. The content and scope of our work adhere to the materiality principle.

We identified the most relevant topics for both stakeholders and our business through a materiality analysis. Surveys, workshops, and interviews were undertaken to explore the expectations of internal and external stakeholders, as well as the social, environmental, and economic impacts throughout

our value chain. The received data and information enabled us to pinpoint our priorities, focusing on areas where we could make the most positive change and impact. This analysis laid the groundwork for our sustainability framework and strategy, guiding our decision-making process. The senior leadership team and the board have reviewed and validated this sustainability framework, which categorizes our material topics into three areas: People, Product, and Planet.

In 2024, Espresso House Group will undertake a comprehensive double materiality assessment in alignment with the new EU Corporate Sustainability Reporting Directive (CSRD).

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)

STAKEHOLDERS

GUESTS

Our guests represent our most important stakeholder group. In 2023 we welcomed over 44 000 000 guests in our coffee shops.

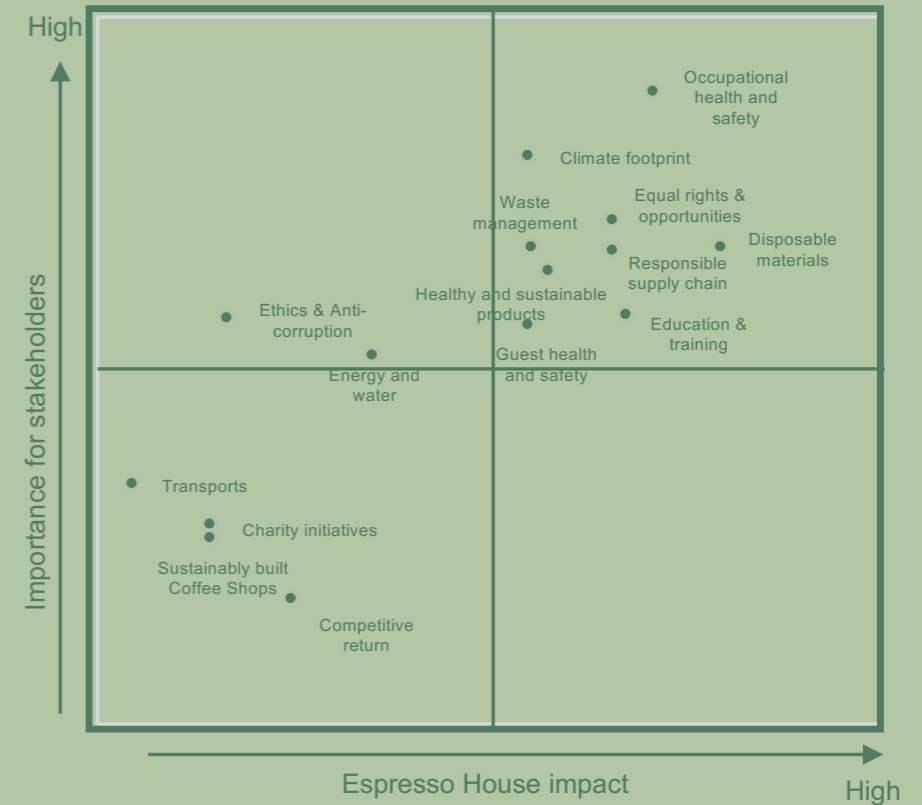
COLLEAGUES

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

SUPPLIERS

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

MATERIALITY MATRIX





Governance

SUSTAINABILITY GOVERNANCE

At Espresso House Group, the overarching strategic direction concerning the company's impact on the economy, environment, and people rests with the senior leadership team, comprising seven individuals in various roles.

Our Chief Executive Officer (CEO) is tasked with approving and updating the organization's purpose, value, mission statements, strategies, policies, and sustainability goals. Sustainability is integrated into every facet of the organization, and coordination occurs at the Group level. The Chief People and Sustainability Officer leads the assessment and management of environmental and social risks and opportunities across the organization and throughout the value chain. Specialists are distributed across departments, subsidiaries, and countries, allowing for group-wide responsibility with local relevance and ensuring compliance with relevant laws and regulations.

Biannual performance evaluations of leadership, with a focus on the organization's Environmental, Social, and Governance (ESG) impacts, are reported to our shareholders through selected ESG-aligned Key Performance Indicators (KPIs). Furthermore, the Board of Directors holds a minimum of one annual strategic meeting dedicated to ESG matters, during which they assess and endorse the strategic ESG roadmap.

The Board of Directors oversees major strategic, financial, and operational decisions, holding overall responsibility for the Sustainability report. They approve the annual report, which includes the

Sustainability report. Concerns regarding potential negative impacts on stakeholders are communicated to the leadership team, board of directors, audit committee, or remuneration committee based on the nature of the concern.

POLICY COMMITMENT

Our efforts towards sustainability are directed by a comprehensive framework consisting of our sustainability strategy, core values, and various policy documents. These documents include the Environmental policy, People Policy, HR policies, Anti-Corruption policy, Coffee Sourcing Program, Sourcing Principles, Waste Management Policy, and Supplier Code of Conduct. In 2023, a new Code of Conduct and Sustainability Policy were developed, both of which have received approval from the board. The responsibility for implementing these policies lies within specific functions and areas of expertise.

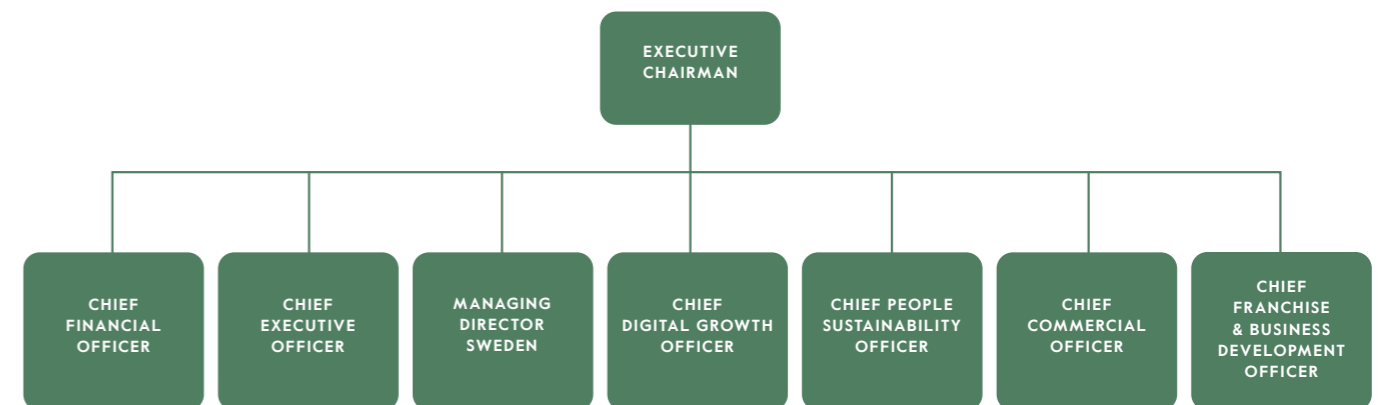
RISK MANAGEMENT

Espresso House Group face various sustainability risks throughout the entire value chain, and our risk management encompasses all stages from coffee bean to coffee cup. This management approach is conducted in an ongoing, integrated, and systematic manner. The materiality analysis plays a crucial role in evaluating our risks. Through continuous evaluation and analysis, we can pinpoint significant issues that may have adverse effects both upstream and downstream in our value chain. The actions and steps detailed in this report illustrate the diverse measures we have implemented to address sustainability risks and enhance opportunities in the realms of People, Product, and Planet.

RESPONSIBLE BUSINESS CONDUCT AND TRANSPARENCY

At Espresso House Group we acknowledge our duty to champion and conduct operations with a commitment to Human Rights in all our endeavors. We consistently strive to comprehend the human rights risks associated with our activities. In fulfilling our responsibilities and recognizing actual and potential adverse effects in our value chain, we conducted a human rights due diligence assessment aligned with the OECD Guidelines for multinational enterprises. In compliance with the Norwegian Transparency Act (Åpenhetsloven), we will issue an annual report on our due diligence assessment.

SENIOR LEADERSHIP TEAM



The Senior leadership team as of February 2023

About this Report

This marks the seventh sustainability report for Espresso House Group, delineating prioritized activities across various sustainability topics identified through the materiality principle. Our approach centres on the three key pillars of People, Product, and Planet, and this Sustainability Report encapsulates our progress in these domains. The Chief Executive Officer and two senior leadership team members have reviewed and approved the material topics and reported data.

Guided by the legal requirements of the EU Non-Financial Reporting Directive (2014/95/EU), this report adheres to the principles of the Global Reporting Initiative (GRI). GRI is an independent international organization facilitating the understanding and communication of sustainability impacts for businesses, governments, and other organizations. A comprehensive view of the GRI framework can be accessed on their website www.globalreporting.org.

The data and activities presented herein occurred between January 1st and December 31st, 2023, unless otherwise specified. The content of this report has not undergone external assurance, and we retain the right to rectify any errors and update the report as necessary.

The scope of the Sustainability Report encompasses subsidiaries within Espresso House Group in 2023, including Johan & Nyström and Balzac Coffee.

For this report all Balzac Coffee activities falls under Espresso House Germany. The report covers the segments of our business over which we have operational control and excludes franchised or outsourced operations.

The financial revenue results in this report include all subsidiaries operating under Espresso House in 2023.

GRI Index

GRI Index

GRI 2 General Disclosures	Name of disclosure	Page	Omissions or comments
GRI 2-1	Organizational details	10	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	75	All subsidiaries operating under Espresso House Group
GRI 2-3	Reporting period, frequency and contact point	75	Annual Sustainability report reported calendar year. Publication date: 31 March 2023. The period of this report aligns with EH Group's financial report. Contact: Jessica Julin Sustainability Manager EH Group. Jessica.julin@espressohouse.com
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	10, 13, 30, 31, 34, 35, 42, 43, 19	No significant changes
GRI 2-7	Employees	19	Data for temporary and permanent employees by gender and location not gathered for the period.
GRI 2-8	Workers who are not employees		Information incomplete: Data not gathered for this report.
GRI 2-9	Governance structure and composition	10, 72, 73	
GRI 2-10	Nomination and selection of the highest governance body		CEO appointed by the board of directors
GRI 2-11	Chair of the highest governance body	10	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	72	
GRI 2-13	Delegation of responsibility for managing impacts	72	
GRI 2-14	Role of the highest governance body in sustainability reporting	74, 76	

Statement of use	Espresso House Group has reported with reference to the GRI Standards for the period: January 1st 2023 to December 31st 2023.
GRI 1 used	GRI 1: Foundation 2021

GRI 2 General Disclosures	Name of disclosure	Page	Omissions or comments
GRI 2-15	Conflict of interest	34, 35, 72, 73	Code of Conduct
GRI 2-16	Communication of critical concern	72, 73	
GRI 2-17	Collective knowledge of the highest governance body		Data incomplete
GRI 2-18	Evaluation of the performance of the highest governance body	72	
GRI 2-19	Remuneration policies	72, 73	
GRI 2-20	Process to determine remuneration	72, 73	
GRI 2-21	Annual total compensation ratio		Confidential information
GRI 2-22	Statements on sustainable development strategy	4, 5, 41, 15, 68, 69	
GRI 2-23	Policy commitment	28, 34, 35, 72, 73	
GRI 2-24	Embedding policy commitments	18, 21, 26, 28, 34, 35, 40, 44, 52, 53, 54, 56	
GRI 2-25	Process to remediate negative impacts	21, 22, 28, 34, 35, 44	
GRI 2-26	Mechanisms for seeking advice and raising concerns	21	
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	21, 22, 28, 68, 69	
GRI 2-30	Collective bargaining agreements	18	

GRI Index

Topic Standards	Name of disclosure	Page	Omissions or comments
GRI 3-1	Process to determine material topics	68, 69	
GRI 3-2	List of material topics	68, 69	
200 ECONOMIC			
GRI 205: Anti-Corruption 2016			
GRI 3-3	Management approach	21, 34, 35, 72	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	21	
300 ENVIRONMENT			
GRI 301: Materials 2016			
GRI 3-3	Management approach	56, 57	
GRI 301 - 2	Recycled input materials used	56, 57	J&N not included
EH Disclosure	Share of materials in primary packaging (non-renewable vs. Renewable)	56, 57	J&N not included
GRI 305: Emissions 2016			
GRI 3-3	Management approach	52, 53	The results from the climate calculation for 2023 will be published during 2024.
GRI 305 -1	Direct (Scope 1) GHG emissions	52, 53	Direct emissions from owned/leased vehicles, and cooling agents
GRI 305 -2	Indirect (Scope 2) GHG emissions	52, 53	Indirect emissions from purchased electricity and heating
GRI 305-3	Other indirect (Scope 3) emissions	52, 53	
GRI 306: Waste 2020			
GRI 3-3	Management approach	40, 41, 54, 61	
GRI 306 - 1	Waste generation and waste-related impacts	40, 41, 54, 61	
GRI 306 - 2	Management of significant waste related impacts	54, 62, 63	Circularity measures.
GRI 308: Supplier environmental assessment			
GRI 3-3	Management approach	34, 35	
308-1	New suppliers that were screened using environmental criteria	34, 35, 36	

Topic Standards	Name of disclosure	Page	Omissions or comments
400 SOCIAL			
GRI 403: Occupational Health and Safety			
GRI 3-3	Management approach	21	
GRI 403 - 1	Occupational health and safety management system	21	100% of our employees are covered by our occupational health and safety management systems.
GRI 403 - 2	Hazard Identification, risk assessment, and incident investigation	21	
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	21	
GRI 403 - 5	Worker training on occupational health and safety	21	
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		
GRI 403 - 8	Workers covered by an occupational health and safety management system		100% of employees are covered
EH Disclosure	Health Presence	20	Percentage Health Presence
GRI 404: Education & Training			
GRI 3-3	Management approach	26, 27	
GRI 404-1	Average hours of training per year per employee	26, 27	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	26, 27	J&N not included
GRI 405: Diversity & equal opportunity			
GRI 3-3	Management approach	28	
GRI 405-1	Diversity of governance bodies and employees	10, 19	Gender
GRI 414: Supplier social assessment			
GRI 3-3	Management approach	34, 35	
GRI 414-1	Percentage of new suppliers that were screened using social criteria	34, 35, 36	
GRI 416: Customer health and safety			
GRI 3-3	Management approach	34, 35, 36, 40	
EH Disclosure	Food safety	34, 35, 36, 40	Food quality & safety in Bakery



ESPRESSO HOUSE