



Sustainability Report

2023

Sustainability Report

Be careful:
it contains *caffeine!*

2023



LETTER FROM THE PRESIDENT

TO OUR VALUED STAKEHOLDERS

I'm happy to write this letter to mark the beginning of VEA Group's journey in measuring, documenting, and publishing our efforts to contribute to a sustainable future. Our Group, which includes the brands Carimali, Elektra, Heylo, and Bellezza, has a long history dating back to 1919. Throughout our history, we have proven to be resilient and resourceful. Our resilience is not only found in creating value for society but also in doing so in a healthy and sustainable way. Our resourcefulness is evident in our ability to connect and align a network of people, companies, and organizations. This Sustainability Report is an extension of our path and a necessary one.

As we collectively face our biggest challenge yet - climate change and growing societal pressure - we must make it our duty to minimize our company's impact on the environment, to provide sustainable solutions for our customers, and, whenever possible, to use our resources to do good in the world. Achieving this requires the help of everyone involved.

Our company's vision is to be the heart of coffee technology. "Heart" because that's where everything flows through and comes to life, and "technology" because we can create value for the world by innovating on products and solutions to make them better at addressing problems. We collaborate with partners who help us develop and provide manufacturing processes, expertise, materials, and ideas for creating our coffee machines. We then bring our machines by assembling all the components in our manufacturing plants. Finally, we find ways to put our machines out where they can serve great coffee. Here, we rely on partners for logistics, promotion, and service to ensure our machines work in 60 countries worldwide.

We play a key role in this process, and by coordinating all of it, we have a real chance to impact the world significantly. Through our machines, over 6 million coffees are served daily a significant and far reaching impact. Consider the resources that go into making that happen! We can contribute to making our world more sustainable. Although it is not easy, it is within our reach. It is within your reach.

In 2023, we implemented numerous projects ranging from research initiatives to social programs. However, I firmly believe this is just the beginning of our journey. Let us work together to build a sustainable and resilient future.

Warm regards,

Umberto Doglioni Majer

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THE VEA GROUP



01



ABOUT US

The VEA Group is a *holding* company founded in 2017 with the aim of becoming a central player in the field of coffee technology. The Group includes the brands Carimali, Elektra, Heylo and Bellezza, which are renowned for their coffee machines.

The VEA Group has production facilities in Bergamo (Italy) and Suzhou (China), as well as sales offices in Italy, China, Singapore and the UK.

With a history dating back to 1919, the Group has been constantly engaged in the design, manufacture, commercialisation and distribution of coffee machines for over a century.

Creating lasting leadership and significant impact in technological evolution takes time; the Group's approach is based on long-term vision and strategies.

THE VEA VISION

**Be the heart
of coffee technologies**

THE YEAR 2023 FOR VEA IN NUMBERS



151

PEOPLE



32.678.131

IN TURNOVER (€)



4

BRANDS



9767

MACHINES PRODUCED



1986

HOURS OF TRAINING

01

We believe in the revolutionary power of **technology**, we mainly focus on coffee, but we love creative ideas in general.

COFFEE TECHNOLOGY



02

We believe in entrepreneurial companies that thrive by **sharing** similar values.

NETWORKING



04

We actively promote **social initiatives** and projects in our companies.

RESPONSIBILITY

03

Meaningful impact requires patience, and a **long-term** scalable vision.

LONG TERM VISION



- VEA is founded, and includes Carimali SpA, Carimali China and Carimali Children

2017

- Investment in BKON, an American company with expertise in the extraction of coffee-based beverages

2020

2019

- Investment in the Slingshot joint venture, a manufacturer of innovative coffee grinders
- Acquisition of Elektra
- Carimali celebrates its 100th anniversary

2018

- Acquisition of Exel, a company that provides highly customized hardware and software solutions

- Heylo, an expert company in induction technology, is founded
- VEA Brew Hive Singapore, a company that sells products from VEA's brands in the Asian market, is established
- Partnership with Manea Vending, a manufacturer of automatic distributors
- Exel becomes View Technologies

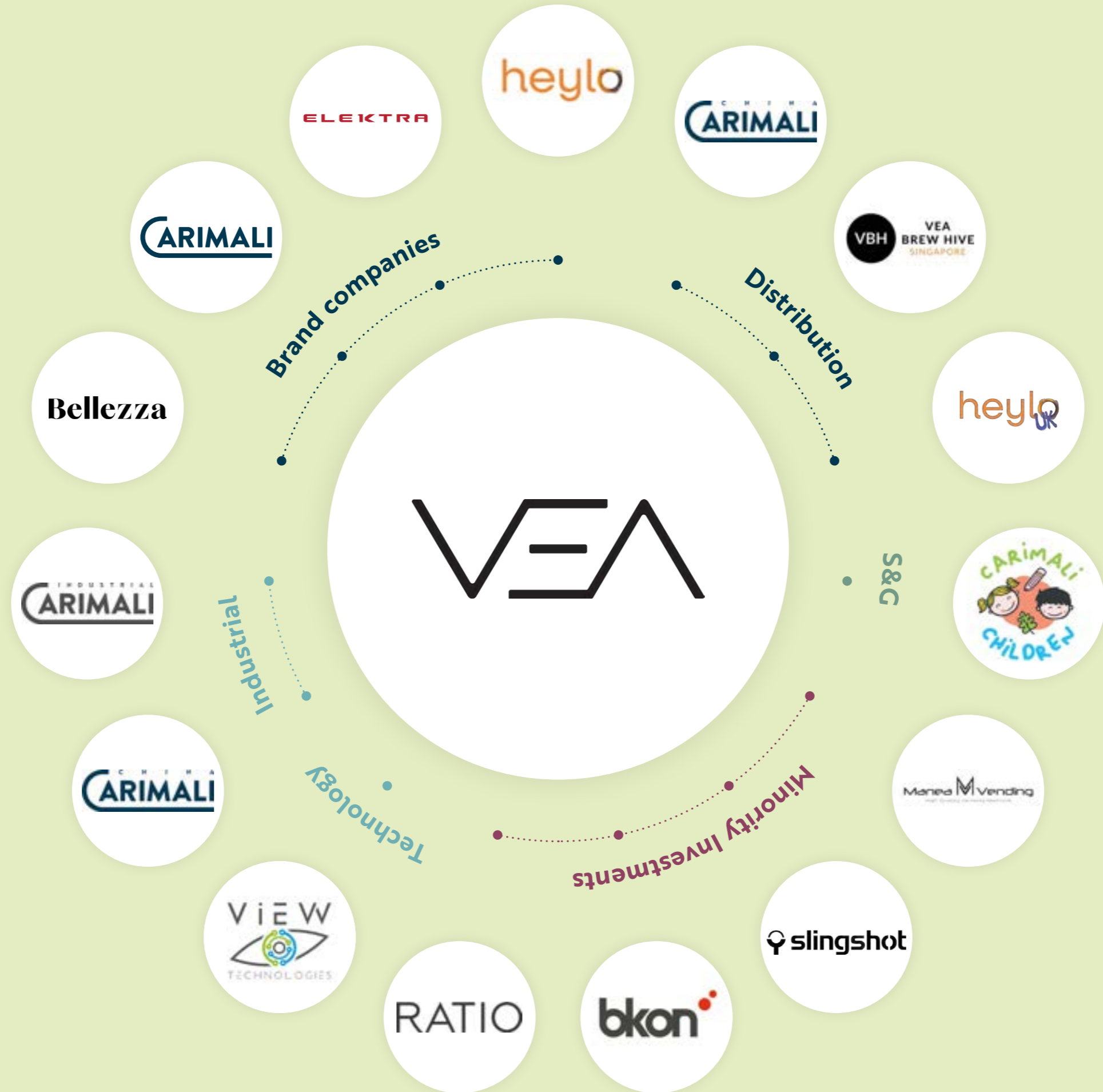
2021

- Heylo opens its new headquarters in Garbagnate Milanese
- The Heylo UK branch is established in London

2023

2022

- The founding of Carimali Industrial
- Umberto Doglioni Majer becomes the President of VEA, taking over from his father
- Elektra opens its new headquarters in Mogliano Veneto
- Bellezza joins VEA, seeing the founding of Bellezza Milano
- Investment in Ratio, a company specialized in domestic solutions for coffee extraction





OUR BRANDS

Carimali has been manufacturing and selling professional *coffee machines* worldwide for over 100 years. Since 1919, the company has been applying cutting-edge technology and modern production processes to develop *fully automatic* and *traditional coffee machines*, grinders and accessories. The headquarters are in Bergamo, Italy, where the main production plant and offices are located.

In 2016, a second office dedicated to sales and services for the Italian market was set up in Lainate, Milan. Carimali Italia offers full equipment and service solutions for the local market through Ho.Re.Ca and OCS channels. The Italian office also sells and provides technical support for several brands within the VEA Group.

CERTIFICATIONS

- ISO 9001
- ISO 14001
- SA 8000



CARIMALI'S MISSION

Democra-tech
great coffee

From the very beginning, Carimali has been developing advances in technology that improve the taste of coffee and milk-based beverages. The company values the building of strong partnerships with employees, customers and suppliers by sharing long-term goals that focus on real results and practical solutions.

01 INNOVATION

The drive towards steady improvements is aimed at **innovation**, allowing Carimali to develop cutting-edge products.



02 MASTERY

Passion and talent aimed at researching, deepening, studying, and innovating.



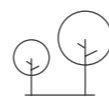
03 TEAMWORK

Lasting relationship to flexibly adapt technology and products to market needs.



04 SUSTAINABILITY

Innovation and an increasingly **sustainable** business model drive Carimali's growth in the market.



THE HISTORY OF CARIMALI

1919

Carimali's roots date back to Angelo Carimali, who founded the company in Milan

1932

The first coffee machine with vertical boiler and gas heating is created

1940-60

From the first horizontal machine, the company moves on to the first lever-operated machines in the '50s, to then create the first fully automatic machine

1993

Carimali moves to Chignolo d'Isola, where the current factory and offices are located, covering an area of more than 6,000 mq

2007

Andrea Doglioni Majer joins the company, acquiring control three years later

2013

Carimali China is founded, and Carimali Children is established

2019

Carimali celebrates its 100th anniversary with an important edition of Host and a range of events

2023

Umberto Doglioni Majer becomes President and CEO, carrying forward the legacy of his father



OUR BRANDS

Elektra was founded in 1947 in Treviso, where *artisan traditions* are perfectly integrated with the most recent forms of *high-tech enterprise*. Elektra has sought to interpret this fascinating balance, applying it on a daily basis to the production of coffee machines.

ELEKTRA'S MISSION

Produce *stylish* coffee machines that allow people to enjoy a sophisticated taste *experience*

Elektra espresso machines are built according to the original principles of simplicity, efficiency and attention to design. They are produced in accordance with an industrialised artisan process.



01 PASSION

Commitment and talent
as drivers for **success**.



02 DESIGN

High **quality** standards,
attention to detail,
creativity as a hallmark.



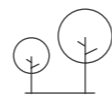
03 RELIABILITY

Honesty and simplicity,
the foundations of
long-term relationships.



04 SUSTAINABILITY

Respect for people and
the environment as a
business choice.



THE HISTORY OF ELEKTRA

1947

The history of Elektra begins; the first coffee machine is sold under the brand "La Tarvisium", from the ancient name of Treviso, the city where the company is based

1950

Elektra's constant technological evolution is represented by the historical and significant international patents filed over the years

1970-80

In this period, Elektra launches a number of ranges of domestic and professional coffee machines destined to become icons of style and design

1997

Elektra celebrates its 50th anniversary by launching the professional espresso machine Barlume

2019

Elektra joins the VEA Group

2022

Elektra opens its new headquarters in Mogliano Veneto



heylo

OUR BRANDS

Heylo is a startup that proudly stands at the forefront of the *induction* coffee machine sector.

Its machines are designed to have a *positive impact* on the environment, with a focus on sustainability and energy efficiency.

HEYLO'S MISSION

Lessguilty coffee

Heylo's motto, "lessguilty coffee", reflects its commitment to creating a more environmentally friendly coffee industry. Every cup of coffee can make a difference, and the company is dedicated to transforming the industry.

01

HONESTY

Expressing who we are and ensuring that information is **accessible** to everyone.



02

LESSGUILTY BEHAVIOR

From the development of solutions to our daily routine. Small **changes** can make a big difference.



03

FLEXIBILITY

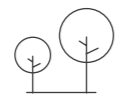
Adapt to grow and offer **solutions** that simplify the work of our partners.



04

POSITIVE SOCIAL IMPLICATIONS

Our aim is to have an impact on the coffee community by providing **eco-friendly solutions**.



05

INNOVATION AND CREATIVITY

Adapt for **growth** and embrace change to offer new solutions that help the coffee community to develop in an organic manner.



THE HISTORY OF HEYLO

2021

The history of Heylo begins

2022

The first modules, Heylo Coffee and Heylo Milk, are developed

2023

Heylo opens its new headquarters in Garbagnate Milanese and the UK branch in London



Bellezza



OUR BRANDS

Bellezza Espresso is a *premium* coffee equipment company that is proud to offer high quality products.

Bellezza Espresso became part of the VEA Group in March 2022, as the result of a joint project to become a leading company in the field of *high-quality* domestic coffee machines.

The history of **Bellezza Espressomaschinen GmbH** began in Germany in 1975. Since then, Bellezza has been dedicated to high-quality espresso and everything related to the world of coffee beans.

The Bellezza range includes espresso machines, coffee grinders, and accessories. All the products stand out for their refined design and premium quality.

Carimali Industrial

The brands belonging to the VEA Group are committed to continuously improving and developing new high-quality products.

To ensure that products meet the highest standards, a specialized industrial plant has been set up in which the production process is centralized, enabling the various brands to further develop their experience in producing premium coffee machines and equipment.

Carimali China

In 2013, Carimali established a second manufacturing unit in Suzhou, China, to develop and distribute its machines throughout Asia-Pacific. Established with the aim of becoming the second largest assembly site for traditional coffee machines, Carimali China has, over the years, also become a provider of product commercialisation services and reliable customer service. The Chinese unit currently exports all the four products brands machines to 15 countries and guarantees quality control and logistical support.

The plant covers an area of 2,550 square meters, has a current workforce of 18, plus an Italian managing director, who is responsible for the entire company.

In recent years, in response to changing market demands, Carimali China has focused on producing products with an ever-higher level of customisation.

As a result, new fully automatic and traditional machines have recently been launched, designed for the Chinese market and for all neighbouring countries.

Carimali China is expected to increase productivity by up to 180%, improving quality control and factory efficiency.





ALIGNMENT WITH AGENDA 2030

In this document, both the Global Reporting Initiative (GRI) standards and the Sustainable Development Goals (SDGs) have been considered as international benchmarks. The SDGs, consisting of 17 objectives included in the Agenda 2030, constitute a shared plan for sustainable progress that was adopted in 2015 by UN members.

The aim is to achieve these *goals* by 2030, actively involving governments, businesses and individuals. In this *Sustainability* Report, we have chosen to indicate the relevant SDGs for each topic covered, in order to highlight the contribution that VEA makes to the global path toward sustainability.





OUR IMPACTS AND
MATERIAL THEMES FOR VEA

02

In line with the international GRI 2021 (*Global Reporting Initiative*) standards, VEA Group has carried out an impact analysis with the aim of identifying the issues on which our organisation has the greatest influence in carrying out its activities.

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In order to carry out this analysis, interviews were conducted with the main representatives of each department and a range of documents were consulted, including the risk and opportunity assessment carried out annually by Carimali as part of the ISO-9001-certified quality management system.

VEA's impacts were then classified as **positive, negative, effective and potential**.

Potential impacts have been assessed according to their **magnitude** (level of harm/benefit) and **probability**, while in the case of effective impacts, only the magnitude has been taken into account. For levels of magnitude and probability a scale of 1 to 3 has been used, in line with the values that the Group is adopting in the aforementioned existing risk and opportunity assessment. In particular, magnitude levels were obtained by considering the **entity** (severity), **range** (extent) and, for negative impacts only, the **irremediable nature of the impact** (possibility of restoring the pre-impact situation), as provided for by the new CSRD¹ and the relative reporting standards². Impacts have been further classified according to whether they were generated by VEA (affecting the planet or stakeholders), i.e., inside-out impacts, or are external, i.e., outside-in impacts. The latter have financial implications for our activities and are therefore indicated as **risks or opportunities**.

For the negative impacts, where present, indication is

provided of the mitigation strategies that the Group, or any of its companies, implements to minimise their effects.

The highest magnitude score (3) implies that the impact, due to its magnitude, extent or irremediable nature, is particularly significant: the maximum value is therefore the optimal value for positive impacts, and it serves as a strategic driver to guide the choice of mitigation actions when associated with negative impacts. With regard to potential impacts, a level-3 probability indicates that it is highly probable that the impact will occur.

The numerical values attributed to the different components of the analysis were subsequently rendered proportional to the maximum magnitude for effective impacts and to the product between the maximum magnitude and probability for the potential impacts, in order to effectively compare the relevance of each impact for VEA's activities.

The study carried out is presented below, showing the effects that are already evident, followed by a presentation relating to potential effects.

For details of each impact, reference is made to the relative chapter, while a tabular summary of the impacts and the related numerical values used to generate the weight of each impact is provided in the appendix.

Considering the complexity of the group, the identification of impacts is not always common to all companies; if an impact is limited to one or more specific sites, this is highlighted both by the overall magnitude (which is reduced as a result of the reduction in range) and by notes on the relative perimeter.

1 CSRD Corporate Sustainability Reporting Directive (2022/2464)

2 ESRS European Sustainability Reporting Standard contained in the European Commission delegated act of 31/07/2023

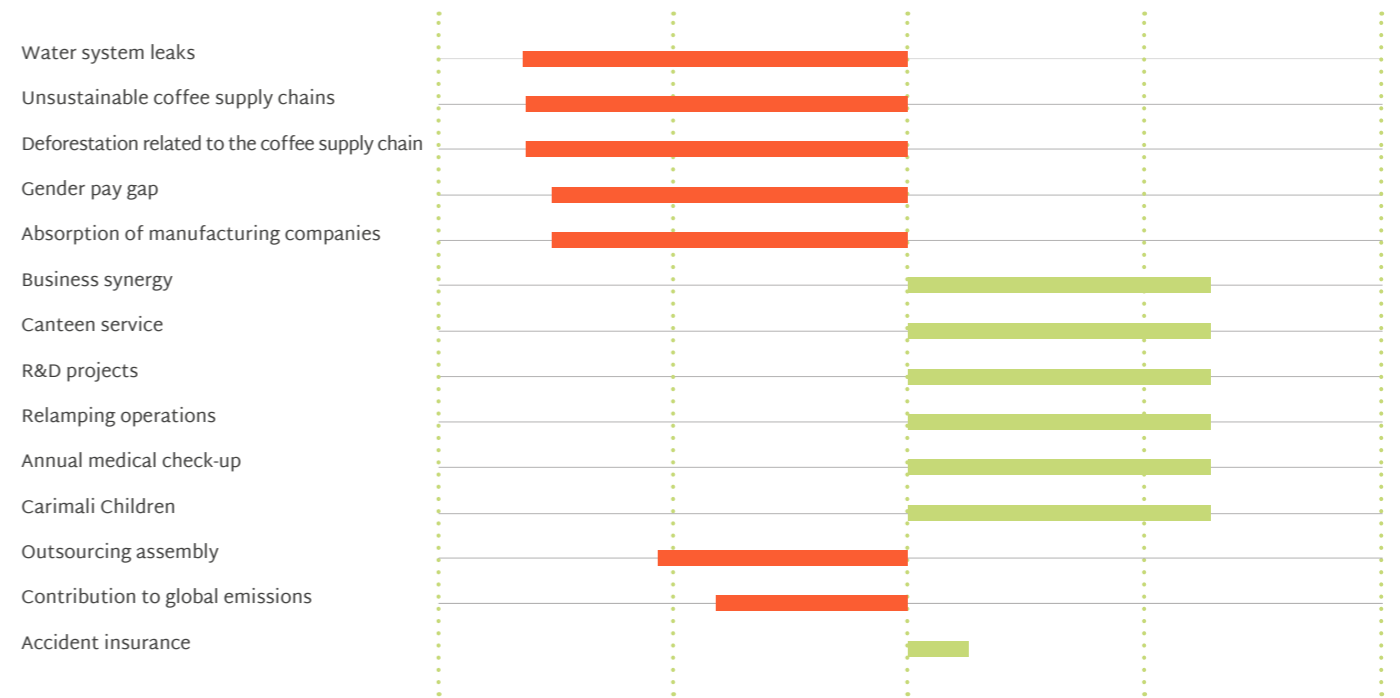


Inside-out impacts are all the forms of impact that VEA Group has or may have on the world and/or society around us, including the value chain related to our business.

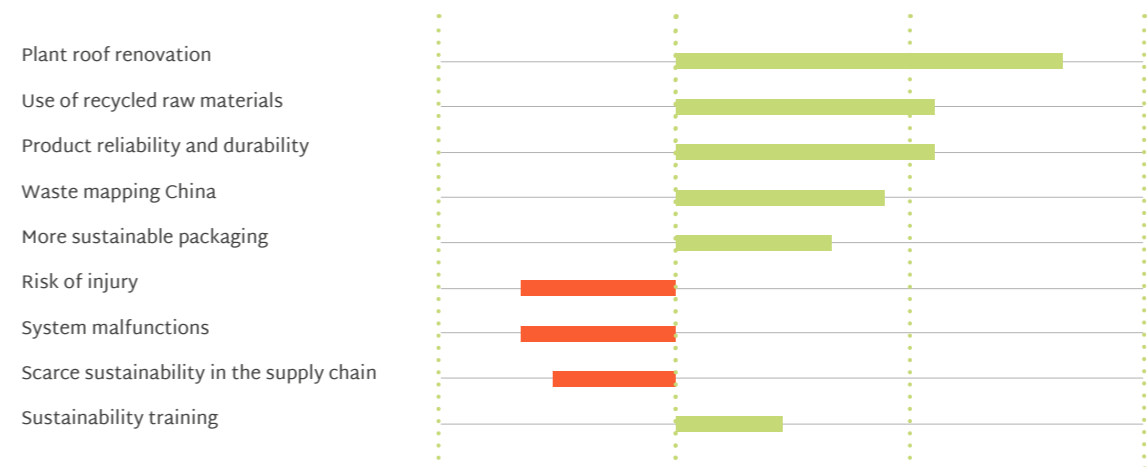


In carrying out the analysis, we in fact went further than required by the GRI standards referred to in this document, in order to seek to align with the requirements of the recent non-financial reporting directive (CRSD, as mentioned above) which provides for the integration over the coming years of impact analysis, also taking into consideration the chain both upstream and downstream from the company itself. For this reason, the chapters that follow will also outline impacts that are not directly attributable to the activity carried out at our sites, but linked to the so-called value chain, i.e., suppliers, customers, communities and final consumers as a whole.

ACTUAL IMPACTS



POTENTIAL IMPACTS

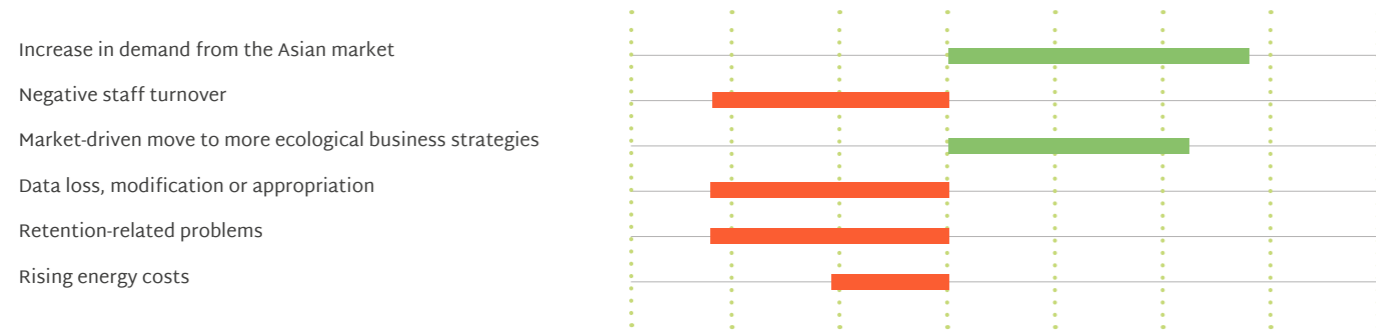


The aforementioned European non-financial reporting directive provides, for companies that will be subject to this obligation in the coming years, for analysis that identifies financial *risks* and *opportunities* arising from impacts linked to sustainability issues from an “outside-in” point of view.

Outside-in impacts refer to all the effects to which VEA Group, as a company operating in a structured world and society, is subject. These are impacts over which we have no direct influence; some benefit us, while others constitute a financial risk. In the first case, we at VEA seek to take advantage of the opportunities, while in the second, we develop and implement mitigation strategies.

In order to respond promptly and in advance to requirements regarding the monitoring and analysis of these impacts, aware of their importance in guiding the company’s strategic choices in order to enable it to be informed, competitive and transparent with its stakeholders, we have therefore identified the main impacts, with a view to progressively extending analysis to other issues that will become relevant in the future.

RISKS AND OPPORTUNITIES



MATERIALITY ANALYSIS AND STAKEHOLDER ENGAGEMENT

The 2023 Sustainability Report has seen the VEA Group carrying out its first materiality analysis, adopting the international GRI 2021 standards, which came into force in January 2023 (Global Reporting Initiative).

01

Identification of ESG topics potentially relevant to VEA

02

Assessment and attribution of **materiality levels** by external and internal stakeholders via a questionnaire

03

Approval of material themes by the board and attribution of **materiality levels** for VEA

04

Definition of the materiality matrix



MAPPING OF STAKEHOLDERS

Stakeholders were involved in defining potential material issues through the use of questionnaires. However, relations with stakeholders go beyond this single survey and take place as shown below.



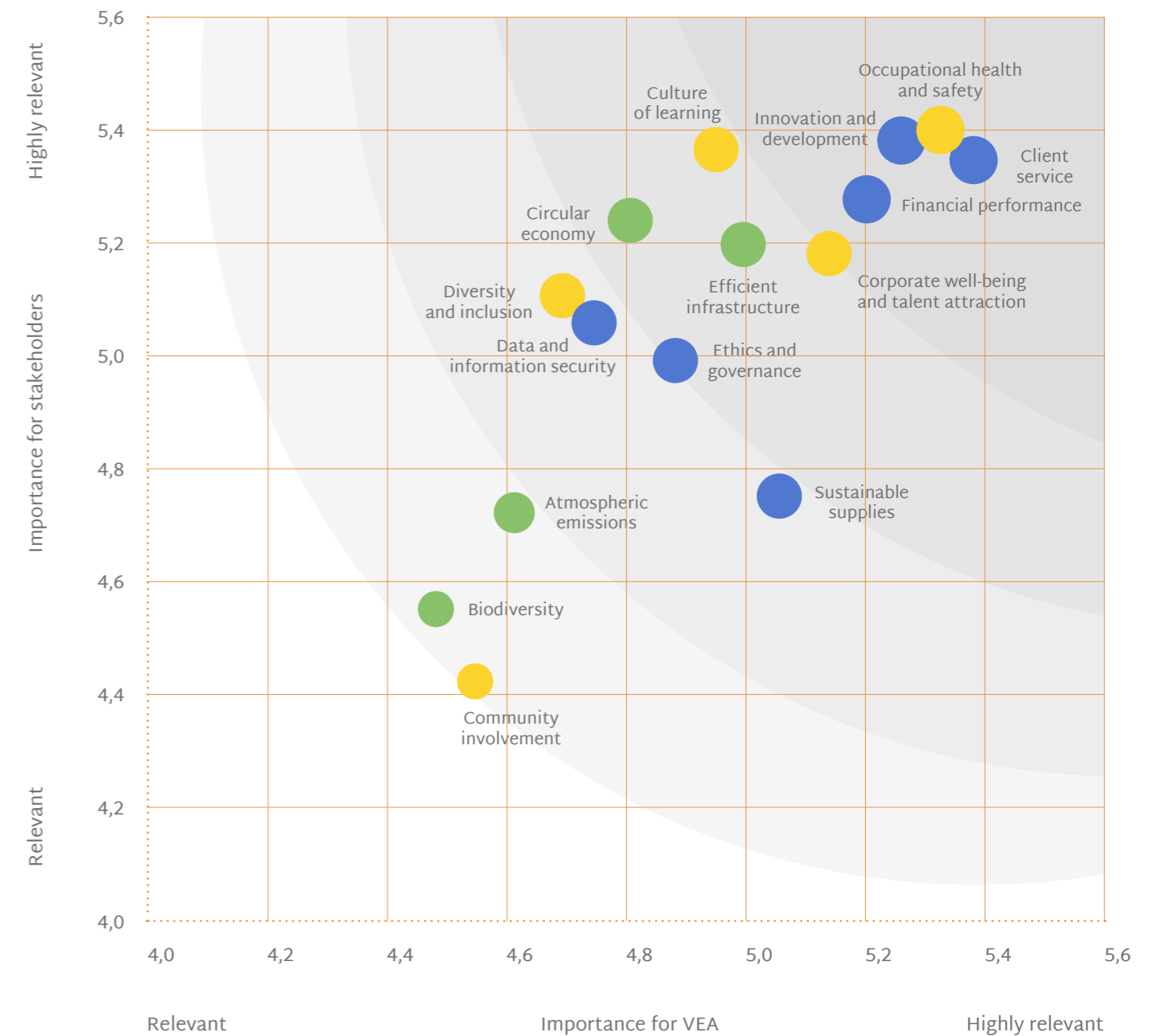
EMPLOYEES AND BOARD	Dedicated meetings, questionnaires, social media, relations with HR
CLIENTS	Questionnaires, trade fairs
SUPPLIERS	Questionnaires, direct relations, public events
THE COLLECTIVE	Questionnaires, website, social media, public events
PUBLIC ADMINISTRATION AND OTHER INSTITUTIONS	Questionnaires, direct relations
UNIVERSITIES AND RESEARCH INSTITUTIONS	Questionnaires, website

With regard to the assessment and attribution of materiality levels, a questionnaire was sent to stakeholders asking them to rate the strategic nature of each topic on a scale of 1 to 6. In order to be able to gather as many ideas as possible, room was also provided for ideas and suggestions. Overall, 135 stakeholders participated in the survey and approximately 20 left a final comment. The board was then involved and was asked to prioritise the topics that the questionnaires identified as material, in order to be able to construct the final materiality matrix.



The visual representation of the prioritisation of material themes is based on the use of a materiality matrix. In this matrix, each topic is positioned within the space based on its strategic importance to both VEA and stakeholders.

The position of a topic in the upper right-hand corner indicates its high degree of strategic importance to the Group. The topics positioned in the lower left are also significant, although, in the eyes of both stakeholders and the company, they are less urgent than others. In order to facilitate understanding of the materiality matrix, the size assigned to each topic is proportional to its importance for VEA.



A top-down view of a white ceramic coffee cup filled with a latte, topped with a layer of brown foam. The cup sits on a matching white saucer. The entire set is placed on a light-colored, veined marble surface. The lighting is soft, creating gentle shadows.

HON

GOVERNANCE

We want to see the good, the bad, and the ugly. We feel that honesty is crucial for growth which is why we want everyone who is part of our journey to speak up and say what they think.

EST

03



For us, the most profound and tangible meaning of being a socially responsible company goes beyond merely fulfilling applicable legal obligations, involving constantly increasing investments in *human capital, the environment and stakeholder relations*.

In 2013, the company decided to undertake the process of certifying its Social Responsibility System according to the SA 8000 reference standard with a view to monitoring and meeting the economic, environmental and social expectations of all stakeholders.

Encouragement from the market, which calls for transparency in the communication of the characteristics and provenance of products, and from stakeholders in general, who attach importance also to social and environmental initiatives as well as to matters of economic profit, has led us to consider the market and the consumer culture linked to it in a different and more attentive way; a form of consumption that tends to show increasing awareness of environmental and social risks, and one that has led us to strive to improve by using resources in a more efficient and aware manner, and paying closer attention to the impacts on the environment and on people that we either cause or may contribute to causing.

This is why we call for adhesion to our Supplier Code of Ethics, which also requires our supply chain to align with the company's sustainability standards.

The publishing of this document is also a move towards maximum transparency for our stakeholders, but it is based on a process of analysis, self-assessment and monitoring of the main indicators in the field of ESG, which is aimed at continuous improvement in this area.

The Governance of the Group and of all the companies is composed exclusively of the administrative body (BoD or Sole Director); there are no formal management committees.

The governance structures of the companies concerned are distributed as follows:

Item	VEA	Carimali Industrial	Carimali SpA	Elektra	Heylo	Bellezza	Carimali Children
Total	3	3	3	3	3	3	3
Of which women	1	0	1	1	1	0	1
Of which employees	0	1	0	0	0	0	0
< 30	1	1	1	1	1	1	1
30 - 50	0	0	0	0	0	0	0
> 50	2	2	2	2	2	2	2
Women (%)	33.3%	0.0%	33.3%	33.3%	33.3%	0.0%	33.3%
Employees (%)	0.0%	33.3%	0.0%	0.0%	0.0%	0.0%	0.0%
< 30 (%)	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%
30 - 50 (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
> 50 (%)	66.7%	66.7%	66.7%	66.7%	66.7%	66.7%	66.7%

The Board of Directors is appointed by the shareholders' meeting on the basis of the statutory rules, according to the subjective criteria of each shareholder.

There is no formal procedure to supervise the Board of Directors with regard to the impacts caused by the organisation, nor is there specific delegation in their management. However, the Board of Directors was involved and directly oversaw the process of analysing and drafting this document, particularly with regard to aspects of impact analysis.

With regard to communication between appointed figures within the various functions and the Board of Directors, these are managed through a procedure whereby the appointees communicate directly to the Chief Executive Officer who decides, if necessary, whether to submit reports and requests to the Board of Directors. There are currently no procedures for the evaluation of the Board's performance by entities outside the organisation.

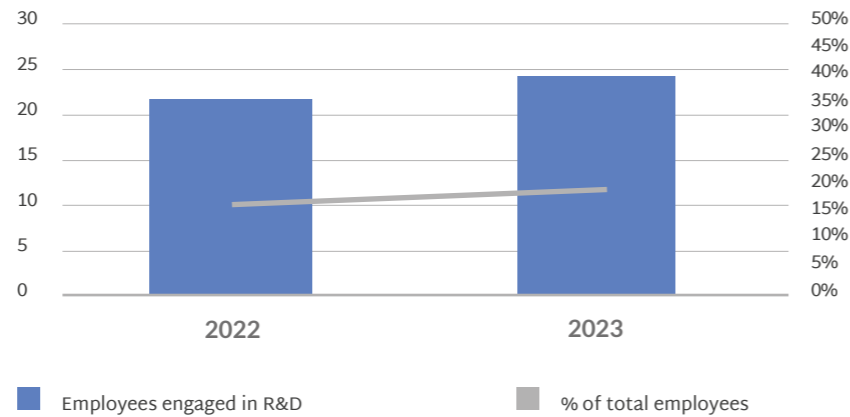


Over 15% of the Group’s workforce is dedicated to research and development aimed at designing and manufacturing new products: a team of developers, analysts, interaction designers and user researchers form the heart of our R&D department, which includes state-of-the-art testing and quality control facilities.

INNOVATION: continuous improvement aimed at innovation that allows the development of advanced products

Their main objective is to develop new projects and continuously improve existing ones, with a focus on digital innovation and Industry 4.0¹. The aim for the future is to constantly improve the performance of products in terms of lengthening periods between maintenance interventions, resulting in a reduction in the quantity of products disposed of at end-of-life. Another one of our goals in this area, on which we are currently working, is to create a single area dedicated to research and development and focused on efforts in this regard, from which all VEA companies can benefit.

R&D EMPLOYEES - ITALY



¹ Source: Annual Report 2022 Carimali SpA pursuant to L. 160 dated 27/12/2019



Heylo has developed a coffee machine with induction instant heating technology, capable of delivering coffee and milk-based drinks, using the same technology. The heating, useful for producing drinks, takes place instantly, and for this reason, the system does not have a boiler. This allows Heylo to save up to 86% of energy on standby compared to a traditional machines on the market.

Lastly, the *packaging* for all Heylo modules is made by the non-profit Fondazione CLS Saronno, an association that promotes work opportunities for disabled people.

Heylo coffee was included in the prestigious **ADI Design Index 2023**, an award for excellence in design and technological innovation.





COMPETENCE: knowledge gained over the years that allows high quality standards to be achieved

DEVOTION: lasting relationships to flexibly adapt technology and products to the market

In addition to the aforementioned ISO 14001 (Environmental Management System) and SA 8000 social responsibility certification, Carimali S.p.A. is also ISO 9001 (Quality Management System) certified and subject to the MOCA regulation, which establishes the general requirements to be met by all materials and articles that come into contact with food, while specific measures contain detailed provisions for individual materials (plastics, ceramics, etc.).

In particular, the regulation establishes that all materials and articles must be **produced in accordance with good manufacturing practices** and, under normal or foreseeable conditions of use, must not transfer components to the food in quantities such as to:

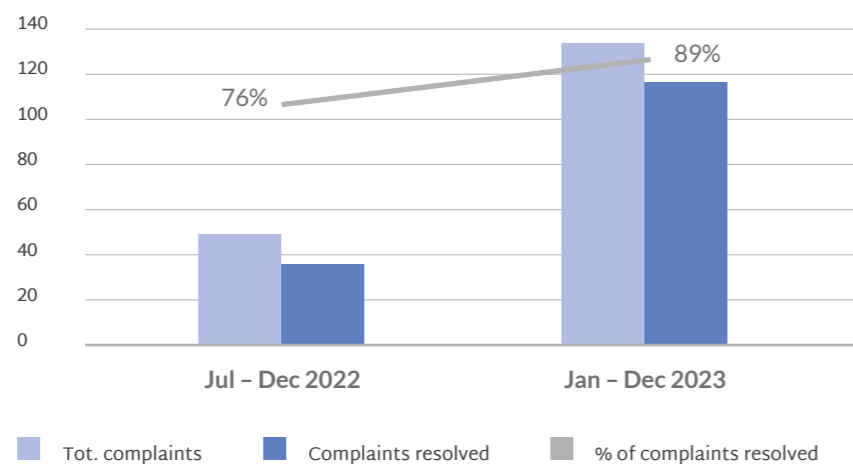
- constitute a danger to human health
- result in an unacceptable change in the composition of foodstuffs
- result in deterioration of organoleptic characteristics.

Compliance with this regulation is guaranteed by our integrated management system (Quality, Environment, Occupational Safety, Social responsibility and MOCA) and through constant control and monitoring by the Certification Working Group.

With regard to the handling of complaints and non-conformities reported by our clients, which may concern not only the installation phase but also the performance of the product years later, the company², as part of the quality management system, maps reports, taking into account the severity of the problem and the part involved, in order to identify whether it would be more effective to make a technical change or introduce/substitute a component.

Below is a numerical representation of the complaints handled and resolved over the two-year period in question³.

COMPLAINTS RESOLVED



² The reference perimeter considered is Carimali Italia+Elektra, excluding Heylo, Bellezza and Carimali China, for which data are not available.

³ Complaints 2022 refer to the second half



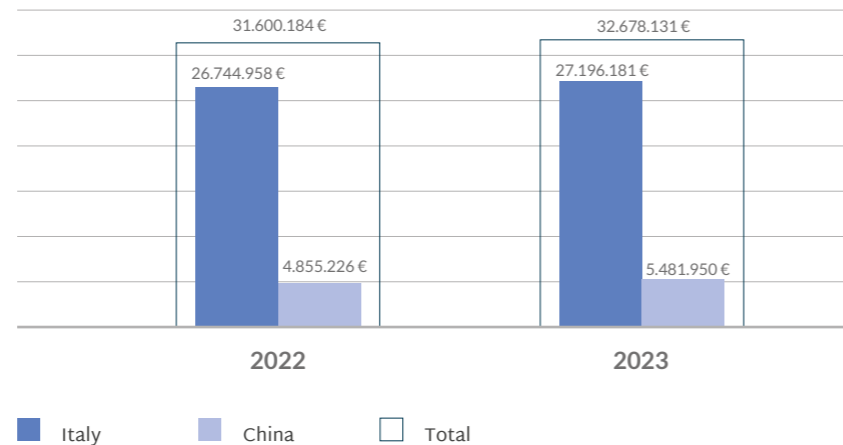
TRADE FAIR	2022	2023
Specialty Coffee Expo Boston (USA)	CARIMALI ELEKTRA	
Internorga Hamburg (Germany)	CARIMALI ELEKTRA	
WOC – World of Coffee Milan (Italy)	ELEKTRA HEYLO BELLEZZA	
WOC – World of Coffee Athens (Greece)		ELEKTRA HEYLO BELLEZZA
Sigep Rimini (Italy)		CARIMALI
Specialty Coffee Expo Portland (USA)		ELEKTRA BELLEZZA
London Coffee Festival London (UK)		HEYLO
Hotelex Shanghai (China)	CARIMALI ELEKTRA	CARIMALI ELEKTRA BELLEZZA HEYLO
Host Milan (Italy)		CARIMALI ELEKTRA BELLEZZA HEYLO
MICE Melbourne (Australia)	CARIMALI ELEKTRA HEYLO	
FHA – Food&Beverage Singapore	CARIMALI ELEKTRA	



With regard to our Chinese location, the *increase* on the one hand in demand for coffee on the *Asian market* compared to the past, particularly in tourist and commercial contexts, which has resulted in growth in the market for automatic machines, and on the other hand the Chinese government’s push for increasing environment awareness within companies and for *greener cities*, with incentives for the purchase of electric vehicles and the use of renewable energy, with benefits for sustainability-conscious companies, have led us to identify an opportunity for financial growth that we will be able to take with the readiness and entrepreneurial spirit that have always characterised us.

TURNOVER

1,7% Italy’s growth
 13% China’s growth
 3,4% Total growth





The issue of *cyber security* is central to the national and international debate, as companies and organisations of extremely varied entity have recently found themselves facing data theft and *cyber-attacks*, with consequences from both a financial and a reputation point of view.

The risk is highly dependent on the attention of individuals who, sometimes due to the pace of work, or the supposed reliability of the sender of certain communications, may fall victim to phishing emails, leading to unpleasant consequences or financial harm to the individuals involved.

It is for this reason that we have introduced a number of preventive actions in recent years, including the requirement for strong passwords, which are to be updated every quarter, an access control policy that allows the most sensitive information on company know-how to be separated and made accessible only to specific users, and a filtering system for incoming emails that informs users of the trustworthiness of the sender. We are also planning to introduce two-factor authentication for access to the corporate computer network in 2025.

The backing-up of important information both physically and in the cloud provide sufficient redundancy to protect in terms of the ability to resume general operations even if we face severe attacks to our IT infrastructure.

In terms of IoT⁴ with regard to our products, the strategy implemented involves the use of sharing systems that anonymise and minimise the information transmitted, in order to ensure the utmost protection of consumer confidentiality.

With regard to the processing of personal data of employees, clients and suppliers, our aim is to always act in accordance with the provisions of the European General Data Protection Regulation (GDPR).

4 Internet Of Thing, the network of physical objects that exchange information and data with other devices through computer networks



The integration of the supply chain is also aimed at increasing *control* over our own supply network, in order to optimise costs and also to extend choices made and business *strategies* implemented to cover our subsidiaries and investee companies, with a view to progressively moving forward with our corporate sustainability goals.

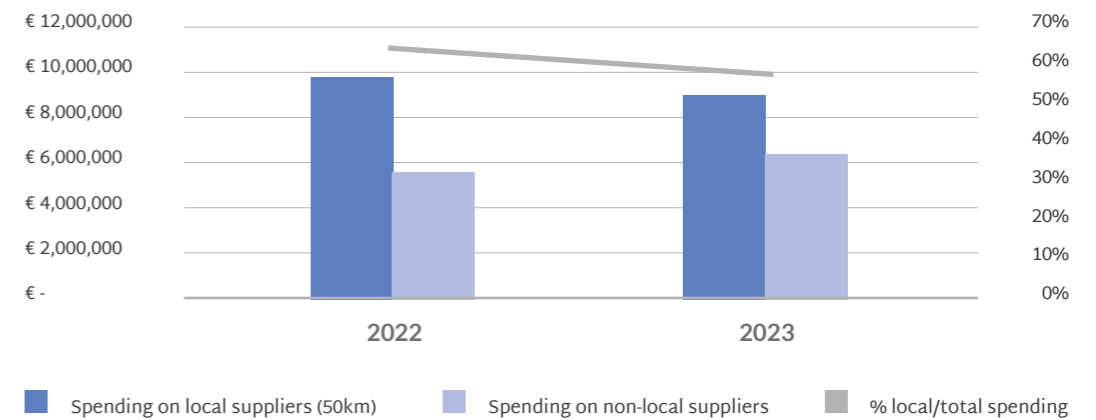
Our dependence on certain types of materials and the inability to find alternatives that are also economically sustainable means that we are unable to exercise complete control over the supply chain. However, this aspect is a central theme of our planning, through synergy between the Procurement Department, the Technical Department and the Quality Department, as we are aware that our stakeholders, as well as imminent national and international regulations, require us to analyse and track the value chain even upstream of the company's own activities.

We have therefore carried out analysis of the economic data regarding spending on our suppliers, considering as "local" any supplier within a radius of 50 km from the place of purchase with regard to the Italian perimeter, and purchases made within the province of Suzhou with regard to the Chinese headquarters.

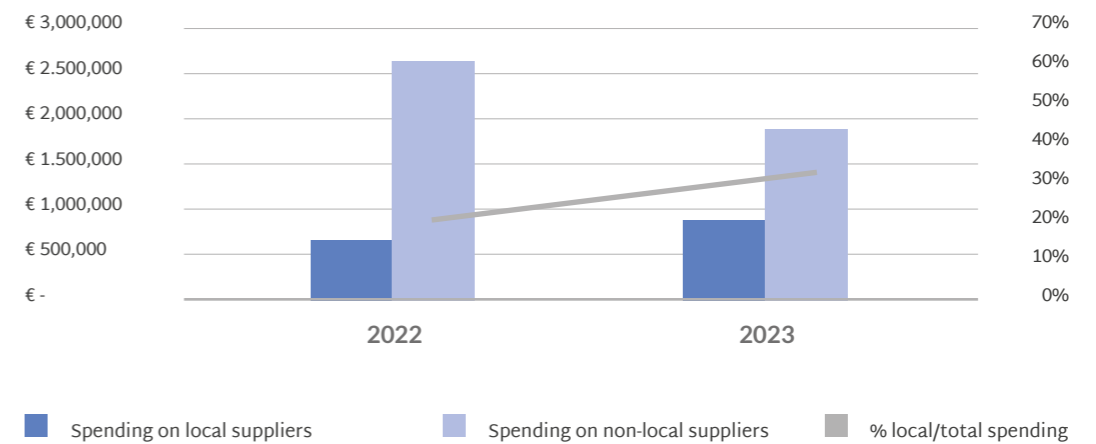
The analysis does not include the Bellezza brand, a distributor whose machines, designed in Italy, are intended for the global market and particularly for the Asian market and are produced entirely in China, and the Carimali Children nursery school, which instead buys entirely from local suppliers (these purchases can be considered zero mileage).



SPENDING ON SUPPLIERS - ITALY
excluding Bellezza and Carimali Children



SPENDING ON SUPPLIERS - CHINA





HAP

PY

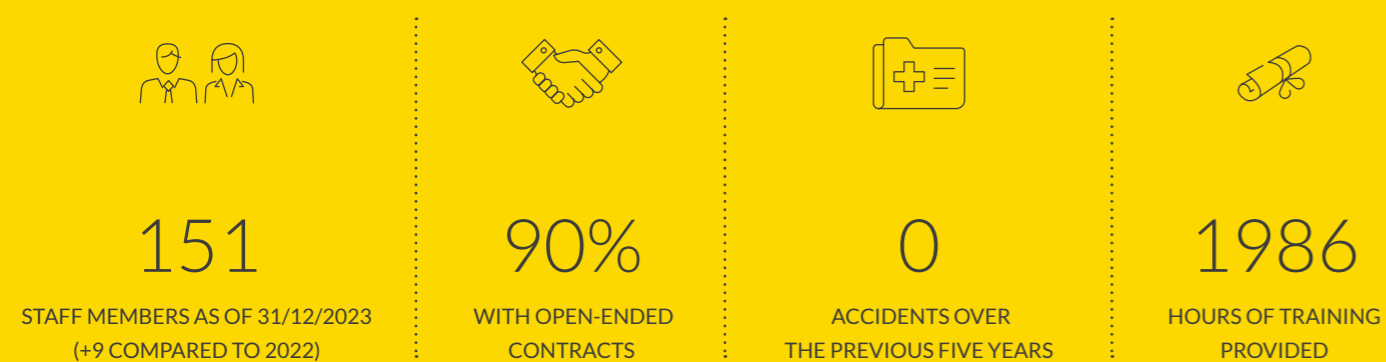
SOCIAL

Happiness is central to everything on Earth which is why all we do should be guided by it. We strive to reflect this belief in everything we do with everyone we work with.

04

Within the VEA Group, *individuals* are recognized as a crucial and valuable resource for the proper functioning of the company. A focus on the physical safety and the well-being of workers is a priority, one that is pursued through ensuring a *safe and peaceful* environment in which respect for everyone is guaranteed.

THE YEAR 2023 FOR VEA IN NUMBERS



Although, as with any work activity, the risk of *accidents* is also considered as a potential negative impact within VEA, we are proud to be able to report that, again in 2023, as was the case for the previous 5 years, no work-related accidents occurred.

In addition, all employees within the VEA Group are beneficiaries of a voluntary injury insurance policy, which also covers non-professional activities in cases of death and disability. At our Carimali China branch, in addition to the injury insurance (including policies currently under stipulation) provided by the company, something that is not required by national law, we also offer all our employees a full annual medical check-up.





The VEA Group has a total of 133 employees in its European sites within the perimeter considered for this document, as well as an additional 18 employees at Carimali China.

The following paragraphs present information concerning the consolidated perimeter wherever possible and/or relevant; the choice between consolidation or a breakdown by country or by site is highlighted for each paragraph or respective graph.

The company has seen steady growth in numbers: in 2023, 20 people were employed in the Italian branches and 11 in the Chinese branch. A total of 15 of these were under the age of 30.

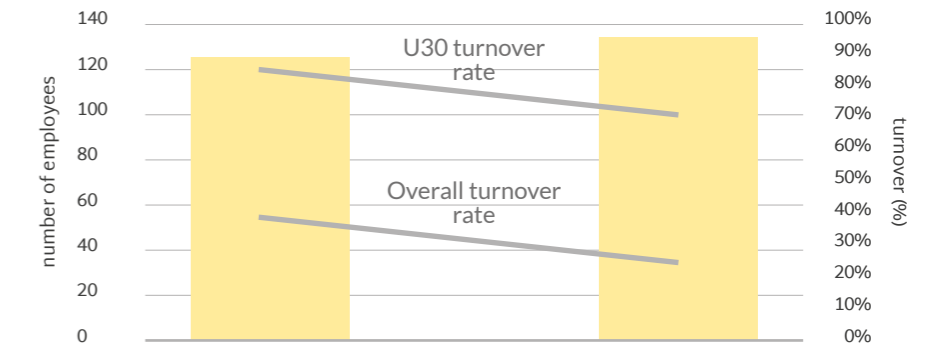
The figures related to overall turnover for 2022 for the Italian perimeter is partially influenced by the acquisition of the Elektra brand; the decision to centralise production for all brands within Carimali Industrial, at the Chignolo d'Isola branch, resulted in an offer to transfer made to the employees of the Elektra brand. However, most employees chose to voluntarily resign, resulting in the high number of resignations (30) and the relative turnover (39.2%) for 2022.

Overall turnover in 2023 was 26.3%, thus slightly below the national average¹, while the rate of growth stood at 3.8%. Along with overall turnover, turnover for employees under 30 also fell (from 89% to 73%).

¹ Estimated at 27.9% within the industry (national average 37.7%) for the year 2022 and early 2023 – source: <https://www.confindustria.it/home/centro-studi/temi-di-ricerca/valutazione-delle-politiche-pubbliche/dettaglio/indagine-confindustria-sul-lavoro-2023>

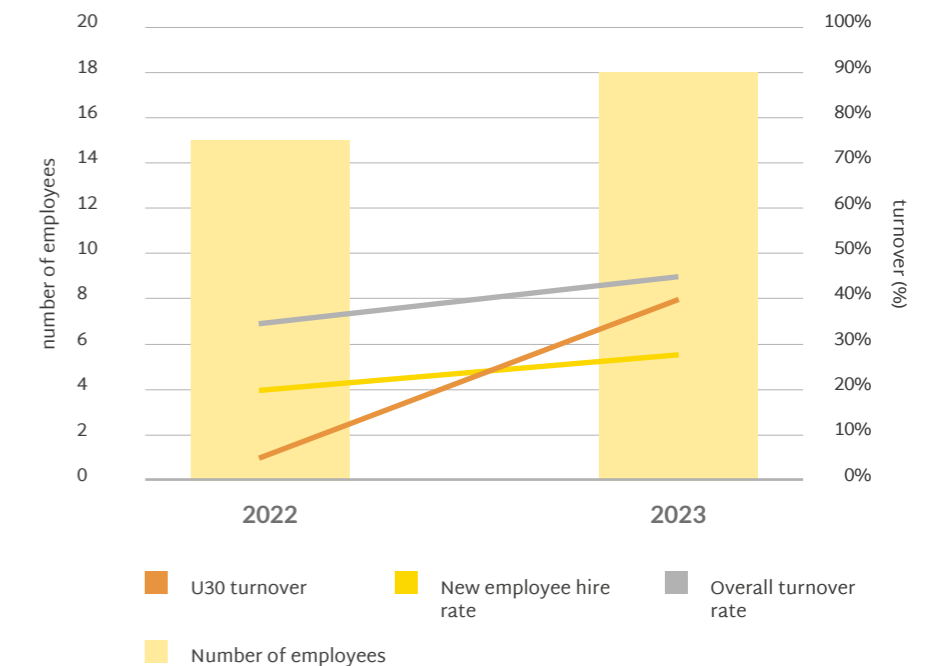
The chart below shows turnover for the Italian perimeter, subdivided by overall turnover and specific turnover for employees under 30²:

NUMBER OF EMPLOYEES AND TURNOVER – ITALY



And, below, in relation to the Chinese site³:

NUMBER OF EMPLOYEES AND TURNOVER – CHINA



² Turnover is calculated as the sum of in and out in the year divided the total number of employees at 31/12. U30 turnover is the percentage of specific turnover for the age group under 30
³ The data considers as values for “in” and “out” are those that have passed the test period

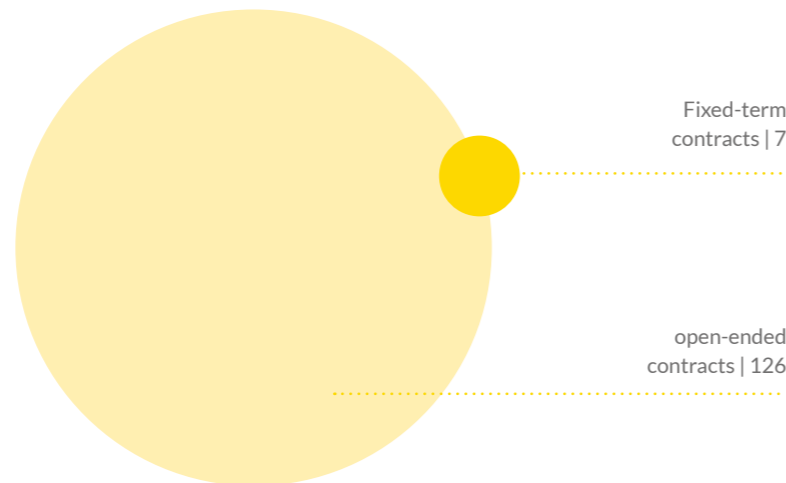
With regard to the type of contracts applied in the company, most of the employees in the Italian branches in 2023 had open-ended contracts (more than 95%), while the Chinese branch had 61% of employees with open-ended contracts, and the remaining 39% with collaboration contracts.

The division between full-time and part-time contracts in 2023 saw a prevalence of full-time contracts (86% of those in Italian branches, 100% those in the Chinese branch), with most of the part-time options being taken by female employees (94% of the total). Group employees work, according to national contracts, 40 hours a week, with the sole exception of employees at the Carimali Children nursery, who work 36 hours a week (as provided for by the relative NCBA).

Of the services offered by the company for the benefit of its employees, with a view to mitigating the risk of employees turnover⁴ and increasing the retention of staff, in addition to the valuable company nursery, which will be the subject of specific focus, of particular significance is the company's in-house canteen, for which 60% of the cost is covered by the company and the remaining 40% by the employees, as well as a relaxation area available to employees and offering free hot drinks. A Wi-Fi network is also available throughout the company and is accessible to all employees.

⁴ The risk of staff turnover and the difficulty of attracting staff have also been considered labour-related risks based on trends observed at a national level. Source: <https://www.confindustria.it/home/centro-studi/temi-di-ricerca/valutazione-delle-politiche-pubbliche/dettaglio/indagine-confindustria-sul-lavoro-2023>

WORKERS BY CONTRACT TYPE - ITALY

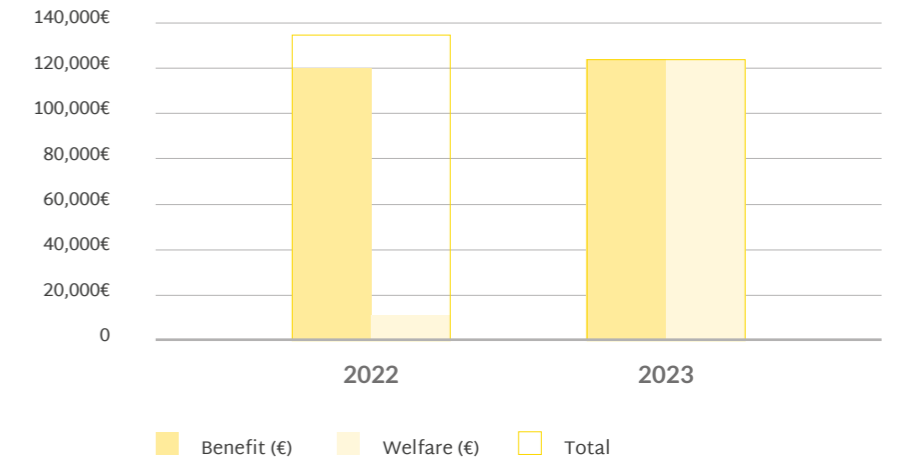


ELEKTRA

Elektra does not have a company canteen, but the employees have access to a kitchen where they can prepare meals together, as well as a company vegetable garden from which they can harvest fresh and completely zero-mileage vegetables!

WELFARE AND BENEFIT

In 2022, a welfare bonus totalling € 12,300 was paid out on a platform; the entity of this welfare bonus, which is subject to the achievement of set goals, is proposed each year by the Directorate and approved by trade union representatives.



As shown in the chart, in 2023, the company paid out **benefits worth over € 125,000**, with an average of almost € 940 per employee⁵; benefits include a pre-paid card that can be used in a chain of supermarkets through an agreement with the company, the amount paid into the supplementary health care fund provided for by the NCBA, and the amount paid to employees who benefit from the company nursery (a discount on the relative fee). Other individual fringe benefits such as the use of company cars and phones are provided (these are not included in the figure shown here).

Dedicated agreements are also provided for in various areas, stipulated by the company for the benefit of its employees.

- 01. Sports and leisure
- 02. Family services
- 03. Catering
- 04. Miscellaneous services
- 05. Personal services
- 06. Health

⁵ Italian perimeter



Workers receive a salary that is higher than the contractual minimum wage, including a 13th months' pay, and a financial bonus related to company performance. In China, company canteens are mandatory, but the company has voluntarily raised its per-capita spending budget; as a result, employees who, for personal reasons, decide not to take advantage of meals or who do not eat a full meal can convert the relative amount into food items.



Working for Carimali China

Workers at the Suzhou site, which was established in 2013 to produce machines for the entire group and distribute them throughout the Asia Pacific region, are offered contractual conditions that are higher than provided for on a national level. These workers enjoy a greater number of days off (+5 days for workers who have been employed for less than 5 years, +10 days for workers with more than 10 years' seniority).



The company also hosts **team-building** events, such as the monthly company barbecue and the annual Chinese New Year dinner. In 2023, all employees also participated in a 2-day corporate event in the Moganshan tourist area: go-karts, quads, archery and a visit to Mao's house were the activities offered to employees, both to facilitate interpersonal relationships and as a sign of gratitude for their having contributed to successfully achieving the goals set.





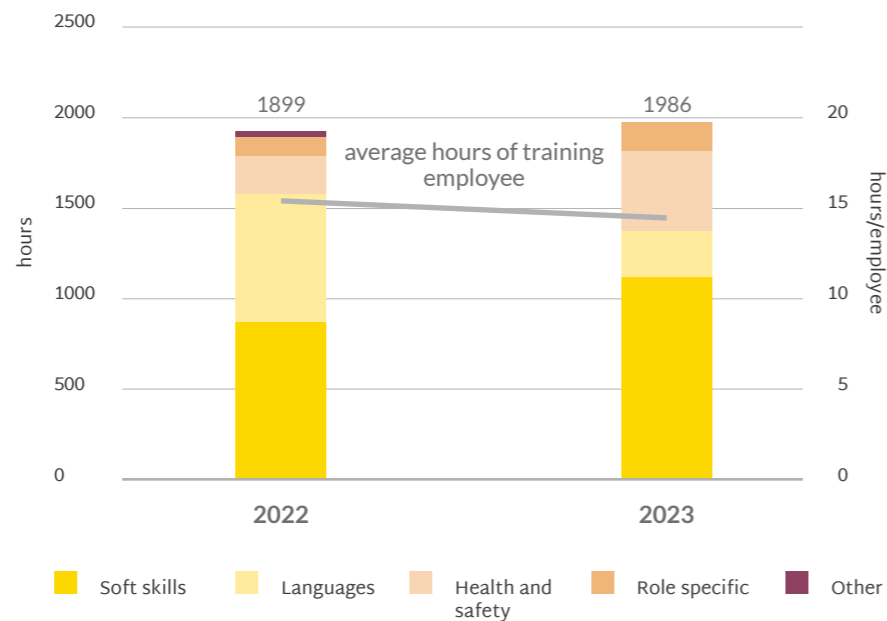
VEA sees *training* as an important strategy to ensure that our employees maintain an up-to-date skill set and that the company is always able to respond to the demands of the market.

In 2023, a total of almost 2,000 hours of training were provided to our employees (considering the global perimeter, i.e. both the Italian and Chinese branches), with an average of 14 hours per employee. The topics covered concerned health and safety, languages (English and German courses) and job-specific training, with a clear prevalence for soft skills (communication, public speaking and 5S methodology), which are particularly appreciated by workers as they are cross-sector skills that enable personal as well as professional growth.

The top management of the VEA Group is aware of the strategic importance of sustainability issues and how to implement corporate sustainability, and our aim is to share this kind of knowledge at all levels; for this reason, our aim is to organize training courses on “sustainability” for certain figures in 2024, to then extend the skills and knowledge gathered through the sharing of information and in-depth focus.

TRAINING HOURS TOTAL

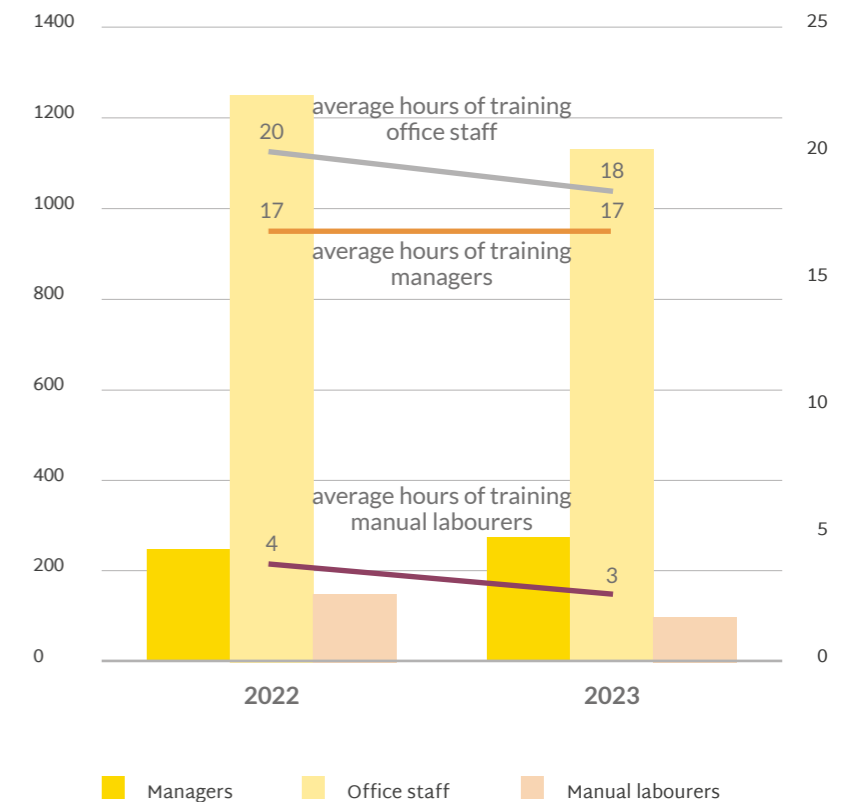
Italy + China



HOURS OF TRAINING BY FUNCTION AND GENDER

VEA excluding Carimali Children and Carimali China

With regard to subdivision by task, the following graph shows exclusively the hours provided in Italy, and excludes the Carimali Children company, due to non-assimilation between the functions of the Carimali Children company and those of commercial and production companies. With regard to the China branch, training was provided evenly among the various functions (21 hours for managers, 21 hours for office staff and 33 hours per year for manual labourers, with a focus on health and safety issues).



As shown by the graph, both 2022 and 2023 saw a prevalence of training hours provided to office staff (over 1000 hours per year), followed by managers (over 250 hours per year) and manual labourers (over 150 hours in 2022, and over 100 in 2023). The graph also shows the average hours delivered to each of the functions annually, in line with the total number of hours.



The first issue of the *magazine* was accompanied by the launching of a social competition, in which we asked our employees to immortalise their favourite view of the company; many people participated, and the winner was awarded with a prize.

Communication within VEA

Internal communication and communication between the various companies is a fundamental aspect for the VEA Group. Digital or analogue bulletin boards are located in various common areas within the company, through which our personnel department shares general information, new recruits, curiosities and highlights, in order to ensure that employees are constantly up to date regarding company performance. Each employee naturally has a personal email account.

Externally, the company uses both a newsletter and the most popular social networks.

Since March 2022, we have been publishing a quarterly issue of our “VEA Magazine” with which we aim to provide all our employees with news, information on strategy and data related to **six macro areas**:

Feedback from our staff is also extremely important: since 2014, a box has been available with which all employees can report problems or make complaints in full anonymity.

In February 2023, group employees were also asked to take part in a survey regarding the magazine, as well as communication and relations within VEA: we learned that 90% of respondents read the magazine and consider it useful, although 50% of employees believed that the theme of communication should be improved, focusing on welfare issues and company performance.



PEOPLE

points of view from within the company



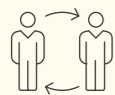
PRODUCTS

news and current projects



INVOLVEMENT

initiatives that concern all the Group companies



GROUP

company developments and news concerning the Group



EVENTS

events and trade fairs in which we participate



NEW MEMBERS OF THE COMPANY

our new colleagues

On the basis of this feedback, we have developed a new strategy to:

01. **Share** commercial-related figures in a more precise **manner**
02. **Increase** the number of employee **benefits** and **discounts**
03. Foster dialogue within the company through lean working groups aimed at bringing to light critical issues and proposals, as well as **fostering dialogue**



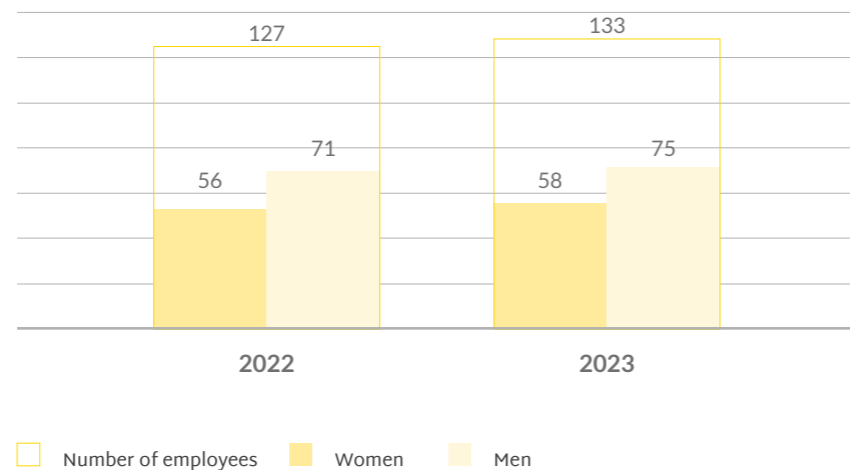
At VEA, it is important that everyone has equal access to work, services and programmes, regardless of who they are or their personal characteristics; we recognise and promote the *positive value* of diversity.

Aware of the importance of this issue, and also of its being communicated both internally and externally, it is our intention to establish, in the medium term, a policy of equality and diversity, with the aim of underscoring the fundamental principles shared on national and international level, which include opposition to any form of harassment or discrimination based on gender, race, colour, religion, belief, age, origin, relationship status, pregnancy, disability, sexual orientation or any other personal characteristic and/or condition. This is applicable within the company, in all departments, and to relationships with clients and suppliers.

The following is a representation of data regarding the distribution of employees within the company and their division by category.

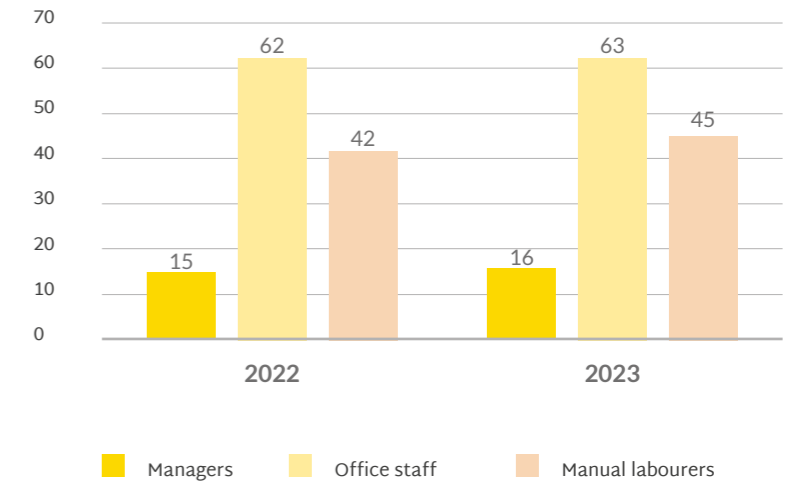
EMPLOYEES BY GENDER

Italy

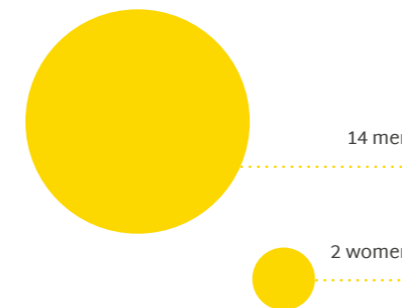


SUBDIVISION OF EMPLOYEES BY FUNCTION

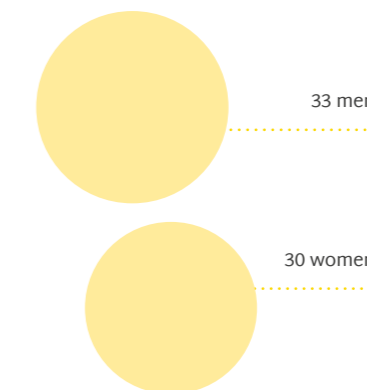
Italy



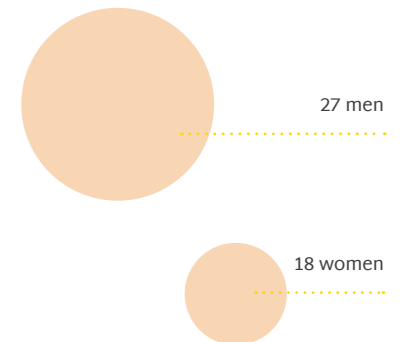
Managers 2023



Office staff 2023



Manual labourers 2023



As can be seen from the graphs, the breakdown of employees by gender sees a slight prevalence of male workers over women (56% male compared to 44% women in 2023); in the “office staff” category women are better represented, accounting for 48% of employees in 2023. This is followed by the “manual labourer” category (40%) and, lastly, that of “managers” (13%).

These data exclude the company “Carimali Children”, in which 100% of the employees are women (director and educators). Overall, the percentage of women in the geographical and temporal perimeter identified has fallen slightly from 44.1% in 2022 to 43.6% in 2023.

With regard to China, women accounted for 39% of the workforce in 2023 (compared to 47% in 2022).

For the perimeter identified, 2023 saw an overall increase in the number of female managers and office staff (respectively from 7% to 13% and from 45% to 48%, compared to 2022, of the overall number of employees in each function), while the number of female manual labourers fell from 45% to 40% compared to the balance of men and women in 2022.

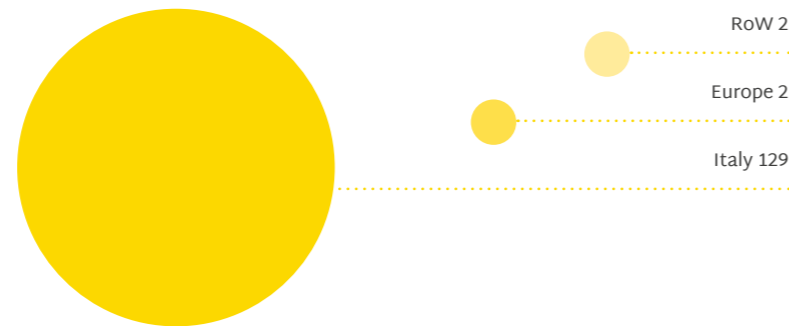
There is an even balance of men and women with fixed-term contracts (57% and 43% respectively in Italy, while in China all directly recruited employees have open-ended contracts).

As already mentioned, the option to work part-time is mainly taken up by women within the workforce (94% of the total).

With regard to the geographical origin of employees, it should be noted that all employees at the Chinese branch, with the exception of the Director General, are Chinese nationals. For the remaining organisations, most of the employees are Italian, with 4 resources of European or non-European origin, 3 of which joined the company in 2023.

EMPLOYEES BY GEOGRAPHICAL ORIGIN

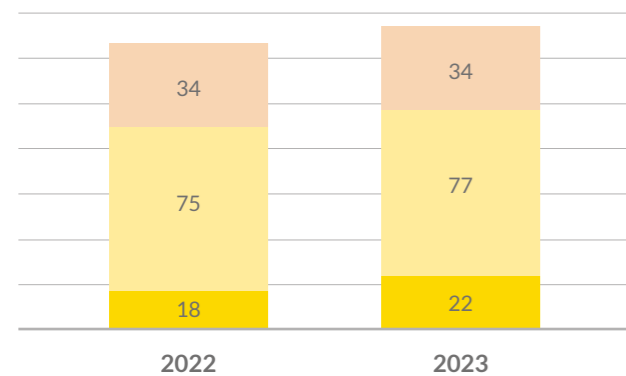
Italy



In terms of age groups, the company workforce saw an increase in the presence of employees aged 30 - 50 and under-30 (+5 in 2023 compared to 2022 for both categories).

EMPLOYEES BY AGE GROUP

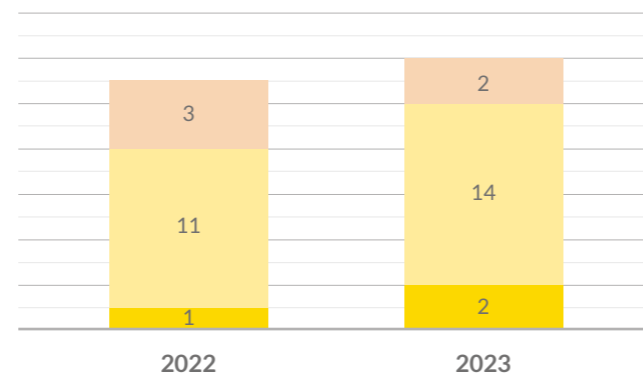
Italy



> 50 30 - 50 < 30

EMPLOYEES BY AGE GROUP

China



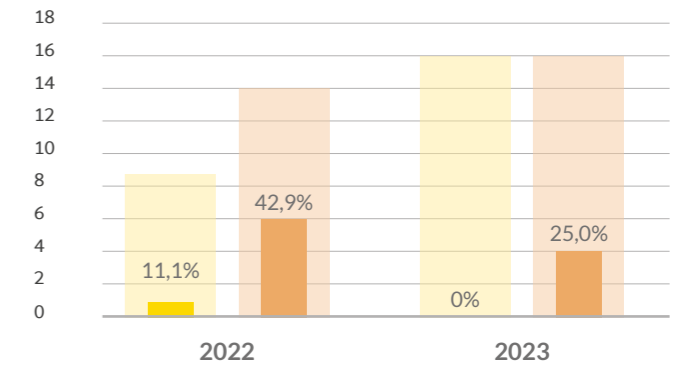
> 50 30 - 50 < 30

With regard to parental leave, an analysis was carried out which considered employees entitled⁶ to parental leave, broken down by gender; employees who took parental leave and, lastly, those who took parental leave and then returned to work in the company.



PARENTAL LEAVE

Italy



In terms of employees returning to work, 100% of men and 83% of women returned to the company after having taken leave in 2022, while 2023 saw the return of 3 out of 4 employees who took leave, resulting from parental leave being taken for a period beginning in one year and ending the next.

Negative impacts identified include a gender pay gap, i.e., the relationship between salaries for women and for men working in the company.

The complexity of the group structure led us to consider how to accurately analyse these data: if, on the one hand, we have a value of just under 80% (Italian perimeter), our aim is to ensure that we monitor this factor more accurately, seeking to analyse the effective difference in pay within the various business functions.

Recent data⁷ indicate that the issue of wage inequality between male and female workers is an extremely topical matter and, as a company, we must consider this as having a negative impact on people, and as a situation to which we contribute: we are aware that this disparity is in reality related to structural and cultural matters that are external to the company. VEA Group is, however, constantly committed to ensuring absolute equality both in the employment process and in terms of contracts.

⁶ Consideration was made of compulsory leave (Italian Legislative Decree 151/01) and optional leave in the event that the company had been informed.

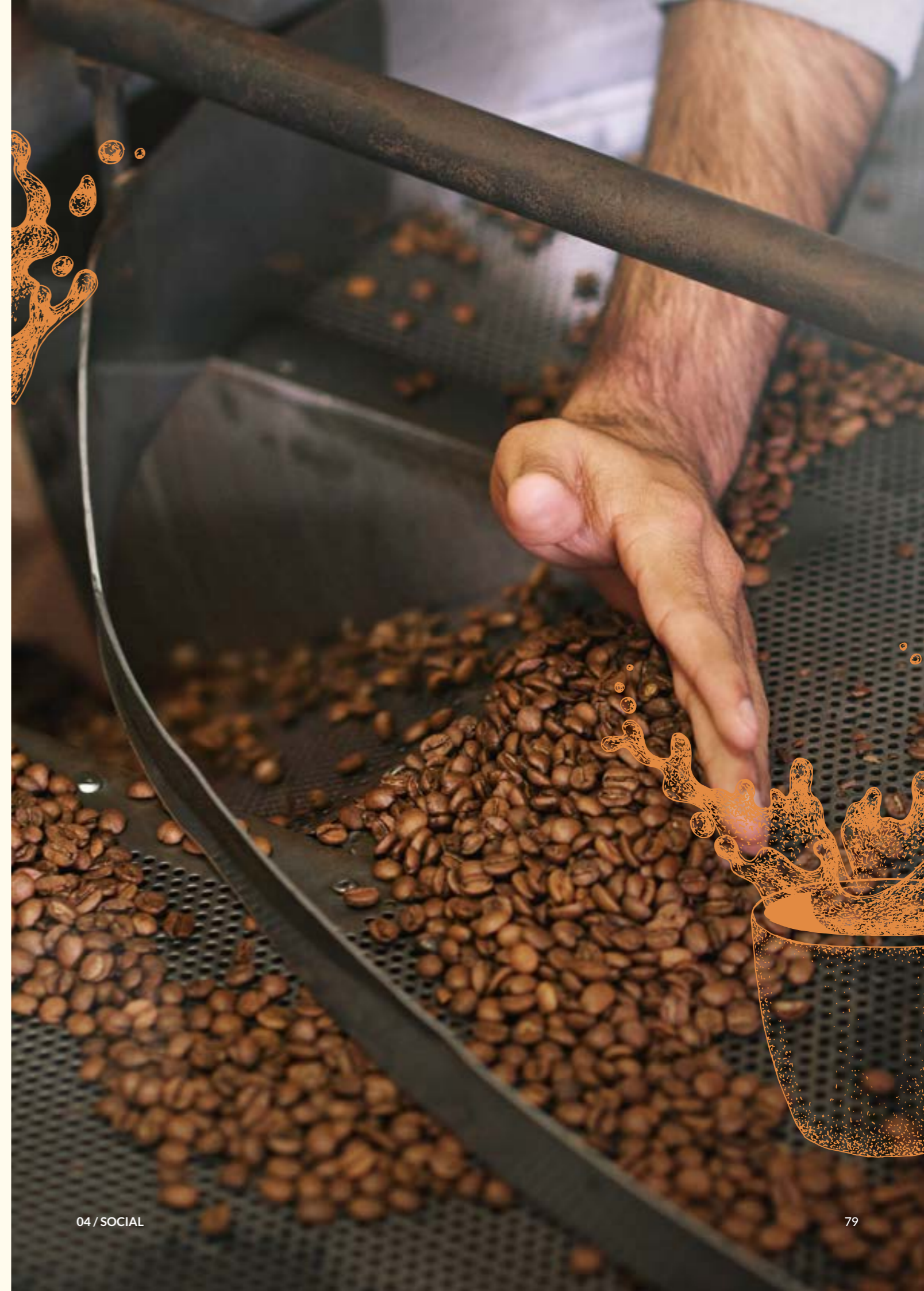
⁷ INPS report "Analysis of gender gaps in the labour market and social security system"

It is estimated that 25 million small-scale *farmers* produce about 80% of the world's coffee supply. Many of these are exposed to difficult working conditions due to inadequate wages and lack access to essential services. Child labour and gender *inequality* are also central themes in discussions aimed at improving the sustainability of the coffee production chain.

VEA does not play a direct role in coffee production, but in order to also report the impacts affecting our value chain in a transparent manner, we have taken this negative impact into account in our analysis.

We aim to select suppliers who can demonstrate their commitment to sustainability in the supply chain for the coffee that we distribute directly for consumption in our offices and showrooms, as well as at trade fairs, but we are aware of the many initiatives, including those of our main trading partners, key players in the coffee roasting and sales sector, in terms of specific projects and forms of certification related to supply chain sustainability⁸, and we trust that our embracing of transparency, together with the importance of the theme on a global level, can be a form of support for concrete actions taken to mitigate this impact by those directly involved in the supply chain.

⁸ <https://www.foodweb.it/2022/02/il-cafe-segue-la-strada-della-sostenibilita/>





Carimali, a historic brand from which the Group originated, has deep roots in the *territory* that it calls its home. We consider our nursery, which serves the community, as a *valuable asset* that we seek to protect by any means.

The increase in management costs and the difficulties faced by all educational institutions, especially those dedicated to young children, have never caused us to falter in our intention to maintain this activity, which, as will be demonstrated in the dedicated focus, no longer mainly serves our employees, but rather families within the area.

The setting up of internships also benefits the community. Both in 2022 and 2023 we set up curricular and extracurricular internships in our Italian offices, and also offered some of the trainees the opportunity to enter the company as fully fledged employees.

Carimali Children was founded in 2013 and takes in *children* from 6 months to 3 years of age and, since 2017, also from 3 to 6 years of age.

After returning from a trip to Japan, before corporate social responsibility became a central issue in Italy and Europe, our President realised the importance of this aspect in terms of business strategy, and chose on the one hand to start the process for SA 8000 certification, and on the other to introduce an in-house nursery, originally designed as a service to facilitate the balance of work and private life for the employees at the Chignolo d'Isola branch.

More recently, the nursery has seen a gradual fall in the number of employees' children, who have since grown up, while the number of members from the community of Chignolo d'Isola and neighbouring towns has increased.

The nursery has, therefore, become a real **service for the community** in which the company is located. It currently has 53 members (the maximum number we can accommodate), with 30 children from 6 months to 3 years

of age, and 23 children from 3 to 6 years of age. Of these, 8 (4 in the first group and 4 in the second) are children of our employees who, as mentioned in the dedicated paragraph, benefit not only from having a nursery school adjacent to the company, but also from discounted rates. We are proud to report that there have never been any accidents in our nursery school involving either staff or the children, also due to our focus on health and safety training.

Our 8 educators (data for 2023), in addition to the director, have also received 198 hours of specific training (related to the themes of care and teaching).

The nursery has generous indoor space designed for the needs of children in this delicate phase of development, and a large green area in which they can enjoy outdoor activities. During the school year, the nursery organises outings in the area with children and their parents, which help us to strengthen our relationship with the community in which we live.





HUN

ENVIRONMENT

We believe that businesses need to *stay hungry* for new opportunities while staying lean in their operations. At VEA we chase down prospects ferociously while *encouraging* frugal and *sustainable* culture.

GRY

05

Respect for the *environment* is a topic at the heart of the VEA Group's reflections on sustainability. The Group is committed to providing *sustainable solutions* to its stakeholders and using the resources available to differentiate itself in the coffee industry.

THE YEAR 2023 FOR VEA IN NUMBERS



1

PHOTOVOLTAIC SYSTEM PROJECT



100%

OF WASTE SENT FOR MATERIAL RECOVERY AND ENERGY PRODUCTION



-5 kgCO₂eq

FOR EACH MACHINE PRODUCED IN 2023 COMPARED TO 2022



-86%

ENERGY CONSUMPTION FOR THE HEYLO MODULE IN STAND-BY MODE

(2 coffee + 1 milk configuration) compared to a traditional 2-group model



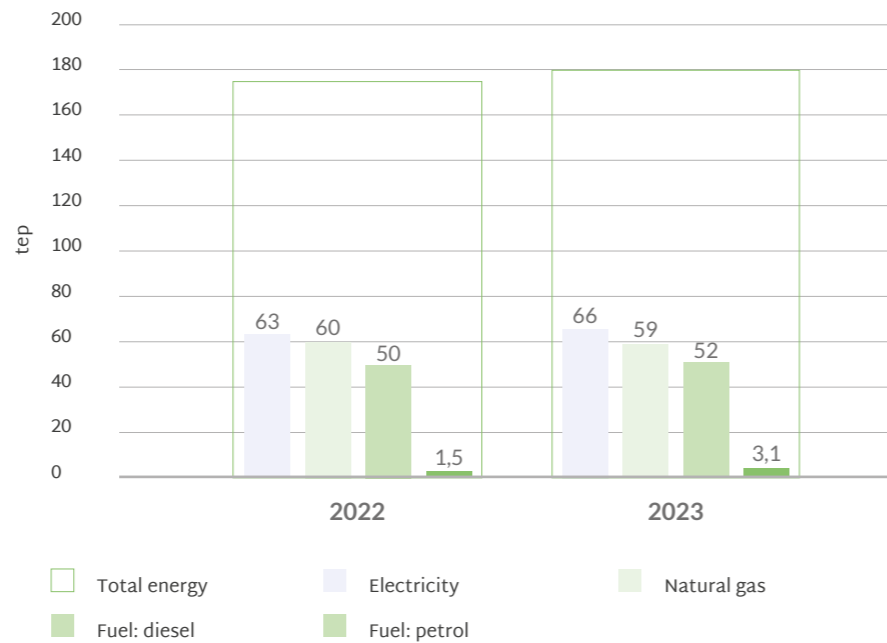


Energy

Our energy impact within Italy is related to the use of **electricity**, the burning of **natural gas** and the use of diesel and petrol as **fuel** for the company's fleet of vehicles. These energy carriers contribute in equal manner to satisfying our energy demands.

ENERGY DEMANDS

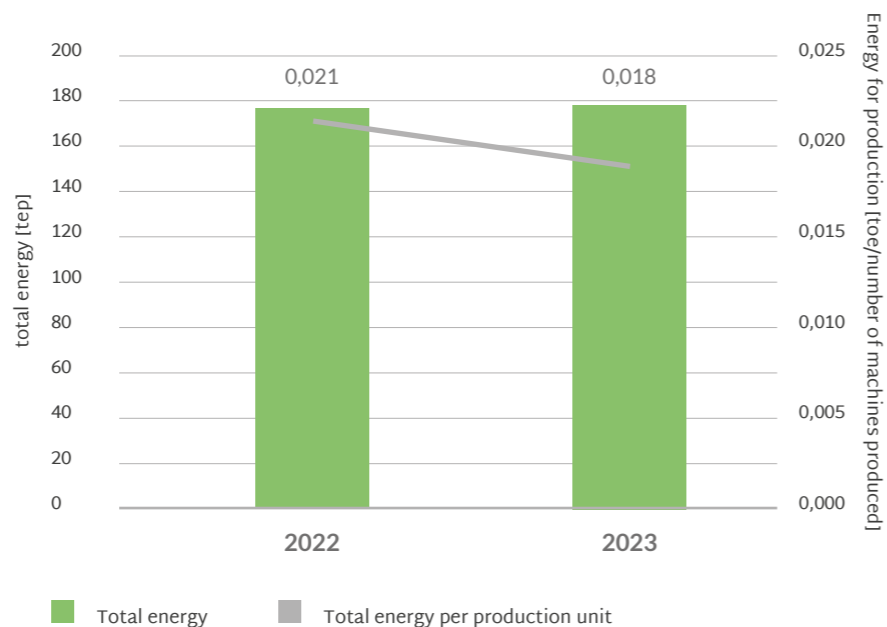
Italy



In 2023 the total energy demand for Italy was 179 toe (ton of oil equivalent), an increase of 3% over 2022. If we consider the evolution of energy consumption regarding production, this fell by 10.8% in 2023 compared to 2022, representing an improvement in the energy efficiency of the Italian plant.

ENERGY DEMAND FOR PRODUCTION

Italy

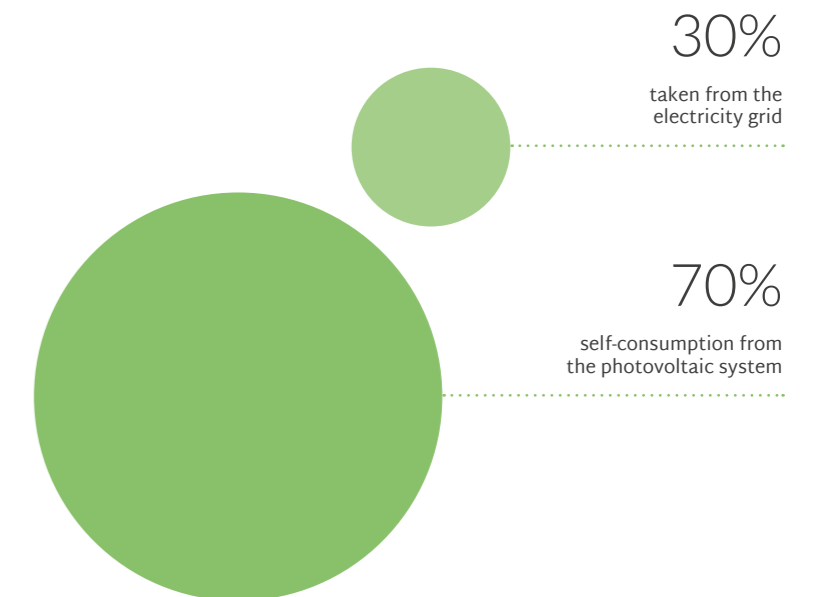


After having noted an increase in fuel consumption over the last year, in May 2023 we purchased a *100% electric van*, used by the Carimali Italia team for installations and interventions in Milan and the Province.

We have provided for the installation of a photovoltaic system with a nominal power of 160 kWp on the roof of the Chignolo d'Isola plant. It is expected that this system will be able to cover 70% of the demand of the Chignolo plant, resulting in a reduction to the same extent of Scope 2 emissions (related to imported electricity – see the chapter "Atmospheric emissions").

ELECTRICITY DEMANDS IN CHIGNOLO D'ISOLA

Expected consumption with the photovoltaic system



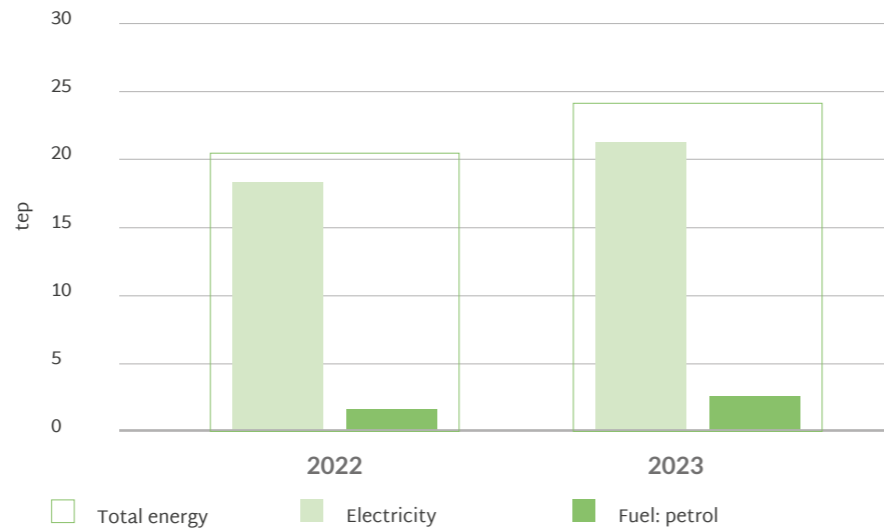
It is estimated that the system will save almost 1,000 tons of CO₂ over the course of its lifespan. All of our existing plants undergo preventive and periodic maintenance, which is entrusted to external companies with the aim of optimising their ability to meet production needs. Departments are organised to ensure that, even in the event of malfunctions, these do not lead to production downtime.

In China, the energy demand is 1/10 of that in Italy and is completely covered by mains *electricity*.

A lesser portion of consumption is due to the use of petrol. Overall, total consumption increased by 16% in 2023 over the previous year, a variation that, in any case, was lower than the increase in production (+26%). Therefore, in 2023 the Chinese plant was more energy efficient than in 2022.

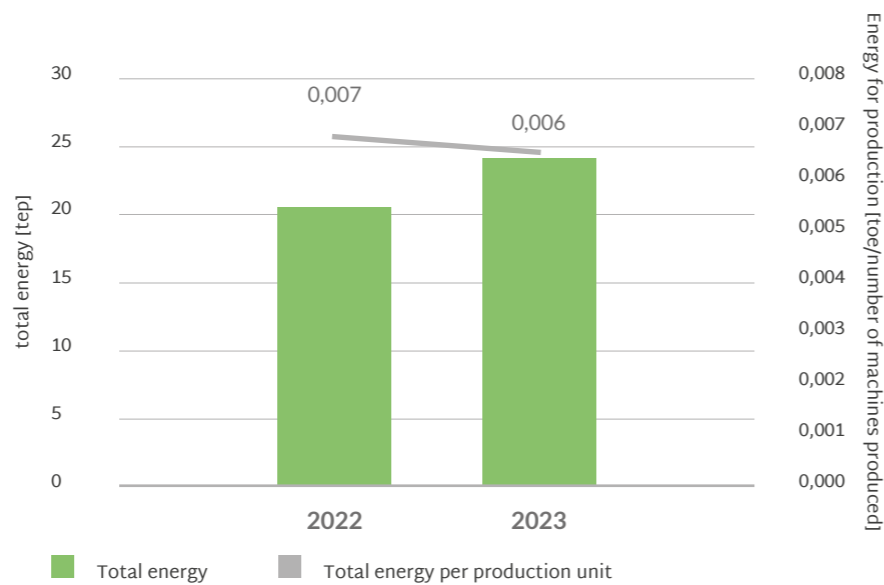
ENERGY DEMANDS

China



ENERGY DEMAND FOR PRODUCTION

China



The project: renovation of the roof

Chignolo d'Isola plant

Plans have been made for the renovation of the roof (5,500 m²) of the Chignolo d'Isola plant. Sintofoil, a synthetic waterproofing membrane resistant to fire and ultraviolet radiation and with fibre-glass reinforcement, has been chosen as the construction material. The particular characteristic of this membrane is the total absence of halogens in the polymer chain and its high solar reflection factor, which allows a roof to perform as a **cool roof**.

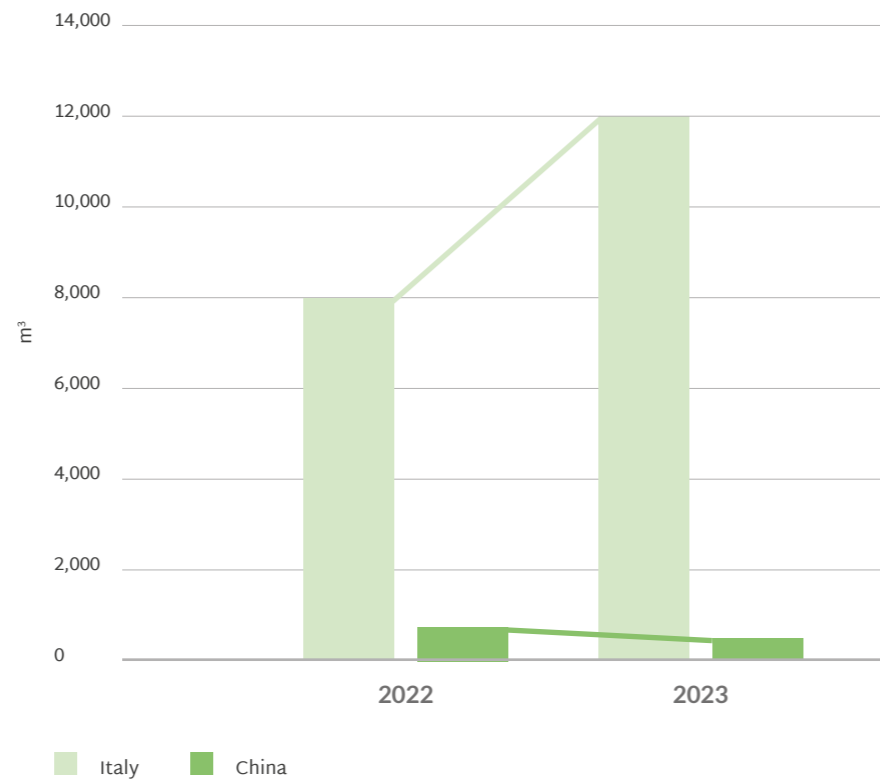


Cool roofs are roofs that reflect incident solar radiation and do not heat up much, thus providing an effective solution to the problem of indoor heat in the summer. The Sintofoil membrane also has EPD (Environmental Product Declaration in accordance with ISO 14025), and its environmental performance is therefore known, in accordance with LCA (Life-Cycle Analysis) methodology.

Water consumption

In terms of water consumption, total water consumption in Italy is about 12,000 m³. This water is used for offices and in production to test the machines we manufacture. As a consequence, our water, once used, is comparable to domestic water and does not require on-site treatment. Water consumption increased significantly in 2023 compared to 2022, due to leaks in the water system, which we promptly repaired.

WATER CONSUMPTION



Consumption in China is 1/20 of Italian consumption. In 2023, the Chinese plant consumed 555 m³ of water, less (-26%) than in the previous year.

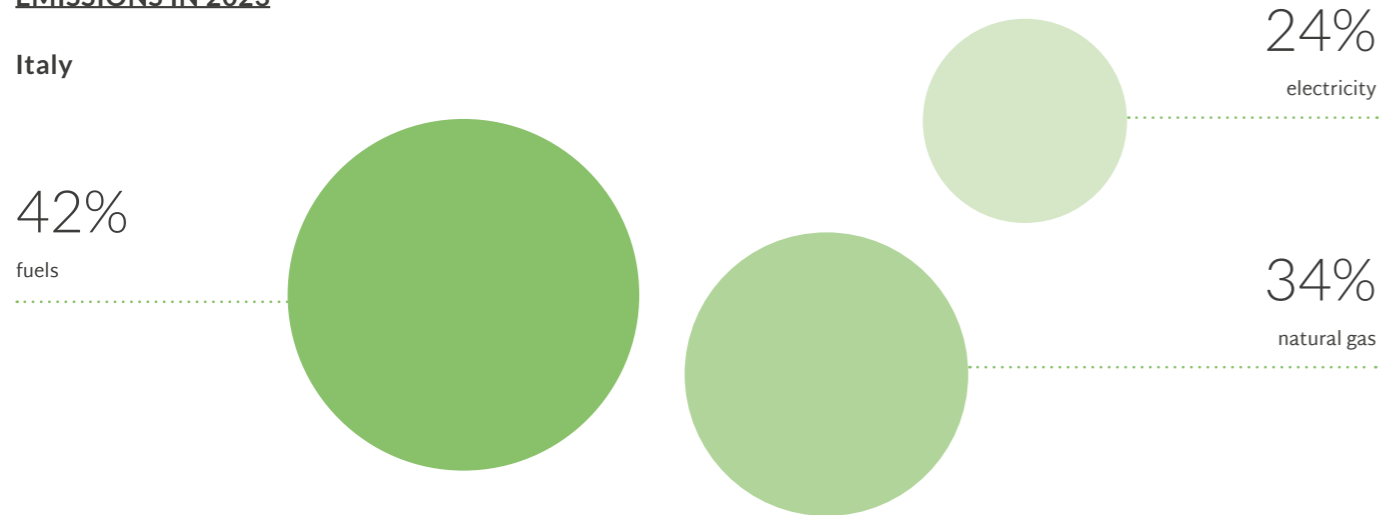




To understand the impact of our business in terms of emissions, we have used specific emission factors to convert our energy consumption into emissions. In 2023, our direct emissions (Scope 1) and indirect emissions associated with imported energy (Scope 2) amounted to 410 tCO₂eq.

SCOPE 1 AND SCOPE 2 EMISSIONS IN 2023

Italy



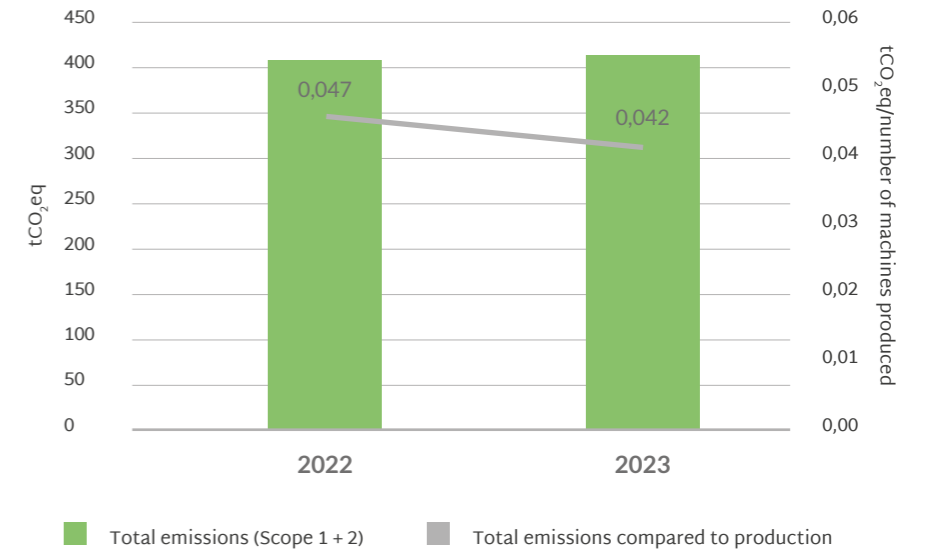
To obtain this value, the location-based approach was used to calculate indirect emissions associated with electricity. In other words, we used an emission factor related to the national energy mix rather than one specific to our supplier. Using a market-based factor, emissions from imported energy come out at 19.5% higher, as the supplier for our Italian production plant has a mix that is slightly less based on renewable energy than the national mix. This is another reason why the choice to install a photovoltaic system is strategic for us, as it means that we will be able to significantly reduce emissions related to electricity consumption.

The ratio between the quantity of emissions generated and the number of machines produced in 2023 was 42 kgCO₂eq, down 10.7%

¹ Scope 1: according to the GHG Protocol, Scope 1 refers to direct emissions produced by the Organisation within its own plants. In our case, these are emissions from natural gas, fuels and F-gas leaks. The latter resulted zero in the two years reported.

DEMAND FOR PRODUCTION

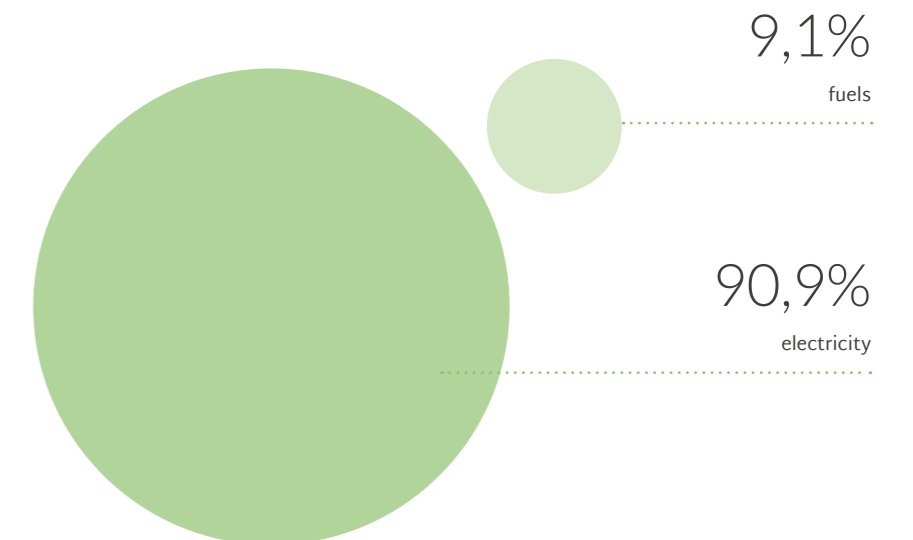
Italy



In 2023, the Carimali China plant produced 88 tCO₂eq, i.e. 1/5 of the emissions produced in Italy, despite its much lower energy consumption. The reason for this higher rate of emissions is that in China the energy mix for electricity is much higher² than in Italy, due to the lower proportion of renewable energy.

SCOPE 1 AND SCOPE 2 EMISSIONS IN 2023

Italy



² Data source: Ecoinvent 3.10 (2023) market group for electricity, medium voltage (CN)

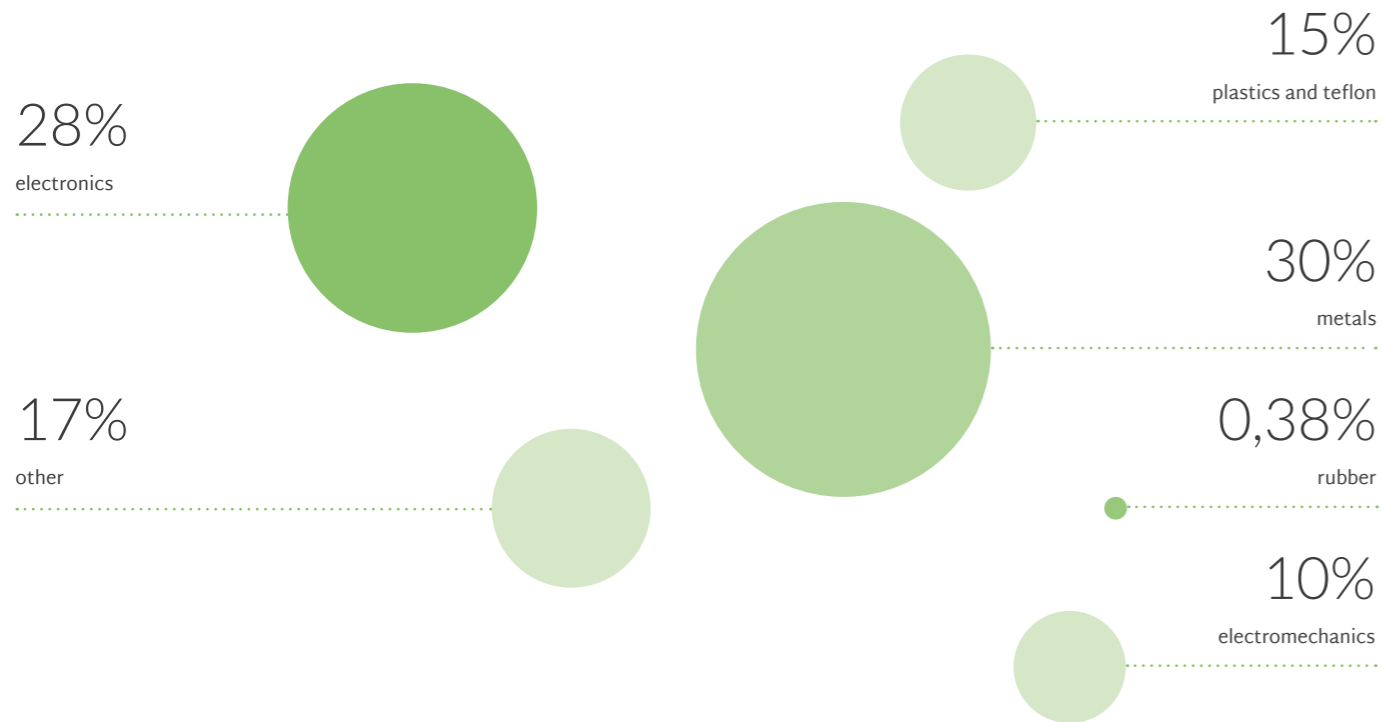


Materials

We use a wide variety of materials to carry out our activities and to manufacture coffee machines: metals, plastics and rubber, as well as electromechanical and electronic items. 2/3 of the materials used in production are mapped in terms of kg and are shown in the chart below.

MATERIALS

Italy

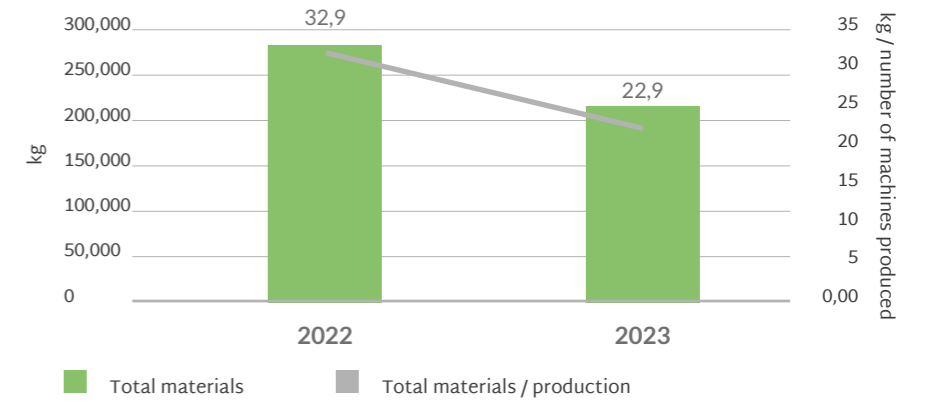


In Italy, in 2023, 223.5 tons (mapped) of material were used for the production of machines, for a total of approximately 300 tons³. This corresponds to 23 kg of material for each machine produced. Compared to the previous year, the weight of material decreased by 20.5%, despite there being an increase in production.

³ Estimate obtained considering that the mapping of the materials purchased covers about 2/3 of the total flow.

QUANTITY OF MATERIALS AND PRODUCTION

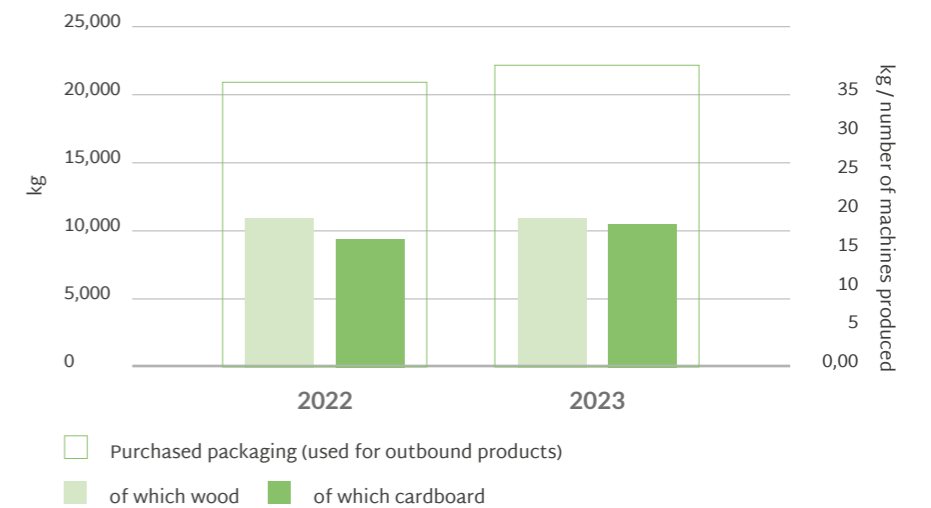
Italy



With regard to packaging, Italian plants buy wood and cardboard for their packaging, both of which are completely renewable materials. Currently, none of the materials are recycled but our goal is to progressively reduce the use of virgin materials.

PACKAGING USED

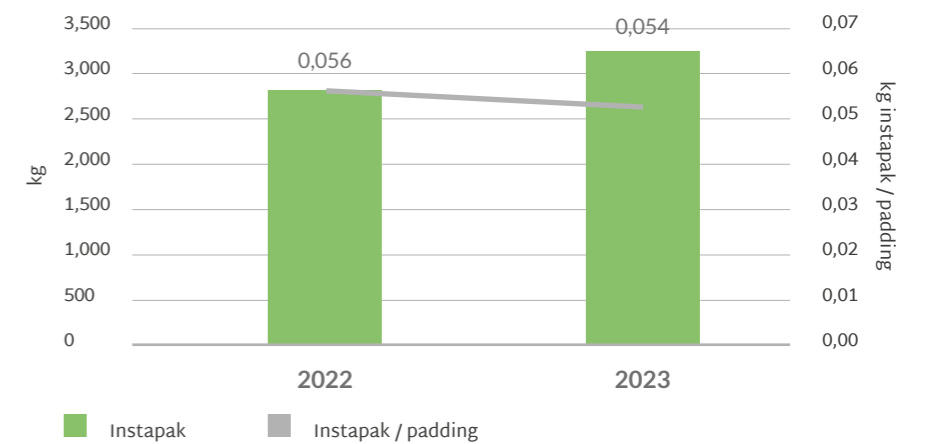
Italy



Furthermore, the plant in Chignolo d'Isola produces the protective padding to be inserted in the packaging in-house, using "instapak" expandable foam. In 2023 we purchased 3,200 kg of polyurethane foam to produce 60,000 pieces of padding. As this material is non-recyclable, we are currently evaluating replacement with a 100%-sustainable alternative form of packaging.

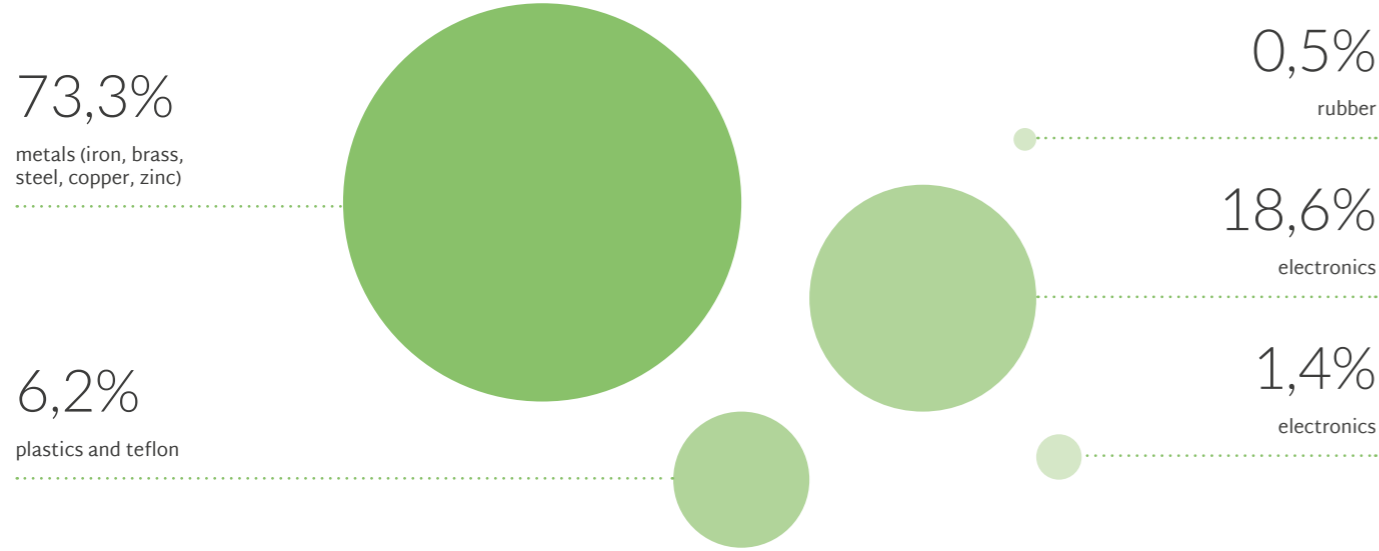
EXPANDABLE FOAM FOR PACKAGING PRODUCTION

Italy



MATERIALS

China

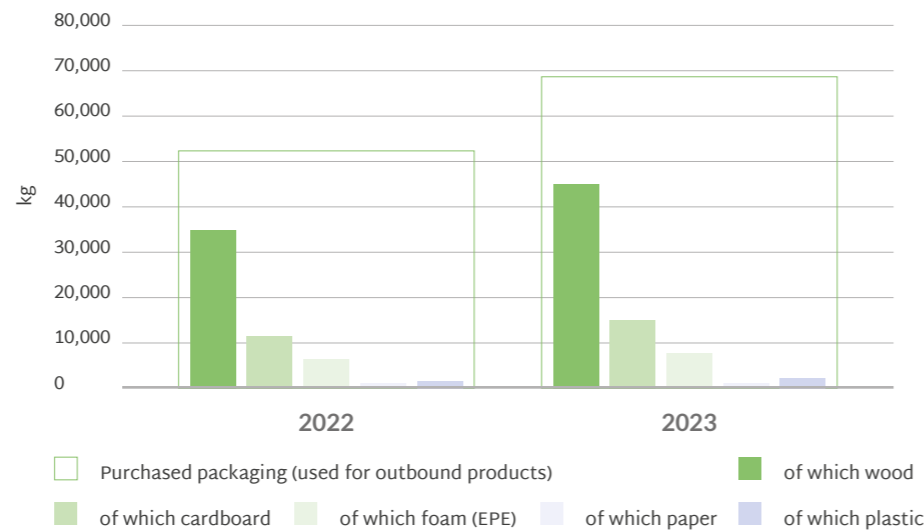


In China, the categories of materials used are the same as in the Italian factories. In terms of quantity, iron is the most widely used material and accounts for 31% of the total amount of material. Three-quarters of the materials are made of metals, as the Chinese plant specialises in the production of traditional machines. A total of 230.6 tons of material was consumed in 2023.

In terms of packaging, the most widely used materials in China are wood, cardboard and polyethylene foam (EPE). In 2023, 69.4 tons of packaging material were used, 31.6% more than the previous year.

PACKAGING USED

China

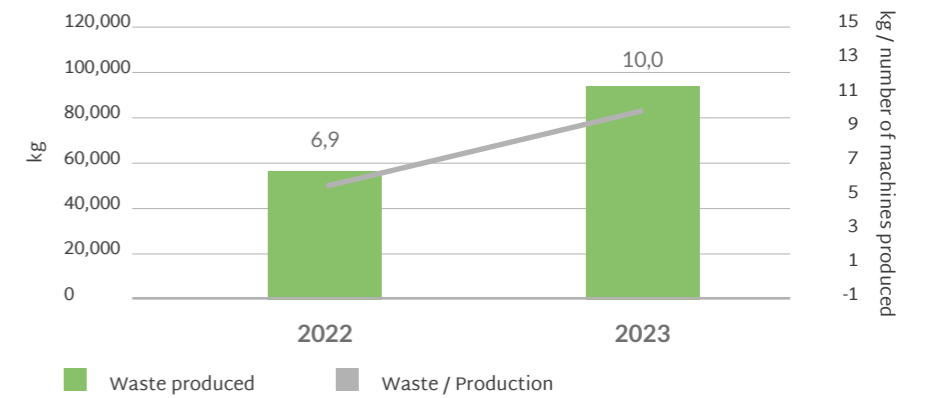


Waste

Industrial waste is mapped for Italy, while Carimali China resells all its waste material, meaning that the Asian plant does not generate industrial waste. In any case, we choose to separate waste. The waste produced in Italy totals approximately 97,600 kg and consists of defective components that cannot be used in production, as well as of paper, cardboard and mixed-material packaging. Only 0.13% of our waste is therefore hazardous. Of this waste, 67% is sent off for **material recovery**, and the remaining 33% for **energy recovery**. The increase in waste production (+66%) in 2023 compared to the previous year was due to the extraordinary cleaning operations carried out at the Carimali and Elektra plants.

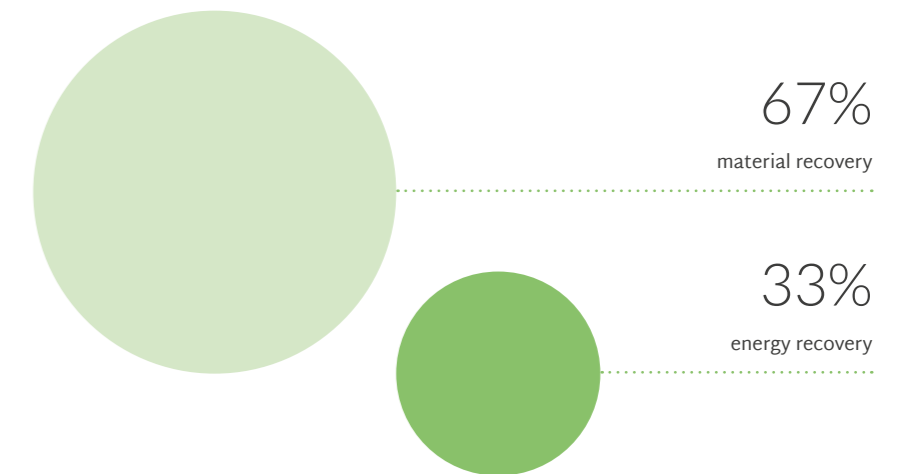
WASTE PRODUCTION

Italy



DESTINATION OF WASTE

Italy





The subject of biodiversity is closely linked to the activities of a Group such as ours, which is part of the coffee supply chain.



By designing and assembling machines, we do not have a direct impact on biodiversity, but we are aware that the **choice of where coffee is geographically sourced** is a crucial factor in ensuring its sustainability. There are currently several areas in the world where agricultural practices for coffee production are not sustainable from either a social or environmental point of view, seriously jeopardising local biodiversity. We also recognise the **fragility of coffee cultivation**, an activity that is only possible in a few areas of the world, which are in danger of shrinking due to climate change, a factor that, in addition to affecting local temperatures, also leads to the emergence of new diseases and risks leading to the extinction of a number of wild types of coffee, which are becoming increasingly rare⁴.

We in the VEA Group intend to promote a **sustainable coffee supply chain** and are therefore considering establishing partnerships with coffee distribution companies that, like us, care about this issue. Fortunately, the world of coffee production is already developing awareness of these issues; many companies with which we work care about the sustainability of their products, and this leads to a reduction in the overall impact of our activity on biodiversity.

⁴ Source: sustaincoffee.org





GRI
CONTENT INDEX

06

GRI CONTENT INDEX

Below is a list of each material topic addressed and its correlation with the principal international standards for sustainability reporting, the Global Reporting Initiative (GRI).

There are no GRI industry standards relevant to the activities of VEA.

Statement of use	VEA Ventures S.r.l. has submitted a “with reference to” report in accordance with the GRI standards for the period 01/01/2023 – 31/12/2023.
GRI 1 used	GRI 1 - Foundation 2021

GRI 2 - GENERAL DISCLOSURES 2021		
GRI Standard	Disclosure	Relative paragraph
The organisation and its reporting practices		
	2-1 Organisational details	Methodological Notes
	2-2 Entities included in the organisation’s sustainability reporting	Methodological Notes
	2-3 Reporting period, frequency and contact point	Methodological Notes
	2-4 Restatements of information	Any variations are indicated in the text
Activities and workers		
	2-7 Employees	Corporate well-being and talent attraction
	2-8 Workers who are not employees	Corporate well-being and talent attraction
Governance		
	2-9 Governance structure and composition	Ethics and governance
	2-10 Nomination and selection of the highest governance body	Ethics and governance
	2-11 Chair of the highest governance body	To our stakeholders
	2-12 Role of the highest governance body in overseeing the management of impacts	Ethics and governance
	2-13 Delegation of responsibility for managing impacts	Ethics and governance

	2-14 Role of the highest governance body in sustainability reporting	Ethics and governance
	2-17 Collective knowledge of the highest governance body	Ethics and governance
Strategies, policies and practices		
	2-25 Processes to remediate negative impacts	Inside-out impacts
	2-27 Compliance with laws and regulations	Ethics and governance
Stakeholder engagement		
	2-29 Approach to stakeholder engagement	Materiality analysis and stakeholder engagement

GRI 3 - MATERIAL TOPICS - 2021		
GRI Standard	Disclosure	Relative paragraph
	3-1 Process to determine material topics	Materiality analysis and stakeholder engagement
	3-2 List of material topics	Materiality analysis and stakeholder engagement
	3-3 Managing material topics	Materiality analysis and stakeholder engagement

Information	Relative paragraph
Topic standards – economic aspects	
203-1 Infrastructure investments and services supported	Efficient infrastructure
204-1 Proportion of spending on local suppliers	Sustainable supplies
Topic standards – environmental aspects	
301-1 Materials used by weight or volume	Circular economy
301-3 Reclaimed products and their packaging materials	Circular economy

302-1 Energy consumption within the organisation	Efficient infrastructure
302-3 Energy intensity	Efficient infrastructure
303-3 Water withdrawal	Efficient infrastructure
303-5 Water consumption	Efficient infrastructure
305-1 Direct (Scope 1) GHG emissions	Atmospheric emissions
305-2 Energy indirect (Scope 2) GHG emissions	Atmospheric emissions
305-4 GHG emissions intensity	Atmospheric emissions
305-5 Reduction of GHG emissions	Atmospheric emissions
306-1 Waste generation and significant waste-related impacts	Circular economy
306-2 Management of significant waste-related impacts	Circular economy
306-3 Waste generated	Circular economy
306-4 Waste diverted from disposal	Circular economy
306-5 Waste directed to disposal	Circular economy
Topic standards – social aspects	
401-1 New employee hires and employee turnover	Corporate well-being and talent attraction
401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	Corporate well-being and talent attraction
403-1 Occupational health and safety management system	Occupational health and safety
403-5 Worker training on occupational health and safety	Culture of learning
403-6 Promotion of worker health	Occupational health and safety
403-9 Work-related injuries	Occupational health and safety
404-1 Average hours of training per year per employee	Culture of learning
405-1 Diversity of governance bodies and employees	Diversity and inclusion; Ethics and Governance

406-1 Incidents of discrimination and corrective actions taken	Diversity and inclusion
413-1 Operations with local community engagement, impact assessments, and development programs	Community involvement

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APPE

APPENDIX

This document represents the first Sustainability Report to be published by VEA.

NDIX

07





METHODOLOGICAL NOTES

The document has been prepared with the support of the consulting firm *Fedabo S.p.A. SB* in line with the option “with reference to” as per international GRI (Global Reporting Initiative) standards, which have been used as a source for the identification of key indicators for the reporting of qualitative and quantitative information related to the 2022 and 2023 financial years.

The aim of the report is to inform stakeholders of the positive initiatives taken by the company regarding environmental and social sustainability, as well as governance issues.

The document has been prepared in line with the principles of materiality, inclusiveness, sustainability context, completeness, accuracy, balance, clarity, comparability, reliability and timeliness.

The content of the document has been identified on the basis of the principle of materiality, i.e. by selecting the themes most relevant to the sustainability of the organisation and resulting from interaction between the organisation and its principal stakeholders, selected on the basis of the degree of mutual influence between the organisation and the figures identified.

Stakeholders were involved through dedicated meetings and interviews that allowed for alignment regarding the project, and through questionnaires distributed to, among others, institutional organisations, suppliers, clients, employees, press and credit institutions. In these phases, the issues of biodiversity and community involvement did not exceed the materiality threshold. It was, however, decided to dedicate space to both themes, following a process of revision of materiality carried out with the board of VEA.

Data was collected for the company VEA and its company organisations: Carimali Industrial, Carimali China, Carimali SpA, Carimali Services, Bellezza, Elektra and Heylo. Data collection did not involve VBH Singapore or View Technology, or subsidiaries such as Slingshot, Ratio, BKON and Manea Vending.

Within the document, unless otherwise specified, the perimeter of each numerical data element refers to the totality of the reported companies. The specific themes reported are presented geographically, distinguishing between Italy and China for environmental aspects, while in the Social and Governance chapters, any specific division is indicated in the respective paragraphs.

The information shown is for the reporting period from January 1 2023 to December 31 2023. Information on the two-year period 2022-2023 can be found within the document.

TABLES ON IMPACT, RISK AND OPPORTUNITY ANALYSIS

ACTUAL NEGATIVE IMPACTS				
		Magnitude		
Impact	Form of contribution	Entity	Scope	Irremediability
Water system leaks	Directly caused	2	3	3
Contribution to global emissions	Directly caused	1	3	2
Deforestation related to the coffee supply chain	Related to company business	3	3	2
Gender pay gap	Contributed to causing	3	3	1
Absorption of manufacturing companies	Directly caused	3	1	3
Unsustainable coffee supply chains	Related to company business	3	3	2
Outsourcing of production	Directly caused	2	1	2

POTENTIAL NEGATIVE IMPACTS					
		Magnitude			
Impact	Form of contribution	Entity	Scope	Irremediability	Probability
System malfunctions	Directly caused	3	3	3	1
Risk of injury	Directly caused	3	3	3	1
Scarce sustainability in the supply chain	Contributed to causing	2	3	2	1

ACTUAL POSITIVE IMPACTS			
		Magnitude	
Impact	Form of contribution	Entity	Scope
Relamping operations	Directly caused	1	3
Canteen service	Directly caused	2	2
Annual medical check-up	Directly caused	3	1
Accident insurance policy	Directly caused	2	1
Carimali Children	Directly caused	2	2
R&D projects	Directly caused	2	2
Business synergy	Directly caused	1	3

POTENTIAL POSITIVE IMPACTS				
		Magnitude		
Impact	Form of contribution	Entity	Scope	Probability
Plant roof renovation	Directly caused	2	3	3
Waste mapping China	Directly caused	2	2	2
Extension of product lifespan	Directly caused	2	3	2
Use of recycled raw materials	Directly caused	2	3	2
More sustainable packaging	Directly caused	3	3	1
Sustainability training	Directly caused	1	1	2

RISKS AND OPPORTUNITIES			
Subject	Risk/Opportunity	Magnitude	Probability
Market-driven move to more ecological company strategies	Opportunity	2	2
Increasing in demand from the Asian market	Opportunity	2	3
Rising energy costs	Risk	2	1
Negative staff turnover	Risk	2	2
Retention-related problems	Risk	2	2
Data loss, modification or appropriation	Risk	2	2

NUMERICAL TABLES

ENERGY		Italy		China		Group total	
GRI 302-1	UoM	2022	2023	2022	2023	2022	2023
Electricity	kWh	336,816	351,511	99,100	113,900	435,916	465,411
Natural gas	Sm ³	71,915	70,149	0	0	71,915	70,149
Fuel: diesel	l	57,995	60,561	0	0	57,995	60,561
Fuel: petrol	l	4,554	4,042	2,629	3,400	7,183	7,442
Total	toe	176.4	179.5	21	24	197	203

EMISSIONS		Italy		China		Group total	
GRI 305-1, 305-2	UoM	2022	2023	2022	2023	2022	2023
Natural gas	tCO ₂ e	143.77	140.73	0	0	143.77	140.73
Diesel	tCO ₂ e	155.59	162.24	0	0	155.59	162.24
Petrol	tCO ₂ e	10.64	9.50	6.14	7.99	16.79	17.48
F-gas	tCO ₂ e	0.00	0.00	0	0	0.00	0.00
Tot. direct emissions (Scope 1)	tCO₂e	310.01	312.46	6.14	7.99	316.15	320.45
Electricity from the grid	tCO ₂ e	92.71	97.95	69.9	80.1	162.57	178.07
Tot. Indirect emissions (Scope 2)	tCO₂e	92.71	97.95	69.86	80.12	162.57	178.07
Total emissions (Scope 1 + 2)	tCO₂e	402.72	410.41	76.00	88.11	478.72	498.52

WATER		Italy		China		Group total	
GRI 303-3, 303-5	UoM	2022	2023	2022	2023	2022	2023
Supply of water from aqueducts	cubic m	7,928.00	12,033.00	749.00	555.00	8,677.00	12,588.00

MATERIALS		Italy		China		Group total	
GRI 301-1	UoM	2022	2023	2022	2023	2022	2023
Incoming materials	kg	281086	223532	179970	230585	461056	454117
Of which aluminium	kg	471	319	0	0	471	319
Of which electromechanics	kg	18794	21811	0	0	18794	21811
Of which electronics	kg	70104	62847	34789	42821	104893	105668
Of which iron	kg	52028	41625	55798	71945	107826	113570
Of which rubber	kg	1592	842	792	1130	2384	1972
Of which steel	kg	15907	9953	22467	29600	38374	39553
Of which in brass	kg	30872	14704	25133	30700	56005	45404
Of which in plastic	kg	43406	34217	10743	14200	54149	48417
Of which in copper	kg	123	64	27268	36450	27391	36514
Of which zinc	kg	0	0	378	412	378	412
Of which nickel	kg	0	0	2	3	2	3
Of which in teflon	kg	350	251	0	0	350	251
Of which flexible pipes (rubber + steel)	kg	0	0	2600	3324	2600	3324
Electrical finished products	kg	0	0	71072	59222	71072	59222
Other	kg	47439	36899	0	0	47439	36899
Purchased packaging (used for outbound products)	kg	20970	22091	52718	69378	73688	91469
Of which wood	kg	11252	11231	34795	45878	46047	57109
Of which cardboard	kg	9718	10860	11458	15433	21176	26293
Of which foam (EPE)	kg	0	0	5460	6899	5460	6899
Of which paper	%	0	0	149	190	149	190
Of which plastic	0	0	0	856	978	856	978

WASTE	UoM	Italy	
		2022	2023
GRI 306-1, 306-3, 306-4, 306-5			
Refuse produced	kg	58808	97625
Of which is hazardous	kg	6	125
Waste sent for re-use	kg	0	0
Waste sent for material recovery	kg	38808	65785
Waste sent for energy recovery	kg	20000	31840*
Waste sent for disposal	kg	0	0
* Estimated figure			

STAFF AND TURNOVER	UoM	Italy		China		Group total	
		2022	2023	2022	2023	2022	2023
GRI 401 -1							
Number of employees	no.	127	133	15	18	142	151
Number of new employees	no.	20	20	3	5	23	25
Number of employees leaving	no.	30	15	2	3	32	18
Rate of growth	-	-7.9%	3.8%	6.7%	11.1%	-6.3%	4.6%
Rate of new employees	-	15.7%	15.0%	20.0%	27.8%	16.2%	16.6%
Overall turnover rate	-	39.4%	26.3%	33.3%	44.4%	38.7%	28.5%
Number of new employees under 30	no.	10	11	1	4	11	15
Number of employees under 30 leaving	no.	6	5	0	3	6	8
Turnover under 30	-	88,9%	72,7%	6,7%	38,9%	80,2%	68,7%

WORKERS BY CONTRACT TYPE	UoM	Italy		China		Group total	
		2022	2023	2022	2023	2022	2023
GRI 2-7							
Open-ended contracts	no.	118	126	10	11	128	137
Of which women	no.	51	55	7	7	58	62
Fixed-term contracts	no.	9	7	0	0	9	7
Of which women	no.	5	3	0	0	5	3
On-call contracts	no.	0	0	0	0	0	0
Of which women	no.	0	0	0	0	0	0
External collaboration contracts (workers who are not employees of the company, but whose work is controlled by the organisation - e.g. temporary workers)	no.	1	0	5	7	6	7
Full-time contracts	no.	109	115	Not available	Not available	Not available	Not available
Of which women	no.	38	41	Not available	Not available	Not available	Not available
Part-time contracts	no.	18	18	Not available	Not available	Not available	Not available
Of which women	no.	18	17	Not available	Not available	Not available	Not available
Weekly hours worked by full-time workers	hours	40 for all except for 36 for Carimali Children	40 for all except for 36 for Carimali Children	Not available	Not available	Not available	Not available

HOURS OF TRAINING	UoM	Group total	
		2022	2023
GRI 404-2	no.		
Soft skills	no.	890	1165
Languages	no.	719	176
Health and safety	no.	182	447
Specific to role	no.	81	198
Other	no.	28	0
Total	no.	1900	1986
Average hours of training per employee	no.	12	12

EMPLOYEES BY AGE GROUP	UoM	Group total	
		2022	2023
GRI 2-7, GRI 401-1	no.		
< 30	no.	18	22
30-50	no.	75	77
> 50	no.	34	34

EMPLOYEES BY GENDER	UoM	Group total	
		2022	2023
GRI 2-7, GRI 401-1	no.		
Managers	no.	15	16
Of which women	no.	1	2
Office staff	no.	62	63
Of which women	no.	28	30
Manual labourers	no.	42	45
Of which women	no.	19	18
Manager (nursery only)	no.	1	1
Teachers (nursery only)	no.	7	8

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