



Make the Day Work

For generations to come
Sustainability Report 2019

selecta.com/sustainability



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For generations to come

Last year we introduced our group-wide sustainability approach. This year I am pleased to give an update on the progress that we have made together with our employees, customers, and other key stakeholders in the four strategic areas we are committed to. After the launch we focussed on embedding the sustainability approach across our markets driving initiatives we believe can make a difference in our business and to our communities.



“We have taken concrete steps and are making progress in all the key areas which we have committed to.”

David Flochel
Chief Executive Officer, Selecta Group

Let me share some of the highlights in each strategic area that I am most proud of. A key environmental impact area is machine refurbishment which avoids industrial waste and reduces our footprint. Therefore, we have significantly increased the number of re-furbished vending machines across the group, and we work towards continued growth in this area in 2020. Optimization of our network in combination with telemetry has made our routing even more efficient. And while regulations on single-plastic use become more stringent, suitable alternatives come with their own challenges, so we are focussing on re-usable cups and offer the best options for cup-recycling.

In the area of responsible sourcing, we renewed our Supplier Code of Conduct and have the ambition to further improve our sustainable sourcing approach, working closely with our suppliers. And we are proud of the Selecta Coffee Fund, through which we improve the livelihoods of smallholder coffee farmers and their families in Rwanda every day. Our own employees are at the heart of our business and our Employee Engagement Program, strives to make Selecta a better place to work for our employees, helping them perform at high levels, drive innovation and develop our company further.

We have taken concrete steps and are making progress in all the key areas which we have committed to. Next year, we have even more ambitions to scale-up our activities and further quantify our sustainability initiatives and what they deliver across our markets.

We look forward to collaborating with our customers, consumers and stakeholders to enhance our impact to make the day work not only for people at work and on the go, but also for generations to come.

The Selecta Group

Headquartered in Switzerland since 1957, Selecta is Europe's leading route-based unattended self-service provider. With 10,000 employees spanning 16 countries, Selecta serves more than 10 million consumers a day on average through its 475,000 points of sale across Europe. The excellence of Selecta's route-based operations has been recognised with multiple industry awards.

Our business

Founded in 1957, the Selecta Group has expanded through a combination of organic growth and acquisitions. We are a market leader in self-service coffee and convenience food in our core markets. The annual turnover of EUR 1.6 billion in 2019 is an indication that our employees work with a great passion for our products.

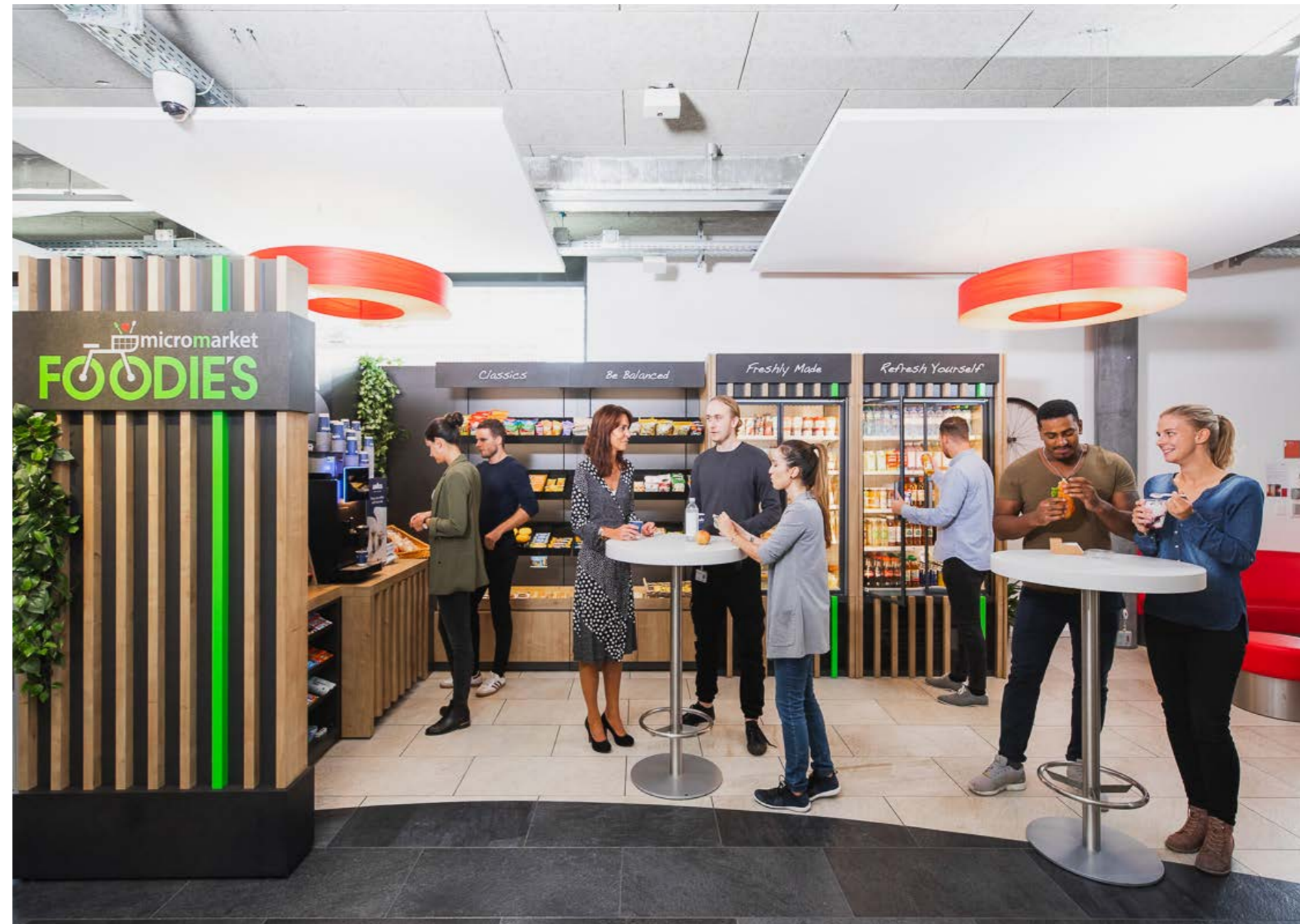
Coffee and convenience food

Our product portfolio consists of coffee and beverage concepts, snacks and fresh food solutions. We have industry-leading coffee expertise and offer premium quality coffees, supported by our own roasting facility Pelican Rouge Coffee Roasters in Dordrecht, the Netherlands. We provide premium quality coffee across our markets through our owned brands Pelican Rouge and miofino and also through global premium coffee partnerships with Starbucks and Lavazza.

For all key coffee brands in our portfolio we offer certified options, including Fairtrade, Rainforest Alliance and UTZ.

Other products and materials are sourced both globally and locally from a wide range of suppliers of well-known brands, which provide us with hot and cold drinks, snacks, healthy options, fresh food, disposables and other products.

We also provide our customers with filtered water dispensing solutions that provide alternatives to bottled or unfiltered tap water, including counter-top tap systems, freestanding and table top water dispensers, as well as an option for integrated water dispensers in our coffee and vending machines.



Our innovative MicroMarkets concepts offers a variety of healthy and fresh food and drinks.

Market channels

We provide coffee and convenience food solutions to a large and diversified customer base through two main channels: workplace and on the go.

The workplace is the largest segment and represents 46% of our business. We offer tailored office vending and coffee services for private businesses to serve their employees. This includes office coffee service (coffee), unattended self-service concepts (coffee & snacks), water dispensers and innovative self-service MicroMarkets that provide fast access to range of fresh food and healthy options 24/7.

On the go is the public vending machine business, located in high traffic public locations, such as airports, train and subway stations and petrol stations. Approximately half of our on the go vending machines are placed in public places, the other share is located in semi-public places such as hospitals and universities. On the go represents 36% of our business.

Trade is the third segment representing 18% of our business. Through the trade channel we sell coffee and other ingredients, equipment and solutions and technical services.

Route-based excellence to the last mile

We operate 3,800 routes to maintain and re-supply more than 475,000 points of sale across Europe. We operate a fleet of over 6,900 vehicles and employ more than 4,800 merchandisers to collect stock from dedicated distribution centres and re-stock and clean the vending machines at the points of sales as required. Through telemetry technology and our call centres we are informed when products or services are required at the point of sale. Telemetry technology enables us to monitor real-time stock levels remotely and allows for 'pre-kitting' of the required stock already at the warehouse.

This information is used by 150 route planners to efficiently plan routes for our merchandisers and technicians and ensure they have the right stock at the right time. Over 1,400 route technicians take care of maintenance and solve any technical issue. The optimization of our distribution network and routes, telemetry technology and pre-kitting ensures that routes are serviced efficiently. Our unique route-based business model allows us to create an efficient logistics infrastructure to deliver products from central warehouses to our points of sale where they are available for our consumers.

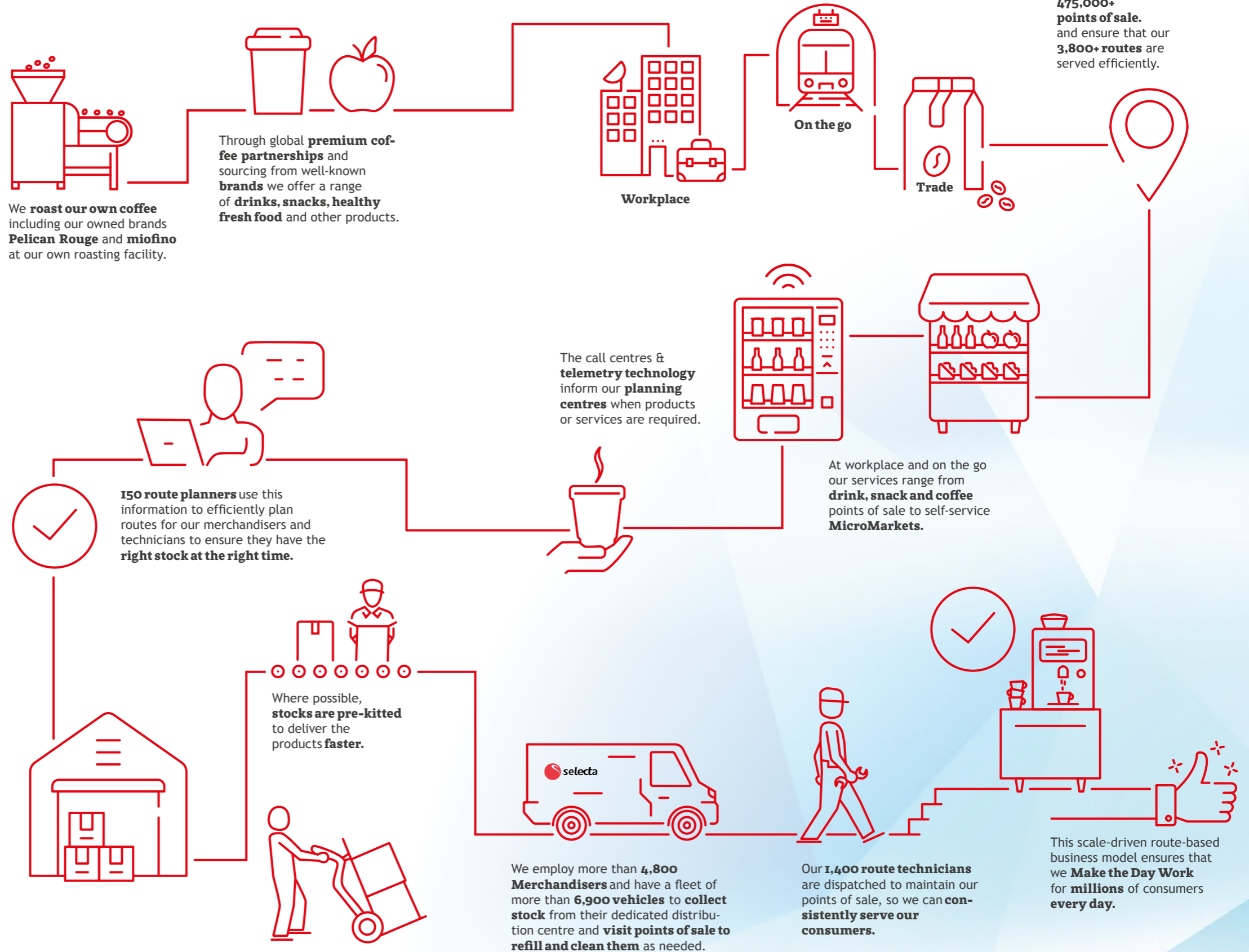
Points of sale

Our points of sale are equipped with the latest technology to continuously improve (energy) performance, for example cashless payment, telemetry and energy-saving options such as LED lights. At the end-of-life stage a vending machine and its parts are refurbished as much as possible, used for spare parts and finally sold to the scrap market.

The combination of high-quality coffee, well-known brands and the scale-driven route-based business model ensures that we make the day work for millions of consumers every day.

Our Value Chain

Connecting our products to our customers and consumers.



We operate, maintain and re-supply **475,000+ points of sale**, and ensure that our **3,800+ routes** are served efficiently.

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

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

We provide our products and services through **three market channels**.

Workplace

On the go

Trade

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

At workplace and on the go our services range from **drink, snack and coffee** points of sale to self-service **MicroMarkets**.

150 route planners use this information to efficiently plan routes for our merchandisers and technicians to ensure they have the **right stock at the right time**.

Where possible, **stocks are pre-kitted** to deliver the products **faster**.

We employ more than **4,800 Merchandisers** and have a fleet of more than **6,900 vehicles** to **collect stock** from their dedicated distribution centre and **visit points of sale to refill and clean them** as needed.

Our **1,400 route technicians** are dispatched to maintain our points of sale, so we can **consistently serve our consumers**.

This scale-driven route-based business model ensures that we **Make the Day Work** for **millions of consumers every day**.

Our sustainability approach


As the leading unattended route-based self-service coffee and convenience food provider in Europe, sustainability is an integral aspect of the way we do business. Our goal is to make the day work for future generations, therefore we focus our sustainability approach on four strategic pillars that are important to our business.

In 2018, we launched our group-wide sustainability approach. Developed in collaboration and consultation with our employees, customers and other key stakeholders, we identified topics that are material to our business¹. Four core strategic pillars encompass these topics; respecting our environment, responsible products, respecting our community and an enjoyable workplace.


Our sustainability approach was well-received both internally by our team and externally by our customers and partners. Since the launch last year, we have been working on further implementation of our sustainability approach across the Selecta Group, guided by a dedicated Sustainability Steering Committee. We developed several focus projects to support our strategic pillars.

This approach allows us to achieve greater impact, for example, on the reduction of our environmental footprint and the engagement of our employees. Additionally, bottom-up initiatives are initiated by passionate employees in our markets, which when successful, are scaled-up across the group.

Our activities are detailed in the following chapters. We will continue to roll-out our sustainability initiatives and develop new approaches in 2020 and beyond.



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

Our sustainability goals and results

Respecting our environment

Theme	Material topics	Project goals towards 2020	Key Results 2019	KPIs / Key activities in 2020
Refurbishment of vending machines	Circular economy	Increase the rate of refurbished vending machines to reduce our environmental footprint and amount of industrial waste, while maintaining the high-quality of our vending machines and service.	<ul style="list-style-type: none"> 23,000 refurbished vending machines have been installed. 43% of the vending machines that were installed in 2019 are refurbished. 	<ul style="list-style-type: none"> Further increasing the number of refurbished vending machines across the group. Work towards a group-wide approach on refurbishment.
Cup recycling and reuse	Circular economy	Develop and deploy alternative options to reduce single-use plastics.	<ul style="list-style-type: none"> Optimised material selection and increased number of cup recycling initiatives across the group. Cup reuse pilot launched in Switzerland and promoting the use of mugs with table top coffee machines. 	<ul style="list-style-type: none"> Further enhance and roll-out of our cup recycling and reuse initiatives.
Route & logistics network optimization	Reduction of carbon footprint, efficient transport, avoiding food waste	Improve the service level to our customers and reduce costs of our operations through the use of smart vending machines. By switching to dynamic routes and optimizing logistics, the number of kilometers travelled is reduced.	<ul style="list-style-type: none"> In total 94,000 smart vending machine are operated across the group, of which 52,000 have been installed or upgraded in 2019. In 2019 34% of the routes across the group made use of telemetry. Complete logistic network optimization in France and Switzerland. 	<ul style="list-style-type: none"> Upscaling the installation of smart vending machines across the group. Increase the number of routes that use telemetry. Increase the number of warehouses where the required products for each machine are pre-kitted. Continue logistic network optimization activities.

For every pillar of our sustainability approach - the overall goal and key results of 2019 for each theme are summarised below and an outlook towards 2020 is given.

Our responsible products

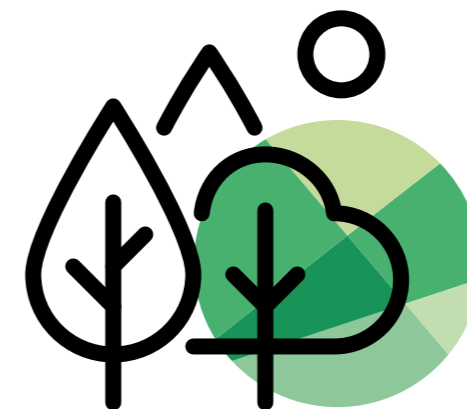
Theme	Material topics	Project goals towards 2020	Key Results 2019	KPIs / Key activities in 2020
Responsible sourcing	Ethical business operations	Ensure a wide variety of responsibly sourced products by engaging with suppliers and relevant supply chain initiatives.	<ul style="list-style-type: none"> 15,000 tonnes of coffee produced at the roasters of which 52% is certified. Issue the renewed supplier code of conduct. 	<ul style="list-style-type: none"> Ensure our suppliers are committing to more responsible sourcing practices as well as respecting human rights through audits.
Micromarkets	Innovative product offerings	Offer a wide range of natural & tasty food and drink, delivering a fresh experience to the workplace and energizing employees.	<ul style="list-style-type: none"> Roll-out of the MicroMarket concept in the Netherlands, France, Spain, Germany and Belgium. Implementation of 104 additional MicroMarkets in 2019, to a total of 150. 	<ul style="list-style-type: none"> Roll-out the MicroMarket concept to more countries. Continue to test new products across our portfolio of concepts.

Supporting our community

Theme	Material topics	Project goals towards 2020	Key Results 2019	KPIs / Key activities in 2020
Selecta Coffee Fund	Human rights	With the Selecta Coffee Fund, we aim to contribute to improving the livelihoods of smallholder coffee farmers and their families in Rwanda.	<ul style="list-style-type: none"> A total of 116 households received a cow to improve the productivity of coffee farms; of which 42 were received in 2019. The construction of the Kindergarten is almost finished. 168 children make use of the Kindergarten, including 50% of girls and several disabled children. 	<ul style="list-style-type: none"> An additional 60 households will receive a cow to improve the productivity of coffee farms. The Kindergarten is operational in full and functions as a platform for education. Train farmers to establish kitchen gardens at home, to grow more nutritious food.

An enjoyable workplace

Theme	Material topics	Project goals towards 2020	Key Results 2019	KPIs / Key activities in 2020
Employee Engagement Program	Employee engagement	We want to make the day work for our employees and offer an engaging workplace to drive growth and performance across the company.	<ul style="list-style-type: none"> All of our 10,000+ Selecta employees received the Employee Engagement Survey. The group-wide response rate was 73%. Survey results are used as input for team discussions and action planning to improve engagement. 	<ul style="list-style-type: none"> Action plans will be developed and implemented at a team level to enhance employee engagement and stimulate teams to work on engagement every day of the year. An annual survey will be conducted in 2020.



Respecting our environment

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

Towards a circular economy

Refurbishment

We refurbish vending machines to reduce our environmental footprint and avoid industrial waste. The specifications and performance indications are similar to new machines. Our high-quality refurbished machines are deployed across all Selecta countries. Italy, Spain and France are our frontrunners by number of refurbished vending machines installed, followed by Switzerland, Sweden and the UK. Our goal in

2019 was to increase the output and capacity of our refurbishment programs. With the installation of almost 23,000 refurbished vending machines across the group we have reached this goal. In 2020 we aim to further increase this number.

Our vending machines are refurbished in our Selecta owned and external refurbishment centres. The conditions of returned machines are assessed to select the appropriate, tailor-made, refurbishment program. Today, refurbishment is mainly organized at country level. In the future, ►

“Our refurbished machines are an attractive offer for clients with high standards on sustainability.”

Robin Franke
Head of Technology, Selecta



Robin Franke
Head of Technology, Selecta

Which results in 2019 are you most proud of?

“I am proud of the increased number of refurbished vending machines and of the first steps we have taken towards developing a common standard for refurbishment across markets. This is helping us to further improve the performance and attractiveness of refurbished machines, save substantial amounts of industrial waste and costs.”

What are the goals of refurbishment towards 2020?

“We aim to further increase the number of refurbished vending machines. The focus will be on improving the capacity for refurbishment activities and defining a common group standard.”

we aim to have a group-wide standard in place to further improve the effectiveness and performance of our refurbishment activities. This will enable us to move assets more freely between countries and better support our customers’ needs. In 2019, we took our first steps towards the alignment of standards and our efforts will continue in the coming year.

Cup recycling and reuse

There is a growing urgency and awareness around ocean plastic pollution. Avoiding single-use plastics is high on the political agenda as European and national legislation is becoming stricter. In collaboration with our suppliers and customers, we are committed to finding environmentally friendly alternatives for plastic disposables and increasing the recycling rate of our cups. We supply our customers with 1.5 billion² cups, of which 51% are paper cups. All of our cups are recyclable and every paper cup is either PEFC or FSC certified.

Cup recycling and reuse is high on the agenda across the Selecta Group. Selecta UK has launched the Selecta Green Cup Recycling Service in partnership with Veolia, the UK’s leading environmental solutions provider. This provides participating customers with an easy and cost-effective option to ensure that paper coffee cups are collected from premises and responsibly recycled. In Italy, Selecta is participating in the RiVending project which collects and recycles plastic cups and stirrers at vending machines, which started in the city of Parma. A similar program is in place in Switzerland and will also be launched in France. Across the group, Selecta has launched a recyclable paper cup with plant-based coating made from 100% renewable resources, which can be recycled with paper recovery.

To further reduce the use of single-use plastic, we are actively working with our customers to shift from plastic cups and stirrers to paper cups and wooden stirrers. We also encourage the use of mugs for tabletop coffee machines and are conducting a reusable cup trial, launched in Switzerland, where we manage the full lifecycle from delivering cleaned cups to washing the used cups. The pilot will be evaluated on the basis of an environmental impact analysis.

Coffee waste streams

We aim to make optimal use of our waste streams from our roaster and customers by turning it into a valuable resource. For example, in the Netherlands Pelican Rouge Coffee Roasters and Selecta are collaborating with Kwekersgilde and Circellab to contribute to the development of a circular economy. Kwekersgilde is an urban farming initiative that uses spent coffee grounds as soil for growing oyster mushrooms, then turns them into delicious snacks for local restaurants. In Italy, used coffee grounds are collected from clients and used as a source of renewable energy.

² Like-for-like, excluding Italy.



Selecta’s dedicated refurbishment centres apply the latest technologies.

Reduction of carbon footprint

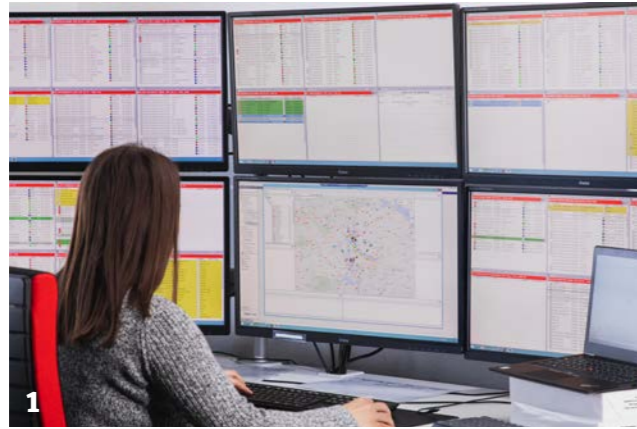
Telemetry and route optimization

Across the group we service more than 475,000 vending machines. About 20% of these machines are smart vending machines, equipped with Internet of Things telemetry to remotely monitor the machine’s condition and stock. This way, our service operators know exactly which machines need attention and what products need to be re-stocked and consequently improving service levels to our clients.

Telemetry enables us to plan our routes dynamically and simplify the delivery process of products from the warehouse to the machine. This reduces unnecessary kilometres travelled, for example, in Austria we realized a reduction of 67,500 kilometres last year. In 2019, 34% of the routes across the group made use of telemetry.

In response to real-time data on machine stocks, the required products for each machine are pre-kitted at the warehouse. Logistics excellence through pre-kitting reduces health and safety risks for our employees as service operators do not have to carry unnecessary stock and weight. Furthermore, less inventory means less food waste. And as a result of early issue detection and onsite guidance, fewer technical visits are required.

To date we operate 94,000 smart vending machines, of which 52,000 were installed in 2019. Austria, Germany, the UK and Switzerland are front running countries. But we also implemented telemetry in France, Spain, the Netherlands, Sweden, Italy, Belgium, Norway and Finland. In 2020, we aim to increase the number of routes that make use of telemetry, to upgrade existing machines with smart technology, and install new smart vending machines across the group. ▶

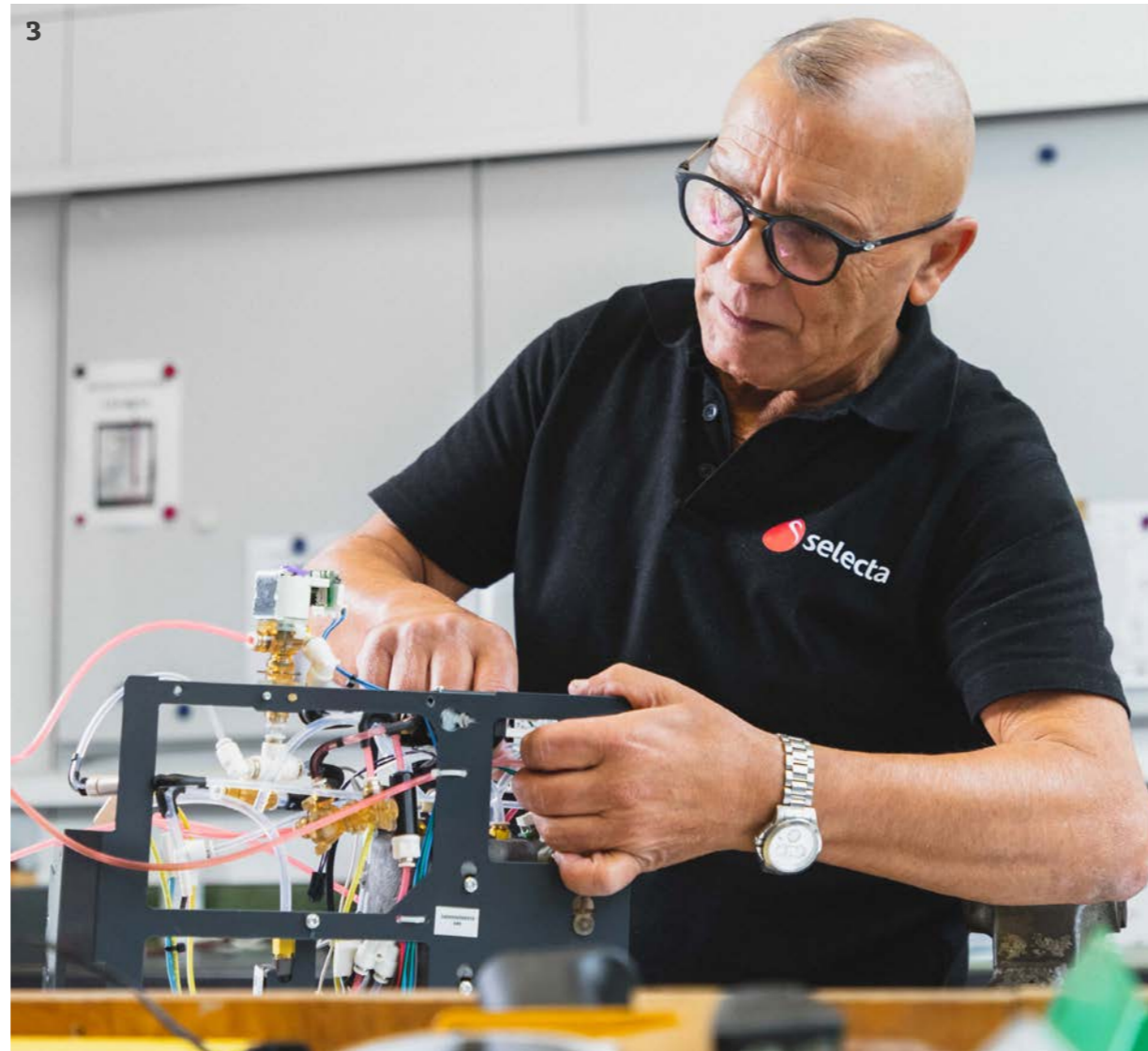


1



2

1. Our route planners plan efficient routes for merchandisers and technicians.
2. Our reusable cup pilot has been launched in Switzerland.
3. We refurbish vending machines to an as new condition.
4. Patrick Asmawidjaja from Kweekersgilde collects used coffee grounds on a cargo bike that is provided by Selecta and Pelican Rouge.
5. Pre-kitting allows us to pack only the products needed for each machine.



3



4



5



“We are committed to further reducing the impact of single use plastics by enhancing and rolling-out our cup recycling and reuse initiatives”

Grégory Lacaze
Hot Drinks Group Procurement Manager, Selecta

Logistic network optimization

Logistic network optimization further reduces our transport costs and the number of kilometres travelled. Consequently, this has a positive effect on our environmental footprint. Logistic network optimization considers the locations of our distribution centres. In France and Switzerland, strategic network optimization has led to the relocation of some of our warehouses. Next year, we will continue to roll-out logistic network optimization activities.

Green mobility

To provide our services, we operate a fleet of more than 6,900 vehicles. About 90% of the vehicles are leased, and the majority consists of vans. Every day a great many of our employees are on the road providing optimal service, replenishment of stocks and maintenance to our customer sites. We continue to implement alternative options to optimize our fleet management and to reduce our carbon footprint. Therefore, we launched the Alternative Fuel Vehicles project in Sweden, the Netherlands, Spain, the UK, and France in 2019. Sweden, the Netherlands and Spain already started with the implementation of green mobility projects to replace part of our fleet by more environmentally friendly hybrid and fully electric cars. France and the UK will follow next year. Our ambition for 2020 is to further develop and implement the green mobility strategy across the group. 🌱

“We are committed to working with our suppliers, relevant stakeholders and coffee sector initiatives to address the priority sustainability issues in our supply chain”

Ignas Janssens

Sustainability Officer, Pelican Rouge Coffee Roasters



Our responsible products

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

Responsible procurement and roasting of coffee

Pelican Rouge Coffee Roasters is located in Dordrecht, the Netherlands and has been active for more than 150 years in selecting, blending and roasting high-quality coffees. This is where our own coffee brands Pelican Rouge and miofino are made. Pelican Rouge Coffee Roasters also produces other products, such as instant coffees, teas and drinking chocolates, and supplies a part of its production

to other customers. Annually, we roast approximately 15,000 tonnes of coffee, of which the majority is supplied to Selecta markets. In 2019, 52% of the coffee we produced is certified by Fairtrade, UTZ or Rainforest Alliance (versus 47% in 2018). We increased production of certified coffee by 1,716 tonnes. This equals 190 million extra cups of sustainable coffee. ▶



Ignas Janssens

Sustainability Officer
Pelican Rouge Coffee Roasters

Can you give an example of how you engage with stakeholders in the supply chain?

“Pelican Rouge has supported a water project in the coffee-growing region of Bamenda in Cameroon. The country is currently hard-hit by socio-political unrest. Together with our partners Dordrecht Bamenda Foundation, LiveBuild and The Coffee Quest, we organized a stakeholder event at our roasting plant in Dordrecht. Matti Foncha, a proud coffee farmer from the Bamenda region, spoke about the current political turmoil in his country which is aggravated even further by the current coffee price crises.”

What is your most important take-away from this event?

“I believe it is essential to make sure that these voices in our coffee supply chain are heard. Only by partnering with our suppliers and relevant coffee sector initiatives can we tackle some of the complex sustainability challenges facing our industry today.”



Our Pelican Rouge coffee is produced in accordance with the highest environmental and quality standards.

In addition to sourcing certified coffees, Pelican Rouge Coffee Roasters is committed to driving positive change through our supply chain. As a member of the Dutch Food and Drink Federation (FNLI), Pelican Rouge supports the commitments made in the International Responsible Business Conduct (IRBC) agreement for the food sector to minimize the risk of human rights violations and negative environmental impacts in the supply chain. In 2019, supported by CSR Netherlands, we conducted our first human rights impact assessment to identify and assess the risks in our coffee supply chain. This assessment is our starting point to engage with our suppliers and establish relevant coffee supply chain initiatives in the future. Pelican Rouge is a proud partner in the Sustainable Coffee Challenge, a multi-stakeholder initiative working to address some of the most pressing challenges facing coffee, such as climate change, low farm productivity or income and access to finance for coffee farmers.

Sustainability at Pelican Rouge Coffee Roasters is also about reducing our impact on the environment. We pay constant attention to reducing waste and optimizing natural resources and energy usage to minimize our environmental footprint. We are ISO 14001 certified, an international standard that specifies requirements for an effective environmental management system. Pelican Rouge Coffee Roasters has also received a gold recognition status on EcoVadis, a business sustainability rating agency. In addition, we hold certifications for global food safety standards such as BRC and IFS to ensure food safety and quality of our products.

Ethical business operation

Responsible procurement at Selecta goes beyond our efforts at our roasting facility. Across the group, we are committed to sourcing our products responsibly. This includes a wide variety of certified sustainable products to cater for the demands of our clients and customers. Ethical business operations and human rights are key both within our organization and to our suppliers. In 2019, we developed a code of conduct on ethical behaviour which provides guidelines on what we expect from one another, what stakeholders can expect from Selecta and what we expect from our business partners. To ensure our suppliers are committing to more responsible sourcing practices as well as respecting human rights, we have enhanced and renewed our supplier code of conduct. ▶



“MicroMarkets is a great example of how we are constantly innovating and looking to develop new concepts to meet our customers’ evolving needs.”

Tijs van Bladel
Group Innovation Program Manager, Selecta.



Innovative product offerings

Our innovative MicroMarkets concept offers an unattended self-service convenience store at the workplace. This concept offers a variety of healthy and fresh food and drinks. We offer a wide range of sandwiches and snacks for coffee and lunch breaks. Through our MicroMarkets concept, we help build workplace environments where employees feel valued, engaged and connected.

Across markets, this innovative workplace refreshment corner is available under different brandings: FOODIE'S MicroMarket (continental Europe) and Express Hub (the UK and Ireland). In 2019 we have rolled out the MicroMarket concept in the Netherlands, France, Spain, Germany and Belgium. A total of 150 MicroMarkets are operated across the group, of which 104 were implemented in 2019. Next year, we intend to roll-out the MicroMarket concept to Scandinavia to further strengthen this concept internally and externally. ●



1. From bean to cup we are connoisseurs in every step of the journey.
2. Green coffee beans prior to roasting at our facility.
3. Our MicroMarkets are a meeting place where fresh and healthy food options are always on offer.
4. We produce our Pelican Rouge coffee in our own roasting facility in Dordrecht, the Netherlands.
5. Our product portfolio consists of a wide range of certified sustainable options.

“With our activities for the **Selecta Coffee Fund**, we aim to contribute to **improving** the livelihoods of coffee growing **families** in **Rwanda** and the development of their **community**.”

Ulf Gustafsson,
Education & Sustainability Manager, Selecta



Supporting our community

We are committed to positively impact the countries and communities in which we operate. We invest in supply chain initiatives in the countries where we source our raw materials and we engage in the European communities where we are active.

The Selecta Coffee Fund

Through the Selecta Coffee Fund, we invest in coffee-growing communities to improve the livelihoods of coffee farmers. The Fund was established in 2014 and is managed by Selecta Sweden. Since 2016, we have been working in the Southern province of Rwanda in partnership with Bufcoffee, a family-owned regional coffee exporter. Rwanda is a coffee exporting country that is well-known for its high-quality Arabica beans. However, coffee farming in Rwanda is characterized by low levels of productivity, due to low use of inputs such as

fertilizers and traditional farming practices. Yields often fluctuate from one year to another due to changing weather conditions, making them particularly vulnerable to the effects of climate change.

In Rwanda, food insecurity is a public health problem. Not having access to high protein foods leads to nutritional deficiencies that affect human health and creates vulnerability. To contribute to the improvement of the livelihoods of coffee farmers and their families, we provide them with a cow which gives them a source of protein in ▶



Ulf Gustafsson

Education & Sustainability Manager,
Selecta

What are you most proud of?

“I visited Rwanda last summer and was happy to see the kindergarten almost complete and to see all the kids there. Their curriculum consists of basic education in the local language, storytelling and there is plenty of room for creativity and play. The kids seem to enjoy themselves well and the teachers are doing a very good job.”

What activities are planned for next year?

“We will complete the construction of the kitchen area and the outdoor playground. After that, the kindergarten will be officially opened. We also plan to start training farmers to establish kitchen gardens at home so they can grow more nutritious food.”



Children receive two nutritious meals in the kindergarten every day.

the form of milk. The cows provide on average ten litres of milk per day. Any surplus of milk can generate additional household income when sold. Another benefit is that cow dung can be used as a fertilizer at the coffee farms, resulting in better quality coffee beans and the possibility to double the coffee harvest in about four years. Through the cow project, we are distributing approximately 500 cows over a period of five years. Every first-born heifer calf is distributed to other farmers so that even more families are covered by the project. In 2019, we directly reached a total of 116 households and employed two full-time veterinarians. The farmers have been trained on livestock keeping, breeding and animal health and veterinarian services are provided to ensure the cows' continued health. Next year we plan to reach 60 additional households.

The other key focus area is providing education facilities to combat illiteracy and poverty. In January 2019, a kindergarten was established with the aim of providing education in the

local language from an early age. The kindergarten is also a safe space where water and two nutritious meals are provided every day, which helps parents who are working on the land. We employ 12 teachers, one principal, one administrator and kitchen and cleaning staff. During 2019, the kindergarten welcomed 168 children. By next year, we aim for the Kindergarten to be fully operational and functioning. Our project was audited by EY during the summer, which provided directions for further development.

Funds for the Selecta Coffee Fund are raised in our Swedish and Danish markets through the sales of our own brands miofino and Pelican Rouge coffee. For every kilogram of coffee sold, one Swedish or Danish Krona is donated to the fund. Our miofino Rwanda coffee blend contains 40% of beans purchased from Rwanda.

Community initiatives

In all Selecta markets we support the communities in which we are active through a range of community projects and initiatives. Activities range from charity projects to programs aimed at social inclusion. For example, in Germany we have established a partnership with 'Foodsharing' through which expired goods that are still suitable for consumption are collected and passed on to those in need. In the UK we support the Mental Health Foundation and DENS, a local food bank. In Spain, we support children through the Juegaterapia Foundation, which aims to make hospitalized children happy and collaborate with the El Jardín de mi Hospi project, to help create attractive play areas. Through our collaboration with social enterprise Auara, we sell their water in our machines, which in turn supports the ▶



“This is the first Kindergarten in the region and since we opened last January we received a lot of positive feedback. Families are happy with the daily program, education and food that we provide for their kids. I am proud that through my work I can contribute to the development of my community.”

Alexis Bikorimana
Principal headteacher

construction of wells and provision of clean drinking water in India. Selecta Denmark supported the ‘Knæk Cancer’, a national initiative that collects funds for Cancer research and support. Selecta Netherlands is a sponsor of several initiatives, for example ‘Villa Pardoos’ which enables families with that have children with a life-threatening disease to enjoy a week of vacation, nearby the popular theme park ‘Efteling’. Other charity projects we support are ‘Stichting Jarige Job’, which provides birthday boxes for children who otherwise cannot celebrate their birthday, and the ‘voedselbank’ which distributes food to those in need. In addition to these examples our colleagues are involved in many more activities and initiatives across our markets.

Diversity and inclusion

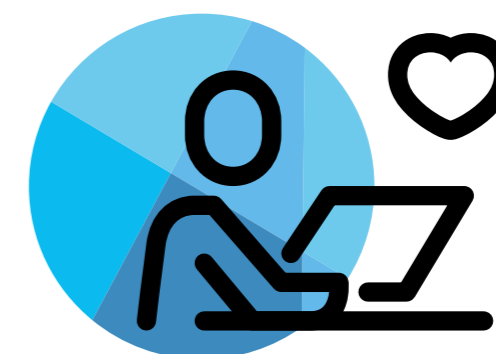
We are committed to the principles of diversity and inclusion, both within our company as well as our selected partners. People are at the heart of our business and in different countries we lead and support initiatives that help people with a distance to the labour market. A good example of this is our Vagen Inn program in Sweden, where we actively create job training and employment opportunities for refugees and migrants. In other Selecta countries we work together with social companies to support employment of people that are disabled or with a distance to the labour market. For example, managing our customer reimbursements and mailings. ●



1. In our Rwanda project, first-born calves are distributed to other farmers in the community.
2. A typical day at the kindergarten starts with a general assembly, where all children and teachers gather together.
3. Our veterinarians check the cow's health regularly.
4. The Selecta Coffee Fund supports smallholder farmers in Rwanda.
5. The Selecta team on a visit to the project area, meeting with our local partners.

‘We are very happy with the high survey response rate across the Selecta Group. This tells us that our people care about the company and want to contribute in making it a better place to work for all of us.’

Barbara Bucher
Group HR Director, Selecta



An enjoyable workplace

We are committed to providing a safe and enjoyable workplace for our employees. We believe in our people and their ability to grow, and we offer training and development opportunities to all our staff.

Employee engagement

At Selecta, our employees are at the center of our success. With the passion, expertise and commitment of our employees, we make the day work for our customers and colleagues across Europe. We strive to be a workplace where everyone contributes to the success of our business and enjoys working as part of one global team. In an engaged organization, employees work with passion, perform at high levels, drive innovation and move the organization forward. Employee engagement, therefore, goes beyond employee satisfaction.

In 2019, we embarked on our Employee Engagement Program with the support of Gallup, an independent, research-based consulting company. The roll-out of the Employee Engagement Program started with a survey that was based on a set of powerful questions Gallup has fine-tuned to accurately measure employee engagement and how it relates to the success of a company. However, it is what happens after the survey results are received that leads to engagement, growth and success. Implementing actual ▶



Barbara Bucher
Group HR Director, Selecta

What is the goal of the employee engagement program?

“The employee engagement program is a key priority for the coming years. We are all responsible for creating an environment, where our employees look forward to coming to work every day, knowing that they make a difference, that their voice is heard and that their opinions count.”

How are the survey results used to enhance employee engagement?

“By involving our employees and organizing team discussions to build specific action plans, we will create a culture of engagement and performance, supporting our company’s strategic vision and growth targets.”



We develop action plans collaboratively to support the engagement of our employees.

changes and actions is a joint effort of our employees, teams and leadership across all our operating countries.

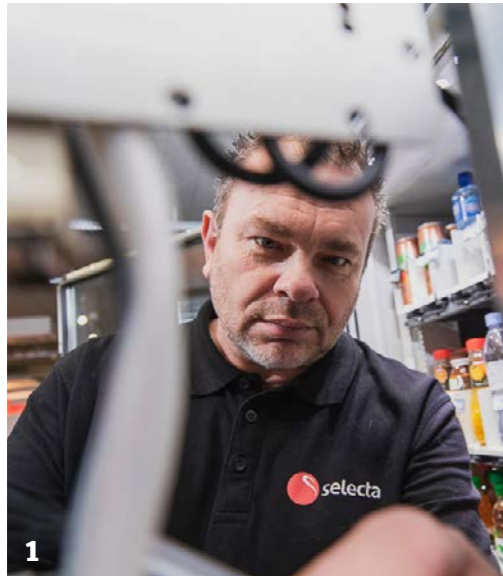
In the summer of 2019, we invited all our employees (over 10,000 of them), to participate in the survey. We are proud of a group-wide response rate of 73% that indicates the commitment and willingness of our employees to contribute towards a better place to work. The results of the employee engagement survey tell us where we stand today.

This is the starting point for discussions, action plans and teamwork to create the best possible working environment and a culture, one which fosters employee engagement.

During dedicated action planning sessions, concrete action plans are developed collaboratively, considering ways to improve processes, strengthen relationships, and start a company-wide conversation on engagement. The goal of the employee engagement program is to create an enjoyable workplace that all of our employees are proud to be a part of.

Training and development

People are key to our business and we are committed to investing in them through training opportunities, taking into account different needs and responsibilities of our team members. In 2019, the Selecta Sales Academy grew, focussing on commercial skills such as solution selling training. Another example is our Top 100 leaders program in which our champion leaders participate. We acknowledge the role of leadership in creating an environment in which engagement can happen, therefore we provide guidance and training to our top leadership to drive employee engagement. ▶



1. Our technicians regularly visit our points of sale for maintenance and support on demand.
2. Our HR leaders discuss what engagement means to our employees.
3. Customer focus is key in our service delivery.
4. By optimizing our last mile delivery we reduce health and safety risks of our employees.
5. Teamwork is one of Selecta's core values.

Diversity, Health and Safety

Currently, a total of 10,000 employees deliver our services to our customers across all 16 Selecta countries. The share of women in our workforce is about 30%. Finland is the leader with 71% of its workforce being women. The large majority of our employees (89%) have a fixed contract and work on a full-time basis (91%).

Excellence in execution, integrity, teamwork, a winning attitude, and a customer focus are core values of our business. These core values guide our behaviour and our Code of Conduct sets general guidelines for conducting business with the highest standards of ethics and integrity. We are committed to an environment where open and honest communication is the expectation, not the exception. We encourage our employees to report on any violations of our Code of Conduct, Group policies and standards or other concerns. In 2019, we launched the Selecta AlertLine, where violations can be reported confidentially or anonymously. This communication channel is available for all our employees and hosted by EthicsPoint, a third-party hotline provider. By creating open channels of communication, we can further promote a positive working environment.

We are committed to providing a safe and healthy environment for all of our employees, customers, contractors and visitors. Safety procedures and working practices are being managed at a country level, this includes compliance with quality management and food safety standards. New procedures and technology are implemented where necessary to ensure the safety of our employees. Across the group, we aim to minimize the number of accidents in the workplace towards zero. ●



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