



# *Sustainability* *Report*

2021

GRUPPO CIMBALI





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# Chairman's letter



Chairman  
**Maurizio Cimbali**

*As a leader among coffee machine producers for 110 years, Gruppo Cimbali has made a concrete commitment to designing innovative technologies and products that reflect sustainable development and social responsibility goals.*

*Our Group has a strong presence in a number of countries and has laid all the necessary groundwork to strengthen its future development. We at Gruppo Cimbali do not see the success we have achieved as our destination but rather as a starting point for the pursuit of strategies that will enable us to achieve the economic targets we have set and more. The coffee industry faces enormous environmental and social challenges, from climate change to the role of farmers at global level.*

*Gruppo Cimbali strives to be the link between the coffee bean and the cup that millions of people around the world enjoy each day thanks to our machines.*

*It is precisely because of this daily link that we must play an active part in raising awareness about the immense challenges that our industry is called to address.*

*Gruppo Cimbali has decided to direct investments towards making a significant difference in improving the health of people and our planet. We intend to look past results to embody the essence of what it is to be a leader today in our industry, i.e., a cultural guide capable of helping the entire coffee world form alliances to encourage ever greater sustainability.*

*To do this, we are relying on people, communities and an increasingly ethical and circular supply chain with a shared vision that enables us to manage rising complexity while maintaining the same levels of excellence and the promises we have made to the market.*

*Innovation, excellence and sustainability are the watchwords that will guide us in forthcoming years, as we move forward with the conviction that these principles will create value for the Group, for the people who work for it and for society at large.*



# General Manager's letter



General Manager  
**Enrico Bracesco**

*The Sustainable Development Goals (SDGs) are a series of goals set by the UN to guide the future development of society and the environment around the globe.*

*We are all, both as individuals and as businesses, called upon to develop new, responsible business models to take part in the transition to greater global sustainability and to access new market opportunities thanks to sustainable innovation, in a virtuous cycle of integration between the corporate agenda and environmental sustainability.*

*Of the 17 SDGs of the UN 2030 Agenda, Gruppo Cimbali has decided to focus on 4 SDGs in particular, which in turn relate to 4 of the thematic areas: PEOPLE - PRODUCT - PLANET - PARTNERSHIP.*

*By People, we mean developing human capital, guaranteeing decent work and carrying out activities to benefit the community around our Group; when we focus on Product, we are focusing on the efficient use of resources, with a strong reliance on technological innovation; Planet refers to global issues like climate change, which have significant impacts on the areas where coffee is planted and grown, areas rich in biodiversity but potentially threatened by deforestation and water stress; and, finally, Partnership, the most strategic area for the Group, because it connects all stakeholders and entails strategic alliances that go beyond the classic concept of competition in order to create synergies and help us reach the sustainable development goals faster.*

*Our objectives in the path to achieving the sustainability agenda are therefore ambitious. We are a global business with over 700 employees in more than 130 countries around the world, 4 brands and a strong, ever-present drive for technological innovation. We want to trigger a virtuous process that integrates profitable growth with a deep sense of ethics and responsibility.*

*Our first sustainability report is, in this way, a crucial communication tool in which we introduce ourselves so we are recognisable, operating according to the framework of the Sustainable Development Goals, to convey to all our stakeholders the upcoming challenges we intend to address.*

# The Highlights

**700**

distributors in over 130 countries

**90%**

work experience contracts converted into open-ended employment or apprenticeship contracts

**10**

branches abroad

**30**

people brought on board in the past 24 months

**2**

branches in Italy

**25**

HR development plans in the past 3 years

**731**

employees in December 2021

**11**

members of the interdepartmental sustainability team

**16**

nationalities

**34k**

people vaccinated at the Mumac hub

**5600**

hours of training, not including safety

**30**

bicycles donated to World Bicycle Relief



**200**

machines made each day  
at the 3 Italian plants

**100%**

of packaging recycled or recyclable

**62**

total patents registered

**-70%**

reduction in CO2 emissions from  
the packaging of merchandise

**19**

patents registered  
in last 3 years

**-80%**

fewer printed brochures at new events

**15-38**

% less energy consumed by our machines thanks  
to the new technologies we have adopted

**12%**

of electricity self-produced  
from renewable sources

**-50%**

reduction in the weight of material  
moved by hand

**6%**

electricity consumption  
(2017-2019)

**37%**

of packaging can be returned

# The *Group*

## MISSION

### 01.

To be recognised as a leader in the professional espresso machine industry, representing its history and shaping its future with its own brands.

### 02.

To anticipate customers' needs with innovative, superior-quality products and outstanding service.

### 03.

To enhance and develop human capital in a context increasingly geared towards teamwork, integration and synergy.

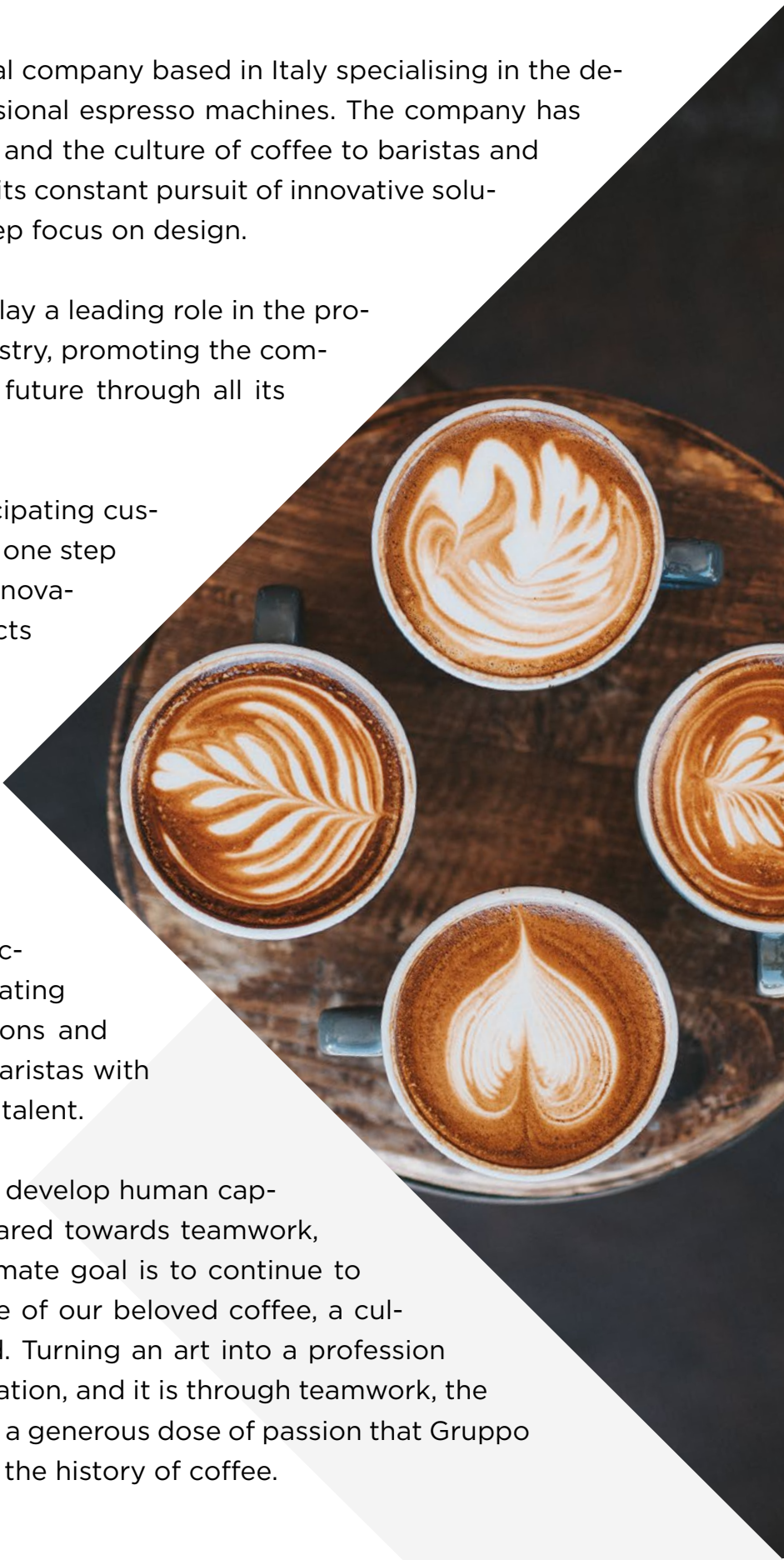
Gruppo Cimbali is a multinational company based in Italy specialising in the design and manufacture of professional espresso machines. The company has been bringing passion, tradition and the culture of coffee to baristas and coffee lovers since 1912 through its constant pursuit of innovative solutions, attention to detail and deep focus on design.

Gruppo Cimbali's mission is to play a leading role in the professional espresso machine industry, promoting the company's history and shaping the future through all its brands.

The Group is committed to anticipating customer needs and always staying one step ahead of the market, offering innovative and superior-quality products with excellent customer service.

Designing every professional machine with the goal of anticipating market needs and creating products with innovative functions and design, the company provides baristas with the perfect tool to express their talent.

The Group aims to enhance and develop human capital in a context increasingly geared towards teamwork, integration and synergy. Its ultimate goal is to continue to promote and protect the culture of our beloved coffee, a culture to be studied and explored. Turning an art into a profession requires commitment and dedication, and it is through teamwork, the integration of different skills and a generous dose of passion that Gruppo Cimbali has always helped write the history of coffee.







# *History and footprint*

The Group's story began in Milan, with a family tradition that, now in its fourth generation, continues as new chapters are written.

Today, the Group operates globally through:

- Two operating branches in Italy (Rome and Milan);
- 10 foreign branches (USA, UK, France, Germany, Spain, Portugal, China, Singapore, Dubai and Slayer-Seattle).

Although the Group has expanded its organisation globally, it remains Italian at heart, with an extensive presence in the country. Production is primarily carried out in Italy at three plants in Binasco (Milan), Ghisalba (Bergamo) and Cappella Cantone (Cremona), which together produce an average of over 200 coffee machines per day, each of which perfectly reflects Made-in-Italy design and passion. Since 2017, following the acquisition of American brand Slayer, Gruppo Cimbali has also operated a fourth production plant in Seattle, USA.

The company's distribution network covers over 130 countries with 12 branches and 700 distributors working to spread Gruppo Cimbali's passion and experience throughout the world.

# The *Brand*

With over a century of experience, Gruppo Cimbali remains the most advanced company on the market thanks to its innovative and superior-quality products and its excellent assistance services for the LaCimbali, Faema, Slayer and Casadio brands.

With intensive research, revolutionary technical developments and sophisticated design elements, the company offers a wide range of solutions to drive the growth and quality of the entire industry.



In 2021, Gruppo Cimbali began a major rebranding process of all the company's brands. Its new vision, new goals and new strategies reflect the experience of this historic company, resulting in an updated range for the Office, Convenience Store, Coffee Shop and – for the first time – Home segment.



Gruppo Cimbali has entered this new market with a new and exclusive Faema machine, Faemina, in response to the increasingly popular Home Bar trend.



# Organisational model and financial figures

## GOVERNANCE STRUCTURE

5 Representatives

	<b>Council President Administration</b>	Cimbali Maurizio	Company representative
	<b>Managing Director</b>	Cimbali Federico Carlo Alessandro	Company representative
	<b>Managing Director</b>	Cimbali Fabrizia	Company representative
	<b>Counselor</b>	De Vivo Guido	
	<b>Counselor</b>	Orena Valentina	
	<b>Counselor</b>	Fenzi Fabio Enzo	

## GRUPPO CIMBALI SPA - CONSOLIDATED FIGURES

PROFITABILITY INDICATORS		2020	2019
Net ROE	Net profit/Equity	1,20%	7,49%
Gross ROE	EBT/Equity	5,00%	13,03%
ROI	EBITDA/C.I. Characteristic management	4,83%	10,85%

CONSOLIDATED NET FINANCIAL POSITION		2020	2019
Liquid funds		61.798.029	32.050.793
Financial assets		11.007.422	13.763.654
	tot.	<b>72.805.451</b>	<b>45.814.447</b>
Bank loans and borrowings		-27.043.156	-9.304.949
Loans and borrowings from backers		-8.092.393	-2.777.591
	tot.	<b>-35.135.549</b>	<b>-12.082.540</b>
	NET FINANCIAL POSITION	<b>37.669.902</b>	<b>33.731.907</b>

CONSOLIDATED P&L		2020	2019
PRODUCTION REVENUES (A). How they were distributed.		150.175.857	193.877.705
SUPPLIERS (i.e. production materials, services)		87.309.955	117.097.515
PERSONNEL (employees)		42.801.986	49.621.663
FINANCIAL ITEMS (due to banks)		516.925	553.957
TAXES (due to tax authorities)		2.582.486	4.341.709
	tot.	<b>16.964.505</b>	<b>22.262.861</b>

CONSOLIDATED P&L		2020	2019
PRODUCTION REVENUES (A)		150.175.857	193.877.705
Net profit		1.739.251	9.155.889







# Gruppo Cimbali

## *Awards*

Gruppo Cimbali has won prestigious awards, including:

- “Compasso d'Oro”, awarded to La Cimbali Pitagora in 1962 for its modern design and sleek, minimal look;
- Innovation of the Year Award at the Barawards for “Best Interpreter of Coffee Artists” for the acclaimed FAEMA E71;
- “Good Design Award”, the world’s longest-standing award for design excellence
- “Red Dot Award”, won by the S30 Perfect Touch 2016 model;
- “Red Dot Award”, won by the Faema E71E model (developed in collaboration with Italdesign) for “outstanding design” in the “Product Design” category;
- “Red Dot Award”, won by the Faema President model in the Product Design 2020 category;
- The MUMAC Museum, in all its facets as Gruppo Cimbali’s cultural hub and an example of Cultural Corporate Responsibility, has been recognised as an eligible participant in the Fondazione Sodalitas’ “Call for Future” project for a sustainable future;
- Honourable mention at the Impresa+Cultura award sponsored by Federlculture and The Round Table for the “Pausa Caffè” (coffee break) project created with MuseoCity during the 2020 lockdown to provide a new outlet for closed museums through dedicated podcasts;
- 2021 SMAU Innovation Award for the “Naso Elettronico” (electronic nose) project developed in collaboration with the University of Brescia.
- Archiproducts Design Awards 2021, with Special Mention for Sustainability, awarded to the Faemina in 2021.





# Our *approach* to *sustainability*

## THE PATH



### 01.

#### 2020: STRATEGIC STUDY

Sustainability as a **lever for competitive edge**:  
Gruppo Cimbali within the coffee chain.



### 02.

#### 2020: IDENTIFICATION OF ACCREDITATION OPTIONS

**Strategic analysis and internal mapping of activities**  
in connection with the Sustainable Development Goals.



### 03.

#### 2021: PREPARATION OF A SUSTAINABILITY REPORT

**Drafting of a document** that summarises the activities  
performed to date in connection with the Sustainable  
Development Goals.

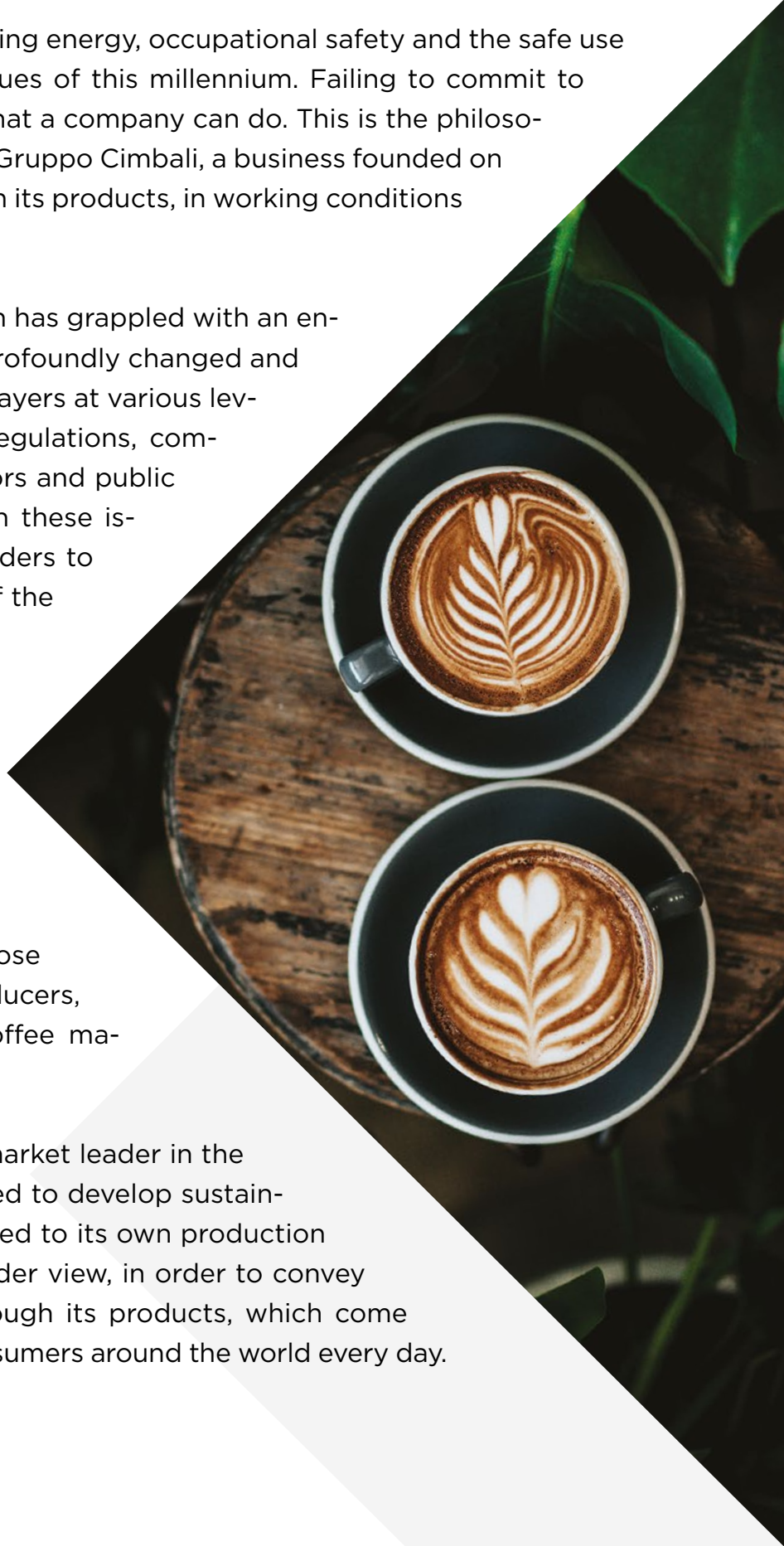


Protecting the environment, saving energy, occupational safety and the safe use of our products are the key issues of this millennium. Failing to commit to them cancels out all the good that a company can do. This is the philosophy that inspires all the work of Gruppo Cimbali, a business founded on the constant search for quality in its products, in working conditions and in company policies.

For many years, the coffee chain has grappled with an environmental scenario that has profoundly changed and that is impacting big industry players at various levels. Climate change and new regulations, combined with coffee chain operators and public opinion increasingly focused on these issues, must convince market leaders to consider sustainability as one of the fastest growing strategic levers.

Climate change and the deforestation caused by the expansion of coffee production pose critical threats to coffee producers, consumers and, as a result, coffee machine makers.

This is why Gruppo Cimbali, a market leader in the last link of the chain, has decided to develop sustainability policies that are not limited to its own production processes, but that take a broader view, in order to convey global sustainability issues through its products, which come into contact with millions of consumers around the world every day.



# Sustainability *management* and *identifying* material issues

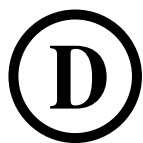
The Group is known for its distinctive focus on the highest ethical and transparency standards with all its partners, in accordance with the Code of Ethics, which steers operations to ensure the efficiency of its products and services, safety in their use and, in general, the highest quality standards. The Group has received many certifications from independent third parties in accordance with international standards attesting to its

commitment. The Group also actively monitors its sustainability performance on the ECOVADIS platform, an international assessment system that scores business sustainability performance based on the type of company. The 2020 assessment was completed with the awarding of a Silver Medal. In 2020, as we began a process to define our role with respect to a wide spectrum of sustainability issues across the entire

coffee chain and decided to more carefully examine internal activities for the definition of sustainability targets, we established an in-house interdepartmental team of 11 people focused on sustainability from different points of view.



Korean certification



Safety Europe



Safety Europe



EC marking



Safety USA



Safety Canada



Safety USA + Canada



Sanitation in the USA



Customs Union Certification  
(Russia, Belarus, Kazakhstan,  
Armenia and Kyrgyzstan)



IEI (ITALIAN ESPRESSO INSTITUTE)



ISO 9001: Quality management system  
ISO 14001: Environmental management system  
ISO 45001: Occupational health and safety





Each department head named one person who, within this team, checks that the projects and actions deployed are consistent with the company's approach to sustainability.

We want to send a strong, clear message, throughout the company and to our external stakeholders, of the importance that Gruppo Cimbali gives to sustainability issues, both in the management of internal operations and in relationships with stakeholders.



## MATERIAL ISSUES



**Occupational health and safety**



**Recyclable packaging**



**Training and promoting culture**



**Sustainability of the coffee chain**



**Social initiatives**



**Carbon Neutrality**



**Certifications and transparency**



**Sustainable mobility**



**Energy savings of products and production sites**



**Green Procurement**



**Circular economy**



The interdepartmental team's main responsibilities are:

- assessing the organisation's environmental impact and calculating offsets;
- designing, managing and monitoring sustainability initiatives;
- managing the engagement process and monitoring suppliers on sustainability issues;
- preparing the Sustainability Report.

The team's first activities began with the identification of the most material sustainability issues, i.e., a materiality analysis. Material issues are those that have a direct or indirect impact on an organization's ability to create, preserve or erode economic, environmental and social value for itself, its stakeholders and society at large.

This analysis was a preliminary step to identify the issues to report in this first sustainability report and will be the basis for the definition of stakeholder engagement procedures in order to update the report.

One of the Group's initial commitments in this respect relates to supplier engagement, entailing the following activities:

- supplier involvement through a questionnaire to gather information on the sustainability policies they have adopted;
- identification of the social and environmental requirements to include in our contracts for the definition of sustainability standards;
- definition of Procurement Policy guidelines.

To rise to this great challenge of sustainability, Gruppo Cimbali has decided to adopt an open and closed innovation model because we believe innovation is synonymous with sustainability. We began with internal resources to then develop relationships with the various stakeholders. The in-house team plays a crucial role. Every business decision must be environmentally, socially and economically sustainable for us. At the same time, we began forging important partnerships with startups, research centres, consultants, suppliers and all players in the chain, in line with the goal of creating shared value, goal 17.

The partnership for goals lies at the heart of Gruppo Cimbali's entire philosophy and is the tool to achieving the 2030 Agenda goals.

The Group's stakeholders identified in the Code of Ethics:

- Shareholders
- Workers
- Customers
- Suppliers
- Financial Backers
- Public Administration
- Community
- Environment





# The framework of the *Sustainable Development Goals*

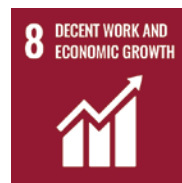
The Sustainable Development Goals (SDGs) are a series of goals developed for the future of international development. The United Nations selected them with a vote and promotes them as global sustainable development goals. The SDGs apply to 2015-2030 and replaced the UN Millennium Development Goals which expired at the end of 2015. There are 17 SDGs and 169 specific targets.

In our first sustainability report, we intend  
to establish our goals for improvement and promote  
the major issues of global sustainability with consumers,  
in line with the United Nations' Sustainable  
Development Goals.

In recent years, Gruppo Cimbali had already reflected on the Sustainable Development Goals as a meaningful framework that can create connections throughout the coffee chain, from production to the cup. With this sustainability report, we intend to frame our activities within the context of the SDGs, identifying the most material goals capable of charting the Group's path to greater sustainability.

# Mapping of Group *activities* by key of the *SDGs*

IMPACTED  
GOALS <  
ALL



> TOOL GOAL

# The 4 areas of intervention



People, Product, Planet, Partnership are the main action areas that the Group plans to address with its new sustainability strategy. Partnership is a multi-disciplinary area highlighting the Group's willingness to interact with coffee chain players to achieve the goals.



# The choice of the *SDGs*

We selected the material SDGs based on two considerations:

## 01.

Limiting the number of SDGs on which to focus so as to identify the most incisive, targeted actions. The SDG framework is extremely broad. It follows that companies working within this framework run the risk of, on one hand, making a generic commitment with few effective, measurable results and, on the other, associating every activity or result with an SDG and therefore weakening communications.

## 02.

In addition to the SDGs most closely related to the core business, highlighting certain SDGs that are material for the entire chain. Climate change and the deforestation caused by the expansion of coffee production pose critical threats to coffee producers, consumers and, as a result, coffee machine makers.



## PEOPLE



Safety, training and social development of **workers**.

## PRODUCT



Optimisation of all **products** in terms of sustainability, quality, safety and excellence.

## PLANET



Initiatives to promote adapting to and mitigating the effects of **climate change**.

## PARTNERSHIP




**Alliances** and **partnerships** between different players to share common goals.

# Objectives for 2022

AREA	MATERIAL ISSUE	OBJECTIVES TO 2022	SDGs
<b>Sustainability Governance</b>	Transparency and certifications for continuous improvement	Definition of the materiality matrix based on stakeholder feedback. Addition of new issues included in the sustainability report	12 - 17
	Green procurement	Supplier engagement	12 - 17
<b>People + Partnership</b>	Diversity & Inclusion initiatives	Develop initiatives to promote issues of disability, equity and inclusion	5
	A culture of learning	Develop tools to gain new skills, knowledge and abilities	4
	Promoting culture	Expand the MUMAC Library's collection and begin digitising the books	4
	Promoting healthy lifestyles	Updating periodic plans to promote healthy lifestyles	3
<b>Product + Partnership</b>	Energy consumption (cars)	Reduce starting and standby consumption by 15%  Implement and develop technologies that can make machines even more intelligent, online and energy efficient	7





AREA	MATERIAL ISSUE	OBJECTIVES TO 2022	SDGs
<div>Planet + Partnership</div> 	Circular economy (cars)	<p>Identify the technical action areas on the basis of the LCA to develop products for greater ecological efficiency</p> <p>Increase the use of recyclable materials and transform the company's organic waste into new 100% natural and compostable biomaterials</p>	7 - 12
	Transparency and certifications for continuous improvement	Prepare energy consumption charts	12
	Sustainable packaging	Increase the percentage of packaging that can be returned to 50%	12
	Energy consumption (plants)	<p>Prepare a three-year energy saving plan for 2022 to 2024 to reduce the CO2 emissions identified in the carbon footprint</p> <p>Update the carbon footprint and establish the carbon neutrality objective</p>	7 - 13
	Sustainable mobility	Establish and train the Mobility Manager and prepare a document with the services to offer	13

### Methodological note

The Sustainability Report is the main tool that the Group intends to use to report the results of its sustainability process each year and a transparent means of communication and dialogue with stakeholders.

This document is the first complete report covering the company's sustainability and therefore includes, in addition to the information available for the 2020-2021 reporting period, information on initiatives of previous years. The 2021 Sustainability Report recounts the start of the Group's process of contin-

uously improving its sustainability performance. The data have been compiled by a team made up of members from Gruppo Cimbali and the Green Management Institute.

This Report is the tool used to report Gruppo Cimbali's commitment to achieving the United Nations' Global Goals. The approach that the Group has used to identify its priority goals is detailed in the paragraph "The framework of the Sustainable Developments Goals" in this section.



# PEOPLE



## Culture and education for one 360-degree sustainability.

Culture and training for 360 degrees of sustainability. These are the principles that inspire Gruppo Cimbali's business ethics as a leading group in the design and production of professional coffee machines. It applies this model to the high-tech machines that it sells around the world and to the working conditions of its employees with the entire chain.

## Gruppo Cimbali recognises People as the expression and foundation of all its values and, therefore, as necessary for all its activities.

To this end, the Group undertakes to make the most of the individuals' and the work teams' resources, protecting, without bias, the personal and professional dignity of our people. This is a concrete commitment to respect – and in respect of – diversity, in order to create an atmosphere in which people can express themselves and operate in a context of organisational generosity to achieve common goals.







## OCCUPATIONAL HEALTH AND SAFETY

- 25 HR functional development plans in the past 3 years.
- Skin cancer prevention campaign in 2018 with 233 participating workers.
- Breast cancer prevention campaign in 2019 with 51 participating women.
- 50% reduction in the weight of materials to be moved by hand and improvement in workstations.



## PROMOTING CULTURE AND LOCAL COMMUNITY ENGAGEMENT

- MuseoCity 2020 sponsorship: support to Milanese museums during the first Coronavirus lockdown.
- Federculture's Cultura + Impresa 2021 award.
- Members of IEI (Istituto Nazionale Espresso Italiano srl Benefit).
- Mumac Library: historic coffee library with 1,300 books available to the public.
- Academy: teaching trainers and participation in the Coffee Sustainability Program SCA.



## SOCIAL PROJECTS

- Charity auction to support the life-changing bicycle programs promoted by World Bicycle Relief with a focus on issues like Education, Healthcare, Economic Development and Gender Equality (celebrating the 60th anniversary of the Faema E61).



# Development of *human resources*

Gruppo Cimbali is aware that qualified, loyal workers are a highly valuable intangible asset, necessary to achieve company milestones and maintain optimal quality standards.

To this end, the creation and preservation of a peaceful, pro-active workplace are considered essential and are achieved by respecting workers' personal lives and protecting equal opportunities, guaranteeing development processes based exclusively on personal merit and skills with the aim of expanding each individual's professional abilities.

A focus on people means caring about their development too. This is why the Group has created a department dedicated to training all its employees and customers, using techniques that have evolved together with the company, becoming increasingly digital.

In 2019 Gruppo Cimbali revised its competency matrix to develop an Asses-

sment and Self Assessment Grid indicating the performance assessment criteria and requirements to make the development process consistent for everyone.

The assessment is carried out during the talent review in which talent performance reviews are conducted. During this process, each employees' strengths are identified, along with the areas in which improvement processes will be carried out. This is where we gather each colleague's needs and the processes to support them throughout the various stages of their career at Gruppo Cimbali, to support the improvement areas or focus on the development plans necessary for a change of position and/or duties.

# The Cimballi Group's people



**731**  
employees

at 31-12-2021



**19**  
nationality

Italian; American; Singaporean; Malaysian; Indonesian; Australian; Chinese; French; Spanish; Portuguese; German; Turkish; Mexican; Vietnamese; Polish; Egyptian; Serbian; Philippine; Jamaican.



Encourage **open communication between supervisors and subordinates** regarding performance, development plans and career aspirations



Guarantee that **managers and workers have a clear, consistent idea** of the roles they fill and performance.



Ensure **transparency and fairness** in actions taken with Group employees.

# Continuous *training* and personal *development*

Training is a key principle: working at Gruppo Cimbali means being part of a company that believes in investing in its people and cares about the development of all its employees. While the training methods have changed over time, on-the-job training remains essential, alongside Senior Managers and technical heads, in addition to direct involvement in product development.

The Group also offers its employees a training program that meets a combination of company growth requirements and training needs expressed by workers, providing adequate training and professional development tools.

A few examples of the training available to employees:

## - **Speexx**: language training platform

Precise language skills assessment test; Results based on the Common European Framework of Reference for Languages (CEFR); Assessment of training needs; Personalised teaching recommendations; Individual training sessions; Personal coach; Specific vocabulary, grammar and pronunciation training; VideoLab and written expression training; Customised online training; 24/7 language support; Internationally-recognised certificate.

## - **Skilla**: multi-disciplinary training platform

Skilla Library containing over 300 online courses, including training capsules, learning paths and customised programs; short training capsules on soft skills; learning paths: series of training capsules with additional resources and multimedia content like videos, TED talks, films and books for ad hoc courses; content in English.



Self-learning



Guided learning



Continuous training enables employees to become accustomed to gaining new skills, knowledge and abilities so that they are up-to-date throughout their entire careers, preventing the loss of motivation:

- for **employees**, self-directed learning makes employees more responsible for their learning and improves their time management skills – spreading the culture of self-learning;
- for the **company**, the continuous training process entails a commitment to consolidating a culture of continuous learning and providing the paths and tools to support this commitment.

The underlying concept is designing training with the same starting point available to all colleagues and then reflecting on increasingly vertical needs with the development of ad hoc courses. To respond to more specific needs, we offer individual courses, such as for language training or a variety of specific topics, in addition to coaching.

The Group's main results:

- in-house growth of operational positions to the national and international technical service- job rotation;
- job rotation between functions in the same family or different families for gradual growth;
- 90% conversion rate of work experience contracts into open-ended employment or apprenticeship contracts;
- 50% of the young people hired rise to management with mentoring and external managerial training to help manage the complexities and differences of the position;
- international professional opportunities;
- over 25 development plans including job rotations and assignments in Italy and abroad in the past 3 years.

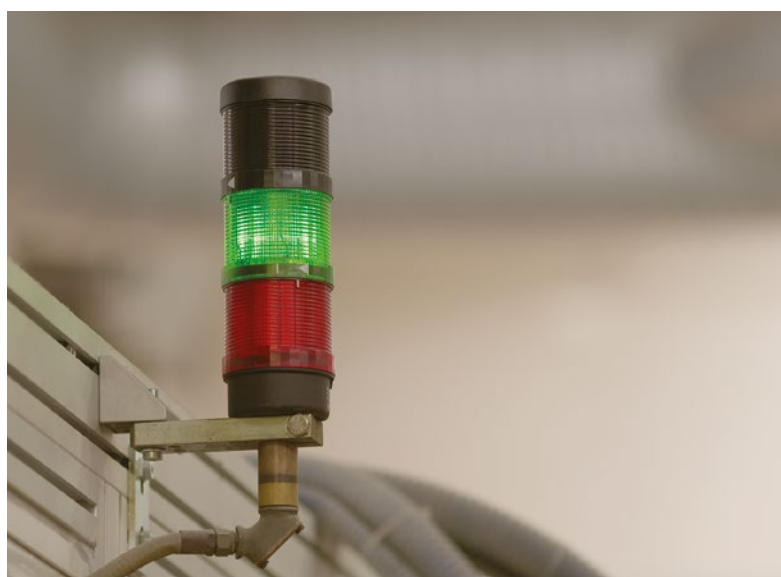
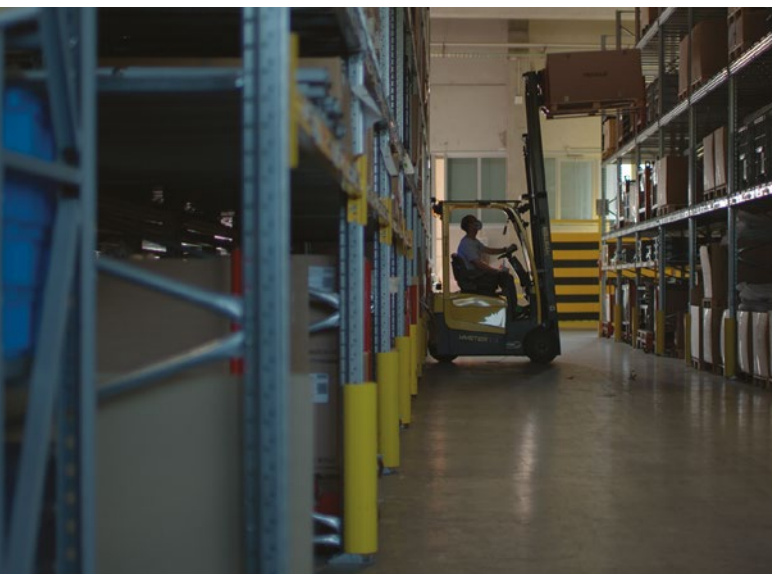
# Occupation *health* and *safety*

Safety has always been a priority for Gruppo Cimbali. We have met the zero injury target and are continuing to meet it thanks to the commitment of all workers and investments made over the years.

Historically, the companies that have addressed these issues, like Gruppo Cimbali, have meticulously worked on technical aspects. Today, when we talk about safety, we mean starting with these aspects and taking an integrated approach with a strong focus on the worker.

In 2015 we began revising the packaging of internal components and chipping away at it until we had reduced the weight of the materials to be moved by hand from 20 kg to 10 kg. Furthermore, we have made the following improvements to workstations:

- preparation of materials based on their retrieval frequency and weight;
- reduction in materials moved by hand;
- workstations with different heights based on the type of work;
- ergonomic chairs;
- work carts with electronically adjustable heights;
- replacement of screwers to reduce vibrations on the limbs and lessen the acoustic impact.



# *Health* **programs**

## DEVELOPMENT OF PERIODIC VOLUNTEER PROGRAMS TO PROMOTE EMPLOYEE HEALTH

We want to think of safety outside the confines of production and the plant and, over the years, we have started voluntary health promotion campaigns in collaboration with EASYWAY and LILT, specifically:

- 2016-18 Stop smoking campaign;
- 2018 Skin cancer prevention campaign (233 check-ups, including employees at the Casadio site; 16 suspected cases found);
- 2019 Breast cancer prevention campaign (51 women participated - 26% of the Group's female workers/employees).

In 2021 the Group's commitment to protecting health extended to the entire community when it offered MUMAC, the espresso machine museum, for use as a vaccination hub by the Melegnano and Martesana local health unit.





*“I would like to extend heartfelt thanks to the Cimbali family for their generosity, as well as to all our nurses, doctors, engineers and administrative personnel for the commitment and professionalism they brought every day to the field. Let’s not forget everyone who helped out free of charge, like the Civil Protection and the merchants who made every morning sweeter by baking and donating fresh croissants.*

*These were small, meaningful acts in a community that came together and helped each other out at such a delicate time. Now it is my hope that, thanks to the tried and tested vaccination campaign, we can look to the future with more serenity.”*

Dr. Laurelli,  
General Director  
of the Melegnano  
and Martesana  
local health unit.



# *Local community* **and promotion** *of culture*

To improve the social context in which it operates, Gruppo Cimbali demonstrates its commitment to important, sensitive issues for the community, like employment and culture, by partnering with local institutions.

## FROM MUSEUM TO CULTURAL HUB

Inaugurated at the company's headquarters in Binasco in 2012, the Group's 100th anniversary, to reflect the company's importance in the history of the industry and in gratitude to the local area, MUMAC, the espresso machine museum, recounts 100 years of history, technology, design and Italian style through the world's largest exhibit of professional espresso machines. Over the years, MUMAC has become a strategic communication asset for the Group and its brands, a reference point for a wide-ranging public thanks to its initiatives, openings and events dedicated not only to stakeholders and professionals, but also to families and students, as well as art, design, culture and beauty enthusiasts.

With 300 pieces from the Cimbali and Maltoni collections, over 100 of which are on display, MUMAC boasts machines that are one of a kind for their technological development and design. The collection tells the story of professional espresso machines from the late 1800s to the present day, highlighting the stylistic evolution and technological innovations associated with one of the world's most beloved beverages. The museum has been visited by more than 50,000 people since it opened.



It is also home to the MUMAC Library, the second largest coffee library in the world, with some 1,300 volumes dating back as far as 1592 and steadily growing, 10 thematic sections including history, recipes, art and technology, and 15,000 documents, such as posters, photographs, catalogues, technical drawings and patents. Founded in 2016, the library is part of the national library service, open to the public – and above all to employees – for research and reading. In addition to cataloguing books, the Group organises library tours for its departments and customers, as well as for other visitors, including foreigners. It also develops online videos presenting books. This project won Special Mention at Federculture's Cultura + Impresa award in 2016.

Adjacent to MUMAC is a multi-functional space measuring 280 square metres for events, exhibitions, meetings and conventions. MUMAC Academy was founded in 2014 as a training, conference and research venue for coffee lovers. Located in the same place as the museum, it is an academy where people can learn the secrets behind coffee and put their talent to the test in professional courses for official certification.





Creating a cultural hub means sharing one's heritage with every stakeholder to root the future in the past and contribute, through culture, to the company's and society's growth.

MUMAC, the coffee machine museum; MUMAC Library, the historic coffee library; MUMAC Coffee Academy; and Hangar 100 all joined Gruppo Cimbali's cultural hub in 2020. The hub's spaces and content create value and spread awareness of the entire made-in-Italy sector, both in terms of the historic evolution of coffee machines and in terms of the technology, design, habits and customs of the beverage, from its origins to today.

The project was awarded as part of the 2021 Sodalitas Call for future in the Call For Better category, the Sodalitas Foundation's campaign for businesses and young people, who are the protagonists of the change for a sustainable future. The campaign was founded to show people, institutions and, especially, young people the strategic role of the companies in Italy that are committed to achieving the objectives of the UN 2030 Agenda for the sustainable development of the planet.



The call focused on a few main topics:

- Business&Culture for a sustainable future;
- Transparency in relationships with the market and consumers;
- Buying and consumption habits;
- Sustainable lifestyles;
- Reduction of waste.

In 2021 MUMAC also joined the circuit of locations open to FAI days.

# Art&Caffeine

## FAEMA ART&CAFFEINE FLAGSHIP STORE

In 2020, for the 6th year, Gruppo Cimbali sponsored the most extensive and important photography festival in Milan and the surrounding cities.

To mark the occasion, Faema Art&Caffeine Flagship store held a special in-store exhibition titled “Changing world: the women of coffee-portraits from Masaka”.

Shots from an expedition in Uganda by Francesco Sanapo with the portraitists Flavio&Frank to explore life in a country undergoing expansion through, inter alia, the

quality of its coffee production.

This focus is dedicated to “The Coffee Hunter” project, and the exhibition set up for Photofestival 2020 is an extract and an extension of that project.

It is a selection of photographs shining the spotlight on gender equality and the importance of an ever-changing balance that leads to tangible economic results. An emblematic example told through the photographs is the city of Masaka, where initiatives have been launched to promote gender equal-

ity in coffee grower families. It offers an authentic look that, through coffee, shows the dignity and personal prospects of women in Masaka.

The initiative is part of the series “I talenti delle donne” promoted by the Municipality of Milan in 2020 to highlight women’s talents. As with previous shows, the exhibition was held in memory of Gabriele Cimbali, a great admirer of photography and supporter of the Photofestival.

# Diversity & inclusion

## ELLE ACTIVE! 2021

In 2021, for the third time, Gruppo Cimbali confirmed its partnership with Elle Active!, a forum focused on women and work, now in its sixth edition. The day-long event consisted of meetings, master classes and one-to-one training on women's empowerment and the jobs of tomorrow. Elle has always tracked the evolution of women's roles in society, creating content and experiences for training, updates and concrete support for women.

Elle Active! has now come to embody Elle's commitment to women's fulfilment in their jobs and professional lives. It is a commitment in which the Group strongly believes and participates with an overview of the coffee industry and its professions in a specific master class called "Jobs in the coffee industry", taught by three of the company's professionals: Rita Saiu, Mumac Academy Trainer, Barbara Stucchi, HSE Manager and Valentina Giovesi, Supply Chain Continuous Improvement at Gruppo Cimbali.

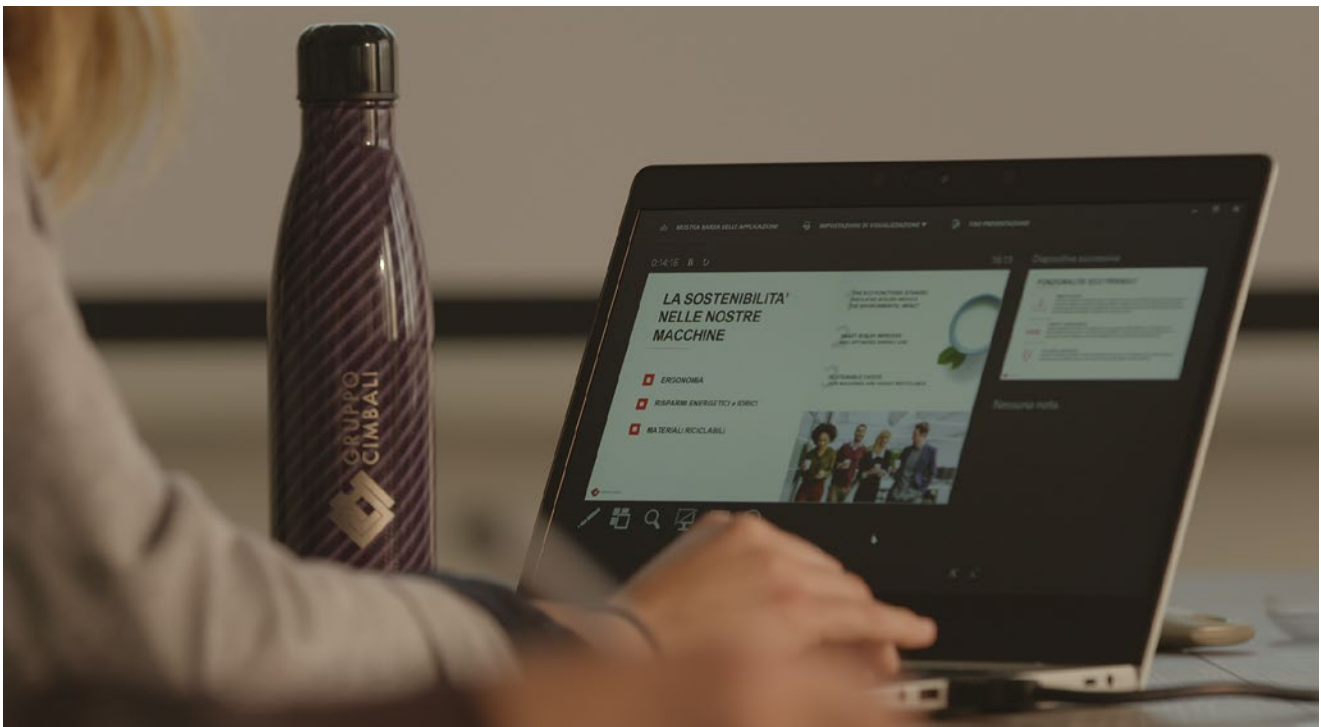
## VALORE D.

An inclusive corporate culture is today essential for the success of organizations and for the social and economical development of the country. Gruppo Cimbali shares this approach, and, for this reason, from 2018 we are registered with Valore D, participating in Mentorship programs, both with Mentee ad Mentor, and making the most of development pathways for young talents.

Valore D is the first business association in Italy - more than 270 businesses - which, for more than ten years, has been a pioneer in addressing the issue of gender balance and the dissemination of a culture of inclusion in support of innovation, progress and the growth of the organizations and the country. Valore D supports member companies by providing know-how and effective tools for the Diversity & Inclusion strategy. Valore D also offers the opportunity for inter-company dialogue, thanks to the exchange of good practices and continuous dialogue between members, and it represents a point of reference for institutions.



In its support of social and cultural initiatives and in sponsorships in general, Gruppo Cimbali only considers those that are in line with its strategic objectives and with the principles of environmental and social responsibility. It prioritises initiatives with guaranteed quality, which stand out for the ethical message they convey and that contribute to social development.





# The project

## *World Bicycle Relief*

FAEMA's close relationship with sports began in 1950 when Carlo Valente established GS FAEMA, a multi-sports club for accomplished boxers, rugby players, basketball players and amateur cyclists. After three years, the club decided to exclusively pursue cycling. The FAEMA brand's alliance with the cycling world continues today in its partnership with BASSO BIKES, sharing excellence, quality and innovative design for the creation of three Faema-brand bikes that were put on the auction block at the Host fair to celebrate the 60th anniversary of the E61 coffee machine (1961-2021).

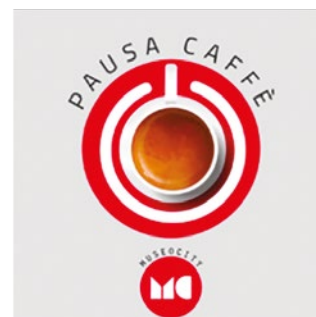
Supports life-changing bicycle programs,  
using local labour to assemble and maintain  
the donated bicycles, thereby creating jobs.  
The sponsored programs help achieve 9 SDGs,  
supporting 4 issues: Education – Healthcare –  
Economic Development – Gender Equality.

The proceeds were donated to the World Bicycle Relief association, which donates bicycles to help rural communities around the world reach education, healthcare and jobs. The lack of efficient, reliable transport adversely affects economic and social development in regions where distance poses an obstacle. Bicycles are a simple and necessary means of transport to make a sustainable, long-term impact in developing countries globally. The Faema brand's contribution financed the purchase of 30 bicycles.

## OTHER PARTNERSHIPS

Gruppo Cimbali has also forged partnerships and alliances in the world of arts & culture. In 2016 it joined the ADI - vie Compasso d'oro circuit, which takes the public and operators on an exploration of the projects that have stood out in the more than sixty years of the Compasso d'Oro ADI award or in the annual ADI Design Index selections, and which still inspire wonder and reflection on how design can improve the lives of everyone. Since 2019 we have served on the Museimpresa council, which works to bring together new corporate culture players, impact training processes, safeguard the history of Italian industry and celebrate the personal stories of an extraordinary manufacturing ability that is the driver behind sustainable development and the cornerstone of a widespread economic, social and civil culture.

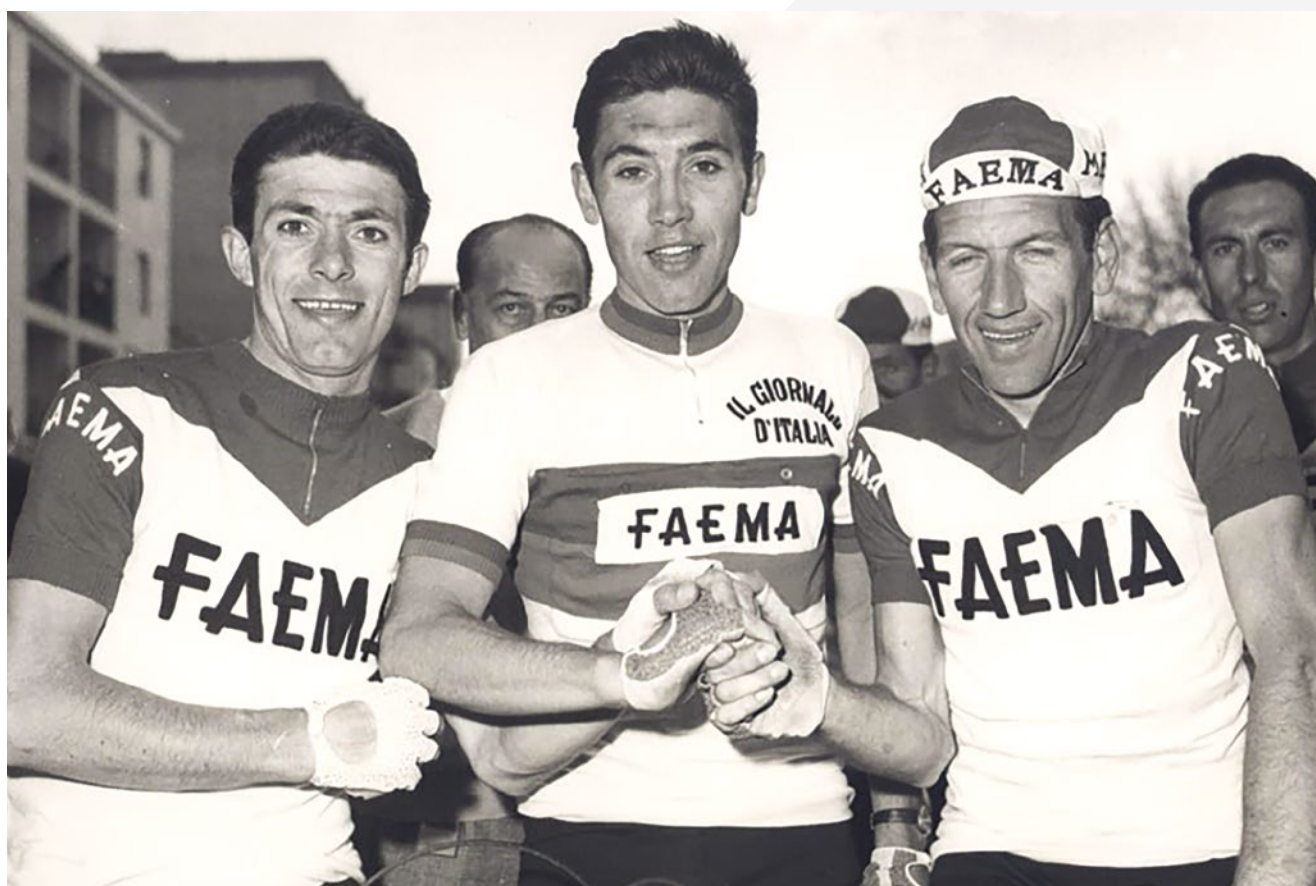
2020 marked the start of the MuseoCity 2020 sponsorship to support Milanese museums during the first Coronavirus lockdown with the development of the Pausa Caffè podcast featuring interviews with museum directors. The initiative was awarded one of the 9 special mentions in 2021 as part of Federculture's Cultura + Impresa award.



Between the 1960s and 70s, Gruppo Cimbali dressed champions the calibre of Eddie Merckx, Vittorio Adorni and Rik Van Looy. Today, through MUMAC, Gruppo Cimbali supports Fondazione Museo del Ciclismo Madonna del Ghisallo to help spread the culture of this sport around the country. With over 700 items on display, including the bicycles used by Fausto Coppi and Francesco Moser when they set their respective one-hour records in 1942 and 1984, more than 100 jerseys, over 50 of which are pink jerseys (making the collection unparalleled in the world) and a multimedia library containing more than 100 clips of historic races from the 1940s to the present day, Museo del Ciclismo Madonna del Ghisallo is known internationally as the repository of Italian cycling history.

MUMAC and Museo del Ciclismo have partnered in a series of initiatives to mutually highlight their respective collections. A social media campaign was launched in 2021, “Un caffè con Faema”, the first in a series of interviews over coffee with cycling champions on Faema’s behalf (Balmamion, Moser, Pezzo, Ballan, Nibali, Vigna).

The ongoing partnership and synergy with the local authorities has led the Group to support various local initiatives, including cultural and musical events (jazz festivals, opera performances), and sponsorships of ASD Virtus Pallavolo Binasco, the local volleyball team.



# PRODUCT



Performance and innovation have taken the coffee culture to the next level. Cafés and the barista profession are in a new era that rockets forward between technology and tradition.

Investing every year in Research and Development means investing in our future, a future of innovative, increasingly high-performance, green and user-friendly technologies. For a range of products that is constantly updated but never loses its soul.

The Group's focus on innovation can also be seen in its 62 active patents, including 19 filed in the past 3 years alone, true milestones in a path only at its start.







## GREEN PACKAGING

- Machines are packaged in recyclable and reusable packaging made with wood pallets, cardboard boxes and high-density polyurethane foam buffers.
- Merchandise is packaged in recyclable packaging (FSC certified paper).
- Suppliers are chosen with the utmost focus on environmental impacts. The supplier of all paper packaging guarantees, in its environmental report, 80% lower CO2 emissions than traditional materials and 70% less paper used than classic corrugated cardboard boxes.



## ENERGY EFFICIENCY TECHNOLOGIES

- Independent boilers (-38% starting, -25% ready to use)\*, energy savings (-15% ready to use), automatic shutdown timer (-25% ready to use), insulated boiler (-20% ready to use)\*\*.



## LIFE CYCLE ASSESSMENT

- Environmental impact assessment over the entire life cycle of a coffee machine. (Università Politecnica delle Marche) to analyse the product's impacts from cradle to grave.

*\*compared to similar models with traditional heating technologies*

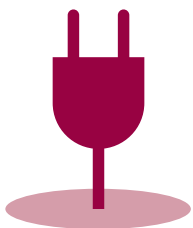
*\*\*based on internal standards and estimates*

# Energy saving technologies

From a technical perspective, a professional coffee machine is an energy accumulation system consisting of heating modules like coffee boilers and service boilers.

Insulated boilers to minimise heat loss, independent groups and smart boilers for high energy efficiency, the use of energy-efficient LED, standby options and adjustable cup warming temperature. These small and large innovations also reflect the company's penchant for investing in research and development.

Heating and maintaining the temperature of the water in these heating modules requires energy, so it is essential to develop solutions that minimise the energy waste connected with the use of the machine.



**26.000 kWh**

of electricity per  
year in Italy

In Italy, businesses like bars and restaurants consume an annual average of 26,000 kWh of electricity, almost ten times more than a family uses on average. The efficiency of installed equipment could make a difference in the consumption of electricity and in the cost of electricity bills.



# *Innovation for sustainability*

The focus of our business is the product. This is why a drive to innovate has always been one of the key elements of Gruppo Cimbali's philosophy. Over 60 professionals in the R&D department work every day to design and develop high-performance machines. Moreover, all activities are conducted in-house and reflected in the 62 patents currently held by the company, 19 of which were filed in the last three years.

Gruppo Cimbali has worked on several cutting-edge sustainable technologies – presented at Host 2021 – that improve machine performance, while limiting their environmental impact and enhancing professionals' skills.

These technologies include:

## **ELECTRONIC NOSE**

Winner of the 2021 Smau Innovation Award, this software identifies blends using an artificial intelligence algorithm;

## **TOUCHLESS INTERACTION WITH CUP4YOU – EVO**

The application which, through a Wi-Fi connection, offers a new interaction with fully automatic machines;

## **ART.IN.COFFEE**

A platform designed to reprocess data to gather advanced information on beverage consumption, the monitoring of key machine operating parameters and information to optimise energy efficiency;

## **“HIGH QUALITY MILK”**

A differentiated milk dispensing circuit, a device that can reduce machines' energy consumption.



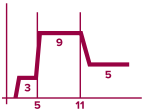


With regard to digitalisation, Gruppo Cimballi has worked with IoT to create the Global Remote Service Program in collaboration with TeamViewer. This IoT software enables a remote connection with machines to optimise after-sales service and the customer experience. The company has also developed the Digital Twin project in collaboration with Altair to optimise product performance and increase efficiency.

Additionally, in collaboration with Khoena, the Smart Plug device was developed to reduce coffee machines' energy consumption.

Last but not least, the instant thermal project has led to an instant heating system for water in the coffee circuit, combined with a low-volume service boiler that allows energy to be supplied only when needed, reducing waste and thereby promoting environmental sustainability.

All of Gruppo Cimbali's investments are aimed at creating cutting-edge technological solutions that simplify customers' work through key innovations, including:



### HDA

This system enables the customized extraction of water pressure profiles for each dispensing button based on the blend used and the drink dispensed.



### GTA

This is a patented system that uses an exclusive pre-heater for water supplied to the boiler in order to keep the temperature of the extraction water for beverages precise and stable. It enables the machine to meet the high precision standards required by the World Barista Championship.



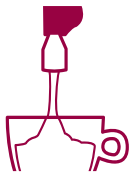
### TURBO STEAM & AUTO STEAM

This is a device that produces steam mixed with air to automatically heat or froth milk.



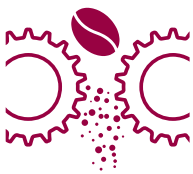
### MILK4

Combined with TURBO STEAM or AUTO STEAM, this patented device makes it possible to set four frothed milk recipes so you can choose between different temperatures and foam quantities.



## **TURBOMILK**

This system is integrated in the machine, making it possible to dispense hot milk (heated or frothed) or cold milk frothed in a fast, simple way, for a large drinks menu.



## **PGS**

The “Perfect Grinding System” constantly monitors grinding parameters and automatically makes any necessary corrections, minimising the need for the operator to make manual adjustments.



## **BDS**

The “Barista Drive System” is an integrated system that facilitates baristas’ operations through a dialogue between the machine and grinder-doser. The barista is guided step by step through the entire beverage preparation process, from coffee grinding to brewing.

# *Packaging*

All our packaging (wood pallets + Mondaplen® Grifal suspension buffers + cardboard box) is completely recyclable and reusable. Mondaplen® buffers are made out of high-density polyurethane foam, replacing the old “foamed” buffers. They may be combined with the same or other materials using only hot air, without the use of any glues. Furthermore, when burned, they do not emit dioxin, offering significant environmental benefits over other plastic materials. The main competitive advantage of Mondaplen® is that it means less raw material can be used, for lighter equivalent products, without a weaker performance.

The other improvements to our packaging include:

- central reinforcement added to prevent lid deformation;
- wings added to secure the lid without adhesive tape.







In 2021, to convey the values of sustainability to the entire supply chain, the Group began an analysis of the types of packaging used by suppliers to deliver the parts it buys. The analysis showed that only 37% of the packaging deliv-

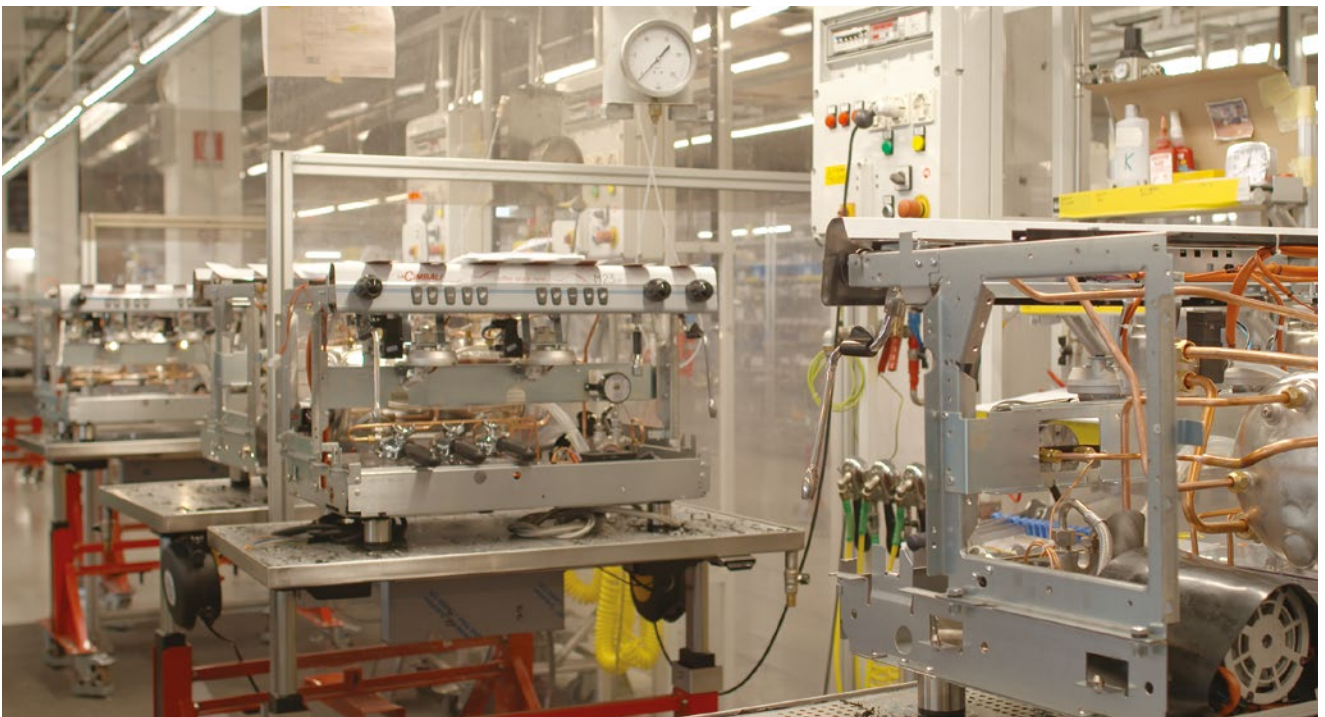
ered can currently be returned. The data were gathered through an internal quality assessment and are the basis for the definition of improvement goals.

The Group has also chosen sustainability for the packaging of merchandise as well. Each box of Grifal cushionPaper™ replaces styrofoam or bubble wrap, prevents the emission of 20.52 kg of CO2 into the atmosphere, the amount that would be absorbed by 60 trees. Comparing the emissions associated with cArtù® compared to traditional double-wall corrugated cardboard shows savings of over 70% of the related CO2 emissions.

All paper and cardboard used is FSC certified, guaranteeing that it comes from forests that are managed sustainably and responsibly. The FSC (Forest Stewardship Council) is a non-government, non-profit organisation and FSC certificates may only be issued by independent certification bodies.

### PRODUCT & PARTNERSHIP

As highlighted in the strategies for the choice of packaging, the Group's suppliers are selected with utmost focus on environmental impacts. Furthermore, the constant search for innovative technological solutions to improve the efficiency and effectiveness of our products has led us to sign several major partnership agreements with leading institutions like Università Politecnica delle Marche, the polytechnic university of the Marche region (UNIVPM).



# *Environmental impact* **assessment of the** *life* *cycle of a coffee* **machine**

UNIVERSITÀ POLITECNICA DELLE MARCHE

We conducted an in-depth study of the environmental impacts of one of our machines. The objective of the assessment was to analyse the environmental performance of a professional coffee machine over its life cycle and to identify the most critical stages of its life cycle.

To achieve these objectives, in collaboration with UNIVPM, a LCA (Life Cycle Assessment) was conducted according to the ISO 14040-44 standard, determining the environmental loads of a professional coffee machine “from cradle to grave”, considering all the machine’s input consumption, like raw materials, energy sources and water, and its outputs, like gas, liquid and solid emissions, waste and other outputs.

The results of the assessment were analysed in detail to highlight any critical aspects and give the company ideas for possible ways to improve the product’s environmental performance in terms of:

- Use and consumption of natural resources (extraction and processing of raw materials);
- Environmental consequences of production, transport, use, reuse and maintenance up to recycling and final placement.

The scope of assessment did not include transport of the raw materials from the various suppliers or transport of the professional coffee machine to its disposal site.

The life cycle assessment showed that the most impactful stage was use, due to the use of resources, particularly coffee and milk. Next was the material + manufacturing stage, in which the boiler and doser together, i.e., the structural components, were the most impactful. In light of the results of the assessment, the future actions to reduce the environmental impact over the life cycle of the product will need to focus on optimising the use of resources during use, so as to minimise them, to then focus on the procurement of raw materials and manufacturing. Specifically with respect to raw materials, the Group has devoted attention to redesigning the structural components, identifying solutions that are more sustainable, in order to use lower impact materials than those that are currently used.

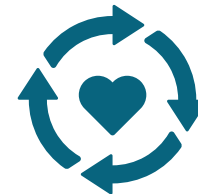
## GOAL AND SCOPE

e.g. LCA of a car of typology X, assuming a use for Y years, produced in country Z, etc.



## LCI - Life Cycle Inventory

For each stage of a product life cycle (e.g. resource extraction, manufacturing, use, etc.) data on emissions into the environment (e.g. CO<sub>2</sub>, benzene, organic chemicals) and resources used (e.g. metals, crude oil) are collected in an inventory.



Each emission in the environment and resource used are characterised in terms of potential impact in the LCIA, covering a number of impact categories.



## LCIA - Life Cycle Impact Assessment



## LCIA - Life Cycle Impact Assessment



CLIMATE CHANGE



EUTROPHICATION



LAND USE



RESOURCE  
DEPLETION



ACIDIFICATION



OZONE DEPLETION



ECOTOXICITY



IONISING  
RADIATION



PHOTOCHEMICAL  
OZONE FORMATION



WATER  
DEPLETION



HUMAN TOXICITY



### AREAS OF PROTECTION

- Human health
- Ecosystem health
- Natural resources



### INTERPRETATION

## PLANET



The quality of our work can be tangibly  
seen in the constant focus on energy efficiency  
and respect for the environment.

Even our workplaces are designed to meet the highest energy efficiency and consumption reduction standards, like the Binasco site, where we have installed a modern solar power system.

The Group's commitment to the environment focuses mainly on improving the efficiency of production processes, improving the life cycle of products, saving energy and decreasing the production of waste, but it also focuses on major global environmental issues.

Climate change and the deforestation caused by the expansion of coffee production pose critical threats to coffee producers, consumers and, as a result, coffee machine makers.







## PROCESSES, SITES AND PLANTS

- Green Together energy efficiency program: 12% of energy consumption is self-produced from renewable sources\* with a 6% energy reduction in 2 years\*\*.
- Sustainable management of events: use of compostable cups; recyclable single use cutlery; reduction of paper brochures; sorted waste.



## AWARENESS RAISING CAMPAIGNS ON GLOBAL ENVIRONMENTAL ISSUES

- Circular Capri: creation of a model to promote the circular economy in the island of Capri, specifically in the tourism industry (the initiative was presented within the framework of the Pre Cop 26 - All 4 Climate Italy).



## SUSTAINABILITY IN THE COFFEE CHAIN



- Partnership with the Green Management Institute to position Gruppo Cimbali in the sustainable coffee chain.
- Social Academy live streaming: live streams from the coffee plantations, Westing Coffee, Traceability and transparency in the coffee chain, coffee and permaculture, sustainable methods for coffee growing.
- Inclusion of "Sustainability in the coffee chain" content in the Academy's courses.



\*2019 Gruppo Cimbali Binasco

\*\*2017 vs. 2019 Gruppo Cimbali Binasco

# Processes, sites and plants: *Green together*

Green Together is the Group's energy saving project focused on process & facility management at the three production sites. The energy saving plan for 2016-2020 was centred around several projects, namely:

- geothermal cooling/heating system
- relamping with motion detectors in the warehouses
- replacement of systems (cooling compressors)
- extraordinary building maintenance: replacement of windows and doors and insulation to reduce energy loss
- expansion of the Ciden solar power system (the solar panels to produce energy were installed before 2016)

As a result of these projects, 12% of energy consumption is currently self-produced from renewable sources with a 270-ton reduction in CO2 emissions in 3 years (internally measured data).





## OFFSETTING OF EMISSIONS GENERATED BY TRANSPORTING THE GROUP'S INDUSTRIAL WASTE

Thanks to Omnisyst, Gruppo Cimbali's provider of industrial waste management services, the CO<sub>2</sub> equivalents of waste transport managed by Omnisyst have been monitored. This monitoring is based on a proprietary algorithm that automatically calculates the environmental impact in quantities of CO<sub>2</sub> equivalents and has been recognised and validated by Certiquality in accordance with the ISO 14040 and ISO 14044 standards. Omnisyst has offset these emissions by buying certified credits (Standard VCS \_Verified Carbon Standard with ID 1425).

Carbon Offset Certificates attest to the neutralisation of the CO<sub>2</sub> equivalents generated by Gruppo Cimbali and the related transport of waste to Omnisyst in 2020.

Gruppo Cimbali has also measured its carbon footprint in accordance with the UNI ISO 14064 standard: 2019 greenhouse gases (Scope 1 and Scope 2) for 2017 and the results achieved in 2019, for the following Group sites: Via Manzoni, Via Archimede and MUMAC.

The results highlight a reduction of around 7% in the emissions related to the consumption of methane (scope 1) at the three sites, whereas the reductions related to the consumption of electricity are less significant (scope 2). These emissions are mainly connected

to the energy mix sold by the supplier (the Group's consumption for the three buildings considered is down by 5.3%).

Based on these results, the Group intends to prepare a three-year energy saving plan for 2022-2024 to cut the CO<sub>2</sub> emissions identified in the carbon footprint, update the carbon footprint and establish the carbon neutrality objective including suppliers' initiatives.



For many years, the coffee chain has grappled with an environmental scenario that has profoundly changed and that is impacting big industry players at various levels. Deforestation, the loss of biodiversity, climate change, the use of pesticides and the withdrawal of water are all impacting local communities, whose very existence depends on local resources.

The loss of biodiversity is also a problem for the coffee industry itself, since over half of wild coffee varieties, occurring naturally today, are at risk of extinction.

Awareness raising campaigns must involve coffee consumers and the cafés that serve coffee, as they are too often unaware of the entire chain that comes before the cup. This is why the Cimballi Group plans to promote initiatives and partnerships to achieve significant sustainability goals for the coffee chain, associating these values with its products.



2001 > 2018

**-36mln**  
hectares of  
primary forest

Over 36 million hectares of primary forest were lost between 2001 and 2018 in the top ten coffee producer countries.



2050

**60%**  
of the land that will  
be suitable for coffee  
growing is now covered  
by forest

The effects of climate change will halve the area of the earth currently suitable for coffee production. 60% of the land that will be suitable for coffee growing in 2050 is now covered by forest. Demand for coffee will triple by 2050.

# *MUMAC Academy* **Coffee sustainability program**

MUMAC Academy is Gruppo Cimbali's coffee machine academy, a training and gathering place for coffee lovers and industry professionals, where they can learn new skills and perfect their craft through courses and with qualified instructors certified by the Specialty Coffee Association (SCA). Since it was founded in 2014 in Binasco, near Milan, MUMAC Academy has helped train over 9,000 people with a range of courses on Coffee, Products and Technologies, Hotels and the opening of international branches.

To consolidate its role as an intermediary between coffee production and bars and consumers, Gruppo Cimbali has added content on the sustainability of the coffee chain in the Academy's courses, with information on work at the coffee plantations, on permaculture, coffee species, the impact of environmental problems on crops and coffee waste, and it encourages instructors to participate in the Coffee Sustainability Program SCA.



The Coffee Sustainability Program promoted by the Specialty Coffee Association (SCA) is meant for people in various stages of the coffee supply chain and is based on one clearly defined principle: all industry players must adopt a sustainable approach in order to enable the specialty coffee market to survive and grow.

The program is designed to explore the meaning of “sustainability” and the challenges of acting sustainably through the coffee chain. It is divided into three levels: Foundation, Intermediate and Professional.

The Group has also organised live streams about sustainability issues, in particular:

- Live stream from the coffee plantations
- Westing Coffee
- Traceability and transparency in the coffee chain
- Coffee and permaculture: sustainable growing methods



# *Circular economy*

## Consumption

At its in-house events, the Group encourages the use of compostable cups and recyclable cutlery and promotes the sorting of waste.

During Host 2021, Paper2Paper cups were used. They are made out of a compostable, biodegradable material and can be disposed of with organic waste or recycled with paper. The use of brochures was cut back by more than 80%, with copies on the machines handed out exclusively at the stand and for products being launched. QR Codes and online promoting are used for all the rest. Most of the gadgets are made out of organic cotton (LC and F shoppers) and recycled material (LC laptop cases in recycled PET). No plastic bottles were purchased. At the stand, there was a Brita water dispenser that treats tap water, saving at least an estimated 500 bottles of water per day considering trade fair staff and visitors.



**2,5 billion**

cups of coffee every  
day around the world

People drink about 2.5 billions cups of coffee every day: roughly 6 million tons of coffee grounds are disposed of in landfill rather than as organic waste.



**packaging**

capsules, multi-material  
packaging and packages

Packaging plays a major role when it comes to waste: capsules, multi-material packaging and packages for cafés, in addition to disposable cups for take away.



A partnership with KRILL DESIGN also began in 2021 to use coffee grounds as a biomaterial to replace certain aesthetic parts of the machine and create branded merchandise. The focus of the partnership is research into innovative materials, using waste from the food chain in a circular economy process, to transform natural resources into ecodesign products, also considering the results of the LCA. The products developed for Gruppo Cimbali are composed of the following materials:

- PHA – bio-based polymer compliant with the “ok compost industrial” label
- used coffee grounds

The products made with these materials are compostable in industrial composting plants and recyclable so they can be reused to create new materials for the production of new products.



# *Capri Green* **Destination**

To highlight the Group's interest in being part of the debate on global sustainability issues, we are participating in the Isola di Capri Green Destination project, which was officially presented at the "Piccole Isole e Economia Circolare: la sfida dell'isola di Capri" (Small Islands and the Circular Economy: the challenge of the island of Capri) conference in September 2021.

Organised by the Isola di Capri Conservancy and SDA Bocconi with the support of the Campania Regional Department of Museums and the Certosa di San Giacomo, this event was one of the events leading up to the 26th United Nations Conference on climate change that was held in the United Kingdom in the autumn and was part of the All4Climate - Italy 2021 program.



**#ALL4  
CLIMATE  
ITALY  
2021**

We want to help spread environmental friendliness, which means using 100% sustainable and recyclable materials. Ongoing progress and advanced automation help us achieve this goal.

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We intend to take the experience we have gained in the Milanese area over the years and share it with Capri. This experience is the result of a fruitful partnership with the local authorities for the promotion of entertainment and training events and the foundation of MUMAC, the espresso machine museum, which tells, through the largest exhibition of its kind in the world, one hundred years of history, technology and Italian design.













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