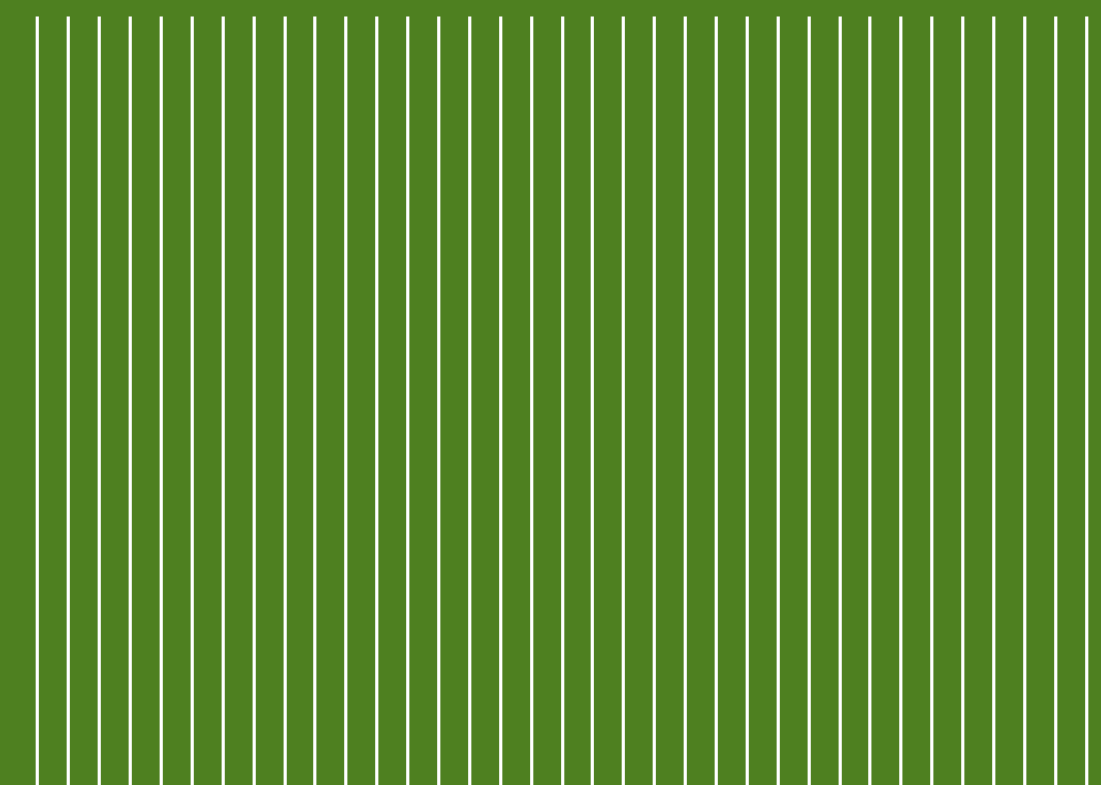




CONSOLIDATED SUSTAINABILITY REPORT

2024





Recharging people, Recharging Earth

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and Stakeholder
Engagement

Planet

Product

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GENERAL INFORMATION



About the report

Parent company

Coffee Address Holding SIA
(Registration number 40203047754)

Companies in the Group

- Coffee Address UAB (Registration number 111435033) based in Lithuania,
- Coffee Address OU (Registration number 10260239) based in Estonia,
- Coffee Address SIA (Registration number 40003174017) based in Latvia,
- Payment Systems SIA (Registration number 40203144617) based in Latvia.

Scope of sustainability report

Consolidated sustainability report that covers Coffee Address Holding and all its subsidiaries (hereinafter also “Coffee Address Group”).
The scope of this sustainability report is the same as for the financial statements.

Period

This report covers the period from January 1 to December 31, 2024.
For comparison purposes, the sustainability report includes data for the period January 1 to December 31, 2023, where such data is available.

Date of publication of previous sustainability report

April 26, 2023

Regulatory requirements

This consolidated sustainability report is prepared considering requirements of the Corporate Sustainability Reporting Directive (EU) 2022/2464 (CSRD)

Reporting Guidelines

This sustainability report is prepared considering Commission Delegated Regulation (EU) 2023/2772 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards, in particular,

- ESRS 1 (General requirements),
 - ESRS 2 (General disclosures),
 - ESRS E1 (Climate change),
 - ESRS E5 (Resources use and circular economy),
- ESRS S1 (Own workforce),
 - ESRS S4 (Consumers and end-users) and
 - ESRS G1 (Business conduct).

Limitations

This sustainability report includes limited information on the following requirements:

- waste: data not available for two subsidiaries - Latvia and Estonia,
- electricity consumption for coffee and snack vending machines: estimate based on the consumption specified by the manufacturer,
- heat energy consumption not available for one subsidiary, Latvia: estimate based on heat energy tariffs and heat energy bills,

Additionally, this sustainability report does not cover data for Payment Systems SIA, due to the company’s unique operational structure, where it employs only one individual, making the collection and reporting of sustainability data not applicable for this entity.



Message from CEO

Recharging people, Recharging Earth



Since 2022, our company has been guided not only by business and financial objectives but also by a commitment to sustainability. As we look back on 2024, I'm glad to share the progress across the companies in the Group on our sustainability journey.

As vending continues to be the core of our business, we've prioritized addressing the environmental impact of coffee waste. In 2023, we launched our coffee waste collection and recycling initiative, starting with 22% of waste being properly managed. This year, we've increased that figure to 38% - a promising step toward our long-term goal of 100% collection and recycling by 2030.

We're also encouraged by the growing demand from our clients for certified coffee. This trend has supported our efforts to transition from conventional to more sustainable coffee. In 2024, we increased our volume of certified coffee by 10% compared to the previous year, moving us closer to our target of 50% certified coffee by 2030.

We also recognize our responsibility toward our employees, suppliers, clients, society, and the environment. In 2024, we created key governance policies and developed a clear plan to introduce them across the company.

In 2024, we held our second Health and Charity Month, and we were glad to see more employees taking part. During Charity Month, we continued our support for Ukraine - something we are proud to keep supporting.

There are many challenges on the path to sustainability, but we are moving forward day by day. Sustainability has become a natural part of our decision-making process, and we remain committed to our goals and to improving for a better tomorrow.

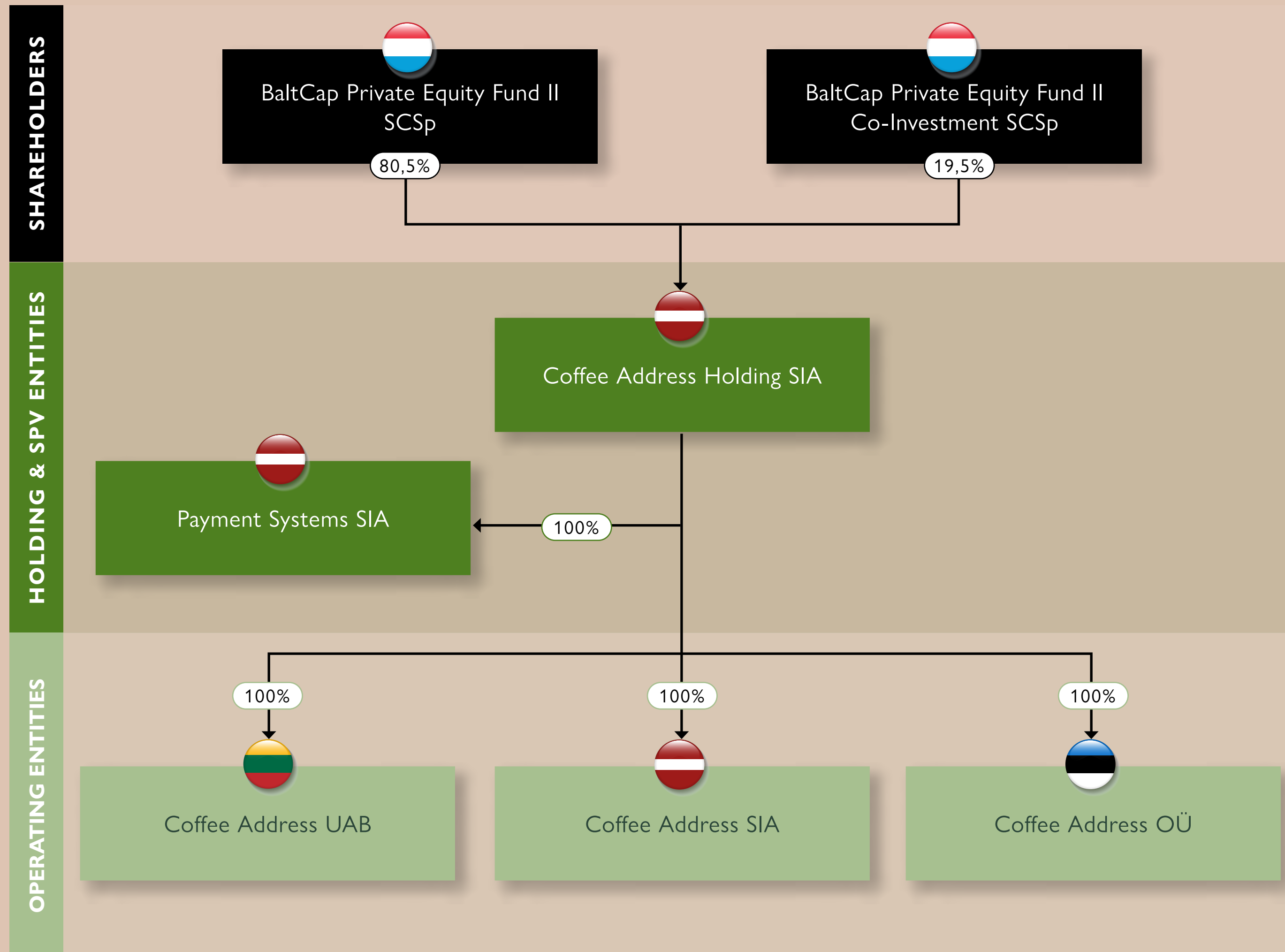
Viktorija Meikšāne

CEO, Coffee Address Holding

About Coffee Address

Coffee Address Group consists of parent company Coffee Address Holding SIA and its four subsidiaries - Coffee Address UAB based in Lithuania, Coffee Address OÜ based in Estonia, Coffee Address SIA and Payment Systems SIA based in Latvia.

Coffee Address Group is a market leader in the Baltics, providing premium self-service coffee and convenience food solutions in a network of prime locations. Coffee Address Group history dates back to 1993 when three local companies in Lithuania, Latvia, and Estonia were founded. In February 2017, BaltCap Private Equity Fund acquired these companies and reorganized them under the holding company, resulting in the creation of the Coffee Address Group.



Business activities and value chain

COFFEE ADDRESS GROUP OPERATES IN THREE MAIN BUSINESS SEGMENTS:

Vending segment

Both indoor and outdoor vending segment, constitutes the largest portion of sales activities. Operating under the brand names of Lavazza, Illy and Coffee Address, the placement of machines across diverse public and private venues allows for the provision of premium bean-to-cup coffee drinks and snacks.

Retail and convenience segment

Retail and convenience segment is focused on providing complete private label coffee solutions (high-capacity bean-to-cup fresh milk automatic machines, service, ingredients and product management support) to the leading retail and convenience chains in Baltics.

Office Solutions segment

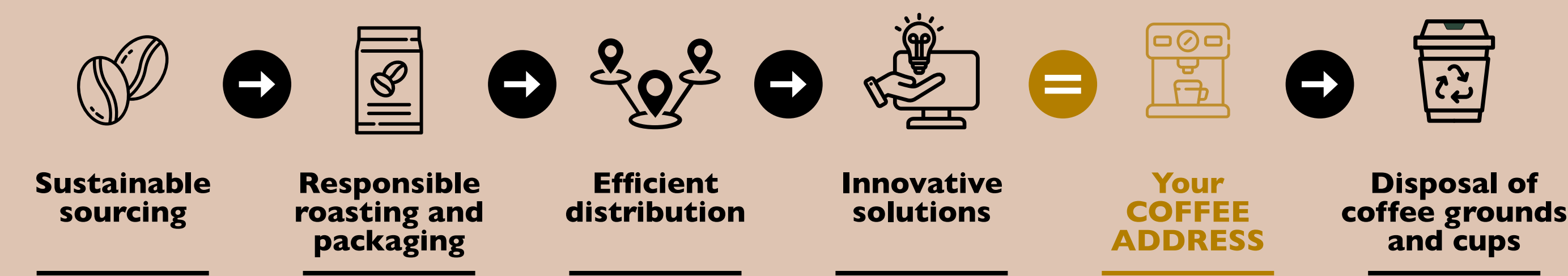
Office Solutions segment caters to the needs of large offices, delivering tailored coffee solutions that enhance the workplace environment.

Coffee Address Group employs 300 employees in all three Baltic countries with offices in Tallinn, Riga, Vilnius, Kaunas, Šiauliai, Panevėžys and Klaipėda. There are more than 13600 indoor, outdoor coffee and snack machines in the market, and over 250000 cups of coffee are served every day.

Economic performance in 2024

Revenue	44 216 592 EUR
Net profit	1 505 602 EUR
Total investments	3 210 405 EUR

The value chain encompasses the entire lifecycle of the products and services offered. Key stages of this value chain include:



Together, these stages illustrate a comprehensive approach, ensuring operational excellence and integrity from the procurement of resources to the responsible management of end-of-life materials.

Mission, vision and values

The mission, vision, and values of Coffee Address Group form the cornerstone of its identity, reflecting a deep-seated commitment to excellence, innovation, and integrity.

MISSION:

To make an office and on-the-go cup of coffee that we'd like to drink ourselves.

VISION:

We have created a market leader in the Baltics providing self-service premium coffee and convenience food solutions.

VALUES guide every aspect of our business. They are not separate paths but rather three interconnected areas that support the vision.



Communicate, Decide, and Achieve

- Focus to Win
- Success Driven
- Teamwork
- Respect
- Challenge
- Communication Without Borders
- Allow Act and Make Mistakes
- Persistency
- Fast Decisions



Treat Others as We Would Expect to Be Treated

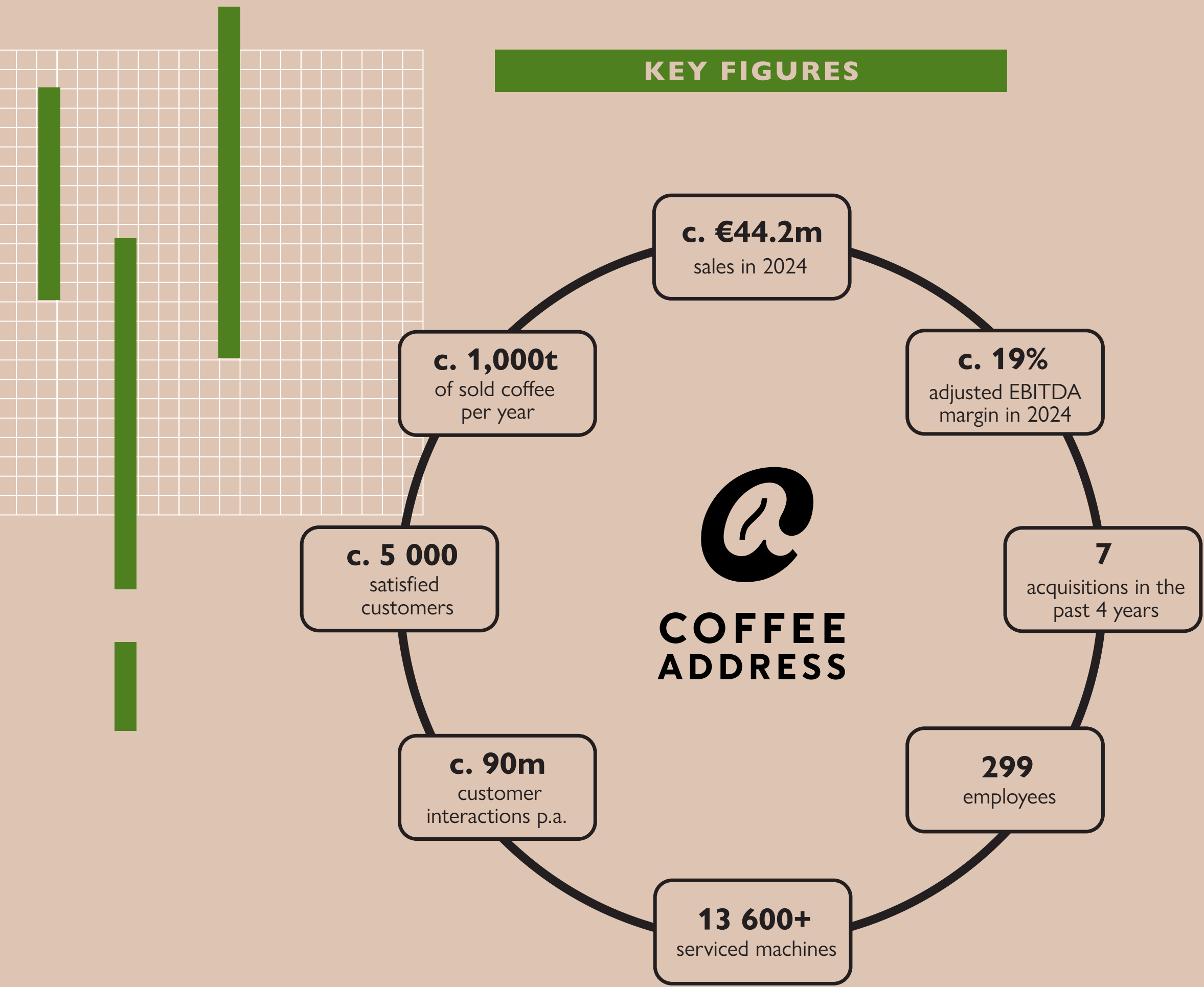
- People-Centric
- Customer-Oriented
- Teamwork
- Taking Personal Responsibility
- Quality
- Reputation
- Transparency



Improve for a Better Tomorrow

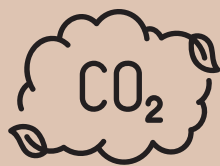
- Innovations
- Sustainability
- Tomorrow's Best is Better Than Today's Best
- Continuous Growth

Business model and strategy



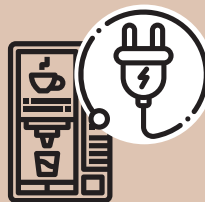
- 01 | Strategic network of best locations
- 02 | Attractive solutions and concepts for customers
- 03 | Lean and digitalized internal processes
- 04 | “One Company” in three countries
- 05 | Engaged and motivated employees

SUSTAINABILITY HIGHLIGHTS



5 027

CO2 emissions, tCO2e



1 707 kWh

Average electricity consumption per coffee vending machine



1 963 kWh

Average electricity consumption per snack vending machine



28%

Recycling rate



38%

Recycled coffee grounds from vending machines



41%

Rainforest Alliance, Fairtrade, or Organic certified coffee



2.75%

Vending drinks served in reusable cups



2

Work related injuries



27%

Employee Turnover Rate



25 247 508

Steps walked during the Health Month

GOVERNANCE AND STAKEHOLDER ENGAGEMENT



Governance

In enhancing its focus on ethical behaviour, diversity, and fair competition, Coffee Address Group is developing key governance policies. While adhering to the Good Corporate Governance Code and preparing for compliance with the Corporate Sustainability Reporting Directive (CSRD), the group is refining its governance structure to support responsible and sustainable growth.

Targets:

Fully embed a comprehensive Code of Conduct across the organization by 2030.

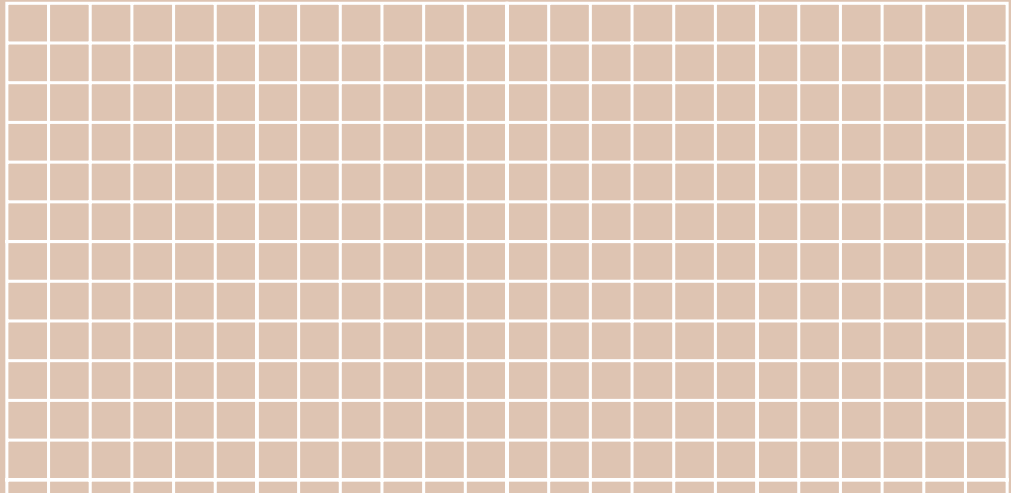
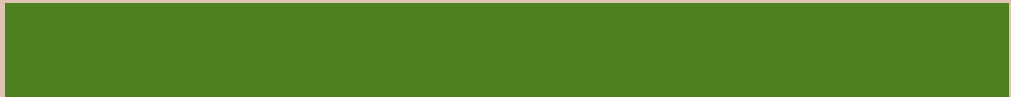
Develop and fully integrate policies on Responsible Energy Consumption, Waste Management, and Circularity by 2030.

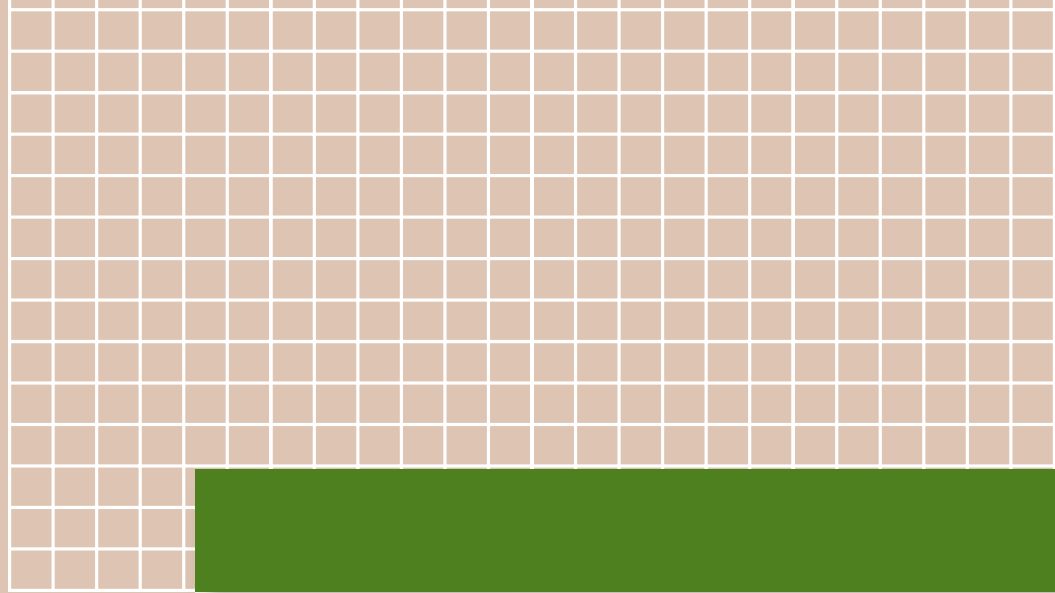


General information	Governance and Stakeholder Engagement	Planet	Product	People
	Corporate Governance	Leadership and Executive Expertise	Stakeholder Engagement	Key areas of sustainability

In the landscape of corporate governance, Coffee Address Group is dedicated to the principles of transparency, accountability, and ethical practice. Our operations are built upon a governance framework that is thoughtfully designed to guide and control the organization with responsibility at its core. This framework not only aligns with our internal standards but also adheres to the Corporate Governance Code outlined by the Ministry of Justice of the Republic of Latvia, ensuring our commitment to high standards of governance and ethical conduct.

The forthcoming section explores the detailed governance structure that informs the management practices at Coffee Address Group. Having thoroughly evaluated the Corporate Governance Code, this section will present an analysis of operations and their compliance with the Code.





	Principle #	Principle description	Existing CA Compliance	In the process of implementing
Strategy	1	Approved strategy regularly reviewed by the Supervisory Board	An approved strategy in place	Regular annual reviews
Inner culture and ethical behavior	2	Code of Conduct Diversity Policy	Code of Conduct approved Policy on Equal Opportunities and Anti-Harassment of Employees approved by Supervisory Board	Policy on Equal Opportunities and Anti-Harassment of Employees implementation in 2025
Internal control system, risk management and internal audit	3	Internal Control System overseen by Supervisory Board	Group Approval Procedure Monthly Reporting to the Supervisory Board Quarterly Supervisory Board meetings Whistleblowing policy approved by Supervisory Board	Whistleblowing policy implementation in 2025 AML/Sanction screening policy to be introduced in 2025
	4	Risk Management Process	Fraud Risk Assessment performed in 2024	Procurement process documentation and implementation of relevant controls
	5	Internal Audit	Inherent function of the Holding company	To be continued
External auditor	6	External Audit	Regular audits by BIG4 since 2017 Financial, Tax and Legal Factbooks prepared since 2021	To be continued
Appointment of Supervisory Board members	7	Transparent procedure of electing Supervisory Board members	Clear procedure in Commercial Law and company`s Articles of Association	-
	8	Competence of Supervisory Board members	Supervisory Board members have coffee and vending industry expertise, corporate governance and sustainability expertise, investment management and strategic development	-
	9	Independent Supervisory Board members	Ms. Baiba Rubesa Mr. Michael Wagner	-





	Principle #	Principle description	Existing CA Compliance	In the process of implementing
Management Board and Supervisory Board remuneration determination principles	10	Management Board and Supervisory Board remuneration determination principles	Approved by the Shareholder meeting and Supervisory Board meeting, respectively Remuneration policy approved by Supervisory Board	Remuneration implementation in 2025
	11	Clear and understandable work organization of the Supervisory Board	Work is organized according to Article of Association and Group Approval Procedure Minimum 4 meetings per year Meetings run based on prepared agenda and materials	To be continued
Decision – making and organization of work of Supervisory Board	12	Informed and well-balanced decisions by the Supervisory Board	Decisions are made based on pre-read of the prepared materials based on the expertise of the Board members unanimously	To be continued
	12.1	Supervisory Board Committees prepare proposals	Not relevant given amount and complexity of decisions	-
Prevention of Conflict of Interest	13	Awareness of Conflict of Interests	Insider trading procedures and controls Non-compete clause in the management employment agreements Additional approvals for the potential conflict of interest in Group Approval Procedure Policy of interest of conflict approved by Supervisory Board	Policy of interest of conflict implementation in 2025
Shareholder meetings	14, 15,16	Clear and understandable work organization of the Shareholder meeting	Work is organized according to Article of Association and Group Approval Procedure Minimum 1 meeting per year Meetings run based on prepared agenda and materials	-
Transparency of Company Operations	17	Information distributed to shareholders and other stakeholders	Monthly management reports available to the Supervisory Board and Management Team Quarterly reporting to the shareholders, Bank and bondholders Intranet site for employees	To be continued

Leadership and Executive Expertise

KEY MANAGEMENT TEAM



Viktorija Meikšāne
CEO, Baltics
Coffee Address Holding
Joined Coffee Address in 2017



Anda Priedīte
CFO, Baltics
Coffee Address Holding
Joined Coffee Address in 2018



Aleksandr Samuchov
CEO, Country Manager
Coffee Address Lithuania,
Coffee Address Estoniaa
Joined Coffee Address in 2018



Krīvs Lode
CEO, Country Manager
Coffee Address Latvia
Joined Coffee Address in 2020



SUPERVISORY BOARD



Baiba Rubesa
*Chairman of the
supervisory board*
From 2019



Michael Wagner
*Member of the
supervisory board*
From 2018



Dagnis Dreimanis
*Member of the
supervisory board*
From 2017



Renāte Straziņa
Adviser to the
supervisory board
From 2022



Sandijs Āboliņš-Ābols
Member of the supervisory board
From 2017

Stakeholder Engagement

A comprehensive materiality assessment was conducted in 2022 to pinpoint sustainability topics crucial to operations and stakeholder interests, steering efforts towards responsible business practices. This evaluation played a pivotal role in gauging both the immediate and potential influences of operational activities on communities and the environment, while also recognizing positive contributions.



THE MATERIALITY ASSESSMENT UNFOLDED IN FOUR STRUCTURED STEPS:

STEP 1

The first step involved an initial analysis and competitor review, focusing on industry trends and Environmental, Social, and Governance (ESG) practices among peers. This review concentrated on reporting practices, content, and how these aligned with Sustainable Development Goals (SDGs), aiding in the identification of sustainability topics pertinent to the business model and value chain. A comprehensive list of key stakeholders was compiled, and the relevance of identified topics was confirmed through interviews with more than ten internal stakeholders, each queried on 11 specific questions to unearth additional sustainability concerns.

KEY INTERNAL AND EXTERNAL STAKEHOLDERS

	Ways of communication	Current issues / topics that are being communicated
Management board	Interviews Survey	Potential material ESG topics Overall view on ESG
Employees	Interviews Survey	Potential material ESG topics Overall view on ESG
Investor	Interviews Survey	Potential material ESG topics Overall view on ESG
Public organisation on consumer topics	Survey	Material ESG topics Additional comments or suggestions on other relevant topics
Financial sector (Bank)	Survey	Material ESG topics Additional comments or suggestions on other relevant topics
Clients	Survey	Material ESG topics Additional comments or suggestions on other relevant topics
Suppliers	Survey	Material ESG topics Additional comments or suggestions on other relevant topics

STEP 2

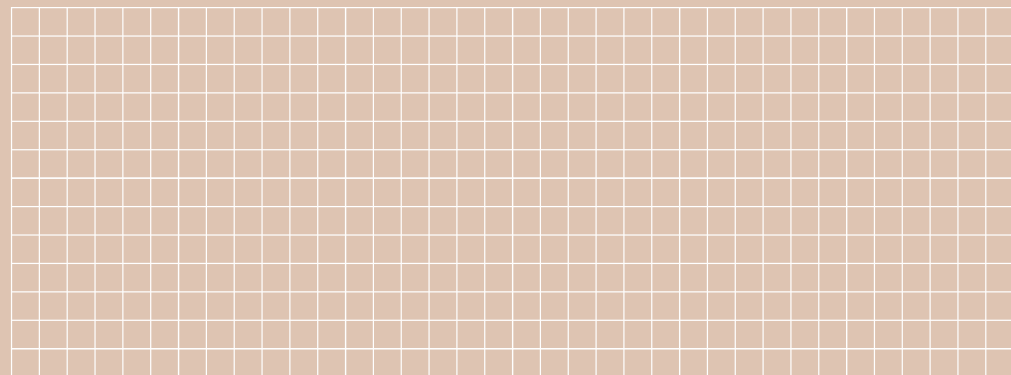
In the second step, Stakeholder Calibration, the list of sustainability topics underwent refinement using insights gained from the initial interviews. An online survey was then crafted to collect perspectives from both internal and external stakeholders. The objective of this survey was to assess the importance of each sustainability topic from both present and future viewpoints, with a focus on identifying those with the greatest impact on operations and overall sustainability goals.

STEP 3

The development of the materiality matrix followed, leveraging the feedback obtained to construct a framework that mirrors the expectations of stakeholders alongside internal evaluations. This matrix ensures congruence with Sustainable Development Goals (SDGs) and the European Sustainability Reporting Standards (ESRS), providing a comprehensive overview of priority sustainability areas.

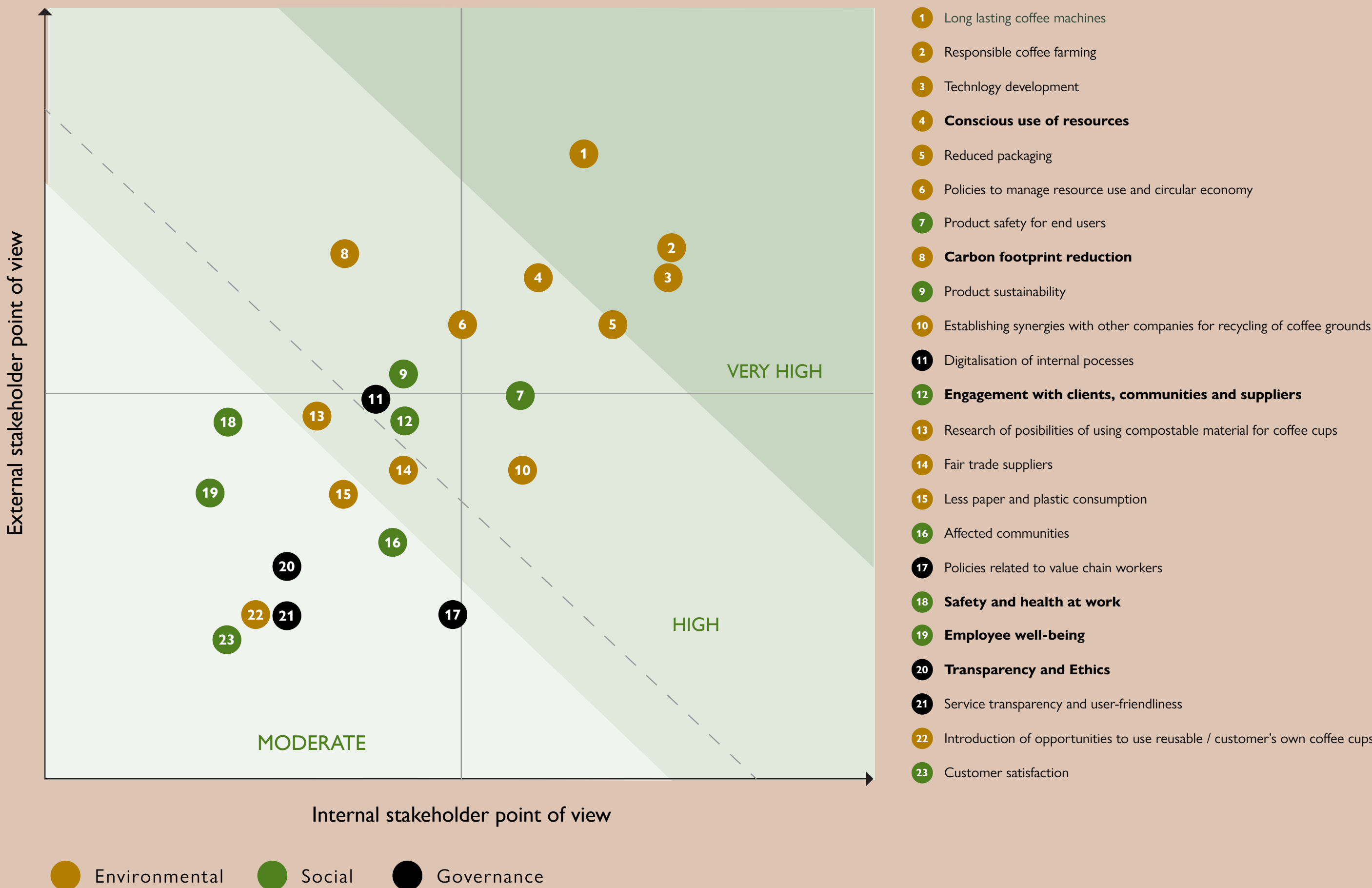
STEP 4

Insights garnered from the materiality assessment informed the ongoing development of sustainability initiatives and reporting frameworks, spotlighting critical areas for future sustainability focus.



Key areas of sustainability

Engagement with stakeholders facilitated the identification and consolidation of crucial sustainability domains. Through meticulous analysis of the information collected, a materiality matrix was formulated, underscoring the sustainability aspects of paramount importance.



In total, 23 key areas of sustainability were identified. Through a comprehensive analysis, it was determined that the most relevant sustainability topics primarily revolve around the environment. The key sustainability subjects encompass resource utilization, adopting a circular approach to operations, addressing social aspects of product sustainability and safety, as well as calculating and implementing measures to reduce carbon footprint.

The materiality assessment was conducted in the middle of 2022, at a time when some companies had not yet obtained knowledge and understanding of sustainability and its role in company and business. Therefore, not all identified aspects of sustainability are currently integrated into initiatives, projects and sustainability report. In late 2022, a sustainability workshop was held for the Baltic team, introducing the management to key sustainability themes. Participants were grouped into three, each focusing on generating ideas within specific sustainability domains: Planet, Product, and People.

In light of the insights from the materiality matrix and the outcomes of the sustainability workshop, the focus in 2023 and 2024 was placed on six key sustainability aspects:

- **Conscious use of resources,**
- **Carbon footprint reduction,**
- **Engagement with clients, communities and suppliers,**
- **Safety and health at work,**
- **Employee well-being and**
- **Transparency & Ethics.**

In alignment with the Corporate Sustainability Reporting Directive (CSRD) requirements, a review of the materiality matrix is planned for upcoming reporting periods.

PLANET



Efforts are concentrated on minimizing environmental footprints through waste management, energy-saving measures, and the adoption of circular economy principles. Initiatives include transitioning to sustainable materials, enhancing recycling programs, and exploring energy-efficient solutions across operations.

Targets:

Complete transition to plastic-free cups across all services by 2030.

Implement 100% recycling of coffee grounds from vending machines by 2030.

Achieve over 90% waste diversion from landfills through enhanced recycling efforts by 2030.



Energy consumption

2024

2023

6 907,71 m²
488 346 kWh

6 907,71 m²
437 642 kWh

Premises 71 kWh Average electricity consumption per m² 63 kWh

2 453 pcs
4 475 776 kWh

2 321 pcs
4 240 630 kWh

Coffee vending¹ machines 1 825 kWh Average electricity consumption per coffee vending machine 1 827 kWh

464 pcs
955 190 kWh

423 pcs
865 289 kWh

Snack vending machines 2 059 kWh Average electricity consumption per snack vending machine 2 046 kWh

Total: 5 919 312 kWh | 5 543 561 kWh

¹The number of coffee vending machines and the electricity consumption figures represent publicly available machines only.

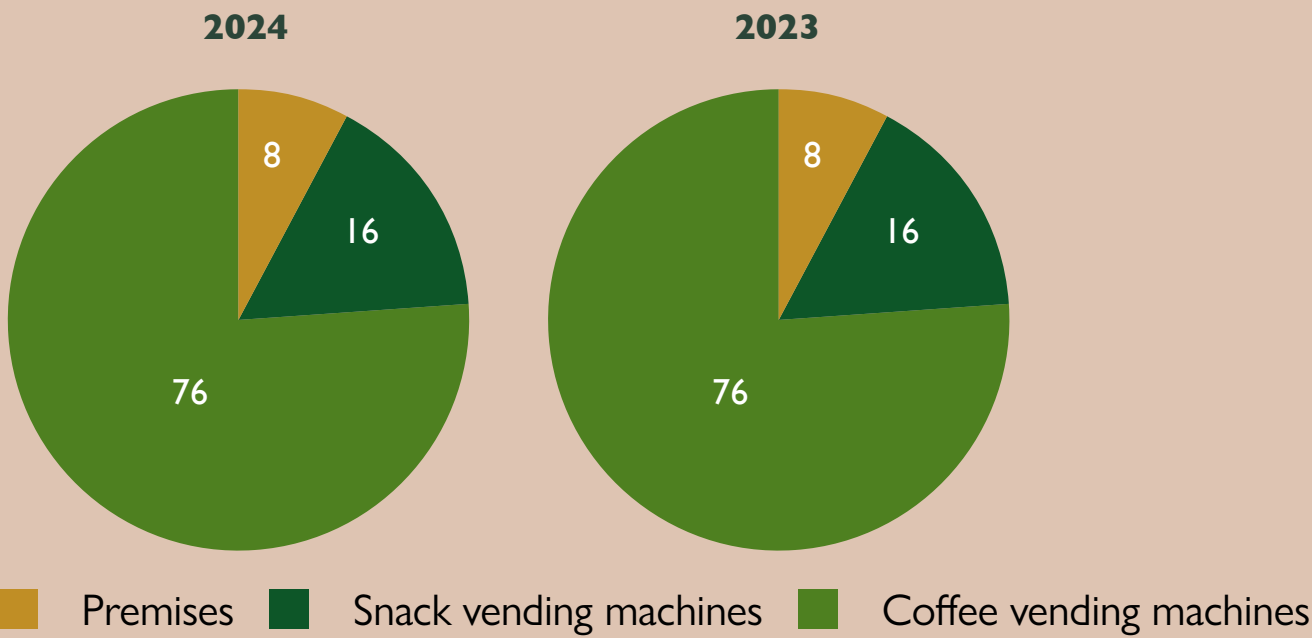
ELECTRICITY CONSUMPTION

In 2024, Coffee Address Group saw a moderate increase in electricity consumption compared to 2023, reflecting both business growth and higher operational intensity. Total electricity usage rose by 6.8%, from 5.54 million kWh in 2023 to 5.92 million kWh in 2024.

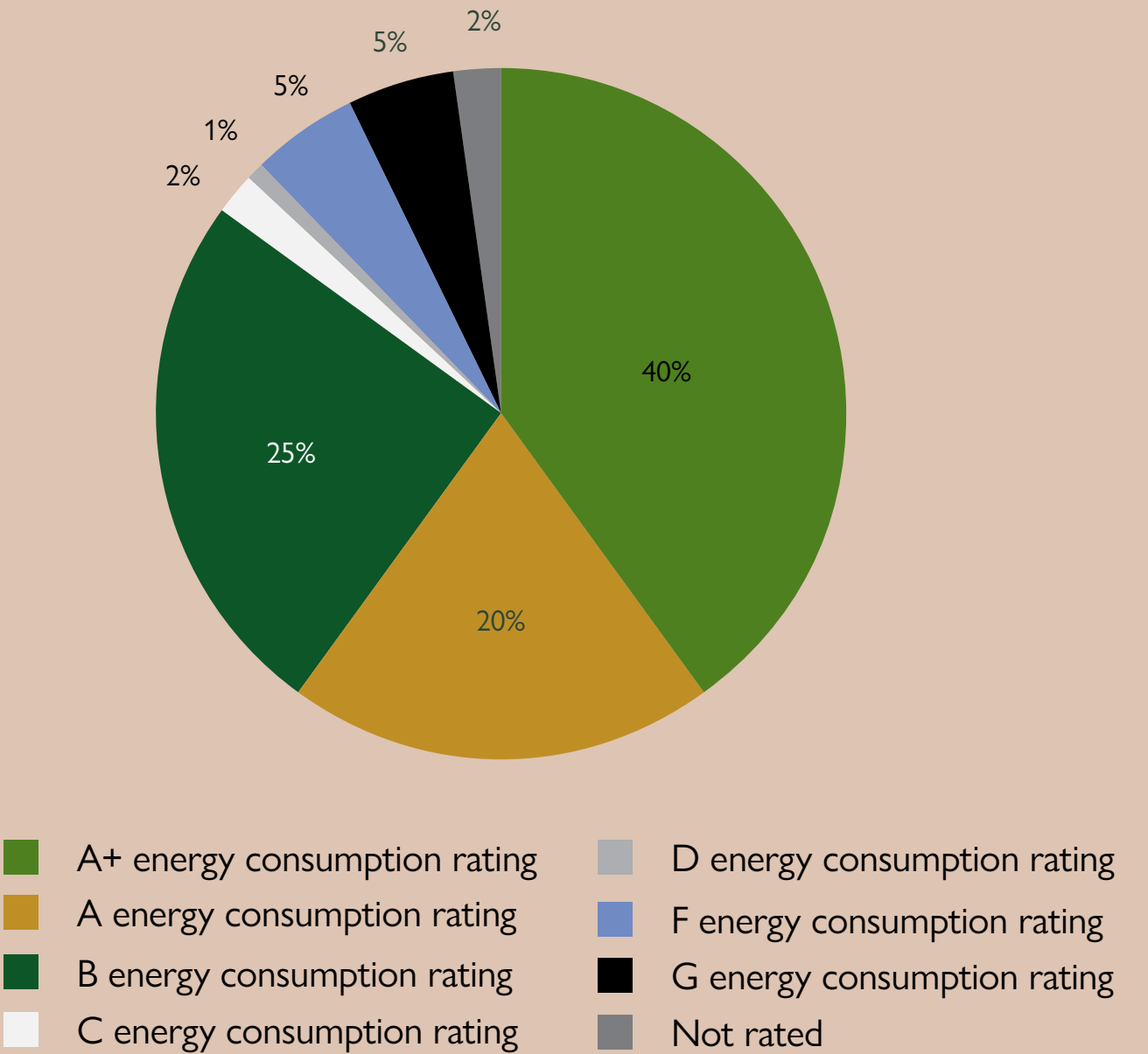
The rise in consumption was largely driven by the continued expansion of our vending machine network. The number of coffee machines grew by 5.7%, while snack machines increased by nearly 10%.

Additionally, the energy use in our premises increased slightly. While the total area remained unchanged, the average electricity consumption per square meter rose from 63 to 71 kWh in 2024. This was largely due to colder weather conditions during parts of the year, which led to higher heating needs and increased energy demand in our facilities.

Electricity consumption, % from total



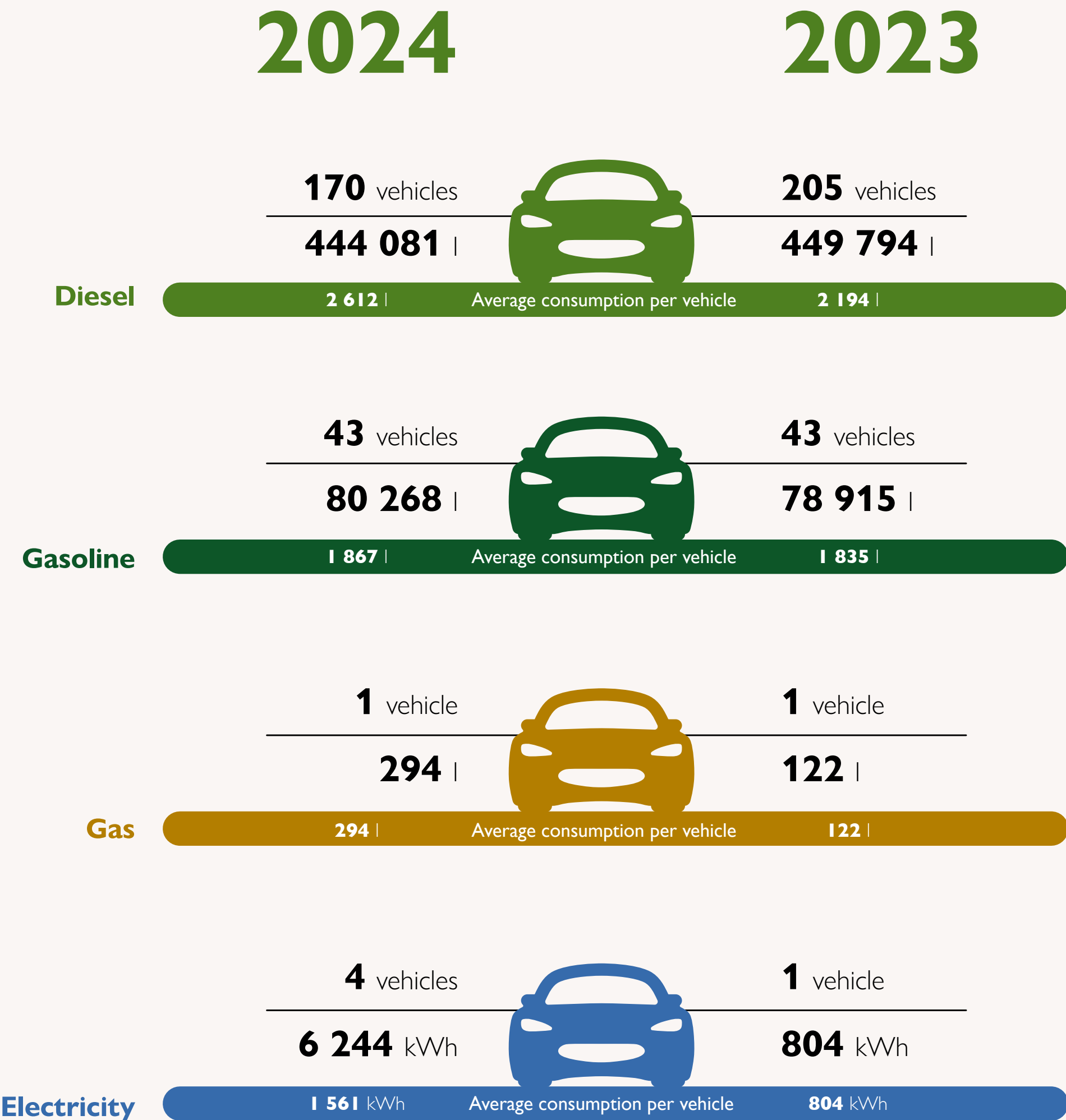
Energy consumption levels, %



Energy consumption

VEHICLE ENERGY CONSUMPTION

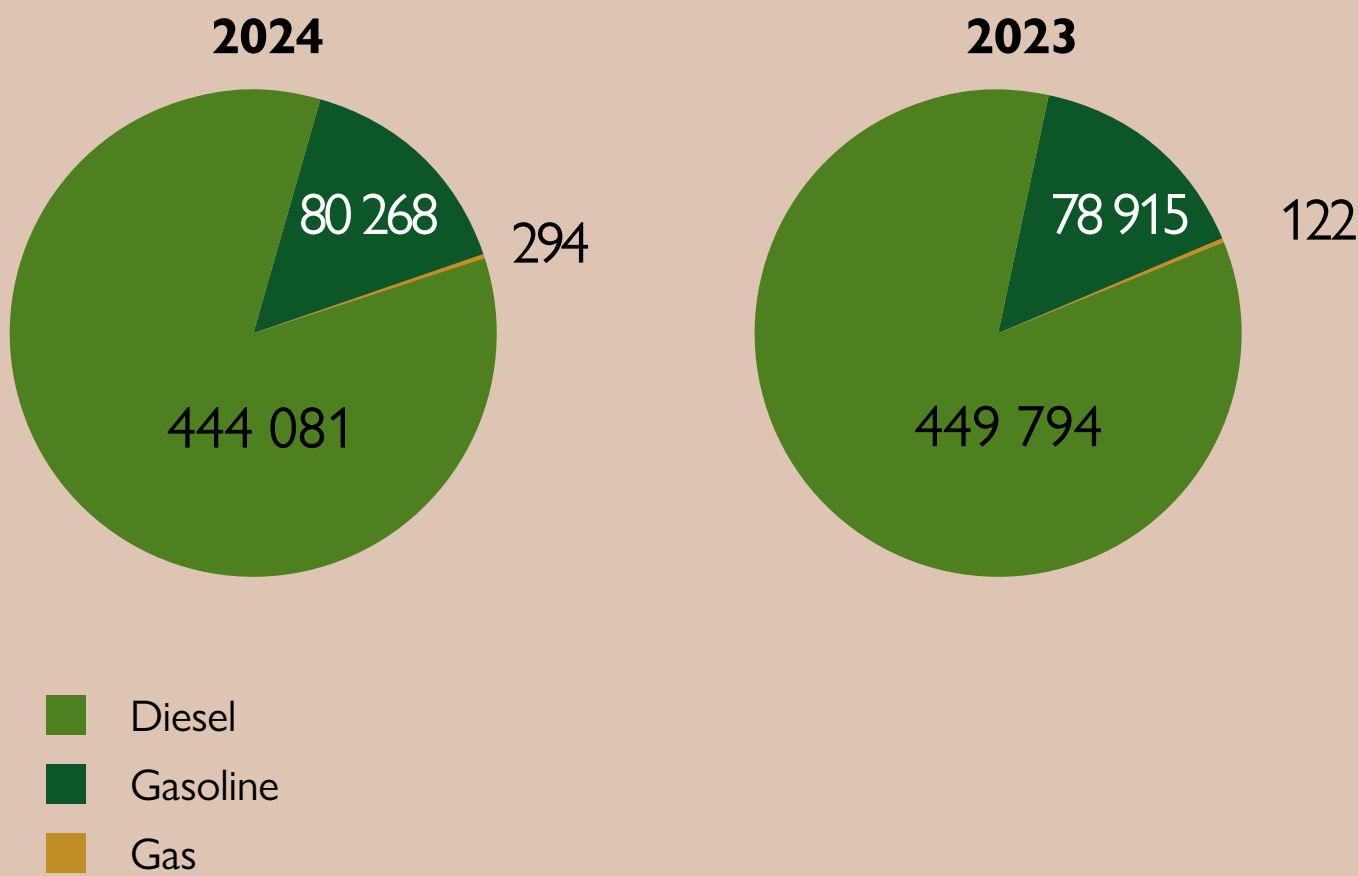
Fuel and electricity serve as crucial resources, powering the fleet of vehicles dedicated to servicing our machine park. This mainly includes traditional fuel vehicles and also an electric vehicle.



Overall fuel consumption across the Coffee Address Group fleet remained stable in 2024 compared to the previous year, with less number of diesel vehicles in use. This improvement reflects a more efficient service model, where each vehicle was used more intensively to support a growing network with fewer resources.

The number of diesel vehicles dropped to 170 in 2024, while total diesel consumption decreased only slightly. As a result, average fuel consumption per vehicle increased by 19%, indicating higher productivity per unit.

Fuel consumption, litres

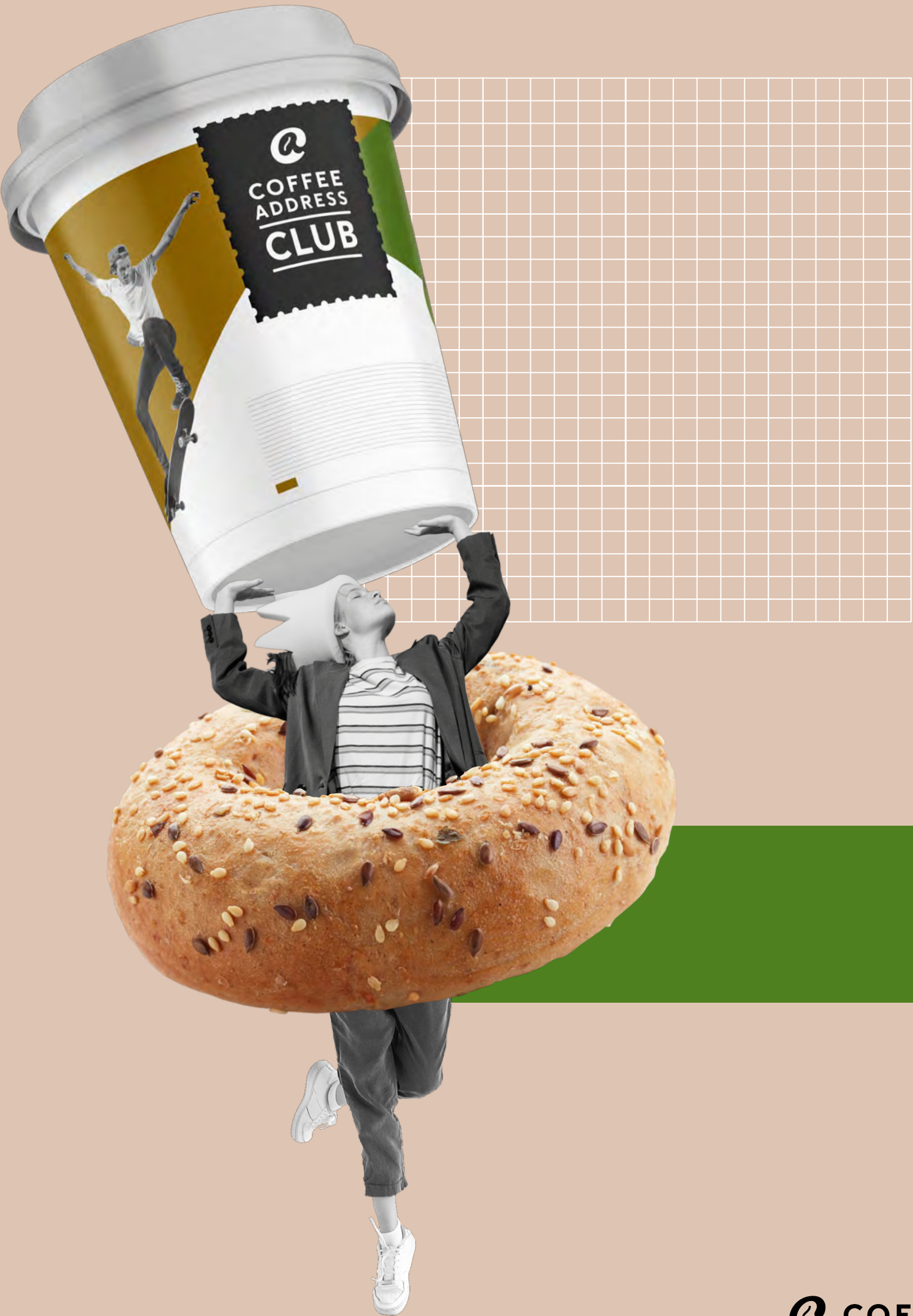


Vending management system

Fuel ranks as the second critical resource, powering the vehicle fleet. Efforts to curtail overall fuel consumption have led to the ongoing development and enhancement of the vending management system. This sophisticated system integrates machine learning, and intelligent forecasting to streamline operations, aiming for increased operational efficiency and reduced fuel usage. This system includes three keyfeatures:

- 1 | **Planning and dynamic routing**
- 2 | **Equipment management**
- 3 | **Maintenance service**

The automated route planning system leverages a unique technology to optimize route planning, thereby reducing unnecessary trips and refills through data-driven logic and efficiency. The real-time inventory monitoring offers up-to-the-minute stock levels in each vending machine, allowing the system to accurately determine when and which machines need refilling. Additionally, ensuring machines are consistently stocked with fresh coffee and snacks keeps them fully operational. This vending management system not only conserves resources but also minimizes the fuel consumption of vehicles, consequently reducing the business’s greenhouse gas (GHG) emissions (Scope 1).



Waste management

All businesses produce waste, varying from commonplace materials like paper and plastic to specialized waste that necessitates particular handling and disposal methods. Effective management is crucial, regardless of the waste type or volume generated. There are two main categories of waste production in Coffee Address Group:

- waste from our offices and facilities, and
- waste resulting from our services.

Office operations primarily generate municipal waste alongside paper and plastic, whereas the services offered lead to a unique waste profile, including bio-waste from spent coffee grounds and municipal waste from disposable coffee cups. Coffee Address Group’s presence spans across the Baltic states, where differing national regulations on waste collection and management complicate the uniform gathering of waste production data.



Waste generated by Coffee Address Group offices and facilities¹

	2024	
The total amount of recycled waste²	188,85	tons
The total amount of non-recycled waste	497,70	tons
The percentage of recycled waste	27,51	%
The percentage of non-recycled waste	72,49	%
The total amount of waste generated³	686,55	tons

Waste generated by Coffee Address services

	2024	2023	
Amount of cups used in coffee vending machines⁴	28 854 455	31 061 923	quantity
Amount coffee filled into the coffee vending machines	250.54	244.96	tons
Amount of coffee grounds collected from coffee vending machines	94.05	53.86	tons

1 Data includes information from all offices and facilities in Lithuania, one facility in Latvia (35% area of all premises) and four offices/facilities in Estonia (87% area of all premises). Data from Latvia and in Estonia are recalculated from m3 to tons. Recalculation is done in accordance with [Manual for the Application of Factors in Municipal Waste Accounting from volume to Weight Units](#).

2 Recycled waste – paper and plastic

3 Total waste amount includes municipal waste, biowaste, paper, and plastic waste.

4 Amount of used coffee cups in coffee vending machines. Does not include the weight of the coffee cup lids.

RECYCLABLE CUPS



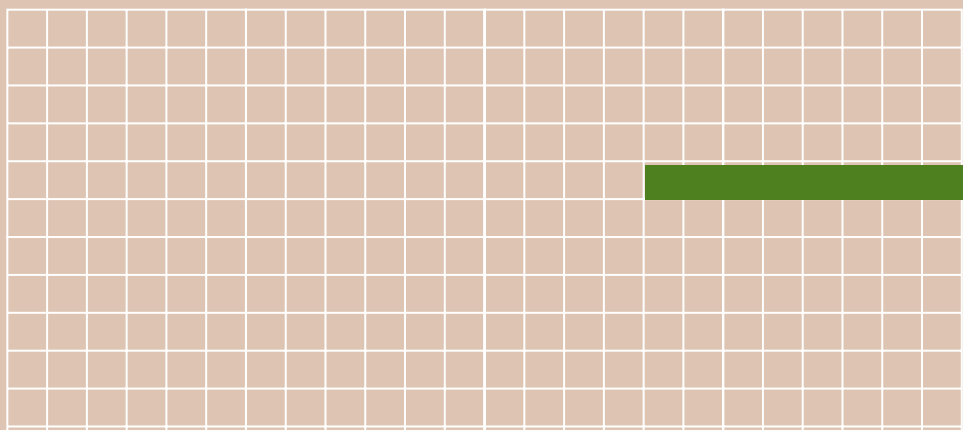
GOAL FOR 2030:
Achieve a complete transition to plastic-free cups across all services, eliminating single-use plastic cup waste.

Efforts are underway to transition from the current use of plastic-lined paper cups to recyclable paper alternatives. Throughout 2024, a specification for the required paper cups was developed, and

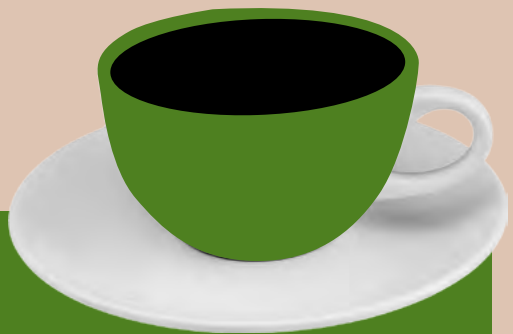
comprehensive market research was undertaken to identify suitable recyclable options that could replace the plastic-lined counterparts.

This initiative is centred on identifying alternatives to the conventional plastic-lined cups used in vending machines. It involves close collaboration with both existing and potential new suppliers to explore options for plastic-free cups, with plans for in-house, indoor, outdoor and customer testing of the samples obtained.

The goal is to offer customers the most effective cup solutions for recycling, significantly reducing the waste footprint and minimizing landfill contributions. This endeavour aims not only to lessen environmental impact but also to strengthen customer relationships by demonstrating a commitment to sustainability and responsible consumption.



BRING YOUR OWN CUP



GOAL FOR 2030:
Option to use a reusable/regular cup in any vending machine for every customer.

The initiative for using regular, reusable cups in coffee vending machines, although established earlier, received a focused push in the last 2 years to enhance its sustainability impact. In 2024 our customers continued to use this eco-friendly feature, and it is adopted in 75 machines across the Baltic states - 35 in Lithuania, 15 in Latvia, and 25 in Estonia. In Estonia, although the initiative is available just in 25 machines, these are configured to accept only reusable cups, making the use of a personal cup the default and only option.

The continued push towards sustainability, using regular cups in our vending machines demonstrates a strong commitment to minimizing environmental impact and supports partners in reaching their sustainability targets. The reduction in disposable cup use, as revealed by the data, marks significant progress towards more eco-conscious operations and a smaller ecological footprint.

In 2024 2,75% of vending drinks (921 871 drinks) were dispensed in regular cups, a milestone that shapes the objectives for the following year. Based on these achievements, targets for 2025 have been established across all Baltic countries, focusing on retention of usage of reusable cups.

The ambition for 2030 is to enable use of a reusable or regular cup in every vending machine, ensuring every customer has the opportunity to choose a more sustainable option.

VENDING DRINKS SERVED IN REGULAR CUPS



2,75%
of all vending drinks served in reusable cups

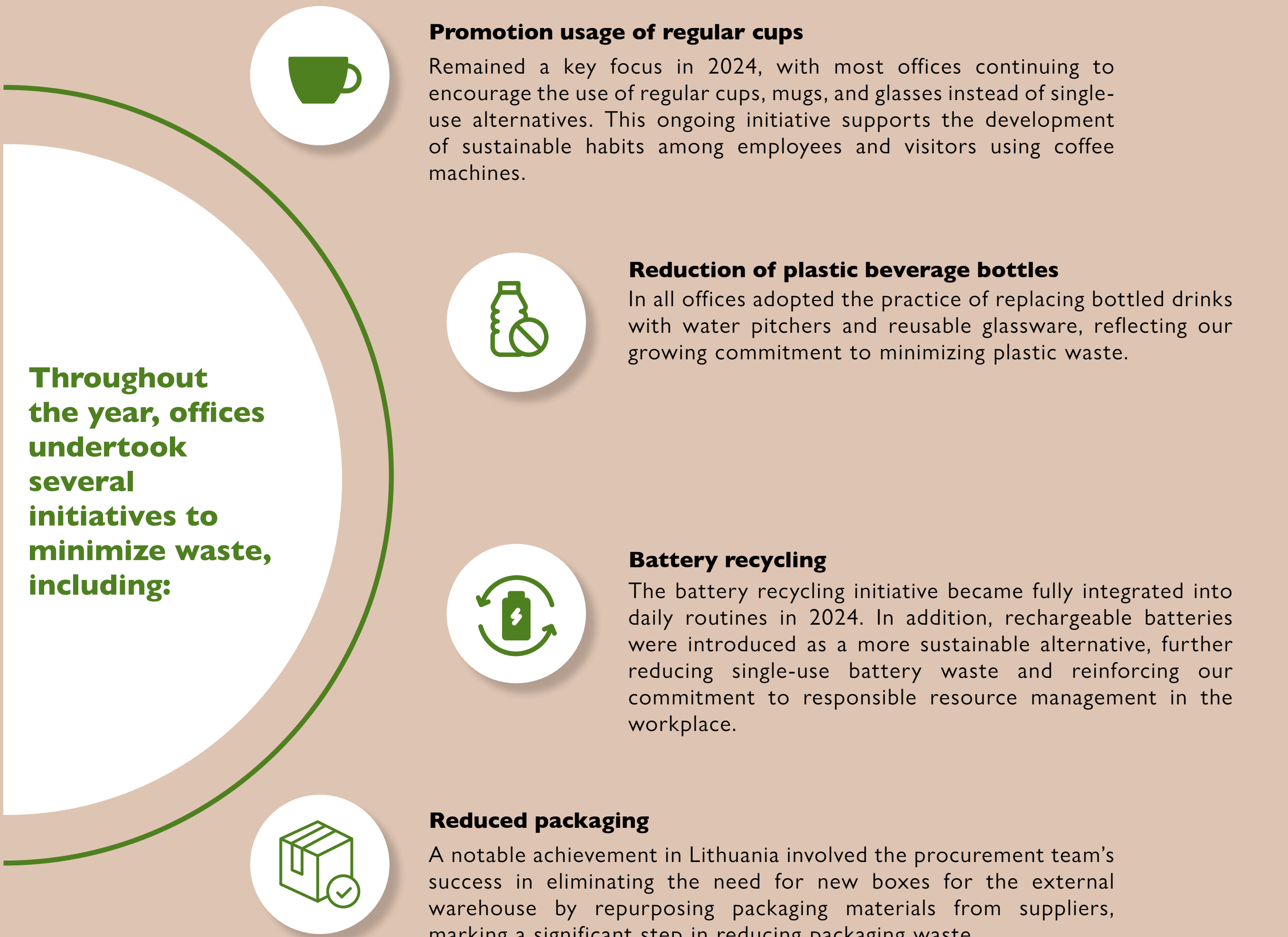
OFFICE RECYCLING PROGRAMS ACROSS THE BALTIC REGION

GOAL FOR 2030:

Attain over 90% waste diversion from landfills through recycling in all facilities, significantly reducing the environmental impact.

In 2024, Coffee Address Group continued to strengthen its recycling initiatives across its seven Baltic offices. The program was further improved with enhanced communication efforts, including updated educational materials, visible signage, and ongoing employee engagement to support correct recycling practices. Recycling bins remained strategically placed throughout offices, making it easy for employees to separate waste properly. The continued focus has been on reducing office-generated waste, minimizing environmental impact, and fostering a culture of sustainability across the organization.

Efforts in 2024 also included assessing and reviewing and optimizing recycling processes to ensure greater efficiency and effectiveness. Looking forward, the ambition is to expand these recycling measures to encompass all facilities, aiming for a complete adoption of recycling practices across the Coffee Address Group by 2030. By then, it is anticipated that the amount of waste generated will be quantifiable, enabling more precise tracking and further optimization of waste reduction efforts.



Integrating circularity into the daily operations of any company is crucial for reducing both the volume of waste that ends up in landfills and operational costs. Work has commenced on projects aimed at embedding principles of the circular economy into everyday practices, highlighting a commitment to sustainability and efficiency.

Objectives for circularity

SPENT COFFEE GROUNDS

GOAL FOR 2030:
Aim for 100% of vending machine coffee grounds to be recycled, thereby minimizing organic waste and fostering the circular economy.

Typically, spent coffee grounds are disposed of in general waste and sent to landfill where they decompose and emit methane (CH₄) – a greenhouse gas 28 times more potent than carbon dioxide (CO₂) over a 100- year period, and one of the primary causes of global warming.

In 2024, Coffee Address Group continued to advance its coffee waste collection and recycling initiative. The program focuses on reducing biowaste by diverting spent coffee grounds from general waste to more sustainable disposal methods.

Bio-waste bins remained in place at seven key facilities across the Baltic region, aiding in the systematic collection

of coffee grounds, which are then transferred to selected bio-waste management services in each Baltic country.

Coffee vending machine operators have been directed to collect and transport spent coffee grounds back to our facilities after conducting routine cleaning and refilling activities. The percentage of coffee grounds recycled is increasing and has reached 38% in 2024. By 2030, the objective is to ensure that 100% of spent coffee grounds from coffee vending machines are recycled, embodying our dedication to sustainability and waste reduction.

Cup deposit system

In Estonia, a cup deposit system was actively used throughout 2024, with 2 200 drinks served using deposit cups. This sustainable initiative offers an alternative to single-use cups and is built on three key components:

- special cup purchase,
- return and refund process and
- cup collection and washing service.

Users have the option to purchase a special cup from dedicated vending machines, providing them with a reusable container for their beverages. After use, users can return the special cup to designated deposit machines, receiving a refund for their deposit. This encourages responsible disposal and minimises single-use cup waste. Outsourced services ensure that used cups are collected, washed and returned to cup vending machines, as well as closing the cup reuse cycle.



Coffee Address Group focuses on reducing its carbon footprint by implementing initiatives related to energy efficiency, waste reduction, and circularity. To gauge the impact of these efforts, greenhouse gas (GHG) emissions for Scope 1 and 2 were meticulously calculated for the years 2022 , 2023 and 2024, with Scope 3 emissions presently excluded from this analysis. The GHG emissions calculations were performed in accordance with Greenhouse Gas Protocol guidance. The emission factors for fuel, refrigerants and heating are from UK Government GHG Conversion Factors for Company Reporting (DEFRA) and emission factors for electricity are from ABl: Residual Mixes and European Attribute Mix. The primary goal is to significantly reduce both direct (Scope 1) and indirect (Scope 2) GHG emissions arising from operational activities and energy use. Coffee Address is actively pursuing initiatives aimed at boosting energy efficiency, advancing waste management practices and ensuring sustainable sourcing. While specific policies to formalize these efforts are in the process of being developed, the commitment to carbon footprint reduction is already manifesting in tangible actions and strategies. Future plans include the formulation of comprehensive policies to standardize and enhance carbon reduction measures across all operational facets, with aspirations to eventually broaden these efforts to encompass Scope 3 emissions.



Scope 1 emissions

The primary greenhouse gas (GHG) emissions associated with Coffee Address Group’s operations include carbon dioxide (CO2), methane (CH4), and nitrogen dioxide (NO2). These emissions stem from two key sources: the fuel utilized by the company’s vehicle fleet and the refrigerants employed in snack vending machines.

GHG emissions summary – Scope 1, tCO₂e

		2024		2023	
		Emissions	Total	Emissions	Total
Scope 1	Fuel	1 284	2 000	1 296	1 402
	Refrigerants	716		107	
Outside of scopes	Diesel	71	81	63	72
	Petrol	10		9	

The Scope 1 GHG emissions are directly related to the amount of fuel and refrigerants used.

Through calculations, it was determined that in 2024 the total scope 1 GHG emissions reached 2000 tCO₂e, while in 2023 it was 1402 tCO₂e. Comparing the results of 2024 and 2023, in 2024 the amount of GHG emissions has increased significantly.

Looking at each source of GHG emissions separately, GHG emissions from fuel consumption in 2023 were 1 296 tCO₂e and in 2024 1 284 tCO₂e. There is a slight decrease in 2024

compared to 2023. This reduction in GHG emissions is directly related to the reduction in gas consumption, which is described in the chapter “Energy consumption”. In contrast, emissions from refrigerants rose sharply - from 107 tCO₂e in 2023 to 716 tCO₂e in 2024. The increase is attributed to the extensive renovation of coffee machines during the year, which involved substantial refrigerant refilling.



Scope 2 emissions

For Scope 2 emissions within Coffee Address Group’s operations, the primary greenhouse gases emitted include carbon dioxide (CO₂), methane (CH₄), and nitrogen dioxide (NO₂). These emissions are primarily derived from the electricity that powers the company’s premises and vending machines, as well as the heating necessary to maintain suitable working conditions within these spaces.

When it comes to calculating emissions from electricity, the analysis is restricted to location-based emissions. Due to the unavailability of emission factors from electricity suppliers, the assessment has been limited to calculating location-based emissions resulting from electricity consumption, without extending to market-based emissions.



GHG emissions summary – Scope 2, tCO₂e

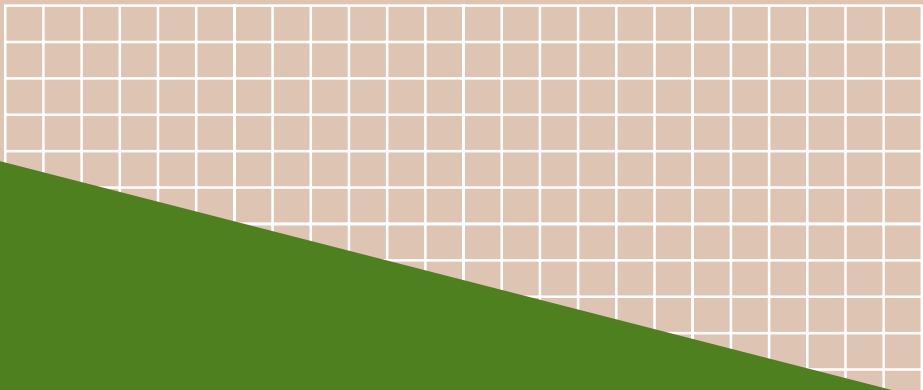
		2024		2023	
		Emissions	Total	Emissions	Total
Scope 2	Electricity	2 974	3 026	2 828	2 865
	Heating ¹	52		37	

¹ The calculation of Scope 2 emissions from heating for our subsidiary in Latvia is based on estimated values due to the lack of precise data. These estimates are formulated using available data on heating costs and tariffs provided by the heating service, allowing for an approximate assessment of heat consumption and resultant emissions.

Total Scope 2 GHG emissions increased by 5% in 2024, rising from 2 865 tCO₂e in 2023 to 3 026 tCO₂e. This growth reflects higher emissions from both electricity use and heating.

Electricity related emissions grew from 2 828 tCO₂e in 2023 to 2 974 tCO₂e in 2024, representing a 5% increase, primarily driven by the increase in electricity consumption of vending machines, as described in the chapter “Energy consumption”.

Heating-related emissions increased from 37 tCO₂e in 2023 to 52 tCO₂e in 2024, driven by colder weather conditions that resulted in higher heating demand across facilities.





PRODUCT

The product strategy focuses on ethically sourced coffee. It extends to ensuring a sustainable supply chain, with a commitment to partnering with suppliers who meet strict environmental and ethical standards, aiming to minimize the overall environmental footprint.

Targets:

Ensure 50% of coffee purchased is Rainforest Alliance, Fairtrade, and/or organic certified by 2030.

Establish a fully sustainable supply chain, with all key suppliers aligning with our environmental and social standards by 2030.



Engagement with clients, communities and suppliers

Coffee Address Group is transitioning towards offering more sustainable and socially responsible products and services. The selection includes coffee that is Rainforest Alliance, Fairtrade, and organic certified, catering to a range of sustainability preferences among customers. Beyond encouraging the use of reusable cups, the company is actively reducing its environmental impact through diminished packaging, improved recycling practices, and the creation of energy-efficient vending machines. Open and honest communication about these efforts with both customers and employees is central. These measures underscore a deep commitment to ethical sourcing, environmental stewardship, and delivering a sustainable coffee experience.

COFFEE CERTIFICATION

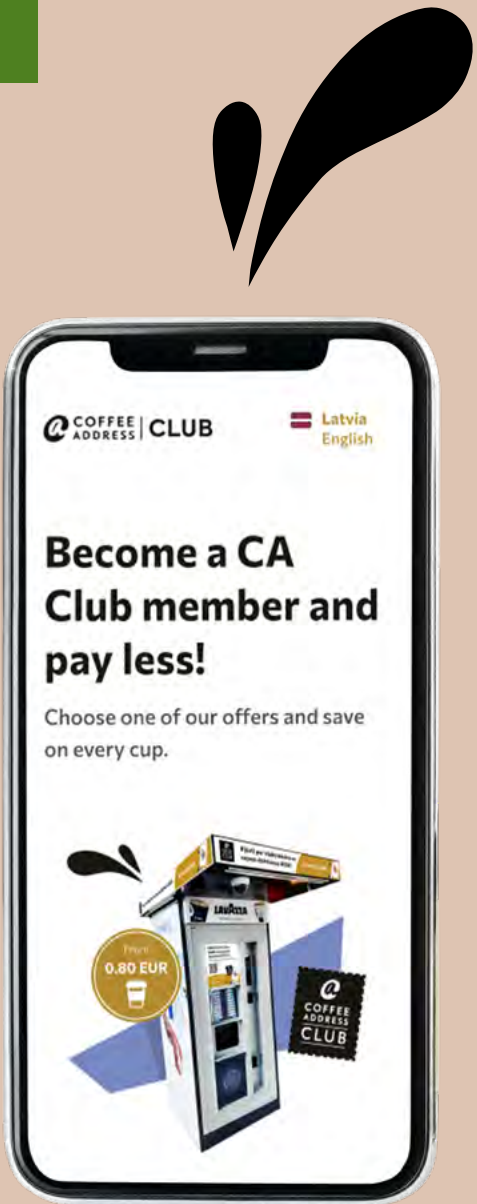
GOAL FOR 2030:
Ensure that 50% of the coffee purchased within the Coffee Address group is Rainforest Alliance, Fairtrade, and/or organic certified.

Coffee certifications like Rainforest Alliance, Fairtrade, and Organic serve as assurances that coffee production adheres to rigorous standards promoting environmental protection, social equity, and economic benefits for farming communities. These certifications are essential, ensuring that coffee cultivation and harvesting practices safeguard natural resources, support fair compensation and working conditions, and encourage sustainable farming methods beneficial to ecosystems and communities.

In 2024, 40.7% of coffee purchased within the group was Rainforest Alliance, Fairtrade, or Organic certified, marking a significant stride in commitment to sustainable and ethically sourced products.

COMMUNICATION CHANNELS

Customer satisfaction is a top priority, with a variety of engagement channels available, such as the CA Club loyalty app, social media, email, and direct office phone calls. For business clients, a dedicated self-service portal offers the convenience of placing orders, requesting technician services, and accessing statistics. Call centres provide support for vending customers with a range of inquiries. Both new and existing customers are informed about the company’s sustainability initiatives, activities, and goals through the website and during sales presentations, ensuring transparency and fostering a deeper understanding of the company’s commitment to sustainability.



Sustainable supply chain

GOAL FOR 2030:

Establish a sustainable supply chain where all key suppliers fully align with our sustainability values.

Partner and supplier selection at Coffee Address Group prioritizes quality, reliability, competitive pricing, and congruence with the company's values and objectives, ensuring engagement with entities committed to ethical practices and free from involvement in illicit activities or sanctions. Until now, sustainability has not been an explicit criterion in these evaluations. However, acknowledging the critical role of sustainable operations, the company is set to undertake a detailed sustainability assessment of its major suppliers in upcoming years. This evaluation will scrutinize their sustainability initiatives to ensure alignment with the company's goals, thereby elevating the sustainability quotient of the supply chain. Looking ahead, the commitment is to forge alliances with suppliers who mirror the company's dedication to sustainability, aiming to generate mutual benefits for the business and its clientele.



PEOPLE



The people strategy emphasizes a safe, inclusive, and empowering workplace, prioritizing health, safety, and personal development. Efforts focus on providing comprehensive training, fostering a culture of well-being, and engaging employees in sustainability initiatives.

Targets:

Implement continuous learning opportunities

Achieve zero work-related injuries, enhancing safety standards and health initiatives across all operations by 2030.

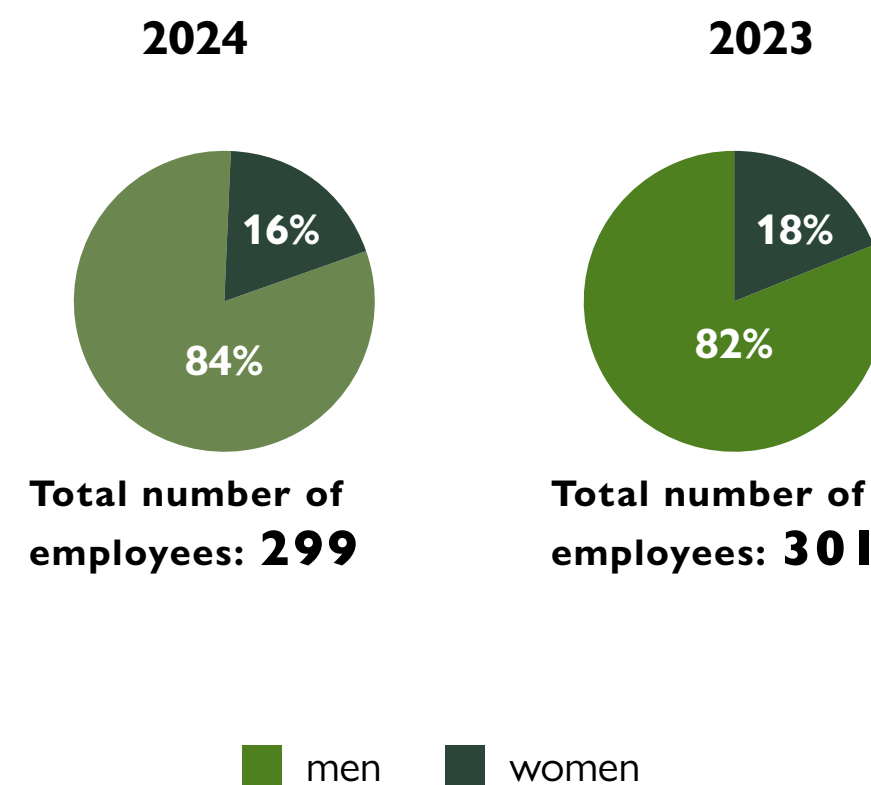


Employee diversity

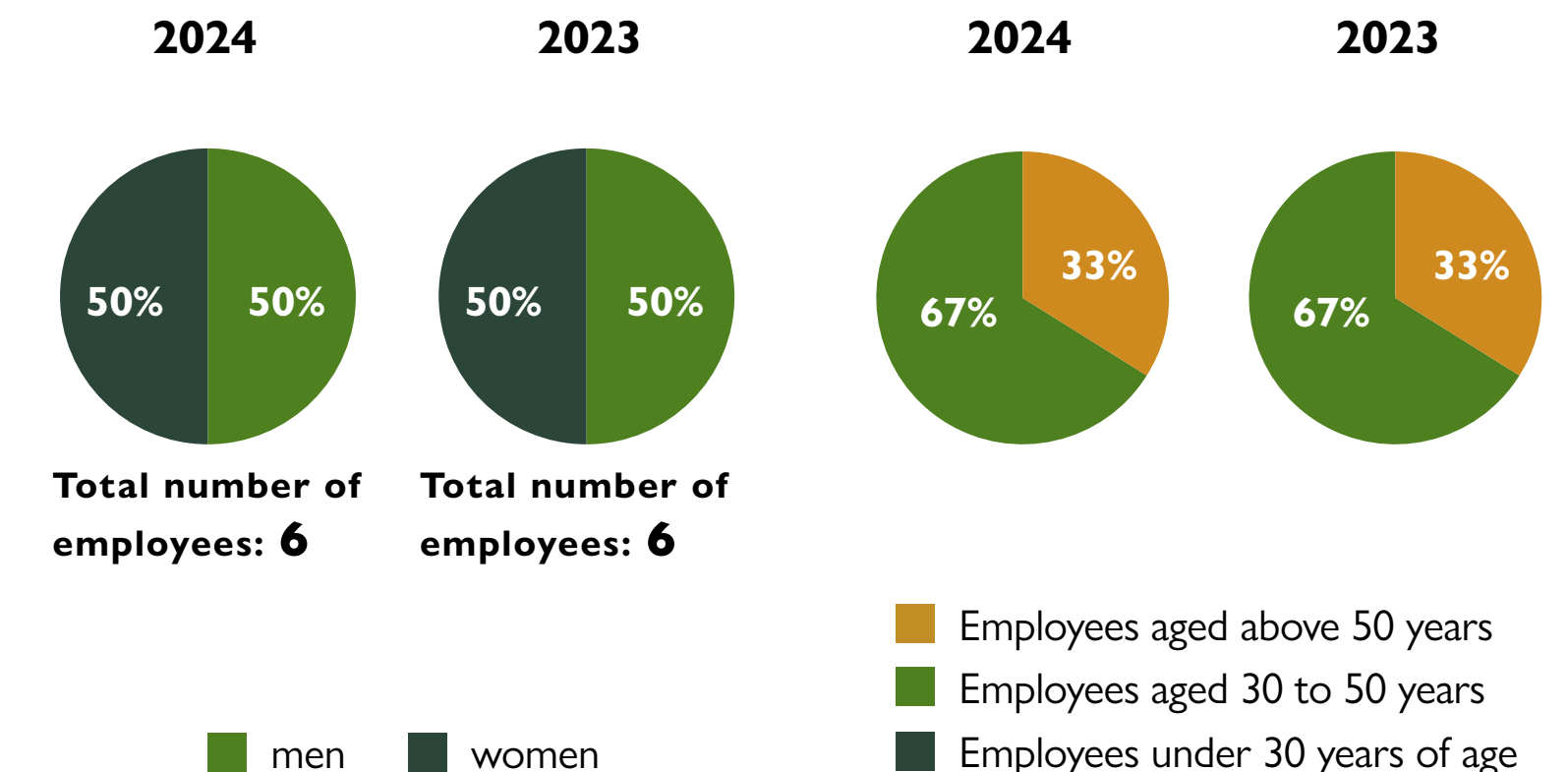
Diversity and equality play pivotal roles in the development and growth of the team at Coffee Address Group. The group reported a total of 299 employees across the Baltic countries at the end of 2024, a slight decrease from 301 in 2023, with male employees being more predominant. Despite this minor fluctuation, the workforce remained stable. The bulk of the workforce comprises equipment operators and technicians, while the management team displays a more balanced demographic, with 50% of it's members being men and 50% women. The most common age range among employees falls between 30 and 50 years. The year 2024 saw higher staff turnover, with about 27% of employees across the three Baltic countries changing, mainly due to improvements of a vending management system and dynamic daily work.

In response, Coffee Address Group implemented several initiatives to improve the working environment and reduce employee turnover. These included the introduction of an employee benefits policy, enhancements to the onboarding process, the organization of joint events, and regular feedback meetings. Together, these efforts reflect the Group's commitment to fostering a stable and supportive workplace culture.

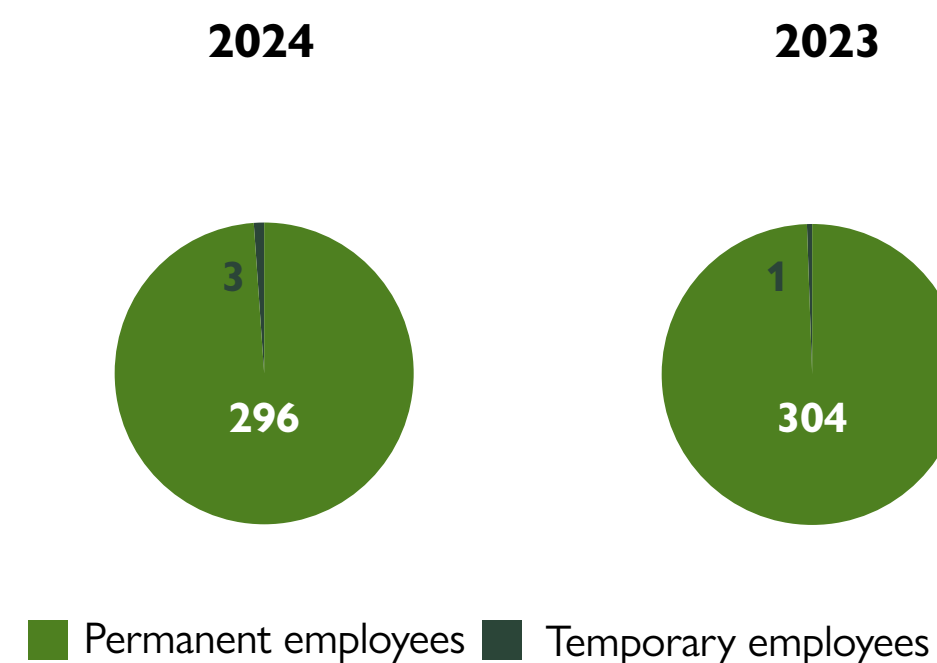
Diversity in employees at Coffee Address Group



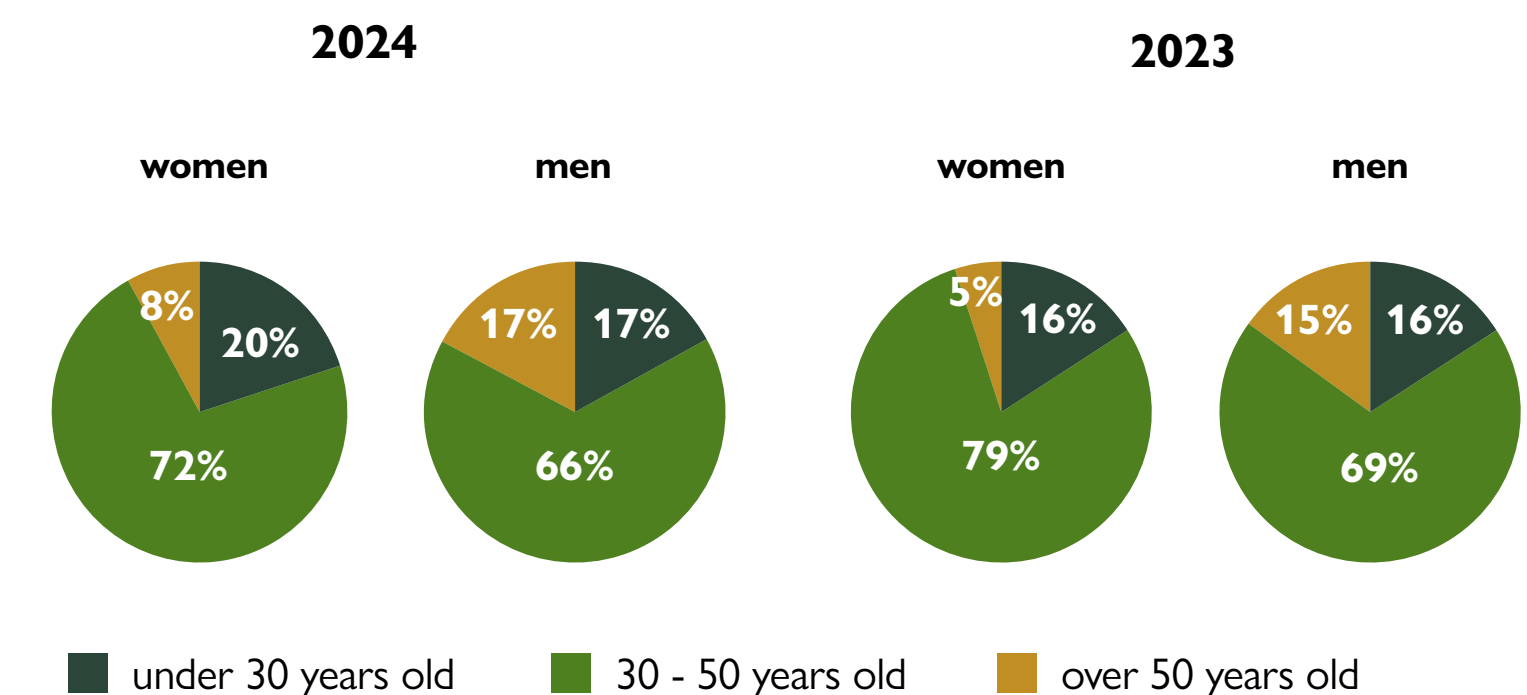
Diversity of Management Team



Employment type at Coffee Address Group



Age diversity



Safety and health

Occupational safety at Coffee Address Group is centered around creating a secure work environment, correct usage of equipment, and strict adherence to safety protocols to safeguard employee health and well-being. Through internal monitoring and risk assessment-driven planning, a detailed labour protection plan has been developed. This plan outlines specific safety measures, implementation timelines, and responsible parties, covering areas like equipment use, fire safety, chemical handling, and personal protective gear. Safety protocols are updated as needed, with all employees required to familiarize themselves with and follow these instructions annually.



Work related injuries

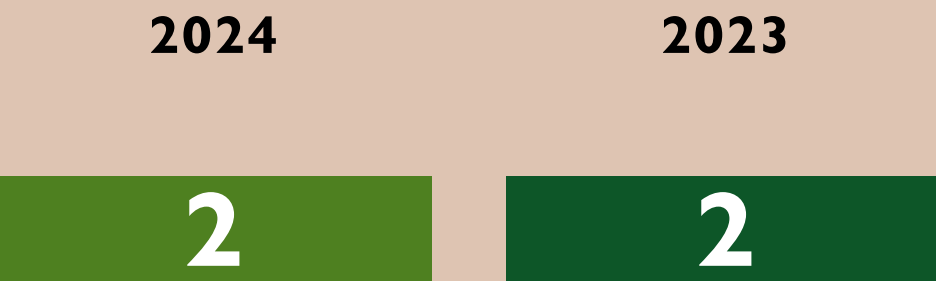
GOAL FOR 2030:
Achieve zero work-related injuries across all operations.

Ensuring the well-being and safety of employees remained a top priority for Coffee Address Group in 2024. The number of recorded work-related accidents remained unchanged from the previous year, with one incident reported in both Latvia and Lithuania.

In both years, the reported accidents were caused by instances of careless behavior during the work. These incidents resulted in 45 lost workdays in 2024, compared to 44 days in 2023.

While the overall number of accidents remained low, these cases highlight the ongoing importance of maintaining strict safety protocols and enhancing employee awareness to help prevent future incidents and minimize their impact.

Number of recordable work-related accidents



EMPLOYEE EQUIPMENT

GOAL FOR 2030:

Aim to lead in safety and operational efficiency within the industry by providing comprehensive and modern equipment, thereby ensuring a secure working environment for our workforce.

In 2024, efforts were directed toward expanded safety evaluations, with the goal of upgrading outdated equipment or introducing new tools essential for daily operations. This reflects Coffee Address Group’s ongoing commitment to employee well-being and operational excellence.

The initiative builds on the equipment evaluation project launched in 2023, which aimed to identify and mitigate health risks for vending machine operators and technicians, strengthen safety measures, and improve productivity. The project involved a comprehensive inventory of equipment, assessment of its lifespan and related costs, and the collection of employee feedback to ensure their needs and concerns were addressed.

Occupational health and safety system

The occupational health and safety management system at Coffee Address Group is comprehensive, encompassing every employee within the organization, from management to office staff, and from operators to technicians. For each job category, a thorough assessment of workplace risks has been conducted, leading to the development of tailored plans aimed at mitigating these risks. These plans include provisions for mandatory health examinations and their frequency, as well as specifying the personal protective equipment required for each role. The system extends across all aspects of the company’s operations, from production to administrative tasks, with particular emphasis on fieldwork and activities deemed to be of higher risk, ensuring a well-rounded approach to health and safety.

Work related risks and hazards

Coffee Address Group actively addresses work-related risks and hazards by conducting regular risk analyses, maintaining open communication between employees and managers, and responding promptly to emergencies or the introduction of new processes. The approach to minimizing risks involves a hierarchy of controls—spanning from preventative measures and technical solutions to administrative actions and the use of personal protective equipment—crafting a well-rounded safety strategy.

The organization encourages employees to report any workplace hazards, offering both direct and anonymous reporting channels, and assures protection against any form of retaliation. Thorough investigations into incidents focus on identifying hazards, assessing risks, and applying corrective actions, complemented by a review of the occupational health and safety management system to foster ongoing enhancement.

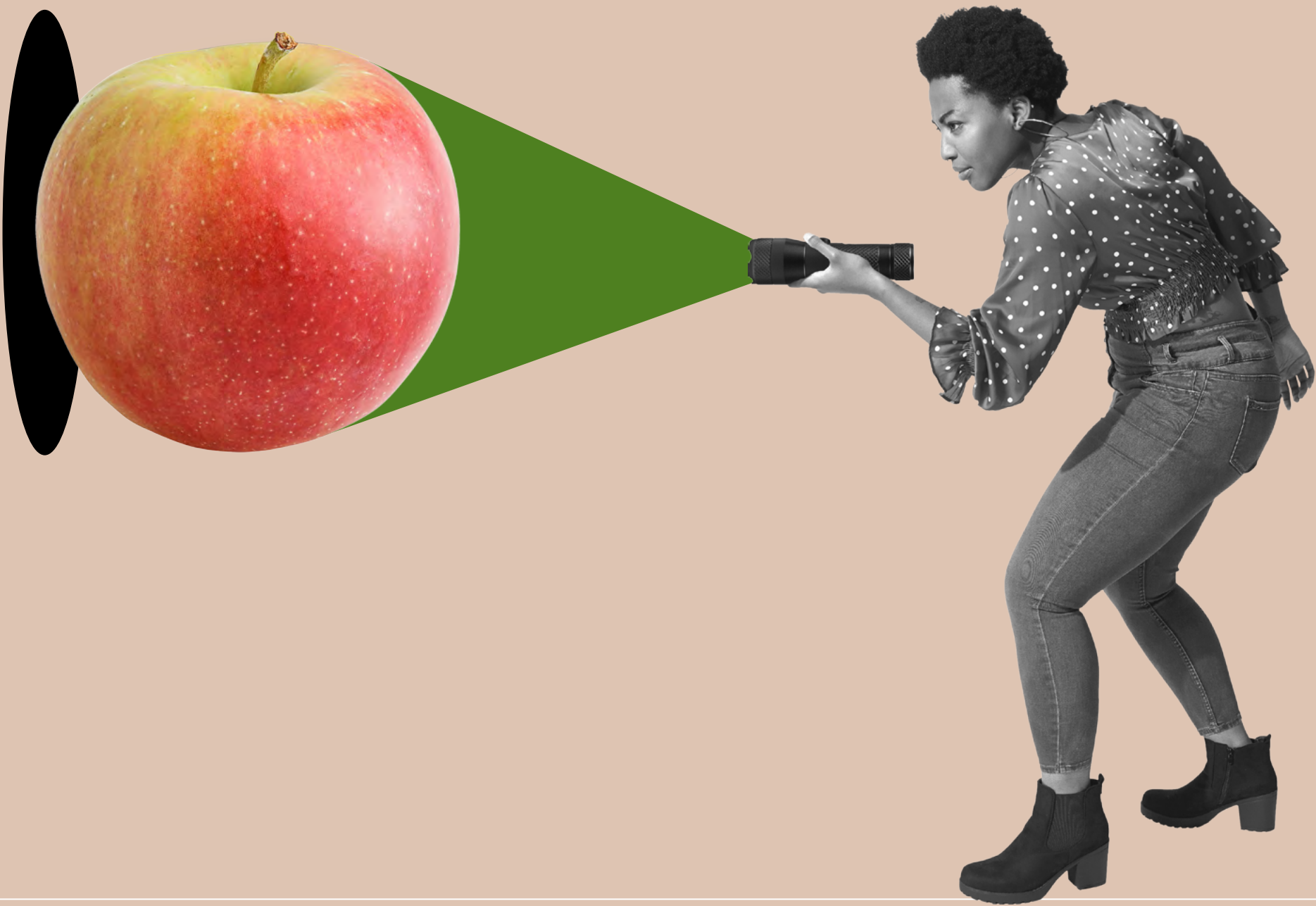
Employee well-being

Coffee Address Group holds its employees in the highest regard, considering them the cornerstone of the company’s success. By prioritizing engagement, well-being, and satisfaction, the focus is on cultivating a workforce that is both enthusiastic and closely aligned with the organization’s objectives, contributing significantly to mutual growth. Emphasizing diversity, comprehensive benefits, and a culture that values continuous learning, efforts are underway to bolster employee well-being and satisfaction.

Coffee Address Group earmarks two months each year for special themes aimed at bolstering employee well-being, both physically and mentally. May 2024 was designated as Health Month, focusing on promoting healthy lifestyles, while November was celebrated as Charity Month, emphasizing social responsibility efforts.

Involving employees in various themed activities not only enhances the company’s appeal as an employer but also significantly boosts employee engagement. This increased engagement can lead to better employee retention, as engaged team members often feel a greater sense of purpose and satisfaction in their roles. These themed months, along with the activities they encompass, are instrumental in nurturing a positive company culture that values employee well-being, encourages teamwork, and commits to social responsibility.

Adding to these company-wide initiatives, a variety of local social events are organized across different countries, tailored to the unique cultures and interests of our teams in each location. These events complement our themed months, further enriching our employees’ experience and strengthening our community ties through diverse and inclusive activities.



HEALTH MONTH

In 2024, there were carious unifying activities in all 3 countries. These included the step challenge, activity minutes challenge, and “Challenge Yourself ” activities. The step challenge has already become a tradition that many look forward to each year. This year, a total of 77 employees participated in the Health Month challenges.

Additional activities organized at the country level included green planting, health and nutrition lectures, masterclasses, morning exercise sessions, health bingo, and other wellness-focused events. These initiatives aimed to promote both physical and mental health, as well as overall employee wellbeing.

CHARITY MONTH

November has traditionally been Coffee Address Charity Month. In 2024, we continued our support for Ukraine by donating to Bērnu slimnīcas fonds for an initiative that provides psychological support to children living in Ukraine. We also organized a special event at the Kaunas Puppet Theatre, featuring a performance and gifts for Ukrainian children living in Lithuania, and arranged food package deliveries for Ukrainian civilians.

These efforts reflect our ongoing commitment to stand with those affected by the war. We are grateful for the opportunity to help and bring even a small moment of relief in these challenging times.



GOAL FOR 2030:
Coffee Address Group aims to ensure that all employees undergo strategic onboarding training, encompassing areas such as coffee knowledge, driving, sustainability, safety, and company culture. Additionally, employees will have the opportunity to engage in further training to acquire new skills or update existing ones.

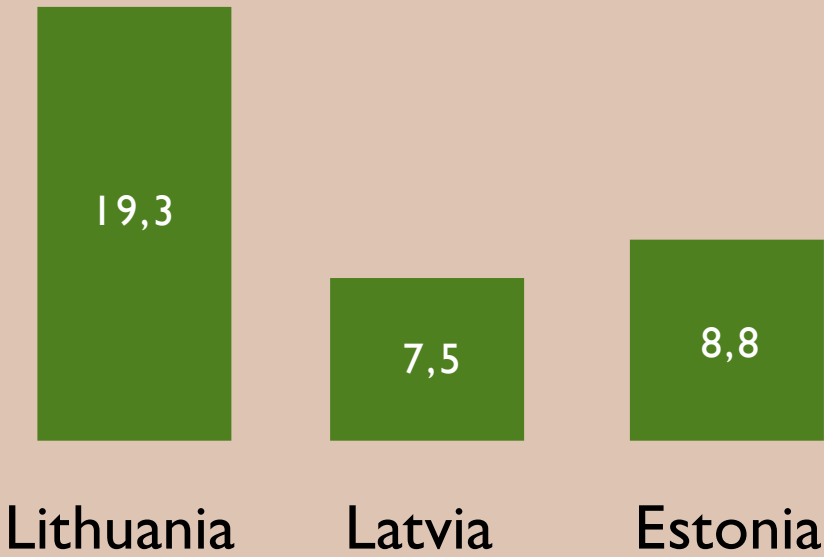
The structured training and onboarding program for operators and technicians remained a core element of Coffee Address Group’s people strategy throughout 2024. With no major changes from the previous year, the company continued to deliver consistent, high-quality support to new and existing team members - multilingual onboarding presentations, clear process guidelines for managers and new hires, and hands-on training sessions. These efforts are closely aligned with the Group’s long-term commitment to employee development, retention, and overall workforce satisfaction.

The training framework includes:

- An Onboarding Program that introduces the company’s history, structure, and values, along with an in-person orientation.
- Safety Training offering tailored courses specific to various roles.
- Technical Equipment Training with hands-on sessions for technical staff on new equipment and machinery, in collaboration with suppliers and manufacturers.

By continuing this approach in 2024, Coffee Address Group showed its ongoing commitment to supporting a knowledgeable, capable, and engaged workforce.

Training hours per employee in 2024





Recharging people, Recharging Earth

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