



MATTONI 1873

SOURCES AND TASTES OF EUROPE

**MATTONI 1873 COMMITMENT
TO THE EU CODE
OF CONDUCT ON RESPONSIBLE FOOD
BUSINESS AND MARKETING PRACTICES**





Mattoni 1873 as the leader of Central European non-alcoholic beverage market is fully aware of its responsibility and strives to establish long-term sustainability of the whole beverage industry. Reducing our environmental impact is an indispensable part of our sustainability journey. Within this journey we focus on following main areas – achieving circularity, carbon neutrality, increasing biodiversity and reducing resources consumption.

That is why we welcome and embrace the EU agenda related to the Green Deal, Farm to Fork Strategy and Code of Conduct, as it shares the same principles that we are passionate about - throughout our entire value chain from the very beginning to the end:

FROM SPRING:

- Water springs are at the center of our operations. We look after our springs and sources so that we can preserve them for next generations and ensure their original purity. In this respect, we focus on biodiversity in our watershed areas.

VIA PRODUCTION:

- We regularly and continuously decrease the environmental impact of our production, decreasing the carbon footprint, focusing on highly efficient water usage, continuously decreasing energy consumption in spite of increasing production volume and last but not least, providing training to all employees in sustainability.

AND TRANSPORT:

- We transport significant volume of our products by rail. Since 2012, we have transported over 500 000 pallets of beverages, effectively replacing 15 000 truck drives. The volume of beverage transported by rail steadily increases (from 46 mio l in 2013 to c. 57 mio l in 2019).
- We are also piloting e-cars within our sales force.

TO PRODUCT END-OF-LIFE

- All packaging materials we use to deliver our products to consumers (glass, aluminum or PET) are 100 % recyclable. And we aim to ensure full circularity of all our products, so as to prevent valuable materials ending-up in landfills, incineration or down-cycling.

By signing the Code of Conduct for Responsible Business Practices, we want to demonstrate our long-term effort in protection of environment, circularity and overall sustainability. We believe that our contribution can be instrumental in helping the EU to meet our common goals of environmental protection a development of sustainable societies.

ASPIRATIONAL OBJECTIVE 1:

Healthy, balanced and sustainable diets for all European consumers

Target: Improved food consumption patterns in the EU

Promote consumer awareness of healthy, balanced and sustainable diets, including sustainable food consumption, as part of healthy & sustainable lifestyles

Natural mineral water is the bio-quality in drinking regime by definition, although it is not possible to claim bio-quality on the label. Both natural mineral water and spring water are original, created by nature, filtered by rocks and untouched by chemistry. They are sourced from protected areas, their natural composition is not affected in any way, they are not modified or disinfected. Their composition remains the same from the deep spring to the consumer.

Both have naturally zero calories. Thus, consumption of natural mineral water or spring water within common drinking regime is highly recommended within every balanced diet and healthy lifestyle. Moreover, minerals in natural mineral waters – as magnesium, calcium or other trace elements are present in highly absorbable form, thus the best form of essential substances supplementation into our bodies.

We are supporting education about hydration, proper drinking regime and healthy lifestyle.

KPI's: number of educative events, number of participations on relevant events for health professionals

CONCRETE COMMITMENT: We will actively participate on creation educative materials for nutrition therapist schools to ensure the correct information about both health and environmental benefits of our natural mineral water and spring water within healthy drinking regime.

ENABLERS: None

Target: Improved food consumption patterns in the EU

Improve, where feasible, the nutritional composition and environmental footprint of food products/meals, e.g. through product reformulation and new product development/ innovation

We are continuously decreasing the sugar content in our beverages. Flavored mineral waters have naturally approximately half of sugar content comparing to common carbonated soft drinks. As we are also a bottler of other international brands in some Central and Eastern European countries, there is still potential for further sugar decrease within portfolio of carbonated soft drinks to help to be conducive to a balanced diet.

KPI's: sugar decrease in produced beverages expressed in tons or percentage

CONCRETE COMMITMENT: Where still reasonable we will further decrease the sugar content within our portfolio.

ENABLERS: None

ASPIRATIONAL OBJECTIVE 3:

A climate neutral food chain in Europe by 2050

Target: Reducing net emissions from own operations, contributing to a 55% GHG emission reduction target in the EU food chain by 2030

We commit to **measure and analyze the carbon footprint status in all countries and all facilities** we

operate in, according to GHG Protocol in all scopes and categories with no exclusion (direct emissions, indirect emissions from imported energy, indirect emissions from transportation, indirect emissions from products and services used and indirect emissions associated with the use of products). Subsequently we will prepare **a long-term plan to reach climate neutrality**. We will focus on measures directly impacting our business model, in order to become fully sustainable without the necessity of carbon offsetting.

KPI's: Number of facilities in each country + analyses done, plans prepared and continuous improvement of our carbon footprint

CONCRETE COMMITMENT: Carbon footprint measurement in all facilities done by 2023, plan to reach climate neutrality ready by 2023, climate neutrality in category 1 and 2 reached by 2030 in all countries where we are present. We will be striving to decrease the climate footprint also in category 3-5.

	Analysis done by	Plan made by	Climate neutral in category 1 and 2 by
Czech Republic	2021	2021	2030
Austria	2022	2022	2030
Hungary	2022	2023	2030
Bulgaria	2023	2023	2030
Slovakia	2023	2023	2030

ENABLERS: None

ASPIRATIONAL OBJECTIVE 4:

An optimised circular and resource-efficient food chain in Europe

Target:

a) Improved resource-efficiency within own operations, contributing to sustainable, efficient use and management of energy and natural resources in operations by 2030

As a producer of natural mineral water and spring water, its management and further water management within our operation is key for our us. According to segment study lead by NMWE, our industry uses far less water than other beverage production. Therefore possibility of further savings is limited but still we do commit to further analysis and to take necessary steps. We undertake to evaluate our water management and strive for a decrease in water usage where not already efficient enough/where possible.

We already have a plan for resource-efficiency within our operations implemented, however, all together with our plans to reach carbon neutrality we will further analyze our processes to even more improve the management of our operations.

KPI's: Percentage of water saving within our processes, number of improvements within our operations in all countries we are present.

CONCRETE COMMITMENT: Analysis of our water use ratio in all facilities in all countries ready by 2022, reasonable target and plan for further savings of water ready by 2024

ENABLER: Reference benchmark for minimum reasonable water use ratio

b) Improved sustainability of food and drink packaging, striving for all packaging towards circularity by 2030

We have always been using recyclable or reusable packaging. We strive towards full circularity of all our packaging by using high share of recycled material and by closing the loop locally.

Circularity cannot function without any of three main pillars:

I) eco-design

- we progress towards color harmonization, sleeves elimination, usage transparent PET only

II) highly efficient collection

- we strive for implementation of DRS as the most efficient way of collection and the only fair and fully transparent system allowing the material return back to producer in fair amount in excellent cleanness and quality.

III) consistent recycling Bottle-to-bottle and can-to-can

- only bottle to bottle recycling means possibility for further repeated recycling and allows the materials to be recycled almost to infinity

KPI's: Number of color-harmonized SKU's, concrete actions towards implementation of deposit systems in countries we operate in, percentage of recycle in our packaging materials

CONCRETE COMMITMENT:

Eco-design: Plan for step-by-step color harmonization for better recyclability ready by end of 2022, full implementation by 2024, all across Mattoni 1873 portfolio.

DRS: Active enforcement for implementation of DRS in each country through consumer education, PR and other marketing and non-marketing activities.

BOTTLE-TO-BOTTLE RECYCLING: Where DRS in place, production of fully circular bottles within 2 years from DRS implementation.

ENABLERS: Legislation ready for implementation of centralized industry-led DRS ready, circular bottle definition

ASPIRATIONAL OBJECTIVE 5:

Sustained, inclusive and sustainable economic growth, employment and decent work for all

Target:

a) Improved resilience and competitiveness of companies operating at any point along the food value chain by 2030

As a responsible leader within our segment, we have already started to re-thing some parts of our value chain, particularly the whole waste management system. We intend to switch from locally to a globally-lead waste management to find further synergies and significant improvement of our operations to prevent waste origin and find more efficient waste recovery.

b) Quality jobs, skilled workforce and safe and inclusive workplaces for all

We already have the system of trainings for all our employees on place. We fully support further trainings on sustainability to reach sustainable value creation. We commit to further include the trainings on circularity, waste management, sustainable operations etc.

KPI's: increasing number of employees trained and working and implementing sustainable operations.

CONCRETE COMMITMENT: Headcount increase for sustainability/waste/ circularity agenda, 100% relevant managers trained for circularity and sustainable business management, with focus on Sales, Marketing, Production, Logistics and Purchase dpt.

ENABLERS: None

ASPIRATIONAL OBJECTIVE 7: Sustainable sourcing in food supply chains

Target:

a) Transformed commodity supply chains which do not contribute to deforestation, forest degradation and destruction of natural habitat and which preserve and protect high value ecosystems and biodiversity

Protecting biodiversity is in heart of our business, as all sources of our natural mineral water and spring water are in areas, that we naturally protect and care for. We commit to continuously work on preserving, restoring and increasing biodiversity through protection and management of threatened species and/or their habitats and rare biotopes. We start to collaborate with local nature conservationists to reach the best possible result by choosing a proper approach. Our work includes discussions and work with farmers to help them deliver more robust and resilient agriculture and manage their land for efficient and sustainable production that does not result in decreased quality of surrounding land and water. We believe, that crop production can function even if not using pesticides or excessive land-use.

KPI's: number of actions taken for protecting/increasing the biodiversity in our protected areas

CONCRETE COMMITMENT: Needs for fauna and flora species identified by 2024, concrete actions for relevant localities taken by 2025, where necessary - agreement with farmers for not using pesticides for water catchment areas.

ENABLERS: Methodology for biodiversity measurement

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