

**CREATE  
IMPACT**  
*MELITTA  
GROUP 2021*



*[report.melitta-group.com/annual-report-2021/](https://report.melitta-group.com/annual-report-2021/)*

**The greatest challenge of our century is the transformation to a sustainable society and economy. After all, the future of our planet is also the future of humanity. We need to act – and act decisively, systematically, and quickly. At the Melitta Group, we want to play an active role in shaping and – as far as possible – driving forward this transformation. This is in keeping with our attitude and our philosophy as an independent family-owned company: we are fully committed to those things we passionately believe in. Because we feel responsible. Because we want to be proud of what we do. And because we love our children and grandchildren.**



#### **Acting rather than reacting**

This is why we have decided not to wait for governments to define the framework conditions for sustainable business or for market standards to develop. We want to set the tone ourselves and help create sustainable economic and social systems – with our products and services, with our structures and processes, and with our dealings with all stakeholders. After all, even the best ideas and goals are worth nothing if they are not implemented. Of course, we are still a long way from where we want to be. There is a long journey ahead of us. And as we see it, sustainability is not something we will have achieved in a few years but a transformational process in which we ourselves are constantly learning. Together with many others, we want to continue to develop and improve step by step.

# **Companies have the task of making our lives better.**

#### **Understanding the future better**

We are therefore looking closely at the question of how the future is shaped. How do dreams and visions become reality? Which ideas prevail and for what reasons? Which technologies are only useful for the transition? And which trends will determine our future lives? One thing is clear: in view of the numerous changes that lie ahead, we need to develop our “futures literacy”. By this we mean the ability to imagine and visualize the future better. After all, visualizations help to make the future more concrete and comprehensible to others and help us work together on these



visions. Moreover, futures literacy enables each individual to better understand future developments and their effects, to assess them in terms of their own private and professional lives, and thus to prepare for upcoming changes. In view of our aspirations, we therefore consider futures literacy to be essential and want to promote it within our Group.

#### **Rethinking our world**

At the same time, we want to expand our dialog with stakeholders on future issues. On the one hand, because this gives us new insights and ideas. And on the other, because we can only solve the major challenges of our time by working together. This applies in particular to our dialog with young people. We want to communicate much more intensively with Generation Z in particular in the future. Their expectations and attitudes differ significantly from those of previous generations and are not

only highly interesting for us – both as a provider of products and services and as an employer – but also point the way ahead. Companies are there for people. They have the task of making our lives better – by offering desirable products or attractive jobs, for example. For far too long, however, our economic system has overlooked the role that the environment plays in ensuring a healthy, peaceful, and fulfilling life for us all. We need to change this. It is high time to act.

Chief Corporate Management  
Jero Bentz and Volker Stühmeier

# **We regard sustainability as a transformational process in which we are constantly learning and developing together with many others.**

CREATE  
RESOURCES  
INDUSTRY  
CONSUMPTION  
ENERGY  
URBANITY  
MORBIDITY  
NUTRITION  
IMPACT



### Action areas for a sustainable economy

We are facing a huge transformation process that will affect many areas of our economic and social lives. After all, sustainability is not just about combating climate change. We need profound transformations in a whole range of different areas if we are to achieve a sustainable economy.

### Seven action areas

In order to structure this multitude of topics, several approaches have been developed by science and industry. One of these is the proposal elaborated by the Wuppertal Institute to distinguish between seven turning points or action areas: Prosperity and Consumption, Energy, Resources, Mobility, Nutrition and Health, Urbanity, Industry.

We at the Melitta Group find this proposal extremely helpful. After all, these seven action areas can help us to map the majority of global sustainability challenges and to respond to the three central crises of our time – the ecological crisis, the social/societal crisis, and the political crisis. At the same time, it is important to keep in mind that there are multiple interdependencies between these action areas. The transformation success in one action area significantly determines the success of other action areas.

### Future dialogs for inspiration

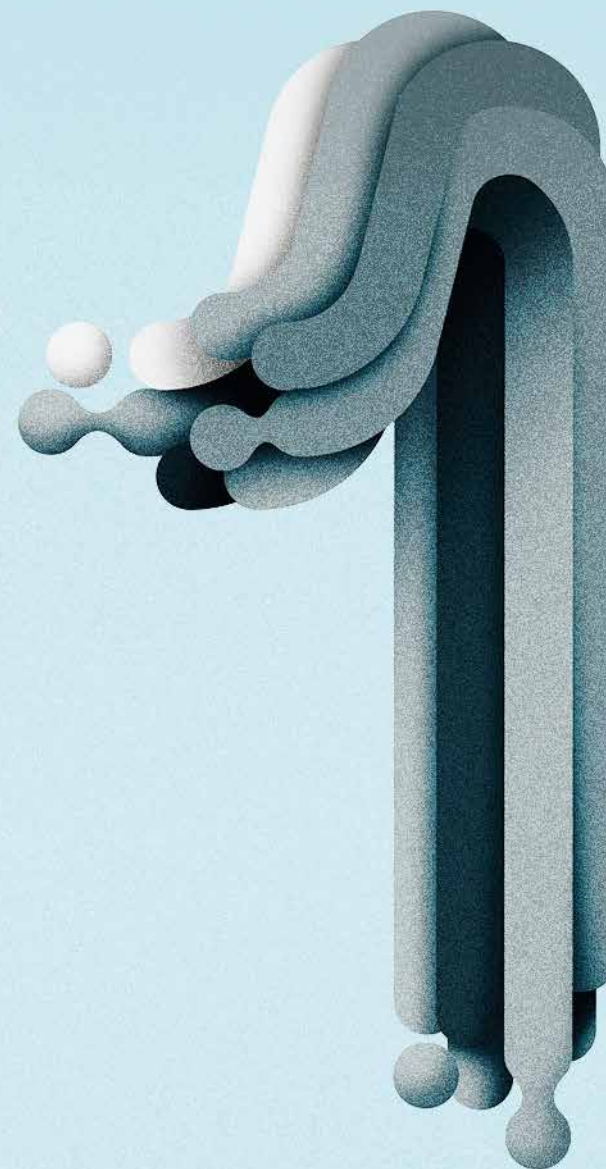
In spring 2022, we asked employees from many of our operating and corporate divisions to share their thoughts and ideas on each of the above-mentioned action areas. With the support of representatives from the Zukunftsinstitut in Frankfurt am Main, we held discussions and explored our shared or differing ideas about the future. Excerpts from these discussions are presented on the following pages. The aim of these discussions was, and is, to provide an impetus and outline possible visions for the future. The focus was on highlighting the views of individual employees – and not on the goals already achieved or planned by the Melitta Group.

We hope that these ideas will provide some inspiration and suggestions – not only for our customers and suppliers, but also for our colleagues. We would also be happy to engage in a dialog with you on this subject so that we can further explore the many topics only touched upon here. We look forward to receiving your feedback, because it goes without saying: Together we can achieve much more!

Katharina Roehrig  
Managing Director Corporate Division  
Communication and Sustainability



RESOURCES.  
CIRCULAR  
ECONOMY  
RECYCLE RE-  
USE FOOT-  
PRINT REIN-  
VENT WASTE  
REMANU-  
FACTURING  
LIFETIME  
EFFICIENCY



ACTION AREA  
RESOURCES  
TO CREATE IMPACT



# THE GOAL IS CIR- CULAR

I4

CREATE IMPACT

Carlo Bertolino is Chief Marketing Officer and responsible for sustainability issues at Cuki Cofresco. / Prof. Dr. André Reichel is Professor of International Management & Sustainability at the International School of Management (ISM) in Stuttgart and one of the leading thinkers on business perspectives in the post-growth economy. / Ashutosh Singh is Country Manager of Vishuddh Recycle Private Limited, a social business company which is majority-owned by Cofresco.

*A circular economy can help drastically reduce the need for new resources. But despite its tremendous benefits, the circular economy is still more of a vision than a reality. Why is the principle of a circular economy so difficult to achieve? What would it take to keep resources in a long-lasting cycle? Carlo Bertolino, Prof. Dr. André Reichel, and Ashutosh Singh discuss the challenge.*

**Carlo Bertolino** Unfortunately, we are still a long way from achieving a circular economy. However, it has to be said that much progress has been made over the past 15 years – most notably in switching products to reusable materials and setting up recycling systems. We have also made huge strides with regard to the recyclability of products as a result of new technologies and changed materials – especially in the field of plastics. Many products are now made entirely or to a very large extent from recycled post-consumer materials. Of course, all this is still not enough.

*But important steps have been taken in our efforts to move away from a throw-away society. Another encouraging sign is that companies have been cooperating and exchanging ideas much more frequently for a number of years now. After all, this is an important prerequisite for a circular economy. Materials, machines, and equipment as well as systems and infrastructures have to be coordinated with each other. Intensive cooperation, as well as research, is urgently needed in this field.*

*I think we could make much faster progress if governments not only played a more active role in creating a sustainable economic system, but also in encouraging consumers to behave accordingly. At Cuki Cofresco, for example, we often find that although product recycling is possible, it still does not happen – and this is due to a lack of awareness or knowledge in the population. However, a circular economy can only work if all stakeholders participate. This is why I think educating and training everyone involved is crucial to the success of a circular economy.*





**Prof. Dr. André Reichel** *In order to actually achieve a circular economy, we need to simulate natural ecosystems in which there are virtually no waste products. This is a gigantic challenge – not least because we will initially need a huge amount of energy to achieve this goal, and a circular economy will profoundly change all our economic exchange processes. Recycling is an important step in this process, but still not enough. In the future, the focus will be much more on remanufacturing, on the technological improvement of existing products, on their reparability, on the extension of their life cycle, and on their reuse or transfer. In other words, we need to look at the circular economy from a much broader perspective and consider all the options in order to genuinely reduce our material footprint.*

*Another decisive factor will be how quickly and to what extent products manufactured in this way will be accepted by consumers. Although there is already a strong commitment to sustainability, we are not yet seeing a run on sustainably manufactured products – for reasons of convenience or price, or simply out of ignorance. But if demand does not provide the right incentive or pressure, the transformation process will take longer than necessary.*

*Only legislation can solve this dilemma. A good example of this is the introduction of waste separation in Germany some 30 years ago: it was imposed by the local authorities and not really understood by the population for a long time. Today, it almost physically hurts many Germans if they cannot put their waste in the right garbage can. Habits are not easy to change, and awareness campaigns only work to a certain extent. We can therefore expect to see numerous legislative initiatives around the globe in the coming years, otherwise we will fail to achieve the sustainability goals in the desired time.*

**Ashutosh Singh** *The way a country deals with resources depends to a large extent on the prosperity, culture, and education of its population. Economic hardship generally leads to resources being valued more highly, while a low level of education tends to hinder the establishment of circular economy systems or even the separation of waste. As a result, the circular economy principle is likely to spread at different speeds in different regions of the world.*

*Another challenge is that it is not only habits that have to be tackled, but also prejudices and attitudes. For example, many people believe that all plastics are unsustainable. But this is nonsense. Plastics can be far more sustainable than glass, paper, or other materials that many people regard as highly sustainable.*

*In our efforts to achieve a resource-efficient economy, I believe that measuring and reporting on our ecological footprint is a very important lever. Only if we succeed in compiling and evaluating accurate information on energy consumption and emissions, as well as on other sustainability aspects, can we obtain the data we need to make better use of resources – and also to expand our knowledge and drive forward the appropriate technologies and processes. We have already made good progress in recent years with the measurement of CO<sub>2</sub> emissions – particularly with regard to Scope 1 and Scope 2. We must now continue to expand and refine our key performance indicator systems one step at a time.*


# POST- CONSUMER MATERIAL

INDUSTRY.  
DECARBONI-  
ZATION SUP-  
PLY CHAINS  
TECHNOLO-  
GICAL LEAP  
DISRUPTION  
CLOSED  
LOOPS CUS-  
TOMER PRO-  
XIMITY CO-



ACTION AREA  
INDUSTRY  
TO CREATE IMPACT



An illustration on a dark teal background. On the left, a woman with long blue hair, wearing a red long-sleeved shirt and red pants, is running on a small globe with green continents and blue oceans. To her right, a large, stylized white text reads "WE are in an unprecedented transformation process." The word "WE" is significantly larger than the rest of the text. In the top right corner, a robotic arm with red and white segments and blue cables is reaching down. In the bottom left, three yellow construction cranes are visible, with small brown blocks hanging from their cables. Several blue bubbles of different sizes are scattered around the text and illustrations.

**WE** are in an unprecedented transformation process.

What will the industry of the future look like?  
What changes can already be seen today?  
And what are the main drivers?

#### Flexibility and resilience

Gunhard Keil Industry faces a dilemma: a whole host of profound changes, particularly in manufacturing, will be needed if we are to achieve a sustainable future. However, production sites and facilities cannot simply be changed from one day to the next. The structures and processes that have been set up are generally designed to last for several years, sometimes even decades.

Tiago Pilz Exactly. Major changes in infrastructure are extremely capital-intensive for industrial companies. It is therefore highly unlikely that manufacturing companies will completely abandon their existing infrastructures and set up new ones in response to new requirements. In most cases, however, this is not actually necessary and would not even be sustainable. Existing structures and processes can usually be adapted to meet the new requirements.

Sven Neuhaus And it's not just sustainability requirements that are at issue here. The rapidly changing needs of consumers, their desire for individualization, and the speed with which technologies are spreading are also creating new challenges. For industrial companies, this means that investments in a production site are much more difficult to amortize than in the past and there's far more uncertainty.

Gunhard Keil And yet – as the automotive industry illustrates – these changes and enormous investments are taking place. Electromobility is leading to massive disruption – not only among automakers, but also in related industries and even in the procurement of raw materials.

Sven Neuhaus It goes without saying that such disruptive developments need to be addressed, and that we're currently in the midst of an unprecedented transformation process. Gi-

gant investment sums have already flowed into the restructuring of industry and will continue to flow in the coming years and decades. However, it's also clear that flexibility and resilience have become much more important when it comes to capital expenditures. Investments are now evaluated much more on the basis of how they can be continuously aligned to new requirements.

Tiago Pilz I think this can be seen very clearly at the moment: for some years now, a huge amount of care has been taken when making investment decisions. Much more attention is being paid to different scenarios and the extent to which investments can be adapted to a wide range of changes.

#### Digitalization and remote work

Gunhard Keil Digitalization – which received a powerful boost from the coronavirus pandemic – is also helping to achieve greater flexibility and resilience in production processes. In recent years, there has been a significant increase in the remote control of industrial facilities and the use of robots.

Tiago Pilz I also think that digitalization and remote control will open up a lot more perspectives for us and help enormously with the sustainable alignment of our industrial processes. And I am also very optimistic that we will not lose any jobs as a result. Because we will always need people to analyze, evaluate, control and decide. For me, a factory without people is neither conceivable nor desirable.

Sven Neuhaus I agree, and it's precisely the numerous changes on the horizon that make it necessary for industrial processes to be constantly refined. And this requires human creativity, judgment, and the ability to learn. Another factor is that people don't want to communicate exclusively online. Even though it might be better for the environment and perhaps more convenient for us to work from home, we still want face-to-face interaction and personal encounters with others. This was something that the coronavirus pandemic clearly demonstrated.

#### Relocation of production sites

Gunhard Keil Transport and energy costs already rose dramatically during the coronavirus pandemic, but they've risen even more dramatically as a result of the geopolitical tensions caused by the war in Ukraine. I'm convinced they will remain high in the long term and will cause manufacturing companies to move back to locations where energy is cheap, secure, and available in sufficient quantities.

Sven Neuhaus I think so too, and this will lead to entirely new industrial centers. After all, recycling processes will only be able to fully exploit their benefits if they are created in the immediate vicinity of production plants. This would make it possible to create truly closed loops with a high degree of economic efficiency.

Tiago Pilz Another factor is that many companies currently focus their production at one location or at a few sites and then ship their products to customers who are thousands of miles away. This model was only profitable with the existing transport costs, but is very likely to change in the near future. Here in Brazil, where the distances between individual regions are very large anyway, this trend is already evident. More and more regional production sites are being built in order to be closer to the sales market.







**NEW AWARE-**  
**NESS OF** *PROS-*  
*PERITY AND*  
*CONSUMPTION.*  
**HEDONISTIC**  
**SUSTAINABIL-**  
**ITY MINDFUL-**  
**NESS DESIGN**  
**CHALLENGE**  
**VALUE TIME**  
**MONEY**

**ACTION AREA**  
PROSPERITY AND CONSUMPTION  
TO CREATE IMPACT





Jule Bosch is a futurologist, company founder and non-fiction author. She has been accompanying innovation and strategy processes in companies for over 10 years. / Katharina Roehrig is Managing Director of Corporate Communications and Sustainability at the Melitta Group. / Alexander Busse is a project manager at Melitta Single Portions, where he is also responsible for sustainability.

### Will our consumption habits be the same tomorrow as they are today? What has to change?

**Jule Bosch** When you talk about consumption, a lot of people immediately have a bad conscience. Consumption seems to trigger negative associations. I wonder if that actually makes sense. What do you think, is consumption always bad?

**Katharina Roehrig** No, I don't think so. Consumption per se isn't bad. But many people associate consumption with the idea that they either consume too much or shouldn't be consuming at all. However, if you consume sensibly, it can also have positive effects. And one of these is that my demand can change the supply side. After all, I'm the one who decides: What to buy? How much to buy?

How long to use a product? And by making these choices, we all – at least to some extent – also influence the future supply of these goods.

**Alexander Busse** For me, consumption is a question of balance. We all have to consume, otherwise we can't survive. The problem is excessive consumption. I think we all sometimes make impulse purchases because we've had a bad day, because we're tired, or because we simply feel a strong urge to have a certain product. It would be better if we consumed more consciously at all times.

**Jule Bosch** Conscious consumption is definitely important. At the same time, I think it's a bit unrealistic to expect people to always weigh up all the different factors. And I think society in general feels consumers have more power to change things than they actually do. For example, a lot of information about the impact of products is simply not communicated

by companies. And let's not forget that many people have other things to worry about than this. What do you think? Would you say it's realistic for us to always buy consciously and responsibly?

**Alexander Busse** No, definitely not. Otherwise, it would take us all day to do our supermarket shopping. We need our patterns, learned experiences, and unconscious actions to be efficient. But every now and then we should take the time to check our purchases against our beliefs.

**Katharina Roehrig** I think it would actually help a lot if we were more conscious about what we buy. For example, my rule is to only buy clothes, jewelry, or accessories after I've slept on the idea. If I still like the product the next day, I buy it. But quite often I realize that the urge to buy was only based on a sudden impulse or whim.

**Jule Bosch** Minimalism can be liberating and less stressful. There

are studies that show, for example, that once you reach a certain income level, you can no longer increase your sense of happiness. Of course, you have to reach this point first.

**Alexander Busse** True. Every now and then, I feel the need to sort out my closet, for example. In the process, I notice how each T-shirt I get rid of gives me back a little bit of freedom.

**Katharina Roehrig** I think it's important to find a healthy balance. Over the past decades, we've all raised our expectations more and more: long-distance travel has become normal, meat every day is a given, and we expect a full assortment at the bread counter until shortly before closing time. In my opinion, we need to work on our attitudes. Does everything really have to be like this? And why does our consumer behavior have to be so radically different to what it used to be?

**Alexander Busse** You're right. But I don't think it should lead to self-castigation. Conditions today are different than they used to be, and you can't convince people to consume sustainably just by educating them or appealing to their better instincts. I guess 95 percent of all people know what they actually need to buy for a healthy diet, for example. But they still don't do it – mainly out of habit and convenience.

**Jule Bosch** This is where companies need to step in. They shouldn't be giving their customers the choice of either enjoying themselves today and facing the negative consequences in the future, or renouncing all fun and enjoyment in the here and now. We need offerings that are enjoyable and at the same time have a positive impact on our ecosystems – improving the soil and air, increasing biodiversity, and so on. Bjarke Ingels, a Danish architect, calls this "hedo-

nistic sustainability" and says that sustainability shouldn't be a burden, but a challenge to the creativity of companies – a "design challenge".

**Alexander Busse** Exactly, ultimately it has to be fun! I firmly believe that, too. We don't market our products based on their sustainability – or at least only to a small group of customers. Products sell because they're good, because they captivate, because they emotionalize – and not because they're the best choice for rational reasons. And that's why I think companies actually have a big responsibility in this transformation.

**Katharina Roehrig** And of course they have greater leverage to ensure sustainable consumption. And that doesn't just apply to product development. Sustainable consumption also includes the structuring of supply chains, the circular economy, the use of secondary raw materials, and much, much more. And above all, it's about attitude. Because if the people responsible are fully committed to the idea of sustainability, a lot of things will naturally fall into place, and at a much faster pace.

**Jule Bosch** And these people are not so rare. I'm convinced there are "sleepers" activists in every company just waiting to make a difference. Companies should therefore put more trust in their employees – rather than simply imposing "top down" requirements.

**Katharina Roehrig** Absolutely! This is something we're also observing and, of course, trying to take advantage of. We find it a little alarming that it takes schoolchildren to make society aware of the fact that we urgently need to implement change. That's why we're currently intensifying our dialog with Generation Z and setting up various communication formats.

**Alexander Busse** What's important for me is that we involve the workforce – and where possible do this in a fun, emotional, and engaging way. Although we're already doing quite a lot in this regard, we need to continue to think in this direction. For me, it's the people who will bring about the transformation. And the more motivated and committed they are, the faster we can make progress.

**Jule Bosch** The company's employees are the key to driving sustainability forward and thus turning the negative impact from the consumption of many into a positive one. From a strategic perspective, we also need something else to really achieve this. And that is not to regard sustainability and innovation as two different worlds, but as integral to each other.

**Katharina Roehrig** I really like the following image: in the beginning, you throw a stone into the water and you get a ring. The more allies who then also throw a stone into the water, the more interlocking rings there are. Younger employees in particular are often looking for meaningful tasks and find a lot of fulfillment in working on this topic.

**Alexander Busse** It would be great if sustainable consumption was no longer something that had to be thought about, developed, and strived for, but if consumption and sustainability were simply in harmony with each other. As a strong economic region, Germany or the EU should set an example here. Who, if not us?





ENERGY.  
TAPPING  
NEW ENERGY  
SOURCES  
TRANSFOR-  
MATION OF  
ENERGY SUP-  
PLIES CLI-  
MATE-NEU-  
TRAL RENEW-  
ABLE GREEN



ACTION AREA  
ENERGY  
TO CREATE IMPACT

The energy transition is in full swing.  
And many new perspectives have emerged in the space of just a few years.

Timo Leukefeld I'm very curious about how we'll be generating and using energy in the near future! At the same time, I find it fascinating to also witness this development and play a role in shaping it. In 30 years' time, we'll probably look back in disbelief at how we're using energy today.

Wolfgang Wäntig I think so, too. But I find what has happened in the last few years extremely encouraging. An incredible amount has already been set in motion. Everything is being questioned and so many new ideas and technologies have emerged in such a short space of time.

Martin Sesjak And a new culture of thinking is also emerging. But I think it'll have to evolve much more in the coming years. After all, current geopolitical events show that we've moved in the wrong direction in recent decades, not only ecologically, but also socially, and economically. We haven't given enough thought to the environment or to our independence in terms of energy supplies.

Timo Leukefeld And although we've already achieved quite a lot with regard to renewable energies, energy efficiency, and even consumption restraint, we also need to keep in mind that the biggest challenges still lie ahead.

Wolfgang Wäntig Of course. We're facing huge restructuring and investment needs. Most people only think about how we can ramp up renewable energies. But I find the question of energy storage just as exciting. The energy transition will not succeed unless we expand our electricity storage capacities dramatically.

Martin Sesjak And there are already plenty of new developments and technologies in this field. From intelligent control systems in the power grid, to simultaneous generation and usage of solar energy in private households, to the use of company electric vehicles for short-term electricity storage.

Timo Leukefeld Incidentally, one thing I'm seeing more and more in the field of energy-autonomous real estate is that properties are gradually becoming completely electrified. In a few years from now, everything in new buildings will probably run on electricity: from heating, to the boiling of water, to mobility and, of course, to all the other household appliances.

Martin Sesjak Yes, I've noticed that, too. And that will radically change a lot of things. Not only will all devices be intelligently networked, but apart from a few water pipes for hot water, there'll only be power cables. That will change the construction and maintenance of real estate dramatically.

Timo Leukefeld And solar energy could then be used to power all the energy sources.

Martin Sesjak Right. However, this will naturally require very high investments and probably increase rents. I'm curious to see whether this will be offset by lower utility costs.

Wolfgang Wäntig Of course, this would all be quite feasible for new buildings. It'll be more complicated with existing buildings. I think we can expect a huge wave of modernization in this sector. And in the first step, it will focus primarily on better insulation as the investment costs are lower and work can be completed more quickly.

Timo Leukefeld I agree. And this improved building envelope – together with climate change – will help make heating less important in Germany overall. This is clearly shown by studies. In the future, we'll focus more on cooling and develop the appropriate technologies for properties.



Timo Leukefeld is an expert on energy-efficient living in the future and works closely with the think tank "Zukunftsinstitut". / Martin Sesjak is General Partner of fresh at work. / Wolfgang Wöntig is Director Sustainability Services at Melitta Europe – Coffee Preparation Division.



Wolfgang Wöntig Heat is of course an extremely important aspect of the energy transition. As a manufacturer of electrical appliances, however, we're also giving a great deal of thought to how we can contribute to decarbonization with our appliances, which are primarily used to heat water. And in recent years, we have indeed identified a number of potential areas for improvement, from constantly improving the insulation of appliances to controlling how long an appliance actually boils for, and finally to the durability of our appliances. After all, the production of an appliance consumes significantly more energy than its repair.

Martin Sesjak By the way, this was a very important argument for our business model: at Coffee at Work and Water at Work, we provide our customers with the equipment and ensure they receive regular care and maintenance. Thanks to this intensive and professional support, our devices are used much longer than those our customers purchase themselves. If the equipment isn't well cared for and regularly maintained, new machines have to be purchased much sooner.

Wolfgang Wöntig That is definitely something that shouldn't be underestimated: the people who use the appliances also need education and tips on how to use their equipment in a more energy-efficient way. For example, we've noticed that many people heat much more water than they need with their electric kettles. As appliance manufacturers, we can provide even more support here – either with technical features or education.

Timo Leukefeld I think so, too. For the energy transition to succeed, we also need a great deal of technological progress. And this progress should not only take place in the development departments of companies. The public must also be prepared to keep pace with these developments, to change their behavior, and to learn new things.

Martin Sesjak Very true. We need to learn a lot more from each other. In my opinion, however, this should not only be through the media or personal conversations. I don't think schools and company training programs pay enough attention to energy issues yet. This is important, because the variety of different ways to use energy efficiently depends very much on the individual situation. If everyone was well informed, they'd be in a better position to focus on the right things and to make use of the options that are best suited to their individual needs.

Wolfgang Wöntig I agree. We need to be open to new technologies and focus on the right mix rather than on one particular technology. There are many levers – and an incredible number of ideas – for solving our energy problems. And the longer I deal with energy issues at our company, the more convinced I am that we need them all!

# SOLAR ENERGY



URBANITY.  
MULTI-GEN-  
ERATIONAL  
CONCEPTS  
CO-WORKING  
SPACES LIV-  
ING SPACE  
MICRO-APART-  
MENTS COM-  
MUNITY  
SMART CITY



**Urban planning faces more challenges than ever before. There is no shortage of ideas; the challenge is to implement them quickly.**

Oona Horx-Strathern The coronavirus pandemic has changed many things. And one of these is the clearly discernible impact it's had on the trend toward urbanization. In the past few decades, Germany experienced a bit of an exodus from its rural areas – but this trend now seems to be going in the opposite direction.

Holger Feldmann I think a lot of people discovered what was really important to them during the pandemic. As a space for living in, the house has become much more of a focal point. People invested a lot, for example in their kitchens, in their gardens, or in their work spaces. Many became more conscious about where they want to be and what they want to do.

Oona Horx-Strathern What's surprising is that this also applies to younger people: studies show that 18- to 35-year-olds in particular are interested in moving to the outskirts of the city or even to the countryside.

René Korte Yes, and there are also figures to back this up. I myself also come from a small town. In the past, all the young people moved away from there. But now this region has suddenly become much more attractive for younger people. I think this has something to do with a change in their appreciation of different lifestyles. They're setting new priorities.

Holger Feldmann The crisis made it clear that quality of life is maybe not what we thought it was. Although the city offers so many opportunities, it also has its limitations – especially if you can't use the city's offerings at all due to a lockdown. And of course this is especially true if your apartment is small.

Oona Horx-Strathern Speaking of which, it was around 15 years ago – after the financial crisis – that the Tiny House movement emerged. In part because of high rents, but also because people wanted to live more sustainably. In the meantime, more and more neuroscientists are finding that micro-apartments can actually have a negative impact on people's mental and physical health. Tiny houses might be okay for singles, but they're not an option for couples or families.

Holger Feldmann In my opinion, this also depends on your particular life phase. Different phases require different living concepts.

René Korte And this diversity is also quite nice actually: it's great when there are different life models and people live either in the city or in the country, in small or large apartments, with a garden or just a balcony, according to their convictions, socialization, and life-stage planning. For me, it's the social issues that are decisive. Namely: Can you afford the lifestyle you want? And: Can you experience the integration or sense of community you want from society?

Oona Horx-Strathern The importance of socializing has actually increased enormously. More and more co-working spaces are now also popping up in rural areas. People long thought that co-working spaces were only for the city. In fact, people need to interact with others in towns and villages too, of course. And it's precisely these creative communities that can be established via co-working spaces.

René Korte And that not only applies to the professional environment: modern student houses or micro-apartments, which are currently being built everywhere, are also focusing on this need. While the actual living spaces are extremely functional and very small, there are large rooms where people can meet, study together, do sports together, or just chat. This creates something like an individualistic community.

Holger Feldmann I think this is actually quite an achievement: nowadays, there's no stigma attached to discussing loneliness – that used to be a taboo topic. And today, people are thinking carefully about how to prevent loneliness from occurring in the first place – both in the development of real estate concepts and in the design of cities themselves.

INDIVIDUALIZED COMMUNITY





Oona Horx-Strathern In fact, this is where completely new approaches are currently emerging: more and more co-working and co-living spaces now have a Chief Happiness Officer. This person is responsible for ensuring that everyone who works or lives in the property is okay, that they're fully integrated, and that they don't develop any sense of loneliness.

René Korte That reminds me of an interesting concept I heard about recently: a kitchen was installed in an office and all the employees were trained as baristas. During their breaks, employees not only brew coffee for themselves, but also sell it through an outside window to neighbors or anyone passing by. This creates a tremendous sense of community and increases communication with each other, but also with the neighborhood.

Oona Horx-Strathern And if more bike lanes are built there now, as is already the case in many cities, people will probably stop for a coffee break more often!

Holger Feldmann Right! The only thing that worries me: cities can't be changed from one day to the next. There are plenty of ideas about what could be changed, but it usually takes decades to actually implement them.

René Korte That is true, unfortunately. But still, we just have to get started.

# CO-WORKING #SPACES

# LARGE ROOMS WHERE PEOPLE CAN MEET

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CREATE IMPACT

MELITTA GROUP

ANNUAL REPORT 2021

Oona Horx-Strathern There are some ideas that I find really fascinating: one of them, for example, is that you can complain to the city hall if you can't see a single tree from your window. Then the city has to remedy the situation. Or every resident has to be able to reach a green space within a 10-minute walk.

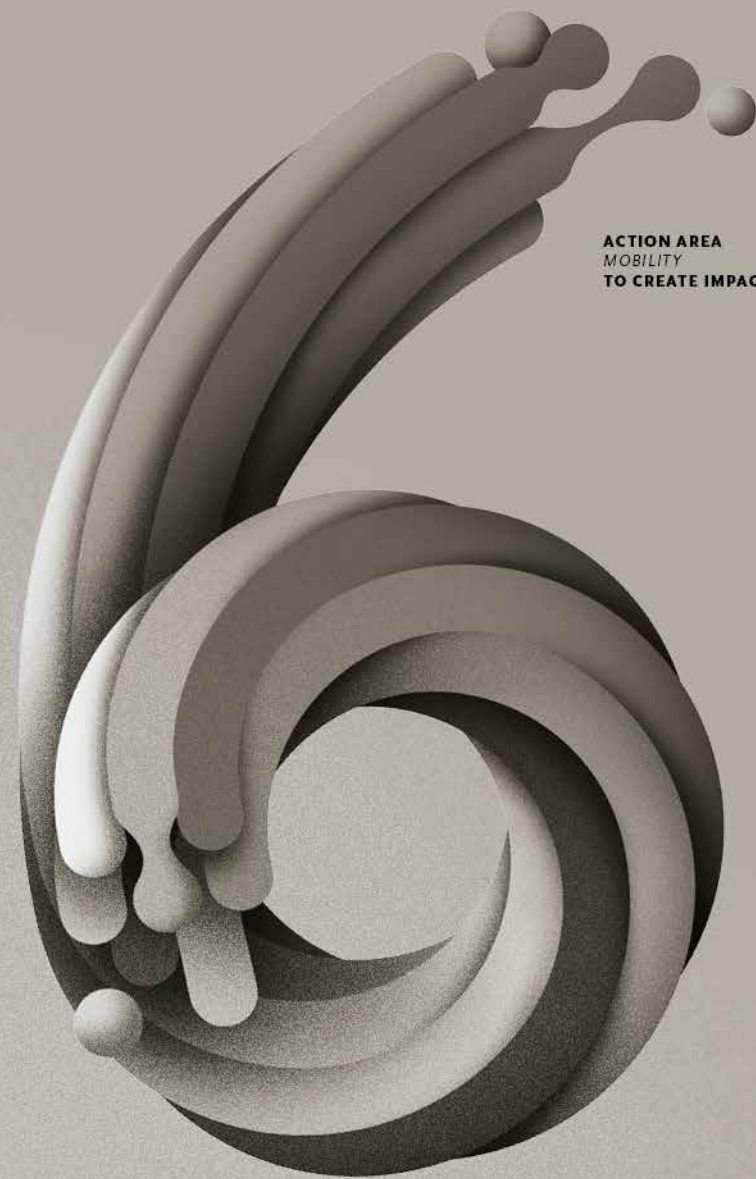
René Korte Nice ideas! But I think it would also help if companies set up more satellite offices and met people halfway. Remote working alone is not the solution, as there's a risk that people become too isolated. And I often find that our employees want to go to the office because they need the interaction and the inspiration, but also the structure.

Holger Feldmann The truth is we all want less noise, fewer cars, fewer long commutes, but more nature and more places to communicate. If this is what we all truly want, then we should also act accordingly – and systematically develop our cities according to these criteria.

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MOBILITY.  
GLOBALIZA-  
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ACTION AREA  
MOBILITY  
TO CREATE IMPACT

Which mobility trends are emerging? Which have the potential to shape a society striving for sustainability? Stefan Carsten, Christian Bonk, and Stefan Dierks share their thoughts on the subject.

#### More mobility options

Stefan Carsten For many years, there were only six ways to get from A to B in Berlin-Mitte: by foot, by car, by bike, by public transport, by taxi, and by car sharing. Over the last 20 years, the range of mobility options has increased dramatically: around 25 to 30 new alternative modes of transport have emerged. As a result, it's getting easier and easier to not own a car and to seamlessly switch from one mode of transport to the next.

Stefan Dierks I find the "Superbüttel" concept in Hamburg really interesting: the idea is to make entire residential districts car-free and to rely entirely on other means of transport. Of course, this also means that parked cars will disappear from the sidewalks, where they take up a lot of space and reduce the quality of life. This suddenly creates room for other transport options and offerings – and, of course, for people to stop and chat.

Christian Bonk This increasing variety is certainly a good thing, but the situation outside the major cities is often different. Although car sharing services are now also available in smaller

towns like Minden, these new mobility options tend to reach their limits in more rural areas. Cars and public transport will continue to dominate here – and probably for many years to come.

#### More attractive public transport

Christian Bonk I think there's still plenty of potential for making public transport better and more attractive: it needs to be smarter, more comfortable, and more frequent. I also believe we could achieve a lot by making public transport free to use. And it needs to become safer – especially in the big cities.

Stefan Carsten That's an important point: studies show that around 50 percent of all women regularly change their behavior in public spaces to reduce the risk of harassment – and as a result also avoid public transport. But women in particular are dependent on cars and public transport. After all, it's still mostly women who do the shopping and carry the groceries home.

#### New urban district concepts

Stefan Dierks Mobility challenges in the city are partly due to the fact that urban planning used to make a clear distinction between residential and commercial districts. The idea was that people would drive between these districts. Naturally, we have to move away from this principle. Today, the question is: How do I design urban districts so that the need for mobility simply doesn't arise in the first place? For example, because the district offers space for living, working, sports, culture, but also for communication and interaction.

Stefan Carsten The Austrian lakeside town of Aspern is currently building a district based on this principle. It will offer both jobs and housing for 20,000 people, so that many of them will never have to leave their district. And: 80 percent of public space is to be designated "safe", i.e., largely car-free, where – so they say – children will be able to learn to ride a bike. By contrast, between 50 and 60 percent of public space in Germany is dedicated to roads, i.e., car space.

#### Tomorrow's drive technologies

Christian Bonk Despite all the alternatives, cars of course continue to be extremely important – especially in rural areas. But what is pleasing is that here, too, an enormous amount has changed over the past ten years. And by that I don't just mean electromobility, but also developments with regard to biodiesel and, of course, hydrogen technology. When you think that 15 years ago, none of us had smartphones, it highlights just what might be possible with hydrogen in 15 years' time.

Stefan Dierks I also think that when people talk about electromobility, they often compare it with a technology that's been continuously developed for more than 100 years now. Who knows where we'd be with electromobility if we'd already dedicated 100 years of research to it? Of course, there are still plenty of unresolved issues, such as the procurement of raw materials or the recycling of batteries. It's also still completely unclear how we can produce the quantities of hydrogen we need to really make this technology a game changer for the energy transition. But we've only just begun to develop new pioneering technologies for the mass market.

#### Transforming supply chains

Stefan Carsten The coronavirus pandemic, the Suez Canal accident, and the Ukraine war have all demonstrated the vulnerability of our systems for transporting goods. More and more companies are therefore choosing to revamp their logistics operations and to build up more regional warehouses again. Security and independence are becoming increasingly important when it comes to the mobility of goods.

Christian Bonk That is definitely the case. However, I don't believe we'll see a major trend toward de-internationalization. The benefits of global competition are simply too great. Moreover, companies would need to invest very heavily if they wanted to regionalize their supply chains again. On the contrary, I think that inventories will be managed differently in the future so we can guarantee our ability to deliver at all times.

Stefan Dierks Apart from the fact that many things can no longer be done locally, I don't think de-internationalization is desirable either. After all, sustainability not only means meeting ecological requirements, but also social and economic needs. Globalization has enabled several hundred million people around the world to lead a life above the subsistence level. Falling back into isolationism now is anything but sensible from the point of view of sustainability.



Stefan Carsten is a mobility expert and a member of the Federal Ministry of Transport's Advisory Board on the Future of Public Transport. He cooperates with the "Zukunftsinstitut" on questions of mobility. / Christian Bonk is responsible for Global Procurement at the Melitta Business Service Center. / Stefan Dierks is Director Sustainability Strategy for the Melitta Group.



NUTRITION IS  
INSEPARABLY  
LINKED WITH  
HEALTH OF  
MANKIND &  
EARTH BIO-  
DIVERSITY  
IN HARMO-  
NY WITH AN-  
IMALS AND  
NATURE



ACTION AREA  
NUTRITION AND HEALTH  
TO CREATE IMPACT



Hanni Rützler is a nutritionist and food trend researcher. She is the author of the annual Foodreport published by Zukunftsinstitut-Verlag. / Natali Wego is Senior Consulting Corporate Health Management at the Melitta Group. / Tanja Wucherpennig is responsible for internal and external communications at the Melitta Group.

# GUT INSTINCT

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CREATE IMPACT

MELITTA GROUP

ANNUAL REPORT 2021

*Our health depends to a large extent on what we eat. But nutrition is not just a health issue. The production and transport of food also pose huge environmental and social challenges. There can be no sustainable future without a transformation of our diet. What are the necessary steps to achieve this? Which developments need to be observed? And what do we want for the future? Hanni Rützler, Natali Wego and Tanja Wucherpennig discuss their ideas and opinions.*

**Hanni Rützler** Food is an expression of cultural identity. What we eat is shaped by ethics and morals, but also by history and religion, and varies from country to country. And food culture evolves over time: we love the things we eat frequently and what we've known since childhood. Taste and enjoyment are therefore also interpreted and experienced very differently in different regions. What's interesting, however, is that despite these different culinary habits,

*we're currently experiencing a paradigm shift around the globe: away from the question of how much our food costs to a holistic quality concept. The production and use of food is being discussed in a more emotional and ethical way. We want to know more and are realigning our purchasing behavior.*

*We are increasingly realizing that we have taken industrialization and globalization too far. We have subordinated food production to the dictates of efficiency. As a result, we have created norms and standards at all levels in order to become even cheaper and even more efficient. This is now leading to significant environmental and social challenges.*

*If we want to solve these challenges, we need to roll back this level of industrial standardization. We need a food production chain that is still efficient even without such standardization. Which can react more flexibly, encourages diversity – and thus promotes the robustness, resilience and adaptability of companies so they can deal with the multiple crises, in particular the climate crisis, in a more future-oriented manner.*

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**Natali Wego** For me, nutrition is closely linked to health and the quality of life. That's why it's important that people – regardless of their education level, social class, or cultural background – have access to healthy food and that we move away from factory farming and monocultures in agriculture. We also need a sustainable, ecologically sound, and responsible approach to nutrition. I'm therefore pleased that nutritional issues have become more and more important over the past years.

I think that treating food with respect and learning about its production, transport, storage, and even preparation are the keys to a sustainable future. We need to teach children about nutrition and integrate such topics more strongly into educational programs. At the moment, health and nutrition are rarely discussed in schools. Yet these topics are at least as important as mathematics, German, or history. After all, knowledge about nutrition can prevent many diseases and have a major impact on our lifespan.

However, awareness and education programs will only be successful if they're not self-righteous and dictate what's right or wrong. Instead, they need to convey a sense of joy and raise awareness for a balanced and at the same time enjoyable diet.

I believe that government plays too passive a role with regard to nutrition. Structures can often only be changed if the framework conditions are set differently. This doesn't absolve companies – especially those involved in food production – of their responsibility to also ensure a sustainable future. But companies can't change the framework conditions and set the right incentives for all stakeholders.

**Tanja Wucherpennig** The great thing about nutrition is that it has both a highly emotional and a very rational side. On the one hand, nutrition is pleasure, joy, and passion, and often at the heart of conviviality, dialogue, and social bonding. On the other hand, however, nutrition is also connected with many rational decisions as well as with numerous do's and don'ts. What's also nice is that everyone is an expert on the topic, and everyone can influence the future with their behavior.

I don't think it's so bad to go overboard with what you eat every now and then – when fun also translates into enjoyment. Nevertheless, nutrition should be closely linked to responsibility. Excessive food waste should make everyone feel uneasy – whether in private households or in industrial processes. As long as there's hunger in the world, efficiency should not only apply to the production of food, but also to its utilization. We're far from exhausting the potential we have to reduce food waste. I'm certain there will also be many technological changes in the coming years to enable food to be used more intensively and recycled even more effectively.

There will also be profound change in the coming years with regard to food production: we'll need to take a close look at the question of how crops are grown in the future. This is because climate change and population development will change many things – from the potential areas for cultivation and irrigation to new foodstuffs and habits. Countless alternative scenarios and developments are already emerging in this regard, such as urban farming, large greenhouses, the production of artificial meat, plant- or insect-based foods, and much, much more. I am very confident that research will open up new possibilities and help us to significantly reduce the ecological and social problems caused by our current diet.





“Create impact” naturally also applies to the production of our printed annual report. The conscious use of resources and carefully considered processes were a source of inspiration and an absolute necessity in order to produce the report as intelligently as possible with minimal impact on resources. Our goal was to achieve a healthy balance between environmental impact, product benefit, and effectiveness – focusing always on sustainable production with as few compromises as possible.

We have reorganized, redistributed and adapted content in order to cleverly dovetail the printed and online versions of the report. Both worlds complement each other and provide different experiences for our stakeholders. This is what sustainable and effective communication means to us. To achieve this, the concept, design, implementation, and production processes need to seamlessly intertwine right from the start and be understood as a holistic process.

We want to demonstrate that sustainability is not about making sacrifices. Careful selection and intelligent handling of the resources used are crucial for a high-quality result. Paper remains a key factor for the production of sustainable print products. The inner pages and dust jacket of this report are made from 100% hemp paper, a sustainable alternative to paper made from wood fibers. Hemp not only grows much faster than trees (up to four meters per year), but can also be harvested three times a year, whereas trees can only be harvested every seven years. Moreover, hemp pulp has five times longer fibers and can therefore be recycled more often – which also benefits the entire waste paper cycle. The paper was developed and produced in the Tegernsee region of Germany according to the highest environmental standards regarding water, material and electricity consumption, as well as waste management. We chose 100% recycled paper for the covers (Blue Angel certificate). To make full use of the printed sheets, we have also optimized the format.

Not one sheet of paper is wasted. We collect and process everything that is left over after the print reports have been completed to bring joy to children in schools, kindergartens or charitable organizations. So far, it has been used for handicrafts and exercise books.

This year’s annual report was once again produced in collaboration with an environmental printing company. Based on a quality management system certified according to ISO 9001:2015, the print shop practices sustainability in word and deed – from production to logistics. For example, processless plates are used and the entire manufacturing process is powered by electricity from renewable energy sources. Ecological inks produce exceptional printing results with excellent deinkability. With the exception of the color pigments, the input materials and binders of this generation of inks are based on renewable raw materials.

Unavoidable CO<sub>2</sub> emissions are fully offset together with Zukunftswerk eG (CLIMATELINE) as part of the “Máisa REDD+” reforestation project. The project contributes to the preservation of the forest in the Brazilian Amazon – and thus also to the protection of plants and animals threatened with extinction. Further information is available at [www.climateline.org](http://www.climateline.org)

We hope that our print report serves as an inspirational blueprint for sustainable production and thus also expresses our values and our commitment to responsible business practices. This brief description at the end of each Melitta Group Annual Report is intended to share our experiences, raise awareness, and inspire others. Appreciation for a product increases with the knowledge that it has been carefully crafted.



**For Gmund Paper**





# FINANCE REPORT

MELITTA

GROUP 2021

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# KEY FIGURES AT A GLANCE

OVERVIEW 2021

KEY FIGURES OF  
THE MELITTA GROUP

	2021	2020
Sales <i>in € thous.</i>	1,882,123	1,732,755
Capital expenditures* <i>in € thous.</i>	39,217	43,606
Employees <i>full-time employees, annual average</i>	5,904	5,849
Tangible assets <i>in € thous.</i>	273,075	268,596
Financial assets <i>in € thous.</i>	51,102	17,229
Equity <i>in € thous.</i>	307,096	286,728
Total assets <i>in € thous.</i>	1,325,125	1,210,609
Equity ratio <i>in %</i>	26	28

\* without additions to the consolidated group  
and only investments in property, plant and equipment

KEY FIGURES OF  
THE OPERATING DIVISIONS  
AND THE SERVICE UNIT

Sales <i>in € thous.</i>	2021	2020
Melitta Europe – Coffee Preparation Division*	215,336	194,128
Cofresco*	290,132	289,223
Wolf PVG*	57,461	61,202
Melitta Europe – Coffee Division	387,569	320,106
Melitta North America	110,297	117,253
Melitta South America	302,372	240,576
Melitta Asia Pacific	1,708	1,302
Melitta Single Portions	558	311
Melitta Professional Coffee Solutions	198,763	204,833
Coffee at Work	13,508	13,986
Cuki Cofresco	244,635	221,368
Neu Kaliss Spezialpapier	34,547	35,075
ACW-Film	7,990	8,128
Services and others*	17,247	25,264
TOTAL	1,882,123	1,732,755

\* thereof Melitta Europe – Sales Europe Division  
total 2021: 507,952 | 2020: 504,875

Employees <i>full-time employees, annual average</i>	2021	2020
Melitta Europe – Coffee Preparation Division	590	595
Cofresco	1,035	982
Wolf PVG	258	257
Melitta Europe – Sales Europe Division	441	437
Melitta Europe – Coffee Division	243	233
Melitta North America	162	160
Melitta South America	920	919
Melitta Asia Pacific	25	19
Melitta Single Portions	36	32
Melitta Professional Coffee Solutions	993	994
Coffee at Work	94	108
Cuki Cofresco	556	544
Neu Kaliss Spezialpapier	188	201
ACW-Film	46	48
Services and others	317	320
TOTAL	5,904	5,849



# LETTER FROM THE CHIEF CORPO- RATE MANAGE- MENT

Ladies and gentlemen,

It was clear early on that fiscal 2021 would be a challenging year. We had already highlighted the situation in last year's Annual Report. In addition to the coronavirus pandemic, which continued to have an enormous impact on our private and professional lives, there was also considerable turmoil in numerous markets. In particular, there were sharp increases in energy, material, and transport costs, as well as a lack of availability for various (input) materials.

The fact that we can look back on a good fiscal year despite such challenges is a testament to the tremendous dedication, expertise, and professionalism of our employees. We achieved sales of € 1,882 million in 2021, corresponding to year-on-year growth of 8.6 percent. Adjusted for currency effects, the increase was as much as 11 percent.

It should be noted though that this growth is only partly attributable to increased sales volumes. A larger proportion resulted from price increases which we had to implement due to much higher costs in all our business fields. However, these price increases and strict cost management could only partially offset the increased charges for energy, materials, and transportation. As a result, there was a significant negative impact on earnings of the Melitta Group.

Nevertheless, we are very satisfied with fiscal 2021 on the whole. In our Coffee business field, we once again achieved record sales volumes and expanded our market shares: in Germany, we now hold 11.3 percent of the market (previous year: 9.5 percent). In the Coffee Preparation business field, our coffee-makers and fully automatic machines enjoyed great success. This is primarily due to our strategy of offering a growing proportion of premium appliances. There was also encouraging progress in the Household Products business field, where we made excellent progress with regard to the sustainability of our products – an aspect which is becoming increasingly important for consumers.

As in 2020, the coronavirus pandemic had a negative impact on our B2B business in the past fiscal year. Although the situation in the hospitality sector temporarily recovered, the environment remained difficult. The reluctance of commercial customers to invest in new equipment due to uncertainties and staff shortages is still clearly noticeable today. By contrast, the effects of the pandemic on our B2C business have largely subsided.

Despite the numerous challenges, we succeeded in focusing on and implementing our strategic agenda once again in the past fiscal year. With regard to our internationalization strategy, for example, this was reflected in the acquisition of the long-established Italian coffee roaster Caffè Corsini and the purchase of a majority stake in the online coffee platform roastmarket.de. At the same time, we established a roasting plant for specialty coffees in Bremen and thus expanded our product range once again. We also developed numerous activities to sharpen the profile of our brands – both in the B2C and B2B segments – and to further strengthen consumer trust in them. Our main aim here was to highlight the skills and traditions associated with our brands.

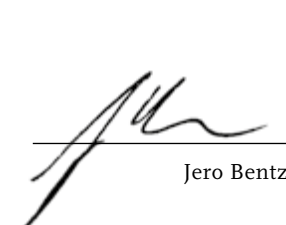
One of the strategic focal points of the past year was once again the sustainable alignment of our business activities. We continued to specify our sustainability targets and made good progress in implementing our future concepts in the value creation areas of Coffee and Coffee Cultivation, Plastics and Plastics Products, Pulp and Paper, and Electrical Appliances by 2030. Following detailed preparation, we launched several major sustainability projects in the past fiscal year, such as our Fair Recycled Plastics social business project in India. In addition, we published our first Group-wide Sustainability Report in 2021.

The past fiscal year was also characterized by a further strengthening of our corporate culture. As in previous years, we developed numerous activities to enhance our cohesion, the skills of our managers, and our employer brand. The investments we made in these areas have paid off in full. After all, 2021 once again demonstrated the importance of a strong corporate culture based on reliability, honesty, and trust. We are not only proud of our values-based cooperation and our commitment as a family-owned company, but also regard them as a key success factor for our Group.

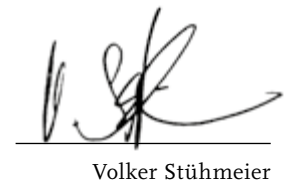
It is already apparent that the fiscal year 2022 will be no less challenging than the previous year. In fact, we expect even greater market turmoil with more profound and long-term repercussions. In combination with price and interest rate hikes, as well as ongoing supply bottlenecks, the current geopolitical developments will heighten the political and social tensions, making the economic environment even more complex and precarious.

Nevertheless, we are convinced that the agility we have gained in recent years will help us overcome these challenges. Moreover, we have a high degree of confidence in the operational excellence of our organization. In recent years, our employees have clearly demonstrated their readiness to embrace change and their ability to swiftly adapt to new conditions. Likewise, our managers not only have the skills and experience, but also the necessary composure to make the right decisions in crisis situations – something that is particularly important in such uncertain times. We therefore believe we are well positioned for the coming years and are optimistic about our future prospects.

We would like to thank our employees and business partners for their commitment, loyalty, and reliability.



Jero Bentz



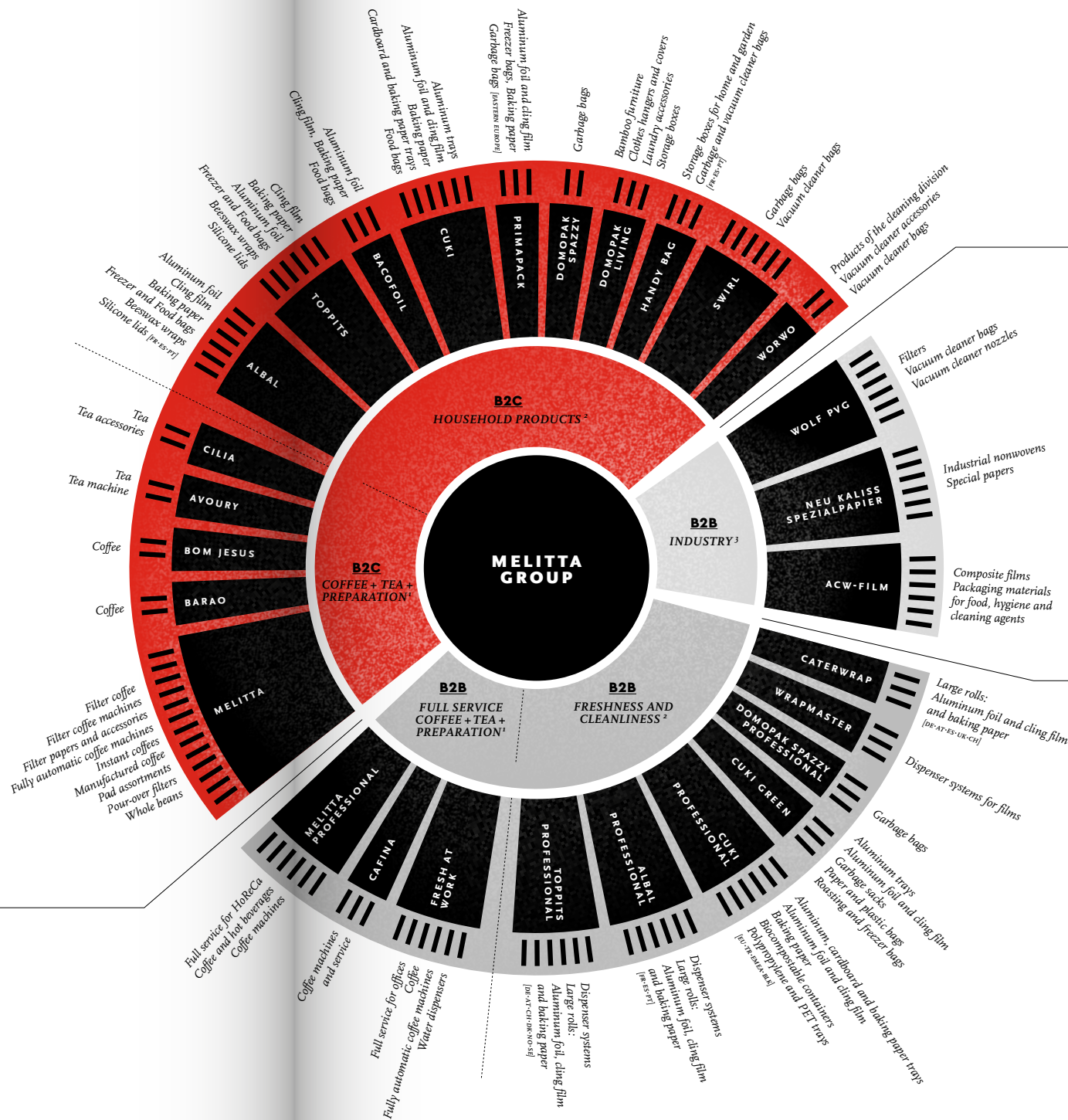
Volker Stühmeier



OUR PRODUCT BRANDS AND EXPERTISE IN THE  
360° CUSTOMER EXPERIENCE.

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## B2C BRANDS

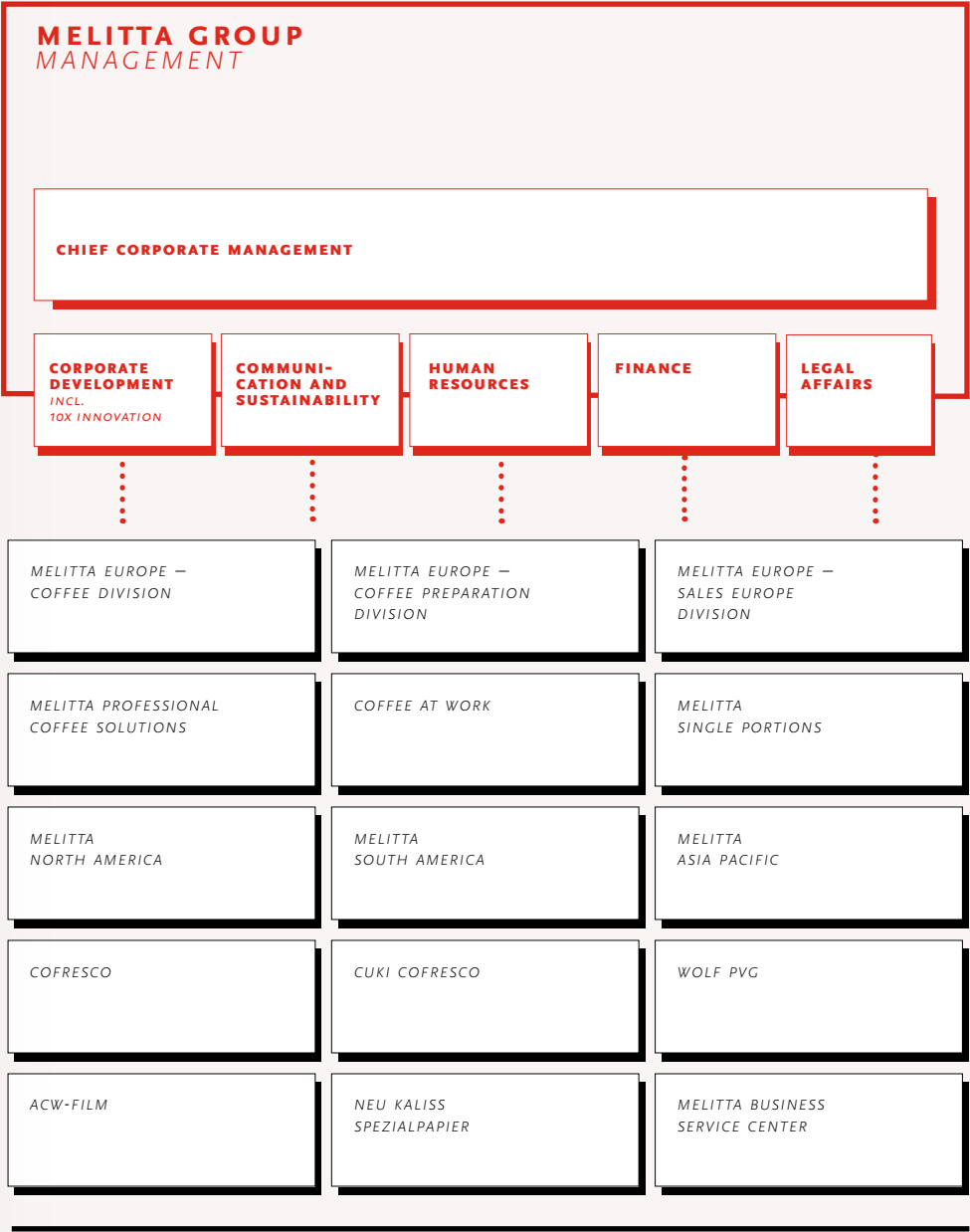


### 3 B2B BRANDS INDUSTRY

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**B2B  
BRANDS  
COMMERCE**

# ORGANI- ZATIONAL STRUC- TURE



General Partners of Melitta Unternehmensgruppe Bentz KG: Dr. Stephan Bentz, Jero Bentz  
Limited Partners: Claudia Taufß, Jara Bentz, Thomas Dominik Bentz, Dr. Thomas Bentz  
Advisory Council: Joachim Rabe (Chairman), Dr. Stephan Bentz, Jara Bentz, Claudia Taufß, Alastair Bruce, Javier González, Andreas Ronken



# CORPORATE DIVISIONS



## **CORPORATE DEVELOPMENT** incl. 10X Innovation Managing Director — Günther Klatt

The corporate division Corporate Development deals with the strategic alignment of the Melitta Group and its various operating divisions. It provides support for Chief Corporate Management with the further development of Group strategy and helps the operating divisions implement their strategy projects. One of the division's most important tasks is to give recommendations regarding the design and implementation of strategic alternatives. This involves monitoring market trends and developments, evaluating strategic options, developing strategy programs, and jointly implementing them within the framework of corporate strategy. The division is sub-divided into the departments: Corporate Strategy, Investment Management, Planning and Reporting, Corporate Innovation/Melitta 10X Incubator, and the Digital Acceleration Team.

## **HUMAN RESOURCES** Managing Director — Roberto Rojas

The corporate division Human Resources shapes the strategic and infrastructural framework for the support, recruitment, and development of personnel. A key task is to strengthen the attractiveness of the Melitta Group as an employer, both internally and externally, in order to retain current and new employees over the long term. Corporate HR supports the operational HR departments with suitable measures and instruments, including digital tools for process optimization. By working in partnership with managers, employees, and worker representative bodies, as well as facilitating Group-wide synergies between the individual HR departments, Corporate HR also promotes the flexibility and competitiveness of the entire organization.

## **FINANCE** Managing Director — Jochen Emde

The corporate division Finance develops the Group's financial strategy, as well as its accounting and taxation policies. As the Melitta Group's Finance Business Partner it is also responsible for the financial organization, as well as the treasury, insurance management, and customs and tax issues of the Group. Its main tasks include planning and managing cash flows, coordinating Group data management, and financial reporting on the basis of uniform standards, processes, and systems. In addition, the corporate division is responsible for the risk-oriented implementation of internal audit tasks at the Group's operating divisions. It draws up guidelines on compliance with legal and regulatory requirements and provides various financial services, such as advice and training for the corporate and operating divisions. Finally, it is responsible for the operational coordination and management of acquisitions and cooperations.

## **COMMUNICATION AND SUSTAINABILITY** Managing Director — Katharina Roehrig

The corporate division Communication and Sustainability is responsible for internal and external communications across the Group. This includes the development of the Melitta Group's communication strategy and its implementation in the field of corporate communications, public relations, sponsoring, and events. Its responsibilities also comprise the Group-wide strategic alignment and development of sports partnerships, as well as in-house real estate management in cooperation with the relevant departments. The corporate division's other main tasks include the strategic alignment and coordination of the Group's sustainability activities, as well as the integration of sustainability into business strategy.

## **LEGAL AFFAIRS** Managing Director — Gunhild Wehmhöner

The corporate division Legal Affairs has the task of identifying all risks due to new legislation – from amendments to case law – and changes inside or outside the Group. It supports Chief Corporate Management, the other corporate divisions, and the operating divisions with all legal issues. To this end, it examines legal issues and contracts, as well as packaging and advertising materials, manages legal disputes with authorities and third parties and coordinates cooperation with external lawyers on behalf of the whole Group. It is also responsible for the legally secure structuring of companies, as well as the registration, renewal, and defense of intellectual property rights, and Group-wide data protection issues.

# OPERATING DIVISIONS

ANNUAL REPORTS OF  
THE OPERATING DIVISIONS



## MELITTA EUROPE — COFFEE DIVISION

The operating division Melitta Europe – Coffee Division is responsible for Melitta's coffee business in Europe, the Middle East, and Africa (EMEA). The range offers perfect coffee enjoyment for every taste: filter coffee, whole beans for fully automatic coffee machines and fresh grinds, pad ranges for single-cup preparation, specialty coffees from Melitta Manufaktur, and instant coffees.

### MELITTA®

Managing Director — Dr. Frank Strege  
Headquarters — Bremen, Germany

Sales in € thous.

2021	387,569
2020	320,106

Employees, full-time employees, annual average

2021	243
2020	233

## MELITTA EUROPE — COFFEE PREPARATION DIVISION

With its claim "We enable coffee enjoyment", the operating division Melitta Europe – Coffee Preparation Division develops, produces, and markets top-quality products for coffee preparation in private households under the Melitta® brand. The range comprises products for preparing filter coffee, such as Melitta® filter papers, pour-over cones, filter coffeemakers, coffee grinders, and electric kettles, as well as fully automatic coffee machines for the preparation of coffee specialties at home. The range is rounded out by tea filter products under the Cilia® brand.

### MELITTA®, CILIA®

Managing Director — Katja Möller  
Headquarters — Minden, Germany

Sales in € thous.

2021	215,336
2020	194,128

Employees, full-time employees, annual average

2021	590
2020	595

## MELITTA EUROPE — SALES EUROPE DIVISION

Melitta Europe – Sales Europe Division is responsible for the sale of all Melitta Group consumer products in the region Europe, Middle East, and Africa (EMEA), with the exception of the German coffee business. The best-known brands marketed by this division include Melitta®, Cilia®, Toppits®, Albal®, BacoFoil®, handy bag®, and Swirl®.

### MELITTA®, CILIA®, TOPPITS®, ALBAL®, BACOFIL®, HANDY BAG®, SWIRL®

Managing Director — Remko Tetenburg  
Headquarters — Minden, Germany

Sales in € thous.

2021	507,952
2020	504,875

Employees, full-time employees, annual average

2021	441
2020	437



## MELITTA PROFESSIONAL COFFEE SOLUTIONS

Melitta Professional Coffee Solutions is the global partner for professional hot beverage preparation in the out-of-home market. The operating division's extensive range of products and services includes coffee machines, coffees, technical services, digital solutions, and customized finance.

## MELITTA®, CAFINA®, CILIA® Managing Director — Marco Gottschalk Headquarters — Minden, Germany

Sales in € thous.		
2021		198,763
2020		204,833
Employees, full-time employees, annual average		
2021		993
2020		994

## COFFEE AT WORK

## FRESH AT WORK® Managing Director — Martin Sesjak Headquarters — Witten, Germany

Under its new brand name "fresh at work®", Coffee at Work GmbH & Co. KG offers an all-inclusive service for coffee and water provision in the workplace. The service comprises the provision of coffee machines and table water dispensers, including regular maintenance, but also includes the supply of coffee beans, milk powder, chocolate powder, and all other consumables.

Sales in € thous.		
2021		13,508
2020		13,986
Employees, full-time employees, annual average		
2021		94
2020		108

## MELITTA SINGLE PORTIONS

## MELITTA®, AVOURY® Managing Director — Holger Feldmann Headquarters — Minden, Germany

Within the Melitta Group, Melitta Single Portions is responsible for all products connected with the preparation of hot beverages in the form of single servings. With its innovative solutions and products, the operating division aims to become one of the leading, globally operating suppliers for single-serve hot beverages. As of November 2019, Melitta Single Portions has been producing and marketing a premium range of individually portioned teas under its first-ever own brand Avoury®. With the Avoury® One tea machine and 40 organic tea varieties, Avoury® stands for a new and sustainable form of top-quality tea enjoyment.

Sales in € thous.		
2021		558
2020		311
Employees, full-time employees, annual average		
2021		36
2020		32

## MELITTA NORTH AMERICA

## MELITTA® Managing Director — Martin T. Miller Headquarters — Clearwater, Florida, USA

Melitta North America produces filter papers and roasted coffee, both for consumers under the Melitta® brand and for the B2B market. Its core markets are the USA and Canada but its products are also marketed in Mexico, Central America, and the Caribbean.

Sales in € thous.		
2021		110,297
2020		117,253
Employees, full-time employees, annual average		
2021		162
2020		160

## MELITTA SOUTH AMERICA

## MELITTA®, BARÃO®, BRIGITTA®, BOM JESUS® Managing Director — Marcelo Barbieri Headquarters — São Paulo, Brazil

Melitta South America offers a wide range of products for coffee enjoyment at home. These include various coffee blends, capsules, and instant coffees, as well as coffee preparation products such as filter papers. The operating division has four production facilities in Brazil: three coffee roasting plants and one paper mill. Melitta South America is one of the leading suppliers of coffee products in Brazil and the market leader for filter papers in South America under the Melitta® and Brigitta® brands.

Sales in € thous.		
2021		302,372
2020		240,576
Employees, full-time employees, annual average		
2021		920
2020		919

## MELITTA ASIA PACIFIC

## MELITTA® Managing Director — Oliver Heppener Headquarters — Shanghai, China

Melitta Asia Pacific is responsible for Melitta's B2C and B2B activities in the Chinese market. While the operating division's B2C operations focus on the sale of Melitta® brand products, its B2B activities are geared toward identifying new business opportunities with key accounts and developing marketing activities. In addition, Melitta Asia Pacific offers fully automatic coffee machines and coffee beans in particular for offices, hotels, restaurants, and cafés in the out-of-home segment.

Sales in € thous.		
2021		1,708
2020		1,302
Employees, full-time employees, annual average		
2021		25
2020		19

## COFRESKO

Cofresco is Europe's leading supplier of branded products in the field of household film and foil for home and professional use. The operating division's brands are at home in almost all European countries. Cofresco's portfolio comprises product solutions for the wrapping, preparing, and freezing of food, for the safe storage of household and garden items, and for the disposal of waste.

## TOPPITS®, ALBAL®, BACOFIL®, HANDY BAG®, SWIRL®, WRAPMASTER®, CATERWRAP®

Managing Director — Oliver Strelecki  
Headquarters — Minden, Germany

Sales in € thous.		
2021	<div></div>	290,132
2020	<div></div>	289,223
Employees, full-time employees, annual average		
2021	<div></div>	1,035
2020	<div></div>	982

## CUKI COFRESKO

Cuki Cofresco specializes in the production and sale of food packaging, disposable containers, films for food preservation, and garbage bags – over 4,000 products aimed at consumers, as well as commercial clients and the food industry. The operating division's products set high standards in quality, innovation, and sustainability.

## CUKI®, CUKI PROFESSIONAL®, DOMOPAK®, DOMOPAK LIVING®, DOMOPAK SPAZZY®

Managing Director — Corrado Ariaudo  
Headquarters — Volpiano, Italy

Sales in € thous.		
2021	<div></div>	244,635
2020	<div></div>	221,368
Employees, full-time employees, annual average		
2021	<div></div>	556
2020	<div></div>	544

## WOLF PVG

Wolf PVG is a highly specialized systems supplier for all aspects of vacuum cleaning, industrial filter technology, and medical protective equipment. Its products include vacuum cleaner bags, vacuum cleaner nozzles, filters, and attachment flanges for vacuum cleaner bags. These products are developed and produced for both industrial clients and the operating division's own end-user business. Under its core brands Swirl® and Worwo®, Wolf PVG markets vacuum cleaner bags, vacuum cleaner accessories, cordless bag vacuum cleaners, and cleaning products for private households in Europe. In addition, the company produces high-quality meltblown and composite materials, for example for medical face masks and respirators.

## SWIRL®, WORWO®

Managing Director — Peter Aufdemkamp  
Headquarters — Minden, Germany

Sales in € thous.		
2021	<div></div>	57,461
2020	<div></div>	61,202
Employees, full-time employees, annual average		
2021	<div></div>	258
2020	<div></div>	257

## ACW-FILM

Managing Director — Markus Wielens  
Headquarters — Rhede (Ems), Germany

ACW-Film develops and produces flexible packaging for the consumer goods industry in Germany and the rest of Europe. The operating division supplies – also just-in-time – films, film laminates, fully recyclable composites or monostructures, papers, and paper composites for the special packaging machinery of its clients. The main focus is on the delivery of sustainable, high-quality, innovative, and customized packaging films for the fresh meat, food, cleaning, and confectionery industries.

Sales in € thous.		
2021	<div></div>	7,990
2020	<div></div>	8,128
Employees, full-time employees, annual average		
2021	<div></div>	46
2020	<div></div>	48

## NEU KALISS SPEZIALPAPIER

Managing Director — John Paul Fender  
Headquarters — Neu Kalib, Germany

Neu Kaliss Spezialpapier manufactures specialist papers and nonwoven materials for industrial use. Its range of materials includes nonwoven wallpapers, conductive nonwoven fabrics, and nonwoven veneers. In its paper business, the operating division produces and processes coffee filter papers, beer glass and coffee cup drip catchers, crepe papers for large bakeries, udder papers, and extractor hood filters.

Sales in € thous.		
2021	<div></div>	34,547
2020	<div></div>	35,075
Employees, full-time employees, annual average		
2021	<div></div>	188
2020	<div></div>	201

## MELITTA BUSINESS SERVICE CENTER

Managing Director — Stefanie Bohnhorst  
Headquarters — Minden, Germany

The Melitta Business Service Center pools administrative tasks at Group level. In addition to shaping the operational HR and accounting processes, these tasks include strategic purchasing, business process management, business intelligence, and IT. The aim is to simplify, standardize, and align the Group's processes and systems in order to enhance flexibility and efficiency while also establishing the prerequisites for Group-wide digitization.



# GROUP MANAGEMENT- MENT REPORT

FOR THE FISCAL YEAR 2021  
MELITTA UNTERNEHMENSGRUPPE BENTZ KG



## BASIS OF THE GROUP

### The company

The companies of the Melitta Group are leading providers of various branded products for the consumer segment (B2C) and attractive niches of the commercial customer segment (B2B) in the main business fields of Coffee, Coffee Preparation, and Household Products.

The structure of the Group enables management to closely align operations with the needs of the respective markets via our operating divisions, national subsidiaries, and portfolio units. With the aid of central corporate divisions, Chief Corporate Management steers the Group according to strategic objectives and on the basis of our mission, shared culture and values, as well as our fundamental corporate principles.

With its core brands Melitta®, Cilia®, Café Bom Jesus®, and Café Barão®, the business field Coffee offers a wide range of filter coffee, instant cappuccino, whole bean, and single-serve products, as well as tea products, in its regional and international markets.

The products of the Coffee Preparation business field marketed under the core brands Melitta® and Cafina® comprise coffee filters, filter coffeemakers and fully automatic machines, as well as electric kettles and milk frothers. This business field also includes Melitta Professional Coffee Solutions, a specialist for professional hot beverage preparation in the system and non-system catering segments, as well as the Office Coffee Solutions (OCS) division.

The Household Products business field comprises consumer and catering products for the freshkeeping and storing of food, as well as waste disposal products, dust filter bags,

and dust filter accessories, which are marketed under the core brands Toppits®, Cuki®, Swirl®, Albal®, handy bag®, BacoFoil®, and Wrapmaster®.

The remaining products are marketed to industrial clients (B2B). They include specialist papers for the wallpaper industry, as well as industrial films for food packaging.

The innovation and development activities of our companies are designed to detect or shape new consumer trends and technologies in order to turn them into new and clearly differentiated products which will secure the company's sustainable development. This also applies to our food service and B2B clients.

The Melitta Group systematically integrates sustainability into its business strategies and processes. To this end, we have developed numerous initiatives and future concepts for our most important value cycles – Coffee and Coffee Cultivation, Paper and Pulp, Plastics and Plastic Products, as well as Electrical Appliances. In addition, we have set ourselves binding targets for the areas of Environmental Responsibility, Social Responsibility, and Responsibility for Employees. We report on the progress made in this regard and the further course of action in our Sustainability Report and in our Declaration of Conformity with the German Sustainability Code (“Deutscher Nachhaltigkeitskodex” – DNK).

Business environment

The economic environment in those regions of relevance for the Group was once again affected by the coronavirus pandemic in the past year. Although there was a clear recovery in the global economy compared with the previous year, supply bottlenecks and sharp price increases for raw materials and components, as well as for transport and logistics, had a negative impact on global supply chains. The resulting global inflationary pressure led to the highest inflation rates seen by major economies, such as North America (+4.7% in 2021) and Germany (+3.1% in 2021), for almost three decades. Nevertheless, overall economic growth in the European Union was extremely positive with an increase in gross domestic product (GDP) of 5.2% in 2021. There was similarly robust GDP growth of 5.6% in the USA. Government stimulus programs, such as the American Rescue Plan adopted in spring 2021 with a volume of USD 1.9 trillion, had a positive impact on economic development. After declining by 3.9% in 2020, GDP in Brazil grew by 4.6% in 2021 – albeit accompanied by high inflation and unemployment rates. Despite rising uncertainties, particularly in the real estate market, the Chinese economy grew by around 8.1% in 2021.

The global coffee market was also dominated by the aforementioned price developments on the commodity markets in 2021. Due in part to extreme weather conditions in the growing regions, average green bean prices rose by more than 75% over the course of 2021. Sales volumes in the German coffee market rose by 1.6%, driven primarily by the whole bean segment (+13.3%). The Brazilian coffee market reported a decline in volume of 7.1% in 2021. The US roasted coffee market also experienced a downturn in volume of 8.4%.

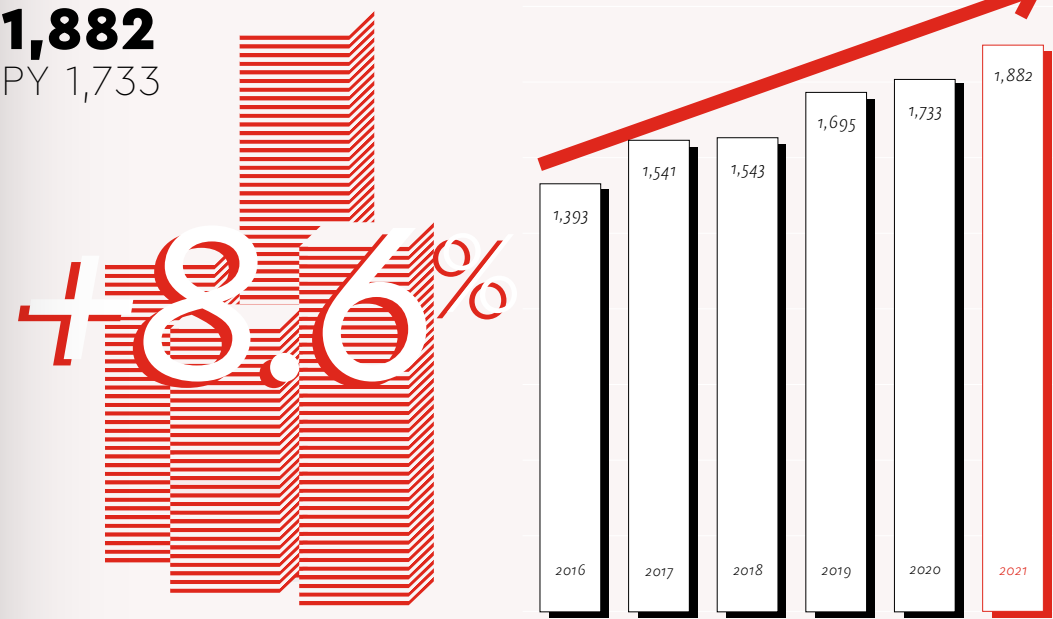
Development of business

Despite this challenging environment, the Melitta Group performed well on the whole and achieved further revenue growth. However, the challenging procurement situation and the fact that price increases could only be passed on to retailers with a certain time delay in many cases had a negative impact on potential earnings growth.

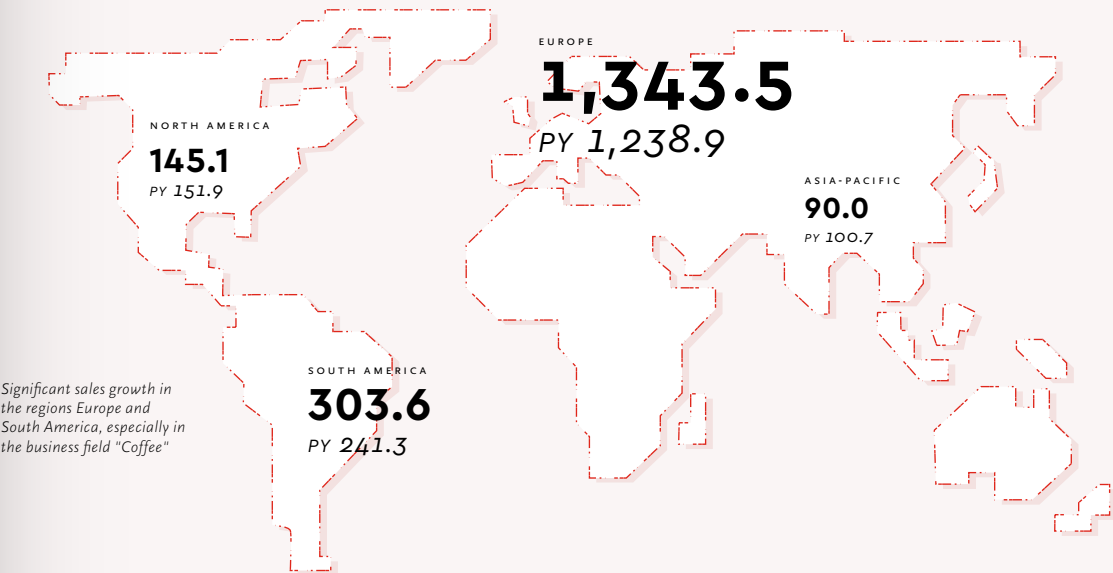
SALES ANALYSIS

Sales in € million

Development of sales 2016-2021 in € million



SALES BY REGION  
in € million





Due to the fact that many people continued to spend more time than average at home in 2021, the pandemic had a positive effect on the Group's end-consumer business. At the same time, however, it resulted in further losses in the out-of-home, food service, and catering sectors. With the easing of Corona restrictions in the second quarter, these two trends began moving in opposite directions as the situation reverted to normal. Thanks to the strict implementation of hygiene and protection measures by our employees, production in all areas of the company remained stable throughout the year. There were only minor disruptions caused by a partial shortage of input materials.

#### **A) COFFEE AND TEA**

Total sales volumes in the Melitta Group's Coffee business field amounted to 190 thousand metric tons in 2021, up 9.2% on the prior-year figure (174 thousand metric tons). The Group's share of the German coffee market was expanded to 11.3% (previous year: 9.5%). This growth was driven above all by products in the filter coffee and whole bean segments. Despite adverse economic conditions, high unemployment, and inflation, there was volume growth of 3.8% in South America. The Melitta Group also succeeded in expanding its share of the South American market. In view of our many years of uninterrupted growth in the Brazilian coffee market, we reviewed our production facilities in 2021 and realigned them for the future. As a result, the coffee roasting plant in Bom Jesus, Brazil, was relocated to the new Varghina production site in the Minas Gerais region. This decision allows us to benefit from the proximity to our main coffee suppliers in the regions of Belo Horizonte, Rio de Janeiro and São Paulo. Minas Gerais is also one of the main coffee growing regions in Brazil. The Café Bom Jesus® brand will, however, be retained. In the USA, we were able to significantly expand our B2B volume by winning new orders.

In 2021, we continued to expand our dealer network and implemented innovative marketing channels for the distribution of products under the premium tea brand Avoury®. Due to Corona-related marketing restrictions, sales revenues have not yet reached the expected level.

Our sports sponsorship activities – via partnerships with Manchester United, Borussia Dortmund, and Arminia Bielefeld – once again helped to strengthen Melitta's brand presence in 2021.

In 2021, the Group increased its stake in Roast Market GmbH. Roast Market is one of Europe's fastest-growing online coffee retailers. The Melitta Group increased its stake from 25.5% to 72.0%. Co-shareholder is TEC The Enabling Company GmbH (28%), a member of the Burda Group.

With the acquisition of a 70% stake in Caffè Corsini, Italy, the Group continued its internationalization strategy in the European coffee business and gained access to the Italian retail and food service business. Caffè Corsini is a traditional family business with its own premium brands.

#### **B) COFFEE PREPARATION**

While sales volumes of filter papers were unable to consolidate their successful prior-year level, sales of filter coffee machines were up slightly on the previous year. Thanks to increased home consumption, the market for fully automatic coffee machines for private households also continued to grow in 2021, contributing to the positive development with volume growth of 23%.

The easing of Corona-related restrictions over the course of 2021 helped revive business in the professional hot beverage sector to a certain extent. In some cases, however, it was still necessary to resort to short-time working. At the same time,

we were able to implement the revamped branding and thus support the rise in business activity. Although the propensity to invest is still generally low, revenues were boosted by a number of major international orders. Moreover, the new companies established in Canada and Poland are expected to boost the Group's international expansion. In the Office Coffee Solutions (OCS) segment, the branding was also revised and a new website developed.

#### **C) HOUSEHOLD PRODUCTS**

We are pleased to report that the market shares achieved in 2020 were maintained or expanded in all product groups for private households. The food service business performed well compared to the previous year. Earnings in all segments were impacted by significant increases in the price of plastics and aluminum on the commodities markets. One example of these price hikes is the development of the Plastixx price index for plastics. As of December 2021, the index was around 63% higher than in the previous year. Countermeasures such as price negotiations and cost reductions helped to partially offset the negative impact on our contribution margins. We aim to continue the ongoing development of ecologically compatible products by pursuing the sustainability initiative launched in previous years. Our target is the exclusive use of recycled or renewable raw materials for products and packaging by 2025. Starting in 2021, most products under the Toppits® brand are now produced using 35% recycled resources.

The Cuki Group, in which we acquired a majority stake in 2018, continued to make good progress in 2021 with the successful expansion of its core portfolio of aluminum products, especially for the B2B segment. As part of its ongoing integration into the Melitta Group, further progress was achieved on a number of projects. The investment in Cuki Alfatec in Poland was sold in the fourth quarter of 2021.

In the dust filter bag segment, B2B sales volumes remained stable year on year, while there was a slight decline in B2C volumes.

#### **D) OTHER BUSINESS**

The wallpaper industry continued to suffer from falling demand in 2021. In order to reduce dependence on this client sector, work on the development of product solutions for other sectors continued. Unfortunately, however, the business operations of Neukölln Spezialpapier had to be discontinued in mid-2021 following a careful review. The numerous measures taken in recent years failed to achieve any sustainable success and there were no signs of improvement even in the medium to long term in this highly competitive market.

## Earnings position

In its fiscal year 2021, the Melitta Group generated total sales of € 1,882 million. Compared to the previous year (€ 1,733 million), this represents nominal growth of 8.6%. Adjusted for currency differences, revenues rose by around 11%. In view of the ongoing uncertainty surrounding the impact of the coronavirus pandemic at the beginning of 2021, expectations of slight revenue growth were more than matched.

The performance of our individual operating divisions illustrates that we were able to expand our business fields by gaining market share and increasing sales volumes. However, increased costs for the procurement of materials and logistics services placed a noticeable burden on earnings, which was partially offset by the implementation of countermeasures. Against this backdrop, we are generally satisfied with the overall development of the Melitta Group in the reporting period. Significant investments were made in particular in our machinery and in the M&A transactions described above.

The following table shows a breakdown of consolidated net sales:

in € thous.	12-31-2021	12-31-2020
Coffee	706,697	582,604
Household Products	613,814	593,030
Coffee Preparation	518,162	505,141
Others	43,450	51,980
<b>GROUP</b>	<b>1,882,123</b>	<b>1,732,755</b>

Due in particular to volume growth and price increases, sales of the business field Coffee were 21.3% up on the previous year.

Sales revenues in the Household Products business field were around 3.5% above their prior-year level. In addition to branded products, this is primarily attributable to the food service division and the positive development of the Cuki Group.

Revenues of the Coffee Preparation business field were up 2.6% year on year, mainly as a result of increased sales of filter coffeemakers and fully automatic coffee machines. As expected, the recovery in sales of professional hot beverage preparation products in the system and non-system catering segments due to the easing of coronavirus restrictions will not be noticeable until the following year.

## Assets and finance

### A) ASSET AND CAPITAL STRUCTURE

As of December 31, 2021, the Melitta Group's equity capital stood at € 307 million. The year-on-year increase of € 20 million resulted from the net balance of the consolidated net profit, foreign currency changes without effect on income, shareholder contributions and withdrawals, as well as changes in the consolidated group.

The equity ratio amounts to 26%. Bank balances, long- and short-term securities and cash equivalents contained in other assets were deducted from the balance sheet total when calculating the equity ratio.

Net bank borrowing of the Melitta Group as of December 31, 2021 amounted to € 236 million (prior year: € 176 million) and comprises bank liabilities and liquid funds; including other interest-bearing net financial liabilities, net financial debt totaled € 243 million (prior year: € 189 million). The main reason for the increase in debt is the development of working capital requirements in our business fields.

Bank liabilities rose by € 37 million, from € 342 million to € 379 million. In April 2021, we prematurely and bilaterally refinanced part of a tranche of promissory notes maturing in 2022 with 5- and 7-year maturities.

Pension accruals and similar obligations rose from € 174 million to € 178 million. Other accruals, including tax accruals, decreased by € 1 million to € 160 million. This was mainly visible in the sales accruals. Timely settlements helped avoid the need to form accruals in 2021.

As a result of price increases, the Melitta Group's trade payables rose year on year by € 57 million as of December 31, 2021. Other liabilities declined by € 6 million to € 65 million.

The Group's total assets increased by € 114 million, from € 1,211 million to € 1,325 million.

As of the reporting date, there was a net increase in non-current assets of € 31 million. The total net rise in financial assets of € 34 million was mainly due to the purchase of shares in Roast Market and Caffè Corsini. The Melitta Group's investment of € 50 million in intangible and tangible assets focused mainly on machinery and software. There was an opposing effect from depreciation and amortization of around € 51 million, as well as from other changes.

Current assets increased by € 84 million, from € 794 million to € 878 million. The rise was primarily attributable to increased inventories caused by general commodity price hikes and higher levels of goods to avoid supply bottlenecks.

### B) LIQUIDITY

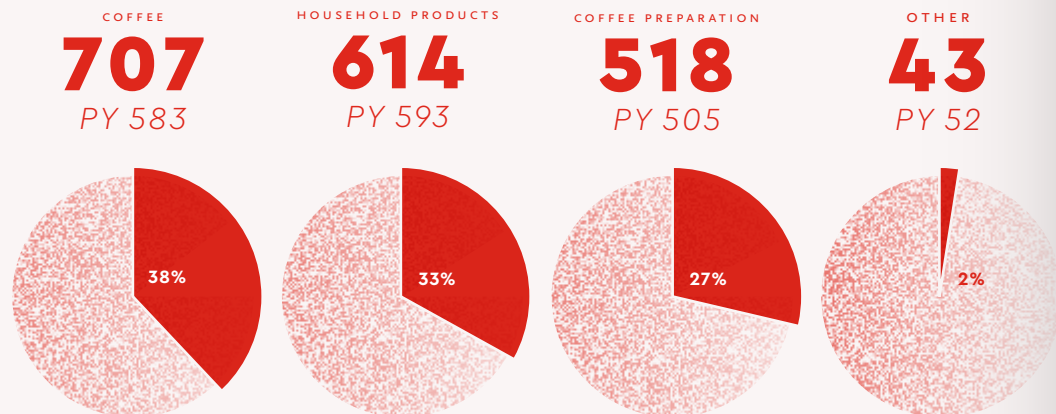
The liquidity of the Melitta Group is analyzed via the cash flow statement. The Group generated positive cash flow from operating activities in 2021. There was a cash outflow from investing activities. Financing activities mainly comprise withdrawals made by the owners and the net new assumption of bank liabilities.

In fiscal year 2021, the Melitta Group continued to have sufficient credit lines to finance its working capital.

## KEY FIGURES OF THE GROUP

### Sales by business field in € million

All three major business fields recorded a positive trend with significant sales growth in some cases



### Capital structure

Equity in € million

The Group's equity surpassed the € 300-million-mark (+7%) for the first time

307

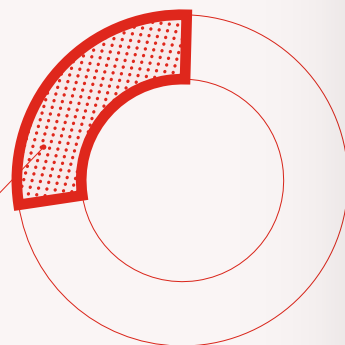
PY 287 ↗

Equity ratio in percent

The equity ratio fell slightly due mainly to an increase in the balance sheet total – primarily attributable to working capital

26

PY 28 ↘



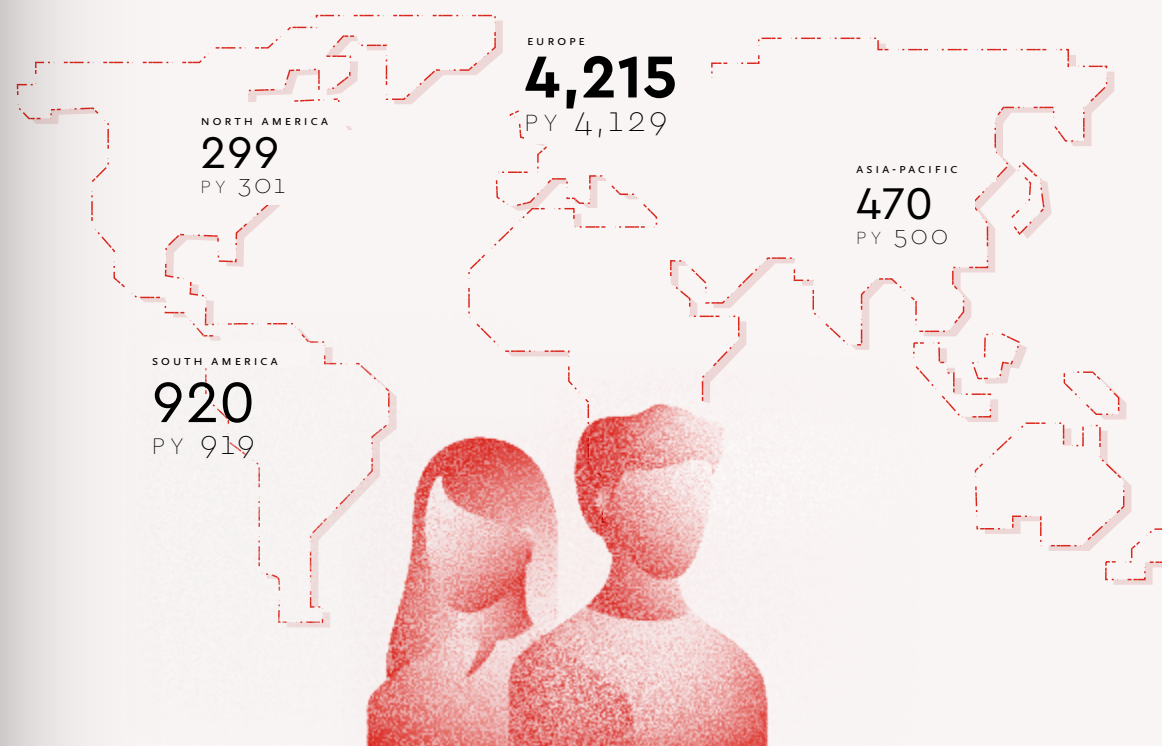
### Employees

Further increase in headcount to almost 6,000, mostly in Europe

5,904

PY 5,849 ↗

### EMPLOYEES BY REGION





Despite the adverse economic conditions, we are satisfied with the development of the past year. We were able to successfully meet the challenges facing the Melitta Group's business fields – especially from the ongoing coronavirus pandemic – and continued to drive forward our numerous initiatives and projects. These are mainly focused on international expansion, as well as investment in future growth segments and in the digital transformation of our commercial processes. In spite of developments on the commodity markets, the Melitta Group not only increased its sales volumes and market shares, but also achieved year-on-year revenue growth and satisfactory pre-tax earnings on a par with the previous year. Compared to the previous year, there was a slight decrease in the return on net capital employed. Capital expenditures were slightly more restrained than in the previous year. Net financial debt is within the forecast range.

In addition, we made successful progress in many areas of our sustainability activities. These include, for example, the expansion of our range of sustainable products, the launch of several Group-wide sustainability projects, and the

further development of our key performance indicators. We provide more detailed information on this topic in our Sustainability Report and in our Declaration of Conformity with the German Sustainability Code.

### Financial and non-financial performance indicators

Melitta Group's corporate management system is geared toward long-term, value-oriented, and profitable growth. To this end, we have defined specific controlling processes. Our key performance indicators are sales revenue, EBIT, and return on net capital employed (EBIT as a ratio of average net capital employed).

In addition to these financial performance indicators, Chief Corporate Management also monitors non-financial figures. These performance indicators relate in particular to our product and supply chain responsibility, our environmental footprint, our social responsibility, and our responsibility for employees. The definition of these indicators is based on the relevant national and international standards as well

as on their meaningfulness with regard to the achievement of our sustainability targets.

### Employees

The implementation of the Melitta Group's growth strategy requires an increase in human resources in various areas of the Group. Consequently, an annual average of 5,904 people were employed by Melitta in the reporting period. This corresponds to a year-on-year increase of 1.0% and demonstrates the necessary investment in our internal structures and expertise for the Group's continued growth.

The Melitta Group uses a differentiated management system aimed at the structured identification and assessment of those risks to which the company is exposed. It includes all organizational regulations and measures for the early recognition, evaluation and analysis of risks.

Melitta pursues a balanced risk policy. In the course of auditing the annual financial statements 2021, we commissioned the external auditors to conduct a voluntary audit of our early recognition system according to Sec. 91 (2) of the German Stock Corporation Act (AktG). They were able to confirm that our early recognition system was appropriate and complied with statutory requirements, also with regard to the revised auditing standard IDW AuS 340. Irrespective of this, the risk management process will continue to be refined in 2022.

The management system comprises suitable reporting procedures. These ensure that the managers responsible are constantly and quickly informed about potential risks and opportunities. This enables both the Group and individual companies to take fast and effective corrective measures.

The main risks of the Melitta Group result from general economic developments, sector developments, and risks from general operating activities. In addition, price increases for commodities (especially green beans), energy costs, supply chains that are not always free of disruptions, and unfavorable exchange rate developments may lead to negative deviations from the Group's targets. These risks are currently also dominated by the long-term – and hard to predict – economic effects of the coronavirus pandemic on our professional hot beverage preparation business field, as well as by the Ukraine crisis in general.

The monitoring and controlling of financial risks is entrusted to the Group's treasury division. Foreign exchange and interest hedging instruments (options, swaps, futures, and interest derivatives) are used where necessary to hedge against specific risks from existing or foreseeable underlying transactions. Liquidity risks and risks from cash flow fluctuations are countered constantly by local and group-wide liquidity planning.

However, these general risks are also countered by opportunities. For the Melitta Group, these arise in particular from the tapping of market potential via a further expansion of our international presence and growing awareness of the Melitta brands, as well as from the rising propensity to purchase commercial coffee machines.

Financial and profit-related opportunities with positive deviations from the planned trend in revenue and earnings result from additional sales, falling commodity prices and more favorable exchange rates.

In 2021, we expanded our risk management system to include sustainability risks. We derive integrated strategies and processes for risk avoidance and mitigation from the defined risks. The holistic integration of sustainability in our core business and the resulting measures serve not only to reduce existing or expected risks, such as the effects of climate change, but also to generate further opportunities in our markets.

Against the background of the above mentioned explanations, the overall risk and opportunity situation has changed only marginally compared with the previous year. However, risks relating to the availability of materials and input products, as well as the ongoing rise in material prices, are having an increasingly noticeable impact compared with the previous year.

## FORECAST REPORT

The economic activities of the Melitta Group will continue to focus on countries in the EU, Asia, Brazil, and the USA/Canada. In its January 2022 outlook, the International Monetary Fund forecast consistently strong economic growth of 3.9% for the eurozone and 4.0% for the USA in 2022. The growth forecast for Brazil (0.3%) takes into account effects of monetary policy on high levels of inflation. According to Euromonitor, volume growth of 2.0% (Western Europe), 3.9% (Brazil), and 1.7% (North America) is expected for the major coffee markets.

For 2022, we anticipate general global economic and geopolitical challenges that will have an impact on our business development. The structural problems on the procurement markets are continuing and the sourcing of raw materials, components, and merchandise will be impacted by supply chains that are still not free of disruption, as well as by significantly higher transportation costs. This is compounded by the ongoing rise in material and energy costs, with the result that our cost of materials ratio is likely to be higher than in 2021. This trend will be exacerbated by the crisis in Ukraine. We are addressing these challenges with careful management of our contribution margins and a risk-conscious approach to capital expenditures. At the same time, however, we will continue to pursue our strategy of internationalization, innovation, sustainability, and digitalization in order to make greater use of the many opportunities we see for the further development of our Group.

The general infection risk of the pandemic, with the increased risk of being infected by the omicron variant, will continue to affect us – at least in the first half of 2022. However, it is currently difficult to estimate when the pandemic will be completely over and to what extent it will impact our business development this year.

Based on these assumptions, we expect a significant increase in sales, a stable consolidated EBIT result on a par with the previous year, and a slightly lower return on net capital employed for the full year 2022. Net financial debt is expected to be in the range of € 275-285 million with a generally solid balance sheet structure and stable financial position once again. With a similar level of cash flow in 2022 as in the previous year and its available credit lines, the Group's financing of capital expenditures and business activities, as well as its formation of working capital, is secured.

Minden, April 2022

# CONSOLIDATED BALANCE SHEET

MELITTA UNTERNEHMENSGRUPPE BENTZ KG  
as at 12-31-2021 (abridged version)

<b>ASSETS</b> <i>in € thous.</i>	12-31-21	12-31-20
Intangible assets	122,617	130,475
Tangible assets	273,075	268,596
Financial assets		
– Shares in affiliated companies	43,516	936
– Participation interests	4,578	11,211
– Other financial assets	3,008	5,082
<b>Non-current assets</b>	<b>446,794</b>	<b>416,300</b>
Inventories	326,524	246,842
Receivables and other current assets		
– Trade receivables	331,959	319,045
– Other receivables and current assets	38,059	27,617
Securities	39	9,943
Bank balances, checks	143,503	155,328
<b>Current assets</b>	<b>840,084</b>	<b>758,775</b>
<b>Other assets</b>	<b>38,247</b>	<b>35,534</b>
<b>TOTAL ASSETS</b>	<b>1,325,125</b>	<b>1,210,609</b>

<b>EQUITY AND LIABILITIES</b> <i>in € thous.</i>	12-31-21	12-31-20
<b>Equity</b>	<b>307,096</b>	<b>286,728</b>
Pension accruals	178,401	173,747
Other accruals	159,528	160,647
<b>Accruals</b>	<b>337,929</b>	<b>334,394</b>
Debts	379,433	341,890
Trade payables	220,175	162,943
Other liabilities	67,926	73,026
<b>Liabilities</b>	<b>667,534</b>	<b>577,859</b>
<b>Prepaid expenses</b>	<b>12,566</b>	<b>11,628</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,325,125</b>	<b>1,210,609</b>



BALANCE SHEET STRUCTURE 2021  
in € million

1,325.1

ASSETS		EQUITY AND LIABILITIES	
Non-current assets	122.6	307.1	Equity
Intangible assets			
Tangible assets	273.1	178.4	Accruals
			Pension accruals
Financial assets	51.1	159.5	Other accruals
Current assets			
Inventories	326.5	379.4	Liabilities
			Debts
Receivables and other current assets	370.0	220.2	Trade payables
Securities, bank balances and checks	143.5	68.0	Other liabilities
Other assets	38.2	12.6	Prepaid expenses

Assets

Equity and liabilities

BALANCE SHEET STRUCTURE 2020  
in € million

1,210.6

ASSETS		EQUITY AND LIABILITIES	
Non-current assets	130.5	286.7	Equity
Intangible assets			
Tangible assets	268.6	173.7	Accruals
			Pension accruals
Financial assets	17.2	160.6	Other accruals
Current assets			
Inventories	246.8	341.9	Liabilities
			Debts
Receivables and other current assets	346.7	162.9	Trade payables
Securities, bank balances and checks	165.3	73.0	Other liabilities
Other assets	35.5	11.6	Prepaid expenses

Assets

Equity and liabilities

# EXPLAN- ATORY NOTES

ON THE CONSOLIDATED  
BALANCE SHEET

## GENERAL INFORMATION ON ACCOUNTING AND VALUATION

Certain items of the consolidated financial statements, drawn up in accordance with Sec. 13 German Company Disclosure Law (PublG) in conjunction with Sec. 294-314 German Commercial Code (HGB), have been combined for the publication of this Annual Report for fiscal 2021. The Melitta Group makes use of the exemption pursuant to Sec. 13 (3) Sentence 2 PublG regarding the publishing of income statements. The consolidated financial statements and Group management report, which were awarded an unqualified audit opinion by the independent auditors, and the disclosures pursuant to Sec. 5 (5) Sentence 3 PublG are published in the Federal Gazette.

### Consolidated group

The consolidated financial statements include all domestic and foreign companies in which the parent company directly or indirectly holds the majority of the voting rights (Sec. 290 (2) No. 1 in conjunction with (3) HGB) and which are directly or indirectly under the common control of Melitta Unternehmensgruppe Bentz KG.

The consolidated group comprises 72 (prior year: 75) companies, of which 32 are based in Germany and 40 abroad.

The changes in the consolidated group in the fiscal year that have no material effect on

comparability with the previous year relate to the following companies:

Melitta PCS Asia Pacific AG, Tokyo, Japan, was merged with Melitta Japan AG, Tokyo, Japan, as of July 1, 2021, and IMMOBILIERE DE LA MARLIERE S.A.S., Chézy-sur-Marne, France, was merged with Melitta France S.A.S., Chézy-sur-Marne, France, as of December 10, 2021. The shares in Cuki Alfatec Sp. z o.o., Wysogotowo, Poland, were sold and the company deconsolidated as of December 1, 2021.

Due to their minor importance for the financial position and performance of the Group, seven companies (prior year: three) were not included in the consolidated financial statements. The changes compared with the previous year relate to the following items:

As of July 1, 2021, the Melitta Group increased its shareholding in Roast Market GmbH, Frankfurt, Germany, from 25.5% to 72% by means of purchase. In November 2021, a 70% stake was acquired in Corsino Corsini S.r.l., Badia al Pino (Arezzo), Italy.

The company Melitta Professional Coffee Solutions Canada Inc, Toronto, Canada, was newly founded on April 28, 2021, as was the company Melitta Professional Coffee Solutions Poland Sp. z o.o., Warsaw, Poland, on October 13, 2021.

Despite a shareholding of over 20%, two other companies (prior year: three) were not included

as associated companies since the Melitta Group exerts no significant influence on their business and financial policy.

In accordance with Secs. 311, 312 HGB, major participations are to be valued using the equity method if a significant influence can be exerted on their business and financial policy. This is the case with two companies (prior year: two).

The companies included in the consolidation have exercised their legal option to be exempted from an audit of their annual financial statements.

### Consolidation methods

The consolidated financial statements were prepared as at December 31, 2021. This is the balance sheet date of the companies included in the consolidated accounts.

In the capital consolidation process, the acquisition cost or balance sheet valuation of the shareholding is offset against the proportional share of shareholders' equity on the date of the initial consolidation. Goodwill is formed for any resulting differences – insofar as these cannot be directly attributed to, and depreciated with, individual asset items – and amortized through profit or loss using the straight-line method over the following years with a useful life of 5-15 years. The assessment of the amortization period is based on the future use of the goodwill.

Investments in associated companies are consolidated using the book value method. Inter-group trading profits from transactions with associated companies were not eliminated. Debt was consolidated according to Sec. 303 (1) HGB, while income and expenditure were

consolidated pursuant to Sec. 305 (1) HGB and unrealized results eliminated in accordance with Sec. 304 (1) HGB.

Deferred taxes were formed for temporary differences with an effect on income from consolidation transactions using individual tax rates.

### Accounting and valuation principles

Uniform valuation of assets throughout the Group is guaranteed by the application of corporate guidelines, valid for all members of the Melitta Group – with the exception of those companies consolidated using the equity method. These corporate guidelines correspond to commercial law regulations.

Intangible assets are valued at cost, while property, plant and equipment are valued at acquisition or production cost; they are written down using the straight-line method. In addition to direct costs, production costs also include a proportionate amount of overhead costs and depreciation. Investment subsidies reduce the cost of acquisition or production.

Financial assets are valued no higher than at acquisition cost, or the lower fair value. In the case of permanent impairment, non-scheduled impairment charges are recognized.

Inventories are valued at acquisition or production cost. Raw materials, supplies and merchandise are valued at the lower of average purchase prices and current values. Unfinished and finished goods are valued at production cost, which also includes a reasonable amount of necessary overhead cost and depreciation. Production costs are lowered accordingly, should

this be necessary to avoid valuation losses. Suitable allowances are made to cover the risk from holding inventories.

Advance payments on inventories, accounts receivable, other assets and cash and cash equivalents are carried at their nominal values or the lower rate for foreign currencies and where applicable the lower fair value. Lump-sum allowances have been made to cover general credit risks.

Prepaid expenses and deferred charges are formed in accordance with the provisions of Sec. 250 HGB.

Pursuant to Sec. 306 HGB, deferred tax assets and liabilities are formed for consolidation entries with an effect on income. In addition, deferred tax assets were formed for tax loss carryforwards for which it can be assumed with adequate probability that they will be used in future, as well as for temporary differences between the commercial and tax balance sheet (in the items non-current assets, current assets, accruals and liabilities), after netting with deferred tax liabilities. For the measurement of deferred taxes, the individual tax rates of the affiliated companies included in consolidation were considered (12-34%).

Pursuant to Sec. 246 (2) HGB, assets (plan assets) measured at fair value were netted with accruals for pension obligations. Any resulting positive balance from netting is disclosed in the balance sheet as an asset-side difference from asset allocation.

Limited partnership shares are measured at nominal value.

Accruals for pensions are calculated using the projected unit credit method. Pension accruals are measured with an interest rate of 1.87% as

at December 31, 2021 (prior year: 2.31%). In accordance with the simplifying provision of Sec. 253 (2) Sentence 2 HGB, a standard remaining term of 15 years was assumed for the obligations. Future pay increases were taken into account at a rate of 2.0% p.a. and pension increases at a rate of 1.5%. Standard consideration throughout the consolidated German companies was also given to the relevant biometric calculation basis (including the RT 2018 G mortality chart) and other calculation principles for the settlement amount to be used. Accruals for pensions of foreign companies were calculated as of December 31, 2021 using the projected unit credit method with an interest rate of 1.87% and individual assumptions as to pay and pension increases, as well as biometric assumptions.

Other accruals cover all recognizable risks and uncertain commitments in the amount of the respective settlement amount. Accruals with maturities of over one year were measured in accordance with Sec. 253 (2) HGB.

Subject to the fulfillment of the corresponding prerequisites, transactions expected with a high level of probability (hedged items) are placed together with derivative financial instruments in hedging relationships in order to balance contrasting value changes or cash flows from the acceptance of comparable risks. Such hedging relationships are presented in the financial statements using the net hedge presentation method.

Financial instruments are measured using generally accepted valuation models and mathematical procedures based on current market data.

Liabilities are carried at their respective settlement amounts.

Grants are recognized in profit or loss in accordance with the allocation of the expense that the grant is intended to cover.



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## Currency translation

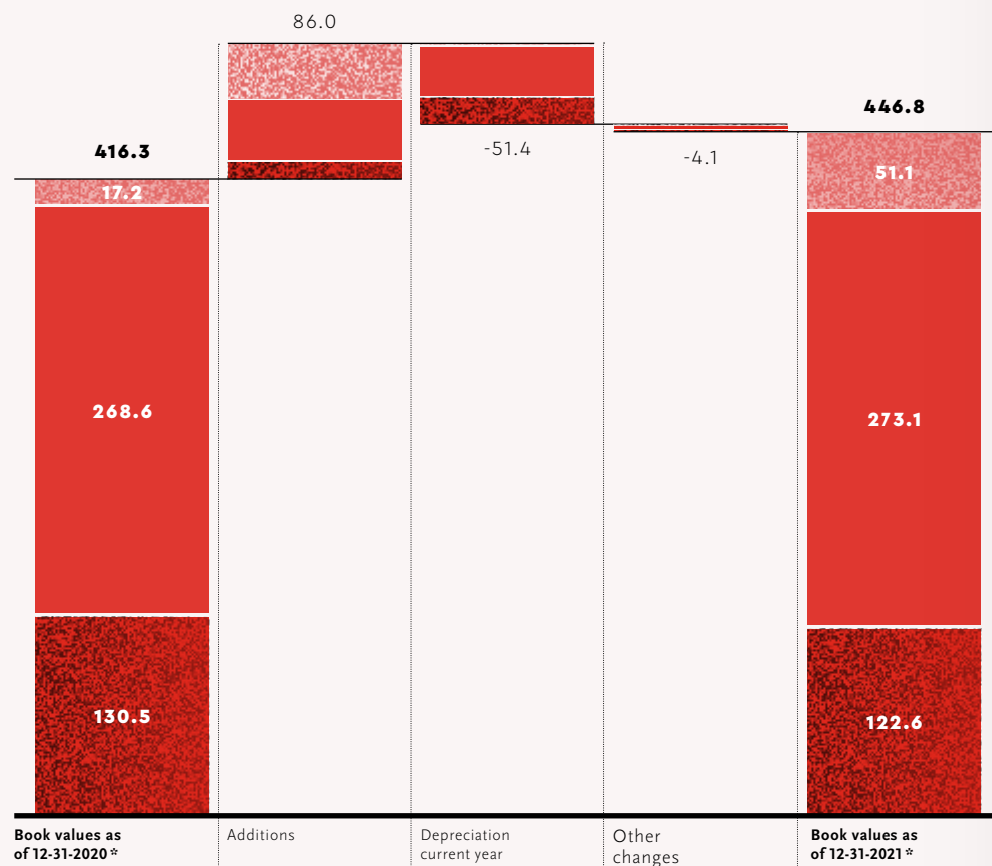
*The annual financial statements of consolidated subsidiaries prepared in foreign currencies are translated using the modified closing-date method. This means that balance sheet items in foreign currencies are converted at the closing-date rate and income statement items at average rates of 2021. Shares in affiliated companies, subscribed capital and reserves are translated at historic rates and any resulting differences in values are netted in equity.*

*Assets and liabilities denominated in foreign currencies are translated at the spot rate as of the balance sheet date, providing there are no hedging transactions.*

*The average rates are determined by simple averaging on the basis of the daily ECB fixing rates. Currency translation differences from debt consolidation are recognized in the income statement under other operating expenses or other operating income. Currency translation differences from the elimination of intercompany profits are recognized in the income statement under changes in inventories.*

## DEVELOPMENT OF NON-CURRENT ASSETS in € million

Non-current assets rose by €30 million,  
due mainly to the majority stakes acquired in  
Roast Market GmbH and Corsino Corsini S.r.l.



Financial assets
  Tangible assets
  Intangible assets

## NON-CURRENT ASSETS in € thous.

	Book values as of 12-31-2021 *	Book values as of 12-31-2020 *	Additions	Depreciation current year	Other changes
Intangible assets	122,617	130,475	11,018	18,257	- 619
Tangible assets					
– Land	110,824	114,151	1,931	7,138	1,880
– Machines and equipment	121,651	113,691	15,009	19,572	12,523
– Other assets	40,600	40,754	22,277	6,396	- 16,035
	273,075	268,596	39,217	33,106	- 1,632
Financial assets					
– Shares in aff. companies	43,516	936	35,197	0	7,383
– Participation interests	4,578	11,211	0	0	- 6,633
– Other financial assets	3,008	5,082	518	8	- 2,584
	51,102	17,229	35,715	8	- 1,834
	446,794	416,300	85,950	51,371	- 4,085

\* Differences arising from the currency translation of fixed and other assets at current rate values are offset against shareholders' equity or the corresponding liability items without affecting earnings.

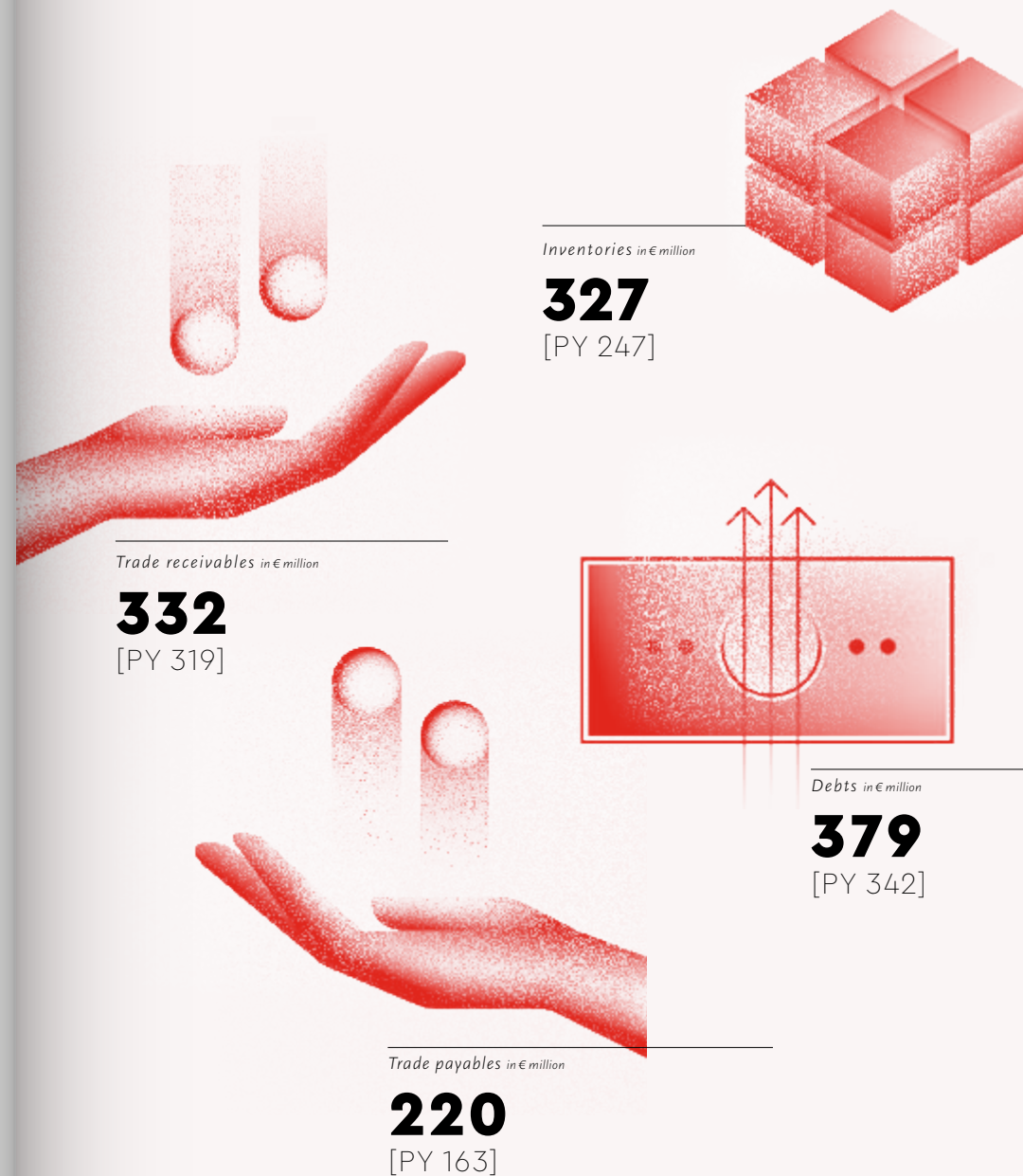
## SELECTED

### BALANCE SHEET ITEMS in € million

The increase in the Group's bank liabilities was caused by mostly price-related changes in net working capital

	North America	South America	Europe	Asia-Pacific
<b>Inventories</b>	<b>27.1</b>	<b>26.1</b>	<b>250.7</b>	<b>22.7</b>
Prior year	19.4	10.3	193.4	23.4
<b>Trade receivables</b>	<b>18.8</b>	<b>35.4</b>	<b>259.6</b>	<b>18.1</b>
Prior year	17.6	21.8	257.4	22.2
<b>Debts</b>	<b>0.4</b>	<b>0</b>	<b>379.0</b>	<b>0</b>
Prior year	0.1	0	341.8	0
<b>Trade payables</b>	<b>7.4</b>	<b>25.9</b>	<b>181.6</b>	<b>5.2</b>
Prior year	8.0	11.2	139.2	4.5

Minden, April 2022  
The general partners of  
Melitta Unternehmensgruppe Bentz KG





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