





CO2 EMISSIONS OFFSET

AT THE LAVAZZA GROUP, WE WORK EVERY DAY TO REDUCE OUR CARBON FOOTPRINT.

Aware that not all emissions can be reduced, we have embarked on an offsetting strategy by supporting projects that contribute to sustainable development and to the containment of greenhouse gas emissions.

In 2020, we began our journey by offsetting Scope 1 and 2 emissions, i.e., direct greenhouse gas emissions (due, for example, to the burning of methane for heating) or those deriving from the generation of electricity that is then consumed.

In 2022, we intend to continue this process by offsetting the carbon footprint of Lavazza BLUE capsules.

The "CO2 EMISSIONS OFFSET" claim stems from this commitment.

What does "offsetting" mean?

Offsetting the greenhouse gas emissions generated by a given activity consists of financing projects that absorb an equivalent amount of CO2. These projects are often reforestation initiatives, but may also relate to energy savings, for example.

Offsetting the greenhouse gas emissions generated makes it possible to declare the products and services involved by this type of activity to be CO2 neutral.

Madre de Dios

Guanarè

Chile Run of River

For 2022 BLUE capsules offsetting has reached

tonnes of CO2 eq

BY SUPPORTING:

reforestation, sustainable agriculture and renewable energy projects in developing countries, outside our supply chain, which are able to generate carbon credits of a quality that meets the highest international standards (VCS, CCBA, CDM)

Carbon footprint

Kariba

This is an indicator that quantifies the greenhouse gases emitted during a product's entire life cycle. Carbon footprint is expressed in kilograms of carbon dioxide equivalent (kg CO2 eq).

Greenhouse effect

This is the phenomenon caused by the concentration in the atmosphere of what are known as "greenhouses gases", which retain the infra-red radiation emitted by the Earth's surface and atmosphere, allowing our planet to have a suitable temperature for life. The greenhouse effect due to human activity is added to the natural greenhouse effect, further raising the temperature and endangering the balance of the ecosystems and biosphere.



BLUE capsules carbon footprint

To assess the carbon footprint of the BLUE capsules, we used the LCA (Life Cycle Assessment) methodology and followed the international reference standard on product carbon footprint (ISO 14067).

The LCA methodology analyses a product's environmental impact through all the steps of its life cycle, from raw materials to production, transportation, use and discharge. The life cycle of BLUE capsules includes the phases described in the following scheme:

COFFEE LIFE CYCLE and

SOLUBLE BEVERAGES

- Transport to the plant
- Processing at the production plant*
- Packaging
- Coffee dreas e

PACKAGING LIFE CYCLE

• Extraction and transport of

- raw materials

 Production of packaging
- components

 Packaging end of Life

DISTRIBUTION

Distribution of the packaged product through the flows directly controlled by Lavazza



Water and energy consumption to brew a cup

USE



w materials other than coffee are processed by Lavazza suppliers and are therefore transported to the Lavazza plant. **** As soluble beverages dissolve com<u>pletely</u>, they do not generate waste.

The impact offset for 2022

Measurement

In December 2021, we calculated the carbon footprint of an average capsule sold in 2021.

Carbon footprint

Use

Validation

6

Distribution

In that same year, we had the calculation of the carbon footprint of an average capsule sold in 2021 verified and validated by the certification authority CSQA.

Estimate

We multiplied the impact of one average piece sold in 2021 by the 2022 sales forecast, thus obtaining an estimate of the carbon footprint of the BLUE capsules sold in 2022.

Offsetting

We offset the entire carbon footprint of the capsules we expect to sell in 2022.

Check

We want to be sure we have offset the right amount of greenhouse gas emissions. Accordingly, when the data regarding 2022 becomes available, we will repeat the calculation and verify that there are no discrepancies between the forecast and actual amounts. If there are, we commit to offsetting any difference.

Coffee life cycle

Packaging life cycle

%

Reduction activity

Lavazza is committed to defining and implementing reduction plans at corporate level and to product ecodesign. BLUE capsules benefit from emission reduction and process efficiency activities in accordance with the plans adopted at the corporate level, with the aim of increasing energy efficiency, using renewable energy sources and optimising packaging and the logistics chain. The 2022 benefits in terms of environmental impact reduction with regard to BLUE capsules will be reported during the year-end assessment.

To learn more read the full report

In accordance with Article L229-68 (1) in Article 12 of French Law No. 2021-1104, for each typology of beverage the balance of direct and indirect emissions is reported (as defined by ISO 14064-1:2019 standard), with regard to 2022 sales estimates and based on the carbon footprint of 1 average piece of product: coffee 1% direct emissions (1,433 t CO2 eq) and 99% indirect emissions (103,178 t CO2 eq); ginseng 0% direct emissions and 100% indirect emissions (240 t CO2 eq); barley 0% direct emissions and 100% indirect emissions and 100% indirect emissions (140 t CO2 eq); barley 0% direct emissions (170 t CO2 eq).