LAVAZZA GROUP

BLEND FOR BETTER
LAVAZZA GROUP COMMITMENT

ZERO $CO_2$ IMPACT
ALUMINIUM CAPSULES

# 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 capsules compatible with Nespresso* Original machines in aluminium. The "ZERO CO2 IMPACT Aluminium Capsules" claim stems from this commitment.

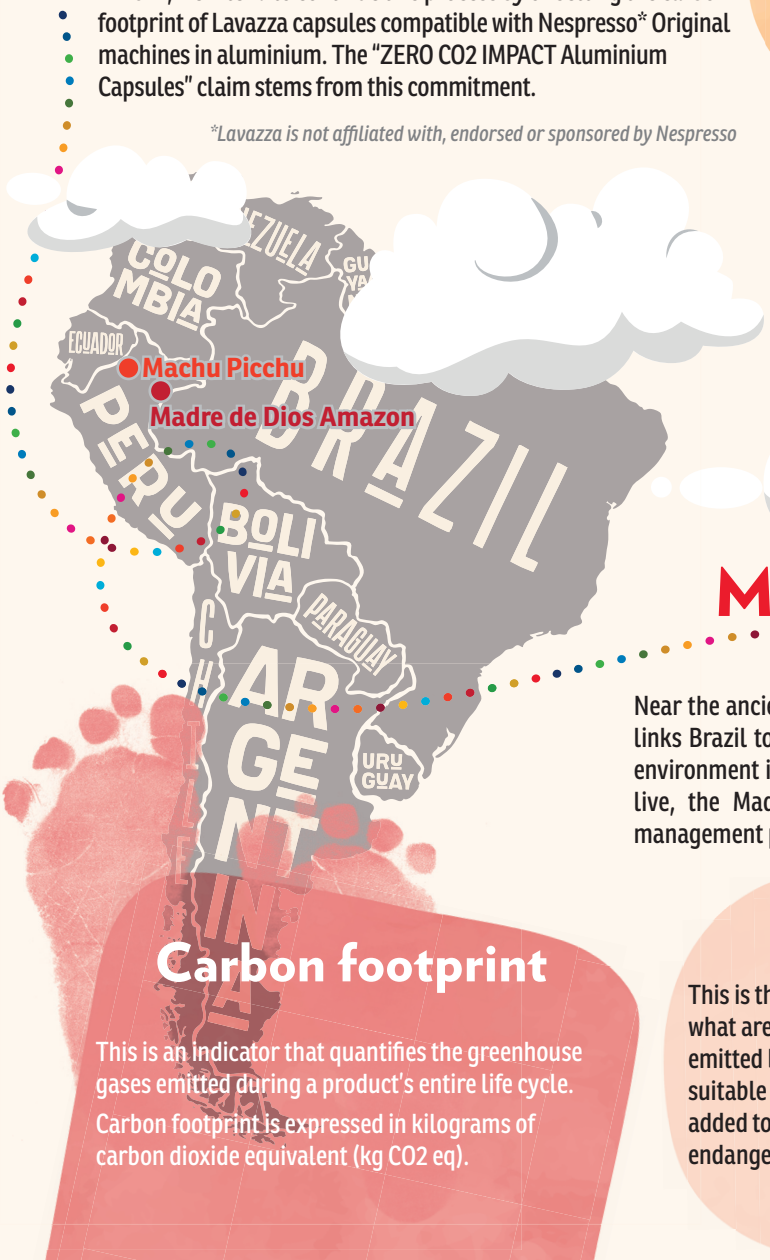
*Lavazza is not affiliated with, endorsed or sponsored by Nespresso*

## 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.




**For 2022 Compatible Capsules**

# 55,258

tonnes of CO2 eq
**were compensated**

by supporting the project:

## Madre de Dios Amazon

**- PERU -**

Near the ancient city of Machu Picchu, the construction of an inter-ocean road that links Brazil to Peru threatens the rainforest. To prevent deforestation and save the environment in which the tribal communities and various species risking extinction live, the Madre de Dios Amazon Forest project establishes sustainable forest management practices and seeks to increase surveillance in the area.

## Carbon footprint

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.

# Compatible capsules carbon footprint

To assess the carbon footprint of the Compatible 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 Compatible capsules includes the phases described in the following scheme:

## COFFEE LIFE CYCLE

- Cultivation and processing in the country of origin
- Transport to the plant
- Processing at the production plant*
- Packaging
- Coffee dreg end of life

## 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

## USE

Water and energy consumption to brew a cup of coffee

*All 2021 production is produced by a third-party supplier. Starting in 2022, we will gradually move to producing the capsules internally.*

# The impact offset for 2022

1 2 3 4 5

### Measurement

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

### Validation

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

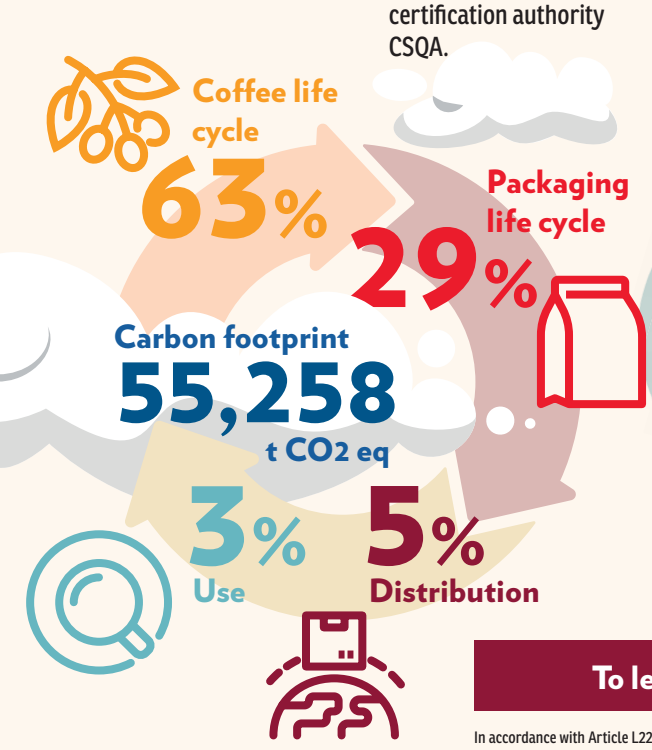
We multiplied the impact of one average piece sold in 2021 by the 2022 sales forecast, thus obtaining an estimate of the carbon footprint of the compatible capsules sold in 2022.

### 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.




# Reduction activity

Aluminium compatible Lavazza capsules are a new product in the range of Lavazza capsules. In 2021, their first year of production, they were produced by an external supplier. In 2022, Lavazza began a gradual process of internalising production that also involved integrating the production of Compatible capsules, to which emission reduction and process efficiency activities will be applied according to 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.

**To learn more read the full report.**

In accordance with Article L229-68 (1) in Article 12 of French Law No. 2021-1104, the balance of emissions is given below, broken down by direct and indirect emissions (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 coffee sold in 2021: 0% direct emissions; 100% indirect emissions (55,258 t CO2 eq).