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# 2024 SUSTAINABILITY REPORT Abstract

# THE WORLD OF COFFEE

Lavazza Group operates as a roaster in the coffee supply chain, one of the most complex and fragmentary in agriculture: 95% of the world's production stems from the work of 25 million small producers, around 12.5 million family-run farms on lands of under 5 hectares, spread in over 40 main producing countries in the coffee belt, between the Tropic of Cancer and the Tropic of Capricorn, where the first five countries (Brazil, Vietnam, Colombia, Indonesia and Ethiopia) account for 80% of production. Daily consumption at global level is constantly growing: it is estimated that 3.1 billion cups of coffee, eguivalent to 178 million 60-kg bags of beans, are consumed every day.



3.1 billion cups of coffee consumed per day



25 million small producers in more than 40 countries along the equatorial belt

#### COFFEE LOGISTICS FROM THE COUNTRY OF ORIGIN - Ouality - Origin Inland transport from - Production costs plantation to the port · Cargo shipping

### MARKET PRICING

- · Matching supply and demand
- · Price determination based on:
- Market conditions



· Beans assessment and classification by colour, size and density

**BEANS SELECTION** 

- · Sample roasting
- Cupping



#### **DRYING AND** HULLING

- · Natural or mechanical drying
- Hulling



### AND FARMING · Plant seeding

**PLANTATION** 

· Nurturing growth



#### **HARVEST**

- Harvest of coffee
- cherries Cherries selection

### **COFFEE CHERRIES** PRE-PROCESSING

- Natural Washed
- Honey





### **CUSTOMS WAREHOUSES** STORAGE

- · Health, quality and organoleptic conformity checks
- Transport to production plants



### ROASTING

- · Blending
- Roasting
- Grinding
- · Quality controls of the finished product



### **PACKAGING**



### DISTRIBUTION

- · Coffee shops Mass retailing
- Home



### CONSUMPTION AND END OF LIFE





## LAVAZZA GROUP

Created by the entrepreneurial passion of the Lavazza family, today Lavazza Group is among the major players in the global coffee arena as a roaster. It aims to offer high-quality products through a responsible model based on innovation, passion and competence, in line with a paradigm that integrates economic, social and environmental sustainability.



## **Purpose**

Awakening a better world every morning

### **Values**









## Our sustainability strategy A Goal in Every Cup

4 priority SDGs









### **GOAL ZERO**



1 Tool Goal

to spread the 2030 Agenda

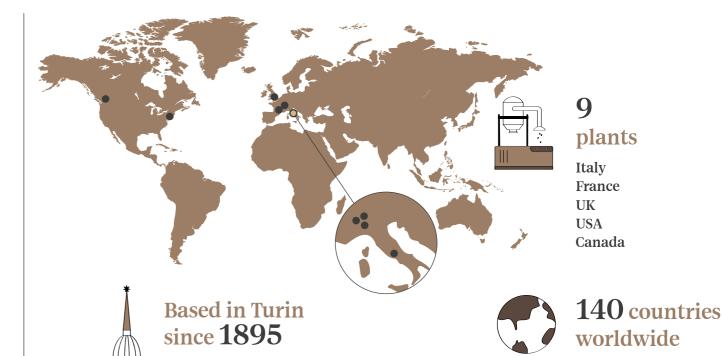
## **Brands**











## Multi-channel business



Retail

E-commerce **Food Service** 

Retailing

Office Coffee

Vending



# OUR COMMITMENT TO PEOPLE

Lavazza Group is committed to ensuring a healthy, safe, fair and inclusive working environment, where the uniqueness of each person is enhanced and diversity is seen as a valuable resource for both personal and professional growth. A commitment that is expressed in the Group D&I Policy, declined in the protection of the rights of workers, providing them with the necessary tools for personal and professional development, through training programs and performance measurement. This focus on people extends to their mental and physical wellbeing by providing a comprehensive welfare system.





5,806 employees



+97% with permanent contracts

## **Diversity & Inclusion**



Group D&I Policy and Manifesto



GAP FREE Program extended at global level



First level

EDGE certification

for gender equality

(Italy, UK, France and Germany)



EDGE Plus
Certification Assess
(Italy and USA)

# Training



11.9 hours per capita



+ 4,000 hours on D&I and sustainability



Global Sustainability Academy



Ambassador Programme
II edition - coffee plantation
experience for employees

# Wellbeing



Top Employer in UK and Italy for the 6<sup>th</sup> consecutive year



Great Place to Work Kicking Horse Coffee and Lavazza Denmark



Time To Care welfare & wellbeing programme (Italy)

# **Professional development**



Employee performance measurement



Incentive systems
linked to ESG targets



# RESPONSIBLE GROWTH

For Lavazza Group, doing business responsibly is an essential prerequisite. The protection of human and labour rights is also pursued by constantly searching for the best health and safety practices through the multi-site ISO 45001 Management System, supply chain monitoring and active engagement with regard to sustainability and integration of company values into procurement practices. Responsible and transparent governance, coupled with shared commitment through the Code of Ethics, Supplier Code of Conduct and the Human Rights and Children's Rights Statements, supports value creation.



## Value creation



+€ 3.3 billion economic value generated



+97% distributed to stakeholders

## Ethical and transparent governance



Control, Risk and Sustainability Committee



Tax Control Framework



Antitrust and anticorruption training programmes



Anticorruption Policy

# Health and safety



Launch of SMETA ethical and social audits on health and safety and working conditions in plants



HSE Days

# Supply chain Commitment to protecting human rights



Multi-stakeholder partnerships in the coffee supply chains

Projects in place for local communities

+ 6,000 beneficiaries in Vietnam



EcoVadis Gold Medal



ILO Child Labour Platform membership



96% of green coffee\* from suppliers evaluated on EcoVadis



10 ethical and social audits in 5 countries



# ENVIRONMENT AND NATURAL RESOURCES PROTECTION

Coffee is a product of the earth and is therefore impacted by climate and environmental aspects, to which Lavazza Group has paid great attention since its foundation. In addition to mitigating its environmental impacts through the multi-site ISO 14001 Management System, its environmental strategy — Roadmap to Zero — is incorporated into the entire Group's operating model at the international level with an integrated and homogeneous approach, based on emission measurement, reduction and compensation, and integrating the Sustainable Packaging Roadmap and the Green Coffee Project.





## Decarbonisation



+95%
of coffee produced
in plants that use 100%
renewable electrical energy



emissions compared to 2023 thanks to reduction activities



GHG emissions inventory certified ISO 14064-1



Primary data from Green Coffee Project certified ISO 14040/14044



Direct emissions and indirect emissions from electricity neutralised since 2020 (Scope 1 and 2)

# Circularity



81% recyclable packaging of the product portfolio



87% waste recovered or recycled



98% of vegetable waste from coffee production turned into fertiliser or biogas (Italy)



49 members

A project in Kenya of sustainable and resilient supply chain through regenerative agriculture and circular economy practices

# **Biodiversity**



3 regenerative agriculture projects



Research programmes on climate-change resilient coffee varieties



La Reserva de ¡Tierra! Cuba first coffee with traceable supply chain via blockchain



iTierra! Special Edition
coffee from Ecuador produced using
sustainable practices guided by
the United Nations Development
Programme



# OUR PLEDGE FOR LOCAL COMMUNITIES

In its approach to business, Lavazza Group has been focused on people since its foundation and today it has extended its attention to all communities in which it operates: this commitment is reflected in the Community Care programme in place in the areas in which the Group operates through its subsidiaries and plants, and also with the Lavazza Foundation's projects in the coffee-growing communities.





## **Community Care**

The extensive programme of engagement and support activities for local communities is developed by the Group in collaboration with local institutions and Non-Governmental Organisations.



Social inclusion program extended at global level

6 countries Germany
UK
USA



8 projects in Italy

5,500 people involved

Australia

Denmark

Canada

# Lavazza Volunteer Program extended to plants



+160 participants



+750 hours



15 associations

Donations to support local associations

## A Cup of Learning



+700 young people professionally trained

in 20 countries since 2017

### Lavazza Foundation

Founded in 2004, it promotes and finances economic, social and environmental sustainability projects through multi-stakeholder and private-public partnerships with the aim of increasing coffee yields and quality, while also promoting entrepreneurship among coffee growers and improving their living conditions, including aspects such gender equality and enhancement of young people.





+137,000 people involved



29 projects on sustainable agriculture and social inclusion



18 coffee-producing countries



3 continents



