



Luigi Lavazza S.p.A. “A Goal in Every Cup”

Mario Cerutti

Chief Institutional Relations & Sustainability Officer Lavazza

Enrico D’Onofrio

Adjunct Professor Luiss Business School

Veronica Rossi

Sustainability Senior Manager Lavazza

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Mario Cerutti
Enrico D'Onofrio
Veronica Rossi

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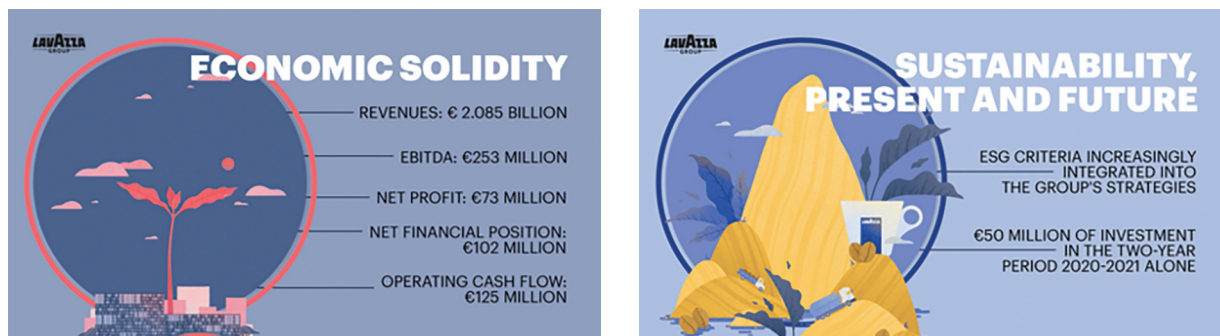
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Introduction

“In un mondo che distrugge i beni della natura, io non ci sto”¹. This was the purposeful statement – originally from Mr. Luigi Lavazza back in 1935 – that came to the mind of Mr. Antonio Baravalle – Lavazza Group CEO – on April 1st, 2021, when leaving the recently built headquarters Nuvola² in Borgata Aurora (Turin), after another intense and fulfilling day of work. Lavazza had just released the 2020 financial results: Revenues of € 2.1billion, slightly down on the 2019 figure of € 2.2 € billion, Ebitda of € 253.0 million – against € 291.0 million in 2019 – and Net Profit of € 73.0 million versus € 127.4 million the year earlier. Net Financial Position was positive and had reached € 102.0 million, improving from the previous year of € 82.1 million.³ The reported results were confirming the strong financial solidity of the Company and had been achieved in a complex and difficult year, that had seen the outbreak of COVID-19 pandemic deeply changing consumers’ behaviours.



However, even more remarkable was the continued commitment to Sustainability. After internalising the SDG Goals⁴ into Lavazza’s Strategy, focusing on 4 goals and launching the GOAL ZERO (an innovative idea of Lavazza), the Company was moving forward with another daunting challenge: the “Roadmap to Zero”. ESG⁵ criteria were increasingly integrated in the Group strategy, the first milestone reached with the Roadmap to Zero, for which about 50 million euro had been invested in for the period 2020-2021. Goal was to work to reach Lavazza Group’s carbon neu-

1. “A world that destroys the goods of nature is one I do not belong in” <https://www.lavazza.en/en/sustainability.html>.
2. Nuvola enhances the industrial heritage of the city of Turin. The current site of the Lavazza Corporate Management Centre was previously home to high-profile Italian companies, including Società Elettrica Alta Italia, Sip and Enel. Lavazza worked with the city to refurbish and reclassify the buildings which had elements of historical-architectural interest.
3. www.lavazzagroup.com.
4. SDGs – Sustainable Development Goals for the Agenda 2030, agreed upon in 2015 by world leaders aimed to create a better, fairer world by 2030 – ending poverty, inequality and addressing climate change.
5. ESG – Environmental, Social, and Corporate Governance refers to the three central factors in measuring the sustainability and societal impact of an investment in a company or business.

trality by the end of 2030.

The question was how deep Lavazza could embed all its sustainability values inside the Company and outside as well, to foster a positive transformation across the whole industry? What kind of activities could be done to accelerate this strategy? The fact that Lavazza was still owned by an enlightened family could help? How this would compare with the financial pressure that other listed multinationals and smaller private companies would feel, where quarterly profit reviews and/or overall economic results would put pressure on the single bottom line profitability versus the triple bottom line profitability⁶ that Lavazza could pursue? Could this fully purpose-driven approach become a disadvantage in the short run for Lavazza? Conversely, might the outbreak of covid-19 pandemic reinforce Lavazza's conscious business and responsible leadership?

1. The Global Coffee Market

Coffee provides a revitalising effect owing to its caffeine stimulant and is one of the most consumed and popular drinks worldwide. The global coffee market was valued at approximately USD 102.02 billion in 2020, with sales particularly robust as consumers stockpiled essential items during the pandemic⁷. The market was expected to reach revenues worth USD 131.19 billion by 2026 and set a record high CAGR of nearly 4.8% in the period from 2021 to 2026. The Coffee Market remained very fragmented and competitive. World coffee exports amounted to 10.97 million bags in December 2020, compared with 10.81 million in December 2019.

Exports in the first 3 months of coffee year 2020/21 (Oct/20 to Dec/20) had increased by 6.1% to 31.59 million bags compared to 29.78 million bags in the same period in 2019/20.

In the twelve months ending December 2020, exports of Arabica totalled 81.17 million bags compared to 82.14 million bags the year before; whereas Robusta exports amounted to 47.93 million bags compared to 49.56 million bags.⁸



Europe was the world's largest coffee consumption market region, followed by respectively North America, Asia and Oceania and Latin America. The International Coffee Organisation (ICO) reported in November 2020 that global consumption for the coffee year 2019/20 amounted to 167.6 million 60-kg bags of green coffee (ICO, 2020d). Respectively, Europe imported 55 million bags and North America 31 million bags in 2019/20 (ICO, 2020e). In these mature markets, it was not the volume, but the demand for higher quality coffee that would drive the future value of coffee retail sales.⁹ A few very large roasters dominated the coffee market, all of which but one had their headquarters in Europe or the United States. Mergers and acquisitions in the industry continued

7. <https://www.mordorintelligence.com/industry-reports/coffee-market>.

8. International Coffee Organization 2020.

9. Coffee Barometer 2020.

to drive consolidation in the market and increased market shares and value of these companies. This consolidation was also reflected by the fact that 86% of the total European Unions' imports was roasted in only six countries: Germany and Italy had the largest roasting industry, followed by Spain, the Netherlands, France and Sweden. In general, these roasters had invested heavily in diversifying their portfolio of brands and covered the whole spectrum of traditional roast and ground products, as well as a wide range of single-serve options, next to espresso beans or instant coffee¹⁰.

10. Ibidem.

2. Coffee around the World in 2020

Coffee was produced in approximately 12.5 million coffee farms, mostly in underprivileged and underdeveloped parts of the world. The structure and size of the farms varied by producing country. Almost 95% of these were smaller than 5 hectares, and 84% of all coffee farms were smaller than 2 hectares. It was estimated that smallholder farms produced up to 73% of all coffee, the remaining 27% was produced by large coffee estates. Estates bigger than 50 hectares were a common feature in South America only. Amongst all coffee producing countries, Brazil was the largest origin for both Arabica and Robusta varieties. The leading Robusta producer was Vietnam. In 2019 these two countries accounted for almost half of the global coffee production. World coffee production in 2019/20 was projected at almost 169 million bags with a decline in Arabica output to 96 million bags, while Robusta production was expected to rise to 73 million bags (ICO, 2020e). Despite the pandemic, there were no serious coffee supply shortages reported in the 2020 statistics. Just three countries were responsible for another quarter of the global coffee output: Colombia, Indonesia and Honduras.¹¹

11. Ibidem.



3. Coffee Industrial Process

“The coffee you enjoy each day has taken a long travel to arrive in your cup”. Between the time they are planted, picked and purchased, coffee beans go through a typical series of steps to bring out their best.

Planting. A coffee bean is actually a seed. When dried, roasted and ground, it is used to brew coffee. If the seed isn't processed, it can be planted and grow into a coffee tree. Coffee seeds are generally planted in large beds in shaded nurseries. The seedlings will be watered frequently and shaded from bright sunlight until they are hearty enough to be permanently planted. Planting often takes place during the wet season, so that the soil remains moist while the roots become firmly established.

Harvesting the cherries. Depending on the variety, it will take approximately 3 to 4 years for the newly planted coffee trees to bear fruit. The fruit, called the coffee cherry, turns a bright, deep red when it is ripe and ready to be harvested. There is typically one major harvest a year. In countries like Colombia, where there are two flowerings annually, there is a main and secondary crop. In most countries, the crop is picked by hand in a labour-intensive and difficult process, though in places like Brazil, where the landscape is relatively flat and the coffee fields immense, the process has been mechanised.

Processing the cherries. Once the coffee has been picked, processing must begin as quickly as possible to prevent fruit spoilage. Depending on location and local resources, coffee is processed in one of two ways:

a) The Dry Method is the age-old method of processing coffee, and still used in many countries where water resources are limited. The freshly picked cherries are simply spread out on huge surfaces to dry in the sun. In order to prevent the cherries from spoiling, they are raked and turned throughout the day, then covered at night or during rain to prevent them from getting wet. Depending on the weather, this process might continue for several weeks for each batch of coffee until the moisture content of the cherries drops to 11%.

The Wet Method removes the pulp from the coffee cherry after harvesting so the bean is dried with only the parchment skin left on. First, the freshly harvested cherries are passed through a pulping machine to separate the skin and pulp from the bean. Then the beans are separated by weight as they pass through water channels. The lighter beans float to the top, while the heavier ripe beans sink to the bottom. They are passed through a series of rotating drums which separate them by size. After separation, the beans are transported to large, water-filled fermentation tanks. Depending on a combination of factors -- such as the condition of the beans, the climate and the altitude -- they will remain in these tanks from 12 to 48 hours to remove the slick layer of mucilage (called the *parenchyma*) that is still attached to the parchment. While resting in the tanks, naturally occurring enzymes will cause this layer to dissolve.

Drying the beans. If the beans have been processed by the wet method, the pulped and fermented beans must now be dried to approximately 11% moisture to properly prepare them for storage. These beans, still inside the parchment envelope (the *endocarp*), can be sun-dried by spreading them on drying tables or floors, where they are turned regularly, or they can be machine-dried

in large tumblers. The dried beans are known as *parchment coffee* and are warehoused in jute or sisal bags until they are prepared for export.

Milling the beans. Before being exported, *parchment coffee* is processed in the following manner: Hulling machinery removes the parchment layer (*endocarp*) from wet processed coffee. Hulling dry processed coffee refers to removing the entire dried husk – the *exocarp*, *mesocarp* and *endocarp* – of the dried cherries. Polishing is an optional process where any silver skin that remains on the beans after hulling is removed by machine. While polished beans are considered superior to unpolished ones, in reality there is little difference between the two. Grading and Sorting is done by size and weight, and beans are also reviewed for colour flaws or other imperfections. Beans are sized by being passed through a series of screens. They are also sorted pneumatically by using an air jet to separate heavy from light beans. Typically, the bean size is represented on a scale of 10 to 20. The number represents the size of a round hole's diameter in terms of 1/64's of an inch. A number 10 bean would be the approximate size of a hole in a diameter of 10/64 of an inch, and a number 15 bean, 15/64 of an inch. Finally, defective beans are removed either by hand or by machinery. Beans that are unsatisfactory due to deficiencies (unacceptable size or colour, over-fermented beans, insect-damaged, unhulled) are removed. In many countries, this process is done both by machine and by hand, ensuring that only the finest quality coffee beans are exported.

Exporting the beans. The milled beans, now referred to as *green coffee*, are loaded onto ships in either jute or sisal bags loaded in shipping containers, or bulk-shipped inside plastic-lined containers or in 800-1000 Kg plastic bags (Big Bags).

Tasting the beans. Coffee is repeatedly tested for quality and taste. This process is referred to as *cupping* and usually takes place in a room specifically designed to facilitate the process.

- First, the taster – usually called the *cupper* – evaluates the beans for their overall visual quality. The beans are then roasted in a small laboratory roaster, immediately ground and infused in boiling water with carefully controlled temperature. The *cupper noses* the brew to experience its aroma, an essential step in judging the coffee's quality.
- After letting the coffee rest for several minutes, the *cupper* "breaks the crust" (taking out the floating coffee powder used in the brewing process) by pushing aside the grounds at the top of the cup. Again, the coffee is nosed before the tasting begins.
- To taste the coffee, the *cupper* slurps a spoonful with a quick inhalation. The objective is to spray the coffee evenly over the *cupper's* taste buds, and then weigh it on the tongue before spitting it out.

Samples from a variety of batches and different beans are tasted daily. Coffees are not only analysed to determine their characteristics and flaws, but also for the purpose of blending different beans or creating the proper roast. An expert *cupper* can taste hundreds of samples of coffee a day and still taste the subtle differences between them.

Roasting the coffee. Roasting transforms green coffee into the aromatic brown beans that are purchased in our favourite stores or cafés. Most roasting machines maintain a temperature of

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about 550 degrees Fahrenheit. The beans are kept moving throughout the entire process to keep them from burning. When they reach an internal temperature of about 400 degrees Fahrenheit, they begin to turn brown and the *caffeol*, a fragrant oil locked inside the beans, begins to emerge. This process called *pyrolysis* is at the heart of roasting – it produces the flavour and aroma of the coffee we drink. After roasting, the beans are immediately cooled either by air or water. Roasting is generally performed in the importing countries because freshly roasted beans must reach the consumer, or packed in a controlled atmosphere or vacuum, as quickly as possible.

Grinding coffee. The objective of a proper grind is to get the most flavour in a cup of coffee. How coarse or fine the coffee is ground depends on the brewing method. The length of time the grounds will be in contact with water determines the ideal grade of grind. Generally, the finer the grind, the more quickly the coffee should be prepared. That’s why coffee ground for an espresso machine is much finer than coffee brewed in a drip system.¹²

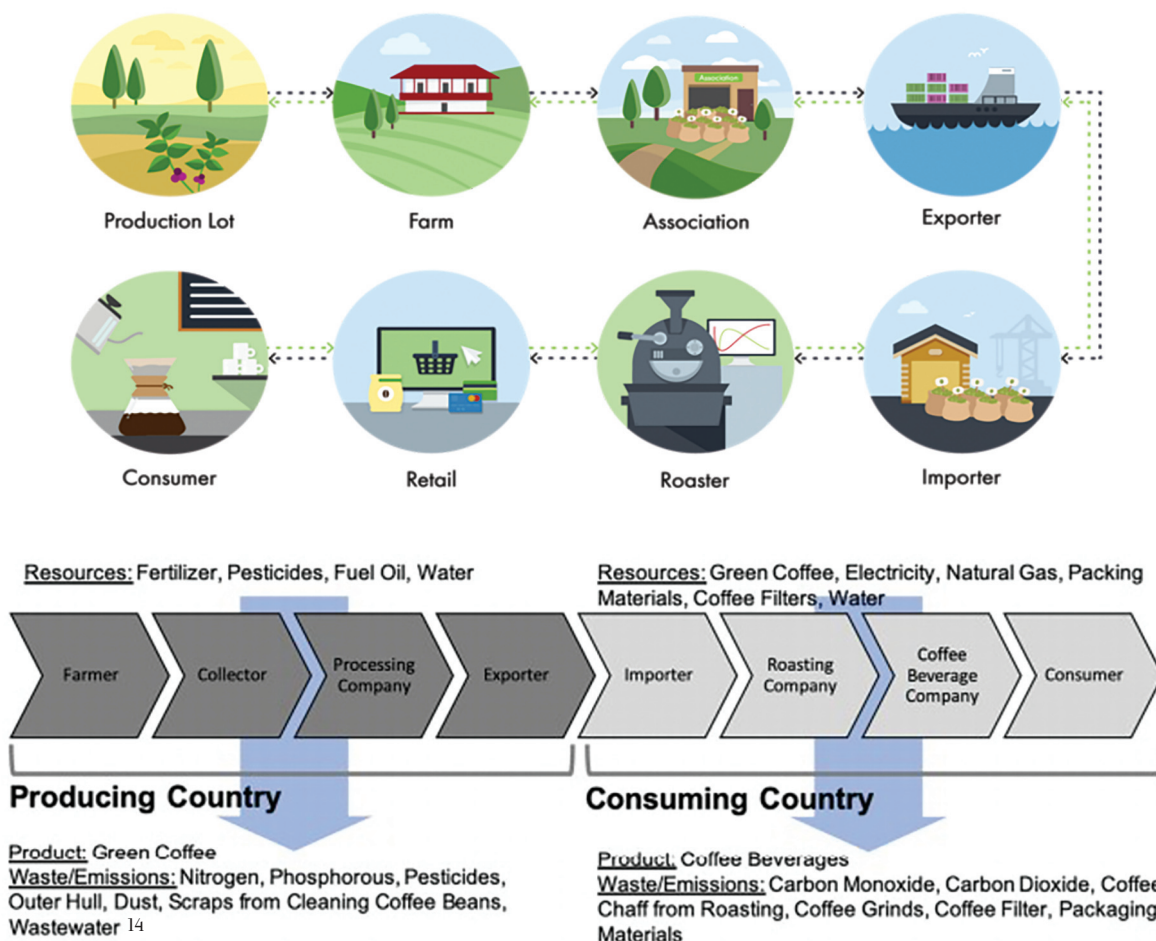
12. <https://www.ncausa.org>.



4. Coffee Production Supply Chain

The general process of how coffee gets from farm to table:

1. Coffee is harvested by the **growers**.
2. The coffee is then sent for **processing** (unless the farm doubles as a processor) where the beans are hulled and dry or wet processed depending on the method used for that specific grower/coffee; this step is often referred to as “milling”.
3. After beans are shelled to perfection, creating green coffee beans, they are shipped to the roasters by **exporters to suppliers/brokers/roasters/retailers**.
4. **Roasters** then roast beans to desired light or darkness. If coffee is not only sold at the roastery, it is then packed and shipped out via exporters to its various destinations¹³.



13. <https://club.atlascoffeeclub.com/coffee-supply-chain/>

14. Computers and Chemical Engineering, 133, 2020.

Lavazza buys most of the coffee volumes from long-established exporters with which it has worked for years and which provide a secure guarantee both in quality terms and from the standpoint of "country risk" and financial solidity. At the same time, Lavazza researches and assesses new potential suppliers, so as to always ensure the consistency of the in-cup sensory profile of the product. The Countries from which Lavazza buys coffee are mainly: Central America: Mexico, Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica; South America: Brazil, Colombia, Peru; Africa: Tanzania, Kenya, Uganda, Ethiopia; Asia: India, Vietnam, Indonesia, Papua New Guinea. Lavazza purchases its coffee through collaboration between coffee-buyers, coffee-tasters and coffee-exporting companies, which are required to provide the raw material according to specific "Lavazza standards" in order to ensure that the taste characteristics of Lavazza coffee – the "in-cup profile" – are kept constant over time. The bags of purchased coffee are loaded into containers and embarked. Each individual container is checked against monitoring forms to verify general coffee conditions, intact seals and presence of any damage. Coffee spends up to 35 days crossing the oceans by ship before reaching its destination port (in Italy or France). Upon entering the port, coffee containers are unloaded, still closed, to the customs warehouse and all the administrative and custom's procedures are then completed so that the product is available to be used for production. A sample is taken from each container and then sent to Lavazza's laboratories where the coffee tasters carry out the necessary tastings and analyses to verify that the product received corresponds to the coffee purchased. A specific identification code is given to each lot of coffee to identify characteristics such as the embarkation month or the agreed price. The lot is held in the customs warehouse until the analyses are completed and it is judged fit for processing at the plants. When it reaches the plant, the green coffee undergoes a number of visual controls and humidity checks, according to specific reference and control standards. Once these checks have been passed, the coffee is put in storage silos. Depending on the plant in which the coffee is processed, beans are roasted separately and then mixed to make the blends, or, in other cases, the blend is made before the roasting phase. Various controls are carried out on packaging integrity: each plant has a small tasting laboratory, where all the finished product lots are tasted by personnel who have received special training to check that the right blend is contained in the pack and has no defects.

Finished product distribution is organised through three central hubs in Italy and a central warehouse for each market of distribution.¹⁵

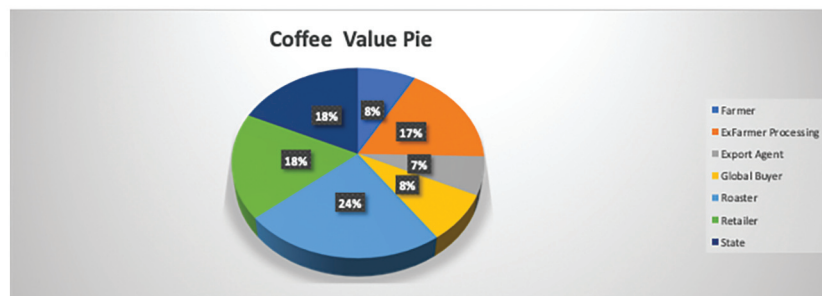
15. Lavazza 2020 Sustainability Report

5. Coffee Global Value Chain

A Coffee farmer sells 100 \$ for about 100 kgs of final product to intermediaries who process the material and sell in turn to Agents for a price of 310\$. Agents sell to Distributors for a price of 390\$. Then, coffee is exported at 490\$ to Coffee Manufacturers who – after roasting – sell at 780 \$ per 100 kgs to retail chains. Finally, Coffee reaches the ultimate consumer at a price of about 12.20 \$ per kg (including 22% Value Added Tax).¹⁶

Coffee Value Chain - Pricing Build-up

	Farmer	Processing	Agent	Buyer	Roaster	Retailer	State
Price Index	100	310	390	490	780	1000	1220
Gross Margin		210	80	100	290	220	220



To note that if 1 Kg of Lavazza Rossa Coffee is sold at 12.20 €/kg at retail, then a cup of “Espresso” (6g of coffee used) served at the bar is sold at 1 €. This equates to 166.6 €/kg, translating into a mark-up vs. original raw coffee price of 1,266%.

16. Source: “Spin lab: Coffee and others. A structural comparative analysis of the most common goods’ supply chains.”



6. Key Competitors

IllyCaffè

ILLYCaffè is an Italian family business founded in Trieste in 1933 by Francesco Illy. In 2021 it was led by the third generation of the family. ILLYCaffè Company would market coffee-related products in approximately 140 countries worldwide. The Illy Group was made up of several companies located in North America, France, Germany, Spain and Benelux. The group employed approximately 800 people in these locations. The company was renowned around the world and recognised for the high quality and velvety taste of coffee, a blend made of nine varieties of pure Arabica that delighted millions of people every day at home, in the office, in hotels, restaurants and coffee shops. The company had built a world of experience, taste, science and art around the pleasure of a perfect cup of coffee. The world of Illy also included coffee machines, designer cups (the Illy Art collection) and accessories; IllyCaffè – authentic Italian coffee shops – and the Università del Caffè (University of Coffee), founded in 1999 to promote and share the culture of quality coffee in Italy and around the world. On March 6th 2020, Illycaffè announced to be the first Italian coffee company to obtain B Corp certification, which was awarded to companies that were committed to respecting the highest standards of social and environmental performance, transparency and accountability and that operated in a way that optimised their positive impact on employees, communities and the environment.

On May 3rd 2021, IllyCaffè released the 2020 financial results: Revenues of € 446.5 million were down on the 2019 figure of € 520.5 million, Ebitda was of € 57.7 million versus €73.4 million the year before and Net Profit reached of € 5.0 million versus € 19.0 million, the year earlier. Net Financial Position was negative at € 103.3 million, improving from the previous year of negative € 114.0 million. Key Financial figures and narrative from IllyCaffè' below:¹⁷



**ILLYCAFFÈ ANNOUNCES PROFITABLE 2020 AS GROWTH IN MODERN TRADE (+21%)
AND E-COMMERCE (+39%) MITIGATED IMPACT OF PANDEMIC
ON THE FOODSERVICE INDUSTRY**

- Consolidated revenues of € 446.5 million
- Sales related to home consumption up 21%, + 30% in Italian supermarkets
- Digital transformation acceleration: +39% of e-commerce revenues and significant growth in the number of online consumers, of which 50% were new clients acquired in 2020
- Adjusted EBITDA (net of extraordinary components) equal to € 57.7 million
- Net profit of € 5 million
- Net financial position continuously improving underpinned by solid cash generation
- B Corp international certification standard obtained as a company that meets the highest standards for social and environmental performance, transparency and responsibility

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17. <https://www.illy.com/en-us/company/store-events/press/press-releases/financial-results-illycaffe-2020>.

"We faced the pandemic with solid fundamentals, a clear vision of the value of our brand, and a strong commitment to the digitalization of our business – commented Massimiliano Pogliani, CEO of illycaffè – While our 2020 results were inhibited by limited out-of-home consumption, they confirm the strength of our brand, the efficacy of the actions we implemented to mitigate the impact of the pandemic, and our ability to respond to changing consumer needs. Our ceaseless commitment to sustainability, which has always been one of illycaffè's core and founding values, was further boosted by obtaining B Corp certification, another milestone in our path towards continuous improvement. We look to the future with optimism. As the international vaccine campaign speeds up and the pandemic is gradually brought under control, consumers and companies will return to a new normal, with further opportunities for growth".

JDE Peets

JDE Peet's is a public limited liability company under the laws of the Netherlands. The Company was incorporated on 21 November 2018 as a private limited liability company and converted into a public company after listing on 29 May 2020. The Company is the holding company of JACOBS DOUWE EGBERTS B.V. ("JDE") and Peet's Coffee & Tea, Inc. ("Peet's" or "Peet's Group") through several indirect holding companies.

JDE Peet's is the world's largest pure-play coffee and tea group by revenue with local roots dating back more than two centuries. The company unleashes the possibilities of coffee and tea in more than 100 developed and emerging markets, through a portfolio of over 50 brands that collectively cover the entire category landscape through leading household names such as L'OR, Peet's, Jacobs, Senseo, Tassimo, Douwe Egberts, Old Town, Super, Pickwick and Moccona. The corporate governance model is in line with the Dutch Corporate code of governance and is based on the relevant provisions of Dutch law, Articles of Association and the Board Rules.

JDE Peet's was listed and began trading on the Euronext Amsterdam stock exchange on 29 May 2020 under the ticker "JDEP". The total number of issued and outstanding ordinary shares in the share capital of JDE Peet's amounts to 501,446,549.

In 2020, the company generated total sales of EUR 6.7 billion and employed a global workforce of more than 19,000 employees. Pure-play focus and powerful portfolio drove record In-Home organic sales growth of 9.1% in FY 20, total organic sales growth accelerated from -1.1% in H1 to 0.7% in H2, with In-Home at 9.8% and Away-from-Home at -29.8% due to new lockdowns in Q4. Organic adjusted EBIT growth of 6.2% to EUR 1,278 million in FY 20. FY 21 outlook: organic sales growth of 3 to 5%, with a catch-up on the marketing investment level, will result in a low single-digit organic increase in adjusted EBIT.

6. KEY COMPETITORS

Financial Review Full-Year 2020

<i>in EUR m (unless otherwise stated)</i>	FY 20	FY 19	Organic change	Reported change
Sales	6,651	6,945	-0.2%	-4.2%
Adjusted EBIT	1,278	1,255	6.2%	1.9%
Underlying profit for the period	787	801	-	-
Underlying EPS^{1,2} (EUR)	1.57	-	-	-
Reported EPS (EUR)	0.80	-	-	-

¹ Underlying earnings (per share) excludes all adjusting items (net of tax)

² Based on a pro-forma average number of shares of 499,709,030

JDE Peet's' **Corporate Responsibility strategy** is built on three pillars: Common Grounds, addressing the priority issues in the supply chain; Minimised Footprint, aimed at reducing environmental impact; and Connected People, engaging employees and communities. In 2020, there were lots of progress across all sustainability commitments, with notable increase in share of third-party certified/verified coffee and 87% of packaging designed to be reusable, recyclable or compostable.

Nespresso

Nestlé Nespresso S.A., trading as Nespresso, is an operating unit of the Nestlé Group, based in Lausanne, Switzerland. Launched by the multinational company Nestlé in the early 1970s, the "coffee in capsule" project underwent a long period of maturation. In 1976, Eric Favre, an employee of Nestlé, invented, patented and introduced the Nespresso system. Nestlé, after signing an agreement with the coffee machine manufacturer Turmix and after creating the company Nespresso in 1986, began to propose itself on the Swiss and Italian markets.

All Nespresso coffee is roasted, ground and encapsulated in one of three factories in Switzerland (Avenches, Orbe and Romont), but the company sells its system of machines and capsules worldwide, as well as the VertuoLine system in North America and certain other countries.

In FY 2020, Nespresso sales reached CHF 5.9 billion, with organic growth accelerating to 7.0%, the highest level in the last six years. The company reported 7.0% organic growth, with strong RIG and positive pricing. E-commerce and the Vertuo system saw strong double-digit growth, more than offsetting sales declines in out-of-home channels. Growth was also supported by innovations such as Reviving Origins, limited-edition products and the launch of Nespresso's first organic coffee. By geography, the Americas and AOA posted double-digit growth. North America continued to see market share gains, with the United States becoming Nespresso's largest market. In Europe, a sales decrease in the out-of-home channels was partially offset by mid-single-digit growth in the at-home business.

Nespresso's commitment to sustainability has been built for over 30 years. The company learned how to integrate sustainability into its everyday business. Since 2013, this strategy has been The Positive Cup: a strategy that aimed to not only reduce negative impacts but also to generate positive impacts across the company's value chain. Most notably, the company improved its commitment to source towards 100% of permanent coffees through the Nespresso AAA Sustainable Quality™ Program, increasing the rate of recycled capsules, and delivering climate actions that mitigate our global GHG emissions and adapt coffee farming communities. In short, Nespresso remained committed to its investment plan and the integration of sustainability into operations.

7. Luigi Lavazza S.p.A.

“The stability of family-run governance supports a long-term value oriented business approach”¹⁸. The history of Lavazza was that of a business which, for over 120 years, had pursued a company vision based on passion for work, for the product and the land in which it operated. These values had been ingrained in Lavazza’s DNA since its foundation in 1895, and upheld by four generations of entrepreneurs. Each family member who had worked in the company had helped it to grow, transforming it into the company it had become, yet still true to the qualities of passion and innovation inherited from Luigi Lavazza, in the words of Emilio Lavazza: “It’s about doing business with your heart”. Therefore, Luigi Lavazza S.p.A., established in Turin – had been owned by the family of the same name for four generations. The world’s seventh ranking coffee roaster, Lavazza had a market share by sales of over 36% in Italy, 3800 employees and revenues of €2.09 billion in 2020. Over 120 years earlier, in his grocery shop in Turin Luigi Lavazza invented and marketed the concept of blending: the art of combining different coffee varieties and origins, which even at present distinguished all Lavazza products. In the early decades of the 20th century, Lavazza was the first company to locally distribute coffee in bags bearing its logo. In 1950, the company used for the first time in Italy vacuum tins to preserve coffee and in 1971 the first flexible vacuum brick pack. In 1989, Lavazza was also the first brand to introduce multiple coffee packs. In the same year, it entered the portioned coffee market, becoming the first Italian company to produce and market capsule-based espresso systems. Thanks to ongoing collaborations with an international network of universities and scientific institutes, Lavazza had developed different platforms in the portioned coffee segment. Innovation had always been closely intertwined to research, and the company was known as an organisation with a “continuous innovation cycle”, ranging from the art of blending to vacuum-packed coffee, from portioned to instant coffee, from decaffeinated coffee to the IS-Spresso machine – developed alongside the Italian aerospace engineering firm Argotec (in a public-private partnership with the Italian Space Agency) – capable of functioning in the extreme conditions of space. This constant passion for quality led the company in 1979 to establish the Luigi Lavazza Centre for Coffee Studies and Research, dedicated to analysis and in-depth study of espresso and the spread of espresso culture. This then evolved into the Lavazza Training Centre, an international network of over 50 coffee schools throughout the world, where 30,000 people were trained each year. Constant innovation was also essential when it came to the significant industrial investments that over the years had made the Group more efficient, flexible and nimble in responding to a constantly evolving market. In 2021 Lavazza Group continued to be a Top Employer in Italy, thanks to continuous improvement centred on people and the ongoing quest for excellence in human resource management processes and strategies¹⁹.

18. www.Lavazza.com; <https://www.comunicaffe.com/nestle-reports-3-6-organic-growth-nespresso-sales-up-7-the-highest-level-in-the-last-6-years/>; <https://www.sustainability.nespresso.com/progress-against-goals-and-ambitions>; <https://www.nestle.com/media/pressreleases/allpressreleases/full-year-results-2020>.

19. Lavazza press release Turin, April 1, 2021.



8. A Multibrand Group

Over the more recent years, the Lavazza Group had embarked on an international development process aimed at consolidating its independence and competitiveness at the global level, with the mission of being a premium pure coffee company: concentrating solely on high-quality coffee by leveraging the value of its brand. Specifically, the company had completed some major transactions: Merrild, a leading retail coffee brand in Denmark and the Baltic countries, joined the Lavazza Group in 2015. In the same year, the Group also took over the distribution business for Lavazza products from its local partner in Australia, thereby establishing a new subsidiary in Melbourne. Since 2016, Carte Noire has been part of the Lavazza Group, which has included in its industrial system also the production site in Lavérune, located in the Occitanie region. This important transaction allowed Lavazza to take a position on the strategic French market, which was one of the top five coffee markets in the world and now the company's number-two market for the Group. In addition, as part of its globalisation and premium positioning strategy, in 2017 the Group completed the acquisition of the Canadian brand Kicking Horse Coffee – a leader in the organic, fair-trade coffee segment in North America – acquiring an 80% stake in the company. In 2017, to strengthen its distribution strategy, Lavazza also acquired the shares in Espresso Service Proximité (subsequently merged into Lavazza France), a company specialising in the OCS segment, and an 80% stake in NIMS, an Italian firm specialising in distribution and direct door-to-door sale of coffee capsules and coffee machines throughout Italy. In 2018, Lavazza acquired the business of the Australian company The Blue Pod Coffee Co. At year-end 2018, following the acquisition of Mars Drinks, the company set up the Lavazza Professional Business, which includes the Flavia and Klix OCS and Vending systems. In 2019, their integration within the Group was successfully completed. In 2019, Lavazza was again among the first 50 brands in the world by reputation according to the Global Rep Track 100 by the Reputation Institute, the world's leading reputation-based research advisory firm (49th in 2018, 38th in 2019, 53th in 2020).

In early 2021 Lavazza was present on five continents, in more than 140 countries worldwide, and operated through both direct subsidiaries and a broad network of distributors. Lavazza's industrial system consisted of ten manufacturing plants: three in Italy (Turin, Gattinara and Pozzilli); the Carte Noire plant in France and that of Kicking Horse Coffee in Canada; the Lavazza Professional plants (two in the United Kingdom and one in the United States); and two production hubs, one in Brazil and one in India, which served the local markets. The Lavazza Group workforce was composed of about 4,000 people worldwide. In Italy, Lavazza reached its consumers directly through operators such as retail chains and Ho.Re.Ca. points of sale. Abroad, Lavazza operated across different markets through its subsidiaries and a network of distributors specialising in the Home and Away- From-Home channels. In a nutshell, Lavazza catered to all consumption needs, offering its customers a wide and diverse range of products.

Group's result for the year 2020

The following table shows the Group's operating and financial highlights at 31 December 2020 compared with the previous year (exhibits I&2) :

<i>€ million</i>	2020	Ratio %	2019	Ratio %
NET REVENUES	2,085.3	100.0%	2,199.7	100.0%
EBIT	107.7	5.2%	156.0	7.1%
EBITDA	252.8	12.1%	290.6	13.2%
ADJUSTED EBITDA (BEFORE NON RECURRING ITEMS)	266.4	12.8%	300.7	13.7%
PROFIT FOR THE YEAR	72.9	3.5%	127.4	5.8%
CAPEX	111.1		157.0	
NET FINANCIAL POSITION	(101.7)		(82.1)	
EQUITY ATTRIBUTABLE TO THE GROUP	2,347.0		2,391.2	
HEADCOUNT AT 31/12/2020	4,172		4,022	

9. Lavazza's evolution in approaching to Sustainability

“The coffee supply chain is closely tied to the top ten multinational roasters that represent over 35 percent of global trade in green coffee and engages millions of smallholders and workers. In the top 10 coffee producing countries, we provide insight to problems smallholder coffee farmers encounter in responding to the global market structures. Contributing to the resilience of smallholder coffee farmers is imperative to create a sustainable coffee sector”.²⁰

The beginning of Lavazza's journey towards Sustainable Development goes back to 1935 when, during a trip to South America, the founder Luigi Lavazza expressed his disappointment at seeing the destruction of entire coffee crops that had gone unsold: an experience that affected him deeply and ultimately shaped his vision of how business should be conducted. Since then, Lavazza had always paid careful attention to the economic, human, environmental and cultural heritage of the countries in which it worked. Over the years, this had translated into concrete action in support of producers and their communities, as well as in meaningful assistance for organizations operating across the globe. During the evolution of Lavazza presence and growth all over the world, a question arose: “How could the sustainability vision of the Founder be integrated into the company's daily business?” The year 2004, when Sustainability wasn't yet a trend, marked the first phase of Lavazza's approach to Sustainable Development through “The Giuseppe e Pericle Lavazza Onlus Foundation”, which promotes and develops economic, social and environmental sustainability projects, in order to support coffee producing communities all around the world. This phase was characterized by the so-called *Philanthropic approach* since the Lavazza Family was the only one managing the Foundation, without integrating sustainability activities into the business. This first phase was in fact characterized by a low integration of sustainable practices within the company strategy, absence of dedicated professionals and of a specific communication network.²¹ Subsequently to the *Philanthropic approach*, an *Intermediate approach* followed: the company started to establish a Corporate Social Responsibility Office in addition to Company Departments focusing on efficiency promotion (Purchasing, Operations, Logistics, R&D, ...). This approach was considered more reactive than the first one, since Lavazza started to implement a strategy toward Sustainable Development carried on by professionals and a channel was established with stakeholders to communicate the results obtained through the Sustainability Report. In the third and last phase, an **Integrated approach**²² was established, characterized

20. Coffee Barometer 2020.

21. It must be said that there are still very effective “philanthropic activities” performed by Lavazza like the well known and on-going Lavazza calendar developed in collaboration with top artists with proceeds donated to “Save the Children” or donations for Lavazza's responsibility not only to the environment, but also to the **communities** in which and with which Lavazza operates. This was the thinking behind Lavazza Group's allocation in 2020 of **€ 10 million** for projects to support healthcare, education and vulnerable groups in Italy's Piedmont region. In addition, during the pandemic, a further **€ 2.5 million** had been allocated to support local communities in Italy and abroad.

22. This would internalise the “Creating Shared Value” approach conceptualised by M. E. Porter and M.R. Kramer – HBR .org Jan-Feb 2011.

by the integration of Sustainability into the company's strategy, policies and practices. This new, proactive approach makes use of integrated reports, integrated evaluations of economic, social and environmental impacts: everything transmitted through an effective communication of the company's shared values.

In March 2016, Lavazza set up the Sustainability and Institutional Relations Department. Institutional Relations side was in charge of representing Lavazza in relevant Italian and European Food & Beverage industry organizations and Community Engagement, which consisted in liaising with local public institutions and non-profit organizations in order to build good long-term relationships for the benefit of local communities. On the other hand, the Sustainability side was involved in designing and coordinating the Lavazza Foundation projects, managing environmental impacts based on quantification, risk assessment and scientific targets, improving cooperation with suppliers to share the CSR requirements, the creation of ongoing improvements in suppliers' CSR performance, the coordination and realization of the sustainability report and the definition of the group's sustainability strategy.

This evolution in the Sustainability Governance was also driven by the need of responding to the growing interest of consumers, especially young people, in knowing how sustainable the companies from which they buy their products would be.

In changing market landscapes, Lavazza had been capable of responding to the demands of the social and economic environment in which it operated, by integrating sustainable development goals with its business goals. Lavazza's significant international growth in recent years had been driven by various factors, including its extensive investments in product and process innovation, its traditional focus on qualitative excellence and its commitment to continuous improvement in its performance in terms of both efficiency and attention to environmental sustainability. At Lavazza, the study of how to constantly diversify the consumer offer and seeking to integrate environmental sustainability into products and processes became systemic and ongoing processes. The company wanted to commit responsibly to a sound environmental sustainability process involving all players in the supply and production chain, with the aim of identifying areas of environmental improvement for the processes that the organization had the power to influence and control. Defining the Company's processes and products by applying the novel perspective of environmental sustainability and efficiency was a way of adequately responding to an evolving market, the increasingly strict environmental regulations and the expectations of stakeholders. In pursuit of this goal, over the years Lavazza sharpened its skills in assessing the environmental impacts of its products and the organization's activities, with the aim of mitigating and preventing such impacts in a process of ongoing improvement. How to be consistent with these ambitions and communicating them without risking of being accused of greenwashing? Lavazza Sustainability Report represented the most powerful tool for disclosing to both internal and external stakeholders of the organization the Company's annual results about Sustainability initiatives and results. In order to be credible and relevant, Lavazza drafted its Sustainability Report following the Global Reporting Initiative Standards. These Standards were the ones used by listed com-



9. LAVAZZA'S EVOLUTION IN APPROACHING TO SUSTAINABILITY

panies to report on their sustainability performances. Even if not listed, thus not obliged by the law to report on Sustainability following specific reporting guidelines, Lavazza had been drafting its Report following the GRI Standards as well as verifying data and figures through the work of an auditing company.

Lavazza Group Sustainability Manifesto “A Goal in Every Cup” became a programmatic statement that set out Group Sustainability strategy, inspired by the deep sense of responsibility that the Company had felt for over 120 years towards the communities in which it operates, and particularly towards coffee growers, employees and consumers.

A GOAL IN EVERY CUP



THE LAVAZZA FAMILY HAS BEEN IN THE BUSINESS OF CARING SINCE 1895.

WE CARE ABOUT THE COMMUNITIES WHERE OUR QUALITY BEANS ARE GROWN, ABOUT OUR EMPLOYEES AND ABOUT THE PEOPLE WHO ENJOY OUR COFFEE.

AND WE CARE ABOUT THE FUTURE OF OUR PLANET AND SOCIETY. THAT'S WHY WE ARE COMMITTED TO THE

U.N. SUSTAINABLE DEVELOPMENT GOALS

THEY ARE A GLOBAL BUSINESS IMPERATIVE AND GUIDE OUR WORK.

AND THE GLOBAL GOALS ALIGN WITH A LAVAZZA GROUP CORE VALUE:

RESPONSIBILITY.

AT LAVAZZA, WE COMMIT TO OPERATING RESPONSIBLY IN ALL ASPECTS OF OUR BUSINESS. WE ARE STAYING TRUE TO OUR VALUES AND FAMILY ROOTS. WE ARE STAYING TRUE...

...TO THE FARMERS

WHO TEND COFFEE BEANS UNDER THE SHADE OF THE FOREST CANOPY AND THE RAYS OF TROPICAL SUN.

...TO OUR EMPLOYEES

WHOSE FUNDAMENTAL RIGHTS, WELLBEING AND PERSONAL DEVELOPMENT IS OUR PRIORITY.

...TO THE CUSTOMERS

WHO SHARE OUR CONCERNS AND COMMITMENT TO CREATING A MORE FAIR AND SUSTAINABLE FUTURE.

THE AUTHENTICITY OF OUR MISSION IS DEMONSTRATED BY OUR DEVOTION TO WORKING ON THE GROUND AND IN THE COMMUNITIES WHERE OUR BEANS ARE GROWN AND WHERE OUR COFFEE IS PRODUCED AND ENJOYED AROUND THE WORLD. WE ENGAGE WITH PEOPLE EVERYWHERE BECAUSE WE BELIEVE EVERY PERSON CAN PLAY A MIGHTY ROLE IN HELPING OUR CLIMATE, ECONOMY AND SOCIETY.

WE ARE COMMITTED TO ADVANCE THE GLOBAL GOALS.

It was a strategy that formed an increasingly integral part of the business. Based on the principles of the 2030 Agenda, Lavazza identified the four priority sustainability pillars that Lavazza needed to focus on in coming years: Goal 5 – Gender Equality, Goal 8 - Economic Growth, Goal 12 - Sustainable Consumption and Production, and Goal 13 – Climate Change. These four SDGs had been chosen to promote a balance between social (8 and 5) and environmental (12 and 13) Goals. They were joined by the Group's own “Goal Zero”, framed by Lavazza to promote the message of the 17 Sustainable Development Goals in all the Company's business relations (exhibit 3). Lavazza decided to give a name to this engagement plan: “Goal Zero”. Goal Zero was a mission Lavazza gave to itself, a new and additional commitment, a preliminary step to any engagement on the 2030 Agenda: spreading the SDGs message to as many stakeholders as possible, by using all useful and efficient ways and means.

Goal Zero – enhanced by its strong communication – was used to spread the United Nations' SDG messages, engaging its stakeholders in a shared commitment to a sustainable future. Goal



Zero represented the set of initiatives designed to spread the messages of the 2030 Agenda to stakeholders, and the 2019 Sustainability Report had a chapter dedicated to describing these initiatives. "A Goal in every Cup" became a key expression of the "Lavazza WAY".



The idea of Goal Zero, namely the need for stakeholder's awareness and engagement on Agenda 2030, emerged during the analytical phase, in which the working team realised that very few Lavazza internal stakeholders were aware of the Agenda 2030 and the commitments it implies. Consequently, Lavazza decided to identify a set of relevant stakeholders to be involved in a process of engagement called Goal Zero: Lavazza people, Lavazza suppliers, Institutions and Organizations, Young people and Local Communities were identified as the main stakeholders for Lavazza sustainability strategy.

Goal Zero consisted in a wide plan of stakeholder engagement focusing on the Global Goals, consisting on initiatives such as:

- The launch of the 2018 Lavazza Calendar focusing on the Global Goals, in collaboration with the worldwide known photographer Platon, which showcased 17 stories of 17 people, each one working towards the realization of one Goal of Agenda 2030;
- The global internal communication plan called "2030: What are WE doing?", which aimed at showing to Lavazza people how to contribute to each Goal in their daily life;
- The drafting and adoption of a new Lavazza Supplier Code of Conduct, to which Suppliers have been asked to sign and commit, specifying in details what are Lavazza's expectations in terms of human rights protection, labour rights, children's rights, environmental protection and anti-corruption;

9. LAVAZZA'S EVOLUTION IN APPROACHING TO SUSTAINABILITY

- The involvement of young people asking to a wide network of Universities in Italy to take part to a competition called “Lavazza and Youth for SDGs”, in which students coming from different academic backgrounds had to propose a sustainability project benefitting coffee producing communities, demonstrating which of the 17 SDGs were impacted by their proposals;
- The launch of “TOward 2030” project. Art has always been a powerful communication channel for sustainability messages in Lavazza’s history. Lavazza believed that especially urban art, could represents a tool to communicate sustainability messages able to attract people’s attention during their daily life. From this intuition, Lavazza partnered with the city of Turin, in a project involving 18 artists from around the world. Every artist was asked to interpret a particular Global Goal and to represent it on a wall of the city. Also Goal Zero was represented in one of the walls.

All of the above demonstrated how a simple idea like the one of engaging stakeholders around sustainability messages could turn into an innovative, comprehensive program like Goal Zero. Internal understanding and acceptance were not an easy objective; many meetings and conversations were organized to explain the idea, fine tune it and roll out activities. Even the name was a problem: somebody thought that “Goal Zero” could have been perceived as an offense to the 17 U.N. Sustainable Goals and it was enough to include such activities under the Goal 17.

The discussion evolved until Prof. Jeffrey Sachs, Director of the Centre for Sustainable Development of Columbia University, New York, was consulted and gave his positive opinion to the idea.

Stakeholder Engagement and Materiality Analysis

In accordance with GRI guidelines, Lavazza had defined the content of its Sustainability Report based on the following reporting principles: Stakeholder Inclusiveness; Sustainability Context; Materiality; Completeness. Lavazza therefore analysed its business (analysis of the sustainability context) and its stakeholders’ interests and expectations. To identify the most relevant topics eligible for inclusion in the 2019 Report, the Company had:

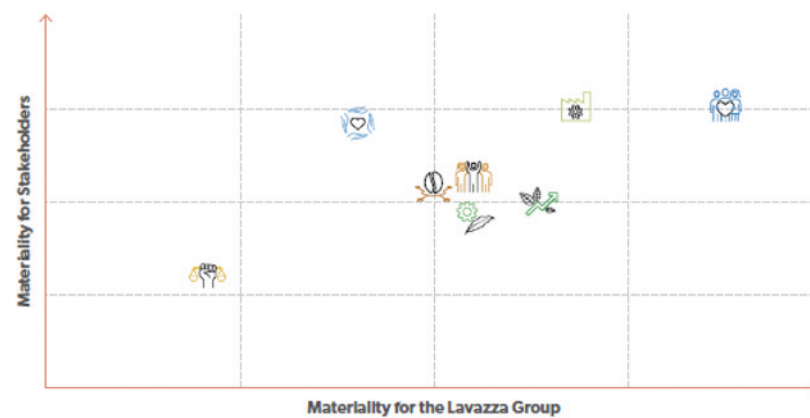
- identified its stakeholders;
- surveyed and assessed the expectations and topics of greater interest to its stakeholders using dedicated listening and communication tools and through specific engagement initiatives;
- updated the materiality analysis on the most significant sustainability topics for the Group.

In 2019, Lavazza:

- conducted specific internal stakeholder engagement activity through interviews with top management and shareholders;
- continued with local community engagement initiatives;
- further implemented the Goal Zero programme, consisting of various initiatives aimed at involving stakeholders in the United Nations Global Goals, which are detailed in a dedicated chapter;

- organised the first meeting dedicated to Lavazza's suppliers;
- organised the first Global Sustainability Meeting, an internal event reserved for the points of contact in charge of the sustainability initiatives at the Group's foreign companies.

Materiality Matrix



Material Topics



Stakeholder engagement activities allowed Lavazza to update its materiality matrix, while also taking account of the principles of the United Nations Global Compact. The material topics have been rationalised and updated to reflect the changes in the Company and the context in which it operates. For example, the material topic that in previous years had been called “Central Role of the Lavazza Group’s People” has been renamed “Focus on people, inclusion and diversity” to reflect Lavazza’s recent development from a strictly Italian company to a large international group committed to harnessing the unique traits of the local companies that have joined the Group. In addition, environmental sustainability has a higher level of priority than in previous years, since topics relating to climate change have a strong influence on the availability of the raw material,

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as well as on the choices of consumers and customers, who request that companies increase their commitment to these topics. In this regard, another topic that has assumed greater relevance is innovation, viewed as fundamental to progress in the area of the environmental sustainability of products and the organisation. The graph shows the results of the update analysis carried out: the degree of priority attributed to the topics according to an internal perspective (horizontal axis "Materiality for the Lavazza Group") and external perspective (vertical axis "Materiality for Stakeholders") is highlighted within the matrix. The relevant topics included in the materiality matrix are discussed in the chapters of this Report and in the UN Global Compact Communication on Progress.

Roadmap to Zero

Carbon neutrality is a fundamental prerequisite for stabilising global temperatures. Without achieving the Net Zero Emissions goal, or the total elimination of net emissions of greenhouse gases produced, the concentration of CO₂ in the atmosphere will continue to rise, making it impossible to contrast global warming. Hence, stronger climate action is needed to accelerate the transition to a zero-carbon economy in all sectors. Lavazza wholeheartedly decided to follow the 'guiding principles' set forth by the CEO Carbon Neutral Challenge²³. The Challenge invited businesses to prioritise maximum reduction of greenhouse gas emissions as a priority and then, as a final measure, offset them, and to act immediately and responsibly to such end.²⁴ In this context, Lavazza started to work on its path towards carbon neutrality. The Group's objective was to contribute to the fight against climate change by zeroing the carbon emissions of all the Group's companies and products by 2030, thanks to a precise strategy of reducing and offsetting emissions: the "**Roadmap to Zero**" (exhibit 4). Lavazza committed to creating a low carbon emissions economy in line with the Agenda 2030 that the company undersigned in 2017, adhering to the Sustainable Development Goals that outlined the path for its Sustainability activities. Lavazza therefore adopted a systemic approach to sustainable development and its Carbon Neutrality was designed as a gradual process that involved monitoring and quantification, continuous improvement aimed at improving efficiency and reducing impacts and, finally, offsetting residual emissions. It was a path which aimed to bring the Group to carbon neutrality, thanks to the balance between the emissions produced and their absorption, through specific activities to remove carbon dioxide from the atmosphere, such as reforestation projects.

As part of its CO₂ reduction strategy, Lavazza Group's objective was to guarantee maximum quality coffee with the lowest possible environmental impact thanks to continuous process and product innovation. The company on one hand employs the most innovative techniques right

23. Lavazza responded to the open letter published in November by Marco Bizzarri, President and CEO at Gucci, which will be highlighted in January 2021 at the World Economic Forum in Davos, under the theme 'Building a Net-Zero, Nature-Positive Economy'.

24. <http://ceochallenge.gucci.com>.

from the initial design phases of its packaging, coffee machines and production models and, on the other hand, with its sustainable by design approach, applies the principles of the circular economy to avoid waste and reduce environmental impact, thereby boosting efficiency and reducing emissions and waste across the product's entire life cycle. With this in mind, the Sustainable Packaging Roadmap aims to make the entire packaging portfolio reusable, recyclable or compostable by 2025. Also covered by this roadmap is the gradual transition to recyclable packaging and an increasingly small carbon footprint for its bean and ground products, starting with the new packaging launched on the market in 2020 for certain formats in the Lavazza Tierra range, an icon of social and environmental sustainability. Another virtuous case in point is Lavazza Professional, which launched Eco Cups, paper cups that can be recycled up to seven times and are easy to dispose of as sorted waste, even in the more demanding markets like Germany and the UK.

Lastly, the responsible use of resources along the whole chain was a key strategy on the road to environmental sustainability. In Italy and France, for example, power is now supplied 100% from renewable sources and in Italy, from 2012 to 2014, this progress enabled a 90% reduction in correlated CO2 emissions.

In 2020, the Lavazza Group reached the first important milestone of the Roadmap to Zero with the neutralisation of all CO2 emissions from activities under the direct control of the Company (scope 1) and those generated by energy purchased and consumed (scope 2): by April 2021 in fact, all the activities of the production plants, headquarters, flagship stores and company vehicles had reached carbon neutrality. By 2030, the Group also set the objective to offset indirect emissions along the entire supply chain, upstream and downstream of its operations (scope 3) from green coffee to packaging, logistics and disposal.

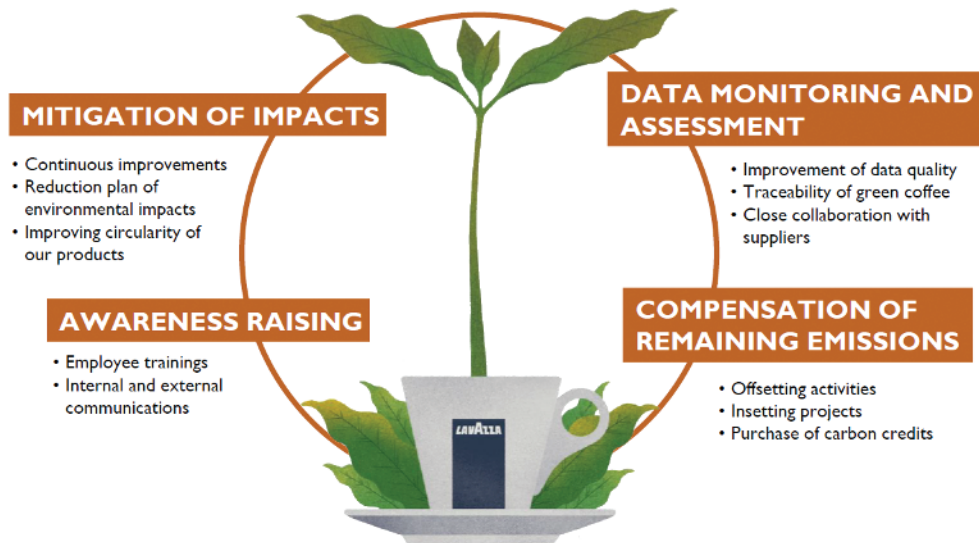
In more recent years, Lavazza had been gradually aligning with third-party verification standards in order to approach transparent and reliable communication. To increment its activities, in order to reach the Carbon Neutrality goal by the end of 2030, the Institutional Relations and Sustainability department took into consideration several options. Business consulting in particular are groups which supported companies to manage their CO2 emissions, making it an opportunity of development through climate change mitigation strategies tailored to reduce, for how much it was possible, the amount of greenhouse gas produced through activities and to obtain a lasting competitive advantage over time. The advantages of setting a mitigation strategy for companies would go far beyond the objective of reducing emissions: companies that could assess and understand the risks and opportunities related to climate, would be able to make better long-term decisions, mitigating risks and transform those in business opportunities. The definition of a tailored-made climate strategy guaranteed ambitious objectives to define an effective and long-term climate change management program, to be able to guide the company in a path of continuous improvement which would allow the achievement of increasingly ambitious goals, even

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outside the company boundaries. In such a way, corporates could act today to support the transition to a low carbon economy implementing their carbon strategy and set ambitious targets. More precisely, the purchase of carbon credits was recognised as a methodology to voluntarily offset the emission that the company was not able to reduce directly, which was one of the solutions to improve the commitment on climate change, where a carbon offset represented a reduction in emissions of carbon dioxide or greenhouse gases made in order to compensate for or to offset an emission made elsewhere. Thus, Carbon Offsetting represented a way to reduce emissions and to pursue carbon neutrality by reducing the emissions made in the company's sector somewhere else outside the area of control of the company. For the private sector, climate change represented both risks and opportunities, which was why eventually more and more companies started committing themselves to act concretely to overcome the risks linked to climate change and to be able to exploit all their opportunities. Corporates were encouraged to take action promptly in order to support the transition to a low carbon economy implementing their carbon strategy and setting ambitious targets. In this regard, Lavazza took into consideration the idea of buying carbon credits to compensate its emissions. Using carbon credits to voluntarily offset the emissions that were not able to reduce was one of the solutions to improve the commitment on climate change. Buying a carbon credit means financing and supporting projects with a positive impact that could contribute to the achievement of international sustainable development goals and actively improve the living conditions of local communities, guaranteeing social, economic and environmental benefits on a global scale. In this field, several consulting groups developed positive impact projects that generate carbon credits in countries like Africa, Asia and Latin America to offer its customers concrete actions and solutions for their strategies to reduce greenhouse gas emissions. However, the ambition of Lavazza was not confined to compensating its emission through the investment in offsetting projects. In fact, the Company's ultimate goal was more ambitious to develop a Carbon Insetting strategy. Carbon insetting was an innovative mechanism to reduce emissions while driving business value. It used organisation investment to promote sustainable practices and reduce your company's carbon footprint within its own value chain. Lavazza aimed to do this integrating "The Giuseppe e Pericle Lavazza Onlus Foundation" Projects. The Foundation, founded in 2004, promoted and implemented economic, social and environmental sustainability projects, to support coffee producing communities around the world. Projects supported by the Fondazione Lavazza had the primary objective of economic empowerment of the communities i.e. helping coffee producers to improve the yield and quality of their products, through agricultural best practices training, and of encouraging the development of their entrepreneurial skills. Lavazza decided to adopt several measures to reach its path towards Carbon Neutrality, but once reached this goal the benefit of climate positive created, would be an immense benefit for other people, companies, or localities that might not have the means or initiative to reduce their own carbon footprint. Ideally, carbon neutrality would become the eventual standard across the board. Climate positive initiatives could, in the meantime, help pick up some of the slack.



Our roadmap to zero carbon emissions



10. Lavazza Governance

In 2020, Lavazza made changes to the Board of Directors composition towards the evolution of corporate governance best practices under the principle that a good governance delivers better results. Objective was to reinforce the Company mission to sustainable success through innovation and commitment to the ESG goals, to keep the focus not only on the Environmental and Social objectives but with Governance as essential to achieve them and be able to create value in the long run. To this extent the number of Directors was increased from 9 to 15, with the increase of non-executive independent Directors from 4 to 7.

The underlying belief remained that the stability of a family-run governance would better support a long-term, value-oriented business approach and be enhanced by an increased number of independent directors in line with the best adopted standards (exhibit 5).

BOARD OF DIRECTORS LAVAZZA

2020			2019	
Alberto	Lavazza	Chairman	<i>Chairman</i>	Alberto Lavazza
Giuseppe	Lavazza	Vice Chairmen		
Marco	Lavazza		<i>Vice Chairmen</i>	Giuseppe Lavazza Marco Lavazza
Antonio	Baravalle	Chief Executive Officer		
Antonella	Lavazza	Directors	<i>Chief Executive Officer</i>	Antonio Baravalle
Francesca	Lavazza			
Manuela	Lavazza		<i>Directors</i>	Antonella Lavazza Francesca Lavazza Manuela Lavazza Pietro Boroli Gabriele Galateri di Genola Robert Kunze-Concewitz Antonio Marcegaglia
Pietro	Boroli			
Enrico	Cavatorta			
Leonardo	Ferragamo			
Gabriele	Galateri di Genola			
Robert	Kunze-Concewitz			
Antonio	Marcegaglia			
Nunzio	Pulvirenti			
Roberto	Spada			



II. What Was Next

In early 2021, the world was still going through a spin of massive change owing to the impact of Covid-19 pandemic, the change in consumers' behaviour, the pressure of environmental and social requests. How would Lavazza adapt to all these challenges, whilst staying truthful to his heritage, purpose and principles? Would Lavazza be able to weather the storm and keep looking with confidence into the future? The financial market was asking whether the company should consider floating part of the shareholders' equity to get access to capital and boost the Company's growth. Would this approach potentially compromise Lavazza's long-standing legacy to sustainability and commitment to an integrated shared value? Baravalle knew that Lavazza could count on a solid financial structure and "enough cash to face the crisis".²⁵ In its history, the Company had been able to continuously innovate and adapt to change. The Corporate governance was set to separate the ownership from the management. Would this policy allow the organisation to be more resilient? Finally, the family had stayed wholeheartedly on his side: President Alberto Lavazza had reassured him to keep the bar straight on the long run, remaining anchored to the fundamental values of Lavazza, sustained by three key watchwords: i) protect the well-being of the employees and preserve their jobs, ii) maintain the commitment to the sustainability of the Company and iii) make sure to extend over the next 125 years the history of Lavazza.²⁶ Going home that night, Baravalle felt quite confident about the Company's future.

https://www.youtube.com/watch?v=K_9UnsvPVF0

Good morning Humanity
Our commitment for a better future

25. <https://www.comunicaffe.it/antonio-baravalle-milano-finanza-intervista-post-covid/>.

26. Ibidem.



LUIGI LAVAZZA S.P.A. "A GOAL IN EVERY CUP"

Exhibit 1. Lavazza Financial Statements 2020

Consolidated operating, capital and financial situation of the Lavazza Group

Reclassified statement of profit or loss*

€ million	Year 2020	Ratio %	Year 2019	Ratio %	Change	% change
Net revenues	2,085.3	100.0%	2,199.7	100.0%	(114.4)	(5.2%)
Cost of sales	(1,264.9)	(60.7%)	(1,299.2)	(59.1%)	34.3	(2.6%)
GROSS PROFIT	820.4	39.3%	900.5	40.9%	(80.1)	(8.9%)
Promotional and advertising costs	(185.3)	(8.9%)	(205.0)	(9.3%)	19.7	(9.6%)
Selling costs	(177.9)	(8.5%)	(192.7)	(8.8%)	14.8	(7.7%)
General and administrative expenses	(275.9)	(13.2%)	(284.5)	(12.9%)	8.6	(3.0%)
Research and development costs	(15.0)	(0.7%)	(17.4)	(0.8%)	2.4	(13.8%)
Other operating income (expense)	(44.1)	(2.1%)	(34.8)	(1.6%)	(9.3)	26.7%
Non-recurring income (expense)	(13.6)	(0.7%)	(10.1)	(0.5%)	(3.5)	34.7%
Income (losses) for investments in JVs	(0.9)	0.0%	-	0.0%	(0.9)	0.0%
EBIT	107.7	5.2%	156.0	7.1%	(48.3)	(31.0%)
Of which amortisation and depreciation	(145.1)	(7.0%)	(134.6)	(6.1%)	(10.5)	7.8%
Of which EBITDA	252.8	12.1%	290.6	13.2%	(37.8)	(13.0%)
Financial income (expense)	(18.7)	(0.9%)	(0.3)	0.0%	(18.4)	6,133.3%
Dividends	0.1	0.0%	0.1	0.0%	-	0.0%
PROFIT BEFORE TAXES	89.1	4.3%	155.8	7.1%	(66.7)	(42.8%)
Income taxes for the year	(16.2)	(0.8%)	(28.4)	(1.3%)	12.2	(43.0%)
PROFIT FROM CONTINUING OPERATIONS	72.9	3.5%	127.4	5.8%	(54.5)	(42.8%)
PROFIT/(LOSS) FOR THE YEAR	72.9	3.5%	127.4	5.8%	(54.5)	(42.8%)
PROFIT/(LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	0.5	0.0%	0.8	0.0%	(0.3)	(37.5%)
PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	72.4	3.5%	126.6	5.8%	(54.2)	(42.8%)

Lavazza Annual Report 2020.

Exhibit 2. Lavazza Financial Statements 2020

Consolidated operating, capital and financial situation of the Lavazza Group

Reclassified statement of financial position

<i>€ million</i>	31.12.2020	31.12.2019	Changes
Inventories	405	369	36
Trade receivables	243	307	(64)
Trade payables	(330)	(368)	38
Other assets (liabilities)	(31)	(15)	(16)
Total net working capital	287	293	(6)
Property, plant and equipment	586	610	(24)
Intangible assets	1,364	1,421	(57)
Right of use	170	162	8
Non-current financial assets	27	27	-
Deferred tax assets/liabilities	19	(17)	35
Provisions	(122)	(104)	(18)
Provision for employee severance indemnities	(90)	(86)	(4)
Total net fixed assets	1,953	2,014	(61)
Assets held for sale	8	5	3
TOTAL INVESTED CAPITAL	2,248	2,312	(64)
Equity	2,350	2,394	(44)
Financial receivables and other non-current assets	(44)	(50)	6
Current financial assets	(393)	(208)	(185)
Cash and cash equivalents	(372)	(637)	265
Payables to banks and other non-current liabilities	473	620	(147)
Payables to banks and other current liabilities	234	194	40
Total net financial position	(102)	(82)	(20)
TOTAL FINANCING SOURCES	2,248	2,312	(64)

Lavazza Annual Report 2020.

LUIGI LAVAZZA S.P.A. "A GOAL IN EVERY CUP"

Exhibit 3. Lavazza's Commitment to SDG's Goals

SUSTAINABLE DEVELOPMENT GOALS

The Lavazza Group has embarked on a mission to integrate the principles of sustainability in all its activities and processes.

This means looking at value creation in a fresh light, one that considers social and environmental factors, in addition to economic ones, when making corporate decisions.

Lavazza Sustainability Report 2020

A shared path

The Lavazza Group undersigned the **United Nations' Agenda 2030**, with its 17 Sustainable Development Goals (SDGs), and has joined the **United Nations' Global Compact**, uniting forces with other companies in order to achieve the sustainability targets.

The aim is to make the **17 SDGs** the essential starting points when determining the Group's strategies, in accordance with an ambitious project called "A Goal in Every Cup", a title it shares with the Group's Sustainability Report.

This is a **sustainability** plan based on:

- an **analysis of the impact of processes and products** and a reporting system that meets with the most advanced international standards;
- a commitment to **raising widespread awareness of the SDGs** among all of the Group's components, through an initiative that the Lavazza Group has created and called "Goal Zero – Spreading the message";
- the implementation of a **platform** that indicates the main SDGs with a direct link to the corporate mission – those that the Group has identified as providing guidance for the performance of all business activities and sustainability programmes.

Exhibit 4. Goal Zero

Goal Zero


The Lavazza Group has made its own addition to the 17 Sustainable Development Goals (SDGs) identified by the United Nations: **Goal Zero**, which aims to **spread the message of the SDGs** among the Company's main components, including **employees, shareholders, suppliers, local communities, institutions and consumers**. This gave rise to a whole range of activities aimed at creating a culture based on the SDGs, one that could instil such a deep sense of responsibility and contribute to driving the engine of change.


The following are a few significant examples of these activities:


- the **2018 Lavazza Calendar** by photographer **Platon**, entitled **"2030 What Are You Doing?"**, a photography project inspired by Agenda 2030 and designed to spread a "wave of responsibility" among people;
- **"2030: What are WE doing?"**, an internal awareness campaign that actively involved all of the Group's employees in relaying stories of "everyday" sustainability;
- **the new Code of Conduct** for suppliers, rewritten to reflect the SDGs thanks to the collaboration of partners such as Oxfam, Save The Children and the International Labour Organization;
- initiatives aimed at young students, such as the university contest **"Lavazza and Youth for SDGs"**;
- the street art initiative **"TOWard 2030. What Are You Doing?"**, which transformed the 17 SDGs and Goal Zero into 18 murals across Turin, created by international artists: a pilot project – an example of best practices – that can be replicated in other countries.


The Priority Goals

For a more incisive integration of corporate objectives and the Sustainable Development Goals (SDGs), the Lavazza Group identified the SDGs that are most impacted by its activities. The result is the **4 "Priority Goals"**, i.e. the four main SDGs directly linked to corporate objectives, and that the Group pledges to develop as part of its business strategy and in every sustainability programme:

5
GENDER
EQUALITY


8
DECENT WORK AND
ECONOMIC GROWTH


12
RESPONSIBLE
CONSUMPTION
AND PRODUCTION


13
CLIMATE
ACTION


Finally, with a bearing on all the Priority Goals and a crucial factor in attaining them, comes "Goal 17 — Partnerships for the Goals", a tool to strengthen the sustainable development programmes.

Lavazza Sustainability Report 2020

LUIGI LAVAZZA S.P.A. “A GOAL IN EVERY CUP”

Exhibit 5 – Lavazza Board of Directors 2021

Name	Biography	Status	Year
Alberto Lavazza	Alberto, a member of the third generation of the Lavazza family, joined the family business in 1962 after completing his studies in Switzerland. He began his career working alongside his father Pericle, son of the company's founder Luigi Lavazza. Working in tandem with his cousin Emilio (the Honorary President who sadly passed away in 2010) whose work focused mainly on commercial expansion, Alberto has personally overseen research and development activities on the raw materials and the manufacturing processes. After performing the roles of Chief Executive Officer and Vice President of the company, he became President of the Board of Directors of Luigi Lavazza S.p.A. in 2008, a position he holds to this day.	President	2008
Giuseppe Lavazza	Giuseppe entered the family business in 1991 after finishing his university studies and gaining professional experience in London (Philip Brothers), going on to act as the company's Strategic Marketing Director from 2005 to 2011. In 2008 he also assumed the role of Vice President of the Board of Directors of Luigi Lavazza S.p.A., a position he holds to this day. Giuseppe Lavazza is also on the Board of Directors of the non-profit Giuseppe e Pericle Lavazza Foundation-of Finlav S.p.A., a holding company belonging to the Lavazza family; and a member of the Steering Committee of International Coffee Partners, an organisation that promotes programmes dedicated to supporting coffee producers. Moreover, he is Co-Chairman of the Coffee & Climate project, which works to help mitigate harm to coffee-growing areas hit by the effects of climate change. In 2019 he was made a knight of the Order of Merit for Labour by Italian President Sergio Mattarella.	Vice President	2008
Marco Lavazza	After finishing his university studies, Marco began his professional career first at the International Business Department of the University of Nevada, then in the Marketing Department of the Ferrero Group. In 2002, he joined the Board of Directors of the family business, where over the years he acquired a varied managerial experience in strategic sectors as the Coffee Buying Department, Operations, Sales and M&A, working his way up to the role of Vice President in 2011. Since 2015, he has been on the General Board of Confindustria, having previously been a member of the Managing Board and the Council during the period of 2012-2015. Since 2019 he has been President of <i>Unione Italiana Food</i> , Europe's largest association in the sector, as well as acting as Vice President of the Employers' Association of Turin.	Vice President	
Antonio Baravalle	After completing his university studies in biology, Antonio achieved a Master's in Business Administration before embarking on his professional career in the Marketing & Sales Department at Diageo (1992). In 1999 he joined the Fiat Group, where he gained significant professional experiences. He became Vice President of Marketing for the Alfa Romeo brand in 2003 and Chief Executive Officer of Lancia in 2004, before taking on the role of Chief Executive Officer at Alfa Romeo in 2005. In 2008 he left the Fiat Group to take up the mantle of Chief Executive Officer of the Giulio Einaudi Editore publishing house (Mondadori Group) and, in 2010, that of General Educational Director of Mondadori too, in addition to his role as Chief Executive Officer of Mondadori Electa. Since 2011 he has been Chief Executive Officer of Luigi Lavazza S.p.A., guiding the Group through the journey of growth and internationalisation it has embarked on in recent years.	Chief Executive Officer	2001
Antonella Lavazza	A member of the Board of Directors of the family business since 1998, in 2004 Antonella also joined the Board of Directors of the non-profit Giuseppe e Pericle Lavazza Foundation, along with her cousin Giuseppe. Since 1999 she has sat on the Board of Directors of Finlav S.p.A., currently serving as its Chief Executive Officer. Since 2010 she has managed the activities of Lavazza's Historical Archive, where the company's history and memories are preserved. Since 2017 she has been Vice President of 2gether, a non-profit organisation that supports children and teenagers with disabilities through sports. She has also been Vice President of Time2 since 2020, a foundation whose aim is to generate a social impact, supporting initiatives in the fields of innovation, sustainable development and inclusion.	Executive Director	1998
Francesca Lavazza	After having completed her studies and a long experience in the Armando Testa communications group, Francesca attended the prestigious New York Film Academy, where she pursued her interest in the languages of art. She joined the Board of Directors of Luigi Lavazza S.p.A. in 2001. Since 2010, she has been on the Board of Directors of Finlav S.p.A., where she is President as of 2020. Between 2005 and 2015 she took on responsibility for the company's Corporate Image, a role in which she dedicated herself by developing and furthering new forms of communication, such as the international campaigns for the Lavazza Calendar, photography projects, and the launch of major partnerships linked to the world of art and culture. Since 2015 she has been on the Board of Directors of Camera, an Italian Photography Exhibition Centre, and on the Board of Trustees of New York's Solomon R. Guggenheim Foundation since 2016. She has also been a member of the Board of Directors of the <i>Università di Scienze Gastronomiche</i> of Pollenzo since 2017. In 2020 she became President of Piedmont's branch of Adisco and since 2021 she has been appointed as President of <i>Castello di Rivoli Museo d'Arte Contemporanea</i> .	Executive Director	2001
Manuela Lavazza	The youngest representative of the fourth generation of the Lavazza Family joined the Board of Directors of Luigi Lavazza S.p.A. in 2014, having previously completed Language studies at university. She pursued her education by attending the ESCP European Business School, earning a Master's in European Business. During these years, Manuela also gained experience in the company, contributing to the creation of the Lavazza Museum launched in 2018. As of 2020, she sits on the Board of Directors of Finlav S.p.A. Active in the world of sports – her passion for skiing led her to achieve a teaching qualification – as well as in the social sector, she is the President of 2gether, a non-profit organisation that supports children and teenagers with disabilities through sports. She is also President of the Time2 foundation, which is active in the areas of social innovation, sustainable development and inclusion.	Executive Director	2014
Pietro Boroli	Pietro began his career in 1980 working with the Istituto Geografico De Agostini publishing house, before becoming its General Manager in 1993. In 1999 he was appointed Chief Executive Officer and Vice President of the Istituto Geografico De Agostini, and has been the President of De Agostini Editore, the sub-holding company in the publishing sector, since 2003. He is also Vice President of De Agostini S.p.A., the Group's holding company. His other roles include being director of DeA Planeta Libri and Planeta De Agostini SA; President of M-dis; and Member of the Boards of Directors of several leading Italian industrial groups, as well as of Novara's Coccia Theatre Foundation and the Achille e Giulia Boroli Foundation. Since 25 June 2015 he has been the Honorary Consul for Spain in Novara. Since 2011, he has been a member of the Board of Directors of Luigi Lavazza S.p.A., where he sits as an independent, non-executive director.	Independent Non-Executive Director	2001

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Enrico Cavatorta	Enrico began his professional career in 1985, in the Finance and Control Department of Procter & Gamble Italia, where he remained until 1993. After gaining consultancy experience at McKinsey & Co. lasting three years, during which he handled various strategic projects, he joined Piaggio in 1996 as the Group's Planning and Control manager. In 1999 he earned the office of Chief Financial Officer in the Luxottica Group, where he remained for 15 years, taking on roles of increasing importance and eventually becoming its General Manager and then Chief Executive Officer for Corporate Departments. After this remarkable experience, he joined the fashion retail group Yoox-Net a Porter in the role of Chief Financial and Corporate Officer. In 2019, he joined the Lavazza Group, where he held the same title. In 2020, he joined the Board of Directors of Luigi Lavazza S.p.A., where he sits as an executive director.	Chief Financial Officer	2020
Leonardo Ferragamo	Leonardo joined the Board of Directors of Salvatore Ferragamo S.p.A. in 1995, having begun his work in the Group in 1973, where he first dealt with leather production before creating the footwear and, later, menswear sectors. From the late 1980s to 2000, he was General Manager of the Europe/Asia Department, overseeing the Group's commercial development in Asian markets, European wholesale, and the establishment of commercial relations and the first operating subsidiaries in Latin America. He is the Manager of Salvatore Ferragamo and Ferragamo Finanziaria and executive Vice President of the Ferragamo Foundation. Since 2000 he has acted as Chief Executive Officer of Palazzo Feroni Finanziaria S.p.A., handling diversified strategies and investments. Since 1998 he has been president of Nautor Holding as part of Nautor's Swan, the Finnish producer of sailing yachts. From 2000 to 2009 he was president of the Altgamma Foundation, and has continued as its Honorary President since 2009. He is Honorary President of the Palazzo Strozzi Foundation, through which he helps to promote the art and culture of Florence and Italy throughout the world. In 2018, he became Finland's General Honorary Consul for the regions of Tuscany and Umbria, and he has been a Member of the Cassa di Risparmio di Firenze Foundation since 2019. In April 2020 he joined the Board of Directors of Luigi Lavazza S.p.A., where he sits as an independent, non-executive director	Independent Non - Executive Director	2020
Gabriele Galateri	Gabriele's professional career began in 1971 in the Central Management of Banco di Roma. In 1974, he joined the Saint Gobain Group, initially in Italy as its Financial Director before moving to Paris, where he remained until 1976. In 1977 he joined the FIAT Group, where he took on roles of increasing responsibility, culminating in the role of Director of Finance. In 1986, he was appointed Chief Executive Officer of Ifil S.p.A. and also took on the role of Chief Executive Officer and General Manager of IFI in 1993. In June 2002, he was appointed Chief Executive Officer of FIAT S.p.A. From 2003 to 2007 he was President of the Board of Directors at Mediobanca S.p.A., and President of Telecom Italia S.p.A. from 2007 to 2011 Since 2011, he has been the President of Assicurazioni Generali S.p.A. He has also been a non-executive member on the Boards of Directors of leading Italian and foreign industrial groups. He is President of the Istituto Italiano di Tecnologia and is on the Corporate Governance Committee of the Italian Stock Exchange, as well as being a member of the Global Advisory Council of Bank of America Merrill Lynch, the International Board of Overseers of Columbia Business School, and Temasek's European Advisory Board. He has been inducted into the Legion of Honour and became a Knight of the Order of Merit for Labour in 1999. Since 2011, he has been a member of the Board of Directors of Luigi Lavazza S.p.A., where he sits as an independent, non-executive director.	Independent Non - Executive Director	2011
Robert Kunze-Concewitz	Robert began his career at Procter & Gamble, where he first performed the role of FP&A analyst before advancing in the marketing sector, taking on numerous positions of significant responsibility on an international level, eventually becoming Group Marketing Director for the Global Prestige Products department. In 2005 he joined the Campari Group in the role of Group Marketing Director, implementing various new marketing strategies for the Group's international brands. In 2007, he was appointed Group Chief Executive Officer of Campari. Since 2014 he has been a member of the Board of Directors of Luigi Lavazza S.p.A., where he sits as an independent, non-executive director.	Independent Non - Executive Director	2014
Antonio Marcegaglia	At the end of his studies Antonio joined the family business, assisting his father and the company's management in running the Group's manufacturing and commercial activities. In 1991, he became President of a number of companies in the Marcegaglia Group; Chief Executive Officer – and later, in 2013 – President of the parent company Marcegaglia Steel S.p.A. too; and President of numerous subsidiaries, both in Italy and overseas. He has spent years at the highest levels of the main organisations in the metal-steel sector, both Italian and foreign, which he has also personally presided over. Moreover, he sits on the Boards of Directors of leading Italian and foreign companies. Since 2011, he has been a member of the Board of Directors of Luigi Lavazza S.p.A., where he sits as an independent, non-executive director.	Independent Non - Executive Director	2011
Nunzio Pulvirenti	Shortly after completing his studies in 1977, Nunzio began his working life at Fiat, where he remained until 2004 in roles of increasing responsibility in the production departments of car manufacturing plants, culminating in 1987 when he rose to the Management of the Alfa Romeo plant in Arese, which had just been purchased by Fiat. In 1991 he was put in charge of the Product Development Department and, following the 2000 agreement between Fiat and General Motors, became Chairman of the Board of Fiat-GM Powertrain. In 2005 he embarked on a new adventure in Ferrero, at the head of the Operations Department. In 2011, following the tragic death of Pietro Ferrero, with whom he had worked closely, he became the manager of the Product Department and of SOREMARTEC, joining the Strategic Committee, the Board of Ferrero International, and the BoD of Ferrero SpA. In 2015 he voluntarily relinquished all operating responsibilities, while nonetheless remaining on the Advisory Board of Ferrero and later becoming Chairman of the Audit Committee, positions that he held until 2019, when he made his definitive departure from the group. In 2020 he joined the Board of Directors of Luigi Lavazza S.p.A., where he sits as an independent, non-executive director.	Independent Non - Executive Director	2020
Roberto Spada	Roberto began his career as a Certified Accountant in 1986 in Turin. He has been an associate of the Spada Partners Studio in Milan since 1989, where he is currently managing partner. Throughout his long career, he has mainly dealt with corporate restructuring, mergers&acquisitions, tax in the financial and banking sector and international taxation. He has acted in various roles in corporate crisis management and restructuring situations. From 2009 to 2017 he was the Extraordinary Administrator for the IT Holding/Ittierre Group, a role he was appointed to by the Italian Ministry of Economic Development. He has acted as president and sat on the board of directors of several Italian and international groups, and currently holds the position of President of the Board of Directors of Club House Italia S.p.A. and Luxury Living Group S.p.A., an industrial group operating in the luxury furniture sector. He also acts as the Statutory Auditor for several leading companies. In April 2020 he joined the Board of Directors of Luigi Lavazza S.p.A., where he sits as an independent, non-executive director.	Independent Non - Executive Director	2020





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