

CLIMATE CHANGE

Is one of the greatest challenges of our time. Current global policies are projected to result in about 2.7C^{**} global warming (above pre-industrial levels) by the end of this century. To avoid the most catastrophic impacts of climate change, we must limit global warming to 1.5C[°].

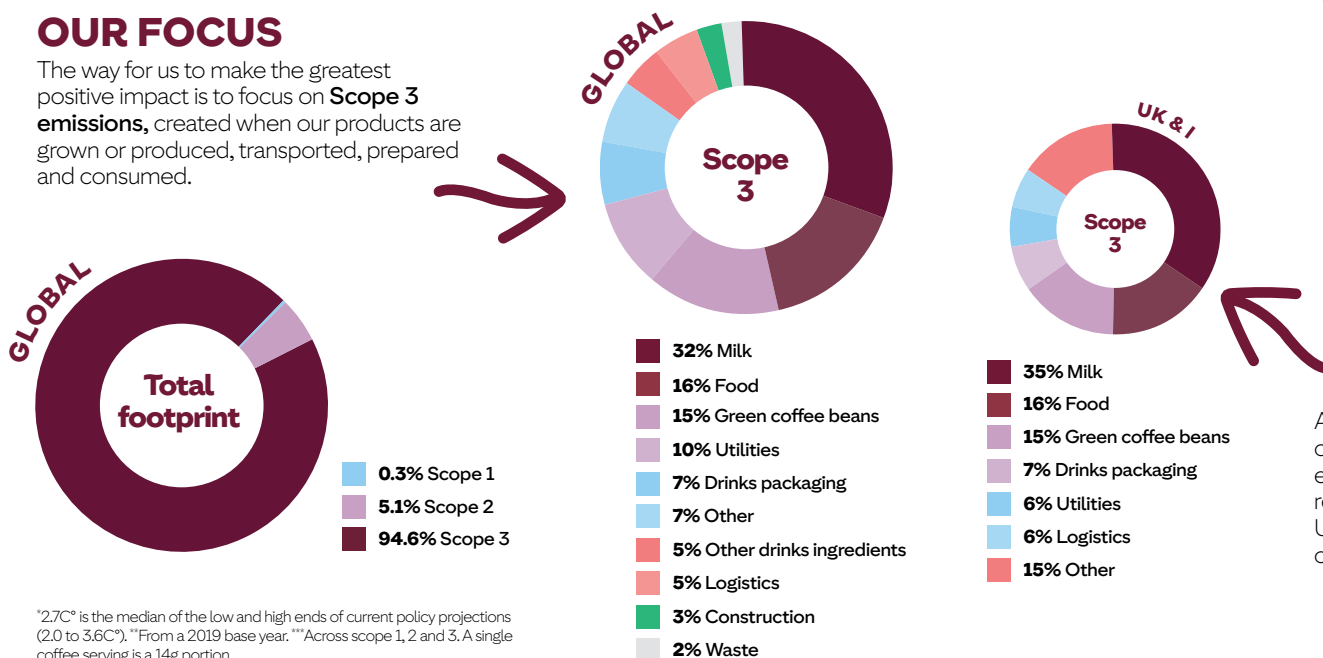
OUR CARBON FOOTPRINT

We've worked with independent experts to look closely at the carbon we generate across our global value chain:

- In 2019 (our baseline year) our total carbon footprint was approximately 540,000 tonnes CO₂e.
- **5%** of our emissions are in **Scopes 1 and 2** – these are the emissions we contribute to through our owned operations, such as coffee roasting and our equity stores.
- **95%** of our emissions are in **Scope 3** – they sit outside our direct control, but are still areas we can influence.

OUR FOCUS

The way for us to make the greatest positive impact is to focus on **Scope 3 emissions**, created when our products are grown or produced, transported, prepared and consumed.



^{**}2.7C[°] is the median of the low and high ends of current policy projections (2.0 to 3.6C[°]). ^{***}From a 2019 base year. ^{***}Across scope 1, 2 and 3. A single coffee serving is a 14g portion.

OUR TARGETS

HALF EMISSIONS

Per serving of coffee by 2030^{**}

NET ZERO

By 2040^{***}

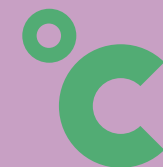
Around **80%** of Scope 3 emissions are related to the UK&I, our largest current business.

2030 target approved by



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



COSTA

COFFEE WITH
COMMITMENT

OUR PATH TO NET ZERO

OUR PRINCIPLES

We're clear about where we need to focus our attention, and how we'll move towards meeting our goals:

- We will focus on carbon reduction as one of our top business priorities.
- By **2030**, we'll move from 0.68kg of CO₂e per coffee serving (2019 baseline) to **0.34kg**.
- Once we've met this 2030 target, we won't slow down our efforts. We'll continue to reduce our total emissions further in our aim to reach **Net Zero**, even as our business continues to grow. We'll reduce emissions as far as possible. Only when we can't reduce emissions any further will we invest in certified carbon removals projects to help us reach Net Zero by 2040.
- We will be **transparent with our journey** through frequent and consistent reporting of progress towards our targets.

PARTNERSHIPS AND COLLABORATIONS

Because the majority of our carbon emissions sit within our wider value chain, we are committed to working collaboratively with our suppliers, our franchise partners, and external industry coalitions to advance new thinking on climate solutions and to help accelerate our transitions.

OUR IMMEDIATE ACTIONS

COFFEE

- Initiate regenerative agriculture pilots to reduce carbon emissions, increase biodiversity and enhance resilient livelihoods in coffee sourcing origins.
- Collaborate with the Rainforest Alliance and suppliers to continuously improve coffee farm practices and provide support at farm-level.

CUPS AND PACKAGING

- Increase use of reusable cups through promotions and reuse trials.
- Support lower-carbon packaging options (e.g. plant-based cups and lids).

FOOD

- Take steps to understand the full life cycle of our current food range, and transition to more plant-based options.
- Continue to minimise food waste in our stores and supply chain.

MILK

- Encourage the uptake of plant-based alternatives.
- Support carbon reduction (and higher animal welfare) with UK dairy farmers.

SUPPLIERS

- Engage our suppliers in delivery of Scope 3 reductions, including carbon management requirements for all key suppliers (UK&I from 2023).

UTILITIES

- Encourage renewable energy across our value chain, starting in the UK (our UK owned stores and Roastery are powered by 100% renewable energy already).
- Continue to optimise energy efficiency in our stores and roasteries.

LOGISTICS

- Collaborate with suppliers in transitioning to low-carbon fuel options.

