

Environmental policy
Sara Lee International FoodService

Following the Sara Lee policy, Sara Lee International Foodservice (under brand such as Douwe Egberts Coffee Systems) strives to reduce the impact of its products and services on the environment. In order to achieve this, specific actions have been undertaken, both for the ingredients (products) as for the coffee machines brought to the market.

1. General organization

SLIF complies with Sara Lee's Global Environmental Policy Statement:

Sara Lee Corporation provides high-quality, brand name products to people around the world. We strive to serve our consumers and customers while protecting the environment in our global community. Sara Lee is committed to comply with or exceed applicable legal requirements and to continue to improve environmental performance in a sustainable manner that respects the earth and its finite resources.

*Our **Global Environmental Management System (GEMS)** is a tool to help ensure environmental aspects are integrated into our daily business. **GEMS** also ensures constant attention to reducing waste, optimizing natural resource and energy usage, and minimizing the overall environmental impact of our business.*

Sara Lee is further committed to working with our suppliers and engaging in dialogue with members of our global community to make sound sustainable environmental progress. Our diligent adherence to this commitment will help us maintain our position as a corporate leader in generating value for our customers, shareholders and society.

The following aspects are part of our monitoring system that has been deployed for our different production and sales facilities:

- Packaging usage
- Energy consumption
- Water consumption, Waste water.
- Overall waste

Each facility is regularly reviewed through self assessment in combination with a corporate internal audits program. All Sara Lee International's production units and marketing centers are take part in the program, with relevant improvement activities being implemented to achieve the corporate targets.

2. Coffee and other ingredients

a. Sustainable coffee policy

SLI has an active policy in relation to sourcing coffee in countries of origin. As a company we participate in global initiatives like the Sustainable Agricultural Initiative and the Common Code for the Coffee Community. We buy an increasing amount of certified coffee through our partnership with Utz Certified (formerly known as Utz Kapeh), an organization that implements a global standard for socially and environmentally responsible coffee growing and sourcing. Furthermore, we run our own projects through the Douwe Egberts Foundation. In these projects we support small producers to improve their coffee quality and to implement sustainable farming practises. Hence they can command better prices and improve their living conditions.

Identical approach has now been undertaken for the purchasing of cacao powder.

b. Packaging volume reduction

Sara Lee strives to minimize the environmental impact of Sara Lee has installed dedicated activities to reduce the packaging materials in order to reduce the environmental impact of our packaging used for the different ingredients such as coffee creamer, sugar, sticks etc.). An annual review of the packaging materials is embedded in our organization, in order to identify and evaluate additional packaging reduction opportunities.

c. LCA analysis

Life Cycle Analyses (LCA) are being conducted to measure the impact of our ingredients, coffee machines and cross selling products:

The LCA on plastic cup has resulted into the introduction of a new coffee cup, increasing the re-use of the cup by the consumer. (Hard plastic holder combined with light plastic cup)

A review of the LCA of coffee has been conducted by our Research & Development department. This study confirmed that over 50% of the environmental impact of coffee comes from brewing coffee and waste. Almost 25% is derived from growing coffee in countries of origin, the remaining 25% is the result of production, packaging, transport and distribution.

3. Machines

- Legislation monitoring: The SLI Quality Department is tracking existing and upcoming environmental as well as equipment safety regulations, and is responsible for compliance of our products with the (new) legislations.
 - All SLIF equipments have been made compliant with the RoHS - Reduction of Hazardous Substances - European Directive 2002/95/EC, before July 2006. The RoHS requires elimination of materials such as Lead, Cadmium and Brome in coffee machinery. Sara Lee International Foodservice was in the lead to achieve RoHS compliancy, and has integrated RoHS in its supplier management program.

- The LCA completed on our cafitesse equipment has enabled us to identify the energy consumption drivers. This has resulted in a decrease of 30 % of the energy consumption for the new equipment range at the end of 2006. Further energy reduction will be achieved in the next equipment range currently been developed by SLIF.
- Supplier management: All suppliers of coffee machines and ingredients are evaluated on the basis of the Global Business Practices and Environmental standards of Sara Lee.
- Sara Lee International Foodservice is an active member of the European Vending association (EVA) and participates in the new definition of the standards for energy measurement for dispensing equipment. This standard has been deployed to all the SLIF equipment suppliers, in anticipation of the Energy Using Legislation (EuP). SLIF will join the forum organized by the European Commission, to help defining the future legislation on Energy Using Product legislation, to be introduced in 2008.

4 Relevant documentation

Annual report DE foundation, 2006 report
Global Business Practices, guideline for suppliers, 2007

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