

PERFECTING OUR PACKAGING SOLUTION



ecolaboration™
more, together



NESPRESSO

Backgrounder 3.0 | June 2013

AT A GLANCE

- Aluminium is the best material available today to protect the delicate flavours and aromas of the *Nespresso* Grand Cru coffees. It is also infinitely recyclable.
- *Nespresso* launched the AluCycle™ initiative to build its capacity to collect used capsules for recycling and to source aluminium in more sustainable ways.
- *Nespresso* committed in 2009 to put collection systems in place to triple its capacity to recycle used capsules to 75% by the end of 2013.
- At the end of 2012, 25 countries had systems in place to collect used capsules. Global collection capacity had reached 76.4%, with about 14,000 dedicated collection points around the world.

ACTIONS & RESULTS

DEVELOPING OUR CAPSULE COLLECTION SYSTEMS

We have made good progress in meeting our goal set in 2009 of putting collection systems in place to triple our capacity to recycle our used capsules to 75% by 2013. Our collection capacity reached 76.4% at the end of June 2012, surpassing our initial commitment to triple capacity, as verified and certified by Bureau Veritas, a global leader in compliance assessment and certification services.

As part of our AluCycle™ initiative, we have set up our own capsule retrieval systems in 22 countries¹, in complement to the Green Dot system in Germany, Sweden and Finland. Today, we have installed about 14,000 dedicated capsule collection points, such as in *Nespresso* boutiques, municipal waste or through retail and local partners (eg. Mondial Relay and Kiala).

Going beyond our commitment to increase the collection of used capsules for recycling, we are also committed to finding more sustainable ways to source the aluminium used in our capsules. We may

be a small player in the aluminium industry, but we have taken a pioneering role. With the support of the International Union for Conservation of Nature (IUCN) and other partners like Rio Tinto Alcan, we are working to promote a standard for more sustainable aluminium sourcing through the Aluminium Stewardship Initiative (ASI).

The mission of the ASI, launched in 2012, is to foster greater sustainability and transparency throughout the aluminium industry, by establishing and promoting responsible leading practices in governance, as well as environmental and social performance.

WHY WE LAUNCHED ALUCYCLE™

Aluminium is the best material available today to protect our highest quality coffee from factors such as oxygen and sunlight, which could compromise taste and quality. Aluminium is also the only material that interacts with our machines in such a way as to consistently produce the best espresso through high-pressure (19 bars) extraction. Aluminium is also infinitely recyclable. After use it continues to retain all its properties, which makes it possible to recycle it into new aluminium products. By collecting and recycling used capsules we are able to reduce our environmental impact. Recycling aluminium produces only 5% of the carbon emissions compared with primary aluminium sourcing. Because it is lightweight, using aluminium for the *Nespresso* capsules also provides transportation and environmental savings when compared to other packaging materials.

In most countries, used aluminium capsules cannot be collected and recycled in national packaging recovery and recycling schemes, such as Green Dot. But, because we believe in the value of aluminium and the importance of recycling, we have developed our own recovery systems in 22 countries, so that we can collect used capsules for recycling. We are also exploring different approaches to reduce the environmental impact of our capsules, including creating new partnerships and developing technical solutions and innovation projects.



14,000 dedicated capsule collection points around the world.



Capsule collection point in a *Nespresso* boutique

Our goal is to put collection systems in place to increase our capacity to recycle used capsules to 75% by 2013.

¹ France, Switzerland, Spain, Portugal, Austria, Belgium, the Netherlands, Luxembourg, US, Canada, Australia, Brazil, the UK, South Korea, Hong Kong, Singapore, Italy, Norway, Hungary, Poland, Russia and New Zealand

COUNTRIES*

Australia	Collection points since 2010, currently located in 11 <i>Nespresso</i> boutiques.
Austria	<i>Nespresso</i> collection system since 2009. Over 1,100 collection points, located in <i>Nespresso</i> boutiques, at retail partners, in offices and within community waste recycling centres.
Benelux	Over 3,300 collection points in Belgium, the Netherlands and Luxembourg, located in <i>Nespresso</i> boutiques and offices. Nationwide doorstep collection system.
Brazil	20 collection points located in <i>Nespresso</i> boutiques, at retail partners and in offices.
Canada	18 collection points, located in <i>Nespresso</i> boutiques, at retail partners and at an office site.
Finland	National waste recovery system – since 2012.
France	<i>Nespresso</i> collection system since 2008. Now over 5,000 collection points in boutiques, in community waste recycling centres, and at pick-up points. Doorstep collection in Paris and Marseille with delivery service <i>Nespresso</i> Your Time.
Germany	National waste recovery system - Duales System, since 1993.
Hong Kong	5 collection points at <i>Nespresso</i> boutiques and in offices. Nationwide doorstep collection.
Hungary	2 collection points at the <i>Nespresso</i> boutique and at an office site.
Italy	44 collection points in <i>Nespresso</i> boutiques, in community waste recycling centres and in offices.
New Zealand	A collection point at the <i>Nespresso</i> boutique.
Norway	4 collection points in <i>Nespresso</i> boutiques and in offices.
Portugal	Over 270 collection points in <i>Nespresso</i> boutiques, at retail partners, in offices and in community waste recycling centres.
Russia	7 collection points in <i>Nespresso</i> boutiques and in offices. Nationwide doorstep collection.
Singapore	5 collection points at the <i>Nespresso</i> boutique and in offices.
South Korea	9 collection points in <i>Nespresso</i> boutiques, at retail partners and in offices. Nationwide doorstep collection.
Spain	Over 790 collection points in <i>Nespresso</i> boutiques, at retail partners, offices and at community waste recycling centres.
Sweden	National waste recovery system - Green Dot, since 2010.
Switzerland	<i>Nespresso</i> collection system since 1991. Over 3,800 collection points in <i>Nespresso</i> boutiques, at retail partners, in offices and at community waste recycling centres. Nationwide doorstep collection.
UK	8 collection points in <i>Nespresso</i> boutiques and a community waste recycling centre. Nearly nationwide doorstep collection.
USA	45 collection points, located in <i>Nespresso</i> boutiques and at retail partners.

* Estimation at the end of 2012

OUR APPROACH FOCUSING ON SIMPLICITY

Our focus is to make it as easy as possible for our Club Members to return used capsules for recycling. We first explore national packaging recovery schemes. Since 1993, in Germany, used capsules can be collected as part of the Grüner Punkt system and processed through the Duales System Deutschland packaging waste system. Since 2010, this system is also available in Sweden, through the Green Dot waste scheme, and since 2012 in Finland.

The complexities of the recycling process and the logistics of capsule recovery in countries around the world, coupled with varying levels of public engagement and legislation, make a standardised approach to collecting used capsules difficult. However, the main options are:

- Installing collection points in *Nespresso* boutiques
- Locating collection points within the community
- Working with courier companies to enable doorstep collection.

In Switzerland we have been collecting used capsules for recycling since 1991. There are now over 3,800 collection points across the country. Because of Switzerland's specific local packaging collection structure we have installed our own collection points in *Nespresso* boutiques and local and mobile collection centres, and have implemented a nationwide Recycling@Home initiative, enabling doorstep collection of used capsules. As a result our capacity to collect used capsules in Switzerland is already 99%. The used capsules are sent to two recovery sites near Lausanne and Geneva, where the aluminium is separated for recycling and the coffee grounds mixed with organic matter to make compost.

We are also implementing new use of technology solutions. In France, where small-size packaging cannot be processed in packaging sorting centres, we have been testing and using an electromagnetic system that separates small-scale aluminium and steel packaging (such as capsules, pet food containers and bottle tops) from other waste, allowing these items to be recycled afterwards.



Recycling centre

PLANNING FOR THE FUTURE

Meeting our goal means that we will increase the number of used capsules collection points, located in our Club Members' local areas. As percentage of capsules that are recycled depends on the participation of our Club Members, we will continue to engage and encourage our Club Members to bring back their used capsules for recycling afterwards, making it easy as possible for them.

One area of improvement for *Nespresso* is the recycling of capsules used by our business customers. These capsules are different in shape to the capsules used by Club Members and are made from different materials, including aluminium. We are currently exploring solutions to recover the aluminium from these capsules.

WHAT THE EXPERT SAYS

"We have considerable experience of working with the mining sector and we can use our knowledge to support Nespresso in demonstrating their leadership in sustainability. Nespresso is aware that Club Members are increasingly concerned by sustainability issues and is therefore looking to IUCN and our diverse membership to provide guidance on recycling and traceability of their aluminium capsules, as well as advice on measuring biodiversity impacts of their coffee farms."

The main objectives of our five-year partnership are to create a differentiated aluminium product that is sustainable throughout the value chain, to measure and strengthen the ecological outcomes of Nespresso's Ecolaboration™ commitments and to explore new models that will reduce Nespresso's biodiversity footprint."

*Giulia Carbone, Deputy Head,
Business and Biodiversity Programme,
International Union for Conservation of Nature*