

IMPROVING OUR ENVIRONMENTAL IMPACT FROM THE CHERRY TO THE CUP



ecolaboration™
more, together

NESPRESSO

Factsheet 4.1 | June 2013

AT A GLANCE

- Since 2005, *Nespresso* has used a scientific approach called life cycle assessment (LCA) to measure and understand the environmental impact across its entire business.
- LCA studies show that the biggest impacts for climate change happen in using the *Nespresso* machine and in growing the coffee, so *Nespresso* is focusing on reducing the carbon emissions from these areas.
- But *Nespresso* is going beyond carbon, by taking action to improve its wider environmental impact across the entire business, from farmers to consumers.



ACTIONS & RESULTS

IMPROVING OUR ENVIRONMENTAL PERFORMANCE

We are taking action to improve the environmental impact of every aspect of our business, from farmers to consumers: in coffee cultivation, our operations, our machines and the disposal of capsules.

- In partnership with the Colombian Coffee Growers' Federation (FNC), we have invested in upgrading thousands of installations, including around 29,000 wet milling and sun drying installations, 8,000 water management solutions, 15,000 water infrastructures, etc.

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



Coffee plantation, an important natural environment for biodiversity

- Our Production and Distribution Centres in Avenches and Orbe, Switzerland are equipped with a number of features that seek to reduce their environmental impact. For example, 100% of our green coffee is delivered by rail to our production centres. In Avenches, advanced roasting techniques save approximately 16% to 20% of the energy needed compared to previous roasting techniques. Energy is also recovered through an innovative system used for providing heating in the factory. Rainwater is collected, recycled and used as utility water in the factory. At Orbe, we have also implemented a system using river water to cool the factory.
- Since 2009, all *Nespresso* consumer machine ranges have been equipped with an automatic poweroff function or an automatic stand-by mode. PIXIE, one of our recent innovations, automatically switches off after nine minutes of inactivity, consuming 40% less energy than previous models.
- 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).



PIXIE:
The essence of performance



Capsule recycling
in Moudon, Switzerland

OUR APPROACH

COLLABORATING ON ECOLOGICAL PROGRESS

Since 2005, we have used an approach called life cycle assessment (LCA) to understand our environmental performance. LCA studies show that the biggest impacts for climate change happen in using the Nespresso machine and in growing the coffee, so our focus is to reduce the carbon emissions from these areas. For more information about LCA, read the factsheet "Life cycle assessment: understanding our environmental performance."

Because we cannot improve the environmental impact of our entire business by ourselves, we are working with our partners to improve the environmental impact of every part of our business.

- We supported the launch of a Climate Friendly farming module in Guatemala. This education program was developed by the Rainforest Alliance and the Sustainable Agriculture Network (SAN), our sourcing partner EFICO and others. The module includes voluntary guidelines to help farmers go above and beyond the SAN standards to further mitigate their own greenhouse gas emissions and better prepare for the new challenges that climate change is already bringing to coffee growing regions. The members of the Asociación de Desarrollo Económico Social y Sostenible Los Chujes (ADESC) in Guatemala were the first farmers to be verified compliant with this module.
- The Seabridge warehousing facilities of our sourcing partner EFICO are equipped with a highly efficient system to cool and warm, ventilate and sterilize the internal environment and onsite green energy production is provided by 4,600 solar photovoltaic cells. In November 2009, the warehouse was awarded a Green Building certificate from the European Commission.
- Going beyond our commitment to increase the capacity to collect 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.

(See Factsheet
«Perfecting our Packaging Solution»)

OUR PLANS FOR THE FUTURE

We are investing in a solid, integrated and long-term measuring and reporting program for our sustainability performance, particularly in the coffee countries of origin.

- We are continuously improving the Nespresso AAA Sustainable Quality™ database, allowing us to gather, analyse and share information about sustainability with coffee farmers, to help them plan for the future. It will allow us to tailor support in environmental management to farmers' individual needs, as well as provide a global overview of our program implementation and the adoption of sustainability best practice. Tools in the database include a cluster monitoring and decision-making tool, traceability and geo localisation.
- In partnership with the International Union for Conservation of Nature (IUCN), we measured the extent to which coffee farmers in the Jinotega area of Nicaragua depend on and impact local ecosystems. A similar study is now conducted in Cerrado, Brazil, within other types of ecosystems. These projects adapt the methodology developed by the World Resources Institute and the World Business Council for Sustainable Development, to help companies manage the risks and opportunities arising from their dependence and impact on ecosystems.

WHAT THE EXPERT SAYS

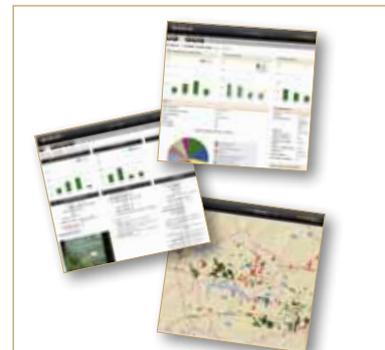
"We have considerable experience in working with the mining sector and we can use our knowledge to support Nespresso in demonstrating their leadership in sustainability. Nespresso is aware that Club Members are increasingly concerned by sustainability issues and is therefore looking to IUCN and our diverse 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*



**Seabridge,
Green Building Certified**



**Nespresso AAA
Sustainable Quality™
database**