



The Positive Cup

BECAUSE COFFEE CAN BE A FORCE FOR GOOD



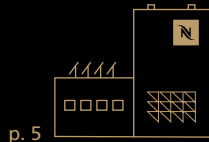
A JOURNEY TOGETHER FOR A MORE SUSTAINABLE FUTURE

We believe that each cup of *Nespresso* has the potential to deliver pleasure for you and your customers and also restore, replenish and revive environmental and human resources. In effect, our Positive Cup vision is that a cup of coffee can create a greater value for both society and the environment.





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A history steeped in sustainability

Our sustainability journey began over 25 years ago with the introduction of the first capsule collection systems in Switzerland. In 2003, in collaboration with Rainforest Alliance, we launched our unique responsible coffee sourcing program, the *Nespresso* AAA Sustainable Quality™ Program.

In 2014, we furthered our sustainability ambitions with the launch of the Positive Cup, bringing with it three key areas of focus:

- Increasingly sourcing the highest quality coffee from AAA farms
- Enabling and encouraging the recycling of all *Nespresso* capsules (Original, Professional and Vertuo systems)
- Reducing the carbon footprint of every cup of *Nespresso* coffee and implementing solutions for climate adaptation

Nespresso aims to continue to improve sustainability by making positive impacts across our value chain.

Using innovative solutions, we believe a cup of coffee can become a model for sustainable consumption. To do so means working together and recognising that we all have a part to play – from governments to non governmental organisations, coffee farmers to customers and consumers.

FROM THE CHERRY TO THE CUP AND BEYOND

Our vision is to create a cup of coffee that has a positive impact on the world.

"The big challenge going forward is to engage consumers with the benefits of sustainable production."

Nigel Sizer, President, Rainforest Alliance



From the cherry...

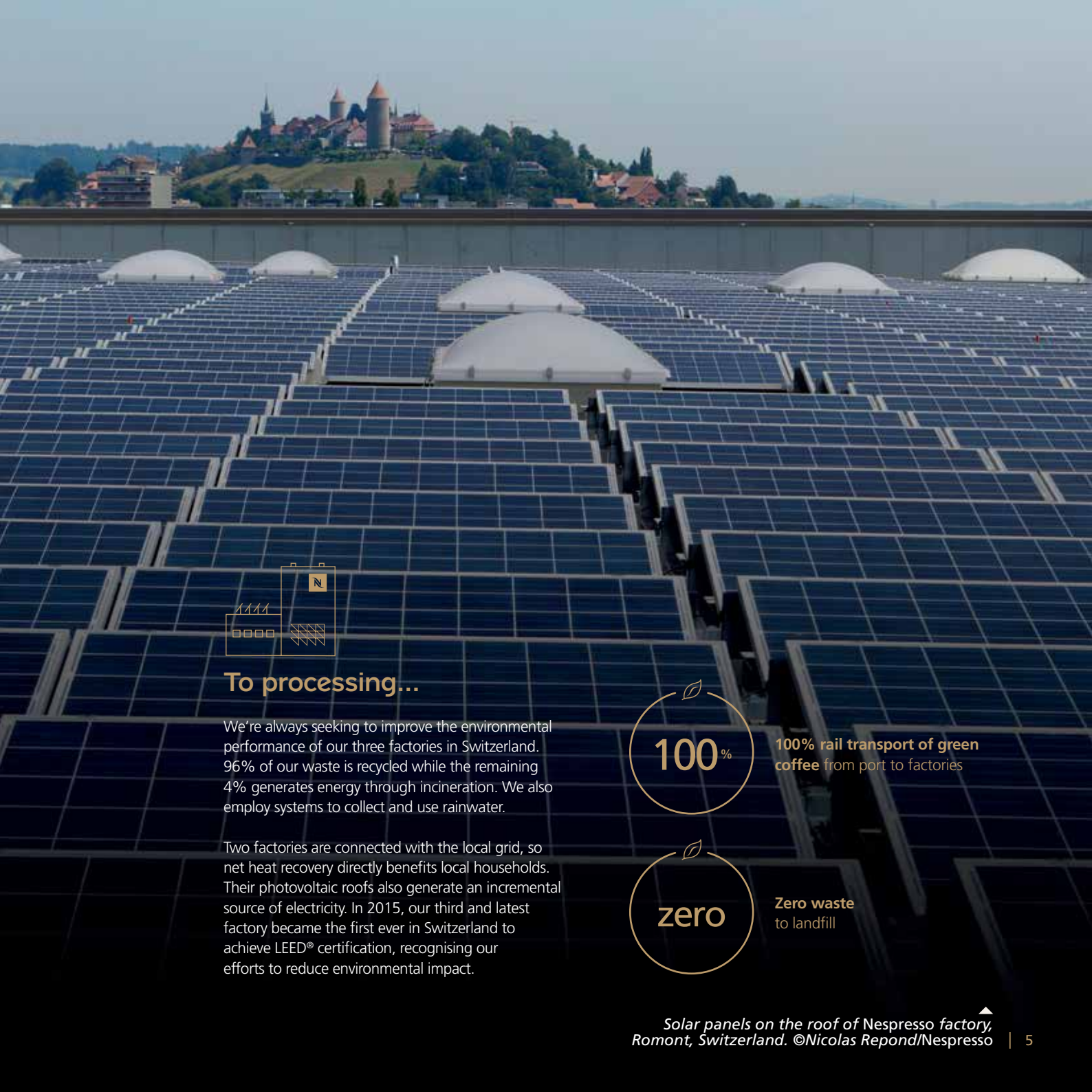
The *Nespresso* AAA Sustainable Quality™ Program is our solution for ensuring sustainable agricultural practices and for building resilience.

The AAA Program combines *Nespresso's* coffee and quality expertise with Rainforest Alliance's know-how in sustainability and best farming practices. It empowers coffee farmers by investing in community infrastructures, paying premiums for superior coffee and the best agricultural practices. Today, more than 70,000 farmers in 12 countries are part of the AAA Program.



The *Nespresso* Sustainable Quality Program™ was co-developed with Rainforest Alliance. We source more than 80% of our coffee from AAA farms and over 40% from Rainforest Alliance Certified™ farms. www.nespresso.com/rainforestalliance





To processing...

We're always seeking to improve the environmental performance of our three factories in Switzerland. 96% of our waste is recycled while the remaining 4% generates energy through incineration. We also employ systems to collect and use rainwater.

Two factories are connected with the local grid, so net heat recovery directly benefits local households. Their photovoltaic roofs also generate an incremental source of electricity. In 2015, our third and latest factory became the first ever in Switzerland to achieve LEED® certification, recognising our efforts to reduce environmental impact.



100% rail transport of green coffee from port to factories



Zero waste to landfill

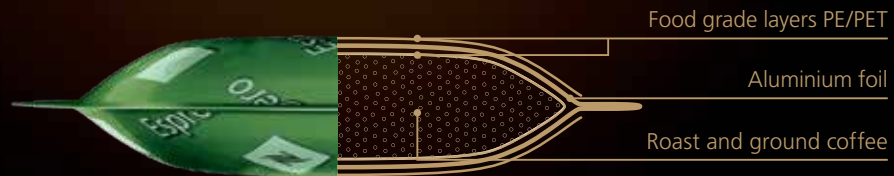


To the capsule...

Aluminium is the best material available today to protect our highest quality coffee from factors such as oxygen and sunlight that could compromise quality and taste. That's why it makes up over 60% of the material used in every capsule. On top of this, aluminium is infinitely recyclable.

"Aluminium is a sustainable and even permanent material – it is produced, used and endlessly recycled without losing its intrinsic and valuable properties."

Maarten G. Labberton,
European Aluminium Association



*Aluminium keeps coffee fresh
and is infinitely recyclable*



To the cup...

We continue to improve energy efficiency, designing increasingly more innovative, high-performing and efficient machines for our customers.

Our latest Zenius range is ready-to-use in less than 35 seconds. And with its insulated water heater (known as a thermobloc), it's also efficient – reducing energy consumption in ready-to-use mode by up to 30% compared to conventional machines.

Nespresso machines are designed to be robust, repairable and energy efficient.

“From a technical perspective, durability is built into our professional machines, cup after cup, from 15,000 up to 500,000 depending on the model.”

Sergio Chioda,
Professional Product Platform Manager, *Nespresso*





And beyond...

Aluminium can contribute to the emergence of a circular economy.

Recycling capsules is a collective responsibility and we are continually looking at solutions to improve the availability and convenience of the systems you can use. While each country's infrastructure is different, *Nespresso* is enabling the aluminium of its capsules to be recovered – becoming new aluminium products or even new capsules – and for the ground coffee to be turned into energy.

“In Germany, Nespresso capsules can be put into household recycling bins. Modern technology can sort out the capsules for aluminium recycling. In regions where this is not possible, Nespresso has established dedicated collection and recycling systems which also enable the valorization of the coffee grounds as energy.”

Dr. Markus van Halteren, Managing Director,
“Der Grüne Punkt” Duales System
Deutschland GmbH

Together with our partners, *Nespresso* has also pioneered the establishment of the Aluminium Stewardship Initiative – the industry's first global standards on responsible aluminium production and usage.

▲ Aluminium blocks made of used capsules
to be recycled



The benefits of trees go beyond carbon towards coffee farming resilience to climate change.

Since 2009, *Nespresso* has continuously improved the carbon footprint of a cup of coffee and will further reduce it by 10% between 2014 and 2020.

Our ambition with the Positive Cup is to go even further by planting trees through an intensive agroforestry program in and around AAA farms to compensate our residual operational carbon footprint. As well as carbon capture (sequestration), these trees will contribute to increase climate change resilience while positively impacting communities and the quality of coffee:

- Quickly increase farmer income by planting fruit trees
- Secure long-term revenues for farmers by planting timber trees
- Stop soil erosion using long-root trees
- Restore ecosystem, including biodiversity, shade for coffee trees, soil nutrients' enrichment with positive impacts on coffee quality
- Improve water conservation

“The benefits of trees go way beyond carbon – we’ve listed at least 100 social, economic and environmental benefits.”

Tristan Lecomte, Founder, Pur Projet

OUR 2020 SUSTAINABILITY AMBITIONS WITHIN THE POSITIVE CUP



Total **company** engagement

- Invest CHF 500 million to strengthen our sustainable production and consumption capability and drive positive impact
- Empower everyone in our company to contribute to our sustainability agenda
- Catalyse innovation through the Nespresso Sustainability Innovation Fund



Resilient **coffee** farms and communities

- Source towards 100% of our permanent coffees through the AAA Sustainable Quality™ Program
- Increase the share of certified coffees in AAA
- Expand our value proposition to rare origins and pursue innovative solutions to better livelihoods for farmers



End to end sustainably managed **aluminium**

- Offer convenient recycling solutions to all our consumers
- Continue to increase our recycling rate and unlock the circular use of aluminium
- Source "ASI certified" aluminium towards 100%



Integrated actions on **climate** change

- Continue to reduce the carbon footprint of a cup of *Nespresso* by 28% vs. 2009
- Inset 100% of the company operational carbon footprint
- Strengthen coffee landscape resilience through extensive tree planting



nespresso.com/positive