

# THE POSITIVE CUP

## ACCELERATE POSITIVE IMPACT TOWARDS 2030

**NESPRESSO**<sup>®</sup>  
PROFESSIONAL

JANUARY 2024

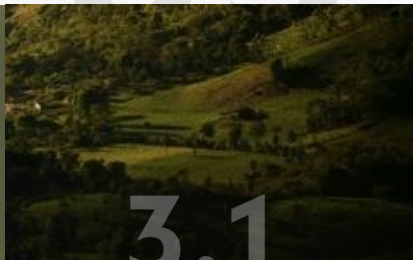
Source: All data point refer to Nespresso The Positive Cup - Progress Report 2022, unless otherwise stated

# CONTENT

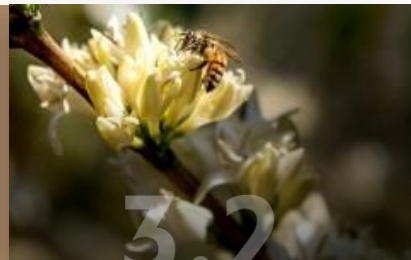
01  
CONTEXT

02  
THE POSITIVE  
CUP FRAMEWORK

03  
5 STRATEGIC PILLARS TO ACCELERATE POSITIVE IMPACT



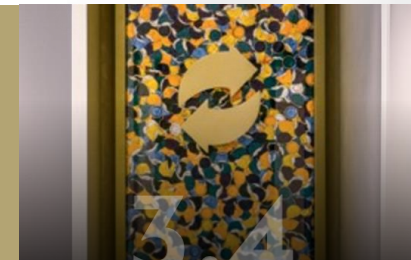
3.1  
DECARBONIZE  
THE VALUE CHAIN



3.2  
REGENERATIVE  
COFFEE



3.3  
EMPOWER  
COMMUNITIES



3.4  
ADVANCE  
CIRCULARITY



3.5  
INSPIRE  
COLLECTIVE  
ACTION

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# ALL STARTS AT THE “TERROIR” TO SEEK **RARE & UNIQUE COFFEE FLAVOURS**

AMERICAS



Fruity/winey, ceraly, caramelly  
and moderately spicy notes  
**Medium body**

AFRICA

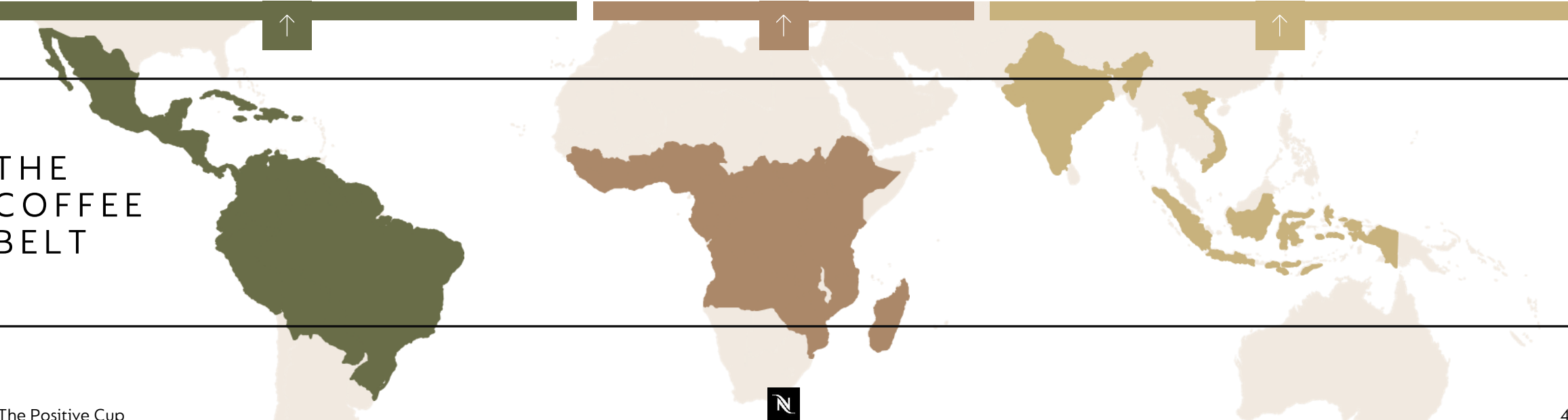


Bright fruity,  
flowery characters  
**Lighter body**

ASIA



Darker notes like  
spices, cocoa, woody  
**Heavier body**



# TODAYS SYSTEMIC CHALLENGES

PUT AT RISK THE FUTURE OF THE COFFEE SECTOR

## Carbon emission reaches new peaks

Emphasizes the urgent need for low carbon economy



## Climate change impact biodiversity & farmers' livelihood

Underscoring the need for conservation and Rehabilitation of nature



## Resource use and waste continue to raise

This calls for an urgent transition to circular business models



## Drive systemic change

Requires collective action

## Market volatility puts economic viability of coffee farming at risk

This assigns the responsibility for bringing income protection and social security



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OUR CORE  
BELIEF IS THAT

COFFEE  
CAN BE A  
POWERFUL  
FORCE  
FOR GOOD



With the **capacity** to :



**Improve the lives and livelihoods** of people and their communities



**Regenerate and restore** nature and biodiversity



**Do everything we can** to waste nothing

We have **worked hard** to turn this belief into

**action**

through our **Positive Cup sustainability strategy**, and we are proud of what **we have achieved...**

**and we need to do more**

THE POSITIVE CUP  
SYMBOLIZES OUR  
BELIEF THAT EVERY  
CUP OF NESPRESSO  
COFFEE CAN HAVE A

# POSITIVE IMPACT



“



An extraordinary coffee  
experience that offer  
unforgettable taste  
**while benefitting  
communities and  
the environment**”



# OUR SUSTAINABILITY JOURNEY STARTED 30 YEARS AGO, AND WE HAVE LEARNED A LOT OUR POSITIVE CUP\* ACHIEVEMENTS AT A GLANCE:



**+5.3**

Trees planted for carbon removals (2014-2022)



**346,000+**

Ha managed under the Nespresso AAA Sustainable Quality™ Program



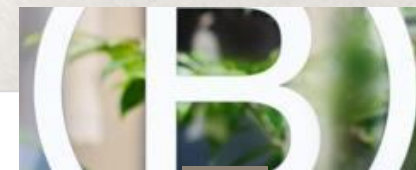
**150,000+**

Farmers enrolled in the AAA Sustainable Quality™ Program



**94%**

Estimated capsule collection capacity



**CHF 880M**

Investment in The Positive Cup8 (cumulative 2014-2022)

**-24%**

Carbon footprint reduction of each Nespresso cup in 2020 versus 2009

**93%**

Coffee sourced through the AAA Program

**645**

AAA Program agronomists

**32%**

Estimated global capsule recycling rate

**98**

Nespresso employee sustainability champions around the world

**100%**

Renewable electricity procured for our three production centres

**7.4m**

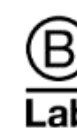
Trees planted in AAA Program landscapes (cumulative 2014-2022)

**95%**

Of global coffee purchases at or above Fairtrade Minimum Price

**63%**

Used capsule valorization rate



**84/200**

B Impact Score achieved in 2022

**DECARBONIZE  
THE VALUE CHAIN**

**REGENERATIVE  
COFFEE**

**EMPOWER  
COMMUNITIES**

**ADVANCE  
CIRCULARITY**

**INSPIRE  
COLLECTIVE ACTION**

\* The Positive Cup is Nespresso sustainability long term strategy and program. Data source: Nespresso The Positive Cup progress report 2022



# THE POSITIVE CUP IS THE NAME OF OUR SUSTAINABILITY STRATEGY

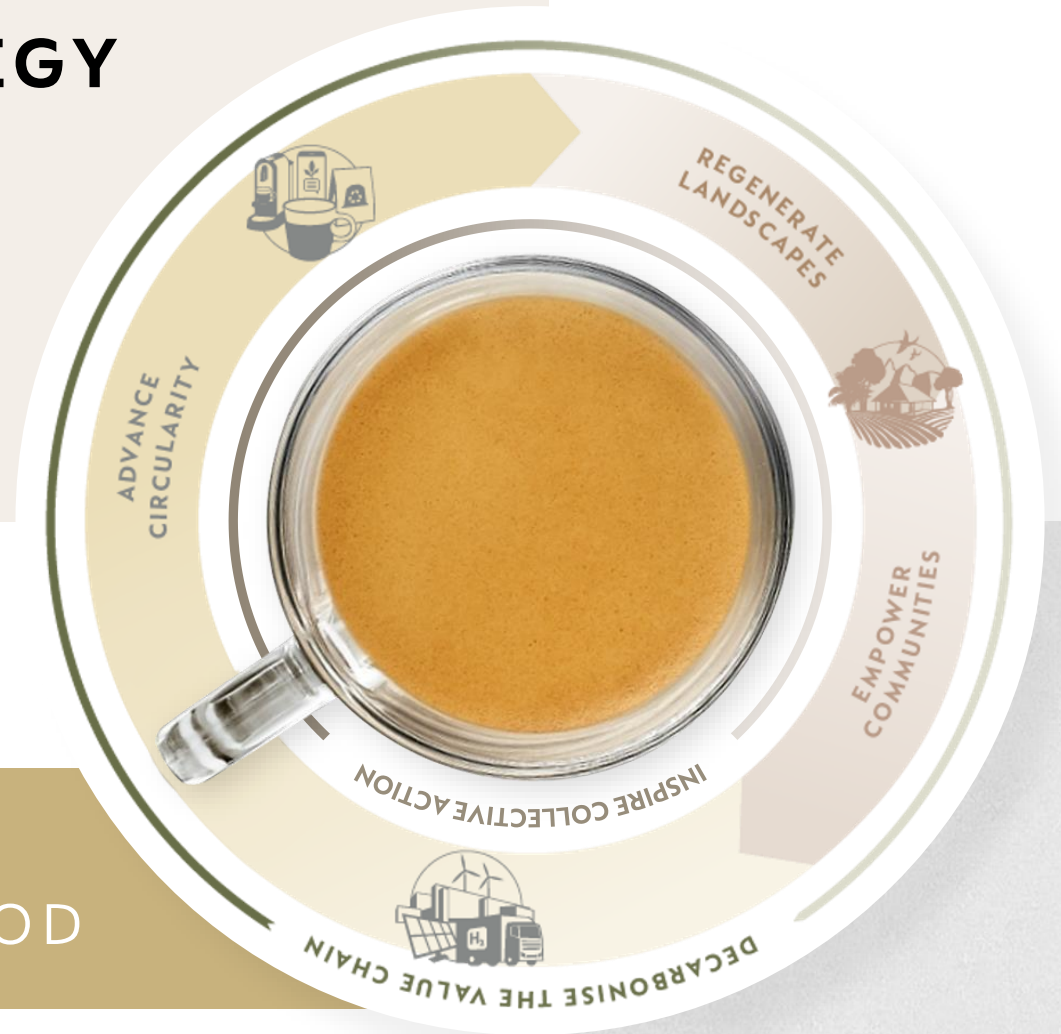
IT REFLECTS OUR CONVICTIONS THROUGH FIVE INTERCONNECTED PILLARS TO ADDRESS TODAY SYSTEMIC CHALLENGES



**The Positive Cup towards 2030** opens a new chapter in sustainability at Nespresso and sets out our vision to 2030 and beyond:



**DO MORE & MAKE EACH CUP  
OF COFFEE A FORCE FOR GOOD**

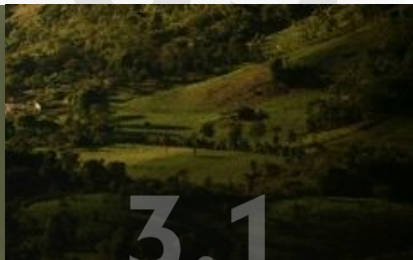


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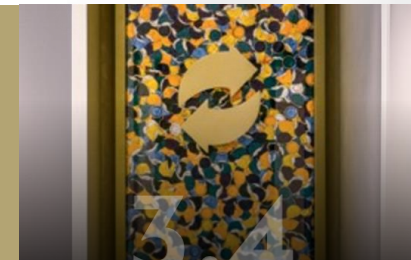
**DECARBONIZE  
THE VALUE CHAIN**



**REGENERATIVE  
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**INSPIRE  
COLLECTIVE  
ACTION**



# THE POSITIVE CUP FOCUSES ON FIVE STRATEGIC PRIORITIES



3.1

**DECARBONIZE  
THE VALUE CHAIN**



3.2

**REGENERATIVE  
COFFEE**



3.3

**EMPOWER  
COMMUNITIES**



3.4

**ADVANCE  
CIRCULARITY**



3.5

**B CORP**



# 3.1

## OUR CONVICTION

WE BELIEVE THAT  
A LOW-CARBON  
ECONOMY IS  
THE ONLY FUTURE

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DECARBONIZE  
THE VALUE CHAIN



# OUR AMBITION



WE WILL REDUCE AND REMOVE EMISSIONS THROUGHOUT OUR VALUE CHAIN EVEN AS WE CONTINUE TO GROW



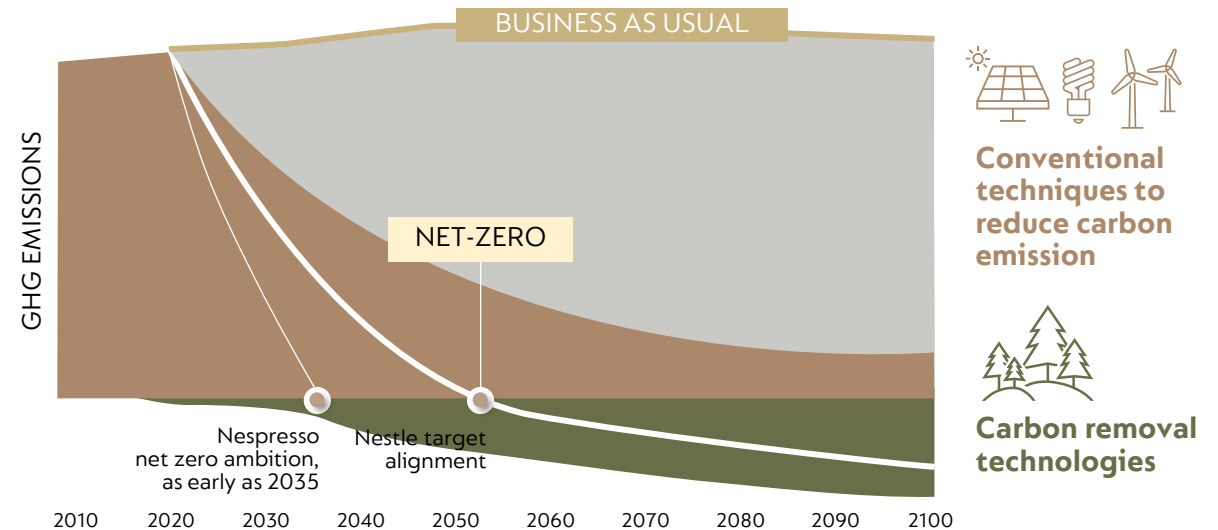
SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

## GOAL

Accelerate to reach net zero\* by 2050, with the ambition to achieve it as early as 2035

### NESPRESSO NET ZERO ROADMAP ▾



### MILESTONES for 2030

- we plan to reduce our emissions by 50% vs the 2018 baseline (SBTi)
- we aim to achieve net zero in green coffee farming





# HOW?

By **accelerating the transition** towards **regenerative agriculture** and a **circular business model**, generating positive impact

## p1 REGENERATIVE AGRICULTURE

Combining **carbon sequestration** and **biodiversity restoration**



RAINFORST ALLIANCE

## p2 INNOVATION & RENOVATION

**Product innovation**  
**Eco-design**  
**Refurbishment**  
(LCA based)



## p3 ENERGY & LOGISTICS

**LEED® standard based**, in our operations



# ACHIEVEMENTS IN REDUCING EMISSIONS

Our climate journey began in 2009 and we are taking **decisive action on the causes and consequences of climate change** both within and outside our direct control

## p1 REGENERATIVE AGRICULTURE

**5.3m**

**Trees planted for carbon  
removals (2014-2022)**

## p2 INNOVATION & RENOVATION

**-24%** **Carbon footprint reduction** of each  
Nespresso cup in 2020 vs. 2009

**60%** Of machine models **using  
recycled plastics**

**81K** **tonnes CO<sub>2</sub> eq emissions  
reduced** in 2022

## p3 ENERGY & LOGISTICS

**100%**

**Renewable energy**  
procured for our three  
production centers

2021 KPIS (NOT ESG CLAIMS)

LIGHTHOUSE PROJECT (SOME EXAMPLES)

### 1.1 Agroforestry with Pur

**1.2 Net zero Governance**  
Net zero governance  
structure with a clear  
pathway towards net  
zero goal



### 2.1 Recycling

**2.2 RE-LOVE**  
for B2C systems



**3.1 LEED® Gold**  
certification  
for Romont

**3.2 Positive boutique**  
Embedding 69  
sustainability criteria





# AGROFORESTRY

## CLOSER LOOK ON CLIMATE ACTIONS

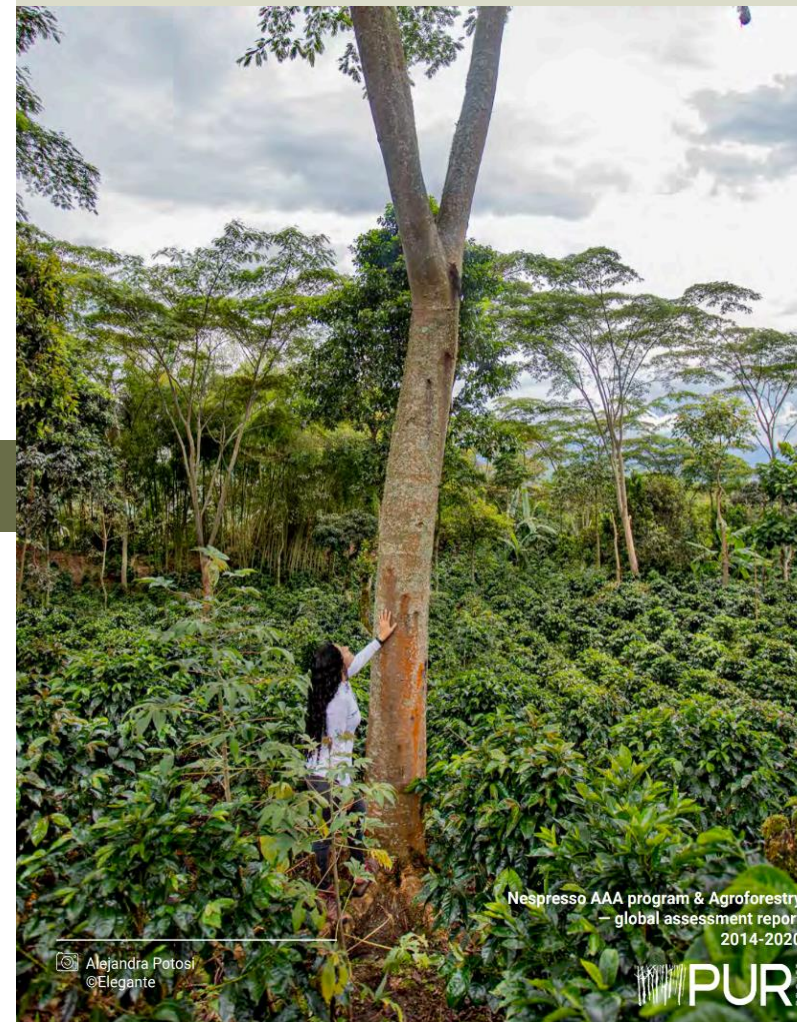
**Agroforestry** is our key solution for medium to long-term carbon removal plan as part of our net zero goal and our actions to care about nature.



**4.2m trees planted (2014-2020)**  
**sequestered 948'300 tones CO<sub>2</sub>**  
**over their lifetimes\***

Agroforestry projects are capable  
of capturing CO<sub>2</sub> **5 years after**  
the tree has been planted

\*PUR estimation



Alejandra Potosi  
©Elegante

Nespresso AAA program & Agroforestry  
– global assessment report  
2014-2020

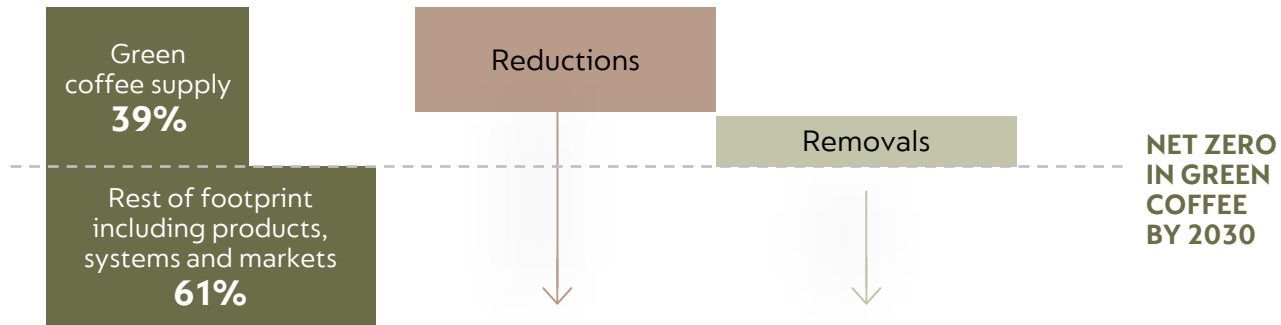
PUR



# NESPRESSO PATHWAY TO NET ZERO IN GREEN COFFEE BY 2030

Together with the Rainforest Alliance, we will promote **regenerative farming methods** that help protect soil health and biodiversity and ensure some carbon removals (sequestration)

## REDUCTIONS AND REMOVALS TO REACH NET ZERO IN GREEN COFFEE BY 2030



Nespresso business-as-usual GHG emissions (breakdown for full company)

### THANKS TO REGENERATIVE

Reduce the use of agrochemicals such as fertilizers



### THANKS TO TREE PLANTING IN OUR VALUE CHAIN

Scaling Agroforestry in and around AAA farms (in-setting projects)



**Innovating** with long-term **carbon capture through regenerative agronomical** solutions & practices

\*examples: cover cropping, no-till farming, Biochar application, silvopasture,...



*“Most coffee company emissions are in agriculture, and the data from Nespresso shows that the AAA program, co-developed by Nespresso and the Rainforest Alliance, reduces those emissions significantly.”*

### DANIEL R. KATZ

Founder, Board Chair, and Former President, the Rainforest Alliance



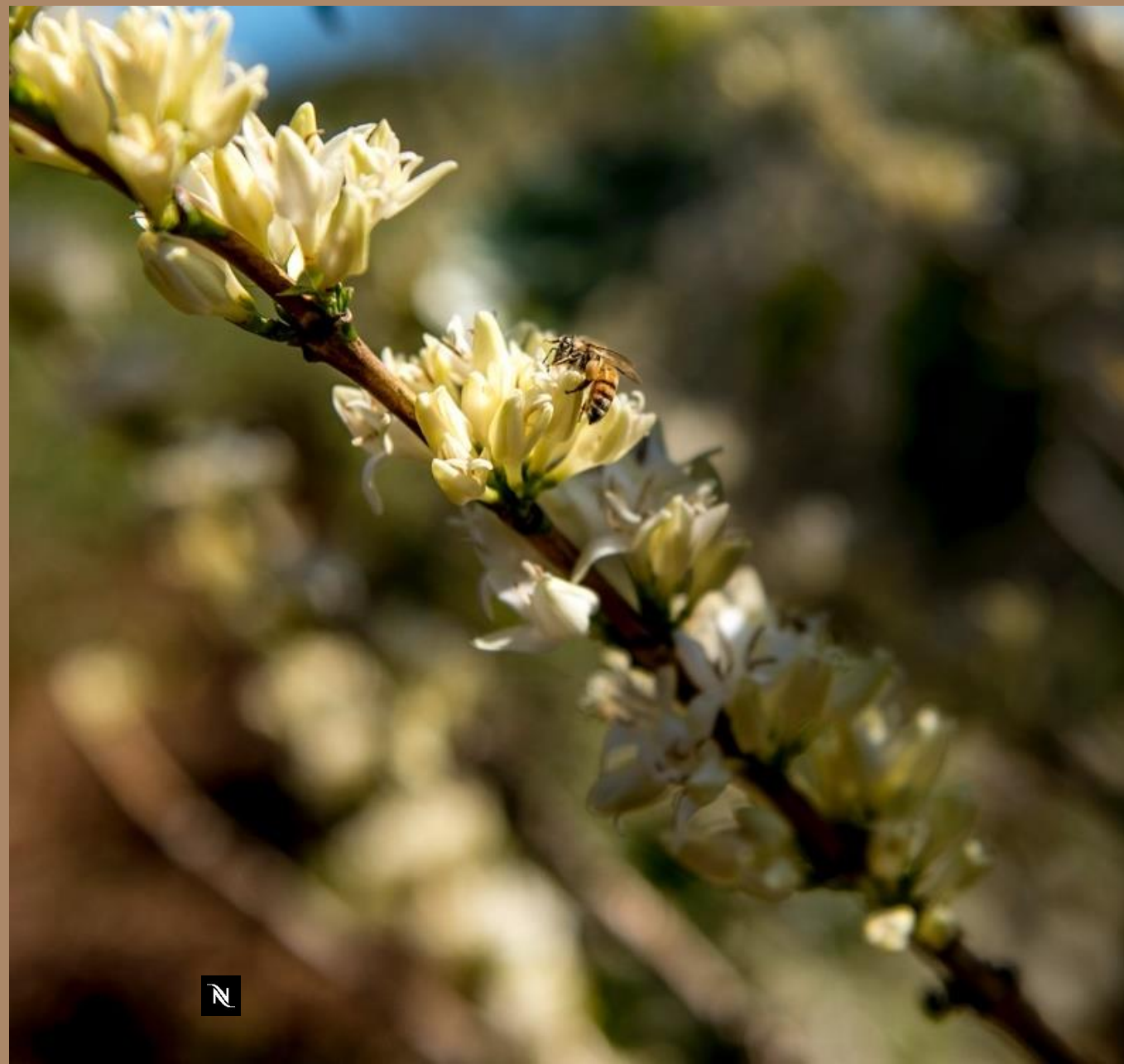
# 3.2

## OUR CONVICTION

WE BELIEVE THAT  
NATURE IS OUR  
GREATEST ALLY  
IN SECURING THE  
FUTURE OF COFFEE

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REGENERATIVE  
LANDSCAPE



# OUR AMBITION



WE WILL SCALE  
UP REGENERATIVE  
AGRICULTURAL PRACTICES  
TO RESTORE LANDSCAPES  
AND ENHANCE  
FARMERS' LIVELIHOODS



## GOAL

Source 95% regenerative coffee by 2030, in partnership with the **Rainforest Alliance**

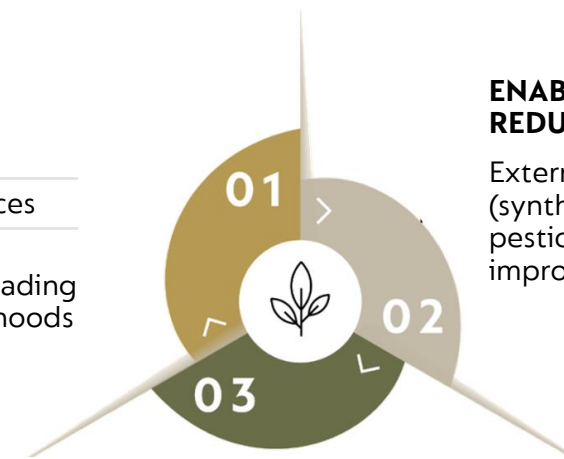
### TAKING A REGENERATIVE APPROACH ▾

#### INCREASING OF ENHANCING

Biodiversity  
Ecosystem services  
Agroecosystem  
resilience thus leading  
to resilient livelihoods

#### ENABLING REDUCTION OF

External inputs  
(synthetic fertilizers and  
pesticides) due to soil  
improvement



#### AND INCREASING

Farmer's net income by reducing costs

### MILESTONES for 2025

- 80% of our green coffee volume will be rated bronze on the Rainforest Alliance Regenerative Coffee Scorecard
- Additional 12 million trees within Nespresso AAA Sustainable Quality™ Program landscapes
- 10 biodiversity priority areas, representing over 60% of the area managed under the AAA Program, will have an action plan

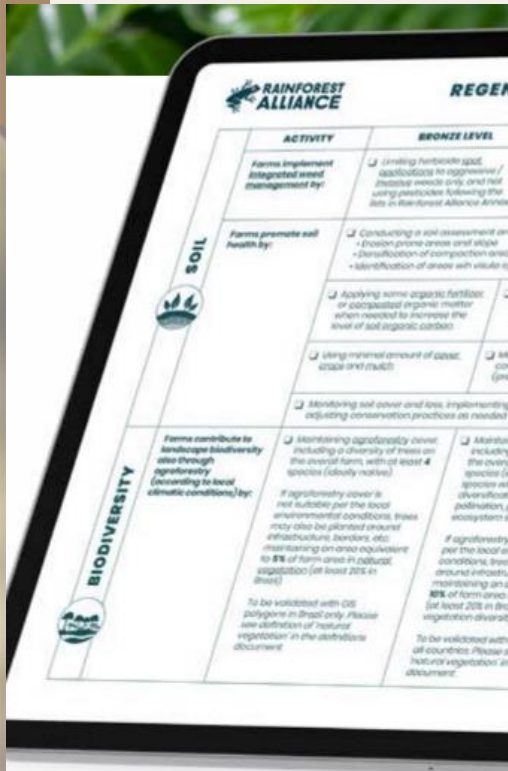




# HOW?

Our approach to **protect nature** and **restore biodiversity** is to expand the scope of our AAA Sustainable Quality™ program by adopting **regenerative practices**

## p1 NATURE BASED & RENOVATION ACTIONS



**Nature-based farming methods** to strengthen climate resilience and enhance livelihoods, while improving quality & productivity



## p2 AGROFORESTRY

**Intensification of agroforestry together with communities** in and around coffee farms



## p3 LANDSCAPE ACTIONS & BIODIVERSITY

**Integrated landscape actions** to protect the habitats of endangered species and to restore biodiversity



# ACHIEVEMENTS IN REGENERATIVE APPROACH

For 20 years, the Nespresso AAA Sustainable Quality™ Program has built strong relationships with coffee farmers across the world to **protect the nature and life in landscapes where coffee is grown** and to **strengthen communities' resilience**

## p1 NATURE BASED & RENOVATION ACTIONS

76%

Of our green coffee volume **is rated bronze in 2022**

42%

Of green coffee volume **certified by the Rainforest Alliance in 2021**

93%

Green coffee sourced through the **AAA Program**

## p2 AGROFORESTRY

9

**Countries** with agroforestry of **reforestation programmes**

7.4m

**Trees planted in AAA Program** landscape (2014-2022)

## p3 LANDSCAPE ACTIONS & BIODIVERSITY

346,000+

**Ha managed under the AAA Program** (eq. 500,000 + soccer fields)

2

**Biodiversity priority areas with action plans** in place (Cerrado –Brazil and South Kivu –DRC)

2021 KPIS (NOT ESG CLAIMS)

LIGHTHOUSE PROJECT (SOME EXAMPLES)

### 1.1 Organic coffees

### 1.2 Rainforest Alliance score card implementation



### 2.1 Agroforestry with PUR

### 2.2 A green corridor between two AAA regions in Colombia



### 3.1 Bird Monitoring in Costa Rica

### 3.2 Water Steward-ship in Brazil

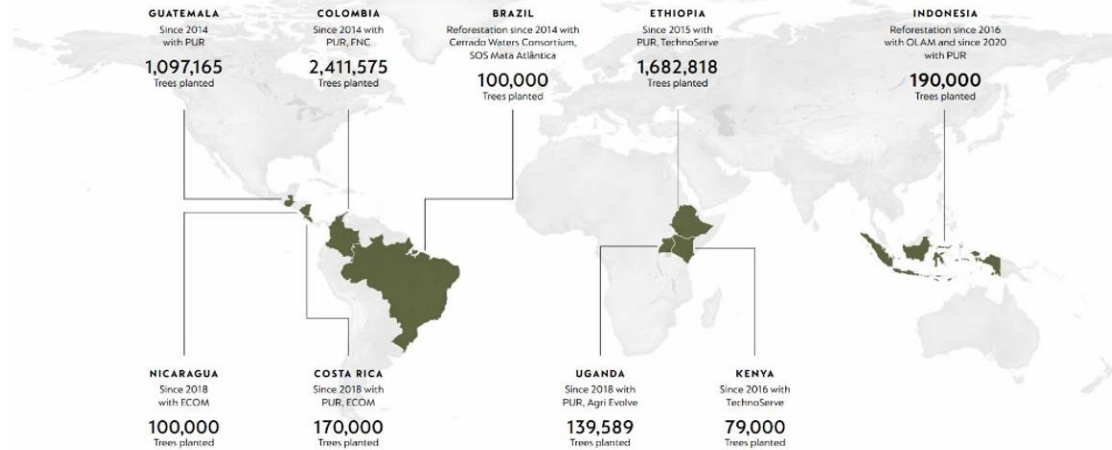




# AGROFORESTRY CLOSER LOOK ON REGENERATIVE AGRICULTURE

With the Rainforest Alliance, we have embarked on a **profound agricultural transition aiming to protect and restore nature** while fostering sustainable economic activity for farmers

## AGROFORESTRY IN ACTION (2014-2021)



Since 2014, we encourage together with our partner PUR the planting of native trees

*"Restoring the balance between trees and crops benefits everyone's well-being, as well as business, ecosystems and future generations."*  
**TRISTAN LECOMTE**, Founder, PUR

**CLIMATE**  
Capturing atmospheric carbon (CO<sub>2</sub>) during its growth through photosynthesis and storing it in biomass and carbon pools: stem, branches, tree roots, grass, herbs, soil organic materials, litter and lying dead-wood.

**BIODIVERSITY**  
Attracting insects, birds and bats with their flowers and providing shelter, trees can increase pollination leading to higher coffee yields

**LIVELIHOOD**  
Trees can provide timber, fruits and medical resources for auto-consumption and diversification of income

**WATER**  
By intercepting rain and reducing runoff, trees can increase water availability for soil and crops

**SOIL**  
Thanks to their leaves, roots and bark, trees can return nutrients to the soil

1 NO POVERTY  
2 ZERO HUNGER  
3 GOOD HEALTH AND WELL-BEING  
6 CLEAN WATER AND SANITATION  
8 DECENT WORK AND ECONOMIC GROWTH  
12 RESPONSIBLE CONSUMPTION AND PRODUCTION  
13 CLIMATE ACTION

# RAINFOREST ALLIANCE REGENERATIVE COFFEE SCORECARD

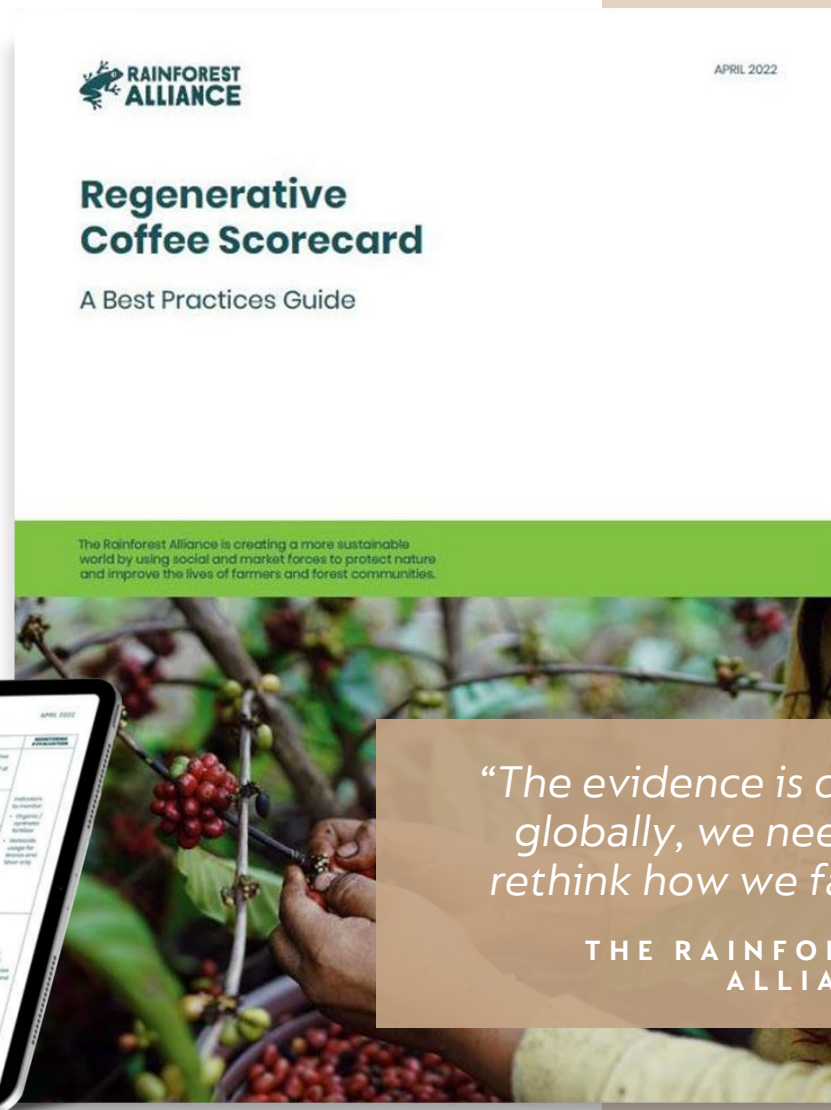
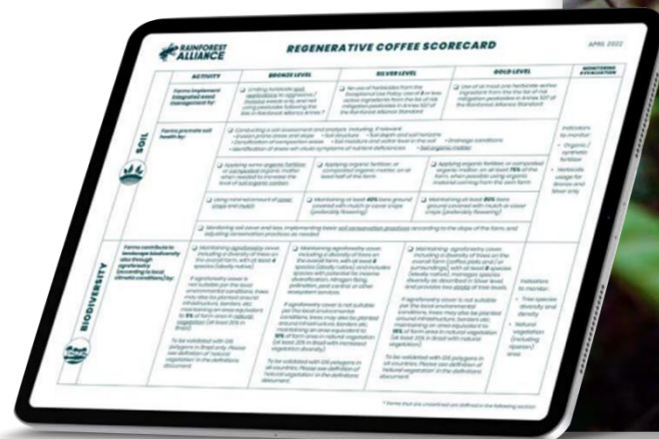
**Regenerative agriculture**  
goes beyond harm-reduction  
to actively restore the land  
on which we grow food



Part of the challenge that farmers and companies face is that **there is no standard definition of regenerative agriculture**

Together, the Rainforest Alliance and Nespresso combined field-based research and consultation to co-design the **coffee regenerative scorecard**

- **This scorecard guides farmers** and coffee suppliers as they progress their transition towards regenerative coffee farming
- It is an important pillar of **the Rainforest Alliance's larger regenerative agriculture program**
- The full program offerings also include monitoring and evaluation, field training, and communications guidance



*“The evidence is clear:  
globally, we need to  
rethink how we farm”*

THE RAINFOREST  
ALLIANCE

Source: [The Rainforest Alliance website](#) - link

The Positive Cup | REGENERATIVE LANDSCAPE





# NESPRESSO PROJECT

## "OUR COFFEE, OUR BIRDS"

### BIRDS AS INDICATORS OF BIODIVERSITY

Halting and preserving biodiversity loss with the biodiversity progress index (bpi) to quantify the completeness of bird species.

Two years project by Cornell Lab of Ornithology, together with the Institute for Computational Sustainability and the INCAE Business School.

#### IN COLOMBIA

Birds' protection also generates positive economical impact for farm communities, beyond **biodiversity restoration**

#### IN COSTA RICA

AAA farms are playing an important role in **protecting biodiversity**

#### 2019 SPECIES OF BIRDS

were detected in Costa Rica in 2019-2020, including 6 species on the IUCN red list and 48 species of the "Partners in Flight" organization watch list

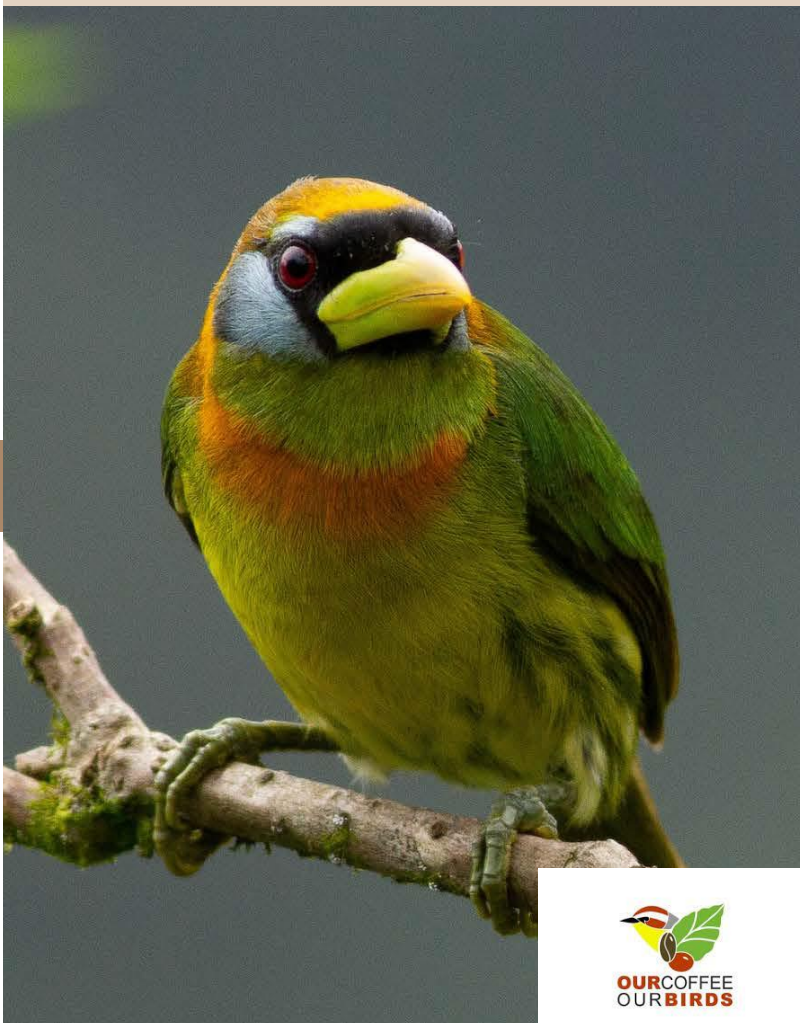


"Scientific evidence shows how the sustainability efforts of AAA farmers pay off, delivering biodiversity conservation and restoration."

**VIVIANA RUIZ**, Cornell Lab of Ornithology



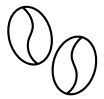
Cornell University



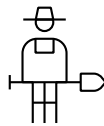
# AAA SUSTAINABLE QUALITY™ PROGRAM



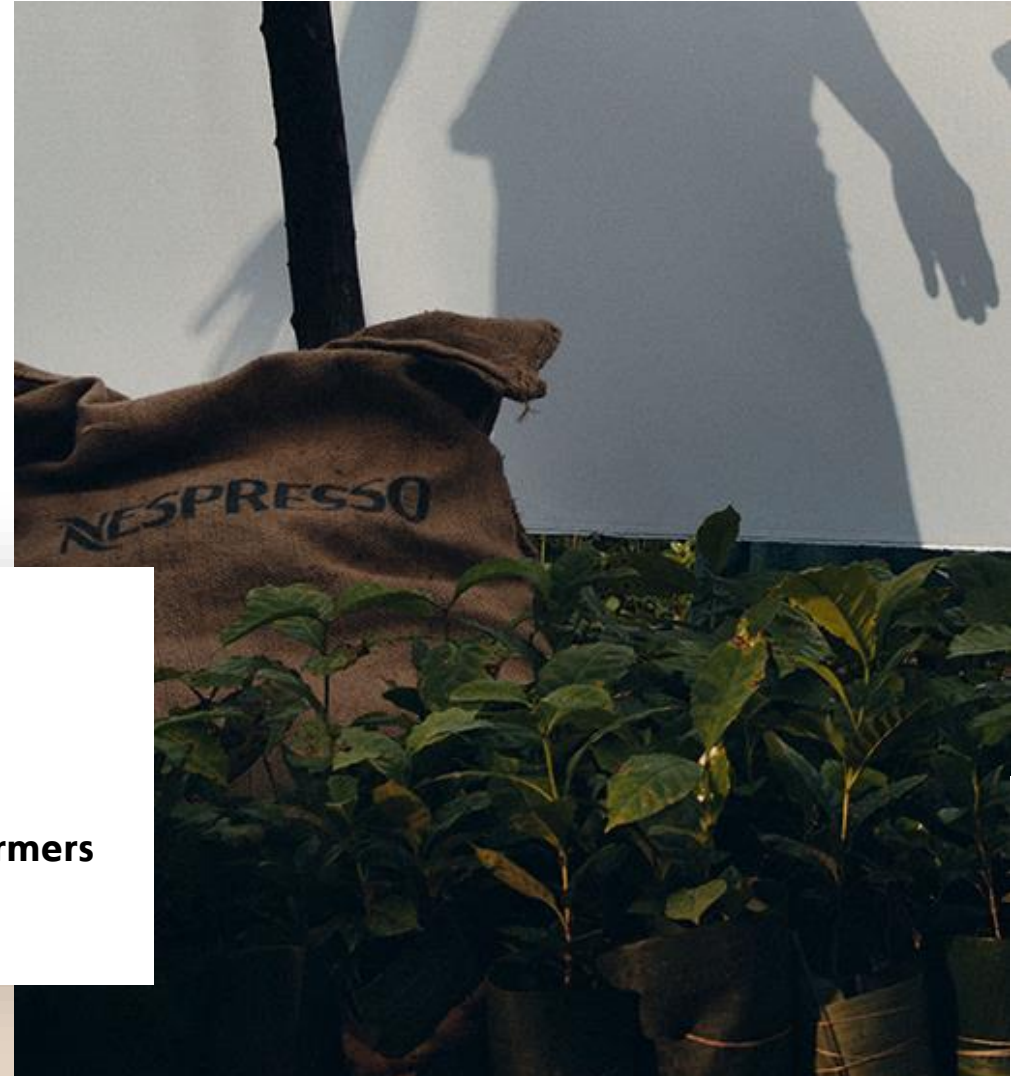
AAA is Nespresso **sourcing program** to **operationalize regenerative and inclusive agriculture** with:



Ensuring **sustainable high-quality coffee**



Building **resilience for farmers** and their **communities**





# NESPRESSO AAA SUSTAINABLE QUALITY™ PROGRAM

**A tailored-made program**, co-developed with the Rainforest Alliance in 2003



**A - Quality**  
**A - Productivity**  
**A - Sustainability**

A **holistic approach combining** coffee expertise for high quality and specific subtropical know-how in sustainable coffee farming while improving farmers livelihood

## ↓ CLOSER LOOK INTO SUSTAINABILITY



### Nature-based and renovation actions

Protect, revive and develop high quality coffee origins

- New coffee varieties resistant to climate change & renovation, new terroirs discovery



### Agroforestry Landscape conservation & biodiversity

Lead the transition to nature-based coffee farming

- Accelerating adaptation to climate change through regenerative agricultural practices



### Human rights Living income Social services

Ensure an inclusive value chain that improves livelihoods for coffee farmers and their communities

- Maximize and protect farmer income towards living income

# AAA IS BASED ON 20 YEARS LONG TERM RELATIONSHIP WITH FARMERS



It acts at **farm level with certifications** and **beyond through innovations**

## FARMERS



Premiums  
**Technical assistance**

## COMMUNITIES



**Income protection**  
Access to social services

## LANDSCAPE



**Landscape conservation**  
actions & biodiversity

MORE THAN **40 PARTNERS** ARE INVOLVED - INCLUDING COOPERATIVES, NGOS AND ACADEMIC INSTITUTIONS. AS WELL AS **645 AGRONOMISTS WORKING HAND IN HAND WITH FARMERS AND THEIR COMMUNITIES**

## HERE SOME EXAMPLES OF OUR STRATEGIC PARTNERS





# 3.3

## OUR CONVICTION

WE BELIEVE THAT  
EVERY FARM AND  
FARMER IS UNIQUE  
AND NO ONE SHOULD  
BE LEFT BEHIND

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EMPOWER  
COMMUNITIES





# OUR AMBITION



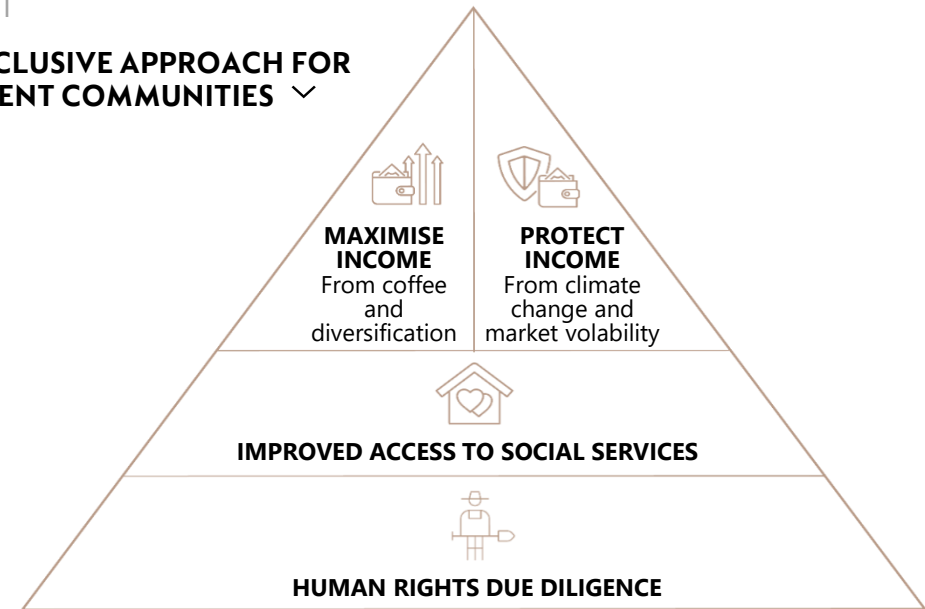
WE WILL EXPAND PROVEN SOLUTIONS THAT BUILD RESILIENT COMMUNITIES AND TRANSFORM LIVELIHOODS



## GOAL

All AAA small holder farmers receive the Living Income Reference Price\* by 2030, in collaboration with Fairtrade

### AN INCLUSIVE APPROACH FOR RESILIENT COMMUNITIES ✓



## MILESTONES

- By 2025, we aim to scale the Living Income Reference Price with Fairtrade International implemented in all AAA farms in Colombia, Peru, Indonesia, Mexico and Guatemala
- By 2030, we aim to achieve Fair Labor Association accreditation across AAA origins



\*LIRP refers to a price intended to provide farmers with an income that covers the basic needs of their household - such as food, shelter, healthcare, and education. It aims to address poverty and to ensure a decent standard of living.



# HOW?

Our actions are underpinned by an inclusive value chain – one that **respects human rights above all**

## p1 HUMAN RIGHTS DUE DILIGENCE



It means collaborating to **identify risks** and **take swift remedial action** whenever necessary



## p2 IMPROVED ACCESS TO SOCIAL SERVICES

We aim to put the infrastructures in place and provide access to **social services** such as **healthcare** or clean and **safe water**



## p3 LIVING INCOME & RISK PROTECTION

A holistic approach is necessary to **influence living income** and **mitigate climate risk**, especially for the most vulnerable smallholders





# ACHIEVEMENTS IN COMMUNITY EMPOWERMENT

20 years of long-term direct relationship with farmers, technical assistance and social initiatives enabled us to provide them with **tailored solutions**, and therefore contributed to making tangible difference for farming families and communities, and helped to improve social and economic resilience

## p1 HUMAN RIGHTS DUE DILIGENCE

88

Agronomists are experts in the **child protection program**

33%

of AAA Program agronomist are **women**

## p2 IMPROVED ACCESS TO SOCIAL SERVICES

8,500

**Families** have received **access to potable water** in Colombia, Guatemala, Nicaragua

## p3 LIVING INCOME & RISK PROTECTION

100%

Of AAA farmers known and named in our database

95%

Of global coffee purchase at or above Fairtrade Minimum Price

82.4%

Of global coffee purchased financially traceable

2021 KPIS (NOT ESG CLAIMS)

LIGHTHOUSE PROJECT (SOME EXAMPLES)

**1.1 Women Farmers empowerment** with KIT Royal Institute



**1.2 Tackle child labor risk**  
Provide children access to education

**2.1. Potable water** in Colombia with Fairtrade USA



**2.1. Establish 23 water access points** for 80'000 people across the Kivu region- Congo

**3.1. Retirement saving plan & crop insurance** in Colombia & Indonesia with Fairtrade



**3.2. Income diversity for farmers** by implementing beehives (200 000 hives to be implemented)

# PLANTING THE SEEDS OF PROSPERITY

## GENDER EQUALITY



### KEY ACHIEVEMENTS



Gender equality is more than just a human rights, it leads to sustainable development



### GENERAL CONTEXT

Research has shown that gender-sensitive supply chain models **enable women to have increased access to extension services, finances, social capital**, ... This in turn helps them to produce coffee more efficiently and achieve farm profits

Women with an income and decision-making role in the family are also more likely **to invest their income into the family's health, nutrition and education**. This reality translates into a lower likelihood of child labour as well as improved health, water and sanitation.

Since 2017, we have established a gender equality strategy and program, under the umbrella of the Nespresso AAA Sustainable Quality™ Program.

#### We focus on two key areas of gender inclusion in the AAA supply chain:

- Women's social and economic empowerment
- Changing social norms and behaviors.

#### THIS INCLUDES:

Women's Leadership, Financial Literacy and Household Nutrition, and Safe Spaces, a learning activity for both men and women that aims to change harmful gender norms



KIT Royal Tropical Institute



35.2%

Of AAA Program agronomist positions are held by women (2022)

CHF 611,000

Investment in field programs related to gender equality (2022)

"My training on savings and financial planning has helped me to plan my income for the coffee off-season. I want to continue applying best practices to my farm, increase my coffee production, and educate my daughter through college."

**AMARECH ABERA,**

Coffee farmer,  
Ethiopia



## IMPROVED ACCESS TO **SOCIAL SERVICES**



### KEY ACHIEVEMENTS



Cauca Nariño  
Potable Water  
Project With  
Fair Trade USA



### GENERAL CONTEXT

In some AAA sourcing origins, there is **limited or no access to services such as healthcare or clean and safe water**. Working with partners, we aim to put the infrastructure in place to increase the provision of these services to communities

These projects have contributed to **better health conditions by reducing risks from diseases** contracted through contaminated water, while also **benefitting the larger community, including children's homes, schools, health clinics and hospitals**

To date, we have already installed **43 operational aqueducts**

By the end of 2022, clean water was made available to over **11,000** households in Cauca and **15,000** in Nariño, plus all schools, community centers and health centers in the area

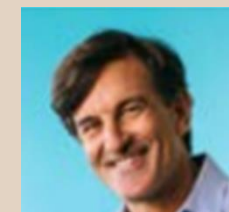
In 2023, we aim to provide clean drinking water to more than **44,000** individuals in these two regions improving and making operational aqueducts, ensuring they are effectively working well up to each coffee farms



*"The premiums Nespresso pays through Fair Trade USA have enabled us to work with local communities and provide access to safe water for 26,000 households."*

**PAUL RICE**

Founder and CEO  
of Fair Trade USA





# CARE AND EDUCATION DURING COFFEE HARVEST COFFEE KINDERGARTEN AND COFFEE CAMP IN GUATEMALA



## GENERAL CONTEXT

During coffee harvest season, **families migrate to work to big coffee farms** in Huehuetenango AAA cluster in Guatemala

**During approximately three months** these families **live in homes provides by the owner** of these coffee farms to pick coffee

Often **children come with their parents to coffee plantations**



## OBJECTIVE

That's why we aim to **provide a safe place for children** while their parents are picking coffee, taking care of them and developing them with new skills and knowledge



## KEY ACHIEVEMENTS

FUNCAFE developed, with our support, a complete educational framework that **covers all the stages** and **provides opportunities for learning and skills development** through both types of kindergarten:

- Coffee kindergarten - for children from **4 to 6** years old
- Coffee camp - for children from **7 to 13** years old

FUNCAFE managed the learning classes and it was accredited by **Guatemala Ministry of Education**

Between 2018-2020, **280 children** benefited from the camp or the kindergarten.

We established :

- **18 kindergarten** - harvest 2020/2021
- **27 kindergarten** - harvest 2021/2022 (up to Feb)



Medical days  
for children and  
their mothers



Lunch time  
for children



Dental Check



Children washing  
the dishes after lunch



Teacher's Lessons



Recreational  
activities for children

# BEES FOR COFFEE PROJECT WITH UBEES

A STRONG SOLUTION TO IMPROVE INCOME  
DIVERSIFICATION, COFFEE QUALITY & PRODUCTIVITY  
AS WELL AS TO MONITOR BIODIVERSITY



ETHIOPIA

Nespresso has contributed **to create beekeeping market opportunities and implement a local supply chain for bee products to diversify farmer income sources**

## First achievements (2021-2022)

60 farms

3040 kg pure honey sold locally

Trainings and supply chain development



COLOMBIA

Nespresso, in collaboration with AAA farmers, Ubees and Cafexport, has created **Bees for Coffee** project **demonstrating synergies between coffee production, beekeeping and technology in AAA farms** as well as providing honey, bees help improve coffee farm productivity

## First achievements (2021)

12 workshops, 8 farmers, 28 hives rented

**30-40%** approximate additional income for farmers

10-15% average coffee yield increase with introduction of bee colonies



**Ubees'** state-of-the-art technology enables remote, real-time monitoring of the health of beehives and the pollination status of the field.

➤ [READ MORE](#)



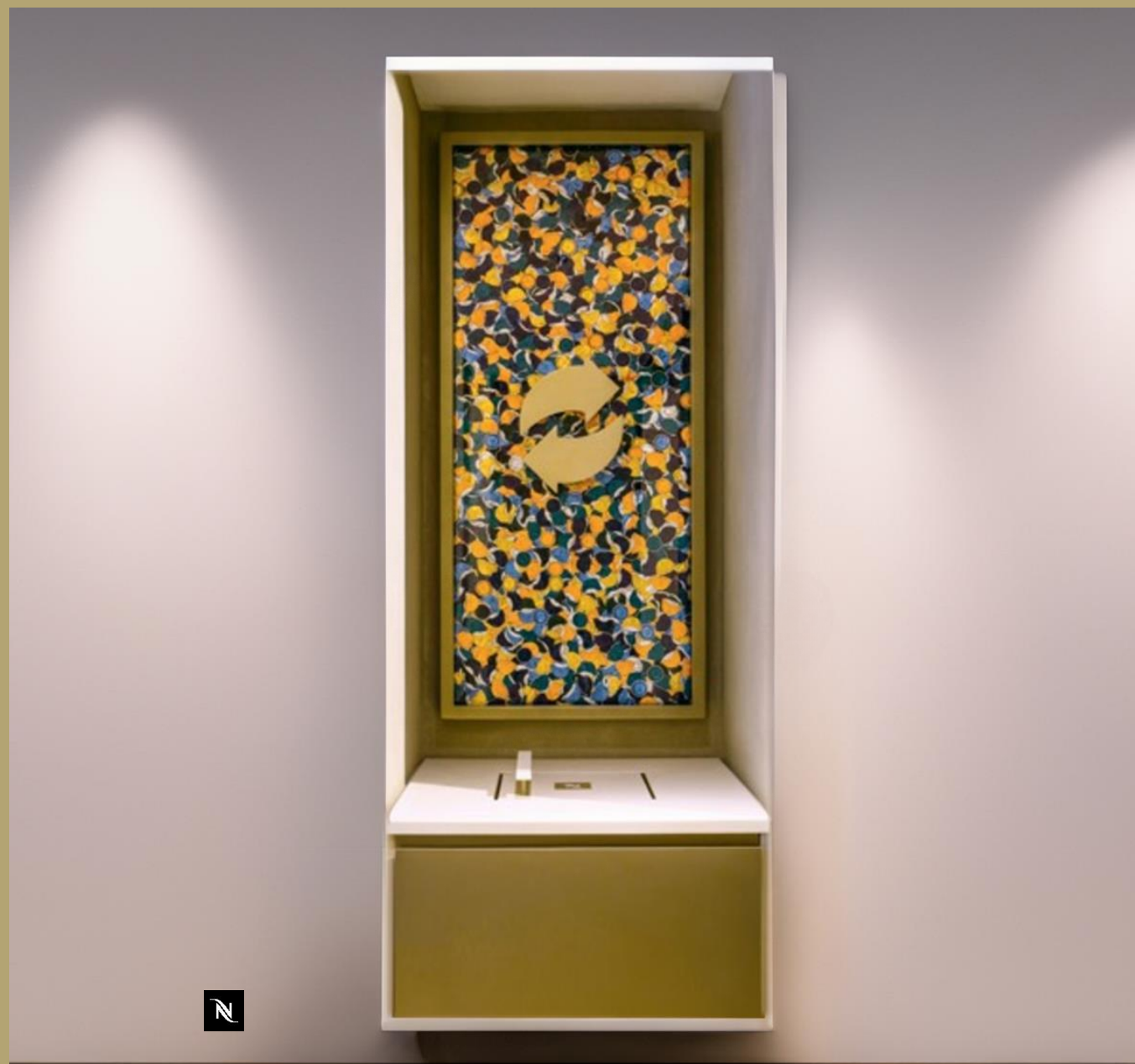
# 3.4

## OUR CONVICTION

WE BELIEVE THAT  
NO RESOURCE  
SHOULD BE  
THROWN AWAY

---

ADVANCE  
CIRCULARITY



# OUR AMBITION

WE WILL DO  
EVERYTHING  
WE CAN  
TO WASTE NOTHING



## GOAL

Circulytics™ rating A by 2030,  
as measured by Circulytics

### PRECISION & CIRCULARITY IN OUR VALUE CHAIN ▾

	AGRICULTURE	SOURCING	MANUFACTURING	CONSUMPTION
PRECISION				
CIRCULARITY				

- ▶ When we choose our resources, **quality comes first** - e.g., Aluminum capsule
- ▶ Precision consumption & circularity help us in **reducing waste and maximizing value in all our value chain.**

### MILESTONES for 2025

- Our aim is that at least 10% of our machine sales will be refurbished machines
- We aim to achieve a global capsule recycling rate of 50%
- We aim to reach Circulytics™ rating A





# HOW?

**Our actions follow circularity principles**, using only the resources we need, and reuse and recycle them whenever possible

## p1 INNOVATION AT EVERY STEP



### Product design

#### **Using our portioned system designed for precision consumption**

- optimizing the resources needed to brew one cup – shows better environmental performance

#### **Offering choice with a new paper-based compostable capsule**

#### **Integrating recycling, circularity and sustainability principles**

## p2 INFRASTRUCTURE AT SCALE

### Recycling at scale

Collaboration with municipal recycling solutions in markets to scale up at national level



## p3 INSPIRATION FOR CONSUMERS

### Second life:

Inspire consumers to circularity



# CLOSER LOOK ON PORTIONED SYSTEM

MINIMIZING THE IMPACT OF A CUP OF COFFEE  
THANKS TO ITS PRECISION CONSUMPTION



ADVANCE  
CIRCULARITY



WHY?



## PORTIONED SYSTEM

Minimal change of extraction  
variables by consumer



Precise and consistent amount  
of ground coffee per cup



Precise amount of  
water and energy



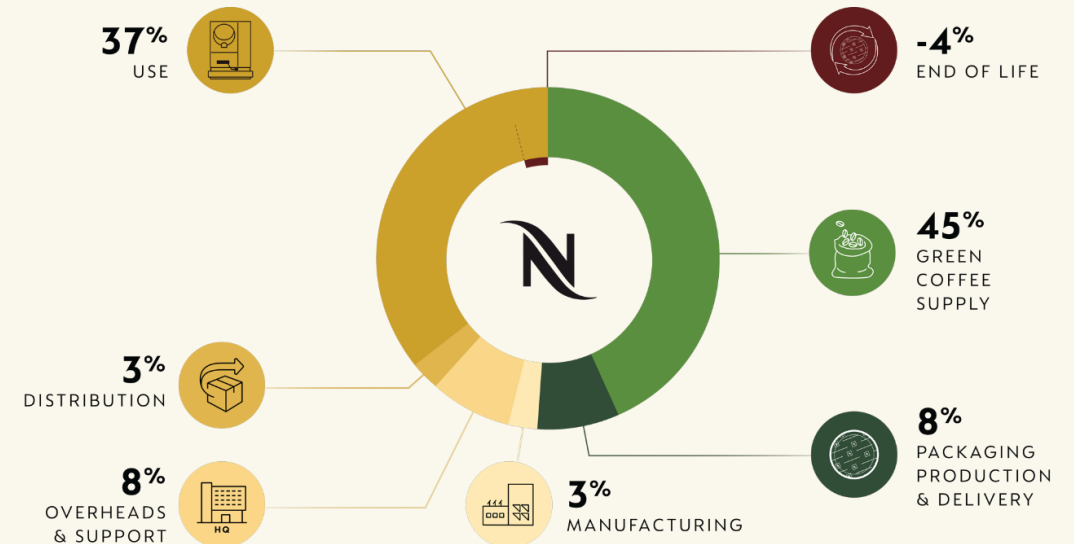
## MINIMIZE FOOTPRINT PER CUP

AAA and regenerative agriculture emit less CO<sub>2</sub>  
than average green coffee cultivation



Using a system that is **designed  
for precision consumption**,  
optimizing the resources needed  
to brew one cup, is key to making  
a sustainable cup of coffee

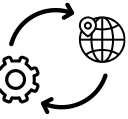
**NESPRESSO PROFESSIONAL**  
gCO<sub>2</sub>-eq PER CUP, 40ML, SWITZERLAND<sup>(1)</sup>



<sup>(1)</sup> Source: 2020 Swiss B2B LCA conducted by Quantis and based on a 40ml cup of espresso using the Nespresso Professional system in Switzerland.

# ACHIEVEMENTS IN ADVANCED CIRCULARITY

Our journey towards circularity is driven by **product innovation** and **convenient recycling solutions**. We also aim at inspiring our consumers through initiatives demonstrating the power of circularity



## p1 INNOVATION AT EVERY STEP

**100%**

B2C machines with an Ecoscore **energy rating A or higher**

**10**

Countries selling **RELOVE** refurbished B2C machines

## p2 INFRASTRUCTURE AT SCALE

**94%**

Estimated Capsule **collection capacity**

**32%**

Estimated **recycling rate** (64% in Switzerland)

**71m CHF**

**Investment** in collection capacity & recycling systems in 2021

## p3 INSPIRATION FOR CONSUMERS

**80%**

**Recycled** aluminium content in all Nespresso Original capsules (2021)

**85%**

**Recycled** aluminium content in all Nespresso Vertuo capsules in 2021 (excluding Vertuo Carafe Pour-Over Style capsules)

2021 KPIS (NOT ESG CLAIMS)

LIGHTHOUSE PROJECT (SOME EXAMPLES)

**1.1.** Nespresso **paper-based compostable** OL capsules

**1.2 RELOVE**  
A Second Life  
for B2C machines



**2.1. 30 Years of recycling**  
in Switzerland

**2.2 Podback scheme**  
in the UK

**2.3 The recovery of small aluminium**  
in NYC, USA



**3.1 Write Way for Circularity**  
with Caran d'Ache

**3.2 Grounds for Sustainable Fashion** with Zèta

**3.3. Chicco a Chicco** in Italy

**3.4 The Power of Coffee Grounds** in Switzerland





# THE PODBACK SCHEME IN THE UK

“TOGETHER WE  
ACHIEVE MORE”



## GENERAL CONTEXT

Starting in 1991, we have taken an active stance in **working with partners to develop municipal recycling solutions**. Today, 88% of consumers now have access to a convenient recycling solution

But we know that there is still work to do to increase effectively the capsule recycling rate. That’s why we have already opened our infrastructure to other coffee manufacturers as well and we partnership with organization such as **Podback to facilitate even more the capsule collection 6 their recycling**



## OBJECTIVE

**Join effort to make capsule recycling more convenient for all.**

The Podback scheme was set up as a non-profit organization in the UK by Nespresso, NESCAFÉ Dolce Gusto, JDE, Tassimo and other capsule brands

Their goal was simple: to make coffee capsule recycling as easy as possible, so that anyone, anywhere in the UK, could recycle their aluminium or plastic pods through one simple service



## PROJECT DESCRIPTION

In April 2021, Cheltenham Borough Council introduced a **Podback kerbside recycling service**, where residents put their Podback bags out for collection with their other waste and recycling

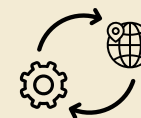


## KEY ACHIEVEMENTS

To date, the service has inspired coffee drinkers to recycle 2.2 million capsules.

It has also contributed to building a circular model of consumption:

- The coffee grounds are used to create biogas and compost
- The aluminium is made into carparts and drinks cans
- The plastic is turned into long-life products



**Podback**  
THE POD RECYCLING SERVICE

“BY UNITING THE INDUSTRY AROUND A COMMON GOAL OF MAKING RECYCLING SIMPLE FOR PEOPLE, WE CAN DELIVER ON PODBACK’S AMBITION OF A WORLD WHERE EVERY COFFEE POD ENJOYED IS EASILY RECYCLED.”



RICK HINDLEY,  
EXECUTIVE DIRECTOR,  
PODBACK



**NESPRESSO.**  
DOING IS EVERYTHING



PROUD TO BE PART OF  
**Podback**  
THE POD RECYCLING SERVICE

**RELOVE**



GET A **REFURBISHED**  
MACHINE LIKE NEW

To know more about Podback process: [link video](#)

# TITLE

## SUBTITLE



### OBJECTIVE

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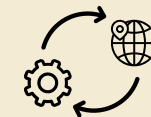
### PROJECT DESCRIPTION

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### KEY ACHIEVEMENTS

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# 3.5

## OUR CONVICTION

WE BELIEVE THAT  
COFFEE MUST BE  
A FORCE FOR GOOD

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INSPIRE  
COLLECTIVE  
ACTION



# Certified



# Corporation





Certified



OUR AMBITION<sup>®</sup>

Corporation

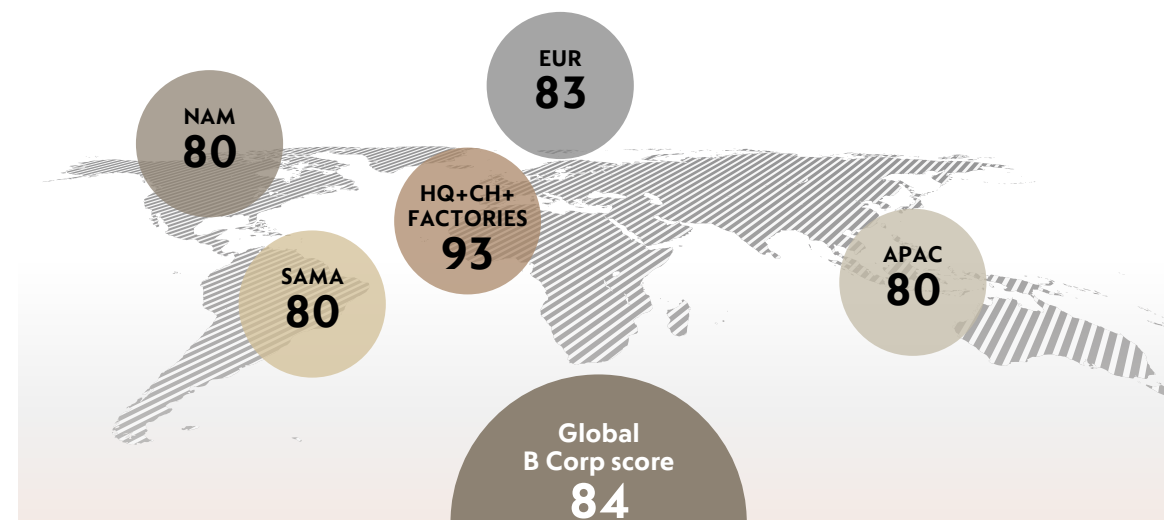


WE WILL HARNESS  
THE STRENGTH OF OUR  
BRAND, PEOPLE AND  
PARTNERSHIPS FOR  
POSITIVE IMPACT

## GOAL

Renew B Corp™ certification  
with a B Impact score  $\geq 90$   
as measured B Lab, by 2025

2019 Scoping + Pre-Screen → 2020 Preparation → 2021 Assessment → Verification → Certification → 2022 B Corp Certified



## MILESTONES

→ By 2025, we will have invested more than CHF 1 billion in Positive Cup initiatives \*

\*Projected cumulative investment in The Positive Cup, 2014–2025



# HOW?

We are working together across the sector and inspire our consumers and all coffee lovers to join us in **going faster and further to make a positive impact**

## B CORP™ IMPACT ASSESSMENT CRITERIA

### COMMUNITY

Civic engagement and giving  
Diversity, equity and inclusion  
Economic impact  
Supply chain management  
Supply chain poverty alleviation

### ENVIRONMENT

Air and climate  
Environmental management  
Land and Life  
Land/wildlife conservation  
Water



### GOVERNANCE

Ethics and transparency  
Mission and engagement  
Mission locked

### WORKERS

Career development  
– engagement and satisfaction  
Financial security  
Health, wellness and safety

### CUSTOMERS

Customer stewardship

## OUR LEVERS FOR COLLECTIVE ACTION

p01

**LEAD WITH PURPOSE**

p02

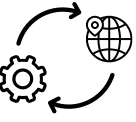
**RESPECT & EMPOWER OUR PEOPLE**

p03

**INSPIRE COFFEE LOVERS**

# ACHIEVEMENTS IN COLLECTIVE ACTION

Working together to inspire our consumers, customers and all coffee lovers to **join us in going faster and further to make a positive impact**



## p1 LEAD WITH PURPOSE

**Most Sustainable Company**  
in the Coffee Processing Industry 2021  
by The World Finance magazine

**21 NSAB members**  
(Nespresso Sustainability Advisory Board)

**CHF 880m** Investment in The Positive Cup (cumulative 2014-2022)

**98** Sustainability Champions around the world

## p2 RESPECT & EMPOWER OUR PEOPLE

2021 KPIS (NOT ESG CLAIMS)

**14,000**  
Employees worldwide  
(excluding agents' employees, 2021)

**120**  
Number of nationalities  
at Nespresso globally  
in 2021

**57%**  
Women  
employees

**33%**  
Workforce under  
30 years old



Nespresso globally has been certified in 2023 by Ecovadis with a GOLD rating

LIGHTHOUSE PROJECT (SOME EXAMPLES)

**1.1 Investment in Sustainability Innovation**  
supported by USAID,  
the World Bank Group



**1.2 Partnership for Central America (PCA)**  
For Guatemala, El Salvador  
& Honduras



**2.1 Partnership with Café Joyeux\***  
in France – restaurant  
to employ and train  
people with mental and  
cognitive disabilities



**2.2 The Art of Pride**  
with the Ali Forney  
Centre, in the USA

**3.1 'Don't forget to recycle' campaign**







# READ MORE ABOUT



## The Positive Cup report 2021

Nespresso\_Global\_ESG\_Sustainability\_Report\_ThePositiveCup\_2021\_Impact\_Framework\_towards\_2030.pdf (nestle-nespresso.com)



## The Positive Cup Progress Report 2022

Nespresso\_Global\_ESG\_Progress\_Report\_ThePositiveCup\_2022\_Progress\_report.pdf (nestle-nespresso.com)



## The Positive Cup Hub

A digital platform showcasing Nespresso's sustainability strategy and initiatives alongside valued insights from external experts

The Positive Cup Hub | Nespresso Sustainability | Nespresso





**THANK YOU**

MAKE EACH CUP OF COFFEE A FORCE FOR GOOD

FOR US THE CHOICE IS CLEAR  
JOIN US