



NESPRESSO CANADA



Who We Are

- Nespresso has been committed to pursuing sustainable solutions for more than 25 years.
- We launched our first recycling program in 1991 and have been investing in sustainability and recycling ever since, collaborating wherever possible with local partners and levels of government.
- Producer responsibility is at the core of Nespresso's business model.
- Our capsules are made of aluminum, an infinitely recyclable material considered one of the most valuable in the recycling ecosystem.



The Opportunity

We are requesting that the government actively support **public-private partnerships** between municipalities and companies like Nespresso, which could mitigate the quantity of single-use products in landfill and help improve waste diversion rates.

- Nespresso pays for the entire program. The province and municipalities would incur zero hard costs by participating in the Green Bag, meaning **taxpayers are off the hook for additional costs or fees.**
- The Green Bag program is an opportunity to **make recycling easier and more straightforward** for consumers, who want to do their part for the environment.
- The program would be an excellent candidate and case study for the government's commitment to cut red tape and clear the path for innovative pilot projects.



The Positive Cup – Ambitious 2020 Goals

COFFEE

100% sustainable coffee sources (from certified AAA farms)

- Over 93% of coffee sourced through the Nespresso AAA Sustainable Quality™ Program
- Over 100,000 AAA farmers in 13 countries
- Long-term partnerships with: Rainforest Alliance, FairTrade International, Technoserve, Pur Project, IUCN

ALUMINIUM

100% sustainably managed (sourced and recycled)

- Nespresso capsules made by Rio Tinto from the first-ever certified sustainable aluminum
- 95% of Canadian Nespresso club members have access to an easy recycling solution
- Aluminum from Nespresso capsules is given new life as various objects

CLIMATE

100% carbon-neutral footprint

- Operational carbon footprint fully inset
- Over 3.3 million trees planted since 2014 to build coffee farm and supply resilience
- Factories:
 - ✓ Zero waste to landfill achieved since 2014
 - ✓ 100% renewable electricity (as per RE100) since 2017
 - ✓ LEED certified in Romont, Switzerland

Nespresso's 3 Recycling Solutions

Accessible to 95% of Canadian consumers



The Black Bag

In-shop collection; return in-person to a Nespresso boutique or partner.



The Red Bag

Return via Canada Post mailbox or post office. Postage is pre-paid.



The Green Bag

Return capsules curbside by placing them in a sealed Green Bag, which is then placed directly in a blue bin.

Usage of Nespresso's Recycling Programs

% used it before



Directly in the recycling bin or bag at home via the green bag provided by Nespresso

87%



In mailboxes or Canada Post collection points (Uniprix, Pharmaprix, etc.) via the prepaid red bag provided by Nespresso

66%

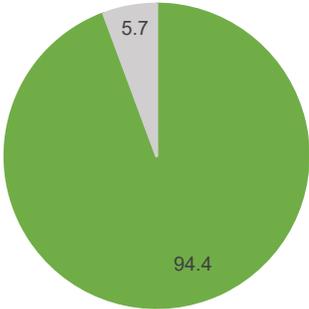


In all Nespresso boutiques or partner collection points (ex: The Bay) via the black bag provided by Nespresso

54%

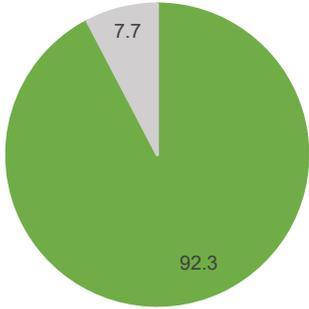
Pilot Project – Recovery Test Results

Recovery Rate
Sorting Center #1



■ % Recovered bags ■ % Unrecovered bags

Recovery Rate
Sorting Center #2



■ % Recovered bags ■ % Unrecovered bags

- Unrecovered bags
are found in:
- 1) The fibers (paper) 95%
 - 2) Containers 4%
 - 3) Landfill (unsorted bags) 1%

Green Bag in Action (continued)

The Green Bag program does not significantly increase contamination levels in municipal recycling facilities, with unrecovered Green Bags representing less than 0.02% of total treated material.

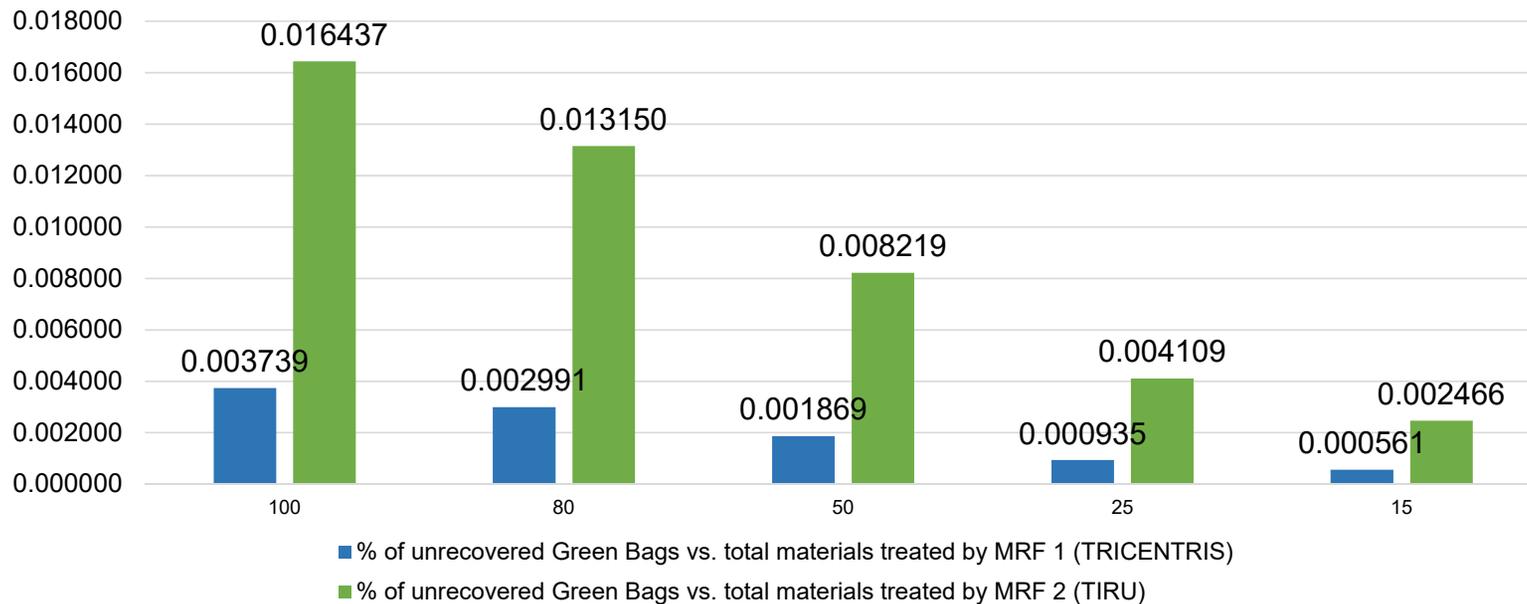


Chart illustrates the percentage of Green Bags that were not recovered compared to the total quantity of treated material, based on pilot data sourced from two Quebec-based MRFs.

Estimated volumes



3 500 Nespresso Club Members

Return Rate	Green Bags FY	Green Bags Monthly	Green Bags Daily	Green Bags Hourly	Tonnes/Year
100%	14379	1198	40	1.664	15.53
80%	11503	959	32	1.331	12.42
50%	7189	599	20	0.832	7.76
25%	3595	300	10	0.416	3.88
10%	1438	120	4	0.166	1.55

Success proof points

- Since its launch in April 2016, the Green Bag avoided **521 tons** of used capsules being sent to landfills, at no costs to Quebec & British-Columbia taxpayers.
- From 2017 to 2018, we noticed a **57% increase rate** of number of capsules returned with the Green Bag solution.
- **100% retention rate** of the solution with sorting centers, since launching.

Testimony

- « At the beginning, we weren't thrilled to received coffee capsules in our facilities, since their size is problematic to be sorted in a sorting center.
- However, everything changed when we learned that it was more likely that consumers would accumulate their Nespresso capsules and send them to the sorting center in a sealed bag specifically designed for this purpose.
- Collaborating with Nespresso for the design of the green bag we all know today has allowed us to ensure the project takes into account the reality of sorting centers and thus be able to transpose this idea is a successful project. It's even our sorters that determined the color of the bag, which would be easiest for them to spot amongst all the recyclable materials in front of them.
- The vast majority of bags are actually intercepted in the first sorting step, avoiding the rest of the processing chain. The integration of Nespresso capsules recovery requires very little adaptation to daily operations and allows the recycling of aluminum that was once destined to end up in landfills. »

- Frédéric Potvin, Managing Director – Tricentris Sorting Center



Why adopt the Green Bag?

- Simple and accessible solution for the citizens
- Higher recycled capsule rate
- Reduction of waste sent to landfill
- All costs incurred covered by Nespresso
- Contribution to the municipalities sustainability targets



Summary

- The public-private partnerships Nespresso is requesting could help improve waste diversion rates.
- Fully recyclable coffee capsules often end up in the garbage or as contaminants loose in recycling bins, costing governments money.
- Consumers want to be environmentally-friendly, but are much likelier to participate in recycling if it is kept simple and straightforward.
- The more challenging it is for people to access a recycling solution, the less likely they are to participate.
- The Green Bag program is a convenient sustainability solution with a track record of success in boosting recycling uptake.
- The program comes with no additional costs to government or fees for taxpayers.





THANK YOU