

NESPRESSO'S INDIVIDUAL COMMITMENTS IN *act4nature*

Our objectives and commitments for 2020

Nestlé Nespresso SA is the pioneer and reference for highest-quality portioned coffee and focuses on two segments of the market: "Business-to-Consumer" and "Business-to-Business". Nespresso is present in France via a network of 32 stores, the Nespresso Club and its website. Nespresso's CSV strategy, "The Positive Cup", revolves around 4 major areas: Coffee, Climate, Aluminium and Company.

1 COFFEE

Ensure the sourcing of sustainable quality coffee™, contributing to improving the livelihood of farmers, the resilience of their communities and to protect the local biodiversity.

Target 2020:

Source towards 100% of our permanent coffees through the Nespresso AAA Sustainable Quality Programme™.

In terms of biodiversity, the target includes: using our TASQ⁽¹⁾ (Tool for the Assessment of Sustainable Quality) to ensure that producers comply with the best practices outlined by the Rainforest Alliance, which is then verified by the NGO members of the Sustainable Agriculture Network (SAN) using our Monitoring and Evaluation tool⁽²⁾.

■ Examples of TASQ best practices:

All natural ecosystems present on the farm shall be identified, protected and restored. This includes forests, rivers and wetlands. There are no visible indications of degradation or destruction of high conservation values areas attributable to farming, deforestation or slash-and-burn agricultural practices.

Producers shall take all necessary steps to: protect threatened or endangered species, avoid the introduction of genetically modified materials and prevent soil erosion.

■ Examples of criteria from the Monitoring and Evaluation tool:

Zero deforestation, no use of banned agrochemicals, no illegal hunting, protection of natural forests, protection of water sources and rivers, waste and wastewater management, soil conservation practices.

2 CLIMATE

Take integrated actions on climate change, including farmer adaptation.

Target 2020:

Strengthen coffee landscape resilience through extensive tree planting towards 5 million.

In terms of biodiversity, the target includes: protecting habitats to enable endemic species to reproduce, and wild plant and animal populations to settle, creating biodiversity corridors.

3 ALUMINIUM

Manage aluminium sustainably from end to end.

Target 2020:

Procure towards 100% of our primary from ASI certified source (Aluminium Stewardship Initiative).

In terms of biodiversity, the target includes: the ASI initiative, which was initiated by Nespresso and co-developed with IUCN and major players in the sector, has established a set of requirements for protecting biodiversity⁽³⁾ (Principle No. 8) at every step of the value chain (from extraction to transformation). Complying with the standard, accredited companies commit to not starting new operations on world heritage sites. This principle also requires to carry out a materiality assessment and biodiversity impact evaluation all along the value chain with the following requirements:

- The implementation of action plans to avoid critical biodiversity risks.
- The protection of certain areas against the introduction of foreign species.
- The application of the No Net Loss/Net Positive Impact principle in order to minimise, mitigate and compensate for any negative impacts.

Principle No. 8 of the standard is subject to continuous testing in order to best address the challenge of biodiversity⁽⁴⁾.

(1) <https://www.nestle-nespresso.com/asset-library/Documents/Nespresso-AAA-TASQ-2016.pdf>

(2) <https://www.nestle-nespresso.com/asset-library/documents/nespresso-positive-cup-csv-report-interactive.pdf>

(3) <https://www.iucn.org/theme/business-and-biodiversity/our-work/business-partnerships/nespresso>

(4) <https://www.iucn.org/theme/business-and-biodiversity/our-work/business-platforms/cons%C3%B3rcio-cerrado-das-aguas>

4 COMPANY

Engage everyone in our company, our partners and consumers in the benefits of sustainable production and consumption that is more respectful of biodiversity.

Target 2020:

Invest CHF 500 million in The Positive Cup agenda (2014-2020) both through the company's own programmes as well as through wider collaborations with the objective of increasing net positive impact at landscape level.

In terms of biodiversity, the target includes: Since 2013, the company has established an external governance body, the Nespresso Sustainability Advisory Board, composed of experts and leaders in sustainability. The objective of the Board is to share insights and experiences and to provide Nespresso with CSV strategy guidance. It includes representatives from leading organisations in the field of biodiversity, such as the president of the IUCN, Inger Anderson; the president of the Rainforest Alliance, Han de Groot; the founder of the Rainforest Alliance, Daniel Katz; and the president of the WBCSD, Peter Bakker.

Our tools for action

The AAA Sustainable Quality Program™

The AAA Sustainable Quality Program™ is Nespresso coffee sourcing programme, which has been developed and implemented since 2003 together with The Rainforest Alliance. Building on long standing relationships between agronomists and producers, it promotes the adoption of sustainable agricultural practices both on-farm and at landscape level towards improved productivity and quality. Since 2014, it has evolved to also focus on developing innovative solutions to socio-environmental challenges of the communities. The programme is supported with a tool that enables the implementation and monitoring of collective and individual action plans. The benefits for producers are numerous: Technical assistance, training, quality premiums and inclusion in local initiatives such as the pension plan in Colombia. Thanks to our network of more than 450 agronomists, the programme now covers more than 75,000 producers in 12 countries. Nespresso invests more than CHF 35 million in this programme each year.

Aluminium Stewardship Initiative

The ASI legal entity was created in 2015 as an independent, multi-stakeholder organisation with a mission to collaboratively forest responsible production, sourcing and stewardship of aluminium.

Civil society organisations have joined ASI as members to help build the programme to ensure it is credible and rigorous.

11 principles underpin the ASI performance Standard: Mining companies certified as ASI-compliant commit to manage their impact on biodiversity⁽⁵⁾.

Collaborative partnerships and platforms

The company today engages with more than 30 partners on the topic of Natural Capital. It is also contributing to many multi-stakeholder platforms in order to build upon and integrate Nespresso's programme into both sectorial and systemic level:

- The "Cerrado das Aguas" Consortium in Brazil⁽⁶⁾, which aims at protecting biodiversity as part of an integrated landscape management approach including the positive impact of coffee cultivation.
- The International Platform for Insetting (IPI) which aims at supporting companies in their insetting approach⁽⁷⁾.
- Natural Capital Coalition: a collaborative knowledge and best practices platform promoting the Natural Capital protocol for companies' improvement in decision-making processes.



(5) <http://aluminium-stewardship.org/wp-content/uploads/2014/12/ASI-Performance-Standard-v1.pdf> (p. 25)

(6) <https://www.iucn.org/theme/business-and-biodiversity/our-work/business-platforms/cons%C3%B3rcio-cerrado-das-aguas>

(7) <https://www.nespresso.com/entreprise/actualites/3089-nespresso-france-propose-une-offre-de-café-100-neutre-en-carbone.html>