We want to be the kind of company you admire, the company of choice for discerning coffee drinkers and talented people who share our goal of being the highest quality and most sustainable coffee brand. How should we leverage our sustainability commitments to be your company of choice?
In late 2016 in Lausanne, Switzerland, Nespresso’s last board meeting of the year was taking place. One of the main topics being discussed was how to increase Club Member engagement on sustainability. Since most Nespresso employees are customer-facing, the conversation naturally evolved to the opportunity Nespresso team members have to engage Club Members on the critical role sustainability plays in Nespresso’s operations and strategy, particularly in achieving the ambitious “Positive Cup” goals the company established in 2014.

For Jean-Marc Duvoisin, CEO of Nespresso, the secret of the special success of the company is having a completely integrated business model dedicated to only one single thing: offering “the best coffee experience,” reinforcing with every cup the position of the brand through direct connection with consumers. The company’s Positive Cup strategy set out clearly that this “best coffee experience” goes beyond the sensory experience of drinking a Nespresso Grand Cru. It includes everything behind that cup of Nespresso – the people, the values and the commitment to sustainability present in all aspects of the company’s operations – from the coffee farm through to post-consumer waste.

Mr. Duvoisin communicated to the Nespresso Leadership Team and more broadly on numerous occasions, that providing “the best” requires attracting and retaining the right caliber of people. “People working at Nespresso must have a passion for the Brand and the business. They should know where we are going as a company, where they are going as individuals, and share the vision of who we are and what we stand for. From there we figure out how to achieve great things as a team.”

Laz Martinez, Vice President of Human Resources for Nespresso USA, stepped in and said “Nespresso is a top company with ambitious long term goals. These goals cannot be achieved without a motivated team. People working for the company must be team players, embrace diversity and have a strong focus on problem solving. We need the best people and we must compete with other major brands for talent, not only with competitors in the portioned coffee industry, but with other global brands that can offer similar salaries and benefits to their employees, as Nespresso does. It is key to understand what really challenges the people working for Nespresso, and how to identify and attract people in many different roles who are capable of helping the company attain its long-term goals.”

During the meeting, Arnaud Deschamps, Market Head of Nespresso France, commented: “I fully agree with you about the importance of employees in attaining The Positive Cup goals, but we cannot and should not disregard the importance of customers. We are a company of 12,000 employees, serving and
interacting with a global community of more than 10 million Club Members, five million Facebook fans and 340,000 unique customer visits to our online boutique every day. We are now moving a significant portion of our capsule sales through our Boutiques. We have to maximize our influence on customers and help them realize that they are the main actors of the Positive Cup.”

Mr. Martinez replied: “we are seeing in top companies that a company’s commitment to sustainability is already a very valuable tool in attracting, maintaining and motivating top talent. Also, studies such as the Real World Leadership survey\(^1\) are showing that sustainability commitments appear to be crucial in maintaining commitment and fostering company loyalty. The vast majority (87 percent) of respondents said that linking an organization’s social responsibility efforts to leadership development has a positive impact on overall engagement and performance. Unfortunately, only 59 percent of respondents say their organizations actually do link the two. Most of these experiences seem to be about internal understanding – less so than explicitly about customer-facing issues. But it seems like we should be able to triangulate on the company’s capabilities, get the attention of the people we want, those who are interested in sustainable companies and harness that toward Club Member engagement.”\(^2\)

Part of the challenge for Nespresso is how to attract and retain the leaders of the future and motivate them. The other part of the challenge is to determine how these current and future leaders can help in the process of engaging consumers and winning over their hearts and minds to become loyal consumers and advocates of the Nespresso brand. While it is obvious that employees influence consumers to buy Nespresso products, it is not quite as clear how they could also influence buyers to be more engaged in sustainability, and in turn how this could strengthen the Nespresso brand. A set of questions arise frequently. “What is the relationship between employees’ engagement and consumers’ engagement?” “Is Nespresso attracting and retaining employees with the right capabilities?” “Are employees sufficiently informed, trained and engaged to build the confidence and trust of consumers on issues related to sustainable production and consumption?” “What else can Nespresso do or do differently?” “How could Nespresso’s commitment to sustainability work to attract the best team members, especially “millennials?”; and “How, in turn can they be equipped to influence consumers to engage more in Nespresso’s sustainability programs?”

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2. See “Top Ten Green Companies in the World 2016.” Newsweek rankings. To see the complete ranking, go to: \[http://www.newsweek.com/green-2016/top-10-green-companies-world-2016\]
1. THE NESPRESSO HISTORY: FROM A SIMPLE IDEA TO A LUXURY BRAND EXPERIENCE

Nespresso’s story goes back to 1986 with a simple, but revolutionary, idea: enable anyone to create the perfect cup of coffee, just like a skilled barista. Since its origin, the company has been an autonomous, globally managed business of the Nestlé group.

Nespresso’s strategy, from the early days, was to establish itself as a luxury brand delivering the best possible coffee experience for their Club Members.3 The core concept of the brand revolved around stylish and innovative machines interacting with an attractive capsule, all designed to deliver a consistent, perfect cup of the highest-quality coffee in the comfort of one’s home. The coffee-drinking experience is complemented and enhanced by tailored customer service available by phone and Internet and in Nespresso’s growing network of Boutiques4—all designed to help Club Members select the right Grand Cru5 coffees for their taste.

The company has experienced rapid market growth over the past two decades with double-digit sales increases in most years in most markets around the globe. In 2000, Nespresso had only one boutique store and 331 employees, most of whom provided sales support via telephone and internet. By the end of 2015, it had a presence in 64 countries worldwide, with more than 12,000 employees and more than 450 Boutiques selling coffee, machines and accessories. Nespresso had more than ten million Club Members (registered customers),6 more than five million Facebook fans and over 320,000 customers visiting the company’s desktop and mobile e-commerce boutique platforms every day. Nespresso was the worldwide leader of the “portioned coffee” industry, having built a dominant position in the ten-billion-dollar capsule market, with estimated annual sales of over CHF 4bn ($4.0bn).7

3. Club Members are Nespresso’s registered customers.
4. Nespresso’s dedicated retail stores – their principal in-person sales points.
5. Grand Cru is a term used in several food industries to denote a high-quality product. Nespresso denotes its unique coffee with this term.
6. In 2011, the number of Nespresso Club Members grew by over 35 percent to ten million (Nespresso press release, March 2011). In 2014, Nespresso was generally assumed to have considerably more than ten million Club Members (as an assumption for this Case Study).
7. Assumption for this case study.
In the portioned coffee segment, the business model is one in which consumers select a branded “system” of portioned coffee by purchasing a machine for their home or office. The consumer uses the respective coffee portion—in pod, capsule or cartridge form—and the machine automatically prepares the finished coffee, ready to drink. Home or office machines are generally sold at “break even” and are used to “lock in” the customer to a specific brand and its portioned coffee system.

Nespresso brought the portioned coffee business model to the global market, establishing a premium brand for coffee connoisseurs worldwide. The brand invites clients into an exclusive relationship. Television, social media and print advertising featuring noted global brand ambassadors, such as George Clooney and Penelope Cruz, have helped position Nespresso as an attractive, upscale, high quality coffee brand. Consumers purchase a machine of their choice—either online at a Nespresso Boutique or another retail outlet—and automatically become members of the Nespresso Club (Nespresso’s consumer channel).

Nespresso coffee machines are specifically developed to optimally reveal and enhance the aroma and taste of the Nespresso Grands Crus. To use the machines, Club Members purchase the portioned coffee capsules from retail sales channels that offer these Grands Crus.

Driven in large part by Nespresso’s success, portioned coffee is now a robust and thriving business, and numerous companies have entered the market in recent years, offering different value propositions. Most consumers have only one brand of machine in their home or office, so the branded companies need to compete for customers, offering them a convincing and attractive value proposition to drive selection and purchase. Companies compete on various value characteristics, the main ones being: quality of coffee, price/value of coffee, variety of available taste profiles, ability to easily purchase portioned coffee for a specific machine, style and attractiveness of the machines, ease
of use and reliability of the machines, and customer service (for purchasing, questions, problems). Increasingly, sustainability-oriented value propositions and the perceived “responsibility” of the brand and the product have begun to figure in consumer choice.

3. KEY GROWTH DRIVERS

Nespresso’s success is built on the company’s three Key Growth Drivers that also link and define its approach to luxury. This three-pronged approach to driving growth has proven to be successful in building a strong brand position. Nespresso was included in the Top 100 Most Powerful Brands and ranked first in its category. It was also the first roast-and-ground coffee brand to achieve global status (Millward Brown 2008). In addition, Nespresso France won ‘Best Environmental Initiative’ in ‘Trophées Défis RSE’ 2015 for supporting innovation in recycling technology and developing partnerships to improve the recycling of aluminium coffee capsules and other small-sized metal packages.

3.1. DRIVER 1:
“CREATE THE HIGHEST-QUALITY GRAND CRU COFFEES”

The primary mission of the Nespresso brand is to ensure that only the highest-quality coffee makes its way to Club Members. From the harvest through to packaging in capsules and sleeves, coffee needs to meet very high quality standards. In a recent global survey, 75 percent of consumers found quality to be the most important factor when buying “luxury” products.

ORIGINS

Only a very small percentage of the worldwide coffee harvest is of the highest quality, flavor and aroma profile that Nespresso requires for its range of products. The company chooses from a very specific array of coffee lands that

8. In a 2016 research conducted by HAVAS, 75% of respondents expected brands to make more of a contribution to our wellbeing and quality of life, yet only 40% believe brands are doing so. Source: Meaningful Brands 2017 insights: http://www.meaningful-brands.com/en
9. Source: https://goo.gl/h9z7Dd
produce fine specialty grade coffees that meet the stringent physical criteria and specific taste and aroma profiles, necessary to compose the Grands Crus. As with wine, great coffee draws its characteristics from its terroir: the result of harmony among soil, weather conditions, variety, aspect and altitude. Over 80 percent of Nespresso’s coffee comes from 12 countries, but the company sources worldwide, particularly for its Limited-Edition coffees.

FARMERS

Nespresso experts travel to Latin America, Africa and Asia in search of flavors and aromas. But their rigorous selection process would be at risk without the efforts of the over 70,000 producers and their farm workers (frequently family members on the predominantly small-scale family farms in Nespresso’s supply chain). Coffee must be harvested, mainly by hand, at precisely the right moment when the coffee cherries ripen. Thanks to the farmers’ growing and harvesting expertise, the integrity of the raw ingredients is preserved to produce the best possible green coffee, which is then shipped off to be honed into a Grand Cru. Nespresso strives to maintain long-term, mutually loyal, relationships with farmers through its “AAA Program” (discussed below).

AGRONOMISTS

Through its suppliers and the producer cooperatives, Nespresso employs more than 300 agronomists who support farmers’ long-term development by providing training and technical support to help them continuously improve the quality, sustainability and productivity of their harvests. The aim is to ensure the supply of the highest-quality coffee while protecting the environment and improving the livelihoods of coffee farmers and their communities.

The agronomists play a key role in carrying out the Nespresso AAA Sustainable Quality™ Program, promoting respect for the environment, farming methods that help to preserve coffee-growing regions, and the wellbeing and rights of workers.

QUALITY ASSURANCE FROM FARM TO CUP

Safeguarding quality throughout the coffee journey’s stages requires repeated and systematic physical and taste checks: prior to bagging coffee at its origin; prior to transporting it by sea or air; and, again, upon arrival in Europe to be processed at Nespresso’s facilities in Switzerland. Taste (or “cup”) testing ensures that only the finest coffee is selected. Nespresso “cuppers” are
intensively trained, tested, certified and recertified every three months for their ability to identify quality. Sensory evaluation goes beyond the coffee’s physical attributes, linking taste to variety, terroir and care in cultivation.

BLENDING, ROASTING AND GRINDING

Blending, Roasting and grinding are vital steps in creating a Grand Cru. During these processes, the flavor and aromatic potential of green coffee beans are revealed in blends or as pure single-origins. The company’s Coffee Sensory Experts have practiced and honed their skills for over 29 years, creating more than 100 Grands Crus with unique flavors and tastes (“sensory profile”).

Correct roasting depends on finding the time, temperature and other parameters best suited to a blend, thereby allowing origin characteristics to be fully expressed. While poor roasting can ruin the finest coffee, expert techniques extract the best of every ingredient, balancing origin-specific characteristics and allowing each coffee to show its uniqueness.

3.2. DRIVER 2:
“CREATE LONG-LASTING CONSUMER RELATIONSHIPS”

The company aims to build personalized and long-lasting relationships with its Club Members. Nespresso strives to achieve this through regular interaction with members, enabling the company to meet or anticipate consumer expectations. Nespresso has shaped a customized, multi-channel route to market to deliver a sense of ubiquitous direct customer service. Nespresso serves its entire retail channel (Club Members) through its own Boutiques, online store, and Customer Relationship Centers (call centers, “CRC”), along with its partner model for machine distribution. Of the 12,000 employees, worldwide, more than 6,000—almost all of whom are trained as “Coffee Specialists”—work face-to-face with customers. Their role - carried out via internet, by phone, at Nespresso Boutiques and other sales and promotion points- is not simply a sales mission; rather, their role is to advise the Club Members on coffee origins and tasting and to guide them in discovering new coffees and flavors. These Specialists are increasingly called upon to respond to Club Members’ questions regarding the sustainability of coffee sourcing, machines, capsules, and other aspects of Nespresso’s business.

12. In 2015, Nespresso started to raise awareness and engage more comprehensively with its Club Members, key opinion leaders and new identified influencers. To do this, they company developed an integrated engagement 2-year campaign, based on the Change the Perspective concept.

13. According to independent market analysts, as of 2014, Nespresso sales distribution by channel was believed to be approximately 60 percent Internet, 25 percent Boutiques, and 15 percent CRC, though these numbers vary considerably by country.
BOUTIKES

In 2000, the first Nespresso boutique opened as a concept store on the Rue du Scribe in Paris. Now, an international network of over 450 exclusive contemporary Boutiques in established and emerging markets offer consumers a personalized experience. They aim to offer an insight into the brand, providing consumers with a unique opportunity to experience Nespresso with all their senses.

Nespresso Boutiques are known for their personalized services and their stylish design. For instance, the flagship store in Beverly Hills won an architectural design award in 2015. The Boutiques are designed with attention to detail; dedicated zones increase convenience, choice and availability for consumers. The coffee-tasting area allows coffee enthusiasts to enjoy a Grand Cru with a Coffee Specialist. The machine gallery displays the different machine models, and there are also areas for accessories and recycling. Some Boutiques also include the “Club Room,” a machine-testing area, the Nespresso Bar and an “Atelier of Expertise,” where Club Members can deepen their understanding of the Nespresso coffee range.

CUSTOMER RELATIONSHIP CENTERS – ON-CALL EXPERTISE

Nespresso has built a global network of Customer Relationship Centers (CRC). From these centers, more than 1,500 knowledgeable Coffee Specialists provide advice on coffees, machines and accessories; offer instantaneous ordering of Nespresso products; and coordinate machine repairs. When calling a CRC (available 24/7), the customer can press specific buttons for a quick question or request more detailed attention. In 2015, Nespresso was awarded the CRC Gold Award for Best CRC, awarded by the Spanish Association of Experts in Customer Relationship (AEERC).

ONLINE

Nespresso’s online platform provides a 24-hour ordering system for coffees, machines and accessories. There are, on average, over 320,000 daily visits to Nespresso’s desktop and mobile e-commerce platforms. Club Members can also login to access expert assistance via live web chat during business hours.

14. 2015 City of Beverly Hills Architectural Award.
15. The Boutique and Bar are designed with beautiful materials that express the premium brand but not necessarily “sustainability”.
RETAIL TRADE (MACHINE SALES)

The Nespresso trade channel includes different retail outlets—online retailers, independent specialty stores, and department stores—where customers can buy a Nespresso machine and become a Club Member with that purchase.

“THE NESPRESSO CLUB” – ONLINE COMMUNITY CONNECTION

With the Nespresso Club, the company aims to build an interactive global community for its members. The Nespresso Club is the vehicle that Nespresso uses to create a community of knowledgeable and loyal customers. This community is critical, as Club Members have become key brand advocates. Indeed, more than 50 percent of new Club Members experience Nespresso for the first time through friends and family. The company has designed a pool of privileges for Club Members and entering customers, seeking to bring in new customers while also rewarding loyalty.

MEDIA AND SOCIAL PLATFORMS

Nespresso increasingly uses its digital and social media platforms to leverage its brand positioning and to foster the Nespresso Club community experience. To feed this channel with relevant information, design and luxury, the company has developed attractive, award-winning campaigns that targeted both current Club Members and aspirational consumers in their growing markets.

3.3. DRIVER 3: “OPERATE THE BUSINESS IN A SUSTAINABLE MANNER”

Nespresso’s parent corporation, Nestlé S.A., is firmly committed to “Creating Shared Value.”17 Nespresso has chosen a comprehensive, long-term approach to sustainability across its operations, from coffee origin sourcing and farmer wellbeing, to capsule recycling and machine design, reforestation, manufacturing and logistics. Nespresso’s programs have evolved and deepened over the years to become, according to many experts, the sustainability leader among large coffee companies.


17. Under the Creating Shared Value approach, Nestlé has made a broad range of sustainable development commitments, some of which also serve as a beacon for Nespresso’s Sustainability priorities, reflected consistently in The Positive Cup. Please go to http://www.nestle.com/csv to learn more.
“Sustainability is a business imperative for Nespresso, and a core part of our strategy,” stated Jean Marc Duvoisin at a major press event in 2014. At the same time, he announced that within the corporate CSV framework, Nespresso would be adopting a more aspirational long-term sustainability ambition. At the Nespresso Sustainability Advisory Board meeting on that same day, Duvoisin also announced Nespresso’s “Positive Cup” strategy, which builds upon the significant steps that the company had already taken to improve farmer welfare and drive environmental sustainability.

AAA (ORIGIN AND ACHIEVEMENTS)

The Nespresso AAA Sustainable Quality Program (known more simply as the “AAA Program”) is the Nespresso sourcing approach. It was developed and implemented to secure the highest-quality green coffee required to produce the Nespresso Grand Cru coffees, while protecting the environment and enhancing farmer welfare by respecting ecosystems and biodiversity, saving water, preventing deforestation, improving soils, conserving wildlife, ensuring health and safety, as well as improving farm management and accounting. The program was launched in 2003 in collaboration with the environmental NGO the Rainforest Alliance, combining Nespresso’s coffee and quality expertise with the Rainforest Alliance’s know-how in on-farm and ecosystem sustainability.

The AAA Program is adapted country-by-country and region-by-region to address specific challenges, such as shade control, harvest techniques, pruning, soil and chemical management, coffee cherry drying (relevant to each origin’s characteristics), as well as organizational, agronomic, and environmental issues. Nespresso’s key partners in the AAA Program, Rainforest Alliance and the Sustainable Agriculture Network, play a significant role in training Nespresso agronomists in auditing procedures according to internationally recognized guidelines that are codified for the AAA Program in its TASQ instrument (Tool for the Assessment of Sustainable Quality).19

The AAA Program has now grown into a sourcing program that reaches over 70,000 farmers in twelve countries (Brazil, Colombia, Mexico, Costa Rica, Guatemala, Nicaragua, Ethiopia, India, Peru, Indonesia and Kenya) and 33 growing regions (referred to internally by Nespresso as “clusters”). Over 80 percent of Nespresso green coffee was sourced through the Nespresso AAA Sustainable Quality Program at the end of 2015.22 By 2020, Nespresso intends

19. For a brief overview of the TASQ Tool please refer to http://www.nestleNespresso.com/sustainability/case-studies/developing-practical-tools-for-ensuring-sustainable-quality
20. For a deeper understanding of the history and accomplishments of the Nespresso AAA Sustainable Quality Program, please refer to: https://goo.gl/0XxwN
to source 100 percent of its permanent range of *Grand Cru* coffees sustainably through the AAA Program by expanding to include countries such as Ethiopia and Kenya. The expansion to new countries will require an investment of over CHF 15 million in these countries over six years.21

MOVING TOWARD THE POSITIVE CUP

In 2009, Nespresso consolidated all its sustainability efforts in coffee sourcing, capsule recycling and energy-efficient machines into one concerted program called *Ecolaboration™* and committed itself to meet three aggressive targets, which the company met ahead of schedule in 2013.22

- It was sourcing over 80 percent of its coffee from the Nespresso AAA Sustainable Quality™ Program, against a target of 80 percent;
- Nespresso had put in place the capacity to recycle 80 percent of Nespresso capsules sold worldwide, against a target of 75 percent; and
- It had reduced the carbon footprint from a cup of Nespresso coffee by 20.7 percent, against a target of 20 percent.

Having achieved these objectives, Nespresso sought a new framework for the company’s future-looking sustainability efforts. In 2014, Nespresso laid out an ambitious strategy—The Positive Cup—to accelerate the company’s sustainability focus and introduce several major new initiatives to create significant benefits for the business, society and the environment.

The vision for The Positive Cup is that “each cup of Nespresso is an extraordinary coffee experience, creating pleasure for consumers and positive benefits for society and the environment.” The sustainability strategy to achieve this vision23 incorporates ambitious goals in the areas of coffee sourcing and social welfare; aluminum sourcing,24 use and disposal; and resilience to climate change. Nespresso further committed to achieve targets in each of these areas by 2020.25

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21. For more-comprehensive readings on the expansion of the Nespresso AAA Sustainable Quality™ Program in Ethiopia and Kenya, please refer to: https://goo.gl/wLdOcg

22. The complete report can be found at: http://goo.gl/1T8uJF

23. See Background.

24. The following link leads to a brief document that describes country-specific programs to amplify post-consumer capsule recycling rates and capacity, as well as the company’s leadership role in promoting more-sustainable aluminum sourcing: http://goo.gl/5w2dkj

25. For more information, please refer to the NESPRESSO SUSTAINABILITY MBA CHALLENGE 2017 Background and http://www.nestleNespresso.com/sustainability/the-positive-cup/the-positive-cup
As Jean Marc-Duvoisin stated, this “represents our commitment to driving transparency with our stakeholders as we continue in our journey to ensure sustainability throughout our operations and seek to create shared value for our business and for society.”

To leverage its efforts within The Positive Cup, in 2015, Nespresso began a program to raise awareness and engage more comprehensively with its Club Members, key opinion leaders and newly identified “influencers.” This program took the form of an integrated engagement campaign based on the concept “Change the Perspective.”

4. MANAGING SUSTAINABILITY IN THE ORGANISATION

4.1. GOVERNANCE

Nespresso’s governance approach for sustainability starts with the CEO and the Leadership Team, who approve the direction and strategy. As a part of Nestlé S.A., Nespresso must ensure that its programs are consistent with Nestlé’s approach to CSV. The Chairman of Nespresso’s Board has this responsibility. The CEO and Leadership Team, including a CSV Director who reports to the CEO, have direct executive responsibility for sustainability efforts. Nespresso’s executive level staff responsible of sustainability is counseled by an external body called the Nespresso Sustainability Advisory Board.

Nespresso Headquarters’ Sustainability Team is responsible for proposing the sustainability strategy, promoting and supporting its execution, and advancing its integration across the various areas of the business. It supports implementation and monitors the results:

- In the countries of origin through the AAA program, specific projects and partnerships;

26. Annex 1 shows in-depth information of a series of innovative programs developed within The Positive Cup strategy.
In different departments at headquarters, with the communications, product development and others teams, each using Sustainability KPIs set by the Nespresso Board of Directors; and

In the markets (countries) for which it develops guidelines and tools.

As part of its set of objectives, each market (country) defines specific goals in sustainability. The goals depend on the characteristics of the market, but for all of them, two main indicators are related to recycling and sustainability brand image.

4.2. NESPRESSO ORGANIZATIONAL CULTURE AND CAREER DEVELOPMENT

Nespresso’s cornerstone is delivering the highest quality coffee and experiences to consumers, cup after cup. Nespresso recognizes that employees are, and must be, at the heart of the brand’s success story.

Nespresso has become the reference brand in the portioned coffee industry thanks to a passionate, entrepreneurial-minded team. More than 12,000 employees, representing more than 90 nationalities, are the faces behind the brand.27 70% of employees are in direct contact with Club Members, a feature that has proven to be key in building long-lasting relationships with consumers across the markets. Most of the other 30% provide innovative solutions to support the customer-facing business model in several areas: coffee creation, machine development, service or sustainability.28

The company’s Leadership Team has been able to develop and maintain a high-performance culture that puts the emphasis on diversity, innovation and growth. Nespresso management note that at Nespresso employees enjoy a wider sphere of influence and freedom than many other companies allowing them to deepen their job responsibilities as well as having the opportunity to progress upwards into leadership roles as the company grows.

27. Nespresso employees’ age is of 34 on average - 32 years for the customer facing staff. In contrast, Nespresso’s average Club Member age is assumed for purposes of this case study to be approximately 50.
According to the Leadership Team, three factors shape career growth at the Company:29

- **Core factors:** These are non-negotiable; they are the qualities that must be shown if someone is aiming the most of the opportunities Nespresso has to offer. They include a) performance, b) knowledge and skills about the position’s functions and the business and c) leadership skills.

- **Accelerators.** This is the name given to the qualities that will determine how far and fast employees can develop and progress. These include the mobility and flexibility to move between functions and categories (B2B or B2C), how well a person can develop networks and how open they are to new experiences.

- **Opportunities.** These are the factors that are more dependent on circumstances and activities elsewhere in the business. Opportunities can spring from new roles, new positions and new assignments (including overseas) and the employees’ ability to seize on these opportunities and thrive.

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**5. EMPLOYEE SUSTAINABILITY ENGAGEMENT**

In 2014, AC Nielsen polled 30,000 people in 60 countries via the Internet to take a pulse on how passionate people are about sustainable practices. The study revealed that 67% of respondents prefer to work for socially responsible companies. Also, 49% of respondents said they actively volunteer or donate to organizations engaged in social and environmental programs. Additional research on “aspirational” citizens30 (and by extension potential employees from this same demographic) also suggests strong intentions of younger people to have high expectations of sustainability in the brands and companies they prefer. One of the conclusions for leading companies is that it may not be

29. Annex 2 contains an example of a Retail Store Manager Job Post and Annex 3 contains information about one testimonial of the job evolution of one of many successful employees.

30. Annex 4 defines aspirational consumers’ key aspects and patterns
possible to rely solely on offering attractive compensation plans to attract and retain the best human capital. For Nespresso, it is crucial to use the “awareness, engagement, commitment” logic to incorporate sustainability principles and goals within each position. Nespresso realizes the importance of raising general employee awareness of sustainability, promoting training programmes and recognizing the achievements of employees related to their engagement in the wider sustainability strategy and initiatives of the company.

5.1. NESTLE CORPORATE POLICY/PRACTICES ON SUSTAINABILITY TRAINING

The training mechanisms offered at Nestlé and its businesses is designed to help employees adopt a healthy lifestyle, develop their careers, contribute to company environmental objectives and achieve business goals. At the end of 2014, Nestle completed embedding of Creating Shared Value learning into all courses at its international training centers and seek to do the same now with the Nestlé Corporate Business Principles.

5.2. NESPRESSO POSITION ON THE PLACE OF SUSTAINABILITY IN EMPLOYEE RESPONSIBILITIES AND PERFORMANCE EVALUATION

For Nespresso’s Leadership Team, it is critical that all employees are engaged in, the company’s efforts advancing and promoting sustainability. As one the company’s three core value drivers it is an important part of the company’s strategy and brand. Nespresso’s high level of sustainability performance is also considered a valuable corporate asset as well as a differentiating factor for current and future customers. Further, employee engagement is a critical expectation of Nespresso’s parent company Nestle, within its broader CSV and Corporate Business Principles approach.

The Positive Cup goals and ambitions are cascaded in the organization through an internal process called the Operational Masterplan (OMP). The process helps to align on priorities and define individual contributions to The Positive Cup. On a yearly basis, personal objectives are defined with specific achievements against which incentives are set.

31. During 2015, Nestlé, developed an initiative where 4,000 employees (some of them from Nespresso) undertook the "environmental sustainability at Nestle" e-learning course, aimed at expanding knowledge and teaching employees how to apply environmentally sustainable business practices.

32. Nestlé’s Corporate Business Principles are available here: http://www.nestle.com/aboutus/businessprinciples
The Nestlé Group’s climate change reporting for CDP provides insight on the architecture of the OMP and personal evaluation mechanisms. The Group has developed sets of specific incentives that aim to recognize and reward continuous improvement and best practices on environmental sustainability issues. Key Performance Indicators (KPI) are monitored for annual team and individual Performance Evaluations.

In addition, markets have the flexibility to add local incentives into the evaluation structure. For example, in 2016, Nespresso France decided to emphasize the role of each employee towards the capsule recycling rate. All employees from the leadership team to coffee specialists were evaluated and rewarded against the recycling performance of the market.

5.3. SUSTAINABILITY TRAINING AT NESPRESSO

Nespresso has not incorporated sustainability communication as a driver of its recruitment and selection activities. However, the company has developed several efforts to bring sustainability into its extensive induction and ongoing training processes.

While training provided to new employees varies slightly from market to market, there are established programs that introduce new hires to the company and help provide and develop the knowledge and skills they will need to carry out their jobs effectively.

5.3.1 INITIAL INDUCTION TRAINING

Once new staff are hired, they are provided with an induction program in order to be quickly integrated and informed about the company, its products and the work environment. Coffee and sustainability are two of the topics for which all employees receive training when they first join the company. To support and complement this training, a set of induction and training content has been developed and deployed at Nespresso Headquarters and markets (countries) levels, including guidelines and scripts related to The Positive Cup.

33. Background information on CDP: https://www.cdp.net/en/info/about-us
34. An example of the structure, and types of incentives and KPIs can be found at http://www.nestle.com/asset-library/documents/creating-shared-value/climate-change-2016.pdf (pages 7-12)
35. Nespresso provided an average of more than 34 hours of training to employees in 2016, most focused on coffee knowledge, Nespresso’s business approach, and industry knowledge.
36. A pool of key sustainability initiatives has been added on the intranet for all employees.
During the 3-day Nespresso Introduction Program for headquarters employees, new hires:

- Gain insight into the Nespresso business, vision and future strategies
- Learn about the company, its history and organization
- Are made familiar with guidelines for their work.
- Visit the company’s Production Centre in Avenches.

In this program, new employees at headquarters are exposed to Nespresso’s sustainability programs for approximately 2 hours, where they a) learn about Nespresso’s commitment to sustainability b) are provided with some detail on the most critical programs such as AAA and recycling, and c) are provided with additional material on sustainability. A large share of the module is interactive and enables employees to participate actively. The module intends to inspire participants and trigger new initiatives within their own functions.

5.3.2 CUSTOMER-FACING EMPLOYEES TRAINING: THE ROAD TO BECOME AN ENGAGED “COFFEE SPECIALIST”

Coffee Specialists are the main bearers of brand attributes and play a key role in transmitting the values that Nespresso relies on. Nespresso has developed specific hiring requirements to fulfill this always-growing position within the countries it serves. Among the main requirements are: higher education level, specialized experience in sales, and proven customer-relations skills.

When hired as “Coffee Specialists,” customer-facing employees follow a three-year training plan. They begin with induction training, at Headquarters with the program described above, in markets with an equivalent program. Their training also includes a specific sustainability module, which was incorporated in 2015 and has already reached 3,000 employees.

“Coffee Fundamentals” training is a one-day program open to all employees but particularly important for Coffee Specialists, is provided during the first six months after being hired. It provides insight into the coffee value chain and the value creation at every stage:

- From terroir to the responsible sourcing of the green coffee bean
- From shipment to factory processing, covering quality control, blending, roasting, grinding and the packing process.
• From making the cup to the consumer experience.

• Introduction to the AAA Program and to The Positive Cup.

Coffee Specialists may also receive specialized training in such areas as: quality awareness, incident and crisis management, personal hygiene, food safety, allergens in food, the science of coffee and various aspects of customer service.

Since 2016, employees in B2B sales have received specific training to introduce sustainability as a key differentiator for sales opportunities and customer satisfaction, through the Positive Cup goals and ambition. This training seeks to provide tools and skills to demonstrate benefits for the customers and create partnership communication opportunities with their customers’ brands, particularly with B2B customers also seeking to advance their sustainability goals.

Customer-facing employees can go on to train to assume the role of “Coffee Ambassador,” conveying the expertise of sustainable quality coffee throughout the company. This program is much more intensive in coffee-knowledge and includes a great deal of additional training, including more in-depth knowledge on the various sustainability efforts and programs carried out by the company.

5.3.3. ONGOING OPPORTUNITIES

All Nespresso employees worldwide are provided with opportunities to learn more about sustainability through open invitations to relevant programs. For example, Nespresso employees can participate in the Nestlé Environmental Sustainability Leadership workshop. This one-and-a-half-day program enables employees to share best practices, improve their understanding of the challenges and external pressures facing the broader Nestlé group. This experience helps promote environmentally sustainable business practices, and helps leaders apply policy requirements in daily activities. Senior Managers also have the opportunity to attend the Prince of Wales’s Business & Sustainability Programme at Cambridge University.
6. ASSESSING EMPLOYEE PERCEPTION OF SUSTAINABILITY

At the end of 2015, Nespresso conducted a worldwide employee survey to evaluate sustainability culture and leadership in the company. The following are some of the key outputs of that exercise:

- 72% of the employees perceived Nespresso as a better company in Sustainability Leadership.
- 91% perceived Nespresso was highly engaged in sustainability.
- 92% of employees use to recycle capsules and 72% encouraged friends and family to recycle.
- 55% perceived that a sustainability mindset is integrated in Nespresso’s decision-making process and operating procedures.
- 50% perceived that Nespresso sends a consistent message to internal and external stakeholders about sustainability.
- 42% said that the capsules packaging was the area that needs most improvement.

The survey included a question so employees could comment about the corporate engagement with its sustainability goals. Some of the employees showed their pride in working for Nespresso with comments like “Nespresso rocks” or “My role is a clear demonstration of Nespresso’s commitment to sustainability.”

Within this question’s answers pool, some respondents were more critical and gave specific recommendations about areas that could be improved: “...the sustainability mindset is not cross functional. In our market, other areas such as brand communication, B2C commercial, retail and finance perceive sustainability as a "matter of communication and PR. They do not perceive it as something that might have an impact in the business evolution by affecting reputation and trust in the Company or "...we need to significantly reduce print material and unnecessary packaging.”

37. See Annexes 6A and 6B for more information about the survey.
At Nespresso, employees’ engagement in and understanding of sustainability is of high importance, particularly for customer-facing employees. The leadership team believes that there is more to be done and that sustainability is too often treated as a “light” selling argument in boutiques and B2B sales, but not as a core aspect of the brand.

In addition, consumer concerns about sustainability issues have proven to evolve quickly. For example two to three years ago, few Nespresso customers cared about carbon emissions or what impact their use of disposable coffee capsules might have on the environment. “Now, everyone wants to know the carbon footprint of coffee capsules,” so the phone representatives spend time explaining Nespresso’s commitment to reduce its CO2 footprint per cup.”38

While it is critical for Nespresso team members to understand current and specific issues of consumer concern, the Leadership Team is also concerned that a “light” understanding of sustainability risks undermining the brand’s credibility with current and future customers, particularly if sustainability engagement is limited to exchanges on very narrow issues – such as capsule recycling or certification of coffees -- rather than on the comprehensive nature of Nespresso’s approach and programs.

7. STAKEHOLDER PERSPECTIVES

Nespresso has built strong relationships with a focused range of key experts and influencers in the coffee and sustainability space. Those “in the know” appreciate the efforts and the innovation of the company and the seriousness of its ambition, intent and programs. However, it is fair to say that outreach to consumers thus far has been less effective, despite some isolated examples of success, such as the company’s innovation of coffee from South Sudan.

Several studies in the past have revealed that environmental issues have become a top concern for consumers all around the globe. However, customers identify a gap between their expectations of corporations and what they perceive is happening. In 2012, a GFK research\(^{39}\) show that 90% of people from the United States said that it is the responsibility of companies to clean up their own pollution but only 40% said that companies fulfilled this responsibility. The latter study also found concerns related to how “green products” do not work as well as other alternatives. Among the groups surveyed, generations X and Y\(^{40}\) were the groups of people who most avoid buying products from companies they did not feel were environmentally responsible.

In 2015, an industry benchmark report found that Nespresso was referenced in 41% of the content and conversation about brands and sustainability. This made Nespresso the dominant voice on these topics in its segment. The study also showed that recycling, sustainability and fair trade featured amongst the themes most associated with the Nespresso Brand.

On the other hand, trust rankings for both the portioned coffee industry and Nespresso are relatively low, although Nespresso is above the average. Scores are being affected by general concerns surrounding the sustainability of portioned coffee. Positive response to sustainability efforts are balanced out by negative responses from people who believe the entire portioned coffee sector to be unnecessary and inherently “unsustainable.”\(^{41}\)

Nespresso conducted a study\(^{42}\) to better understand how “satisfaction” is evolving for households and business-to-consumer (B2C) offices\(^{43}\). The study highlighted the rising household awareness of Nespresso recycling programs – 73%, 3% higher than 2012. However, there were clear discrepancies between the awareness rate and the actual usage rate of the recycling service -- only 30%.\(^{44}\) Another key finding was that only 11% of those surveyed noted awareness of the “Positive Cup” strategy. Yet, Club Members’ perception of

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\(^{39}\) Source: Building Greener Brands: A perspective on people, brands and the environment, GFK Presentation, April, 2013.

\(^{40}\) Generation X is the demographic cohort following the Baby boomers. The Joint Center for Housing Studies of Harvard University uses 1965 to 1984 to define Gen X. It is a relatively smaller demographic cohort between two larger demographic cohorts, the Baby boomers and the Millennials. Generation Y (also known as Millennials) are the demographic cohort following Generation X. The majority of researchers and demographers start the generation in the early 1980s. Many end the generation in the mid-1990s.

\(^{41}\) This perception is based almost entirely on critiques of post consumer waste aspect of portioned coffee, in spite of compelling counter-arguments regarding the entire value chain.

\(^{42}\) “How satisfied and committed are Nespresso Club Members”, 2015.

\(^{43}\) The sample size was 12,217 households and 5,354 B2C offices.

\(^{44}\) Between all the different type of Club Members using the recycling service, the boutique driven Members represented a 36%, while Internet, Mobile and CRC Members were a 26%, 25% and 17% respectively.
Nespresso’s commitment towards ethics and environment was increasing compared to the 2012 study. Households were asked to what degree they thought Nespresso cares about the environment and to what degree they thought Nespresso behavior is fair/ethical business. The average score was seven on a ten-point scale. Interestingly, this increase contrasted with a relatively lower communication impact of other initiatives, such as the partnership with Rainforest Alliance, which actually decreased slightly.

Board Members believe that Nespresso had been successful at building a brand that can be “trusted,” but they still have not transcended the “awareness” stage in the journey to build a “meaningful brand.” The next step is “amplification,” meaning the ability to present the complete sustainability story from farm to post-cup in every brand platform.

8. INFLUencers

According to Brown & Hayes (2008), an influencer is “A third party who significantly shapes the customer’s purchasing decision” and “has a greater than average reach or impact in a relevant marketplace” (Word of Mouth Marketing Association Handbook). Nespresso has put on board a recognized pool of influencers who work alongside its executives to leverage and deepen the brand attributes towards consumers’ sustainability engagement.

8.1. BRAND AMBASSADORS

Nespresso has asked the Club Members about who they thought would best embody the Nespresso brand, and George Clooney starred as the first celebrity campaign. Since then, Clooney has been a long-term partner with the brand in Europe and other international markets, charming fans and coffee aficionados in broadcast and print campaigns. Clooney also serves as a member of the

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45. It is worth mentioning that B2C Offices do not perceive as ethic and as environmentally friendly as households do. The average grade for perception of ethic/fairness business was 6.89 and 6.84 for perceived environment friendliness.
46. Annex 7A and 7B contains more information about the Club Members satisfaction and commitment study.
47. Annex 8 outlines a set of recent The Positive Cup awareness campaigns.
Nespresso Sustainability Advisory Board,\textsuperscript{49} collaborating on ideas and solutions towards improving the lives and futures of coffee farmers.\textsuperscript{50}

Today, Clooney has become the global brand ambassador for Nespresso, in his own words (2015): “I’ve been working with Nespresso internationally for nine years and I really love and respect the brand, what they do, and how they do it.” “Nespresso and I have a shared commitment to sustainability, most recently helping to rebuild coffee farms in South Sudan.”

8.2. PARTNERSHIPS

Opinions about sustainable coffee are being significantly influenced by NGOs and national governments. According to the 2015 reputation benchmark, 69% of the influencers mentioned were NGOs and only 19% and 12% were political and media influencers. The Rainforest Alliance was the most mentioned NGO. Nespresso and The Rainforest Alliance have been working together since 2003 on the design, development and implementation of the AAA Sustainable Quality TM Program. Nespresso has partnerships with other NGOs, global financial institutions and other businesses.\textsuperscript{51}

8.3. NESPRESSO SUSTAINABILITY ADVISORY BOARD

In 2013, the company set up the Nespresso Sustainability Advisory Board (NSAB), comprised of renowned experts and leaders in environmental and social sustainability. The aim was to bring together insights and independent perspectives to enhance the Nespresso long-term sustainability strategy and to serve as a base for partnerships in sustainability initiatives.

8.4. NESPRESSO SUSTAINABILITY INNOVATION FUND

Building on the core CHF 500 million investment in The Positive Cup, the company has set up the Nespresso Sustainability Innovation Fund (NSIF), a new funding vehicle to facilitate investment by Nespresso in innovative sustainability initiatives that go beyond its usual business operations. Nespresso is committing an initial $10 million in the fund for specific innovative coffee value chain initiatives in the coming three years.

\textsuperscript{49}See \url{http://www.nestle-Nespresso.com/sustainability/sustainability-advisory-board/sustainability-advisory-board}


\textsuperscript{51}See Annex 12 to see a complete list of partnerships between Nespresso and another NGO’s around the globe.
The NSIF will not act as an impact investment fund. However, *Nespresso* will seek to complement each project’s funding with institutional donor resources or, if appropriate, impact investment capital as relevant, while ensuring tangible economic, social and environmental return on investment together with a range of experts from academia, NGOs, international development agencies and impact investors.

9. COMMUNICATION CAMPAIGNS

To accelerate the process of consumer engagement, *Nespresso* created its Sustainability Communication Committee gathering different functions such as sustainability, global communication, social & content marketing, coffee marketing and corporate communication. The Committee agreed to integrate sustainability messaging in all possible brand, corporate and product communications.

By the end of 2016, this Committee discussed how to achieve their 2020 ambition: “To be the best high quality coffee and most sustainable coffee brand… and to be recognized as such.” *Nespresso* is faced with a dense competitive landscape. Communications on sustainability have seen a dramatic increase as different players seek to make their mark in areas with specific differentiation, notably coffee expertise and traceability (largely by small roasting companies); sustainability reporting and transparency; celebrity endorsements and premium sustainability campaigns focusing on company heritage. A significant number of brands also rely on labeling and product certification (Fairtrade, Organic, Rainforest Alliance, etc.) to convey sustainability endorsement and compliance.

There has been an explosion in coverage of brand activities in sustainability, especially in digital channels. Moreover the competitive landscape has burgeoned with compatible capsules. And the latest trend is toward even higher end coffees, most notably with speciality and sustainability attributes.
At Nespresso, the Sustainability Communication Committee believes that Nespresso can, and should, take a leadership position in the depth of its sustainability credentials and brand authenticity.52

They came to agreement on four points:

• **Nespresso needs to be constant.** There must be a continuous flow of messaging throughout the year with big impact campaigns to complement.

• **They should be very creative.** To achieve the biggest impact and to encourage consumers to learn more about the sustainability initiatives and how Nespresso engage employees to work in this direction.

• **They must be relevant.** A successful campaign should reflect current conversations and embed the global news agenda.

• **Communication campaigns should be authentic.** With a humble tone. Credibility is critical; therefore, the focus should be leveraging concrete field actions and specific innovations.

They decided that the focus of the 2017 communication campaign must be on the sustainable quality of the coffee and recycling because it was urgent to accelerate the integration of sustainability within the brand platform. The communication campaigns should be able to convince consumers of portioned coffee as a responsible choice. It was less clear, however, which mechanisms and channels to use and how.53

From a communications perspective the critical issues challenging the Committee were: How could Nespresso accomplish the integration of sustainability into fabric of brand and capitalize on existing and planned customer facing content? How could Nespresso reinforce this as part of brand authenticity?

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53. Nespresso communication executives have observed an increase trend in the mentions of sustainability communication. Twitter and blogs are mostly used to convey the messages where aluminum capsules and AAA Program are equally mentioned. First learnings indicate that targeted social media campaigns provide an excellent return on investment.
10. THE CHALLENGE

The Nespresso Sustainability MBA Challenge 2017 is:

We want to be the kind of company you admire, the company of choice for discerning coffee drinkers and talented people who share our goal of being the highest quality and most sustainable coffee brand. How should we leverage our sustainability commitments to be your company of choice?

The Leadership Team, validated by the Nespresso Sustainability Advisory Board, is committed to an ambitious and comprehensive program to integrate sustainability into the fabric of the brand. The Leadership Team believes that their overall sustainability performance, objectively, is leading the portioned-coffee segment – and one of the best in the wider coffee and consumer products industry. Further, they are convinced that if they could engage consumers as effectively on sustainability points as they have on issues of “quality,” they could effectively engage and foster loyalty of customers who value sustainability and the company efforts. This would in turn create positive feedback allowing Nespresso to do even more in this area.

Given the importance of employees, and particularly customer-facing employees, in communicating the Nespresso story, the Leadership Team is convinced that one of the keys to consolidating its sustainability position with consumers is by attracting and maintaining talented employees who share (or learn to share) the company’s vision for the Positive Cup with current and future Club Members – strengthening the critical third driver of Nespresso’s growth strategy.
How should the Leadership Team consider and address this critical need?

For Nespresso, there are three non-negotiable points regarding its business model for purposes of this Challenge:

- Nespresso will not abandon the underlying concept of the portioned system – a machine and capsule combination system that ensures Club Members the highest quality cup of coffee, every time, in their home or office.

- Aluminum will continue to be the capsule material for the foreseeable future. Only aluminum is capable of providing the cup quality Nespresso demands for its Club Members. And, in spite of criticism about aluminum waste, it is recyclable and more climate- and waste-management friendly than all current alternatives.

- Coffee will continue to be sourced from Nespresso selected growing regions around the world. These regions possess the right taste and aroma characteristics, and Nespresso has made commitments to the growing communities and to Nestlé that they will continue to invest in and source from these regions as part of their “Creating Shared Value” strategy.

Keep in mind that this is a business challenge. It is about building a value proposition for Nespresso’s brand. What is the new value proposition? Provide meaningful and detailed recommendations that:

- Propose a strategy that includes both strategic and tactical approaches to the brand through greater engagement of current and potential Club Members.

- Articulate the role of Nespresso’s human resources within the proposed value proposition and how it enhances Club Member engagement.

- Clarify Nespresso strengths and the areas where the company can do more, better or differently – including operational commitments, corporate culture, branding, marketing, PR and internal and external communication initiatives.
ANNEXES

ANNEX 1. INNOVATIVE PROGRAMS AND PARTNERSHIPS TOWARDS THE POSITIVE CUP

Nespresso continuously tests innovative approaches to enhance the environmental and social aspects of its business—many of which are considered ground-breaking in the coffee sector.

REVIVING COFFEE FARMING IN SOUTH SUDAN: The AAA South Sudan initiative: For over a decade, Nespresso has introduced its Club Members to new coffee origins, bringing them unique coffee experiences and stories. Perhaps none of these new origins is as compelling and potentially transformative as Nespresso’s current efforts in South Sudan. This new country struggles with political conflict, violence, virtually no infrastructure, weak institutions and a host of other problems that make it difficult for its people to make a living. Nespresso took notice of South Sudan because of its unique terroir and origin of high quality Robusta coffee. It aims to use the local varieties that survived 40 years of civil war.
The South Sudan initiative\(^5\) started in 2011 in the south of the country with
an exploratory mission by TechnoServe, a non-profit organization that set
the stage for a formal engagement by Nespresso to work with local farmers to
revive coffee production. Nespresso would undertake on-farm efforts, build
consolidating capacity for processing and help to organize cooperatives for
processing. By the end of 2014, cooperatives and milling capacity were in
place (albeit on a small scale), and the result was the new Grand Cru Suluja ti
South Sudan, which was initially sold to Nespresso Club Members in France in
extremely limited volumes in late 2015. Initial results suggest an overwhelming
commercial success. Because of this effort alone, the first time that South
Sudanese coffee was sold to Europe, coffee has the potential to become a real
economic driver for the country. Nespresso has already invested over CHF
700,000 in the Yei region and plans to invest CHF 2.5 million to support several
thousand farmers in building their businesses over the next few years.\(^5\)

THE AAA FARMER FUTURE PROGRAM- INNOVATIVE SOLUTIONS TO
FARMER WELFARE IN COLOMBIA: Most coffee farmers are subject to high
levels of uncertainty, including absence of health insurance, no retirement
funds, and substantial risks to both crops and prices. Nespresso committed to
innovating with relevant experts and partners to help reduce some of this risk
exposure. In 2014, Nespresso, the Colombian Ministry of Labor, the Aguadas
Coffee Growers Cooperative and Fairtrade International entered into a
groundbreaking public-private partnership to establish a retirement savings
plan for coffee farmers in the Nespresso AAA Sustainable Quality™ Program
in Colombia.

INCREASING CLIMATE RESILIENCE FOR AAA COFFEE FARMERS
THROUGH AGROFORESTRY: Nespresso and its partners have devised a
specific agro-forestry strategy by selecting different tree varieties in order
to increase farm climate resilience, improve farmers’ income, farms’
biodiversity, and to reduce erosion and landslides and optimize carbon impact.\(^5\)

A RESPONSIBLE APPROACH TOWARDS ALUMINUM: Nespresso started
its aluminum capsule-recycling program in 1991 with a dedicated recycling
initiative in Switzerland. Since then, Nespresso has worked with numerous
business partners and stakeholders to develop capsule collection schemes
tailored to the recycling process and logistics of different markets around
the world. Nespresso is committed to ensuring that the aluminum it uses is

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54. For a better understanding of the Initiative, please refer to http://www.nestle-Nespresso.com/newsandfeatures/
Nespresso-Suluja-ti-South-Sudan-first-edition

55. For more detailed information on this pilot project, please refer to: http://bit.ly/1ogOCjQ and http://www.Nespresso.com/
positive/at/en#/sustainability/farmer-future-program

56. To read more on this initiative, please refer to http://www.Nespresso.com/positive/at/en#/sustainability/agroforestry-
insetting; http://goo.gl/ZLNzmc
sustainably sourced. Since 2012, Nespresso has been working with IUCN (International Union for the Conservation of Nature) and aluminum leaders to create the Aluminum Stewardship Initiative (ASI), with the mission of fostering greater sustainability and transparency throughout the aluminum industry. At the end of 2014, ASI established the first global standard for sustainable aluminum.

**CIRCULAR ECONOMY:** Nespresso was one of the early members of the Circular Economy 100 Initiative (CE 100), led by the Ellen MacArthur Foundation. Through the initiative, Nespresso explores approaches for its products based on circular economy principles, such as modularity, life-cycle energy efficiency and long-lasting materials.

ANNEX 2. RETAIL STORE MANAGER CAREER OPPORTUNITY

**APPLY NOW**

- High School Diploma or GED required
- Bachelor’s Degree preferred
- 4+ years prior extensive professional experience in retail
- 2+ years of experience in people management including motivation and development of direct reports
- Must demonstrate strong verbal communication skills allowing for effective communication with your customers and employees
- Experience in customer complaint management
- Experience in project management processes and change management
- Must possess working knowledge of operating retail POS systems, Microsoft Word, Excel and Outlook email
- Must have full availability to work evenings, weekends and holidays

**Physical Requirements:**

- Must be able to lift, carry or otherwise move objects weighing up to 25 pounds when merchandising the sales floor and use of ladders or stairs
- Must be able to balance, stoop, kneel, crouch or crawl and stand for extended periods of time

The Nestle companies are equal opportunity and affirmative action employers and are looking for diversity in candidates for employment: Minority/Female/Disabled/Protected Veteran.

Our story began 25 years ago, with a simple but revolutionary idea – to create the perfect cup of coffee. An industry pioneer, Nestlé Nespresso has become an international reference for the highest quality coffee and an iconic symbol of refined elegance. We are now in more than 50 countries and our team has grown well beyond 7,000 employees. We are part of Nestlé SA in Switzerland, the world’s largest food company. Nespresso USA continues to drive momentum and innovation in our market segment, and in North America, we’re just getting started.

**Come join our growing team, the taste of something better awaits you!** Nespresso USA is seeking a dynamic, sales-driven, Boutique Manager to join our boutique in the Macy’s, Orlando location!

57. [https://www.Nespressojobs.com](https://www.Nespressojobs.com/)
Key Responsibilities

**Boutique Operations:**
- Execute the strategy to achieve the sales and profitability targets
- Manage the boutique inventory; ensure appropriate levels to meet the needs of the business by placing orders according to delivery plan, checking in deliveries, and avoiding out of stocks
- Organize monthly team meetings including management team meetings to align team on targets and priorities
- Establish plans and allocate the daily tasks to team members and ensure appropriate staff coverage based on sales forecast
- Assist in analysis of sales reports and data to determine the needs of the business and set business strategies with Regional and District Managers
- Ensure a safe work environment reporting all incidents/hazards to appropriate business partners
- Collaborate with Regional and District Managers to identify marketing opportunities to support sales and promotions
- Comply with all Boutique policies and procedures; ensuring all cash management procedures are properly followed
- Build and maintain good communication with all members of corporate offices, mall offices and other partner stores
- Implement and maintain all merchandising directives; partnering with the Regional Manager and District Manager to ensure execution of effective merchandising strategies

**Customer Care:**
- Ensure a seamless and consistent customer experience from customer reception to check out including informative product tastings for all customers
- Respond appropriately to customer complaints resolving the problem quickly and effectively
- Proactively ensure accuracy of customer database and utilize information to increase sales and customer contact

**Develop People:**
- Recruit, manage and motivate a high performing team of Boutique Coffee Specialists (Sales Associates), Boutique Team Leaders, and Assistant Boutique Manager
- Continuously inspire staff to drive assigned sales and productivity goals and deliver results
- Support the development of associates’ sales techniques, ensuring the team is knowledgeable about all products and quality standards
- Resolve all human resources issues in a timely and effective manner, partnering with HR when necessary
- Ensure integrity of payroll and the payroll process
- Ensure uniform standards are reflective of the brand image and adhered to always
- Comply with all applicable State and Federal Employment laws and guidelines
ANNEX 3. MY JOURNEY AT NESPRESSO

Kris – Technical and Quality Director – My Journey at Nespresso:

“I started at Nespresso 15 years ago. I would never have thought that this journey would be such an exciting rollercoaster, year after year. Having a strong Customer Service background, I was hired as a Coffee Specialist, helping and serving customers on the phone and in our first boutique. A year later I was appointed Technical Coordinator and was challenged with the development and implementation of a complete after sales service. We were the first country and failing was no option. I had a great time to set up this service. Our customers were delighted and all other countries followed this example. That gave a real boost! After that mission, I was promoted to Technical Manager, and focused on centralizing the Dutch, the UK and the Irish after sales services in Belgium. The learning process during these years was immense and kept me on a high level of motivation. The field work and cooperation with partners was great.

In 2007 I became the first Technical & Quality Director at Nespresso Benelux, becoming also part of the management board of our company. I am still in this function today. Why? The excitement of developing and implementing new aspects in our company such as Total Quality Management, Safety & Health, Recycling of our capsules, innovating technical services, etc. is fantastic! Especially because I can do this with a fabulous team of experts. Being part of such a company, working daily on the improvement of our processes and services and making customers and colleagues happy, is a passion. The culture and the values you live at Nespresso are strong and a real motivator in itself.

If you are passionate about learning, customers and coffee and you want to work with great people, I can only recommend you to join the Nespresso community and live it yourself.”

58. To read the testimonials of other employees at Nespresso go to: http://www.careersatNespresso.com/working-at-Nespresso/
ANNEX 4. ASPIRATIONAL CONSUMERS

“Aspirationals are materialists who define themselves in part through brands, and yet, they believe they have a responsibility to purchase products that are good for the environment and society” says Eric Whan, Sustainability Director at GlobeScan, a leading research firm on global sustainability demand trends. More than any other segment, aspirationals, with an average age of 39 years old, care about style (65%), social status (52%) and equate shopping with happiness (70%). They are also among the most likely to believe that we need to “consume a lot less to improve the environment for future generations” (73%) and feel “a sense of responsibility to society” (73%). This segment is believed to be the largest consumer segment in Brazil, China and India.59

This segment’s sustainability awareness is not new, but as consumers, they have not yet translated their awareness into a stable shift in purchasing decisions. As much as a decade ago, the availability of information –higher in developed countries -- related to human-driven resource depredation was reflected in consumer awareness surveys. In 2008, 96% of Europeans said that protecting the environment is important for them personally. Two-thirds of this group said that it is “very important.” This trend is now recognized at the global scale. Consumers in rapidly developing and developed markets – particularly China, Australia, Sweden and the USA – report a propensity to buy from companies with a reputation for environmental and social responsibility; and, in a study by the European Union, 75% of respondents agreed that they would pay more for environmentally-friendly products.

ANNEX 5. AN EXAMPLE OF NESPRESSO’S MARKET SPECIFIC E-LEARNING COURSE TOWARDS THE POSITIVE CUP LEVERAGE FOR COMMERCIAL USE

With the “Positive Cup”, Nespresso is pursuing sustainability targets to be achieved by 2020. One major European market developed a targeted e-learning module about these objectives to support commercial alignment. Through the e-learning platform, sales employees receive answers to complex customers questions regarding the sustainability of Nespresso products, the climate and the AAA program. Employees who are not directly in the customer contact also benefit from this platform through a greater understanding of both customer concerns and company actions and responses.

ANNEX 6A. HIGHLIGHTS FROM “EMPLOYEE PULSE SURVEY. SUSTAINABILITY CULTURE AND LEADERSHIP AT NESPRESSO”

Question #1

Is Sustainability mindset integrated into the company decision-making process?

Levels

1. I do not know
   ABSOLUTE FREQUENCY: 1
   RELATIVE FREQUENCY: 0.92%
   ADJUSTED RELATIVE FREQUENCY: 1.15%

2. Strongly Disagree
   ABSOLUTE FREQUENCY: 2
   RELATIVE FREQUENCY: 1.83%
   ADJUSTED RELATIVE FREQUENCY: 2.30%

3. Disagree
   ABSOLUTE FREQUENCY: 21
   RELATIVE FREQUENCY: 19.27%
   ADJUSTED RELATIVE FREQUENCY: 24.14%

4. Neither Agree nor Disagree
   ABSOLUTE FREQUENCY: 16
   RELATIVE FREQUENCY: 14.68%
   ADJUSTED RELATIVE FREQUENCY: 18.39%

5. Agree
   ABSOLUTE FREQUENCY: 37
   RELATIVE FREQUENCY: 33.94%
   ADJUSTED RELATIVE FREQUENCY: 42.53%

6. Strongly Agree
   ABSOLUTE FREQUENCY: 10
   RELATIVE FREQUENCY: 9.17%
   ADJUSTED RELATIVE FREQUENCY: 11.49%

ABSOLUTE FREQUENCY SUM: 87 (N/A: 22)
RELATIVE FREQUENCY SUM: 79.82% (N/A: 20.18%)
ADJUSTED RELATIVE FREQUENCY SUM: 100%
Question #2

Is Sustainability mindset embedded into operating procedures and policies?

Levels

1. I do not know
   - Absolute Frequency: 2
   - Relative Frequency: 1.83%
   - Adjusted Relative Frequency: 2.30%

2. Strongly Disagree
   - Absolute Frequency: 1
   - Relative Frequency: 0.92%
   - Adjusted Relative Frequency: 1.15%

3. Disagree
   - Absolute Frequency: 19
   - Relative Frequency: 17.43%
   - Adjusted Relative Frequency: 21.84%

4. Neither Agree nor Disagree
   - Absolute Frequency: 16
   - Relative Frequency: 14.68%
   - Adjusted Relative Frequency: 18.39%

5. Agree
   - Absolute Frequency: 35
   - Relative Frequency: 32.11%
   - Adjusted Relative Frequency: 40.23%

6. Strongly Agree
   - Absolute Frequency: 14
   - Relative Frequency: 12.84%
   - Adjusted Relative Frequency: 16.09%

Absolute Frequency Sum: 87 (N/A: 22)
Relative Frequency Sum: 79.82% (N/A: 20.18%)
Adjusted Relative Frequency Sum: 100%
Question #3

Does Nespresso send a clear and consistent message to external and internal stakeholders about its commitment to sustainability?

Levels

1. Strongly disagree
   - Absolute frequency: 4
   - Relative frequency: 3.67%
   - Adjusted relative frequency: 4.60%

2. Disagree
   - Absolute frequency: 17
   - Relative frequency: 15.60%
   - Adjusted relative frequency: 19.54%

3. Neither agree nor disagree
   - Absolute frequency: 9
   - Relative frequency: 8.26%
   - Adjusted relative frequency: 10.34%

4. Agree
   - Absolute frequency: 35
   - Relative frequency: 32.11%
   - Adjusted relative frequency: 40.23%

5. Strongly agree
   - Absolute frequency: 22
   - Relative frequency: 20.18%
   - Adjusted relative frequency: 25.29%

Absolute frequency sum: 87 (N/A: 22)
Relative frequency sum: 79.82% (N/A: 20.18%)
Adjusted relative frequency sum: 100%
Question #4

I am encouraged to learn more about sustainability (participating to training, workshops, brainstorms, conferences, etc.)

Levels

1. Strongly disagree
   - ABSOLUTE FREQUENCY: 2
   - RELATIVE FREQUENCY: 1.83%
   - ADJUSTED RELATIVE FREQUENCY: 2.38%

2. Disagree
   - ABSOLUTE FREQUENCY: 11
   - RELATIVE FREQUENCY: 10.09%
   - ADJUSTED RELATIVE FREQUENCY: 13.10%

3. Neither Agree nor Disagree
   - ABSOLUTE FREQUENCY: 14
   - RELATIVE FREQUENCY: 12.84%
   - ADJUSTED RELATIVE FREQUENCY: 16.67%

4. Agree
   - ABSOLUTE FREQUENCY: 37
   - RELATIVE FREQUENCY: 33.94%
   - ADJUSTED RELATIVE FREQUENCY: 44.05%

5. Strongly Agree
   - ABSOLUTE FREQUENCY: 20
   - RELATIVE FREQUENCY: 18.35%
   - ADJUSTED RELATIVE FREQUENCY: 23.81%

ABSOLUTE FREQUENCY SUM: 84 (N/A: 25)
RELATIVE FREQUENCY SUM: 77.06% (N/A: 22.94%)
ADJUSTED RELATIVE FREQUENCY SUM: 100%
ANNEX 6B. HIGHLIGHTS FROM “EMPLOYEE PULSE SURVEY. SUSTAINABILITY CULTURE AND LEADERSHIP AT NESpresso.” COMMENTS FROM EMPLOYEES.

I don't see it integrated, especially related to Procurement, finance and other departments.

Unfortunately, I think that we still view sustainability as a way to secure our procurement and reputation (mid-term view) rather than embedding sustainability in every decision we take (long term view). If we want to have the long term view, we will need to prove that sustainability is an investment and not a cost, that we can earn more money if we do good in our sustainability program. Take the example of PepsiCo with its Design Manager appointed two years ago to integrate design thinking in every decision made at PepsiCo. He and his team were part of every project to validate the design approach, even for projects, which were not new product launches.

I still have the feeling that top and bottom line are the major driver’s way before sustainability.

The sustainability mindset is not cross functional. In our market, other areas such as Brand Communication, B2C commercial, Retail and Finance perceive Sustainability as a ‘matter of communication and PR’. They do not perceive it as something that might have an impact in the business evolution as well in the future by affecting reputation and trust in the company.

We need to significantly reduce print material and unnecessary packaging, for example. We also must find demo mugs that are not made out of plastic. This is one of the strongest interactions we have with new prospects, and then we should not have plastic cups you only use once, many people comment on it. We also must launch a re-usable shopping bag, and consider to use much more digital means for user guides etc. Imagine a usb or a digital code instead of all the brochures inside our machine boxes! Innovative and sustainable simultaneously. Get inspiration from Apple. They use hardly no print material. Extremely Premium experience, yet.

I think sustainability mindset is becoming better. It seems to be top of mind in some areas but completely absent in others. E.g. we use an inordinate amount of packaging for Les Collections and our Marketing and Communication efforts are often based on the heavy use of brochures.

If we want to be credible in terms of sustainability we need to continuously demonstrate this approach through all touch points: not only sustainable sourcing, but also ALL products and ALL activities accessories marketing are not concerned with sustainability, as well as packaging marketing.

Some inconsistencies exist between what we are preaching and what we are really doing. Does all our development consider sustainability as the key decision driver? We have to keep a simple and smart thinking.

In my opinion, sustainability is a key factor in many company decisions both from a positive and negative (that is, ‘how much will sustainability cost?’) perspective.

It is integrated (sustainability mindset) but does not always feature prominently. I would say this seems to be improving as Sustainability is mentioned higher up the list in terms of base requirements.

As the figures are not answering to expectations, the decision are made with short term incomes. It is not embedded at the core of each brief and activities. Agree on HQ level and coffee sourcing, but less so in the market, especially smaller size markets.

I don't think it is sufficiently (about sustainability mindset), and I perceive it to be because we've downplayed our own involvement, rather than deliberately and seamlessly integrating it into everything at Nespresso.
There is still room for improvement: targets and commitments are made without the participation of key stakeholders, internal and external.

I think that our message is consistent but rather unclear. The message must be more clear and simple for people to understand (single words).

However, communication to the employees in regards to sustainability is not sufficient. Most employees don’t know to which lengths we go in terms of sustainability as a company and are not provided with the messages they need to address some of the topics with their friends and family. A quick guide on sustainability for our employees could prove very valuable.

We should be more intense in sustainability communication from all areas in contact with the consumer and other audiences. Sustainability is not only something that “matters for PR”. If the messages are not being transmitted in all channels (emailing campaigns to Club Members, Social Media, Retail, Advertising), we will never be perceived as consistent in the sustainability field. For this matter, we should also put an intense focus in the internal stakeholders in order to increase their involvement.

No, we do not use it enough at all. Especially not in our consumer facing communication, we really must integrate the message into everything we do, and not make separate communication about it. (To key opinion leaders and journalists we of course should talk about just the sustainability program, but to consumers we must include it in the quality message in order not to be “yet another brand talking about farmers”).

We should focus on building our internal sustainability culture to guarantee consistent approach. Our culture of perfection prevents us to communicate our achievement. We are also overcomplexifying our sustainability communication (AAA should build within a certification. A Fair Trade premium for example).

There is a lack of consistency and alignment between HQ global objectives and markets local reality and goals. This impacts directly the internal/external communication.

I work with it, so naturally I will participate and take leadership.

The detailed and latest information have not been provided at the proper timing by HQ. Always it takes time to have it.

I was invited to a brainstorming session around circular economy but I was a bit frustrated by the fact that we didn’t define actionable next steps or actions at the end of the meeting. I was never invited to trainings, workshops or conferences.

There are not many initiatives like this.

Is there any training? I would like to learn more to integrate sustainability in my daily tasks, but I have not heard about any training.

Used to be some internal sustainability engagement program (learn by experiencing). This doesn’t exist anymore. Lack of management engagement to push sustainability within the company.

I would prefer to DO rather than sit in the conference rooms or debate in meeting rooms. I’m self-interested in sustainability and I try to learn more by my own action.

Except the MBA challenges, no.

The least communication goes to the consumers. It is not discouraged, however there is not much encouragement on this point internally.

I am encouraged to do so, by my own conscience and interest, not by Nespresso.
ANNEX 7A. HOW SATISFIED AND COMMITTED ARE NESPRESSO CLUB MEMBERS IN 2013: HOW SATISFACTION IS EVOLVING FOR HOUSEHOLDS? WHAT ABOUT B2C OFFICES?

Rates of awareness and usage in 2012 and 2013 for both segments

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycling Service Awareness</td>
<td>70%</td>
<td>73%</td>
<td>72%</td>
<td>66%</td>
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<tr>
<td>Recycling Services Usage</td>
<td>30%</td>
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<td>25%</td>
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<tr>
<td>Partnership w/Rainfores Alliance Awareness</td>
<td>32%</td>
<td>25%</td>
<td>26%</td>
<td>21%</td>
</tr>
<tr>
<td>AAA Sustainability Quality Awareness</td>
<td>39%</td>
<td>24%</td>
<td>24%</td>
<td>20%</td>
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<tr>
<td>Ecollaboration Programme Awareness</td>
<td>34%</td>
<td>25%</td>
<td>24%</td>
<td>19%</td>
</tr>
</tbody>
</table>

ANNEX 7B. HOW SATISFIED AND COMMITTED ARE NESPRESSO CLUB MEMBERS IN 2013: HOW SATISFACTION IS EVOLVING FOR HOUSEHOLDS? WHAT ABOUT B2C OFFICES?

Awareness and Usage of Recycling Service between countries. Households sample.

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>AWARENESS 73%</th>
<th>USAGE 30%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>84%</td>
<td>49%</td>
</tr>
<tr>
<td>France</td>
<td>91%</td>
<td>47%</td>
</tr>
<tr>
<td>Germany</td>
<td>92%</td>
<td>41%</td>
</tr>
<tr>
<td>Austria</td>
<td>86%</td>
<td>82%</td>
</tr>
<tr>
<td>UK</td>
<td>93%</td>
<td>46%</td>
</tr>
<tr>
<td>Belgium</td>
<td>88%</td>
<td>48%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>94%</td>
<td>44%</td>
</tr>
<tr>
<td>Spain</td>
<td>82%</td>
<td>36%</td>
</tr>
<tr>
<td>Portugal</td>
<td>93%</td>
<td>60%</td>
</tr>
<tr>
<td>South Korea</td>
<td>92%</td>
<td>47%</td>
</tr>
<tr>
<td>Brazil</td>
<td>82%</td>
<td>42%</td>
</tr>
<tr>
<td>Italy</td>
<td>71%</td>
<td>26%</td>
</tr>
<tr>
<td>Russia</td>
<td>73%</td>
<td>52%</td>
</tr>
<tr>
<td>Sweden</td>
<td>70%</td>
<td>6%</td>
</tr>
<tr>
<td>USA</td>
<td>52%</td>
<td>15%</td>
</tr>
<tr>
<td>Norway</td>
<td>38%</td>
<td>3%</td>
</tr>
<tr>
<td>Australia</td>
<td>69%</td>
<td>15%</td>
</tr>
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<td>Israel</td>
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<td>12%</td>
</tr>
<tr>
<td>Canada</td>
<td>60%</td>
<td>4%</td>
</tr>
<tr>
<td>Denmark</td>
<td>25%</td>
<td>21%</td>
</tr>
</tbody>
</table>
ANNEX 8. REINFORCING AWARENESS TOWARDS ENGAGEMENT

Since the Positive Cup launch in 2014, the company has initiated various communication campaigns with the objective to raise consumers’ awareness on Nespresso’s sustainability commitment, and to explain the source of the exceptional quality of our Grand Cru.

The communication campaigns take different formats from articles in magazine to social media post and boutique events and activations.

Key campaigns include:

• The Reza photographs exhibition “Soul of Coffee” in Paris, London and New York to celebrate the 10 years of the Nespresso AAA Sustainable Quality™ Program

• Launch of the South Sudan coffee in France, Switzerland, The Netherlands and Belgium

• The Thank You Farmer campaign to acknowledge AAA farmers dedication in Switzerland

• The second life campaign to celebrate 25 years of recycling in Switzerland

• Nespresso France Sustainability campaign in magazine to surprise consumers on key facts on machine, recycling and climate change

• The boutique activation in the Netherlands as well as many masterclass to explain the source of the exceptional quality of our Gran Crus

• George Clooney interview on sustainability in YouTube where he discusses his long lasting partnership with Nespresso and what makes it his coffee of choice
As it turns out, the motivations of volunteers may not always be entirely altruistic. Certainly volunteers have a stronger sense of their impact on the environment and a true desire to help others and the environment. However, for many volunteers, the pay-off may also be added social currency.

Green Gauge Global Pulse February 9, 2011

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60. Source: Building Greener Brands: A perspective on people, brands and the environment, GFK Presentation, April, 2013.
ANNEX 10. LEVERAGE ON MOBILE TECHNOLOGY

Leverage On Mobile Technology

Three in ten smart phone users in the US have used an app in the past year to reduce their impact on the environment.

Drive in large part by those under 30

Top 3 types of apps used

1. Find public transportation
2. Monitor energy usage
3. Advice on reducing impact

ANNEX 11. NES PRESSO SOCIAL MEDIA PRESENCE ON SUSTAINABILITY

Social Media Presence on Sustainability

10,983
Sustainability mentions

60%
of Positive
net sentiment

1.18%
of total Mentions

61. Source: Building Greener Brands: A perspective on people, brands and the environment, GFK Presentation, April, 2013.

62. Source: Sustainability Listening, Sprinklr (Global). Jan-Nov 2016. Facebook, Twitter, YouTube, Instagram, Word press, Tumblr, News, articles, forums, video comments...
ANNEX 12. PARTNERSHIPS

Nespresso has built an extensive network of NGO and other partners in its efforts to understand and address the wide range of issues required in a comprehensive sustainability strategy.

ACUMEN
Acumen operates as a non-profit organization that focuses on poverty eradication. The organization raises charitable funds to invest equity and debt in enterprises serving low-income people and covering the following areas of focus: access to water, energy, education, and medical care.
acumen.org

BLASER CAFÉ AG
Blaser Café AG is a Swiss family run business based in Switzerland in Bern. Blaser has been working with Nespresso, successfully in Brazil by developing key clusters: bourbon quality in Vale da Grama and Arabica in Cerrado. They have very strong partners in the area (Wolthers in Brazil and Allanasons in India), which have successfully implemented the AAA Program.
blasercafe.ch

BLUEMARBLE
Bluemarble microinsurance is a consortium of eight companies with a mission of extending insurance protection to the underserved in emerging markets, has committed to providing drought protection to smallholder farmers in Africa, addressing a largely unmet insurance need in the region.
brueamarblemico.com

CAFEXPORT
Cafexport has been Nespresso’s supplier since 2003 and successfully implemented the AAA Program in the region of Caldas-Antioquia in Colombia, including working with specific partners in the region, such as Expocafé and FNC to guarantee the advancement of the Program and farms.
cafexport.weebly.com

CENTRO DE ESTUDIOS REGIONALES CAFETEROS Y EMPRESARIALES (CRECE)
CRECE is an independent consulting and research firm based in Colombia. They have been instrumental in the development of the Monitoring and Evaluation Tool in the context of a defined Theory of Change.
crece.org.co
CISA/MERCON
Supplier of green coffee to the international coffee roasting industry. CISA Exportadora, the largest coffee export company in the country, leads operation in Nicaragua. Nespresso works with CISA/MERCON as part of the AAA Program for a cluster in Nicaragua.
merconcoffeegroup.com

DUALES SYSTEM DEUTSCHLAND (DSD)
DSD was the first extended producer responsibility system (EPR) to put in place a collective packaging recycling system.
gruener-punkt.de

ECOM
Ecom Agroindustrial Corp. Ltd is a global commodity trading and processing company specializing in coffee, cotton, and cocoa in major producing and consuming countries, with ancillary agricultural operations in oilseeds. Ecom is one of the world’s top three merchants in coffee, one of the largest coffee millers in the world. ECOM implements the AAA Program in some clusters in Costa Rica, Mexico, Guatemala, Nicaragua, Brazil and India.
ecomtrading.com

EFICO
Efico is a Belgium based company experienced on trading and commodity sustainability projects. Efico has been working with Nespresso since its creation in 1986 and before that on a project basis within Nestlé, and has a strong international background in green coffee since 1926. Therefore, it was chosen as supplier in Brazil and Guatemala. Efico has successfully implemented the AAA Program in these countries.
efico.com

FAIR LABOUR ASSOCIATION
The Fair Labor Association (FLA) is a nonprofit organization committed to protecting workers’ rights and improving working conditions worldwide by promoting adherence to international labor standards
fairlabor.org
FAIRTRADE INTERNATIONAL
Fairtrade International is a nonprofit, multi-stakeholder association involving 25 member and associate member organizations (labelling initiatives and producer networks), traders, and external experts. Their mission is to connect producers and consumers, promote fairtrading conditions and empower producers to combat poverty.

fairtrade.net

FAIR TRADE USA
Leading third-party certifier of Fair Trade products in the United States. Fair Trade USA audits and certifies transactions between U.S. companies and their international suppliers to guarantee that the farmers and workers producing Fair Trade Certified goods are paid fair prices and wages, work in safe conditions protect the environment and receive community development funds to empower and uplift their communities. Nespresso is working with Fair Trade USA as part of the AAA Program in Cauca-Nariño, Colombia.

fairtradeusa.org

FEDERACION NACIONAL DE CAFETEROS (FNC)
FNC is considered as one of the largest agricultural organization representing and delivering support services to over 500,000 coffee growers in the country. Since 1927, they have provided an institutional framework for the sector, which enabled Colombia to promote and export their high quality Arabica coffee on the international market.

federaciondecafeteros.org

GOODBRAND
GoodBrand is a corporate social innovation consultancy. We help challengers create impact – delivering value for society and for their brand and business.

goodbrand.com

IDH
IDH accelerates and up-scales sustainable trade by building impact oriented coalitions of front running multinationals, civil society organizations, governments and other stakeholders. Nespresso has cooperated with IDH as part of its Agroforestry Program as well as its AAA Program in Ethiopia.

idhsustainabletrade.com
INCAE BUSINESS SCHOOL AND CIMS
INCAE Business School is a non-profit organization based in Costa Rica, devoted to teaching and research endeavors in the fields of business and economics, with training programs for leaders. CIMS is a non-profit organization based in Costa Rica focused on sustainable agricultural value chains and smallholder farmers throughout Latin America. They provide evidence-based research and strategic advice to the private, public and NGO sectors.

incae.edu | cims-la.com

INTERNATIONAL RESEARCH INSTITUTE FOR CLIMATE AND SOCIETY (IRI, COLUMBIA UNIVERSITY)
The mission of the IRI is to enhance society’s capability to understand, anticipate and manage the impacts of climate in order to improve human welfare and the environment, especially in developing countries. The IRI conducts this mission through strategic and applied research, education, capacity building, and by providing forecasts and information products with an emphasis on practical and verifiable utility and partnership.

iri.columbia.edu

IUCN
Created in 1948, the International Union for Conservation of Nature (IUCN) has evolved into the world’s largest and most diverse environmental network. IUCN is a membership Union uniquely composed of both government and civil society organisations. It provides public, private and non-governmental organisations with the knowledge and tools that enable human progress, economic development and nature conservation to take place together.

iucn.org

PUR PROJET
Pur Projet is a social business, which assists companies and communities in the deployment of ecosystems projects with the objective to deliver long-term resilience of their value chain. PUR Projet is a B Corp certified.

purprojet.com

QUANTIS
Quantis is a consultancy firm and world-leader in environmental life cycle assessment (LCA).

quantis-intl.com
RAINFOREST ALLIANCE
Rainforest Alliance is an international leading environmental NGO founded in 1987, working to conserve biodiversity and ensure sustainable livelihoods by transforming land-use practices, business operations and consumer behaviour. The organization is a member of the Sustainable Agriculture Network (SAN), which provides the social and environmental standard for agricultural practices.
rainforest-alliance.org

ROOT CAPITAL
Root Capital is an agricultural impact investor that grows rural prosperity in poor, environmentally vulnerable places in Africa and Latin America by lending capital, delivering financial training, and strengthening market connections for small and growing agricultural businesses.
rootcapital.org/about-us

SAN
The Sustainable Agriculture Network (SAN) is an association of NGOs that started its activities in 1997, and was legally established with headquarters in Mexico in January 2010. The SAN is a group of international non-profit organizations working for the conservation of biodiversity and rural development. Our vision of the world is one where agricultural activity contributes to biodiversity conservation and sustainable livelihoods.
cisl.cam.ac.uk

SKN – CARIBECAFE
SKN Caribecafe has a long tradition in Colombia, active in the coffee export activity for more than 65 years and recognized as a reliable and quality oriented Colombian coffee supplier. The company’s mission is to contribute to the Colombian coffee activity by further developing the role as distributors of Colombian coffee while working for the social, economic and general welfare of our coffee community. Since 2003, SKN participates in sustainability projects in several coffee zones, being the AAA Nespresso Program in Huila the largest and most comprehensive program under execution.

SOFIES
Sofies is a sustainability consulting and project management firm composed of a team of 30+ consultants and a large network of partners and experts
sofiesgroup.com
TECHNOSERVE
TechnoServe is a nonprofit organization operating in 29 countries, with nearly 50 years of experience and track records. They are leader in harnessing the power of the private sector to help people lift themselves out of poverty. They create the context for communities’ inclusion in economic development.

technoserve.org

THE WORLD BANK GROUP AND INTERNATIONAL FINANCE CORPORATION
Established in 1944, The World Bank is an international organization made up of 189 member countries and consisting of 5 financial institutions with the mission to end extreme poverty within a generation and boost shared prosperity. One of its institution, IFC, is the largest global development institution focused exclusively on the private sector. IFC helps developing countries achieve sustainable growth by financing investment, mobilizing capital in international financial markets, and providing advisory services to businesses and governments.

worldbank.org isfl.org

TOTAL IMPACT CAPITAL
TOTAL Impact Capital specializes in sourcing and developing private investment opportunities that are socially and financially attractive. They also design innovative, sustainable financial solutions for governments and non-profits to support their missions.

totalimpactcapital.com/about.html

UNIVERSITY OF CAMBRIDGE – INSTITUTE SUSTAINABILITY LEADERSHIP
Institution within the School of Technology of the University of Cambridge, dedicated to working with leaders from business, government and civil society on the critical global challenges of the 21st Century.

cisl.cam.ac.uk

USAID
USAID is the lead U.S. Government agency that works to end extreme global poverty and enable resilient, democratic societies to realize their potential. Recognizing coffee’s contribution to poverty reduction and development, USAID devotes significant resources to improving the productivity and incomes of smallholder coffee producers in Africa, Latin America, and Asia, in particular through Feed the Future, the U.S. Government’s global hunger and food security initiative. USAID is the largest donor to South Sudan.
VOLCAFE
Volcafe is one of the world’s largest and oldest sourcing companies for green coffee, supplying Nespresso with coffee from two countries. Volcafe has been implementing since 2005 the Nespresso AAA Sustainable Quality™ Program in two clusters in Costa Rica, where it provides training and technical assistance to over 1,800 farmers. Since 2012, Volcafe also implements the AAA Program in the Cundinamarca cluster in Colombia.
volcafe speciality.com/

WBSCD
WBCSD is a global, CEO-led organization of forward-thinking companies that galvanizes the global business community to create a sustainable future for business, society and the environment. WBCSD has been an NSAB Member since 2015.
wbcsd.org