

## Fact sheet: Making aluminium capsules sustainable

### At a glance

- The complexity of recycling, the logistics of capsule recovery, levels of consumer awareness and readiness to recycle, all differ from country to country and can only be addressed through multi-stakeholder cooperation
- *Nespresso* is piloting in different countries several collection and recycling schemes
- *Nespresso* is defining a new set of operating guidelines for the establishment of any new capsule retrieval system
- *Nespresso* will put systems in place to triple its capacity to recycle used capsules to 75% by 2013

One of the key areas of focus of the sustainability agenda is that of packaging materials. As part of this increased focus on the sustainable use of materials in food packaging public authorities are introducing new guidelines and legislation to encourage the reduction, recycling and reuse of materials. In research conducted with *Nespresso* Club Members in 2008 the recycling of aluminium capsules emerged as one of the priorities for *Nespresso* to address in sustainability.

To address this *Nespresso* launched the AluCycle™ Initiative; a multi-stakeholder initiative within the Ecolaboration™ platform with the aim of bringing together key stakeholders in the mining, refining, retrieval and recycling of aluminium to improve the sustainability performance of the *Nespresso* aluminium capsules.

### Capsule retrieval and recycling

The *Nespresso* AluCycle™ Initiative has two major components. First, *Nespresso* will put systems in place to triple its capacity to recycle used capsules to 75% by 2013.

In the key markets where *Nespresso* is active a range of factors prevents a standardise approach to capsule retrieval and recycling. The complexity of recycling, the logistics of capsule recovery, levels of consumer awareness and readiness to recycle, all differ from country to country and can only be addressed through multi-stakeholder cooperation. This is why *Nespresso* is evaluating the best options for recycling in each country.

In some countries, the capsules are not seen as packaging but rather as being part of the product. As a consequence, *Nespresso* capsules are not allowed to be collected in local recycling programmes in these countries.

In Germany, *Nespresso* capsules can be collected though the Grüner Punkt (Green Dot) packaging waste system. This system recycles 70% of aluminium packaging in Germany. Today, *Nespresso* is encouraging and promoting the extension of the German system to other countries.

Another obstacle for recycling *Nespresso* capsules is their size. Waste is taken to recycling facilities, where it is sorted into different materials. At the moment, small objects, like *Nespresso* coffee capsules, are not sorted and as a result they are mixed with non-recycled material, which is then taken to a landfill site or incineration.

As a possible solution *Nespresso* is piloting a project with two French recycling facilities, which involves the installation of technological equipment that will allow *Nespresso* capsules and other small pieces of aluminium to be sorted and recycled as with larger size aluminium products.

*Nespresso* has also launched its own collecting and recycling schemes. In Switzerland, there are more than 1,900 collection points in *Nespresso* boutiques and outlets retailing machines, local waste collection centres, numerous regional recycling companies, and street collection points. The collected capsules are sent to two companies near Lausanne and Geneva, which shred the capsules and separate the aluminium from the coffee grounds. The recovered aluminium is sold for re-melting. The coffee grounds are mixed with organic matter to produce compost. At the moment, 60% of *Nespresso* capsules sold in Switzerland are being recovered through this system and by end of 2009 this recovery rate should increase to 63%.

This system works particularly well in Switzerland due to the high volume of capsules sold compared with the relative size of the country. This enables an efficient collection system that is characterised by low carbon footprint and low fuel usage. This system was launched in Switzerland by *Nespresso* in partnership with Thévenaz-Leduc. This system is not necessarily environmentally or economically feasible in all other countries due to the limited number of capsules that would be returned to each collection point.

In France and Portugal, *Nespresso* is piloting another scheme, which installs recycling collection points in *Nespresso* boutiques. However, this scheme has a limited impact since not all of the capsules are sold through boutiques. For this reason *Nespresso* is actively looking for other partners who would provide collection points. For example, an idea currently being evaluated is to work with courier companies that deliver capsules to collect used capsules from Club Members.

Specifically in France, *Nespresso* will be adding 1,800 collection points in partnership with a recycling company starting in second quarter of 2010. In the longer term *Nespresso* hopes to find a solution that will allow capsules in France to be recycled through the Green Dot system (Eco-Emballages).

Once capsules are collected from boutiques in both these markets they are stored until they reach a considerable volume. They are then transported via truck to Switzerland for recycling. This is a temporary solution until a proper local recycling facility that meets the *Nespresso* safety and environmental guidelines is found, but is still environmentally favourable compared with not recycling at all.

*Nespresso* plans to implement recycling schemes in other countries as it learns from pilot projects. In the meantime *Nespresso* is committed and contributes to the educational effort promoting recycling practices in the communities it serves to support personal, industry and government initiatives.

In addition to the initiatives that are already set up or being set up in the markets *Nespresso* is defining a new set of operating guidelines for the establishment of any new capsule retrieval systems. In addition each market will be issued with an easy to use auditing tool to ensure that retrieval partners adhere to the *Nespresso* environmental and health and safety standards.

### **Low carbon capsules**

The second major component of the The *Nespresso* AluCycle™ Initiative is the creation of a multi-stakeholder industry roundtable to bring together experts across the aluminium value chain to define ideas to improve the overall footprint of the *Nespresso* capsules.

In June 2009, as part of the new Ecolaboration™ program, *Nespresso* is convening a stakeholder AluCycle™ Forum that will bring aluminium suppliers, recyclers, NGOs, environmental

consultancies and other related parties together in order to find ways in which the company can make *Nespresso* capsules more environmentally friendly. The Forum will be co-convened and facilitated by The International Union for Conservation of Nature (IUCN), which has been working for several years with the mining and metals industry on conservation and biodiversity issues.

Today *Nespresso* capsules are produced from mostly recycled or scrapped aluminium which reduces significantly carbon emissions - using recycled aluminium produces only 5% of the carbon emissions compared with primary production<sup>1</sup> - and *Nespresso* is already working with its main aluminium suppliers to increase the use of recycled aluminium.

At the moment *Nespresso* capsules cannot be made from 100% recycled aluminium as for technical reasons the foil must be made of primary aluminium and the capsule body is made of an aluminium alloy with a few per cent of other materials of primary production. *Nespresso* suppliers are also working hard to achieve more capsules per roll of aluminium. *Nespresso* is currently testing two different solutions to reduce the amount of aluminium in the body of the capsule by either 15% or 30%.

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<sup>1</sup> Global Aluminium Recycling: A Cornerstone of Sustainable Development”, International Aluminium Institute, 2006