

**EURO  
CAPS**



# **IMPACT REPORT**

## **2022**

**QUALITY. EVERY SINGLE TIME.**



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# A NOTE FROM OUR CFO.

Welcome to Euro Caps' first impact report! With this report we provide you with an overview of our environmental and social impact of the year 2022.

As a responsible and forward-thinking organization, we understand the importance of sustainability and its impact on our stakeholders, including our customers, employees and the communities in which we operate. We are committed to achieve long-term sustainable growth while minimizing our impact on the environment and creating positive social and economic value for all our stakeholders.

In this report, we will highlight our progress towards achieving our sustainability goals, identify areas where we need to improve and outline our plans for the future. We believe that transparency and accountability are key components of a sustainable business and we are happy to share our sustainability journey with you.

Enjoy the read!



Pieter Brokx  
CFO Euro Caps

# OUR 2022 IN NUMBERS.

Carbon footprint established (t Co2e)  
and CO2 neutral compensated

**897**



Payroll for training and development

**4,09%**



Gender Balance (male vs. female)

**84% vs. 16%**



Number of new employees

**43**

Certified coffee from total coffee consumption

**97%**

Coffee Grounds saved

**12,180** KG (SAVED 1,681KG CO2)

Number of families which are part of the WWF project

**76**

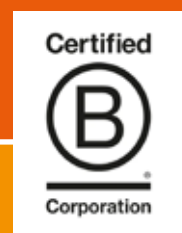
# ABOUT EURO CAPS.

In 2012 the market opened for private label coffee capsules for the Nespresso® system. We grabbed this opportunity with an energetic team and built a great organisation. Currently running a 24/7 operation with around 300 colleagues and 3 production facilities in Rotterdam.

Since 2022 we move from single serve coffee capsules to single serve beverage solutions and we have expanded our platforms.

“World Leader in Private Label  
(coffee)capsules.”

## ON THE ROAD TO B CORP!



Last year, we started the process of becoming a B Corp certified company. This ambition demonstrated how we strive to become industry leaders in sustainability. The B Corp application process has really helped in providing us with a framework to improve our business practices and to combine all our CSR activities.

# FACTS AND FIGURES.

## QUALITY

30 checks  
per day

## HEROES

300+ Capsule  
Heroes

## R&D TEAM

Inhouse

## WORLDWIDE SALES

40+  
countries

## BRC

Certified  
AA status

## GREEN POWER

100% Dutch  
wind energy



# OUR CULTURE.

A strong culture is characterized by a web of elements. The more these elements connect to each other, the stronger the culture. Think of logo, color, font, but especially the values that we find important as a company.

Euro Caps has also captured some strong elements and these give direction to everything we do. Together we work hard every day to make customers happy. It is important that everyone understands why we do things the way we do them. That everyone embraces our culture. We consistently promote our values. Our cultural values describe who we are and what we stand for. What connects us and how we interact.

## EURO CAPS CORE VALUES



**ENTREPRENEURIAL**  
Nothing is impossible



**PARTNERSHIP**  
Together we stand stronger



**QUIRKY**  
Fresh new ideas



**NOW**  
Just get on with it!



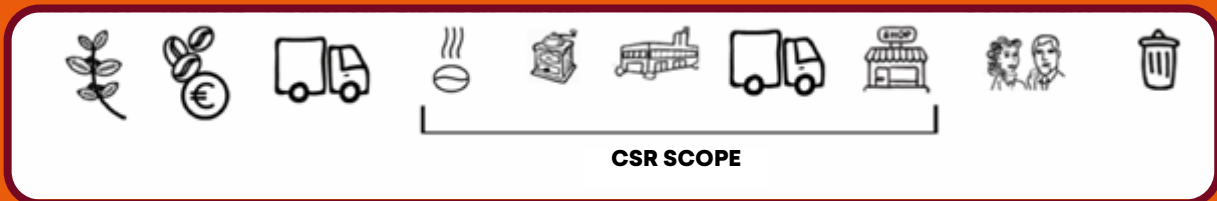


## **WORK HARD, PLAY HARDER**

Our annual summer party is also one of the highlights of the year. While enjoying delicious food & drinks, we party with all colleagues until the late hours at a beautiful location in Rotterdam or the surrounding area.

Every year we also organize our family day. Time to show your family your workplace with a tour in our production hall and to experience a wonderful summer day in a festival setting. On our Rotterdam location, the ideal setting for a festival, everything is beautifully decorated and there is a different theme every year.

# OUR VALUE CHAIN.



Euro Caps is a grinder and a packer and is in the middle of the chain. Euro Caps buys roasted beans, grinds them and delivers filled coffee capsules via transporters to retailers. Euro Caps buys empty capsules, as well as the cardboard or foils needed for packaging. She coordinates the taste of the coffee and the method of packaging with her customers, mostly retailers.

The direct chain for Euro Caps extends from roaster to retailer, where it itself is a grinder and packer. Euro Caps is an important packer of coffee, but nevertheless has little direct influence on the processes at the very beginning of the chain, such as the use of pesticides on the plantations or the receipt of fair wages and the working conditions of the coffee farmers. After all, Euro Caps buys roasted beans from roasters and has no direct contacts with growers or traders. However we find it very important to be part of a sustainable chain (e.g. good working conditions for everybody involved) and hence we carefully select our suppliers and work with certified supply partners (safe and environmentally sustainable coffee growth).



# OUR PRODUCTS.

## Nespresso Compatible (NC)



- Fully compatible
- Own R&D and design
- Available in plastic, aluminum and compostable

## Dolce Gusto compatible (DGC)



- Fully compatible
- Own R&D and design
- Best milk, foam and instant milk experience

## Nespresso Professional Compatible (NPC)



- Fully compatible
- Quality coffee experience

## Dongsuh



- Introduction of new proprietary aluminium coffee capsule system in South Korea

## Air Up



- Reusable water bottle
- Transforming tap water in flavoured water based on scent

# DOUBLE MATERIALITY ASSESSMENT.

To determine the scope of our sustainability reporting we have conducted a 'double materiality' assessment. This means that we considered the relevance of sustainability matters from two perspectives. For each sustainability matter we considered the possible financial materiality (outside in) and the impact materiality (inside out). In doing so we took into account the relevance of information for stakeholders.

- Internal stakeholders
  - o Employees
  - o Management team & board
  
- External stakeholders
  - o Suppliers
  - o Partners
  - o Customers
  - o Banks
  - o Competitors

As a result we identified the following sustainability matters as most important (material):

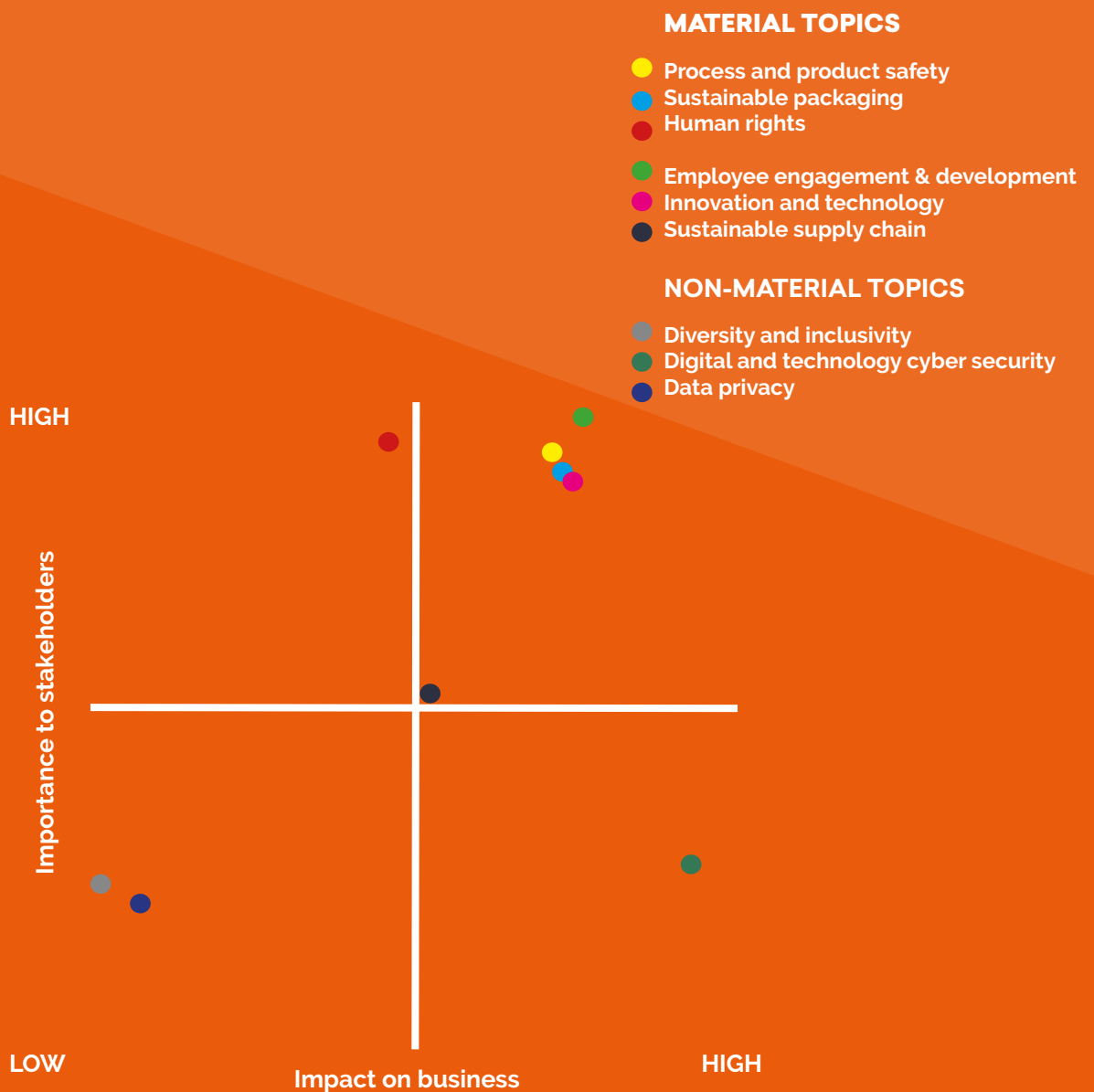
- Process and product safety
- Sustainable packaging
- Human rights
- Employee engagement & development
- Innovation and technology
- Sustainable supply chain

Please refer to the matrix on the next page.

We have used these sustainability matters to identify how we can contribute to the global sustainable development goals. We have chosen the following 5 goals on which we believe we can make the most impact.



Based on our double materiality assessment and the identified sustainable development goals we have outlined the following CSR (Corporate Social Responsibility) policy.



# CSR PILLARS.

The CSR policy of Euro Caps has three pillars:



**KNOWLEDGE**



**CLIMATE**



**QUALITY**

The 3 pillars are divided into 9 topics:

## 1. KNOWLEDGE

- Knowledge & employee development
- People with a distance to the labour market
- Coffee, ingredients and capsules

## 2. CLIMATE

- Co2 footprint of coffee & capsules
- Sustainable production
- Sustainable consumption

## 3. QUALITY

- Quality of work - vitality of employees
- Processes - improving the organization
- Circularity (responsible reuse of raw materials)



### OUR VISION

Euro Caps wants to be the largest sustainable single serve private label capsule supplier in the world by 2030.

# STRATEGIC GOALS.

The 9 topics have been further elaborated into 8 strategic objectives:

1. Keeping employees employable in a sustainable manner by encouraging them to engage in lifelong learning.
2. Generating opportunities for people with a distance to the labor market.
3. Developing a compostable capsule while maintaining existing quality.
4. Mapping and reducing the carbon footprint of capsules.
5. Map and reduce the CO<sub>2</sub> emissions of the production process and of the organization.
6. Further encouraging the use of sustainably produced products.
7. Encouraging and supporting employees in a healthy and vital lifestyle.
8. Awareness of and quality perception among all Euro Caps employees: Quality. Every Single Time.

*The elaboration of the 8 strategic goals should lead to the CSR vision in 2030 to be the largest sustainable single serve private label capsule supplier in the world.*

# 1. KNOWLEDGE



**OBJECTIVE:** knowledge and development of employees:

- Keeping employees permanently employable by encouraging them to lifelong learning

KPI: Spend at least 1.5% (2016) of the wage bill on employee training and development

**2022:** 4,09 % of the wage bill for employee training & development (vs. 1,5% as standard for the industry)

**2021:** 3,00 % of the wage bill for employee training & development (vs. 1,5% as standard for the industry)

**OBJECTIVE:** knowledge and development of people with a distance to the labor market:

- Generating opportunities for people in Rotterdam who are at a distance from the labor market.

KPI: Support at least 5 people per year by offering them work/experience places

**2022:** 35 work/experience places (f.e. EC Tech Talent, 100 van Sander, Internal MBO course, participation JINC)

**2021:** 16 work/experience places



**OBJECTIVE:** Knowledge and development of coffee, ingredients and capsules

- Developing a compostable capsule while maintaining existing quality

KPI: #2 R&D routes for the development of a HC Capsule. By the end of 2025 Euro caps has developed a compostable capsule

**2022:** Euro Caps **has developed** a Home Compostable capsule and starts with the first steps regarding the development of a paper capsule

**2021:** Euro Caps **started** with the development of a Home Compostable capsule



# 2. CLIMATE



**OBJECTIVE:** Co2 footprint of coffee & capsules

- Mapping and reducing the carbon footprint of capsules

KPI: In 2018-2022, Euro Caps will reduce its CO2 footprint by at least 2% per year

**2022:** Continuous product development leads to further Co2 reduction (aluminium > home compostable)

**2021:** Continuous product development leads to further Co2 reduction (plastic > aluminium)

**OBJECTIVE:** sustainable production/reducing CO2 emissions

- mapping and reducing the CO2 emissions of the production process and of the organization

KPI: In 2018-2022, Euro Caps will reduce its CO2 footprint by at least 2% per year

**2022:** 897 tons Co2 emissions\*

**2021:** 4024 tons Co2 emissions\*



*\*After reducing CO2 emissions, the tons of CO2 that remain are compensated to achieve CO2 neutrality.*

**OBJECTIVE:** sustainable consumption

- further encouraging the use of responsibly produced coffee

KPI: In 2018 – 2022, Euro Caps will process at least 80% certified coffee, with this reaching 100% in 2025

**2022:** 97% certified coffee of total coffee use

**2021:** 90% certified coffee of total coffee use



# 3. QUALITY



**OBJECTIVE:** quality of work

• Encouraging and guiding employees in a healthy and vital lifestyle (sustainable employability)

KPI: In 2018, Euro Caps has a vitality plan and spends 0.4% of the wage bill on vitality

**2022:** 0,34% of the wage bill for vitality activities

**2021:** 0,27% of the wage bill for vitality activities

**OBJECTIVE:** Quality perception among all euro caps employees

• Awareness of and perception of quality among all Euro Caps employees: Quality. Every Single Time.

KPI: In 2020, Euro Caps has a score of 7 or higher in the annual survey regarding quality perception among all Euro Caps colleagues. This score remains the same or higher in subsequent years

**2022:** 7.3

**2021:** 7.6

# OUR PARTNERSHIP WITH WWF



## AGROFORESTRY COFFEE PROJECT

We have been working with WWF since 2018. Apuí, a municipality in the Brazilian Amazon, is located in the middle of the deforestation front: this habitat of thousands of plants and animals and indigenous communities is in danger of being lost. In collaboration with WWF, local organization Idesam and local farmers, we are working on introducing and expanding agroforestry products: native trees are combined with commercially interesting species and coffee, improving income, creating an interesting sustainable coffee product and, moreover, stop deforestation.

Indicator	2018	2019	2020	2021	2022 (expec.)	2022
# families committed to agroforestry coffee	19	20	28	34	70	76
# families with organic certification	0	8	13	16	22	18
# ha under agroforestry coffee	28.6	31.6	43	92	162	159
# ha under organic certification	0	20.2	27	28	36	28,8
# of total coffee bags produced (certified and non-certified)	176	195	275	300	356	278
# of coffee bags commercialized with Eurocaps (exported) - minimum	0	100	100	100	100	100

# SUSTAINABLE INITIATIVES

## CHARITIES SUPPORTED BY EURO CAPS



Euro Caps supported *soundtrack010* during Covid. Soundtrack010 is the DNA of Rotterdam translated into music. Freelance musicians were hit hard by the coronacrisis and with this initiative they got the podium they deserved.

Euro Caps is one of the *founders of Sophia's first children's brain center.*

As a social business partner of Sparta Rotterdam we focus on our common goal: *training talent.*

*Proud partner of the Agroforestry coffee concept in the Amazone in Brasil in cooperation with WWF.*

With the partnership between JINC and Euro Caps we participate in "*Boss of Tomorrow*": children growing up in areas with socio-economic disadvantage are given the opportunity to gain insight into the business world.

As a partner of 100 van Sander, Euro Caps *offers a job to people who need a helping hand.*





We are proud of our CHEP sustainability certificate.  
By using CHEP pool pallets, in 2022 we will have:

**54 trees saved**

**More than 5,000 kg of waste saved**

**More than 67,000 kg of CO<sub>2</sub> saved (equivalent to one and a half trips around the Earth in a truck!)**



# IMPACT REPORT 2022.

## Our Sustainability Team



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