

Sustainability report

**Mission
Strategy
Progress**

(update 2025)

Euro Caps



CSR Mission

Euro Caps stands for ...

Single-serve beverages. Delicious, sustainable coffee. Reliability and openness. We say what we do and do what we say. No fuss or fancy talk—just rolling up our sleeves and delivering top-notch quality, anytime, anywhere. That's how we do things as a young, dynamic and professional company from Rotterdam, driven by passion and ambition.

Euro Caps exists for ...

Brand owners in the retail and hospitality sectors who want their customers to enjoy great coffee at a fair price. We're a private-label manufacturer of mainly Nespresso®, Dolce Gusto®, and Nespresso® Professional compatible coffee capsules. We also produce for other capsule systems and fragrance rings for AirUp. Our capsules are sold under private labels in supermarkets, online platforms and other global channels.

Euro Caps believes in ...

Knowledge. Coffee knowledge and quality expertise. Knowledge to grow and to share. Knowledge as the key to success. We aim to contribute positively to the development of our employees, coffee farmers, and the coffee supply chain as a whole. Knowledge leads to self-reliance, engagement, responsibility, and long-term sustainability.

Euro Caps aims to contribute to ...

A better world—by giving employees the chance to grow and develop. By making the footprint of our products visible and actively reducing it. By taking responsibility for our actions. And by enabling people to enjoy the best sustainably produced coffee out there.

Euro Caps delivers social value by ...

- Letting consumers enjoy tasty coffee.
- Offering expertise and competitive pricing to clients.
- Creating growth and income opportunities for employees.
- Supporting better working conditions for farmers and encouraging more sustainable farming practices.
- Promoting a more responsible coffee chain for the benefit of society.

CSR-vision & strategy

Euro Caps

Euro Caps is a private limited company, founded in 2012, based in Rotterdam, and active in the private-label coffee capsule market. With around 4.5 million capsules produced daily, 300 employees, and three production sites, we're a significant player on the global stage.

Euro Caps is part of society, and that comes with responsibilities. Wherever possible, we want to contribute to solutions around major challenges such as climate change, education, poverty reduction, public health, and environmental care.

For us, sustainability is not a fixed point—it's about becoming more sustainable. It's an ongoing journey of change, improvement and renewal. Not a rigid roadmap, but a process of continuous learning and innovation, especially in our production and sourcing activities. We've already taken the first meaningful steps—and many more will follow.



VISION

Euro Caps aims to be the world's largest sustainable single-serve private label capsule supplier by 2030.

The coffee supply chain – boundaries and focus area

The coffee supply chain is made up of many links. It starts with farmers and runs through traders, roasters, grinders, packagers, transporters, retailers, consumers, and finally ends with waste processors. From a CSR perspective, this chain carries many risks:

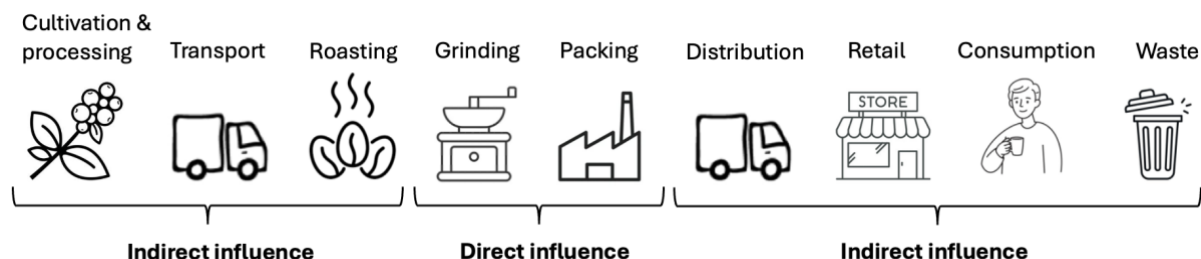
- Smallholder farmers in developing countries often work under poor labor conditions and for very low pay.
- Climate change affects both the quality and availability of coffee crops.
- Coffee farming can negatively impact the environment through deforestation, high water usage, and pesticide use.

As a grinder and packager, Euro Caps plays a central role. We buy empty capsules, packaging materials (cardboard and foil), and roasted coffee beans. We grind the beans and deliver filled capsules to brand owners—mostly retailers. The taste and packaging are fine-tuned together with our clients.

However, since we mainly package the coffee, we have limited direct influence on early-stage supply chain processes, like pesticide use on plantations or working conditions for farmers. We source roasted beans from roasters and don't work directly with farmers or traders. But early in the chain is exactly where the biggest sustainability wins can be made. That's why we're committed to

contributing wherever we can—by finding and applying solutions for the sustainability issues that arise in those early stages.

The impact of Euro Caps on parts within its supply chain:



More downstream in the chain, Euro Caps has relatively little direct influence on the consumer. While we try to encourage consumers to separate their waste through packaging, experience shows that changing consumer behaviour is tough, and Euro Caps' impact here is limited. That's why we believe it's essential to make things as easy as possible for consumers, especially when it comes to more sustainable consumption. This remains a key focus in the development of new packaging and products.

Stakeholders

Euro Caps is in the middle of a long coffee chain and society at large. Our direct stakeholders include traders, transporters, suppliers of coffee and other ingredients, packaging suppliers, roasters, brand owners, retailers and financiers. Our indirect stakeholders are farmers, shareholders, governments, regulators and certifiers, NGOs and industry associations, consumers, waste processors and competitors. And of course, employees and local residents are among our most important directly involved groups.

We have daily contact with some of these stakeholders and less frequent interaction with others. To give everyone a voice, we plan to organize periodic stakeholder dialogues to discuss relevant social issues. Our aim? To jointly develop a verified double materiality index over time.

Sustainable Development Goals

The Sustainable Development Goals (SDGs) were created in 2016 by the United Nations together with the global community. Their main goal is to end extreme poverty, which the UN calls "the biggest challenge of our time." But there's more to it. The goals also focus on inequality, climate change, sustainable business practices, and responsible growth. Ultimately, the 17 goals aim to make the world a better place by 2030.



They might sound a bit high-level, but Euro Caps believes everyone — citizens, employees, and businesses alike — can contribute positively to one or more of these goals. That includes us. The SDGs guide our company's CSR policy. Not all 17 goals are equally relevant or urgent for us. That's why we've chosen to focus mainly on the following five. This choice is based on an analysis of our company mission, our impact on society and the environment, and stakeholder priorities. By focusing on where we can make the biggest difference, both short and long term, we've identified these five goals as the best fit for our core values and strategic objectives:



SDG 1. No Poverty

Fair working conditions for coffee farmers in our supply chain, as well as for our employees and temporary workers.

SDG 3. Good Health and Well-being

Keeping employees healthy and able to work sustainably.
Helping people enjoy great coffee.

SDG 4. Quality Education

Supporting lifelong learning for our employees.

SDG 12. Responsible Consumption and Production

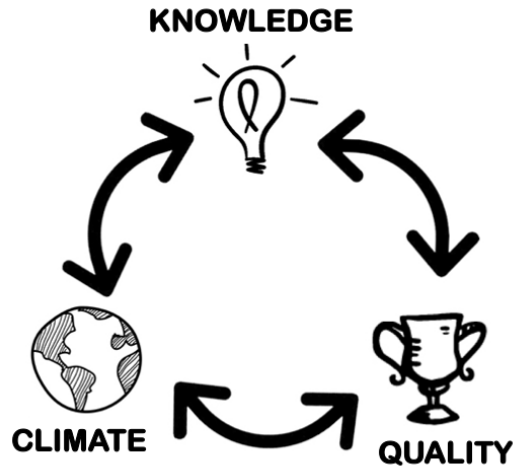
More sustainably produced coffee.
More sustainable packaging materials.
More sustainable production processes.

SDG 13. Climate Action

Mapping and reducing CO₂ emissions from coffee, capsules, packaging, and production.

The Three Pillars of Euro Caps' CSR Policy

The five Sustainable Development Goals we mentioned serve as the compass for our CSR policy. To turn these goals into concrete actions, we've built our policy around three pillars: knowledge, climate, and quality. These themes form the foundation of our efforts and closely align with the SDGs we focus on.



We've divided the three pillars into seven key focus areas. These help us make our social commitment clear and targeted.



Knowledge

1. Knowledge and employee development
2. Knowledge and development of coffee, ingredients, and capsules
3. Knowledge and development of sustainable business practices



Climate

4. The footprint of our organization and products
5. Making our production more sustainable



Quality

6. Quality of work and life
7. Quality of products and processes



KNOWLEDGE

1. Knowledge and employee development

Knowledge is all about people's growth—getting ahead, getting opportunities, and making the most of them. It's about influence, self-worth, and independence. It's about now and the future. About joining in or being left out.

At Euro Caps, we believe in the power of knowledge. Without proper, relevant training, it's harder to find and keep work you enjoy. That's why we give our employees the chance to keep developing and encourage everyone to be lifelong learners. Since work is changing faster than ever—especially with new technology—it's essential for employees to learn new skills, gain knowledge, and strengthen their abilities.

Increasing knowledge and skills also creates an entrepreneurial culture where employees take responsibility and feel engaged. Motivated and committed employees are ready for the job market and can adapt flexibly to change. This benefits not only the employees but also Euro Caps, which relies on skilled people.

Euro Caps is known for fast processes and constant change. No two days are the same, and what seemed like a great idea yesterday might be outdated today. The pace is high. We compete in the "Champions League of the coffee industry" and want to stay there for a long time. We can only keep up at this level if everyone works together, stays fit—both physically and mentally—and has solid expertise. At Euro Caps, this is what we see as good employer practice.

We make sure our employees are not only well prepared for their jobs but also have room to grow and develop further. Whether it's technical skills, personal growth, or professional knowledge, we offer a wide range of opportunities to support and realize our employees' ambitions.

Besides a thorough onboarding program that introduces new employees to our company and makes them feel welcome, we also offer a personal development plan. In this plan, everyone sets their own goals and ambitions. We support these by providing various study options. We also take care of all legally required training and the necessary courses to do the job well.

At Euro Caps, we also have the EC Tech Talent Program, where colleagues are trained to become skilled technicians. This happens through on-the-job training combined with following the MBO Mechatronics course.

On top of that, Euro Caps offers more—like the Coffee Culture Program. This program is designed to share the passion for coffee quality and appreciation for the entire coffee chain—from the origin to the cup. It puts special focus on the

farmers, their living environment, and the planet. Our coffee expert (Q-Grader) takes every Euro Caps employee on a journey through the world of coffee. Topics like coffee history, origin, cultivation, and processing are covered in detail. During interactive practical sessions, participants learn how to evaluate coffee and do sensory exercises—even if they don't like coffee! Everyone leaves with a deeper understanding of the complexity of the coffee chain.

But we go even further. Especially machine operators benefit from roasting sessions on our small-scale lab coffee roaster. Since they're the last link responsible for bean quality, knowing roast colour and bean types is essential. Each employee roasts their own blend and gets to take it home at the end of the session.

Besides sharing knowledge, there's also room for connection. The Espresso Bar Pop-Ups in our production canteens bring colleagues from different departments together. This creates informal, lively conversations between people who don't usually cross paths—and that's maybe just as valuable.



We also encourage personal and professional growth through our O.P.E.N. Academy — a platform where Euro Caps' development and that of its employees come together. This online platform gives access to a wide range of educational content, from study support to specific professional skills. Euro Caps makes sure employees can grow both professionally and personally, within a culture of growth, collaboration, and continuous improvement — an approach that has earned us the **'Top Employer Netherlands'** award several times. This recognition comes from the Top Employers Institute, which evaluates companies across various HR areas, including talent strategy, workforce planning, onboarding, learning and development, performance management, and leadership development.



GOAL

Keeping employees sustainably employable by encouraging them to engage in lifelong learning.



Annually spend at least 3% of our payroll on training and developing employees
(double the industry standard)

2. Knowledge and Development of Coffee, Ingredients, and Capsules

Euro Caps is a true coffee specialist with extensive knowledge of brewing the best-tasting coffee. We're constantly working to deliver top-quality coffee at a competitive price to our customers. Where possible, we share our expertise about coffee and capsules with employees, customers, suppliers, and consumers. We also keep a close eye on the latest trends and innovations, applying these insights to improve existing products and develop new ones. For example, coffee capsules are now being developed with added aromas and vitamins. With these innovations, we're responding to the growing consumer demand for personalized, functional drinks that not only taste great but also contribute to wellbeing. By enriching coffee with, say, vitamin B or hazelnut flavour, we want to tap into the trend of healthier lifestyle choices and a richer drinking experience. This fits with our ambition to bring not only sustainable but also innovative products to the market.

A good cup of coffee naturally starts with sourcing the best coffee beans. It's also crucial to know that coffee and oxygen don't mix well. Once coffee meets oxygen, its quality quickly deteriorates. That's why it's essential to package coffee airtight. Over time, thanks to our continuous knowledge gathering, we've been able to develop our capsules further. Below you'll find a timeline of how our capsules have evolved over the years—a journey where we've repeatedly responded to new insights, technologies, and sustainable choices to improve our products.



2013-2017

Until mid-2017, Euro Caps used so-called "**open capsules**." These were pre-perforated plastic capsules. Because they had no oxygen barrier, each capsule was airtight packed in a foil pouch to ensure long shelf life.



2017

With the development of the so-called **"barrier capsule"**, Euro Caps switched in 2017 to a plastic capsule with an oxygen barrier. From then on, pouches were no longer needed, and the capsules became stackable. This allowed us to package capsules in smaller boxes. This development not only improved taste but also led to a huge reduction in packaging material and waste, while also cutting down on storage space and transport capacity needed.

	Open capsule	Barrière capsule	Besparing
 Karton	0,12m ²	0,06m ²	50%
 Folie	0,02m ²	0	100%
  Opslag Transport	44.352*	123.552*	64%
*CE per pallet			

Besparing = Savings

Euro Caps was excited about its new capsule. However, it had the downside of being made mostly of plastic. This makes the capsules hard to recycle after use, so they end up in general waste. The fact that this contributes significantly to the growing problem of non-recyclable plastic is something Euro Caps finds unacceptable.



2020

In 2020, Euro Caps introduced the **aluminium capsule** — an innovative step in capsule development. Aluminium provides an excellent barrier against external factors like light, air, and moisture, which can affect the taste and freshness of coffee. It helps keep the coffee's aromas and flavours intact, even during long storage. Although producing aluminium is quite energy-intensive and not the most sustainable starting point, its excellent recyclability partly makes up for this. Aluminium can be recycled endlessly without losing quality, making it a more sustainable option compared to plastics. Plus, recycling aluminium uses significantly less energy than producing new material.

Coffee Capsule Recycling Netherlands (KCR)

Aluminium is highly recyclable—but only if the capsules are actually collected and processed separately. That's why proper collection is key: capsules need to be disposed of in a dedicated waste stream so the materials can be recycled correctly and the aluminium reused. Euro Caps is a co-founder of Coffee Capsule Recycling Netherlands (KCR), a collaborative initiative focused on the responsible collection and recycling of coffee capsules in the Netherlands. Through KCR, we're making it easier for consumers to return used capsules in a simple and environmentally friendly way. This enables the reuse of valuable materials like aluminium, plastic, and coffee grounds. By actively supporting this circular solution, we're helping reduce waste, save raw materials, and lower the environmental footprint of coffee consumption. Together with others in the sector, we're moving toward a more sustainable coffee system.



2023

In 2022, Euro Caps began developing a high-quality, affordable **biodegradable capsule made from PHA**, a biodegradable plastic produced by microorganisms that convert sugars and oils into a polymer. Because the capsule had to meet Euro Caps' high-quality standards, this wasn't achieved overnight. The capsule couldn't let in too much oxygen, couldn't start composting too quickly, and needed to flow smoothly in machines. In 2023, our R&D team succeeded in launching a compostable capsule that meets all these requirements. The capsule is fully biodegradable in different environments (water, soil, compost), can be composted both industrially and at home, and breaks down without leaving harmful residues. This makes it a promising alternative to traditional plastic products.



2025

In 2025, Euro Caps will introduce a capsule made from **80% recycled aluminium**. This capsule has a much lower environmental impact than capsules made from virgin aluminium. Producing recycled aluminium uses up to 95% less energy than extracting and processing new aluminium, resulting in significantly lower CO₂ emissions. By reusing existing material, less bauxite—the raw material for aluminium—is mined, helping reduce soil disruption and environmental damage in mining areas. Recycled aluminium also keeps its quality and protective properties, making it perfect for coffee packaging. It seals in aromas well, protects against light, air, and moisture, and helps keep coffee fresh longer. By choosing capsules with a high recycled aluminium content, we also support the circular economy and help prevent waste of valuable resources.



2026

At the end-of-life stage, recycling or composting is always best for the environment. Euro Caps wants to keep innovating and becoming more sustainable, so in 2026 we plan to take a big step toward a fully circular coffee capsule made from **100% renewable, plant-based materials**. From raw materials to end use, it will be designed with sustainability in mind (including an even less energy-intensive production process) without compromising on taste or ease of use.

When developing our capsules, we consider the requirements of the PPWR—the European Packaging and Packaging Waste Regulation—and in our sustainability communications, we follow the Green Claims Directive, which calls for transparency and well-substantiated environmental claims.

PPWR

The new Packaging and Packaging Waste Regulation (PPWR) is set to change the way packaging is designed, used, and processed across Europe. Starting in August 2026, stricter requirements will be gradually introduced to reduce packaging waste, promote reuse, and improve recycling.

This comprehensive set of laws and regulations aims to make packaging lighter, smaller, more sustainable, and easier to recycle. Harmful substances will be banned, unnecessary packaging will be limited, and the use of recycled materials will become mandatory. In addition, clear labeling requirements and performance standards will be implemented.

Green Claims Directive

The European Union has introduced the Green Claims Directive to protect consumers from misleading environmental claims, also known as greenwashing. This legislation requires companies to back up their sustainability claims with scientific evidence and independent verification. Vague terms like “eco,” “green,” or “climate neutral” can no longer be used without proof.

In addition, sustainability labels must come from official certification schemes or public authorities. The directive aims to increase transparency, help consumers make more sustainable choices, and ensure fair competition. EU member states have until 2026 to incorporate these rules into national legislation.



GOAL

Stimulating sustainable product development in line with current and future laws and regulations.



Launch in 2026 of a 100% plant fibre-based capsule.

Launch at the end of 2025 of a capsule made of 80% recycled aluminium.

3. Knowledge and Development of Sustainable Business Practices

Sustainable business means being aware of the impact a company has on the environment, society, and its stakeholders. By investing in knowledge and development around sustainable business practices, Euro Caps can minimize the negative effects of its operations and contribute to a better environment and a fairer society. This also makes our business future-proof. In an increasingly green market, innovation and progress in sustainability are essential.

Knowledge and development in sustainable business are also crucial because they help us adapt to a changing environment and evolving regulations. They enable us to manage risks, reduce costs, and increase customer satisfaction. This allows us to create long-term value and prepare for the future.

At Euro Caps, we work with **Sedex** and **EcoVadis** to monitor and improve our performance on labour standards, environmental impact, health and safety, business ethics, and supply chain transparency. We apply the ETI Base Code (a code of conduct based on international labour standards from the International Labour Organization) as our standard for fair working conditions. This is also the basis for Sedex audits. These platforms help us better understand, improve, and communicate our CSR performance transparently.

Additionally, Euro Caps is B Corp certified. This prestigious recognition reflects our commitment to driving positive change through our business practices. The B Corp certification also supports us in integrating sustainability into our operations and provides the tools and recognition needed to increase our positive impact on society and the environment.



B Corp

A B Corp, also known as a Benefit Corporation, is a company that aims to generate social and environmental impact in addition to making a profit. B Lab, the organization behind the certification, seeks to build a movement of businesses with a shared goal: sustainable operations with a stronger positive impact. There is no single set of criteria that all certified companies must meet. Instead, businesses can earn points for a wide range of positive activities. The assessment considers not only a company's operational impact, but also whether its approach creates positive outcomes for all stakeholders involved. Environmental criteria vary by sector and include aspects such as environmental management, air and climate, water, land and life, renewable energy, conservation of nature and species, reduction of toxic substances, resource preservation, environmental education, and innovative environmental practices. Regarding employees, the focus lies on financial security, health, wellbeing & safety, career development, engagement & satisfaction, ownership, and professional growth.



GOAL

Continuously improving the social, ethical, and environmental performance within our company and supply chain.



B Corp
recertification
in 2027

Ecovadis
Silver score in
2027

SMETA 4-pillar
advanced
in 2027



CLIMATE

Climate has a major impact on coffee growing. That's mainly because coffee—especially the arabica plant—is quite sensitive. Arabica is typically grown near the equator at altitudes above 1,300 meters. These plants prefer the shade of taller trees and thrive best at average temperatures between 18 and 22°C. They can't handle frost, but nighttime temperatures shouldn't stay above 16°C for too long either. All of this means that growing coffee requires very specific conditions, and you can't just do it anywhere.

The impact of climate change on coffee production is significant and complex:

Rising temperatures and extreme rainfall

Climate change is bringing higher temperatures and heavier rainfall, making it harder to grow coffee under optimal conditions.

Increase in pests and diseases

Changing weather patterns are expanding the range of pests (like the coffee borer beetle) and diseases (such as coffee rust), pushing farmers to use pesticides more often.

⚠️ Deforestation

In some regions, rainforests are being cleared to expand coffee farms—especially for sun-grown coffee plantations, which promise higher yields but are more vulnerable to disease and climate stress.

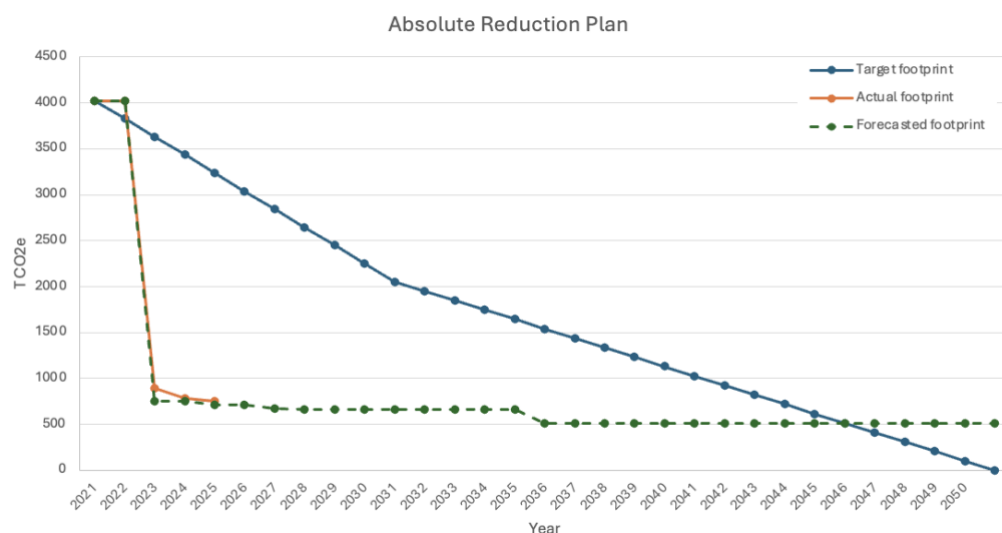
⚠️ Pesticide use

Sun plantations, which lack shade trees, often rely more on chemical pesticides. These can be harmful to biodiversity, soil, water quality, and the health of workers.

At Euro Caps, we see climate change as a medium-term strategic risk—one that threatens the availability and quality of coffee, the stability of supply chains, and the future of sustainable production. We're committed to helping farmers become more resilient to climate challenges by working with partners across the supply chain on climate-friendly solutions. At the same time, we're taking action to reduce our own carbon footprint by making our processes and products more sustainable and using energy and raw materials more efficiently.

4. Our Organisational and Product Footprint

In the food industry—just like in manufacturing and construction—the climate impact of products is becoming increasingly important. At Euro Caps, we have a clear view of our carbon emissions (Scope 1 and 2, plus general Scope 3 emissions). We're actively working to reduce these emissions, and we offset what we currently can't eliminate by purchasing Carbon Credits. We do this as part of the Climate Activator Certification program by Anthesis. This ensures our climate strategy aligns with the goals of the Paris Agreement, which aims to keep global warming well below 2°C—and ideally no more than 1.5°C—compared to pre-industrial levels.



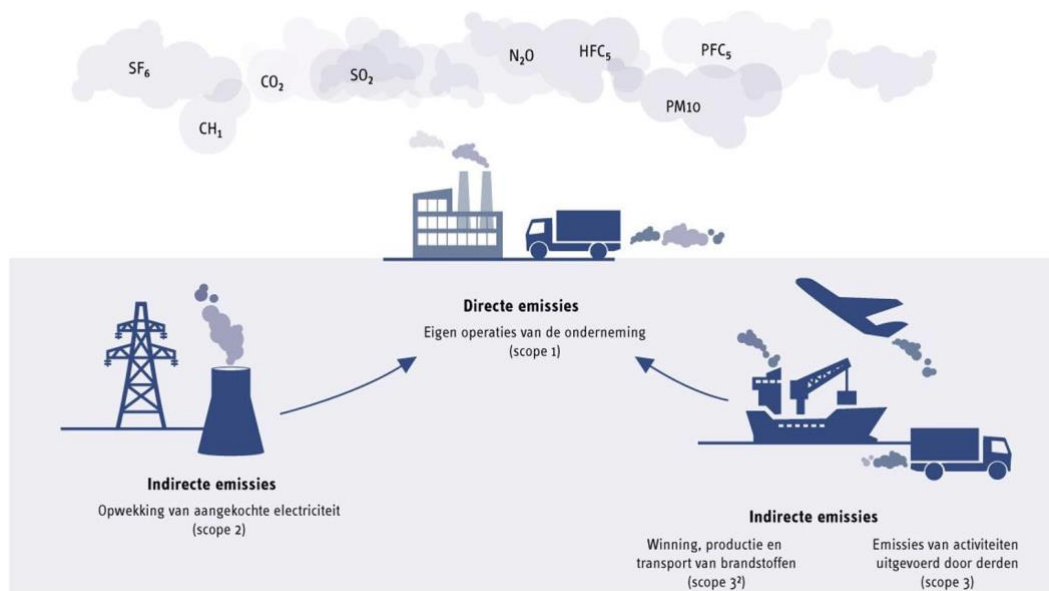
Climate Activator Reductieplan Euro Caps (Organisatie). 2024: 81% CO₂-reductie tov baseline year 2020.

In addition, some of the products we manufacture carry the Climate Activator label. A key requirement for this certification is that we must reduce the CO₂ footprint of certified products by at least 25% by 2030, compared to a defined baseline year.

Euro Caps is also part of the **Science Based Targets initiative (SBTi)**.

The SBTi helps companies set credible, science-based climate goals. It pushes organizations to genuinely reduce their emissions—not just offset them—and promotes full transparency. Getting your targets validated by the SBTi is a clear signal that you're serious about responsible climate action.

Euro Caps is committed to both near-term and net-zero reduction targets aligned with the 1.5°C pathway. This means we must calculate and justify our CO₂ reduction goals (covering Scope 1, 2, and all relevant Scope 3 emissions) using strict, science-based methodologies. This ensures our climate ambitions are transparent, comparable, and credible.



Scope 1 emissions (direct source approach): These are direct CO₂ emissions from our own operations, such as fuel consumption for company vehicles or natural gas used to heat our offices.

Scope 2 emissions: These are indirect emissions resulting from the generation of purchased energy, such as electricity. They are relatively easy to measure, as they are based on our own energy consumption.

Scope 3 emissions (value chain approach): These cover CO₂ emissions that occur throughout the entire value chain, outside of our direct control. For us, as a buyer of coffee, powders, and packaging materials—and as a packer—this includes emissions from coffee cultivation and processing, transportation of raw materials, the production of packaging materials, and even the use of our capsules by consumers at home (e.g., the energy used by coffee machines).

These are all indirect emissions caused by our activities, but they take place at other entities in the value chain. Since these emissions occur outside our own operations, we rely on data from suppliers, transporters, and even end users. This data is often incomplete or unavailable, and each link in the chain operates differently. Measuring Scope 3 emissions is also complex, in part because emission factors (the amount of CO₂ emitted per unit of material) can vary significantly. They depend on several factors, such as the origin of the material, production methods, transport distance, energy source (green or fossil-based), and whether the material is recycled.

At Euro Caps, we're fully aware of the environmental impact our single-serve coffee capsules have—and we recognize that it's significant. We're not shying away from this challenge. Instead, we're committed to being transparent. The first

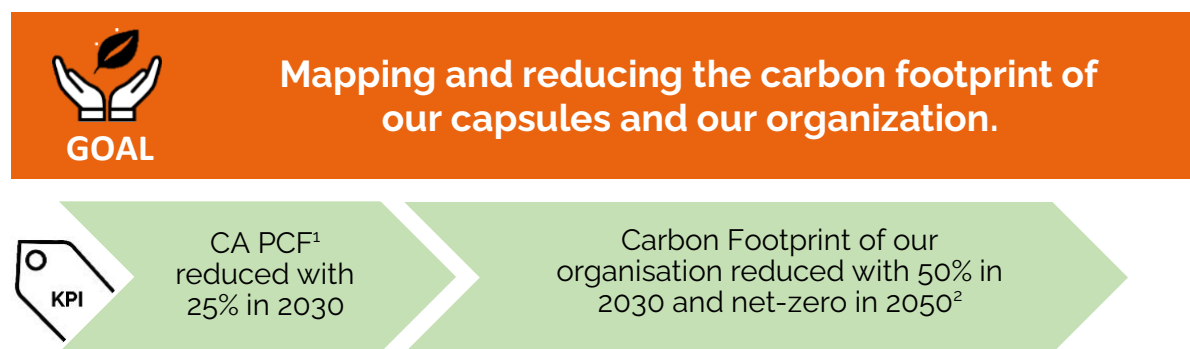
step is measurement, because “what gets measured, gets managed.” We want to gain a clear understanding of the ecological footprint of our capsules and how it compares to other brewing methods.

Euro Caps specializes in single serve, meaning our coffee is packaged in a way that delivers exactly one cup per capsule. This offers consumers convenience and consistent quality. Capsules are typically sold in packs of 10, 16, 30, or 50. To the average consumer, this may not seem like an environmentally friendly way to brew coffee—but is that perception actually fair?

Single-serve coffee also comes with some important environmental benefits:

- Portion control – No coffee is wasted or thrown out.
- Energy efficiency – Coffee doesn't need to be kept warm on a hot plate.

So the question remains: is single-serve really worse for the environment? That's exactly what Euro Caps wants to find out. We're taking on the challenge of mapping the full impact. Whatever the results of that analysis, our long-term dream is clear: to develop a high-quality, affordable capsule that can compete—on sustainability—with other coffee products and brewing methods.



¹ For our Climate Activator (CA)-certified products, we aim to reduce the Product Carbon Footprint (PCF) by 25% by 2030, compared to the baseline year 2021

² Across our entire value chain (Scope 1, 2, and 3 emissions), our goal is a 50% reduction by 2030 (baseline year 2020), with a target of reaching net-zero emissions by 2050 at the latest. These commitments meet the requirements of both Climate Activator and the SBTi.

5. Making our production more sustainable

As mentioned earlier in this document, the biggest sustainability gains can be made at the start of the supply chain—with the farmers who grow and process our coffee. By supporting sustainable farming practices, we can reduce the environmental impact of coffee production, help protect biodiversity and improve the social conditions of farming communities.

By investing in sustainable production methods—such as organic farming or Fairtrade practices—we're not only helping to protect the planet but also building a more fair and resilient coffee supply chain.

One of the keyways we contribute is by sourcing sustainably certified coffee. In the past three years, the share of Rainforest Alliance, Fairtrade, and/or organically certified products has consistently exceeded 90%. This helps promote sustainable farming, combat deforestation, and improve working conditions and living standards for coffee farmers.

The sustainability initiatives listed below are committed to improving working conditions, protecting the environment, and increasing yields. Each initiative operates under its own standard, which includes social, environmental, and economic criteria for responsible production and trade. When farmer organizations meet these standards, they receive certification as proof. This allows them to sell their coffee as sustainably certified.



Fairtrade helps farmers and workers in developing countries secure a better position in the supply chain, enabling them to earn a living from their work and invest in a sustainable future.



Organically grown products meet the strict requirements of organic farming methods: no chemical pesticides or synthetic fertilizers are used during cultivation, and only natural methods are applied to maintain soil fertility.



Rainforest Alliance focuses on transparency and traceability throughout the entire supply chain and on the sustainable professionalization of farming businesses. Rainforest Alliance provides guidelines for improved cultivation and production methods, working conditions, care for nature, and future generations.

We're committed to avoiding any contribution to deforestation and are actively preparing for the upcoming European Deforestation Regulation (EUDR), which comes into effect in December 2025. This regulation requires that coffee must not come from land that was deforested after December 31, 2020. By sourcing coffee only from suppliers who offer transparent supply chains, we make sure our coffee production doesn't negatively impact global forests. This helps protect biodiversity, reduce CO₂ emissions, and ultimately supports a healthier climate.

At Euro Caps, we're proud to be part of projects that make a real difference. In recent years, we partnered with WWF in Apuí, Brazil, on an agroforestry project. Soon, we'll begin a new initiative in Espírito Santo, on Brazil's east coast. There, we'll contribute to a landscape restoration project that's part of the **Atlantic Forest 2030 Vision**. This ambitious program aims to restore degraded land, expand forest cover, capture more CO₂, protect habitats of endangered species, and improve the livelihoods of local communities.

We'll purchase coffee produced on the restored land, ensuring that local families not only help regenerate their environment, but also gain access to the coffee market.

Besides looking at sustainability at the start of the coffee supply chain, we also focus on our own operations. Grinding and packaging coffee into capsules is energy intensive. Each year, our Rotterdam factories consume around 6.5 MW of electricity. We're continuously working to improve our energy performance.

Euro Caps complies with the EU's Energy Efficiency Directive (EED). We implement all cost-effective energy-saving measures with a payback period of five years or less, based on the recognized action list from RVO Netherlands. In practice, this means we're always on the lookout for better ways to operate. Our production facilities are fully equipped with fluorescent or LED lighting, which uses significantly less energy than incandescent or halogen bulbs. We're also aiming for a paperless office, and 100% of the gas and electricity we use each year comes from renewable sources (Dutch Wind).

Through these actions, Euro Caps helps support the generation of renewable energy and reduces greenhouse gas emissions, like CO₂.

EED

The Energy Efficiency Directive (EED) is a European directive that requires large companies to carry out an energy audit every four years. This audit provides insight into the organization's energy consumption and identifies cost-effective measures to improve energy efficiency. In the Netherlands, the EED has been implemented through the Activities Decree on Environmental Management (*Activiteitenbesluit milieubeheer*). Companies with more than 250 employees or an annual turnover exceeding €50 million and a balance sheet total of more than €43 million fall under this obligation.

In addition to the EED audit requirement, many companies are also subject to the energy saving information obligation under the Dutch Environmental Management Act (*Wet milieubeheer*). This requires companies and institutions with annual energy consumption of at least 50,000 kWh of electricity or 25,000 m³ of natural gas (or equivalent) to implement energy-saving measures that have a payback period of five years or less. Since 2019, companies must report the measures they have taken via the eLoket platform. This obligation supports the national goal of significantly reducing energy consumption and CO₂ emissions.

The way we manage packaging and waste plays a key role in our environmental impact—directly influencing resource use, emissions, and waste production. With a clear and conscious approach, we can significantly reduce the footprint of our products and operations and actively contribute to a circular economy.

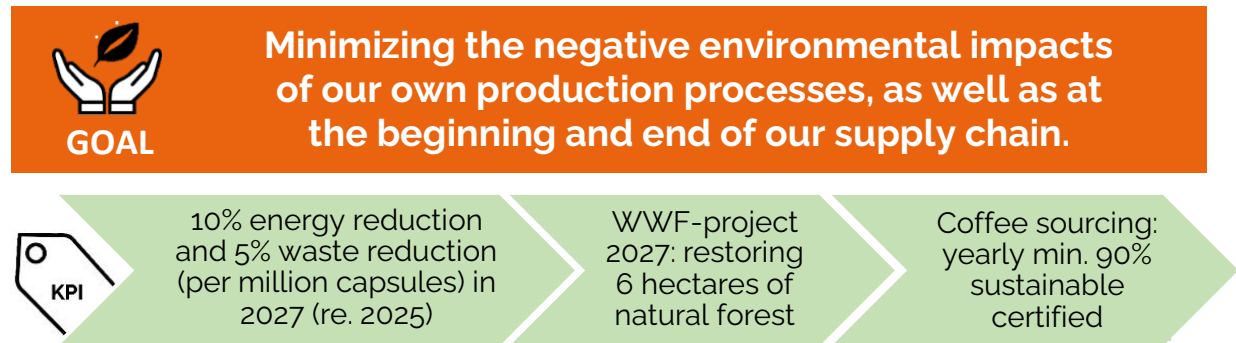
Here are some of the key measures we're taking:

Packaging

- ◇ Encouraging the use of materials with lower environmental impact during production, such as recycled or renewable materials.
- ◇ Promoting packaging that supports a circular economy—either recyclable or biodegradable, so it can be reused or naturally broken down after use.

Waste

- ◇ Reducing the total amount of waste by minimizing production losses and rejects.
- ◇ Separating waste streams efficiently, so more materials can be recycled at a high value, preserving valuable resources and reducing the amount of waste that ends up incinerated or in landfills.



QUALITY

At Euro Caps, quality is everything. The quality of our coffee—but also the quality of our work and our processes. We meet the highest standards, use top-tier machinery, and stay at the forefront of technological innovation. We set high expectations for ourselves and for the work our people deliver.

6. Quality of work and life

Euro Caps is a fast-growing company in a rapidly changing world. No one knows exactly what work will look like in 10 or 20 years. Will robots take over? Will we all move to a 30-hour workweek? What skills and knowledge will we need?

One thing is certain: work is changing drastically, driven by developments like AI, 3D/4D printing, and biotechnology. Organizations will need to adapt — and employees even more so. That's why we consider vitality a strategic priority to help our people stay future-ready. Vitality is about feeling strong and energized — having the physical and mental resilience to meet the demands of your day. It's about flexibility, adaptability, and long-term employability.

At Euro Caps, we see investing in employee vitality as essential—literally and figuratively. One of the challenges we face is that many of our colleagues work in shifts, with irregular hours that can impact their physical health and social life. We're committed to supporting them in managing this irregularity. Vitality is just as important for our day-shift employees. Research shows that prolonged sitting is harmful to health—and that's something we take seriously.

We actively promote a healthy lifestyle. That includes:

- Offering a vitality scan, where employees receive a personal health report with tailored advice from a lifestyle coach.
- Hosting an annual workshop for shift workers on healthy eating and the importance of eating at the right times.
- Providing free fresh fruit at all locations and in every shift.

You'll also find desk bikes at all three of our sites—great for improving circulation and concentration while working. Our ergonomics coach visits all workstations annually to ensure proper posture and chair adjustments.

Other wellness initiatives include:

- Chair massages from professional massage therapists with visual impairments.
- Discounted gym memberships to encourage physical activity.
- On-site counselling and coaching for mental well-being.
- A life-phase-conscious HR policy, tailored to the evolving needs of employees at different stages of life.



GOAL

Encouraging and supporting employees in strengthening their physical and mental resilience.



Annually allocate at least 3% of our payroll to employee vitality (health, well-being, prevention, and sustainable employability)

7. Quality of products and processes

Euro Caps was founded in 2012 and has experienced rapid growth since. Delivering quality, speed, and customization remains a top priority for us. Our focus on quality sets us apart, as reflected in the many recognitions and awards we have received for our coffee capsules.

Our well-trained team works according to the strictest hygiene and food safety standards. Our production sites are certified under the BRC Global Standard for Food Safety. Suppliers and manufacturers with BRC certification must meet rigorous requirements for food safety, quality, and hygiene.

We have implemented an effective quality management system based on the principles of HACCP (Hazard Analysis and Critical Control Points) and GMP (Good Manufacturing Practices). This includes ensuring safe product conditions, applying strict hygiene protocols, and complying with specific requirements for the setup and maintenance of our production environment.

Additionally, we thoroughly document and monitor all processes and products to meet the high standards set by BRC, minimizing risks for consumers and guaranteeing consistent product quality.

Euro Caps holds an 'A+' certification, the highest rating for food quality assurance. We also have a modern testing laboratory and conduct extensive quality controls.

QUALITY ASSURANCE



Euro Caps is BRCGS Food certified, ensuring the highest standards of food safety, quality, and regulatory compliance in the production of its coffee capsules.

Raw Material Inspection

We thoroughly inspect all incoming raw materials to ensure they meet our strict quality specifications. This includes verifying the chemical composition, physical properties and dimensional accuracy.

In-Process Monitoring

At every stage of production, our team of operators closely monitors the process parameters, such as temperature, pressure and timing, to maintain tight control over the manufacturing process.

Final Product Testing

Before releasing any products, we conduct a comprehensive series of tests to verify compliance with our quality standards. This includes assessing the physical characteristics, functionality and sensory properties of the capsules.

Rigorous Sampling

We implement a robust sampling plan to randomly select and test a portion of the production batches, ensuring the consistent quality of every single capsule that leaves our facility.

Continuous Improvement

We constantly review our quality assurance processes and implement the latest industry best practices to drive continuous improvement and maintain our position as a leader in sustainable and high-quality Nespresso compatible capsules.

For Euro Caps, employees' internal experience of quality is just as important. It's not only about complying with external standards, but also about how personally responsible employees feel for the quality of the product. This is closely linked to engagement. When employees are involved in the quality management system, they understand the importance of food safety and quality standards—and actively contribute to maintaining them. This not only fosters a culture of continuous improvement but also boosts motivation and accountability to uphold high-quality standards.

Engagement in quality means employees take proactive steps to identify potential risks, report deviations, and implement improvements, ultimately enhancing overall business performance and customer satisfaction. Quality experience is an annual focus area and is integrated into every employee's yearly plan.



GOAL

Encouraging and supporting employees to strengthen their physical and mental resilience.



Maintaining our BRCGS A+ score

Food safety culture assessment: participation rate of 50% and an average score of 8 (in 2027)

EURO
CAPS

QUALITY. EVERY SINGLE TIME.