

Certified



Corporation



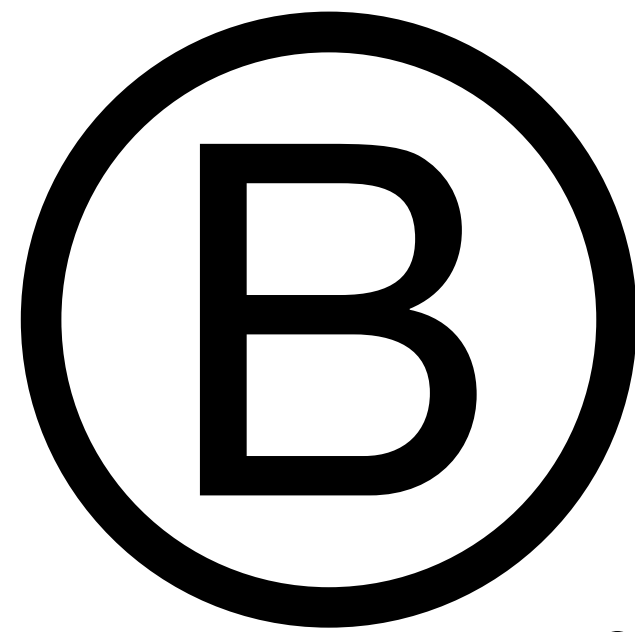
**THE
POSITIVE
CUP**

2022 PROGRESS REPORT

NESPRESSO

WE ARE NOW

Certified



Corporation

Nespresso is proud to be a certified B Corp™, a global movement of companies using business as a force for good.



“THE BEST WAY TO PREDICT THE FUTURE IS TO CREATE IT.”

PETER DRUCKER
LEADING THINKER IN
MANAGEMENT THEORY

Nespresso employees in the Nespresso HQ Office in Vevey, Switzerland.
© William Gammuto / Agence MUTO.





“WE ARE HONoured
TO JOIN THE B CORP™
MOVEMENT AND SEE
THIS NOT AS AN END
GOAL BUT MORE A
CALL TO ACTION TO
GO EVEN FURTHER.”

GUILLAUME LE CUNFF,
NESPRESSO CEO

Writing this introduction to our Positive Cup 2022 progress report, I have just returned from a visit to our Nespresso AAA coffee producers in Brazil. I was inspired by the great progress farmers there are making in the transition to regenerative, nature-based and low-carbon coffee cultivation. This gives me confidence that we are on the right track with [The Positive Cup milestones](#) we set out earlier this year.

From AAA agronomists enabling coffee farmers to embrace sustainable practices to programme partners helping scale proven solutions, we are united in our vision to make coffee a force for good. We continue to make good progress towards our new ambitions and goals, and I'd like to call out some of the highlights from 2022.

BECOMING B CORP™

By achieving B Corp™ certification in 2022, we joined a global community of purpose-led businesses that meet high standards of sustainability. This represents a major milestone in our 30-year commitment to impact, transparency and responsible business. However, it is also the beginning of another journey, and motivates us to do more to ensure that every cup of Nespresso coffee is a force for good in the world.

20 YEARS OF SUSTAINABLE AGRICULTURE

2023 marks the 20th anniversary of the AAA Program, created together with the Rainforest Alliance and the foundation of our commitment to sustainable, high-quality coffee production. In 2022, we estimated that 76% of our green coffee was sourced from farms rated bronze

on the new Rainforest Alliance Regenerative Coffee Scorecard. We are also expanding our agroforestry programme. In 2022, we planted over 1.1 million trees. We have planted a total of 7.4 million trees since 2014, 5.3 million of which were planted for carbon removals purposes. These trees can also bring benefits by rejuvenating landscapes and providing additional income for farmers.

PUTTING CIRCULARITY AT THE HEART OF OUR BUSINESS

We continue to integrate the principles of circularity into our operations, from capsules to packaging and machines. We already use at least 80% recycled aluminium content in our home capsules and are expanding our new RELOVE refurbished machine programme to new markets. The global recycling rate for our capsules has increased four percentage points to 32% in 2022. We are making progress, but acknowledge that this must accelerate. For this reason, we continue to work with municipalities to increase collection capacity and take our role to inspire capsule recycling seriously.

MAXIMISING AND PROTECTING SMALLHOLDER INCOME

Over 95% of our coffee is traded above the Fairtrade International minimum price, providing a stable income for AAA farmers. We are scaling a crop insurance programme with Blue Marble to provide a safety net for farmers and working with Ubees to introduce beekeeping to coffee farms as an additional income

source. We recognise that in some areas progress is not as rapid as we would like. The introduction of the Living Income Reference Price for smallholders has the potential for tremendous positive impact, but we need to take the time to work with Fairtrade International and other partners to test and get it right.

THE JOURNEY CONTINUES

When I look back on where we have come from and look forward to the new journey energised by B Corp™, I'm reminded again of the coffee producers in Brazil. Their ingenuity, open-mindedness and entrepreneurial spirit are characteristics that we all need to adopt in our collective work towards a more sustainable coffee sector. I ask all of us at Nespresso to emulate their desire to keep innovating to build the world we all want.

Sustainability is a fast-moving agenda, and we aim to be a leader in the coffee industry. To do so we must remain agile, work with partners and be open to new ideas.

This report sets out our work and progress over 2022. We invite you to read it, engage with the content and give us your perspective. I look forward to hearing from you.



ACCELERATING IMPACT THROUGH THE POSITIVE CUP

DECARBONISE THE VALUE CHAIN

CONVICTION

WE BELIEVE THAT A LOW-CARBON ECONOMY IS THE ONLY FUTURE

AMBITION

So we will reduce and remove emissions throughout our value chain even as we continue to grow

GOAL

Net zero¹

IN ACCORDANCE WITH



GOAL TIMING

By 2035

1. We are aligned and contribute to the Nestlé SBTi-approved target of net zero by 2050 and are looking for ways to accelerate to 2035 at the earliest, in line with the SBTi. We aim to submit our net-zero targets for SBTi approval in 2023.



REGENERATE LANDSCAPES

CONVICTION

WE BELIEVE THAT NATURE IS OUR GREATEST ALLY IN SECURING THE FUTURE OF COFFEE

AMBITION

So we will scale up regenerative agricultural practices to restore landscapes and enhance farmers' livelihoods

GOAL

Source 95% Regenerative Coffee²

IN PARTNERSHIP WITH



GOAL TIMING

By 2030

2. By 2030, we aim that 95% of our green coffee volume will be rated Bronze on the Rainforest Alliance Regenerative Coffee Scorecard, out of which 70% will be rated gold.



EMPOWER COMMUNITIES

CONVICTION

WE BELIEVE THAT EVERY FARM AND FARMER IS UNIQUE AND NO ONE SHOULD BE LEFT BEHIND

AMBITION

So we will expand proven solutions that build resilient communities and transform livelihoods

GOAL

All AAA smallholder farmers receive the Living Income Reference Price³

IN COLLABORATION WITH



GOAL TIMING

By 2030

3. In origins where the LIRP has been established by Fairtrade International and the majority of AAA coffee farmers are smallholders.



ADVANCE CIRCULARITY

CONVICTION

WE BELIEVE THAT NO RESOURCE SHOULD BE THROWN AWAY

AMBITION

So we will do everything we can to waste nothing

GOAL

Circulytics™ rating A⁴

AS MEASURED BY



GOAL TIMING

By 2030

4. Circulytics™ is an assessment tool developed by the Ellen MacArthur Foundation that allows companies to measure circularity across their entire operations. Our target is based on their current standard.



INSPIRE COLLECTIVE ACTION

CONVICTION

WE BELIEVE THAT COFFEE MUST BE A FORCE FOR GOOD

AMBITION

So we will harness the strength of our brand, people and partnerships for positive impact

GOAL

Renew B Corp™ certification with a B Impact score ≥90

AS MEASURED BY



GOAL TIMING

By 2025





“I AM PROUD OF OUR ACCELERATION JOURNEY TOWARDS HEALTHY NATURE AND RESILIENT COMMUNITIES THANKS TO THE EXTRAORDINARY COMMITMENT OF OUR PEOPLE AND PARTNERS.”

JÉRÔME PEREZ,
GLOBAL HEAD OF SUSTAINABILITY

Pictured left to right, Nespresso CEO Guillaume Le Cunff, Global Head of Sustainability Jérôme Perez and Head of Coffee Sustainability Julie Reneau, meet with AAA Program coffee farmers in Brazil.





Julie, a Café Joyeux team member in Paris.

In 2022, we created a limited-edition coffee Nespresso with Café Joyeux, which donates part of the sales to the creation of jobs for new team members with mental and cognitive disabilities.

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THE POSITIVE CUP HIGHLIGHTS 2022

LAUNCH OF HOME-COMPOSTABLE COLLECTION

In October, we announced the launch of the Nespresso Home-Compostable Collection, our first pilot range of paper-based capsules that are certified home compostable by TÜV. The pilot will be launched in 2023 across France and Switzerland, providing customers with complementary choices of recycling and compostability.



SCALING DESIGN INNOVATION WITH VERTUO POP

Nespresso machines are designed to be robust, repairable and energy efficient. Using design innovation we are reducing the role machines play in our carbon footprint. In 2022, we launched the Vertuo Pop Line, which is small, light and mighty with an energy consumption rating of A+.



FAIRTRADE AWARD FOR INNOVATION

In September, Nespresso won the Fairtrade Award for Innovation granted by Fairtrade Max Havelaar Switzerland to recognise organisations that have been particularly engaged in developing innovative solutions to improve fair trade practices and the lives of producers around the world.



Café Joyeux team in Nantes.

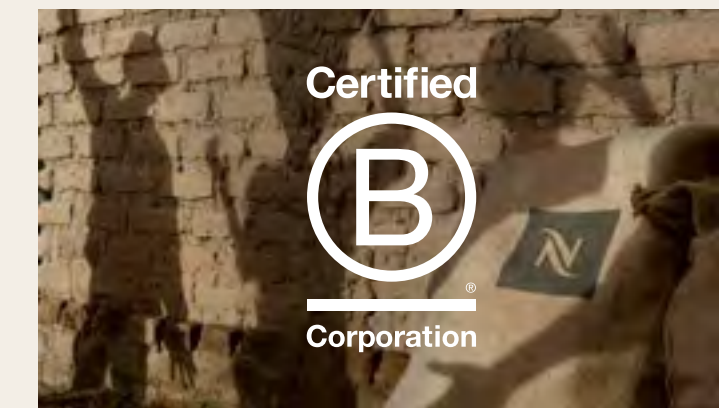
SPREADING JOY

Café Joyeux in France is celebrated as the first café-restaurant family to employ and train people with mental and cognitive disabilities. Joining forces, we created a limited-edition coffee, Nespresso pour Café Joyeux, donating part of the sales to help create 40 new jobs for Café Joyeux team members in 2022.

B CORP™ CERTIFIED (84 PTS)¹

For Nespresso, joining the B Corp™ community in April reflects a 30-year commitment to sustainability, transparency and responsible business. Most importantly, this certification inspires us to do more. It strengthens our commitment to our vision that every cup of Nespresso coffee has a positive impact on the world.

1. B Impact Score achieved in 2022.



SUPPORTING PUERTO RICO FARMERS POST HURRICANE

In the aftermath of Hurricane Fiona we have helped fund the tools and equipment needed by farmers to rebuild their damaged farms and replant coffee trees.



A CALL FOR ACTION IN CENTRAL AMERICA

As a founding participant in the Partnership for Central America, Nespresso is committed to improving livelihoods in the Northern Triangle. In 2022, we expanded our coffee sourcing from Guatemala and will bring the AAA Program to 2,000 farmers in Honduras and 600 in El Salvador, creating new economic opportunities for smallholder farmers.



NESTLÉ NESPRESSO SUPPORTS UKRAINE

STAND UP FOR UKRAINE

Following Russia's invasion of Ukraine, Nespresso joined the call to Stand Up for Ukraine and provide support and aid for Ukrainian refugees. In addition to contributing to Nestlé's food and beverage donations, which were valued at CHF 6 million, we have donated USD 250,000 to humanitarian relief efforts in Ukraine through the GlobalGiving Ukraine Crisis Relief Fund.



THE POSITIVE CUP HIGHLIGHTS 2022



ENHANCING TRANSPARENCY WITH OPENSIC

In partnership with Nespresso, OpenSC's technology is being used to digitally trace every bag of coffee from the 1,185 smallholder farms of the AMKA Cooperative in South Kivu all the way to the consumer, enabling customers to trace the journey their coffee has taken and verify that fair payment has been made.

REGENERATIVE COFFEE SCORECARD

In April 2022, working with Nespresso and other partners, the Rainforest Alliance established the Regenerative Coffee Scorecard, to help encourage and monitor the adoption of regenerative practices on AAA farms.



RE:GROUND

We partnered with zero-waste fashion start-up Zèta to create RE:GROUND, a stylish sneaker made using recycled coffee grounds. The limited-edition capsule collection was inspired by the principles of zero waste, design innovation and French style. Each pair of RE:GROUND sneakers contains 12 cups' worth of coffee grounds from our dedicated capsule recycling scheme.

JOINING OUR FORCES FOR RECYCLING

As the pioneer in portioned coffee, we have led the way in capsule recycling. As early as 1991, Nespresso set up a system for collecting and recycling its aluminium capsules in Switzerland. 30 years later, 94% of our capsules are bought by consumers who have access to a convenient recycling option.

As well as supporting recycling infrastructure, we aim to inspire customers to give a second life to the aluminium and coffee grounds of their capsules.



GORILLA CONSERVATION IN DRC

Nespresso is supporting the USAID-funded Gorilla Coffee Alliance to enhance rural livelihoods and wildlife conservation in the Democratic Republic of the Congo. This is the second biodiversity priority area with an action plan in place.



INVOLVING OUR ADVISORY BOARD

In October 2022, The Positive Cup Strategy outlining how Nespresso plans to accelerate positive impact towards 2030 was presented to the Nespresso Sustainability Advisory Board (NSAB) in Washington D.C. The Board's engagement ensures that our strategy is both amplified and challenged.



ACCELERATE RELOVE

Refurbished machines have been available in Switzerland and Canada for some years, and the RELOVE pilot was introduced in France, Austria and the United States in 2021. We extended the RELOVE programme in 2022 to a total of ten countries. RELOVE is key to getting us closer to our net zero goal, as not only does RELOVE reduce waste, refurbished machines have a lower carbon footprint than a newly manufactured machine.



NEW CIRCULAR ACCESSORIES: FROM COFFEE HUSK TO CUP

We launched the innovative LOOP Collection in partnership with Huskee – an Australian, B Corp™-certified company. Together we are creating durable coffee cups made using 30% used coffee bean husks. The cups can also be returned at the end of their life to be repurposed.



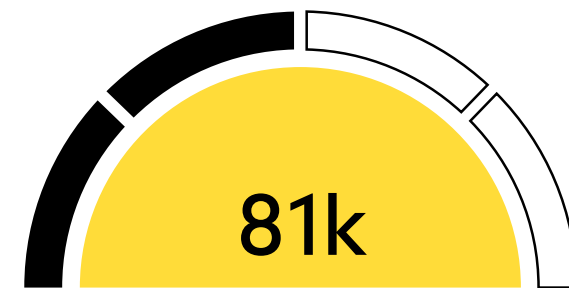
THE POSITIVE CUP 2022 PROGRESS

DECARBONISE THE VALUE CHAIN



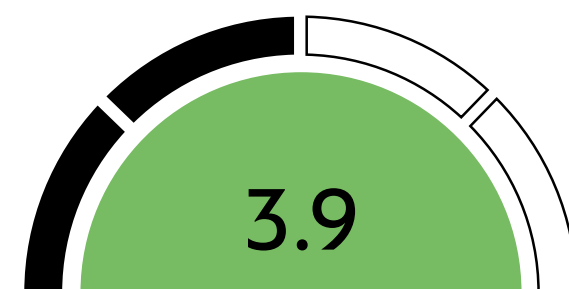
NET ZERO GOVERNANCE

we established a net zero governance structure and a clear pathway to our net zero goal



CARBON REDUCTIONS

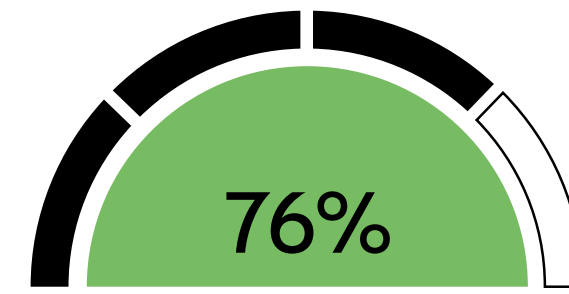
tonnes of CO₂eq reductions towards our milestone of reducing our emissions by 50% vs. the 2018 baseline by 2030



EMISSION FACTOR¹

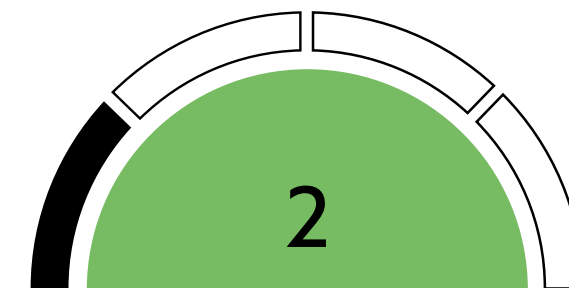
towards achieving net-zero emissions in AAA green coffee production by 2030

REGENERATE LANDSCAPES



REGENERATIVE COFFEE SCORECARD

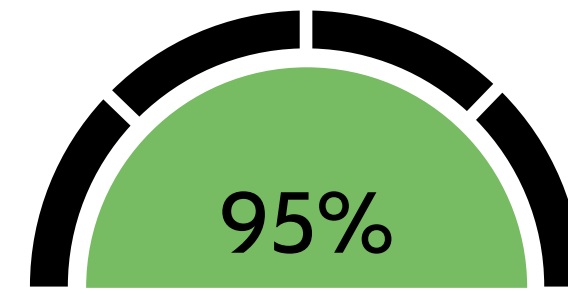
rated bronze² towards our milestone of 80% by 2025



BIODIVERSITY PRIORITY AREAS

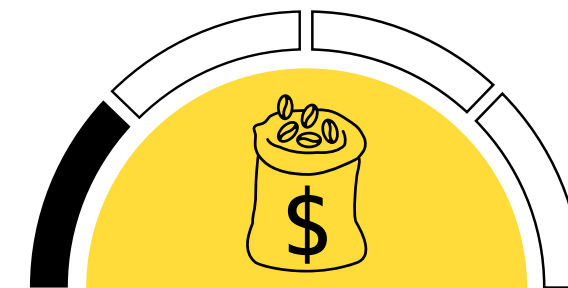
in place towards our milestone of 10 by 2025

EMPOWER COMMUNITIES



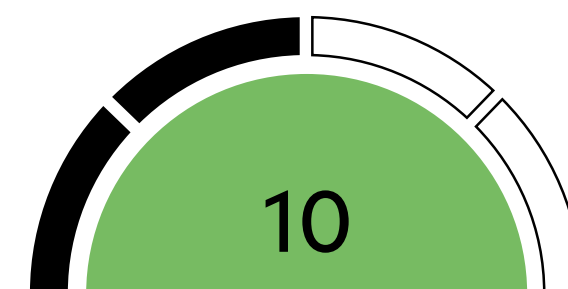
FAIRTRADE INTERNATIONAL MINIMUM PRICE

95% of the coffee Nespresso purchases met the Fairtrade Minimum Price³



LIVING INCOME REFERENCE PRICE

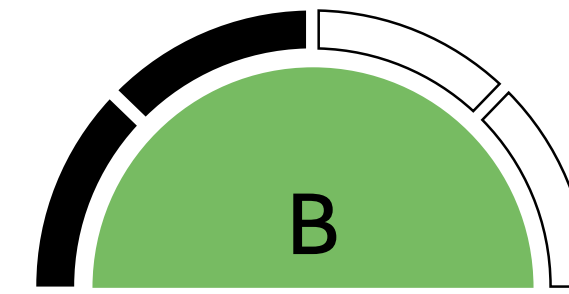
working towards scaling the Living Income Reference Price with Fairtrade International in all AAA farms in Colombia, Peru, Indonesia, Mexico and Guatemala by 2025



FLA ASSESSMENTS

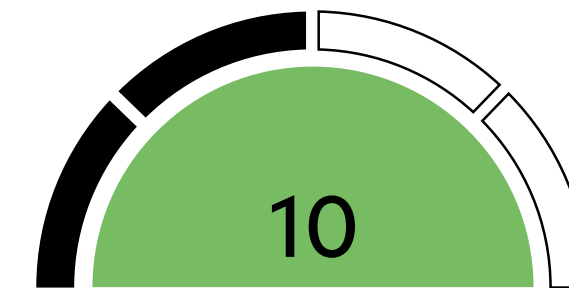
towards our milestone of AAA origins being FLA-accredited by 2030

ADVANCE CIRCULARITY



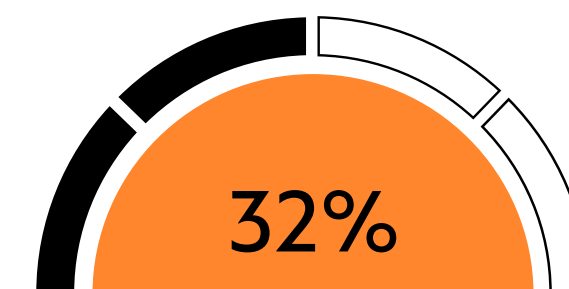
CIRCULYTICTM

towards our milestone of achieving A- by 2025



RELOVE

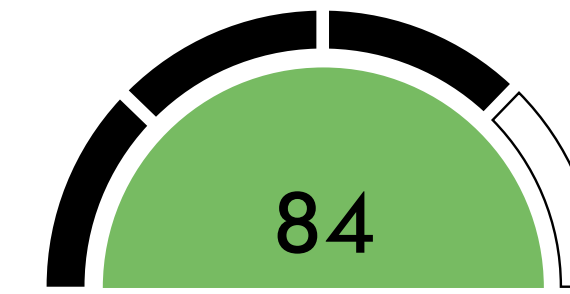
countries in the programme, towards 10% refurbished machine sales by 2025



ESTIMATED GLOBAL CAPSULE RECYCLING RATE⁴

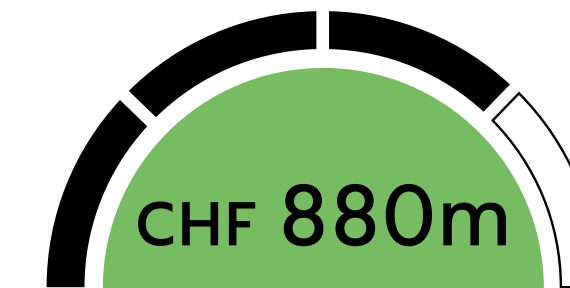
towards our milestone of achieving 50% by 2025

INSPIRE COLLECTIVE ACTION



B CORPTM

B Impact Score achieved in 2022, progress towards our recertification milestone of ≥90 points in 2025



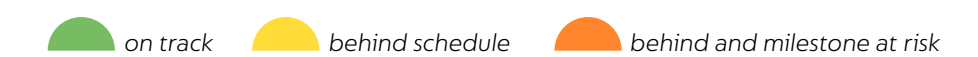
CUMULATIVE INVESTMENT IN THE POSITIVE CUP

since 2014 towards our milestone of CHF 1 billion invested by 2025

Where are we on our journey towards our milestones?



Were we on track in 2022?



1. 3.9kg of CO₂eq per kg of green coffee, according to 2022 updated primary data: weighted average emission factor for 11 AAA Program coffee origins.
 2. We had estimated our 2022 volume at 67% bronze level on the Rainforest Alliance Regenerative Coffee Scorecard as published in The Positive Cup 2021 report. Based on additional data, we have revised this estimate to 76%. The methodology of calculation will continue to be refined as data and insights are gathered.
 3. In 2020, FLOCERT verified that 95% of our coffee purchases in 2019 met the Fairtrade Minimum Price.
 4. In dedicated and collective systems.



DECARBONISE THE VALUE CHAIN

WE BELIEVE THAT A LOW-CARBON ECONOMY IS THE ONLY FUTURE

Our ambition is to reduce and remove emissions throughout our value chain even as we continue to grow.

AAA landscape in Caldas, Colombia. Caldas-Antioquia has been identified as a biodiversity priority area.



INTEGRATED ACTIONS BY NESPRESSO HAVE STARTED TO DRIVE DOWN EMISSIONS

The emission factor of green coffee in the Nespresso AAA Sustainable Quality™ Program is nearly half of the weighted green coffee average.¹

- We established a net zero governance structure and identified a clear pathway to our net zero goal.
- In 2022 our reductions projects delivered 81 ktonnes of carbon emissions reductions against our 2022 business-as-usual projection.
- We set out a clear strategy to reach net zero in green coffee emissions by 2030.

OUR LEVERS FOR DECARBONISE THE VALUE CHAIN

ACCELERATING TOWARDS NET ZERO IN GREEN COFFEE

INNOVATION AND RENOVATION IN PRODUCTS, SYSTEMS AND MARKETS

OPTIMISATION OF ENERGY AND LOGISTICS

2035 GOAL

NET ZERO²

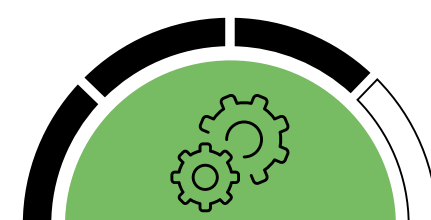
IN ACCORDANCE WITH



1. Average green coffee emissions based on the World Food LCA database.
2. We are aligned and contribute to the Nestlé SBTi-approved target of net zero by 2050 and are looking for ways to accelerate to 2035 at the earliest, in line with the SBTi. We aim to submit our net-zero targets for SBTi approval in 2023.
3. 3.9kg of CO₂e per kg of green coffee, according to 2022 updated primary data: weighted average emission factor for 11 AAA Program coffee origins.

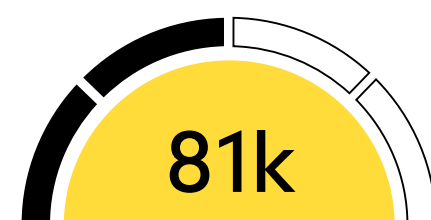


2022 PROGRESS



NET ZERO GOVERNANCE

we established a net zero governance structure and a clear pathway to our net zero goal



CARBON REDUCTIONS

81k tonnes of CO₂e reductions towards our milestone of reducing our emissions by 50% vs. the 2018 baseline by 2030



EMISSION FACTOR³

3.9 towards achieving net-zero emissions in AAA green coffee production by 2030

Where are we on our journey towards our milestones?



Were we on track in 2022?



OUR PATHWAY

Our roadmap to net zero involves three key elements:

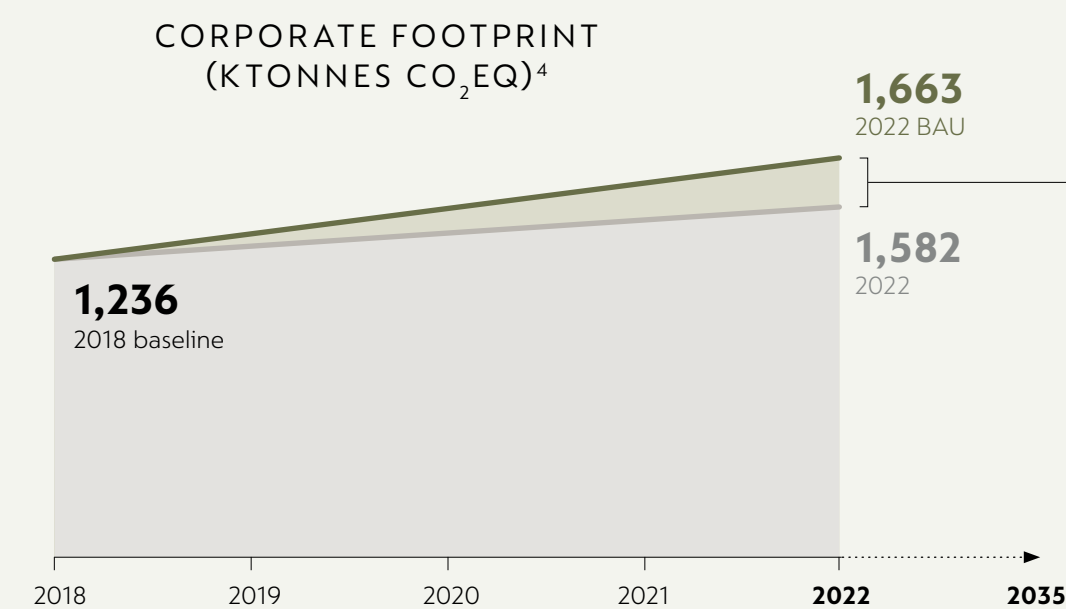
The acceleration of reduction projects: we are delivering projects that accelerate the reduction of carbon emissions. In 2022 these projects have already led to reductions of 81 ktonnes CO₂e against our 2022 business-as-usual projection,

and they continue to deliver reductions across our operations.

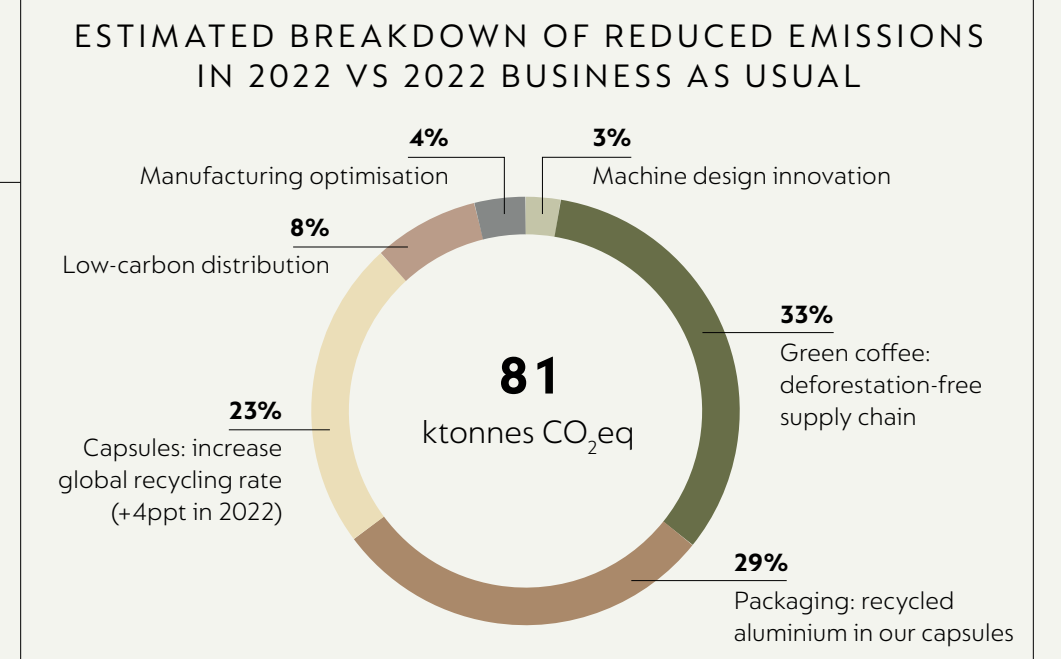
Technology and innovation: we are embracing transformational technologies and fostering innovation to optimise our operations and reduce our carbon footprint.

Compensation for remaining emissions: some emissions may

be challenging to eliminate completely. We have moved away from investing in carbon offsets and continue to accelerate programmes and practices that help reduce GHG emissions in our own supply chain and operations. We will compensate for any remaining emissions through carbon removal initiatives, following SBTi guidance.



4. Our 2022 corporate footprint has been independently verified by Quantis.



ACCELERATING TOWARDS NET ZERO IN GREEN COFFEE

We have set out a clear strategy to reach net zero in green coffee emissions by 2030. To reduce the emission factor in AAA green coffee from 3.9 to zero, we will focus on reductions, removals and zero deforestation.

+5.3m

Trees planted in AAA landscapes for carbon removals (of the 7.4m total planted 2014–2022)



OUR PATHWAY

Average green coffee emission factor: the weighted average carbon footprint in green coffee is estimated at 7kg of carbon per kg of green coffee.¹

Zero deforestation: we are integrating the impact of historical direct land use change in our carbon footprint and leveraging Nespresso's traceability data to monitor our sourcing regions to help them stay deforestation free.

Reductions: we are supporting AAA farmers to adopt regenerative agriculture practices such as mulching, soil conservation and water management, practices crucial for the reduction of the carbon footprint associated with green coffee cultivation.

Removals: we plan to compensate for any remaining emissions through tree planting for carbon removals and exploring projects like biochar development.

NET ZERO IN GREEN COFFEE



APPROACH

Our priority is to identify opportunities for innovation in our machines, capsules and accessories that will accelerate the decarbonisation of our value chain.

PROGRESS

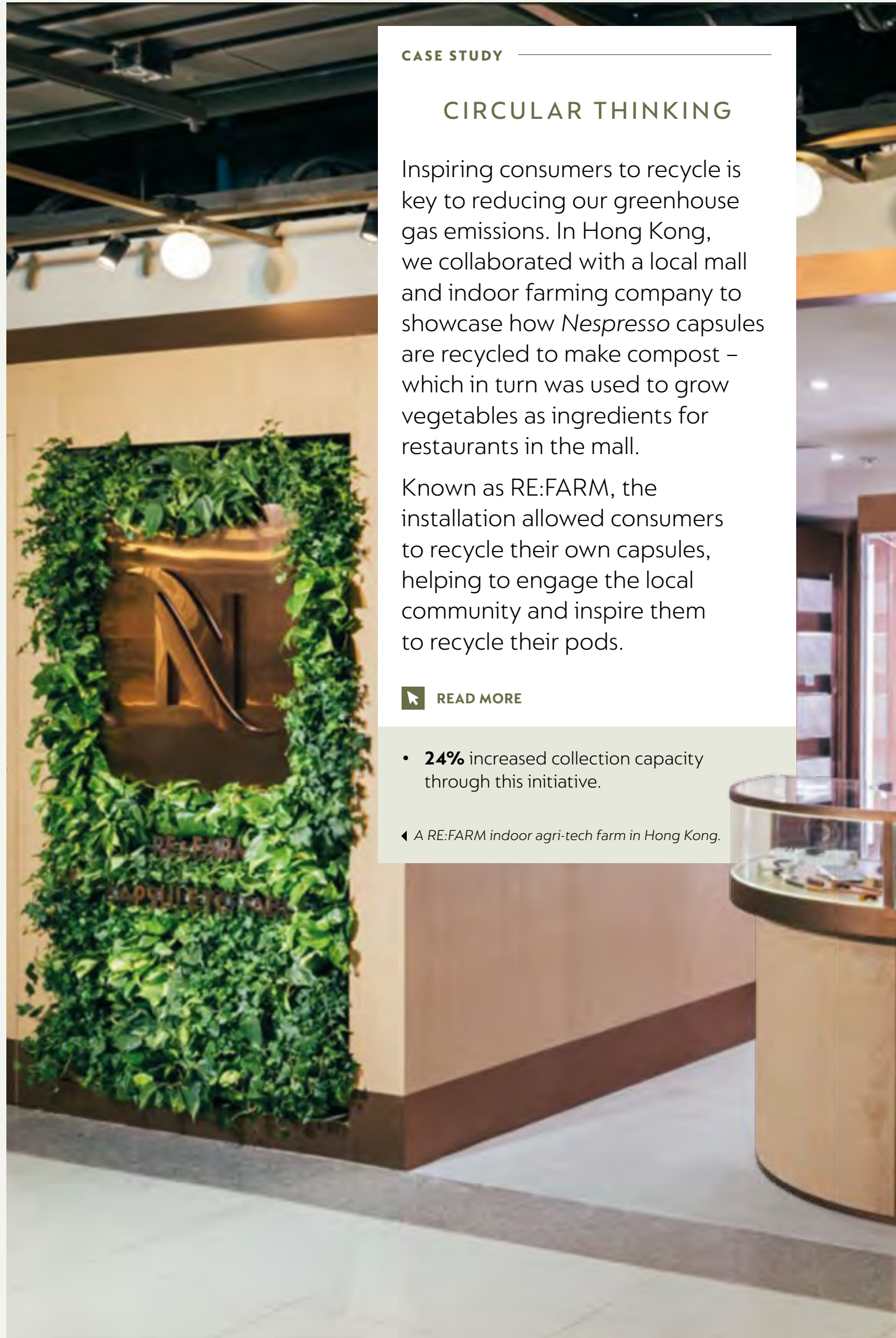
In 2022, we continued to focus on expanding collection capacity and increasing recycling rates. We further scaled our RELOVE machine refurbishment pilot, from three to ten markets selling RELOVE locally. This year we also performed local tests on the RELOVE “Bring Back” programme, to evaluate which methods perform the best when it comes to getting used machines from consumers.

We also began a process to identify a suitable refurbishment partner to help make the initiative cost-efficient and scalable. Looking forward, we are hoping for many more markets to join the RELOVE programme in 2023.

We estimate that the use of recycled aluminium in our capsules yielded 24 ktonnes CO₂eq of avoided emissions in 2022, with the increased recycling rate achieved in 2022 avoiding another 19 ktonnes CO₂eq.

10

Markets selling refurbished RELOVE machines



CASE STUDY

CIRCULAR THINKING

Inspiring consumers to recycle is key to reducing our greenhouse gas emissions. In Hong Kong, we collaborated with a local mall and indoor farming company to showcase how Nespresso capsules are recycled to make compost – which in turn was used to grow vegetables as ingredients for restaurants in the mall.

Known as RE:FARM, the installation allowed consumers to recycle their own capsules, helping to engage the local community and inspire them to recycle their pods.

READ MORE

- **24%** increased collection capacity through this initiative.

◀ A RE:FARM indoor agri-tech farm in Hong Kong.

APPROACH

We operate in 83 countries and have three production centres located in Switzerland. We constantly seek to increase efficiency and the use of renewable energy across our operations.

By 2025, we aim to have all our boutiques and offices shift toward using renewable electricity.

PROGRESS

Across our production centre operations 56% of the total energy consumed is renewable, an increase of three percentage points on 2021. In terms of electricity specifically, we are already procuring 100% renewable electricity for our three production centres.

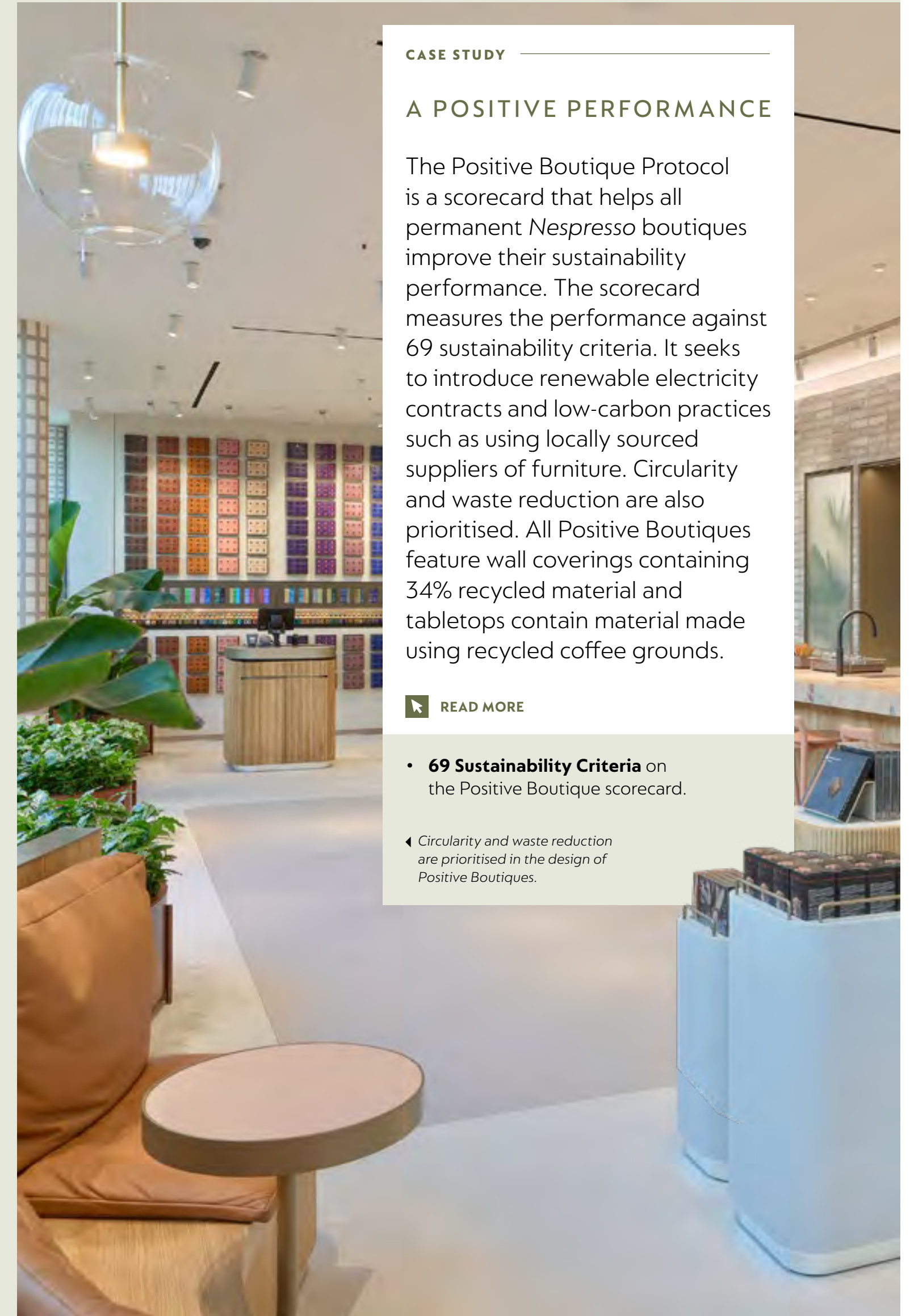
Our boutiques and offices in Greece, Italy, Switzerland and the United States have already switched to 100% renewable electricity. Globally, renewable electricity use in our boutiques and offices has increased from 60% in 2021 to 70% in 2022.

100%

Renewable electricity procured for our three production centres

56%

Renewable energy consumed across production centre operations



CASE STUDY

A POSITIVE PERFORMANCE

The Positive Boutique Protocol is a scorecard that helps all permanent Nespresso boutiques improve their sustainability performance. The scorecard measures the performance against 69 sustainability criteria. It seeks to introduce renewable electricity contracts and low-carbon practices such as using locally sourced suppliers of furniture. Circularity and waste reduction are also prioritised. All Positive Boutiques feature wall coverings containing 34% recycled material and tabletops contain material made using recycled coffee grounds.

READ MORE

- **69 Sustainability Criteria** on the Positive Boutique scorecard.

◀ Circularity and waste reduction are prioritised in the design of Positive Boutiques.



REGENERATE LANDSCAPES

WE BELIEVE THAT NATURE IS OUR GREATEST ALLY IN SECURING THE FUTURE OF COFFEE

Our ambition is to scale-up regenerative agricultural practices to restore landscapes and enhance farmers' livelihoods.

*A female red-headed barbet. The Biodiversity Progress Index monitors the presence of birds in AAA landscapes as an indicator of the richness of biodiversity.
© Angus Pritchard / Macaulay Library.*



THE POSITIVE EFFECT OF AAA FARMS ON NATURE HAS BEEN PROVEN

Research from the Cornell Lab of Ornithology has shown that AAA farms are key contributors to biodiversity and act as protected areas similarly to conservation programmes.

- Regenerative agriculture has the potential to be transformational for coffee farmers, their farms and landscapes. Nespresso is supporting the adoption of regenerative agriculture to enhance the ecosystem services on farms, sequester carbon, protect biodiversity and provide new income to farmers.
- Working together with AAA farmers, we are driving a transition to regenerative practices.

OUR LEVERS FOR REGENERATE LANDSCAPES

- NATURE-BASED AND RENOVATION ACTIONS
- AGROFORESTRY IN AND AROUND COFFEE FARMS
- LANDSCAPE ACTIONS AND BIODIVERSITY

2030 GOAL

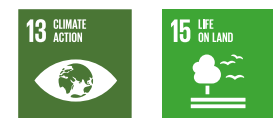
SOURCE 95% REGENERATIVE COFFEE¹

IN PARTNERSHIP WITH

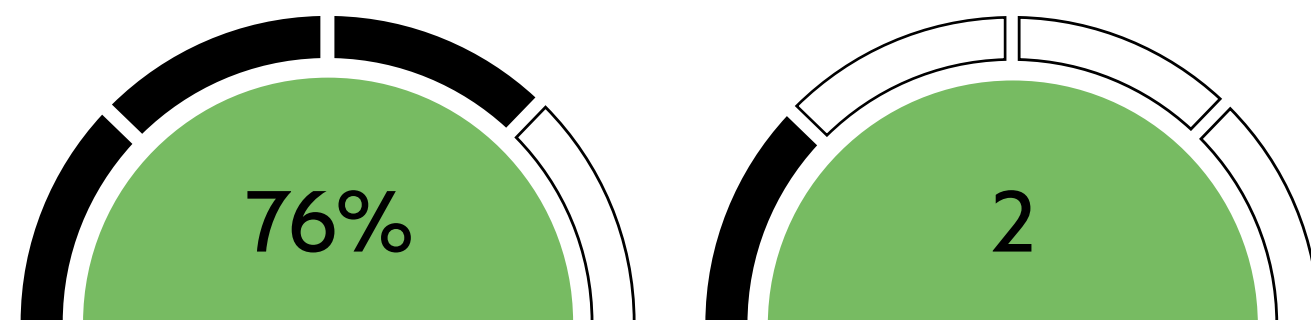


1. By 2030, we aim that 95% of our green coffee volume will be rated bronze on the Rainforest Alliance Regenerative Coffee Scorecard, out of which 70% will be rated gold.

2. We had estimated our 2022 volume at bronze level to be 67% in The Positive Cup 2021 report. Based on additional data, we have revised this estimate to 76%. The methodology of calculation will continue to be refined as data and insights are gathered.



2022 PROGRESS



REGENERATIVE COFFEE SCORECARD

rated bronze² towards our milestone of 80% by 2025

BIODIVERSITY PRIORITY AREAS

in place towards our milestone of 10 by 2025

Where are we on our journey towards our milestones?



Were we on track in 2022?



NATURE-BASED AND RENOVATION ACTIONS

APPROACH

We have co-created the Rainforest Alliance's Regenerative Coffee Scorecard to help us monitor the adoption of regenerative agriculture practices on AAA farms. Bronze, silver and gold levels are evaluated against a range of criteria across soil, biodiversity, crops and financial management.

PROGRESS

International organisations continue to show support for our programmes. To develop regenerative coffee agriculture in Brazil and Colombia, Nespresso and the Rainforest Alliance were awarded EUR 1.2 million by the German development agency Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). In October 2022, Nespresso and the IFC announced a new joint partnership in Africa. Initially, we will focus on Uganda, where we plan to train 2,000 farmers on regenerative farming practices.

In 2022, 44% of our coffee was certified by the Rainforest Alliance and/or organic, and we estimated that 76% of our green coffee was rated bronze on the Rainforest Alliance Regenerative Coffee Scorecard.²

44%

Of our coffee was certified by the Rainforest Alliance and/or organic

CASE STUDY

ROBUST EVALUATION

The adoption of regenerative agriculture will help contribute to the decarbonisation of our supply chain and can help farmers adapt to changing weather patterns. The Rainforest Alliance's Regenerative Coffee Scorecard helps users evaluate producer performance against key regenerative metrics and identify areas of improvement.

We aim to reach our 2025 goal of 80% green coffee rated bronze on the Regenerative Coffee Scorecard ahead of schedule.

READ MORE

- 76% of our green coffee rated bronze on the Rainforest Alliance Regenerative Coffee Scorecard.²

AAA farmer in Costa Rica – an origin embracing low-carbon farming. ▶

The Rainforest Alliance Regenerative Coffee Scorecard measures criteria such as soil, ecosystems, crops and financial management. ▶



APPROACH

Tree planting delivers a range of environmental and socioeconomic benefits in addition to carbon removal from the atmosphere. Trees improve soil fertility, reduce erosion, increase biodiversity and provide opportunities for diversified sources of income.

PROGRESS

With over 1.1 million trees planted in and around AAA farms and over 5,300 farmers engaged, 2022 was an important year for our ambition to scale-up tree planting. We now have ten countries with reforestation or agroforestry programmes.¹ This takes our cumulative total to over 7.4 million trees planted in AAA Program landscapes over the last eight years.

Strengthening governance has also been a priority, and some partners are using data sources such as drones and remote sensors to improve monitoring and reporting schemes. Our focus is now on working with our partners to rapidly grow our agroforestry programme over the coming years.

7.4m

Trees planted by Nespresso and their partners in AAA Program landscapes (cumulative 2014–2022)²

1. Eight of these countries had new tree planting activity in 2022.

2. Please refer to footnote no. 6 on page 28.



CASE STUDY

COMPLEMENTARY INCOME OPPORTUNITIES IN ETHIOPIA

The historical birthplace of coffee, Ethiopia is still home to many smallholder farmers who rely heavily on the crop for their livelihoods. Agroforestry can benefit them by providing alternative income sources, especially with our support to access markets.

Since 2016, a multi-funded agroforestry project in the southern state of Sidama has grown from one cooperative to include ten partners in 2023. Six of these are supported by Nespresso's agroforestry programme via PUR.

PUR conducted a market study on the use of avocado trees for income diversification purposes. Their analysis confirmed growing demand for avocados, identified processing companies to connect producers with buyers and provided a comparative analysis of the most productive species.

READ MORE

- **10** cooperatives in the multi-funded agroforestry project in Ethiopia.
- ◀ AAA farmers in Ethiopia are diversifying income through agroforestry. © William Gammuto / Agence MUTO.

APPROACH

Our ambition is to deliver a positive impact for nature in addition to our actions on farms. To measure and track how we contribute to the protection and restoration of nature, we need a science-based framework and collaboration amongst a broad range of dedicated stakeholders.

PROGRESS

The IUCN has identified ten areas of interest for landscape action in AAA Program sourcing areas. Two biodiversity priority areas with actions plans have already been established in South Kivu in the Democratic Republic of Congo (DRC) and the Cerrado region in Brazil. By 2025 we aim to have action plans in place in all ten of the biodiversity priority areas. Additionally, we expanded our Biodiversity Progress Index (BPI), which monitors biodiversity performance, to seven more biodiversity priority areas. This now enables us to monitor nine of the ten areas. The full rollout of the BPI will be finalised by the end of 2023.

346,000+

Hectares managed under the Nespresso AAA Sustainable Quality™ Program

CHF 17m

Invested in climate actions in 2022

CASE STUDY

AN ALLIANCE WITH NATURE

In the Democratic Republic of Congo, we are supporting the USAID-funded Gorilla Coffee Alliance. We work together with community institutions near the Kahuzi-Biega National Park, which is threatened by poaching and deforestation. The park is a UNESCO World Heritage site and one of the few remaining habitats for some of the world's 6,800 estimated remaining lowland gorillas.

The Gorilla Coffee Alliance addresses this challenge by helping local families establish environmentally sustainable ways of earning income, improving access to essential health services and working with community institutions to become advocates for conserving the national park.

READ MORE

- **8,500** farming households participating in the programme.

Only 6,800 eastern lowland gorillas remain today. © A McNeillage. ▼





Community members in Uganda, one of seven countries in Nespresso's Reviving Origins programme.

EMPOWER COMMUNITIES

WE BELIEVE THAT EVERY FARM AND FARMER IS UNIQUE AND NO ONE SHOULD BE LEFT BEHIND

Our ambition is to expand proven solutions that build resilient communities and transform livelihoods.



INCLUSION AND EQUALITY CATALYSE CHANGE IN THE AAA PROGRAM

95% of the coffee Nespresso purchases is at or above the Fairtrade Minimum Price¹, and gender inclusion and equality is leveraged to strengthen communities and empower women.

- We constantly innovate to develop new support structures and income sources for AAA farmers.
- The Fairtrade Max Havelaar Switzerland Awards, which recognise Swiss organisations that promote fair trade practices and products, awarded us top prize in their ‘innovation’ category in 2022.

OUR LEVERS FOR
COMMUNITY EMPOWERMENT

- HUMAN RIGHTS
DUE DILIGENCE
- IMPROVED ACCESS
TO SOCIAL SERVICES
- LIVING INCOME
AND RISK PROTECTION

2030 GOAL

ALL AAA SMALLHOLDER FARMERS RECEIVE THE LIVING INCOME REFERENCE PRICE²

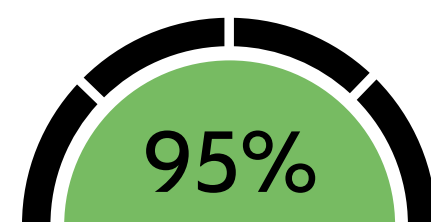
IN COLLABORATION WITH



1. In 2020, FLOCERT verified that 95% of our coffee purchases in 2019 met the Fairtrade Minimum Price.
2. In origins where the LIRP has been established by Fairtrade International and the majority of AAA coffee farmers are smallholders.

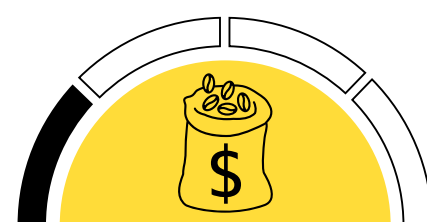


THE FOUNDATION



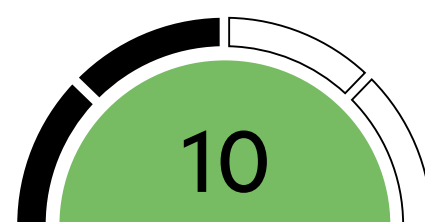
FAIRTRADE INTERNATIONAL MINIMUM PRICE

95% of the coffee Nespresso purchases met the Fairtrade Minimum Price¹



LIVING INCOME REFERENCE PRICE

working towards scaling the Living Income Reference Price with Fairtrade International in all AAA farms in Colombia, Peru, Indonesia, Mexico and Guatemala by 2025



FLA ASSESSMENTS

towards our milestone of all AAA origins being FLA accredited by 2030

Where are we on our journey towards our milestones?



Were we on track in 2022?



HUMAN RIGHTS DUE DILIGENCE

APPROACH

We work with suppliers, partners and communities to ensure that human rights are respected, protected and promoted throughout our value chain. By 2030, we aim to achieve Fair Labor Association (FLA) accreditation across all AAA origins. FLA accreditation expands our capacity to prevent, monitor and remediate issues such as the risk of child labour.

PROGRESS

In 2022, the FLA undertook important baseline assessments as part of our accreditation journey. We also rolled out a community-based child rights monitoring and remediation system (CRMRS) pilot in Uganda in partnership with Terre des Hommes. A unique aspect of the approach is that the AAA social workers we put in place are supervised by national child-protection authorities.

We began the groundwork to implement the Living Income Reference Price in Colombia (Caldas) with Fairtrade International for potential rollout in 2023.

10

Countries had FLA baseline assessments

150,000+

Farmers enrolled in the AAA Sustainable Quality™ Program

CASE STUDY

TACKLING THE ROOT CAUSES OF GENDER EQUALITY

We have an ambitious strategy, supported by a robust Gender Index, to enhance gender equality in AAA regions by addressing harmful gender stereotypes. We provide training for women in leadership and financial literacy and try to make women’s contribution to the coffee farm and the household more visible. Through the programme we aim to carefully help and respectfully challenge gender norms and roles. We are running gender-focused programmes in the DRC, Ethiopia, Kenya and Zimbabwe. The programmes are delivered by our AAA field staff, which are comprised of over 40% women in each of these countries.

READ MORE

- CHF 610,000 invested towards gender equality programmes in 2022.³
- 35% of AAA agronomists are women (of 645 agronomists).⁴

3. 65% increase in investment in gender equality programmes (vs. 2021).

4. In this report, the term agronomist includes all staff working directly on the AAA Program, including agronomists, field staff, project and support staff.

Female farmers are empowered in AAA regions through training in leadership and financial literacy. © William Gammuto / Agence MUTO. ▶



APPROACH

We source our coffee from regions that have the right soil and weather conditions to grow high-quality coffees. Some of these regions are remote rural communities that lack access to the full range of social services available in more developed regions.

Together with our partners, we support the implementation of infrastructure to increase the provision of vital services, such as access to clean water and health services.

PROGRESS

We are delivering projects to provide clean and safe water in Guatemala, Mexico, Nicaragua and Colombia. In 2022, we expanded these projects to El Salvador and DRC.

In 2022, we continued to invest in Reviving Origins – our programme to restore coffee farming in regions where it is under threat.

12,671

Individuals benefitting from access to clean and safe water in 2022

11,500

Farmers benefiting from our Reviving Origins programme in 7 countries



CASE STUDY

IMPACT FOR COMMUNITIES IN THE DRC

In the Democratic Republic of Congo, we introduced new blockchain technology with OpenSC. Nespresso consumers can now trace their coffee back to the farmer simply by scanning a QR code. This technology can also verify the correct premium payments are made to farmers.

In the Minova community, we are providing essential services with the Eastern Congo Initiative. For USD 4 per month, members receive enough water per day to support a family and have access to the highest quality healthcare in the region through the Asili clinic. The clinic is self-sustaining with its own doctor that lives in the community. Their mobile health clinics currently provide 13,000 consultations per year and Asili is working to build more understanding of primary care needs.

READ MORE

- **1,184** smallholder farmers benefitting from blockchain traceability.
- **418** member families provided with clean and safe water.

Asili is a new model for providing world-class services in the world's most challenging places. ▶

APPROACH

We want to improve the economic resilience of farmers by supporting them to achieve quality certifications and paying quality premiums. Working with AAA agronomists and our partners, we use tailored solutions to help farmers boost their productivity. To help maximise and diversify incomes, we distribute fruit trees and encourage honey production. We also help protect farmers' incomes from the impacts of climate change and market volatility.

PROGRESS

Along with partners such as Bluemarble, we delivered a pilot crop insurance initiative in Colombia. Satellite technology is used to detect whether excess or insufficient rainfall has affected coffee output. Insurance payments are then made directly to the registered coffee grower of any affected hectares. In 2022, this initiative was extended to Kenya, Zimbabwe and Indonesia. We are monitoring progress and hope to be able to further expand the programme in the future.

+17,500

AAA farmers with access to financial resilience programmes

CHF 47m

Investment in coffee operations (technical assistance and AAA premiums, 2022)

CASE STUDY

FARMERS AND BEEKEEPERS

Working in partnership with Ubees, we have delivered a pilot programme in Colombia that integrates beehives on AAA farms. The initiative creates additional revenue for farmers and improves coffee pollination and productivity. Ubees' state-of-the-art technology enables remote, real-time monitoring of the health of beehives and the pollination status of the field.

The initial results have been encouraging and we are now scaling this programme to Costa Rica and new regions in Colombia. We are looking forward to impact more AAA farms around the world.

READ MORE

- **30-40%** approximate additional income for farmers.
- **10-15%** average coffee yield increase with introduction of bee colonies.

As well as providing honey, bees help improve coffee farm productivity. ▶





ADVANCE CIRCULARITY

WE BELIEVE THAT NO RESOURCE SHOULD BE THROWN AWAY

Our ambition is to do everything
we can to waste nothing.

*In the U.S., Nespresso recycling at home bags can be
dropped off at no charge at any UPS collection point.*

NESPRESSO
www.nespresso.com



30 YEARS OF RECYCLING IS CELEBRATED BY SWITZERLAND'S 65% RECYCLING RATE¹

Already resource-efficient in our precision of water, energy and coffee in machine use, we support circularity through machine refurbishment and the expansion of complementary choices of recycling and compostability.

- In 2022, we announced the first ever pilot Nespresso Home Compostable Collection.² We also invested CHF 78m in expanding collection capacity and recycling infrastructure, and supported the development of shared recycling systems in five countries.
- Currently rated B by Circulytics™, our milestone goal is to achieve a rating of A- by 2025.

OUR LEVERS FOR ADVANCE CIRCULARITY

- INNOVATION AT EVERY STEP
- INFRASTRUCTURE AT SCALE
- INSPIRATION FOR CONSUMERS

2030 GOAL

CIRCULYTICS™ RATING A³

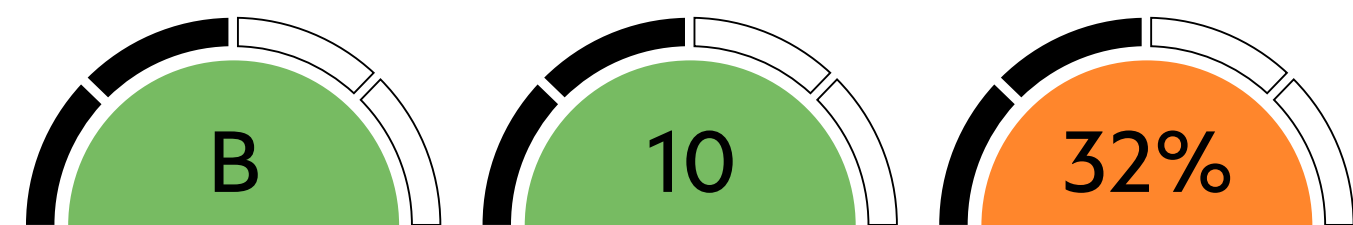
AS MEASURED BY



1. 2022 Nespresso Recycling Rate in Switzerland
2. The capsules meet the home composting requirements of international certification body TÜV.
3. Circulytics™ is an assessment tool developed by the Ellen MacArthur Foundation that allows companies to measure circularity across their entire operations. Our target is based on their current standard.
4. In dedicated and collective systems.



2022 PROGRESS



CIRCULYTICS™
towards our milestone of achieving A- by 2025

RELOVE
countries in the programme towards 10% refurbished machine sales by 2025

ESTIMATED GLOBAL CAPSULE RECYCLING RATE⁴
towards our milestone of achieving 50% by 2025

Where are we on our journey towards our milestones?



Were we on track in 2022?



INNOVATION AT EVERY STEP

APPROACH

We seek to constantly innovate to enable consumers to make environmentally friendly choices. Aluminium is chosen for our capsules because of its intrinsic characteristics of robustness and recyclability. As we seek to improve the circularity of our packaging, offering consumers another choice may help them to reduce waste. The announcement of our paper-based capsules pilot is an example of how we provide choice.

PROGRESS

2022 was a big year for product innovation. 60% of our machine models were made using recycled plastic and our refurbished RELOVE machines were available in ten countries. All our home-use machine models had an EcoScore energy rating of A or higher and 60% of our machine models had eco-friendly packaging. All Original Line capsules were made with 80% recycled aluminium and 90% of Vertuo Line capsules were made with 85% recycled aluminium, a two percentage point increase on 2021.

100%
of our home-use machine models have an EcoScore energy rating of A or higher

60%
of our machine models are made using recycled plastics

CASE STUDY

A PAPER-BASED BREAKTHROUGH

In 2022 we announced an innovative pilot – the Nespresso Home Compostable Collection. This is a new range of paper-based capsules that meet the requirements of certification body TÜV for home composting. The pilot begins in France and Switzerland in 2023.

READ MORE

- 4 sustainably-sourced coffees, crafted specifically for the paper-based capsule.
- 2 countries in our pilot: France and Switzerland.

The paper-based capsule is made using technology which protects aromas and delivers exceptional taste. ▶



RELOVE machines arrive to customers with paper packaging and a reusable tote bag.

APPROACH

We work with a range of municipalities and businesses on initiatives to enable the recycling of aluminium capsules and provide convenient consumer access. For example, we open our recycling infrastructure to other coffee manufacturers and support the development of public recycling systems. In Finland, Germany and Sweden, coffee capsules can now be recycled in the same way as other household packaging.

PROGRESS

In 2022, a capsule recycling solution was available to customers in 74 countries and five capsule brand associations shared their recycling infrastructure in France, Spain, Italy, UK and Switzerland. We hope to open our infrastructure to manufacturers in more countries. Belgium is expected to allow coffee capsules to be recycled in the same way as other household packaging from 2023.

CHF 78m

Investment in collection capacity and recycling infrastructure (10% increase on 2021)

94%

Estimated capsule collection capacity (vs. 88% in 2021)¹

1. Percentage of Nespresso capsules bought by consumers who have access to a convenient recycling option.

CASE STUDY

EMPOWERING CUSTOMERS TO RECYCLE

In 2022, to celebrate 30 years of recycling in Switzerland, we launched a major campaign to thank our consumers and partners for their efforts to recycle.

B2B customers received notebooks and a Caran d’Ache graphite pencil, with pages and lead made from recycled coffee grounds.

Recycled capsules also gain a second life in new and useful products, thanks to our partnerships with watchmaker Hublot, and bicycle brand Vélosophy.

[READ MORE](#)

- **920** B2B customers in Switzerland joined the country’s recycling programme between July and December 2022.

The Switzerland campaign aimed to inspire care for circularity by marking 30 years of recycling. [Read more](#) ▶

APPROACH

Inspiring our consumers to bring coffee capsules to a recycling point is vital. Once collected, capsules are transferred to recycling centres where the aluminium and coffee grounds are separated from one another. The coffee grounds can be transformed into renewable energy or compost while the aluminium is melted down to be reused in numerous other products, such as cans, bicycles and even automotive parts.

PROGRESS

The used capsule valorisation rate, (where capsules are recycled or incinerated for heat recovery) was 63% in 2022, an 8% increase from 2021. Our estimated global recycling rate was 32% (a 4% increase from 2021). While this demonstrates progress, we are behind where we would like to be. We recognise that to achieve our recycling goals we must continue to inspire consumers.

63%

Used capsule valorisation rate (8% increase on 2021)²

32%

Estimated global recycling rate (4% increase on 2021)³

2. Recycled capsules and capsules incinerated for heat recovery.

3. In dedicated and collective systems.

CASE STUDY

GROUNDS FOR SUSTAINABLE FASHION

We partnered with zero-waste fashion start-up Zèta to create RE:GROUND, a stylish sneaker made using recycled coffee grounds. The limited-edition capsule collection was inspired by the principles of zero waste, design innovation and French style.

Each pair of RE:GROUND sneakers contains 12 cups’ worth of coffee grounds from our capsule recycling scheme. Nespresso grounds contribute to the sole and insole, as well as the outer shoe. The rest of the sneaker is made of 80% recycled and sustainable materials.

The sneakers are hand-made in a family workshop in Portugal.

[READ MORE](#)

- **15%** of the sneakers are made from recycled coffee grounds.
- **12** cups’ worth of coffee grounds in each pair.

Laure Babin, the 25-year-old CEO of Zèta, recognised a gap in the market for eco-conscious footwear. ▶





INSPIRE COLLECTIVE ACTION

WE BELIEVE THAT COFFEE MUST BE A FORCE FOR GOOD

Our ambition is to harness the strength of our brand, people and partnerships for positive impact.

Coffee quality and sustainability go hand in hand.



NESPRESSO IS ONE OF THE LARGEST COMPANIES TO JOIN THE B CORP™ MOVEMENT USING BUSINESS AS A FORCE FOR GOOD

In 2022, Nespresso joined a global community of purpose-led businesses that meet high standards of sustainability and social responsibility by achieving B Corp™ certification.

- Our first B Corp™ Impact Score of 84 reflects our commitment to positive action across governance, workers, community, environment and customers.
- Since 2014 we have invested almost CHF 880m in The Positive Cup initiatives.
- Our goal is to have invested over CHF 1bn in The Positive Cup by 2025.

OUR LEVERS TO INSPIRE COLLECTIVE ACTION

LEAD WITH PURPOSE

RESPECT AND EMPOWER OUR PEOPLE

INSPIRE COFFEE LOVERS

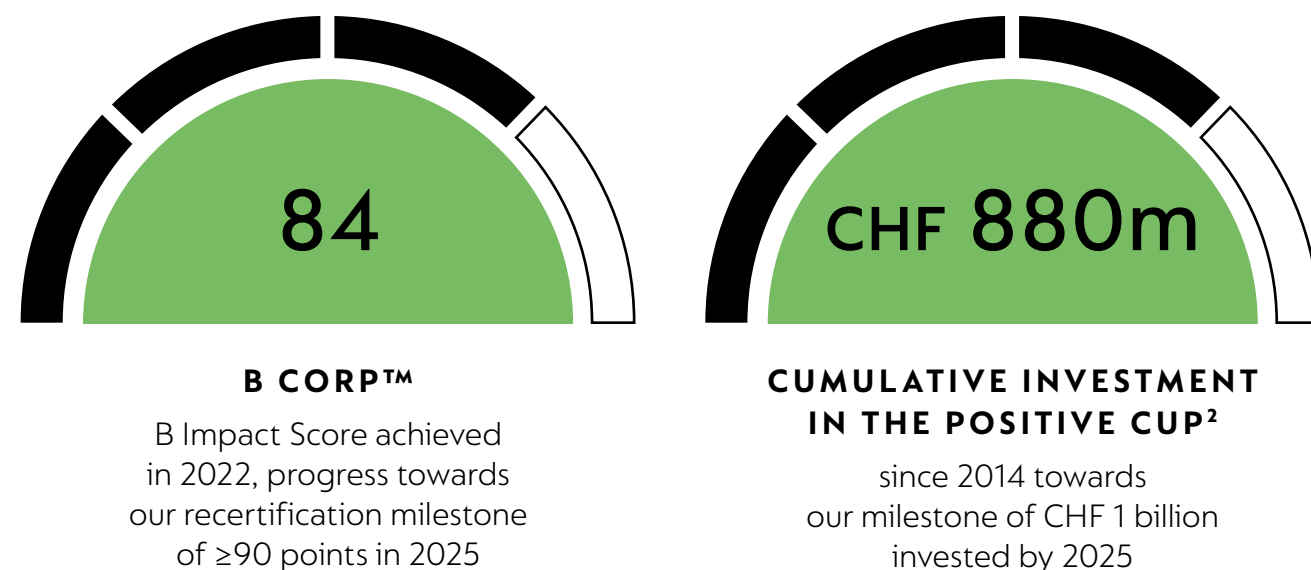
2025 GOAL

RENEW B CORP™ CERTIFICATION WITH A B IMPACT SCORE ≥90²

AS MEASURED BY



2022 PROGRESS



Where are we on our journey towards our milestones?



Were we on track in 2022?



LEAD WITH PURPOSE

APPROACH

We have set ourselves ambitious goals, and we know we can't achieve these alone. Our approach has always been to work with partners that are as committed as we are, and to inspire others to join us in making coffee a force for good. We work with a wide range of partners and organisations to establish collaborative platforms to accelerate positive impact.

PROGRESS

The new AAA Shared Commitment was launched in 2022. This establishes the conditions and expectations to ensure that the AAA, philosophy and approach is applied by our coffee partners within the Nespresso coffee supply chain. A further CHF 4.8 million was invested into our Sustainability Innovation Fund (NSIF) over 2022. We added four more members to our external advisory group, the Nespresso Sustainability Advisory Board (NSAB).

CHF 880m

Invested in The Positive Cup (2014–2022)

CHF 44m

Cumulative investment in the Nespresso Sustainability Innovation Fund since 2016

CASE STUDY

BEGINNING OUR B CORP™ JOURNEY

B Corp™ certification provides a benchmark highlighting our strengths and weaknesses. It inspires us and everyone in our value chain to go further, to do more and to scale our impact.

Our first B Corp™ Impact Score was 84/200. The aim by 2025 is to achieve a score of 90 or more in the context of evolving expectations for businesses.

[READ MORE](#)

- **84** points B Corp™ Impact Score.
- **6645** Certified B Corp™ companies worldwide.

Using business as a force for good has been built into our articles of association and is considered throughout our operations.



APPROACH

Nespresso has a diverse workforce with more than 14,000 employees. Our diversity and inclusion efforts are focused on gender equality, people with disabilities, the LGBTQ+ community and race and ethnicity.

Women’s empowerment throughout our value chain is a key focus. We are ensuring that women are part of our succession planning and are working with employees to tackle unconscious bias.

PROGRESS

We now have 98 Nespresso Employee Sustainability Champions, helping us drive our sustainability strategy throughout the business.

57% of our employees are women and over 120 nationalities are represented at Nespresso globally.

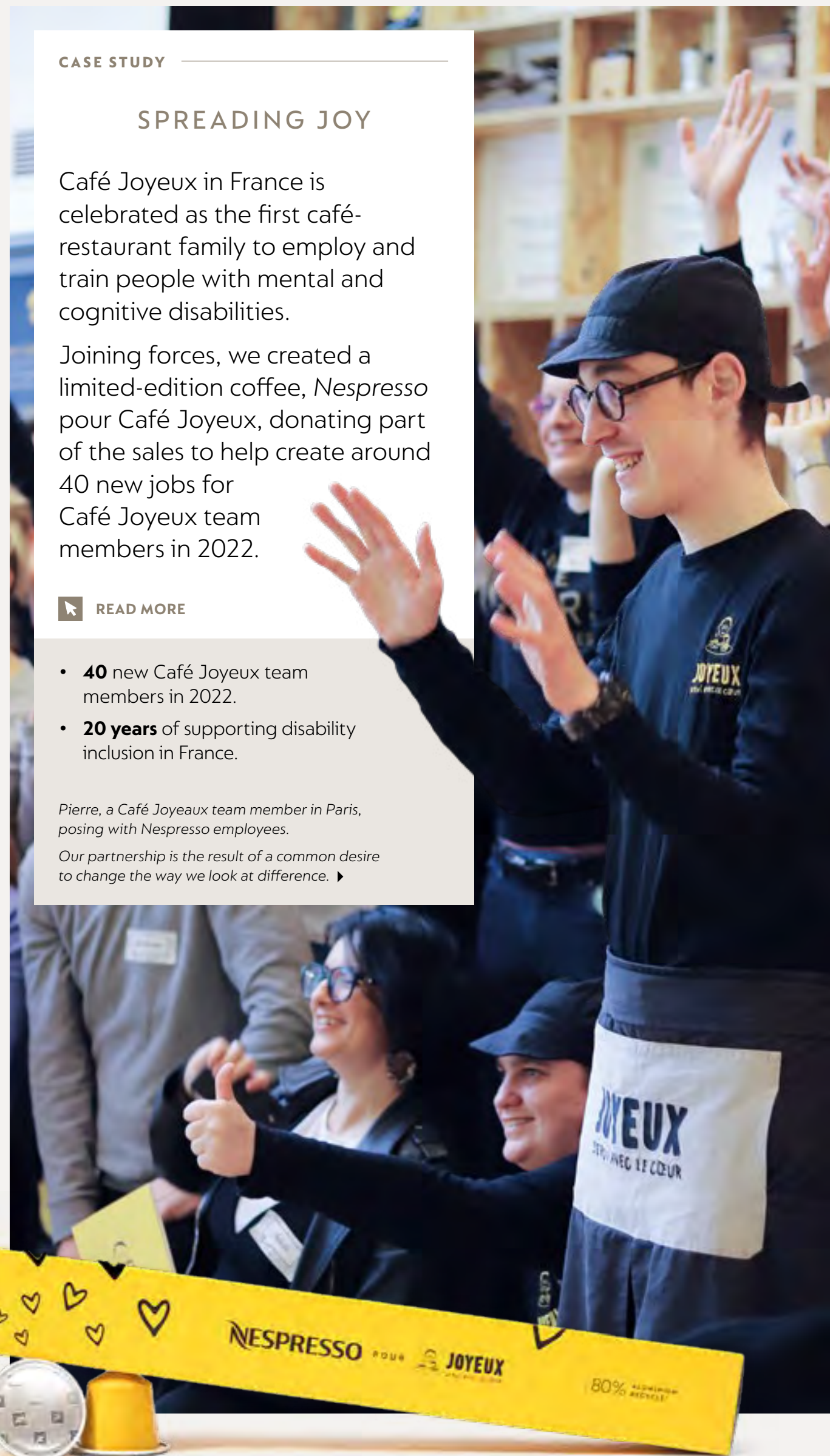
We have answered the call to stand up for Ukraine. Since the beginning of the crisis, we have strived to support our employees. Their personal safety and security, and that of their families, remains our priority going forward.

98

Nespresso Employee Sustainability Champions

USD 250,000

Donated to GlobalGiving Ukraine Crisis Relief Fund



CASE STUDY

SPREADING JOY

Café Joyeux in France is celebrated as the first café-restaurant family to employ and train people with mental and cognitive disabilities.

Joining forces, we created a limited-edition coffee, Nespresso pour Café Joyeux, donating part of the sales to help create around 40 new jobs for Café Joyeux team members in 2022.

[READ MORE](#)

- 40 new Café Joyeux team members in 2022.
- 20 years of supporting disability inclusion in France.

Pierre, a Café Joyeux team member in Paris, posing with Nespresso employees.

Our partnership is the result of a common desire to change the way we look at difference. ▶

APPROACH

Nespresso aims to inspire coffee lovers about sustainability through our Made with Care campaign. The campaign focuses on three areas: caring for climate, caring for equality and caring for you.

PROGRESS

Caring for climate: Through our AAA Program and Reviving Origins Programme we invest in regions where coffee crops and farms are under threat. In 2022, Puerto Rico was devastated by Hurricane Fiona. Nespresso is helping to fund essential tools and equipment for farmers to clear debris and care for damaged trees.

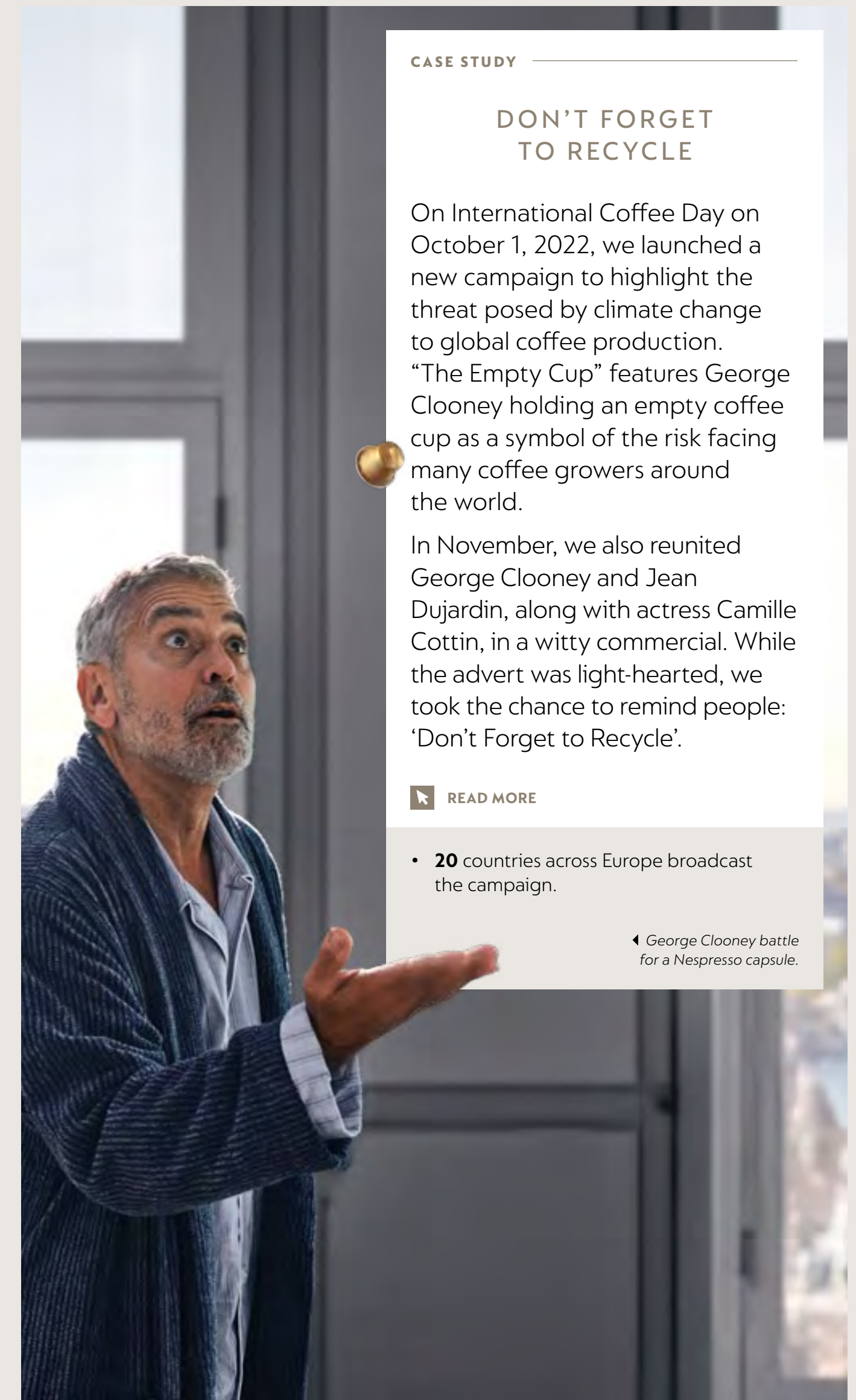
Caring for equality: Our Master Origins coffees are carefully crafted with a deep care for farmers and processes. In Ethiopia, in 2022, we made notable progress on gender equality (see p17).

Caring for you: We continued our support for Café Joyeux in France (see case study opposite), including the creation of a limited-edition Nespresso Pour Café Joyeux coffee.



CHF 15m

Investment in engagement and governance in 2022



CASE STUDY

DON'T FORGET TO RECYCLE

On International Coffee Day on October 1, 2022, we launched a new campaign to highlight the threat posed by climate change to global coffee production. “The Empty Cup” features George Clooney holding an empty coffee cup as a symbol of the risk facing many coffee growers around the world.

In November, we also reunited George Clooney and Jean Dujardin, along with actress Camille Cottin, in a witty commercial. While the advert was light-hearted, we took the chance to remind people: ‘Don’t Forget to Recycle’.

[READ MORE](#)

- 20 countries across Europe broadcast the campaign.

◀ George Clooney battle for a Nespresso capsule.





A coffee plant on a AAA farm in Costa Rica.

OUR REPORTING

KEY PERFORMANCE INDICATORS



THE POSITIVE CUP KEY ACHIEVEMENTS

DECARBONISE THE VALUE CHAIN

+5.3m

Trees planted for carbon removals (2014–2022)

81

Ktonnes CO₂eq emissions reduced in 2022

100%

Renewable electricity procured for our three production centres

3.9

AAA Program emission factor (kg of CO₂eq per kg of green coffee)¹

1. 3.9kg of CO₂eq per kg of green coffee, according to 2022 updated primary data: weighted average emission factor for 11 AAA Program coffee origins.

REGENERATE LANDSCAPES

346,000+

Hectares managed under the Nespresso AAA Sustainable Quality™ Program

93%

Green coffee sourced through the AAA Program

76%

Of our green coffee volume rated bronze in 2022²

7.4m

Trees planted in AAA Program landscapes (cumulative 2014–2022)

2. We had estimated our 2022 volume at 67% bronze level on the Rainforest Alliance Regenerative Coffee Scorecard as published in The Positive Cup 2021 report. Based on additional data, we have revised this estimate to 76%. The methodology of calculation will continue to be refined as data and insights are gathered.

EMPOWER COMMUNITIES

150,000+

Farmers enrolled in the AAA Sustainable Quality™ Program

645

AAA Program agronomists³

95%

Of global coffee purchases at or above Fairtrade Minimum Price⁴

CHF +363m

Cumulative investment in coffee operations (technical assistance and AAA premiums 2014–2022)

3. 'Agronomists' include includes all staff working directly on the AAA Program, including agronomists, field staff, project and support staff.
4. In 2020, FLOCERT verified that 95% of our coffee purchases in 2019 met the Fairtrade Minimum Price. This results of their next analysis will be reported in 2023.

ADVANCE CIRCULARITY

94%

Estimated capsule collection capacity⁵

32%

Estimated global capsule recycling rate⁶

0%

Waste to landfill from our three production centres

63%

Used capsule valorisation rate⁷

60%

Of machine models using recycled plastics

5. % of Nespresso capsules that are bought by consumers who have access to a convenient recycling option.
6. In dedicated and collective systems.
7. Capsules are either recycled or incinerated for heat recovery.

INSPIRE COLLECTIVE ACTION

CHF 880m

Investment in The Positive Cup (cumulative 2014–2022)

21

Members of the Nespresso Sustainability Advisory Board (NSAB)

98

Nespresso employee sustainability champions around the world

84/200

B Impact Score achieved in 2022

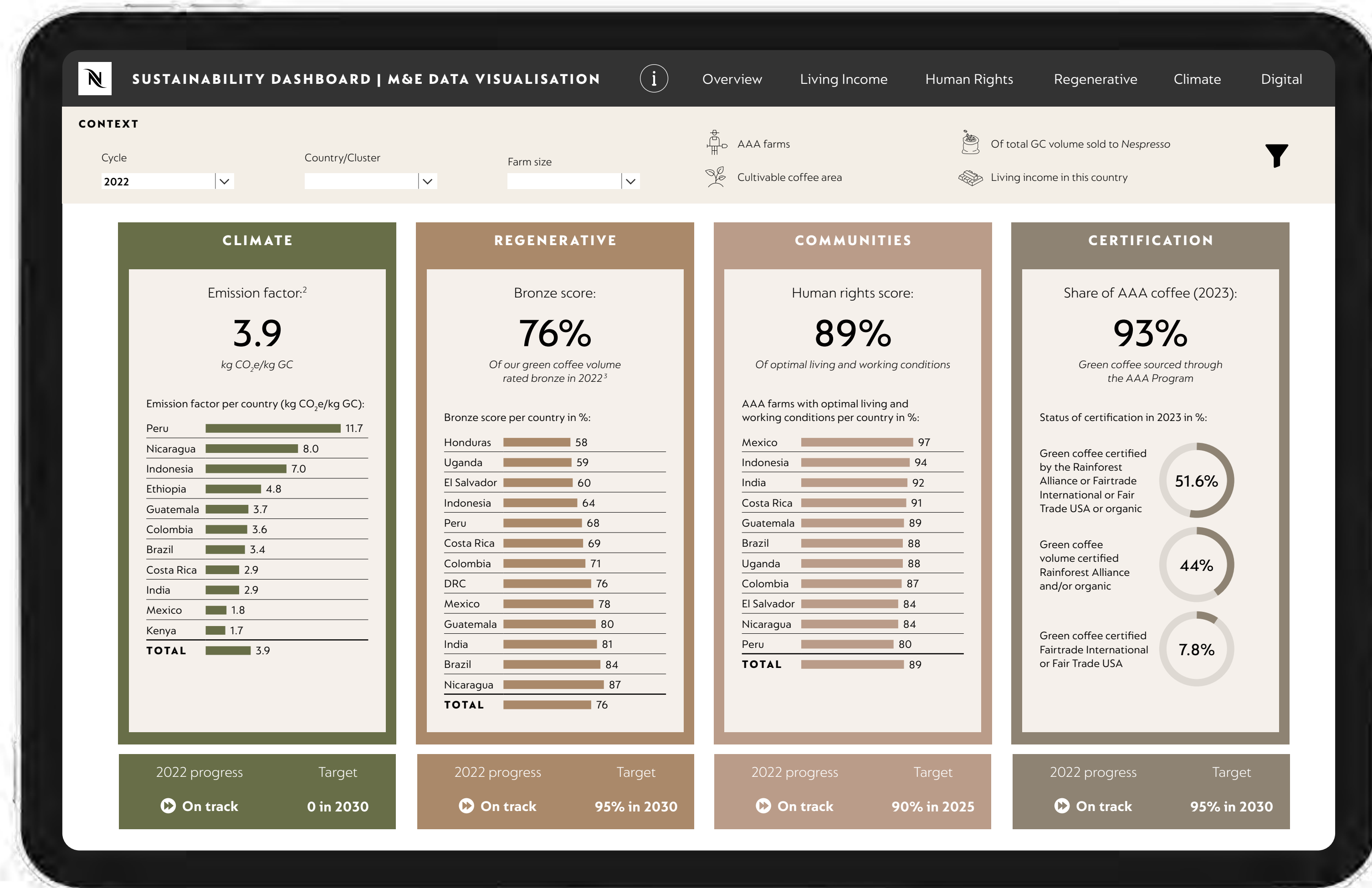




A TRACEABILITY MODEL FOR GREEN COFFEE

Our Green Coffee Sustainability Dashboard enables us to monitor and evaluate the progress we are making towards our goals across Climate, Regenerative Agriculture, Communities and Green Coffee Certification.¹

1. Enveritas independent monitoring and evaluation 2022. ▶
 2. 3.9kg of CO₂e/kg of green coffee, according to 2022 updated primary data: weighted average emission factor for 11 AAA Program coffee origins.
 3. We had estimated our 2022 volume at 67% bronze level on the Rainforest Alliance Regenerative Coffee Scorecard as published in The Positive Cup 2021 report. Based on additional data, we have revised this estimate to 76%. The methodology of calculation will continue to be refined as data and insights are gathered.



2022 PERFORMANCE OVERVIEW

| DECARBONISE THE VALUE CHAIN | SDG TARGETS ¹ | GRI INDICATORS | BUREAU VERITAS AUDITED IN 2022 | 2014-2022 (CUMULATIVE) | 2022 | 2021 | 2020 | BASELINE | BASELINE DATE |
|--|----------------------------|----------------|--------------------------------|------------------------|---------|---------|---------|----------|---------------|
| Scope 1 GHG emissions (in ,000 tonnes CO ₂ eq): direct GHG emissions from Nespresso-owned facilities | 12.2, 12.4 | 305-1 | | | 10.8 | 10.4 | 9.5 | | 2018 |
| Scope 2 GHG emissions (in ,000 tonnes CO ₂ eq): GHG emissions resulting from electricity production used in Nespresso-owned facilities | 12.2, 12.4 | 305-2 | | | 10.4 | 9.6 | 8.4 | | 2018 |
| Scope 3 GHG emissions (in ,000 tonnes CO ₂ eq): all other GHG emissions occurring upstream and downstream from Nespresso-owned facilities | 12.2, 12.4 | 305-3 | | | 1,561 | 2,103 | 1,757 | | 2018 |
| Amount of carbon removals secured (in tonnes CO ₂ eq) | | | | 577,700 | 265,000 | 178,300 | 134,000 | | 2020 |
| Carbon reductions against Business-As-Usual (BAU) (in tonnes CO ₂ eq) | | | | | 81,000 | | | | |
| Trees planted for carbon removals within AAA landscapes (in ,000) | 15.2, 15.3 | 201-2, 305-5 | | 5,334 | 1,138 | | | | |
| AAA Program primary emission factor (kg of CO ₂ eq per kg of green coffee) ² | | | Yes | | 3.9 | | | | |
| Total energy consumption in our three production centres (gigajoules per tonne of product) | 7.3, 8.4, 12.2 | 302-1 | Yes | | 3.36 | 3.35 | 3.41 | 3.76 | 2018 |
| % of renewable electricity procured for our three production centres | 7.2, 7.3, 8.4, 12.2 | 201-2, 302-1 | Yes | | 100% | 100% | 100% | 100% | 2017 |
| % of renewable energy consumed across production centre operations ³ | 7.2, 7.3, 8.4, 12.2 | 201-2, 302-1 | Yes | | 56% | 53% | 54% | >50% | 2017 |
| Total on-site ² water withdrawal (m ³ per tonne of product) | 6.4, 8.4, 12.2, 12.4, 15.1 | 303-3 | Yes | | 1.95 | 1.32 | 1.31 | 3.9 | 2018 |

| REGENERATE LANDSCAPES | SDG TARGETS ¹ | GRI INDICATORS | BUREAU VERITAS AUDITED IN 2022 | 2014-2022 (CUMULATIVE) | 2022 | 2021 | 2020 | BASELINE | BASELINE DATE |
|--|--------------------------------|-------------------|--------------------------------|------------------------|--------|-------|-------|----------|---------------|
| % of green coffee sourced through the AAA Program | 6.3, 6.4, 6b, 8.3, 12.7, 15.3 | 308 | Yes | | 93% | 92.5% | 93% | 10% | 2005 |
| % of green coffee volume certified Rainforest Alliance and/or organic ⁴ | 6.3, 6.4, 6.b, 8.3, 15.2, 15.3 | 304, 304-3 | Yes | | 44% | 42% | 41% | 36% | 2014 |
| Coffee volume at bronze level on the Regenerative Coffee Scorecard ⁵ | 2.4, 6.3, 6.4, 6.b, 15.3, 15.5 | 304 | | | 76% | | | | |
| Number of trees planted by Nespresso and its partners in AAA Program landscapes (in ,000) ⁶ | 15.2, 15.3 | 304-3 | Yes | 7,358 | 1,273 | 701 | 689 | 130 | 2014 |
| Number of countries with agroforestry or reforestation programmes ⁷ | 2.4, 6.3, 6.4, 6.b, 15.3, 15.5 | 201-2, 304-3 | | | 10 | 9 | 9 | 2 | 2014 |
| Area managed under the AAA Program (in ,000 hectares) | 2.4, 6.3, 6.4, 6b, 15.3, 15.5 | 304 | Yes | | 346 | >330 | 320 | 10 | 2009 |
| Biodiversity priority areas with an action plan in place | 15.1, 15.4, 15.5, 15.9 | 304-1 | | | 2 | 2 | | | |
| Investment in climate actions (in ,000 CHF) | 13.1, 13.2, 13.3, 15.2, 15.3 | 305, 201-2, 302-2 | Yes | 40,911 | 17,271 | 7,876 | 2,351 | 946 | 2014 |

1. Refers to the targets defined under the UN Sustainable Development Goals framework.

2. The emission factor is made up of two elements: 3.0 emissions from cultivation, and 0.9 emissions from change of land use.

3. Refers to Nespresso production centres.

4. Organic certification included as of 2021.

5. We had estimated our 2022 volume at bronze level to be 67% in The Positive Cup 2021 report. Based on additional data, we have revised this estimate to 76%. The methodology of calculation will continue to be refined as data and insights are gathered.

6. 115,000 trees planted in our Brazil projects over 2019, 2020 and 2021 had not previously been included in our figures. We have included these in the cumulative total for 2022, but have not adjusted the previously reported annual figures.

7. 10 countries in total, with eight of these countries having new tree planting activity in 2022.



2022 PERFORMANCE OVERVIEW

| EMPOWER COMMUNITIES | SDG TARGETS ¹ | GRI INDICATORS | BUREAU VERITAS AUDITED IN 2022 | 2014-2022 (CUMULATIVE) | 2022 | 2021 | 2020 | BASELINE | BASELINE DATE |
|--|--------------------------|-----------------------------|-----------------------------------|---------------------------|------------------|---------|---------|----------|---------------|
| Number of countries with the AAA Program | 6.3, 6.4, 6b, 8.3 | 308, 413-1, 308-2 | | | 18 | 18 | 15 | 5 | 2005 |
| Number of farmers enrolled in the AAA Program | 6.3, 6.4, 6b, 8.3 | 308, 413-1, 308-2, 413, 414 | Yes | | 150,918 | 142,754 | 122,147 | 1,500 | 2005 |
| Number of active clusters in the AAA Program | | 413-1 | | | 51 | 51 | 39 | | |
| Number of farmers with access to financial resilience programmes (retirement savings plan, climate crop insurance) | 1.4, 2.3, 5.1, 8.3, 9.3 | 203-2, 413-1 | Yes | | 17,584 | 9,463 | 8,367 | 0 | 2014 |
| Number of AAA Program agronomists ² | | 308 | Yes | | 645 | 491 | 415 | 20 | 2005 |
| % of AAA Program agronomist positions held by women | 5.5, 5.a | 405-1 | Yes | | 35.2% | 33.2% | 32.5% | 0% | 2005 |
| % of coffee purchased through financial transactions traceable to farmers and cooperatives | | 203-2 | | | 89% | 82.4% | | | 2021 |
| % of green coffee certified by the Rainforest Alliance or Fairtrade International or Fair Trade USA and/or organic | | 417-1 | Yes | | 51.6% | 49.3% | 48% | 36% | 2014 |
| % of green coffee certified Fairtrade International or Fair Trade USA | 6.3, 6.4, 6b, 8.3, 15.3 | 417-1 | Yes | | 7.8% | 7.34% | 6.6% | 0% | 2014 |
| % of global coffee purchases at or above Fairtrade Minimum Price ³ | 6.3, 6.4, 6b, 8.3, 15.3 | 417-1 | | | | | | 95% | 2019 |
| % AAA farmers known and named in the database | | 308-1, 414-1 | | | 100% | 100% | | 100% | 2021 |
| Number of farms visited at least once per year | | 308-1 | | | 119,864 | 85,475 | | | |
| Number of countries with Reviving Origins programmes ⁴ | | 203-2 | | | 7 | 7 | 7 | | |
| Number of farmers benefitting from Reviving Origins programmes | | 203-2 | | | 11,551 | 11,748 | 8,000 | | |
| Number of farmers undertaking training in sustainable practices | 2.4, 12.8, 12.a | 404-2 | | | N/A ⁵ | 35,284 | 9,707 | | |
| Number of agronomists enrolled in the child rights capacity-building programme | 8.7 | 408, 408-1 | | | 70 | 88 | 227 | | |
| Number of countries where Fair Labor Association assessment has been completed ⁶ | | 401, 408, 408-1 | | | 10 | 1 | 0 | | |
| Investment in field programmes related to gender equality (in ,000 CHF) | 5.5, 5.a | 405 | | | 611 | 370 | 340 | | |
| Individuals benefitting from access to clean and safe water ⁷ | 6.1 | 303-1 | | | 12,671 | 8,569 | 3,603 | | |
| Investment in coffee operations: technical assistance and AAA premiums (in ,000 CHF) | 1.3, 1.5 | - | Yes | 363, 719 | 47,361 | 45,579 | 41,435 | 33,393 | 2014 |

1. Refers to the targets defined under the UN Sustainable Development Goals framework.

2. 'Agronomists' include all staff working directly on the AAA Program, including agronomists, field staff, project and support staff.

3. In 2019, FLOCERT verified that 95% of coffee purchases met the Fairtrade Minimum Price. This survey is conducted by FLOCERT every three years so data is not available for 2020 and 2021. The results of their next analysis will be reported in 2023 and will cover 2022 data.

4. Our operations in South Sudan are on hold following a return to armed conflict in the region.

5. In 2022 our system for recording farmer training and farm visits underwent an upgrade. To avoid any inaccuracy in reporting, we will next report our updated figures for farmer training in 2023.

6. Fair Labor Association assessment is an important stage in the overall accreditation process.

7. This figure was previously recorded as 'families' rather than 'individuals'. Data is now reported on an individual basis.



2022 PERFORMANCE OVERVIEW

| ADVANCE CIRCULARITY | SDG TARGETS ¹ | GRI INDICATORS | BUREAU VERITAS AUDITED IN 2022 | 2014-2022 (CUMULATIVE) | 2022 | 2021 | 2020 | BASELINE | BASELINE DATE |
|---|--------------------------|----------------|-----------------------------------|---------------------------|-------|-------|------|----------|---------------|
| Circulytics™ rating | 8.4, 12.2, 12.4, 12.5 | 306-2 | | | | | B | B | 2020 |
| Number of countries with capsule recycling systems ² | 8.4, 12.2, 12.4, 12.5 | 306-2, 306-4 | Yes | | 74 | 70 | 59 | 1 | 1991 |
| Estimated capsule collection capacity (%) ³ | 8.4, 12.2, 12.4, 12.5 | 306-2 | Yes | | 94% | 88% | 90% | 24.3% | 2009 |
| Estimated global recycling rate (%) ^{2, 4} | 8.4, 12.2, 12.4, 12.5 | 306-2, 306-4 | Yes | | 32% | 28% | 28% | 15% | 2009 |
| Used capsule valorisation rate (%) ⁵ | 8.4, 12.2, 12.4, 12.5 | 306-2 | Yes | | 63% | 55% | 56% | | 2016 |
| Number of countries selling RELOVE refurbished machines | 8.4, 12.2, 12.4, 12.5 | 306-2 | | | 10 | 3 | | | 2021 |
| RELOVE Machine – Refurbished machine: Proportion (%) of refurbished machines sold in Nespresso channels | 8.4, 12.2, 12.4, 12.5 | 306-2 | | | <1% | | | | |
| % of waste to landfill from our three production centres | 8.4, 12.2, 12.4, 12.5 | 306-5 | Yes | | 0% | 0% | 0% | 0% | 2018 |
| Machines ⁶ with an Ecoscore energy rating of A or higher | 8.4, 12.2, 12.4, 12.5 | 302-4 | | | 100% | 100% | | | |
| % of machines models ⁶ with eco-friendly packaging | 8.4, 12.2, 12.4, 12.5 | 306-2 | | | 60% | 29% | | | |
| % of machine models using recycled plastics ⁷ | 8.4, 12.2, 12.4, 12.5 | 306-2 | | | 60% | 47% | | | |
| % of accessory collection with eco-friendly packaging ⁸ | 8.4, 12.2, 12.4, 12.5 | 306-2 | | | 100% | 50% | | | |
| Nespresso Original Line made using 80% recycled aluminium | 8.4, 12.2, 12.4, 12.5 | 306-2 | | | 100% | 100% | 80% | | |
| Nespresso Vertuo Line made using 85% recycled aluminium | 8.4, 12.2, 12.4, 12.5 | 306-2 | | | 90% | 88% | | | |
| Total weight of waste generated in manufacturing (metric tonnes) | 8.4, 12.2, 12.4, 12.5 | 306-3 | Yes | | 8,603 | 8,763 | 518 | | |
| Breakdown: Hazardous waste in manufacturing (weight of waste generated in metric tonnes) | 3.9, 6.3, 12.4 | 306-3 | Yes | | 13.82 | 5 | 5 | | |
| Breakdown: Non-hazardous waste in manufacturing (weight of waste generated in metric tonnes) | 8.4, 12.2, 12.4, 12.5 | 306-3 | Yes | | 8,589 | 8,758 | 513 | | |

1. Refers to the targets defined under the UN Sustainable Development Goals framework.

2. Methodology was changed to get a more accurate view of our recycling rate, the baseline figures are not comparable to subsequent years annual figures.

3. Globally, 94% of Nespresso capsules are bought by consumers who have access to a convenient recycling option.

4. In dedicated and collective systems.

5. Capsules are either recycled or incinerated for heat recovery.

6. Home-use machines.

7. Of 15 models in the total range.

8. Out of the 11 accessories collections.



2022 PERFORMANCE OVERVIEW

| INSPIRE COLLECTIVE ACTION | SDG TARGETS ¹ | GRI INDICATORS | BUREAU VERITAS AUDITED IN 2022 | 2014-2022 (CUMULATIVE) | 2022 | 2021 | 2020 | BASELINE | BASELINE DATE |
|--|--------------------------|----------------|-----------------------------------|---------------------------|----------------|---------|---------|-------------|---------------|
| B Impact Score | | - | | | 84.3 | | | 84.3 points | 2022 |
| Investment in The Positive Cup (in ,000 CHF) ² | 1.3, 1.5 | 201, 308 | Yes | 879, 135 | 158,592 | 135,566 | 108,790 | 59,678 | 2014 |
| Investment in engagement and governance (in ,000 CHF) | | - | Yes | 82, 205 | 14,996 | 11,315 | 7,098 | 8,661 | 2014 |
| Investment in collection capacity and recycling systems (in ,000 CHF) ³ | 8.4, 12.2, 12.4, 12.5 | 306 | Yes | 392, 301 | 78,680 | 70,796 | 57,905 | 16,678 | 2014 |
| Investment through Nespresso Sustainability Innovation Fund (NSIF) (,000 CHF) | 2.4, 12.8, 12.a | - | | 43,800 | 4,800 | 7,500 | 7,200 | | 2016 |
| Partnership for Central America: Northern Triangle program investment (,000 CHF) | | | | 96,800 | 55,600 | 41,200 | | | |
| Members of the Nespresso Sustainability Advisory Board (NSAB) | 2.4, 12.8, 12.a | 2-14 | | | 21 | 17 | 15 | | 2013 |
| Number of sustainability champions | 2.4, 12.8, 12.a | - | | | 98 | 86 | 65 | | 2020 |
| Full-time employees on the sustainability team at Nespresso HQ and in AAA regions | 2.4, 12.8, 12.a | - | | | 26 | 26 | | | |
| Number of countries where we operate | | 2-1 | | | 83 | 81 | 82 | 4 | 2003 |
| Number of boutiques worldwide | | 2-1 | | | 791 | 804 | 816 | 1 | 2000 |
| Number of production centres | | 2-1 | | | 3 | 3 | 3 | 1 | 1986 |
| Number of permanent coffees in the range | | - | | | 91 | 85 | 76 | 4 | 1986 |
| Number of employees worldwide (excluding agents' employees) | | 2-7 | | | 14 004 | 14 031 | 13 916 | 330 | 2003 |
| % of women employees | 5.2, 5.5, 10.2 | 405-1 | | | 57% | 57% | 57% | | 2019 |
| % workforce under 30 years of age | 8.5, 10.2 | 405-1 | | | 33% | 33% | 34% | | |
| Number of nationalities at Nespresso globally | | - | | | 120 | 113 | | | 2021 |
| Recordable injury rate for total Nespresso and contractor workforce (per million hours worked) | 1.3, 8.8 | 403-9 | | | 1.39 | 1.9 | 1.6 | 7.9 | 2014 |

1. Refers to the targets defined under the UN Sustainable Development Goals framework.

2. The Positive Cup includes AAA Program and farmer premiums, climate actions, recycling and stakeholder engagement. Investments: 2016 report and baseline restated based on adjustments of financial assumptions (e.g. exchange rate).

3. Includes investment in technology.



AAA PROGRAM AROUND THE WORLD - 2022



THE NESPRESSO AAA SUSTAINABLE QUALITY™ PROGRAM WAS CREATED WITH THE RAINFOREST ALLIANCE IN 2003.

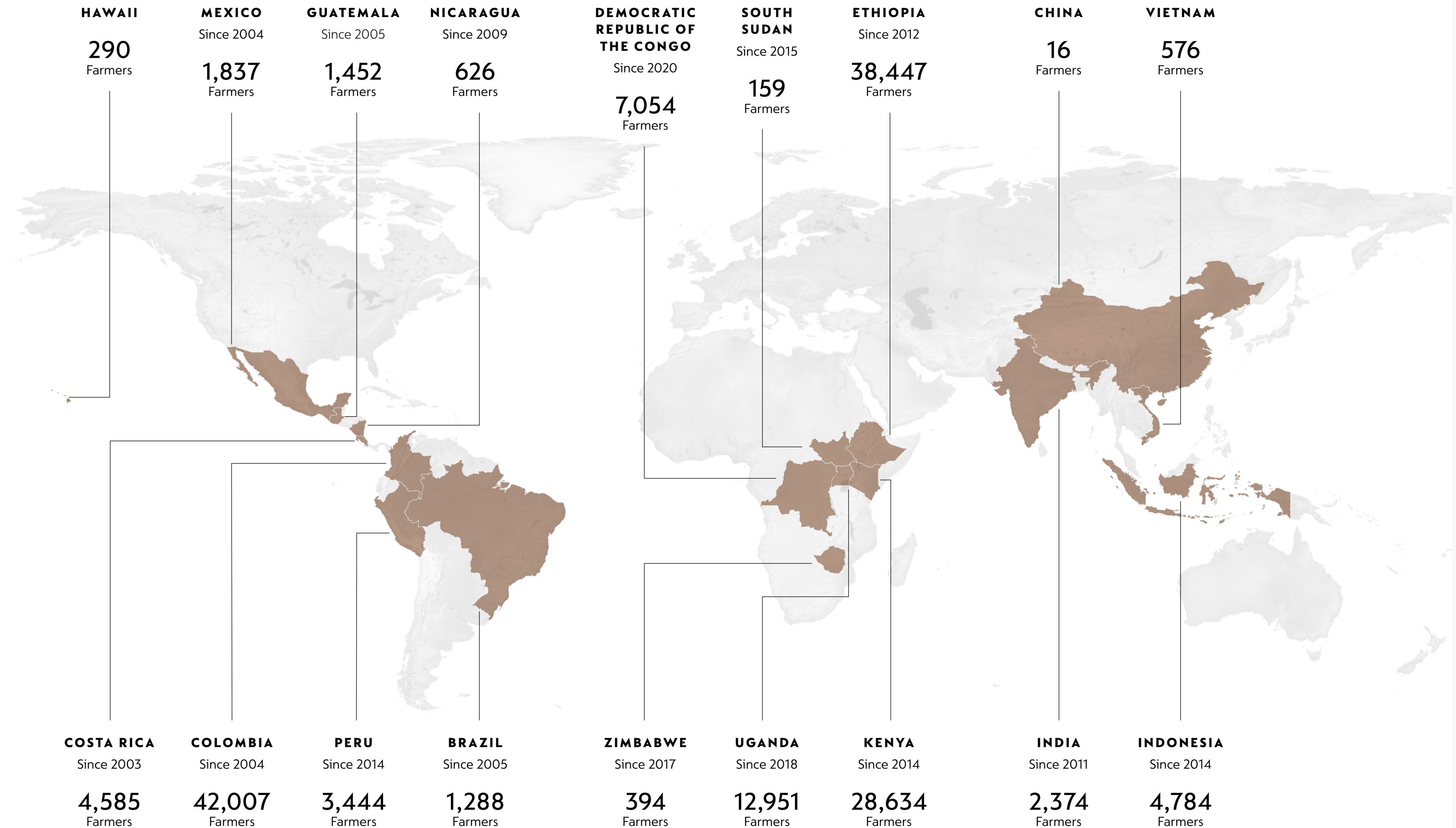
This tailor-made coffee sourcing programme acts at farm, community and landscape level to help ensure we can offer the highest quality coffee, while creating sustainable livelihoods and protecting the environment.

18

Number of countries

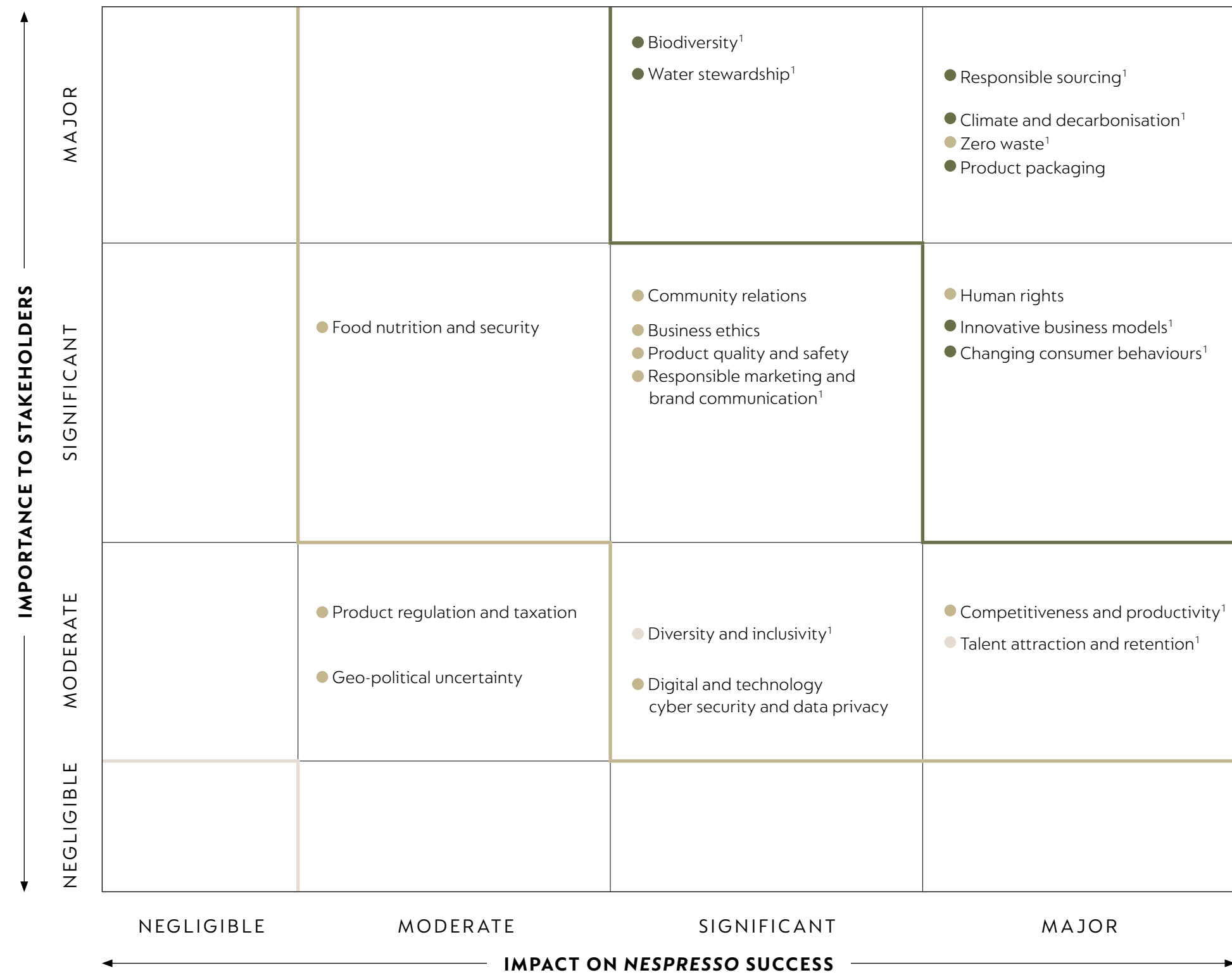
150,918

Farmers enrolled



MATERIALITY MATRIX

A formal materiality analysis is conducted every two years to ensure we prioritise the issues that have the most impact on the economy, society and the environment, and that most influence the decision-making of our stakeholders.



● Major: average score > 3.0 ● Significant: 3.0 > average score > 2.5 ● Moderate: 2.5 > average score > 1.75 ○ Negligible: 1.75 > average score

1. New issues or new naming versus 2018.

CERTIFIED B CORP™

B IMPACT SCORE BREAKDOWN (APRIL 2022)

| | POINTS EARNED | | | | | % POINTS EARNED VS POINTS AVAILABLE | | | | |
|--------------------------------------|------------------|--------|------|------|------|-------------------------------------|--------|-----|------|------|
| | HQ+CH+ FACTORIES | EUROPE | NAM | APAC | SAMA | HQ+CH+ FACTORIES | EUROPE | NAM | APAC | SAMA |
| GOVERNANCE | 13.3 | 13.3 | 13.2 | 13.3 | 13.4 | 67% | 67% | 66% | 67% | 67% |
| ETHICS & TRANSPARENCY | 3.3 | 3.3 | 3.3 | 3.3 | 3.4 | 55% | 55% | 55% | 55% | 57% |
| MISSION & ENGAGEMENT | 2.5 | 2.5 | 2.4 | 2.5 | 2.5 | 63% | 63% | 60% | 63% | 63% |
| MISSION LOCKED | 7.5 | 7.5 | 7.5 | 7.5 | 7.5 | 75% | 75% | 75% | 75% | 75% |
| WORKERS | 25.8 | 23 | 19.1 | 20.4 | 22.1 | 57% | 48% | 46% | 45% | 46% |
| CAREER DEVELOPMENT | 2.5 | 2.3 | 2.6 | 2.5 | 2.5 | 71% | 66% | 74% | 71% | 71% |
| CAREER DEVELOPMENT (SALARIED) | 0.6 | 0.2 | 0.3 | 0.6 | 0.4 | 50% | 17% | 25% | 50% | 33% |
| ENGAGEMENT & SATISFACTION | 4.1 | 3.7 | 3.4 | 3.7 | 3.6 | 82% | 74% | 68% | 74% | 72% |
| ENGAGEMENT & SATISFACTION (SALARIED) | 2.1 | 1.9 | 1.3 | 1.7 | 1.4 | 70% | 63% | 43% | 57% | 47% |
| FINANCIAL SECURITY | 4.9 | 5.4 | 5.6 | 4 | 4.5 | 29% | 32% | 33% | 24% | 26% |
| HEALTH, WELLNESS & SAFETY | 8.4 | 5.6 | 5 | 5.5 | 5.7 | 84% | 56% | 50% | 55% | 57% |
| SCORE ADJUSTMENT* | 3.2 | 3.9 | 0.9 | 2.4 | 4 | | | | | |
| COMMUNITY | 22.5 | 19.6 | 20.9 | 20.7 | 19.1 | 32% | 28% | 30% | 30% | 27% |
| CIVIC ENGAGEMENT & GIVING | 2.5 | 2 | 2.3 | 1.5 | 1.2 | 31% | 25% | 29% | 19% | 15% |
| DIVERSITY, EQUITY & INCLUSION | 3.1 | 2.7 | 3.2 | 2.7 | 3.3 | 31% | 27% | 32% | 27% | 33% |
| ECONOMIC IMPACT | 2.8 | 0.8 | 1.9 | 2.4 | 0.5 | 28% | 8% | 19% | 24% | 5% |
| SUPPLY CHAIN MANAGEMENT | 6.8 | 6.8 | 6.2 | 6.8 | 6.8 | 57% | 57% | 52% | 57% | 57% |
| SUPPLY CHAIN POVERTY ALLEVIATION | 7.3 | 7.3 | 7.3 | 7.3 | 7.3 | 24% | 24% | 24% | 24% | 24% |
| ENVIRONMENT | 27.3 | 23.2 | 23.1 | 21.5 | 21.1 | 35% | 30% | 30% | 28% | 27% |
| AIR & CLIMATE | 5.6 | 5.5 | 5.3 | 4.4 | 4.1 | 37% | 37% | 35% | 29% | 27% |
| ENVIRONMENTAL MANAGEMENT | 6 | 5.2 | 5.2 | 5.2 | 5.6 | 60% | 52% | 52% | 52% | 56% |
| LAND & LIFE | 5.9 | 5.8 | 5.3 | 5.3 | 4.6 | 49% | 45% | 41% | 41% | 35% |
| LAND/WILDLIFE CONSERVATION | 5.7 | 5.7 | 5.7 | 5.7 | 5.7 | 19% | 19% | 19% | 19% | 19% |
| WATER | 3.4 | 0.4 | 1 | 0.4 | 0.4 | 43% | 6% | 14% | 6% | 6% |
| SCORE ADJUSTMENT* | 0.7 | 0.6 | 0.6 | 0.5 | 0.7 | | | | | |
| CUSTOMERS | 4.6 | 4.6 | 4.6 | 4.6 | 4.6 | 92% | 92% | 92% | 92% | 92% |
| CUSTOMER STEWARDSHIP | 4.6 | 4.6 | 4.6 | 4.6 | 4.6 | 92% | 92% | 92% | 92% | 92% |

* Score Adjustment refers to questions within the B Impact Assessment that are not applicable to Nespresso. These points are redistributed across other questions to generate the Score Adjustment.

FAIR LABOR ASSOCIATION

SOURCING PROFILE DISCLOSURES

COUNTRY COMMODITY PROFILE

| LOCATION | ACREAGE RANGE OF THE COMMODITY | ACREAGE TRACED RANGE |
|--------------------|--------------------------------|-------------------------|
| BRAZIL | High | High |
| COLOMBIA | High | High |
| PERU | Medium | High |
| COSTA RICA | High | High |
| GUATEMALA | Medium | High |
| HONDURAS | Low | High |
| EL SALVADOR | Low | High |
| NICARAGUA | High | High |
| MEXICO | Medium | High |
| INDIA | High | High |
| INDONESIA | Medium | High |
| VIETNAM | Low | High |
| CHINA | Low | High |
| KENYA | Medium | Medium (at mills level) |
| UGANDA | Medium | High |
| ZIMBABWE | Low | High |
| DRC | Low | High |
| ETHIOPIA | High | Medium (at mills level) |

MAIN CLUSTERS AND SUPPLIERS

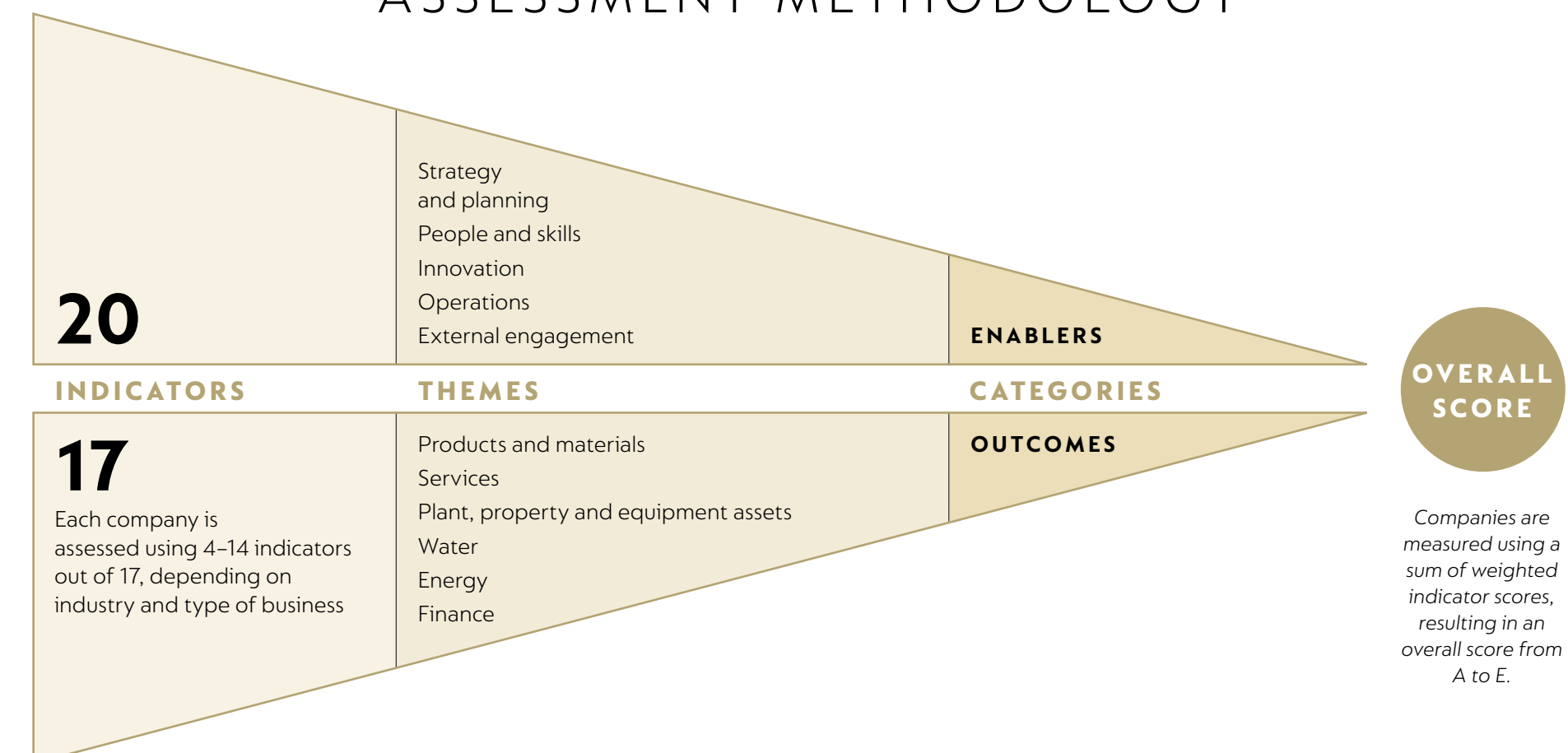
| LOCATION | MAIN CLUSTER | MAIN SUPPLIER |
|--------------------|--------------------|----------------------------------|
| BRAZIL | Alto Paranaiba | Blaser Trading AG |
| COLOMBIA | Caldas-Antioquia | Sucafina S.A. |
| PERU | Jaen | Olam International Ltd. |
| COSTA RICA | La Giorgia | ECOM Agroindustrial Corp Ltd. |
| GUATEMALA | Huehuetenango | ECOM Agroindustrial Corp Ltd. |
| HONDURAS | CoHonducafe | Compañía Hondurena Del Café S.A. |
| EL SALVADOR | Apaneca | Be Green Trading S.A. |
| NICARAGUA | Jinotega | Mercon B.V. |
| MEXICO | Ixhuatlán | ECOM Agroindustrial Corp Ltd. |
| INDIA | Coorg | ECOM Agroindustrial Corp Ltd. |
| INDONESIA | Aceh | Olam International Ltd. |
| VIETNAM | Gia Lai | NKG (Bernhard Rothfos GmbH) |
| CHINA | Meng Lian | Shanghai Nestle Product Services |
| KENYA | Central Kenya | Touton S.A. |
| UGANDA | Rwenzori | VOLCAFE Ltd. |
| ZIMBABWE | Eastern Highlands | I & M Smith (Pty) Ltd. |
| DRC | North & South Kivu | Olam International Ltd. |
| ETHIOPIA | Sidama | Be Green Trading S.A. |

CIRCULYTICS™

SCORE BREAKDOWN (2020)

| | |
|---------------------------------------|-----------|
| OVERALL SCORE | B |
| ENABLERS SCORE | B+ |
| Strategy and planning | B+ |
| Innovation | B |
| People and skills | B+ |
| Systems, processes and infrastructure | C |
| External engagement | A- |
| OUTCOMES SCORE | B |
| Input | A- |
| Output | B- |

ASSESSMENT METHODOLOGY



INDEPENDENT ASSURANCE STATEMENT

THE STAKEHOLDERS OF NESTLÉ NESPRESSO SA

INTRODUCTION AND OBJECTIVES OF WORK

Bureau Veritas UK Ltd. ('Bureau Veritas') has been engaged by Nestlé Nespresso SA ('Nespresso') to provide limited assurance over selected sustainability performance indicators for inclusion in 'The Positive Cup 2022 Progress Report' (the 'Report'). This Assurance Statement applies to the related information included within the scope of work described below.

SCOPE OF ASSURANCE

The scope of our work was limited to assurance over the following content within the Report for the period 1st January 2022 to the 31st December 2022 (the 'Selected Information'), related to the 2022 Performance KPIs:

A. 'DECARBONISE THE VALUE CHAIN' PILLAR

- Total energy consumption in our three production centres (gigajoules per tonne of product)
- % of renewable electricity procured across our three production centres
- % of renewable energy consumed across all operations
- Total on-site water withdrawal (m³ per tonne of product)
- AAA Program primary emission factor (kg of CO₂e per kg of green coffee)

B. 'REGENERATE LANDSCAPES' PILLAR

- Number of trees planted by Nespresso and their partners in AAA Program landscapes (in ,000)
- % of green coffee volume certified Rainforest Alliance and/or organic
- % green coffee certified Rainforest Alliance
- % green coffee certified Organic
- Area managed under the AAA Program (in ,000 hectares)

- % of green coffee sourced through the AAA Program
- Investment in climate actions (in ,000 CHF)

- Coffee volume at bronze level on the Regenerative Coffee Scorecard

C. 'EMPOWER COMMUNITIES' PILLAR

- Number of farmers enrolled in the AAA Program
- Investment in coffee operations: technical assistance and AAA premiums (in ,000 CHF)
- Number of farmers with access to financial resilience programs (retirement savings plan; climate crop insurance)
- Number of AAA Program agronomists
- % of AAA Program agronomist positions held by women
- % of green coffee certified by the Rainforest Alliance or Fairtrade International or Fair Trade USA™ and/or organic
- % of green coffee certified Fairtrade International or Fair Trade USA

D. 'ADVANCE CIRCULARITY' PILLAR

- Number of countries with capsule recycling systems
- Estimated capsule collection capacity (%)
- Estimated global recycling rate (%)
- Used capsule valorisation rate (%)
- % of waste to landfill from our three production centres
- Total weight of waste generated in manufacturing (metric tonnes)
- Breakdown: Hazardous waste in manufacturing (weight of waste generated in metric tonnes)
- Breakdown: Non-hazardous waste in manufacturing (weight of waste generated in metric tonnes)

E. 'INSPIRE COLLECTIVE ACTION' PILLAR

- Investment in The Positive Cup (in ,000 CHF)
- Investment in engagement & governance (in ,000 CHF)
- Investment in collection capacity and recycling systems (in ,000 CHF)

REPORTING CRITERIA

The Selected Information needs to be read and understood together with Nespresso's Basis of Reporting as set out [here](#).

LIMITATIONS AND EXCLUSIONS

Excluded from the scope of our work is verification of the following:

- This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails.
- This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.
- Our work was limited to Nespresso's head office-based activities and understanding how Nespresso consolidates and reconciles data provided by local markets/countries. The reliability of the reported data is dependent on the accuracy of data collection and monitoring arrangements at market and site level and third-party data providers, not addressed as part of this assurance.

RESPONSIBILITIES

The preparation and presentation of the Selected Information in the Report are the sole responsibility of the management of Nespresso.

Bureau Veritas was not involved in the drafting of the Report. Our responsibilities were to:

- Obtain limited assurance about whether the Selected Information has been prepared in accordance with internationally acceptable definitions of the relevant indicators;
- Form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- Report our conclusions and findings to the Nespresso's Directors in the form of a Management Report.

ASSESSMENT STANDARD

We performed our work to a limited level of assurance in accordance with the requirements of the International Standard on Assurance Engagements ('ISAE') 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after December 15, 2015), issued by the International Auditing and Assurance Standards Board.

SUMMARY OF WORK PERFORMED

As part of our independent verification, we undertook the following activities:

- Examined the data collection and consolidation processes used to compile the Selected Information, including assumptions made, and the data scope and reporting boundaries;
- Conducted interviews with relevant personnel from Nespresso Head Office;
- Reviewed documentary evidence provided by Nespresso on a sample basis;
- Re-performed a selection of aggregation calculations of the Selected Information;

- Confirmed where relevant the accuracy of information with third parties and/or partner agencies; and
- Assessed the disclosure and presentation of the Selected Information to ensure consistency with assured information.

A 5% materiality threshold was applied to this assurance. It should be noted that the procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

CONCLUSION

On the basis of our methodology, scope of the work, activities and limitations described above, nothing has come to our attention to indicate that the Selected Information are not fairly stated in all material respects, according to the assessment criteria.

STATEMENT OF INDEPENDENCE, INTEGRITY AND COMPETENCE

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 190 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates a certified¹ Quality Management System which complies with the requirements of ISO 9001:2015, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, quality reviews and applicable legal and regulatory requirements which we consider to be equivalent to ISQM 1 & 22².

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA)³, across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and high ethical standards in their day-to-day business activities. We consider this to be equivalent to the requirements of the IESBA code⁴.

The assurance team for this work conducted the verification independently and to our knowledge does not have any conflict of interest due to any other Bureau Veritas projects with Nespresso.



Bureau Veritas UK Ltd.

London

19th June 2023

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1. Certificate available on request.

2. International Standard on Quality Management 1 (Previously International Standard on Quality Control 1) & International Standard on Quality Management.

3. International Federation of Inspection Agencies – Compliance Code – Third Edition.

4. Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

NESPRESSO