



THE POSITIVE CUP

2023 PROGRESS

 NESPRESSO



Guillaume Le Cunff (left) passes on the torch to Philipp Navratil (right), incoming CEO of Nespresso as of 1 July 2024

“WE BELIEVE THAT COMPANIES LIKE OURS PLAY A CRITICAL ROLE IN REVIVING NATURE AND SMALLHOLDER ECONOMIES, AND HOPEFULLY INSPIRING OTHERS IN THE INDUSTRY.”

GUILLAUME LE CUNFF,
NESPRESSO CEO

I write this letter in my final weeks as CEO of *Nespresso* and, as I summarise the progress we have made in the last year, I also have in mind the journey we have been on since I joined in 2007. In the work we and our partners have done through The Positive Cup ambition and framework, we have set out to drive the sustainable performance of our business. We are firmly of the belief that impact on people, planet and business performance go hand in hand, and it gives me and our *Nespresso* team immense satisfaction to see the fruits of our work.

In March 2024 we hosted our annual *Nespresso* Sustainability Advisory Board in Paris in the week of the ChangeNOW summit. I am grateful to the many partner organisations that have encouraged and inspired us with their work to stretch our ambition in addressing climate change, transitioning to regenerative agriculture, driving material circularity and bringing back lost coffees to rural communities.

Our positive impact in 2023 was made possible by an extensive and deep collaboration between NGO partners, suppliers, highly motivated *Nespresso* team members and committed farmers who have united with us on this journey to turn ambitions into actions and accelerate the sustainable future of coffee. There is much to recognise and celebrate, even if there is always more to do.

As a first highlight, I am pleased to share that the 2021 emissions peak is now behind us even as our business grew. In addition, we are also intensifying our focus on the rapid adoption of regenerative agricultural practices at farm level and constantly innovating to develop new support structures and income sources for AAA farmers, such as our crop insurance programme, which has been expanded in 2023 to six countries of origins. With our partners, we have created innovative solutions to help protect farmers from the impacts of climate change, reviving their confidence in a viable future of coffee cultivation.

20 YEARS OF AAA PROGRAM

2023 marked twenty years of the *Nespresso* AAA Sustainable Quality™ Program and the long-term relationships we have built with AAA farmers. It has grown from 300 farmers in Costa Rica in 2003 to over 150,000 farmers in 18 countries today. Since the co-creation of this programme with the Rainforest Alliance, our ambition has been to support farmers to cultivate high-quality coffee sustainably in harmony with nature. With the help of our partners and over 650 AAA agronomists and field staff, we are promoting regenerative solutions and celebrate 9 million trees planted within 10 years, both contributing to revive nature and biodiversity on farms and in surrounding landscapes, which results in driving down greenhouse gas (GHG) emissions from coffee farming.

10 YEARS OF REVIVING ORIGINS

Since 2014, we have taken our convictions to regions afflicted by instability or natural disaster to help farmers rebuild their farms, their livelihoods and their communities and to revive hope after years of uncertainty. Reviving Origins was born out of an ambition to revive coffee cultivation in areas where it was at risk from instability or natural disasters. We believe in the power of coffee cultivation to help stimulate local economies and empower communities – *Nespresso* has a unique role to play in bringing the rich heritage of coffee to our consumers' homes.

OFFERING MORE CHOICE

Our ambition to drive circularity has led to the launch of our new home compostable capsules, enabling consumers to choose between two sustainable options: recycling their aluminium capsules, or composting their paper capsules at home. We have also improved the energy efficiency and reparability of several machines, promoting the purchase of refurbished machines through our RELOVE scheme.

INSPIRE COLLECTIVE ACTION

As members of the B Corp™ movement, we have made it our mission to inspire collective action in the role that progressive companies can play in driving the changes our planet and societies need.

It's a great honour to help drive change through joint events on circularity, and be part of the solution for making a positive difference in business as we continue our performance assessment from B Lab. With CHF 1 billion invested in the Positive Cup since 2014, *Nespresso* continues to lead the sustainable transformation and is now recognised by our partners as a trailblazer in the coffee sector. I invite you to read this 2023 progress overview and discover the collective work we are doing with our partners and to share your feedback and ideas with us.

THE FUTURE AHEAD

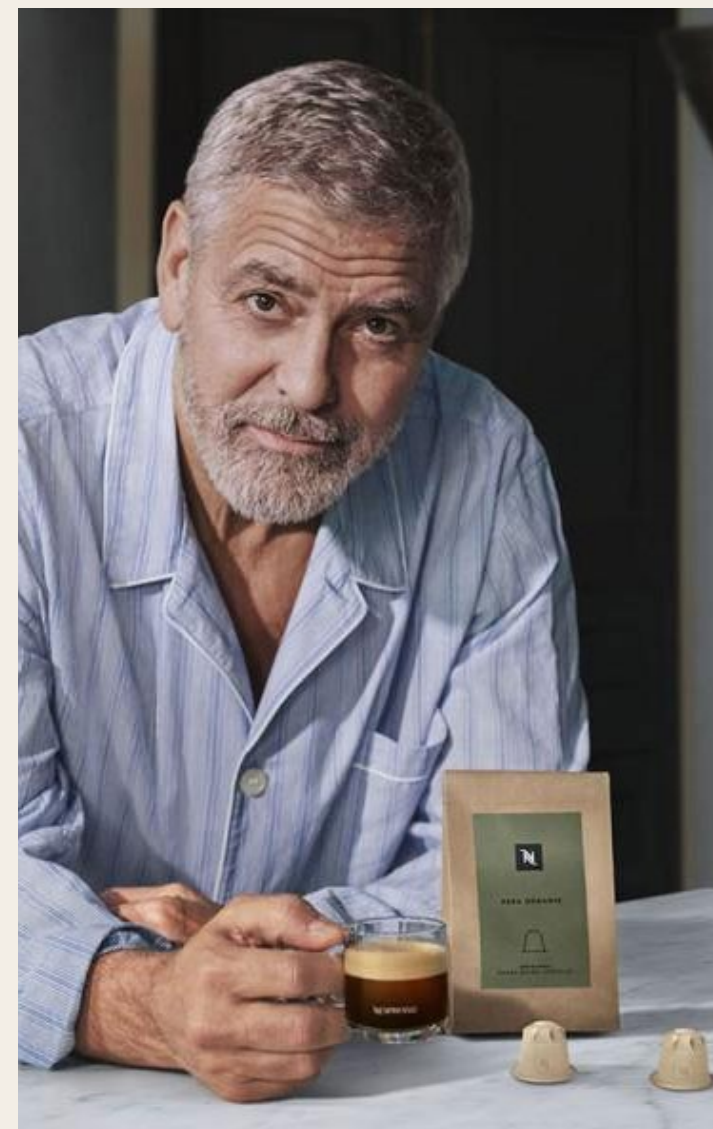
I am thrilled that my colleague Philipp Navratil takes on the role of *Nespresso* CEO, ushering the next chapter of our sustainable performance. I know that under Philipp's stewardship, this remarkable company, team and brand will continue to forge a unique path in coffee by reviving nature, communities, hope and inspiration.



HIGHLIGHTS 2023

LAUNCH OF HOME COMPOSTABLE COLLECTION

Nespresso's home compostable¹ collection for Original Line offers consumers yet another sustainable choice without compromising on unforgettable taste. The home compostable collection was piloted in France and Switzerland. With key learnings from consumers, Nespresso will now launch home compostable collection in several more countries in 2024.



N°20, A TASTE INNOVATION 20 YEARS IN THE MAKING

In September, Nespresso launched N°20, the culmination of 20 years of research and dedication. Since 2003, Nespresso's coffee masters have worked tirelessly to create this high-quality Arabica coffee plant and identify the ideal terroir in which the new variety would flourish. N°20 is Q certified by the Coffee Quality Institute.



© Benoit Pailley



20 YEARS OF THE AAA PROGRAM

On October 1st we celebrated International Coffee Day. And this year it represents a special milestone as the AAA Program celebrates its 20th anniversary, which has grown from 300 farmers in Costa Rica in 2003 to over 150,000 farmers in 18 countries, creating a lasting legacy for thousands of farming families.

NESPRESSO SIGNS UN WOMEN'S EMPOWERMENT PRINCIPLES

In March, Nespresso became a signatory to the United Nations Women's Empowerment Principles (WEPs) as part of the company's commitment to promoting gender equality and women's empowerment in the workplace, marketplace and community.



NESPRESSO RECOGNISED AS ONE OF THE TOP 100 BRANDS IN THE WORLD

In 2023, we were also listed by Interbrand as one of the 100 most valuable brands in the world. Their methodology integrates the role and impact of a brand's ESG activities. This prestigious recognition reflects our commitment over the last 35 years: to bring the ultimate coffee experience to our customers thanks to our high-quality, sustainably sourced coffee.



GRAND PRIX DE LA GOOD ECONOMIE FOR REVIVING ORIGINS

In June, Reviving Origins took home the Gold Prize in the 'Contributing to Social Impact' category of the Grand Prix de la Good Economie in France. This award is a recognition of the dedication of thousands of farmers participating in Reviving Origins. These farmers are from regions where coffee production has declined or even ceased due to environmental or socio-economic factors. Thanks to their commitment, they are bringing quality coffee cultivation back from the brink, giving their communities hope and the opportunity to thrive.



RELOVE NOW AVAILABLE IN 14 MARKETS

In October 2023, Nespresso launched RELOVE in four new countries, bringing us to 14 markets where RELOVE machines are sold. By taking this bold step, Nespresso demonstrates its commitment to sustainability by giving a new life to its machines.

INCLUDING PEOPLE WITH DISABILITIES

Nespresso promotes the inclusion of people with disabilities, either recruiting or engaging them through third parties. The programme includes the unique collaboration with Café Joyeux in France, which in 2023 was extended to Belgium, Portugal and the US, to support Café Joyeux's mission to include people with mental and cognitive learning difficulties through work and encounters, and a collaboration with the Easier-ergonomy Association to have Nespresso machines assessed by users with different kinds of disabilities to improve customer experience.



© Café Joyeux Equipiers Nantes

1. TÜV certification.

HIGHLIGHTS 2023



ECOVADIS GOLD MEDAL

Nespresso was once more awarded Gold status by EcoVadis, the international, independent sustainability rating agency. EcoVadis helps to assess ESG risk and compliance, support the achievement of corporate sustainability goals, and drive impact at scale by guiding the sustainability performance improvement of companies and their value chains.

CAPSULE RECYCLING VIA BELGIUM'S COLLECTIVE SCHEME

In Belgium since January 1st 2023, all coffee capsules, regardless of brand or material used, can be sorted and recycled via the public collective scheme, in the so-called "Blue Bag". This initiative is the result of a partnership initiated by Nespresso and other Nestlé coffee brands, as well as another major coffee industry player and a retailer together with Fost Plus. The goal is to recycle every single coffee capsule sold and consumed in Belgium.

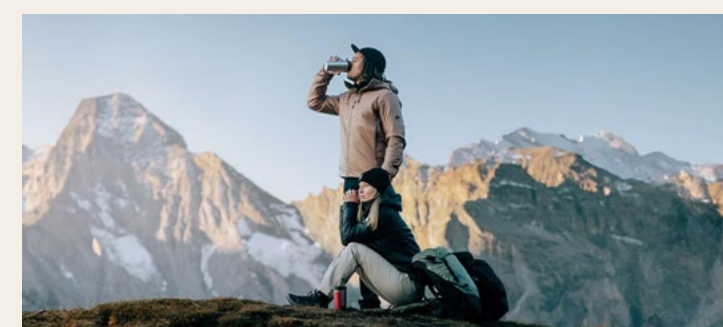


HUBLOT BIG BANG UNICO NESPRESSO ORIGIN WATCH

Circularity is a commitment that we pursue on a daily basis. By pushing the limits of recycling used capsules, we are discovering new ways to reuse aluminium and coffee grounds. Nespresso has partnered with Hublot to create The Big Bang Unico Nespresso Origin watch, partly made of recycled aluminium capsules and coffee grounds. By sharing the same values of innovation, quality and sustainability with like-minded partners, together we are helping give a second life to a cup of Nespresso coffee.

NESPRESSO USA PARTNERSHIP WITH AMERICAN FORESTS

In 2023, Nespresso USA continued to collaborate with American Forests on a variety of sustainability topics including reforestation, Tree Equity and climate change resilience. These included donating more than 40,000 pounds of Nespresso coffee compost to community tree planting efforts in neighbourhoods with most need, and a volunteer day where 27 staff members planted over 1,150 Atlantic White Cedar tree saplings in the Pine Barrens.



THE EXTRAORDINARY JACKET

Three innovative Swiss brands, Nespresso, Mammut and HeiQ, have teamed up to create a high-performance insulating jacket that offers superior heat retention. Thanks to its Xefco-powered HeiQ XReflex insulating membrane containing aluminium made using recycled Nespresso capsules, this insulating jacket stores 20% more heat.

NEW EDITION OF RE:CYCLE

Nespresso partnered with Swedish lifestyle cycle brand Vélosophy to create a new edition of RE:CYCLE. The frame of the bicycle is made using around 95% recycled aluminium, including 20% recycled Nespresso capsules. For every bicycle sold, Vélosophy promises to donate a bicycle to a schoolgirl in a developing country.



GCP RECOGNITION OF THE AAA PROGRAM

In November, the Global Coffee Platform (GCP) announced the recognition of the Nespresso AAA Sustainable Quality™ Program, as equivalent to the Coffee Sustainability Reference (SR) Code, 2nd party assurance. GCP is a multi-stakeholder membership association dedicated to advancing coffee sustainability towards the vision of a thriving, sustainable coffee sector for generations to come.



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 zero

IN ACCORDANCE WITH



GOAL TIMING

By 2050¹

1. As per our SBTi 2023 submission. We are aiming to accelerate to achieve the target as early as 2035. Nespresso SBTi near-term and long-term targets were approved on May 1st, 2024.



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% of AAA coffee from farms with regenerative practices²

IN COLLABORATION 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 in Indonesia, Guatemala, Colombia, Peru, and Mexico receive the Living Income Reference Price³

IN COLLABORATION WITH



GOAL TIMING

By 2030

3. On volumes sold to Nespresso, and 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

GOAL⁴

60% global capsule recycling rate



GOAL TIMING

By 2030

4. Due to the decommissioning of Circulytics™ in 2023, we are currently evaluating the different frameworks available. In the interim, we will use our recycling rate goal.



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





**DECARBONISE
THE VALUE CHAIN**

**A PEAK
IS BEHIND US**

With the 2021 peak of GHG emissions behind us, we are driving emissions down and embracing regenerative agriculture.

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 BY 2050¹

NET ZERO

IN ACCORDANCE WITH



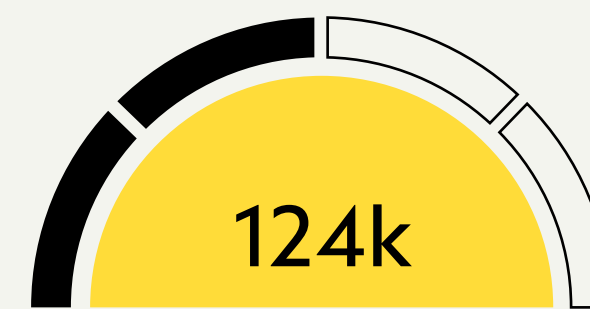
MILESTONE

-75% GHG emissions in Green Coffee by 2030²

CONTRIBUTION TO SDGs

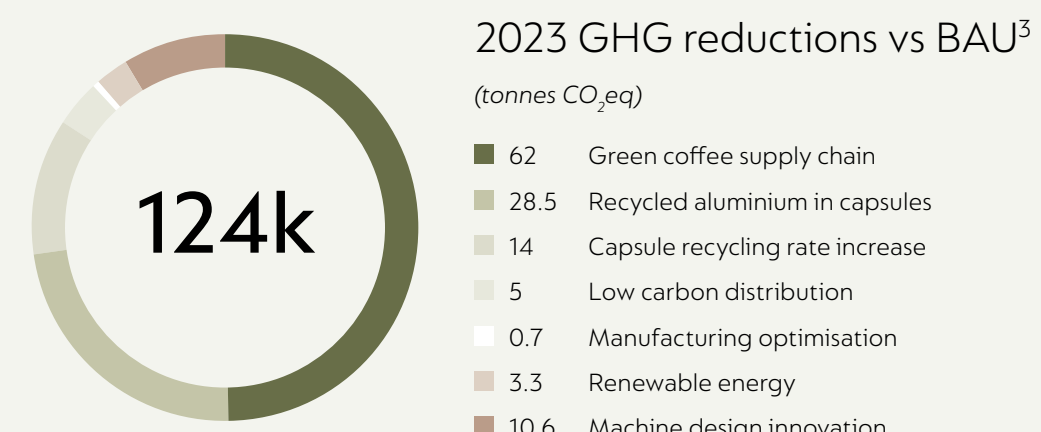


2023 STATUS



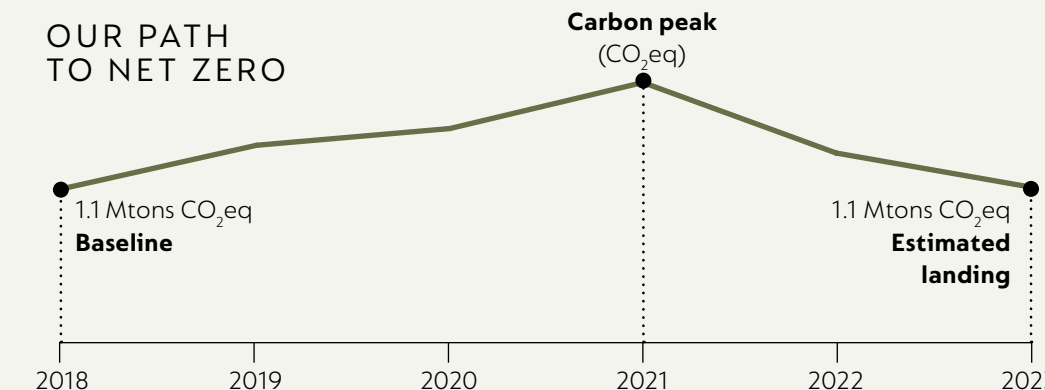
**TONNES CO₂eq EMISSIONS
REDUCED VS BAU³ IN 2023⁴**

- As per our SBTi 2023 submission⁵, Nespresso has committed to reach net zero emissions by 2050. We are aiming to accelerate to achieve the target by as early as 2035. We are internally committed to scout innovations and leverage supplier engagement to find pathways to accelerate progress and reach net-zero sooner.
- A climate governance structure is in place to help us follow our pathway to SBTi's Corporate Net-Zero Standard⁵. We have adopted carbon targets (CO₂eq) in executive bonuses for the second year in a row to create accountability for climate goals with a robust and actionable roadmap.
- Per Near-Term SBTi Targets, we are on track to reduce our absolute scope 3 FLAG (Forest, Land and Agriculture) emissions by -75% by 2030 from our 2018 baseline.
- In 2023, Nespresso achieved absolute reductions of 124 ktons CO₂eq vs BAU³. The graph below shows the 2023 absolute CO₂eq reductions from our portfolio of interventions.



2023 KEY ACHIEVEMENT

We submitted our targets for SBTi¹ approval in 2023⁵, joining a global movement of companies that are taking vital steps to deliver a net-zero economy and limit global warming to 1.5°C.



In 2023, Nespresso greenhouse gas (GHG) emissions under SBTi scope were close to 2018 baseline, partially compensating growth with GHG reductions.

CASE STUDY

We continue to expand initiatives aimed at reducing GHG emissions while transitioning to regenerative agriculture. We are piloting biochar and cover crop projects with partners in more than 20,000 AAA model farms across Brazil, Colombia and Costa Rica, allowing us to share experiences and encourage wider industry transformation. Further actions include reducing the carbon footprint (CO₂eq) emissions from our product range and switching boutiques to renewable energy.

**OUR LEVERS FOR
DECARBONISING THE VALUE CHAIN**

- DECARBONISATION OF THE NESPRESSO GREEN COFFEE SUPPLY CHAIN**
- INNOVATION AND RENOVATION IN PRODUCTS, SYSTEMS AND MARKETS**
- OPTIMISATION OF ENERGY AND LOGISTICS**

- As per our SBTi 2023 submission. We are aiming to accelerate to achieve the target as early as 2035. Nespresso SBTi near term and long term targets were approved on May 1st, 2024.
- See our Near-Term SBTi target to reduce our absolute scope 3 FLAG (Forest, Land and Agriculture) emissions in adjacent column.
- BAU level = what our emissions would be without climate projects.
- CO₂eq against our 2023 BAU (Business-as-usual) projections.
- Nespresso SBTi application was done on Oct 2023 and near-term/long-term targets were approved on May 1st, 2024.

Where are we on our journey towards our goals?



Were we on track in 2023?





REGENERATE
LANDSCAPES

TEN YEARS OF OUR
AGROFORESTRY
EFFORTS PROVE
THEIR POSITIVE
IMPACT

Planting trees has shown to be an effective regenerative practice for increasing bird biodiversity on pilot AAA farms and surrounding 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 BY 2030

SOURCE 95% OF AAA
COFFEE FROM FARMS
WITH REGENERATIVE
PRACTICES¹

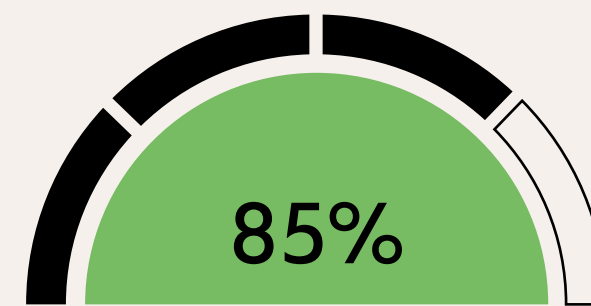
IN COLLABORATION WITH



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2023 STATUS



% OF AAA COFFEE SOURCED FROM
FARMS WITH REGENERATIVE PRACTICES

Towards our goal of 95% by 2030.

- In 2023, a third party assessment conducted by Enveritas estimates that 85% of our AAA green coffee is sourced from farms with regenerative practices, and would be equivalent to a Bronze level on the *Regenerative Coffee Scorecard*. It also estimates that 30% of AAA green coffee volume would reach the Gold level. These first estimates have not yet been verified by the Rainforest Alliance and will be confirmed over the course of the next reporting period, as the methodology is currently being refined.
- Our main focus remains in identifying nature-based alternatives to pesticides and practices that support soil regeneration, leveraging the latest knowledge from our expert partners CABI, The Smithsonian Institute and EPAMIG in Brazil.
- The local set of regenerative practices have been defined and endorsed by the Rainforest Alliance in Colombia and Costa Rica. It leverages *Regenerative Agriculture for Low-carbon and Resilient Coffee Farms*, a guidebook published by the Alliance of Biodiversity International and the International Center for Tropical Agriculture (CIAT) in partnership with Nestlé.

2023 KEY ACHIEVEMENT

9m

Trees planted by Nespresso and its partners in the AAA Program landscape (2014–2023)²

CASE STUDY

The Cornell Lab of Ornithology has assessed, in a large number of AAA coffee farms participating in the agroforestry programme, the benefits of native tree planting on biodiversity conservation and habitat restoration. The study reveals, for example, that in Colombia (Cauca region), the regenerative practice of agroforestry doubled the tree cover in participating AAA farms versus landscape status quo since 2001. The study also shows high correlation between tree cover age and bird population completeness, leveraging the BPI metrics developed by Cornell.

“ON AVERAGE, THE AAA FARMS UNDER AGROFORESTRY SINCE 2015 HAVE HIGHER AND MORE STABLE BIODIVERSITY COMPLETENESS, THAN THE FARMS IN LATER PLANTING WAVES.”

VIVIANA RUIZ,
ASSISTANT DIRECTOR
CENTER FOR AVIAN POPULATION STUDIES,
CORNELL LAB OF ORNITHOLOGY

OUR LEVERS FOR
REGENERATING LANDSCAPES

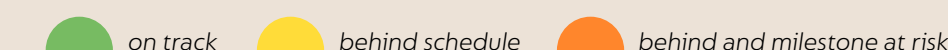
NATURE-BASED AND RENOVATION ACTIONS
AGROFORESTRY IN AND AROUND COFFEE FARMS
LANDSCAPE ACTIONS AND BIODIVERSITY

1. By 2030, we aim that 95% of our green coffee volume will be rated Bronze on the 'Regenerative Coffee Scorecard' designed by the Rainforest Alliance, out of which 70% will be rated Gold.
2. 96,677 trees planted in our Zimbabwe and Ethiopia projects in 2022 had not previously been included in our figures. We have included these in the cumulative total for 2023, but have not adjusted the previously reported annual figures.

Where are we on our journey towards our goals?



Were we on track in 2023?





**EMPOWER
COMMUNITIES**

TWENTY YEARS OF
THE AAA PROGRAM
UNDERScore OUR
DEDICATION TO
THE FUTURE OF
COFFEE FARMERS

Nearly all our coffee purchases are at or above Fairtrade Minimum Price,¹ and we drive systemic solutions to maximise and protect farmer incomes.

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 BY 2030

ALL AAA SMALLHOLDER FARMERS IN INDONESIA, GUATEMALA, COLOMBIA, PERU, AND MEXICO RECEIVE THE LIVING INCOME REFERENCE PRICE²

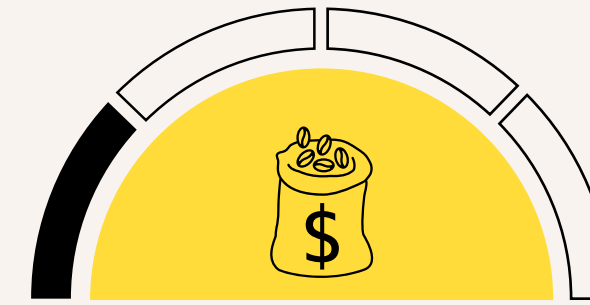
IN COLLABORATION WITH



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2023 STATUS



LIVING INCOME REFERENCE PRICE

Working towards scaling the Living Income Reference Price (LIRP) with Fairtrade International in Colombia (Caldas).

- Despite AAA and certification premiums, farmer incomes can be adversely impacted by price volatility. One way to protect against this is through the Fairtrade Minimum Price. In 2023, a study conducted by FLOCERT has shown that 98% of the Nespresso green coffee purchases met the equivalent to the Fairtrade Minimum Price applicable in 2022 excluding the Fairtrade Premium.
- The crop insurance programme with BlueMarble has reached nearly 9,000 farmers in Colombia and has distributed half a million USD in payout. We continue to design and deploy the public private model in five other countries³ and are looking to deploy in Peru in 2024.
- The digitalisation of our coffee transactions is progressing, allowing for real-time monitoring of the farmgate price, which is a critical element to monitor the achievement of the LIRP. We have made progress in getting ready to pilot the Fairtrade LIRP in Colombia during the 2024 harvest, defining the operating model and principles in partnership with our supplier.
- In 2023, Fair Labor Association assessments were completed in 14 countries and reflect the high standard of the AAA program in business ethics.

2023 KEY ACHIEVEMENT

98%

Of global coffee purchases at or above Fairtrade Minimum Price¹

CASE STUDY

Nespresso AAA has been recognised by Global Coffee Platform (GCP) as Coffee Sustainability Reference (SR) Code equivalent – 2nd party assurance. The Coffee SR Code is a sector wide reference on the foundations of sustainability in economic, social and environmental dimensions for green coffee production and primary processing worldwide.

“WE APPLAUD THE ACTION BY (THESE) GCP MEMBERS TO STEP UP AND ALIGN AS A SECTOR. THIS COMMITMENT TO THE USE OF A COMMON LANGUAGE AND THE INCREASING OPENNESS TO TRANSPARENCY IS A CRITICAL FEATURE TO UNDERSTANDING, ADVANCING AND ACCELERATING COFFEE SUSTAINABILITY TOGETHER.”

ANNETTE PENSEL,
EXECUTIVE DIRECTOR
GLOBAL COFFEE PLATFORM (GCP)

**OUR LEVERS FOR
EMPOWERING COMMUNITIES**

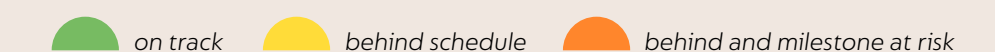
- HUMAN RIGHTS DUE DILIGENCE**
- IMPROVED ACCESS TO SOCIAL SERVICES**
- LIVING INCOME AND RISK PROTECTION**

1. A study conducted by FLOCERT in 2023 has shown that 98% of the Nespresso green coffee purchases met the equivalent to the Fairtrade Minimum Price applicable in 2022 (excluding Fairtrade Premium).
2. On volumes sold to Nespresso, and in origins where the LIRP has been established by Fairtrade International and the majority of AAA coffee farmers are smallholders.
3. Indonesia, Kenya, Zimbabwe, Guatemala and Honduras.

Where are we on our journey towards our goals?



Were we on track in 2023?





ADVANCE CIRCULARITY

WE ALWAYS PUSH TO FIND WAYS FOR CONSUMERS TO HAVE SUSTAINABLE OPTIONS

Our launch of the first home compostable collection offers another sustainable choice to consumers: composting paper-based capsules or recycling aluminium capsules.

CONVICTION

WE BELIEVE THAT NO RESOURCE SHOULD BE THROWN AWAY

AMBITION

So we will do everything we can to waste nothing.

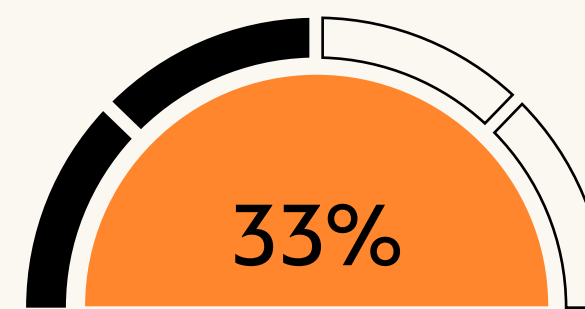
GOAL BY 2030¹

60% GLOBAL CAPSULE RECYCLING RATE

CONTRIBUTION TO SDGs



2023 STATUS



ESTIMATED GLOBAL RECYCLING RATE

MAKING RECYCLING AS CONVENIENT AS POSSIBLE

- With a 93% estimated collection capacity², consumers now have access to capsule recycling systems in 70 countries.
- When possible, our aim is to transition to collective systems, allowing consumers to dispose of their used capsules in their usual recycling bin, together with other recyclable items.
- In Belgium, all aluminium capsules can now be collected, sorted and recycled via the public collective scheme. As part of our partnership with ARCA, French markets will reach 75% coverage of the yellow bin by the end 2025. Both initiatives aim at reducing consumers efforts and allowing them to recycle aluminium coffee capsules more easily.
- In 2023, Nespresso's global aluminium capsules recycling rate is estimated at 33%. We are aiming to reach a 60% global recycling rate by 2030 with more public collective waste infrastructures accepting capsules and continued communication efforts.
- In Switzerland, we reached a 72% recycling rate in 2023. In Taiwan, Luxemburg, Hungary, South Korea and Colombia, we reached a 50% recycling rate in 2023.

2023 KEY ACHIEVEMENTS

14

Countries selling or placing RELOVE refurbished machines

CASE STUDIES

In 2023, our RELOVE machine refurbishment programme was launched into four new markets, taking us to 14 in total. This will allow us to expand the programme with the goal of RELOVE products accounting for 30% of all machine sales by 2030.

Machine circularity is now used to varying degrees in 11 out of 18 of our home-use machine models. Our most distributed machine, the VERTUO NEXT is made using 50% recycled plastic. Moving forward, all new machines will contain recycled materials as part of the design and include an eco-score. We will maximise the use of recycled plastics where feasible.

In 2023, Nespresso piloted the Home Compostable Collection for Original Line capsules in France and Switzerland. We are now preparing to roll out to several more countries in 2024.

OUR LEVERS FOR ADVANCING CIRCULARITY

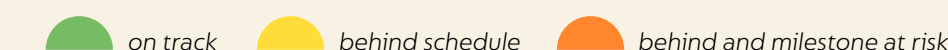
- INNOVATION AT EVERY STEP**
- INFRASTRUCTURE AT SCALE**
- INSPIRATION FOR CONSUMERS**

1. Due to decommissioning of Circulytics™ in 2023, we are currently evaluating the different frameworks available. In the interim, we will use our recycling rate goal.
 2. Globally, 93% of Nespresso capsules are bought by household consumers who have access to a convenient recycling option.

Where are we on our journey towards our goals?



Were we on track in 2023?



Certified



Corporation

INSPIRE COLLECTIVE ACTION

WE ARE RECOGNISED FOR THE ACTIVE ROLE AND ACTIONS WE TAKE FOR THE INDUSTRY

But we know we do not do it alone. We continue to work collectively as a purpose-driven B Corp™ company to make coffee a force for good.

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 BY 2025

RENEW B CORP™ CERTIFICATION WITH A B IMPACT SCORE ≥90

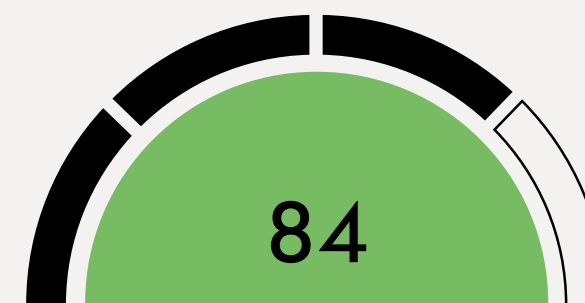
AS MEASURED BY



CONTRIBUTION TO SDGs



2023 STATUS



B CORP™

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

- Our investment in the Positive Cup reflects our ambition to lead on the sustainability agenda. In 2023, we achieved our milestone of CHF 1 billion invested in The Positive Cup initiatives since 2014, two years ahead of schedule.
In 2023, Nespresso was awarded Gold status by EcoVadis.
We were also listed by Interbrand as one the 100 most valuable brands in the world. The recognition reflects our commitment to bring the ultimate coffee experience to our customers thanks to our high-quality sustainably sourced coffee.
We continue to grow our sustainability community across the company, preparing for B Corp™ recertification in 2025.

2023 KEY ACHIEVEMENT

CHF 1bn

Investment in The Positive Cup (cumulative 2014-2023)

CASE STUDY

We are leveraging the strength of our brand, our communities and our business to create a sustainable future for coffee - one that promotes inclusive growth for all stakeholders and inspires collective action.

Our suppliers, partners and consumers are critical to reach our sustainability milestones. For the last 10 years, the Nespresso Sustainability Advisory Board (NSAB) has been supporting our ambition to be a sustainability leader in the coffee sector.

OUR LEVERS FOR INSPIRING COLLECTIVE ACTION

- LEAD WITH PURPOSE
RESPECT AND EMPOWER OUR PEOPLE
INSPIRE COFFEE LOVERS

Where are we on our journey towards our goals?



Were we on track in 2023?





20 YEARS OF PROGRESS AND POSITIVE IMPACT POINT THE WAY AHEAD

The Nespresso AAA Sustainable Quality™ Program was co-created with the Rainforest Alliance in 2003.

The AAA Program encompasses three scopes of intervention to deliver positive impact:

FARM MANAGEMENT

Empower farmers through sustainable quality agricultural practices – the heart of the AAA Program.

COMMUNITY RESILIENCE

Act as a catalyst to build solutions for communities and landscapes in the face of off-farm risks such as climate change.

WIDER SYSTEMIC SOLUTIONS

Leverage the collective resources of farmer organisations, academics, municipalities and governments to address wider coffee sector challenges.

As we look to the future, we aim to create a new paradigm of transparency. New technologies will allow us to reward farmers for their individual performance, prove impact and demonstrate business value – helping to better steer actions for impact.



Our partner the Rainforest Alliance joined us to celebrate our AAA anniversary at our headquarters.





FROM 300 COSTA RICAN FARMERS IN 2003, THE AAA PROGRAM HAS NOW EXTENDED TO OVER 150,000 FARMERS ACROSS 18 COUNTRIES.

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

Countries with the AAA Program

157,540

Farmers enrolled in the AAA Program

333,427

Hectares managed under the AAA Program

A POSITIVE IMPACT ON PEOPLE AND NATURE AT SCALE

AMERICAS

COLOMBIA	COSTA RICA	PERU
41,977 Farmers	4,630 Farmers	3,448 Farmers
81,217 Hectares	23,125 Hectares	8,725 Hectares
MEXICO	GUATEMALA	BRAZIL
1,697 Farmers	1,289 Farmers	1,247 Farmers
5,149 Hectares	9,110 Hectares	123,327 Hectares
NICARAGUA	HONDURAS	EL SALVADOR
609 Farmers	263 Farmers	28 Farmers
13,630 Hectares	1,337 Hectares	1,335 Hectares

AFRICA

ETHIOPIA	KENYA
38,666 Farmers	28,888 Farmers
13,920 Hectares	4,911 Hectares
UGANDA	DRC
15,494 Farmers	8,966 Farmers
7,782 Hectares	2,959 Hectares
ZIMBABWE	
843 Farmers	
165 Hectares	

ASIA

INDONESIA	INDIA
7,259 Farmers	1,644 Farmers
3,095 Hectares	30,934 Hectares
VIETNAM	CHINA
576 Farmers	16 Farmers
609 Hectares	2,057 Hectares





OUR REPORTING

KEY PERFORMANCE INDICATORS



KEY ACHIEVEMENTS 2023

DECARBONISE THE VALUE CHAIN

6.9m

Trees planted for carbon removals within AAA landscapes (2014–2023)

124k

Tonnes CO₂eq emissions reduced in 2023¹

100%

Renewable electricity procured for our three production centres

4.7

AAA Program emission factor (kg of CO₂eq per kg of green coffee)²

1. CO₂eq vs our 2023 BAU (Business-as-usual) projections.

2. The emission factor is comprised of two elements, emissions from cultivation, and Land Use Change (LUC). For cultivation emissions, primary data from origins is used, using Cool Farm Tool. For LUC, World Food LCA Database datasets are used.

REGENERATE LANDSCAPES

333,427

Hectares managed under the AAA Program

94%

Green coffee sourced through the AAA Program

85%

% of AAA coffee sourced from farms with regenerative practices³

9m

Trees planted by Nespresso and its partners in the AAA Program landscape (2014–2023)⁴

3. An independent assessment conducted by Enveritas estimates that 85% of our AAA green coffee supply has rated Bronze level on the 'Regenerative Coffee Scorecard' designed by the Rainforest Alliance.

4. Cumulative data 2014–2023, including 96,677 trees planted in Zimbabwe and Ethiopia in 2022, not previously reported.

EMPOWER COMMUNITIES

157,540

Farmers enrolled in the AAA Program

676

AAA Program field staff, including agronomists⁵

98%

Of global coffee purchases at or above Fairtrade Minimum Price⁶

CHF +406m

Cumulative investment in coffee operations (technical assistance and AAA premiums 2014–2023)

5. 'Field staff' includes all staff working directly on the AAA Program, including agronomists, field technicians, project and support staff.

6. A study conducted by FLOCERT in 2023 has shown that 98% of the Nespresso green coffee purchases met the equivalent to the Fairtrade Minimum Price applicable in 2022 excluding Fairtrade Premium.

ADVANCE CIRCULARITY

93%

Estimated capsule collection capacity⁷

33%

Estimated global capsule recycling rate⁸

60%

Used capsule valorisation rate⁹

61%

Of machine models¹⁰ using recycled plastics

2

Countries selling Nespresso home compostable¹¹ capsules

7. Globally, 93% of Nespresso capsules are bought by household consumers who have access to a convenient recycling option.

8. In dedicated and collective systems.

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

10. Home-use machines.

11. TÜV certification.

INSPIRE COLLECTIVE ACTION

CHF 1bn

Investment in The Positive Cup (cumulative 2014–2023)

20

Members of the Nespresso Sustainability Advisory Board (NSAB)

+200

Nespresso employee sustainability champions around the world

84.3/200

B Impact Score achieved in 2022



2023 PERFORMANCE OVERVIEW

DECARBONISE THE VALUE CHAIN ¹	SDG TARGETS ²	GRI INDICATORS	BUREAU VERITAS AUDITED IN 2023	2014-2023 (CUMULATIVE)	2023	2022	2021	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			7	8	9	7	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			13	14	14	13	2018
Scope 3 GHG emissions (in ,000 tonnes CO ₂ eq): all other GHG emissions occurring upstream and downstream from Nespresso-owned facilities ³	12.2, 12.4	305-3							
Total (FLAG and non-FLAG)					1,464	1,552	1,694	1,322	2018
Total FLAG					456 (456 in SBTi scope)	525 (525 in SBTi scope)	622 (622 in SBTi scope)	464 (464 in SBTi scope)	2018
Total non-FLAG					1,009 (587 in SBTi scope)	1,027 (610 in SBTi scope)	1,072 (691 in SBTi scope)	857 (592 in SBTi scope)	2018
Under SBTi scope					1,043	1,135	1,314	1,056	2018
Total annual GHG emissions (in ,000 tonnes CO ₂ eq)	12.2, 12.4								
Total					1,484	1,573	1,717	1,342	2018
Under SBTi scope					1,063	1,156	1,337	1,077	2018
Exclusion					421	417	380	265	2018
Total annual GHG BAU (in ,000 tonnes CO ₂ eq)									
Total					1,608	1,681	1,773	1,342	2018
Under SBTi scope					1,187	1,264	1,389	1,077	2018
GHG reductions against Business-as-usual (BAU) (in ,000 tonnes CO ₂ eq) ⁴	12.2, 12.4				124	108	52	0	2018
Trees planted for carbon removals within AAA landscapes (in ,000)	15.1, 15.2, 15.3	201-2, 305-5	Yes	6,902	1,568	1,138			
Amount of carbon removals secured (in tonnes CO ₂ eq)	12.2, 12.4			943,700	366,000	265,000	178,300	134,000	2020
AAA Program primary emission factor (kg of CO ₂ eq per kg of green coffee) ⁵	12.2, 12.4				4.76	3.9			
Total energy consumption in our three production centres (gigajoules per tonne of product)	7.3, 8.4, 12.2	302-1	Yes		3.41	3.36	3.35	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 ⁶	7.2, 7.3, 8.4, 12.2	201-2, 302-1	Yes		57%	56%	53%	>50%	2017
Total on-site water withdrawal (m ³ per tonne of product)	6.4, 8.4, 12.2, 12.4, 15.1	303-3	Yes		4.33	1.95	1.32	3.9	2018

REGENERATE LANDSCAPES	SDG TARGETS ¹	GRI INDICATORS	BUREAU VERITAS AUDITED IN 2023	2014-2023 (CUMULATIVE)	2023	2022	2021	BASELINE	BASELINE DATE
% of green coffee sourced through the AAA Program	2.4, 6.3, 6.4, 6.b, 8.3, 15.1, 15.3	308	Yes		94%	93%	92.5%	10%	2005
% of green coffee volume certified Rainforest Alliance	2.4, 6.3, 6.4, 6.b, 8.3, 15.1, 15.3	304, 304-3	Yes		43.4%	42.69%	41.24%		
% of AAA coffee sourced from farms with regenerative practices ⁷	2.4, 6.3, 6.4, 6.b, 15.1, 15.3, 15.5	304			85%	76%			2002
Number of trees planted by Nespresso and its partners in AAA Program landscapes (in ,000) ⁸	15.1, 15.2, 15.3	304-3	Yes	9,059	1,604	1,273	701	130	2014
Number of countries with agroforestry or reforestation programmes	2.4, 6.3, 6.4, 6.b, 15.1, 15.3, 15.5	201-2, 304-3			9	10	9	2	2014
Area managed under the AAA Program (in ,000 hectares)	2.4, 6.3, 6.4, 6.b, 15.1, 15.3, 15.5	304	Yes		333	346	>330	10	2009
Biodiversity priority areas with an action plan in place	15.1, 15.2, 15.3, 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	201-2, 302-2, 305	Yes	51,797	10,886	17,271	7,876	946	2014

1. GHG emissions including scope 1, 2, 3 and GHG reductions data have been revised for 2023 and previous years as per SBTi methodology.

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

3. This includes all scopes 3 (coffee cultivation, land use change, all logistics, accessories and machines manufacturing, products end-of-life).

4. BAU level = what our emissions would be without climate projects.

5. The emission factor is comprised of two elements, emissions from cultivation (3.28), and Land Use Change (1.48). For cultivation emissions, primary data from origins is used, using Cool Farm Tool. For Land Use Change, World Food LCA Database datasets are used.

6. Refers to Nespresso production centres.

7. % of AAA green coffee volume estimated at Bronze level on the 'Regenerative Coffee Scorecard' as per Enveritas third party verification.

8. 96,677 trees planted in our Zimbabwe and Ethiopia projects in 2022 had not previously been included in our figures. We have included these in the cumulative total for 2023, but have not adjusted the previously reported annual figures.



2023 PERFORMANCE OVERVIEW

EMPOWER COMMUNITIES	SDG TARGETS ¹	GRI INDICATORS	BUREAU VERITAS AUDITED IN 2023	2014-2023 (CUMULATIVE)	2023	2022	2021	BASELINE	BASELINE DATE
Number of countries with the AAA Program	2.4, 6.3, 6.4, 6.b, 8.3, 15.1, 15.3, 15.5	308, 308-2, 413-1	Yes		18	18	18	5	2005
Number of farmers enrolled in the AAA Program	2.4, 6.3, 6.4, 6.b, 8.3, 15.1, 15.3, 15.5	308, 308-2, 413, 413-1, 414	Yes		157,540	150,918	142,754	1,500	2005
Number of active clusters in the AAA Program	2.4, 6.3, 6.4, 6.b, 8.3, 15.1, 15.3, 15.5	413-1			51	51	51		
Number of farmers with access to financial resilience programmes (retirement savings plan, climate crop insurance, VSLA)	1.4, 2.3, 5.1, 8.3, 9.3	203-2, 413-1	Yes		20,851	17,584	9,463	0	2014
Number of AAA Program field staff, including agronomists ²	2.4, 6.3, 6.4, 6.b, 8.3, 15.1, 15.3, 15.5	308	Yes		676	645	491	20	2005
% of AAA Program field staff positions held by women	5.5, 5.a	405-1	Yes		35.5%	35.2%	33%	0%	2005
% of coffee purchased through financial transactions traceable to farmers and cooperatives	8.5	203-2			87.4%	88.9%	82.4%		2021
% of green coffee certified by the Rainforest Alliance or Fairtrade International or Fair Trade USA or organic	2.4, 6.3, 6.4, 6.b, 15.1, 15.3, 15.5	417-1	Yes		56.1%	51.6%	49.3%	36%	2014
% of green coffee certified Fairtrade International or Fair Trade USA	6.3, 6.4, 6.b, 8.3, 8.5, 8.7, 8.8, 15.3	417-1	Yes		11.7%	7.8%	7.3%	0%	2014
% of global coffee purchases at or above Fairtrade Minimum Price ³	6.3, 6.4, 6.b, 8.3, 8.5, 8.7, 8.8, 15.3	417-1			98%	N/A	N/A	95%	2019
% AAA farmers known and named in the database		308-1, 414-1			100%	100%	100%	100%	2021
Number of countries with Reviving Origins programmes ⁴	2.4, 6.3, 6.4, 6.b, 8.3, 15.1, 15.3, 15.5, 17.16	203-2			7	7	7		
Number of farmers benefitting from Reviving Origins programmes	2.4, 6.3, 6.4, 6.b, 8.3, 15.1, 15.3, 15.5, 17.16	203-2			21,834	11,551	11,748		
Number of field staff enrolled in the child rights capacity-building programme	8.7	408, 408-1			114	70	88		
Number of countries where Fair Labor Association assessment has been completed ⁵	8.3, 8.5, 8.7, 8.8	401, 408, 408-1			14	10	1	1	2021
Number of individuals benefitting from access to clean and safe water ⁶	6.1	303-1			38,191	12,671	8,569		
Investment in field programmes related to gender equality (in ,000 CHF)	5.5, 5.a	405			688	611	370		
Investment in coffee operations: technical assistance and AAA premiums (in ,000 CHF)	1.3, 1.5, 2.4, 6.3, 6.4, 6.b, 8.3, 15.1, 15.3, 15.5	-	Yes	407,119	43,400	47,361	45,579	33,393	2014

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

2. 'Field staff' includes all staff working directly on the AAA Program, including agronomists, field technicians, project and support staff.

3. A study conducted by FLOCERT in 2023 has shown that 98% of the Nespresso green coffee purchases met the equivalent to the Fairtrade Minimum Price applicable in 2022 excluding Fairtrade Premium.

4. Our operations are currently on hold in several origins due to instability in the region.

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

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



2023 PERFORMANCE OVERVIEW

ADVANCE CIRCULARITY	SDG TARGETS ¹	GRI INDICATORS	BUREAU VERITAS AUDITED IN 2023	2014-2023 (CUMULATIVE)	2023	2022	2021	BASELINE	BASELINE DATE
Number of countries with capsule recycling systems ²	8.4, 12.2, 12.4, 12.5	306-2, 306-4	Yes		70	74	70	1	1991
Estimated capsule collection capacity (%) ³	8.4, 12.2, 12.4, 12.5	306-2	Yes		93%	94%	88%	24%	2009
Estimated global recycling rate (%) ^{2, 4}	8.4, 12.2, 12.4, 12.5	306-2, 306-4	Yes		33%	32%	28%	15%	2009
Used capsule valorisation rate (%) ⁵	8.4, 12.2, 12.4, 12.5	306-2	Yes		60%	63%	55%		2016
RELOVE Machine – Refurbished machine: Proportion (%) of refurbished machines sold or placed in Nespresso channels ⁶	8.4, 12.2, 12.4, 12.5	306-2			2%	<1%	N/A		
Number of countries selling or placing RELOVE refurbished machines	8.4, 12.2, 12.4, 12.5	306-2			14	10	3	3	2021
Number of countries selling Nespresso Home Compostable capsules ⁷	8.4, 12.2, 12.4, 12.5		Yes		2			2	2023
Number of coffees in Nespresso Home Compostable collection ⁷	8.4, 12.2, 12.4, 12.5				5			5	2023
% of machine models ⁸ with an Ecoscore energy rating of A or higher	8.4, 12.2, 12.4, 12.5	302-4			100%	100%	100%		
% of machine models ⁸ with an Ecoscore energy rating of A++ or higher	8.4, 12.2, 12.4, 12.5	302-4			17%			17%	2023
% of Nespresso machine ⁸ models ⁹ with recycled packaging ¹⁰	8.4, 12.2, 12.4, 12.5	306-2			66%	60%	29%		
% of machine ⁸ models ⁹ using recycled plastics	8.4, 12.2, 12.4, 12.5	306-2	Yes		61%	60%	47%		
% of recycled material in accessory collection ¹¹ packaging ¹²	8.4, 12.2, 12.4, 12.5	306-2			93%	N/A	N/A		2023
Nespresso Original Line made using 80% recycled aluminium	8.4, 12.2, 12.4, 12.5	306-2			100%	100%	100%		
Nespresso Vertuo Line made using 85% recycled aluminium	8.4, 12.2, 12.4, 12.5	306-2			94%	90%	88%		
Total weight of waste generated in manufacturing (metric tonnes)	8.4, 12.2, 12.4, 12.5	306-3	Yes		7,826	8,603	8,763		
Breakdown: Hazardous waste in manufacturing (weight of waste generated in metric tonnes)	3.9, 6.3, 12.4	306-3	Yes		13.09	13.82	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		7,813	8,589	8,758		
Investment in collection capacity and recycling systems (in ,000 CHF) ^{2, 13}	8.4, 12.2, 12.4, 12.5	306	Yes	474,118	81,817	78,680	70,796	16,678	2014

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, 93% of Nespresso capsules are bought by household 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. Sold machines only in Direct Channels (sales and after sales).

7. TÜV certification.

8. Home-use machines (18 models).

9. Of 18 models in the total range.

10. Packaging is 99% recycled paper.

11. This KPI refers only to the permanent accessory collections (13 collections).

12. Packaging materials include 98.7% paper and 1.3% plastic wrappers (calculation based on weight).

13. Includes investment in technology.



2023 PERFORMANCE OVERVIEW

INSPIRE COLLECTIVE ACTION	SDG TARGETS ¹	GRI INDICATORS	BUREAU VERITAS AUDITED IN 2023	2014-2023 (CUMULATIVE)	2023	2022	2021	BASELINE	BASELINE DATE
B Impact Score	12.6	-				84.3		84.3 points	2022
Investment in The Positive Cup (in ,000 CHF) ²	1.3, 1.5, 2.4, 6.3, 6.4, 6.b, 8.3, 15.1, 15.3, 15.5	201, 308	Yes	1,030,465	151,330	158,592	135,566	59,678	2014
Investment in engagement and governance (in ,000 CHF)	12.8	-	Yes	97,432	15,227	14,996	11,315	8,661	2014
Partnership for Central America: Northern Triangle programme investment (,000 CHF)	8.3, 8.5			142,600	45,800	55,600	41,200	41,200	2021
Members of the Nespresso Sustainability Advisory Board (NSAB)	2.4, 12.8, 12.a	2-14	Yes		20	21	17		2013
Nespresso employee sustainability champions around the world	2.4, 12.8, 12.a	-	Yes		211	98	86		2020
Full-time employees on the sustainability team at Nespresso HQ and in AAA regions	2.4, 12.8, 12.a	-			26	26	26		
Number of countries where we operate		2-1			93	83	81	4	2003
Number of boutiques worldwide		2-1			791	791	804	1	2000
Number of production centres		2-1			3	3	3	1	1986
Number of permanent coffees in the range		-			92	91	85	4	1986
Number of employees worldwide (excluding agents' employees)		2-7			14,428	14,004	14,031	330	2003
% of women employees	5.5, 10.2	405-1			56%	57%	57%		2019
% workforce under 30 years of age	8.5, 10.2	405-1			33%	33%	33%		
Number of nationalities at Nespresso globally	10.2	-			116	120	113	113	2021
Recordable injury rate for total Nespresso and contractor workforce (per million hours worked)	1.3, 8.8	403-9			1.16	1.39	1.9	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).



INDEPENDENT ASSURANCE REPORT

THE STAKEHOLDERS OF NESTLÉ NESPRESSO SA

INTRODUCTION AND OBJECTIVES OF WORK

Bureau Veritas UK Limited (Bureau Veritas) has been engaged by Nestlé Nespresso S.A. (Nespresso) to provide limited assurance of selected KPIs in The Positive Cup Report 2023 Progress Report (the 'Report'). The objective is to provide assurance to Nespresso and its stakeholders over the accuracy and reliability of the reported information and data.

SCOPE OF WORK

The scope of our work was limited to assurance over the following information included within the Report for the period 1 January 2023 to 31 December 2023 (the 'Selected Information'):

DECARBONISE THE VALUE CHAIN

- Trees planted for carbon removals within AAA landscapes (in ,000)
- Total energy consumption in our three production centres (gigajoules per tonne of product)
- % of renewable electricity procured for our three production centres
- % of renewable energy consumed across production centre operations
- Total on-site water withdrawal (m³ per tonne of product)

REGENERATE LANDSCAPES

- % of green coffee sourced through the AAA program
- % of green coffee certified Rainforest Alliance
- Number of trees planted by Nespresso and its partners in AAA Program landscapes (in ,000)
- Area managed under the AAA Program (in ,000 hectares)
- Investment in climate actions (in ,000 CHF)

EMPOWER COMMUNITIES

- Number of countries with the AAA Program
- Number of farmers enrolled in the AAA Program
- Number of farmers with access to financial resilience programmes:
 - Number of farmers with access to retirement savings plan
 - Number of farmers with access to crop insurance
 - Number of farmers with access to VSLA
- Number of AAA Program field staff, including agronomists
- % of AAA Program field staff positions held by women
- % 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™
- Investment in coffee operations: technical assistance and AAA premiums (in ,000 CHF)

ADVANCE CIRCULARITY

- Number of countries with capsule recycling systems
- Estimated capsule collection capacity (%)
- Estimated global recycling rate (%)
- Used capsule valorisation rate (%)
- Number of countries selling Nespresso Home Compostable capsules
- % of (home-use) machine models using recycled plastics
- 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)
- Investment in collection capacity and recycling systems (in ,000 CHF)

INSPIRE COLLECTIVE ACTION

- Total: Investment in The Positive Cup (in ,000 CHF)
- Investment in engagement and governance (in ,000 CHF)
- Members of the Nespresso Sustainability Advisory Boards (NSAB)
- Nespresso employee sustainability champions around the world

REPORTING CRITERIA

The Selected Information needs to be read and understood together with Nespresso The Positive Cup 2023 – Basis of Reporting, as set out [here](#).

LIMITATIONS AND EXCLUSIONS

Excluded from the scope of our work is assurance of information relating to:

- Activities outside the defined assurance period
 - Positional statements of a descriptive or interpretative nature, or of opinion, belief, aspiration or commitment to undertake future actions
 - Other information included in the Report other than the Selected Information
- The following limitations should be noted:
- This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails
 - The reliability of the reported data is dependent on the accuracy of metering and other production measurement arrangements employed at site level, not addressed as part of this assurance

- This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

RESPONSIBILITIES

This 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 or of the Reporting Criteria. Our responsibilities were to:

- Obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria
- Form an independent conclusion based on the assurance procedures performed and evidence obtained
- Report our conclusions to the Directors of Nespresso.

ASSESSMENT STANDARD

We performed our work to a limited level of assurance in accordance with 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 assurance, our work included:

- Conducting interviews with 19 relevant personnel of Nespresso
- Reviewing the data collection and consolidation processes used to compile Selected Information, including assessing assumptions made, and the data scope and reporting boundaries
- Reviewing documentary evidence provided by Nespresso

- Agreeing a selection of the Selected Information to the corresponding source documentation
- Assessing the disclosure and presentation of the Selected Information to ensure consistency with assured information
- Reperforming a selection of aggregation calculations of the Selected 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 and the activities and limitations described above nothing has come to our attention to indicate that the Selected Information is not fairly stated in all material respects.

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 & 2².

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspection 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.



Bureau Veritas UK Ltd

Registered in England & Wales,
Company Number: 1758622

Registered Office:
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London, 04 July 2024

1. Certificate available on request.

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

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