NESPRESSO BASIS OF REPORTING

2025

PILLAR	KPI TITLE	BASIS OF REPORTING	DATA SOURCE
1. DECARBONIZE THE VALUE CHAIN	Gross Scope 1 greenhouse gas (GHG) emissions (in ,000 tonnes CO_2e)	Scope 1 includes the following emission sources: - Natural gas consumption of our three production centres (Orbe, Avenches, Romont) - Emissions generated during the coffee roasting process, other streams processes as: boutiques natural gas (distribution and overheads markets) - Energy generating direct GHG emissions from boutiques and offices in which there are employees with a Nespresso payroll. Most entities (offices and boutiques) are rented buildings operated by Nespresso employees.	<u>Activity data:</u> - Extract from internal systems tracking energy use, supported by samples of energy bills from utility providers. - Data collection for the markets in which Nespresso operates. <u>GHG emissions:</u> Extract from NCAT (Nespresso Carbon Accounting Tool) using activity data and EFs.
	Gross market-based Scope 2 greenhouse gas (GHG) emissions (in ,000 tonnes CO_2e) (*)	Scope 2 includes the following emission sources: - Electricity and district hot water consumption at our three production centres (Orbe, Avenches, Romont) - Electricity and district hot water used in boutiques and offices where there are employees on the Nespresso payroll and boutiques district conventional (distribution and overheads markets). Most entities (offices and boutiques) are rented buildings operated by Nespresso employees.	<u>Activity Data:</u> - Extract from internal systems tracking energy use, supported by samples of energy bills from utility providers. - Data collection covers the markets in which Nespresso operates. <u>GHG emissions:</u> Extract from NCAT (Nespresso Carbon Accounting Tool) using activity data and emission factors (EFs).
	Gross Scope 3 greenhouse gas (GHG) emissions (in ,000 tonnes	All upstream and downstream activity data related to our direct operations are converted into GHG emissions using emission factors from Ecoinvent or	<u>Activity data:</u>

	CO_2e) - *SBTi FLAG and non- FLAG gross GHG emissions*	primary emission factors. For product end of life and recycled content, Nespresso applies the SBTi aligned Circular Footprint Formula.	- Activity data collected from internal sources. <u>GHG emissions:</u> Extracted from NCAT (Nespresso Carbon Accounting Tool) using activity data and EFs.
	Amount of carbon removals delivered (in ,000 tonnes CO_2e)	Projected carbon removals are derived from PUR's carbon simulator estimates available as of June 2025.	Extract from PUR's carbon simulator with an additional safety buffer applied as per the internal corporate guidelines.
	Nespresso Green Coffee emission factor (kg of CO_2e per kg of green coffee)	The Green Coffee emission factor is comprised of two elements, emissions from cultivation, and Land Use Change (LUC).	For cultivation, farm activity data are collected for each cluster (quantities of inputs) and then converted into an emission factor (kg CO_2e/kg of green coffee). Total cultivation GHG emissions are calculated by multiplying the emission factor for each cluster by the quantity of green coffee purchased in that cluster. For land use change (LUC), national (secondary) emission factors are collected from the World Food LCA Database (WFLDB). Total LUC GHG emissions are calculated by multiplying the volume of green coffee purchased in each country by the corresponding country-level statistical LUC emission factor.
	Total energy consumption related to our three production centres (gigajoules per tonne of product)	Total energy consumed by *Nespresso's* three production centres (Orbe, Avenches, Romont) in 2025 measured in gigajoules per tonne of product.	Extract from internal system tracking energy use supported by samples of energy bills from utility provider.
	Percentage of renewable electricity sourced in our three production centres	The percentage of electricity procured by *Nespresso's three* production centres (Orbe, Avenches, Romont) that is from renewable sources.	Certification of 100% renewable electricity procurement provided by an independent third party.

	Percentage of renewable energy consumption related to our production centres operations	The percentage of total energy consumed by *Nespresso's three* production centres (Orbe, Avenches, Romont) that is renewable energy.	Extract from internal system tracking energy use supported by samples of energy bills from utility provider.
	Total energy consumption related to our offices and boutiques operated by Nespresso (gigajoules)	Total energy consumed by *Nespresso's* offices and boutiques in 2025 measured in gigajoules.	Report by local teams based on energy bills or from proxies (based on average energy intensity / m2 in the country) in case no bills are available (e.g. when boutiques are in a shopping mall).
	Percentage of renewable energy consumption related to our three production centres, offices and boutiques operated by Nespresso	The percentage of total energy consumed by *Nespresso's* three production centres (Orbe, Avenches, Romont), offices and boutiques operated by Nespresso that is renewable energy.	Purchase of renewable electricity Certificates or Guarantee of Origins either locally or by headquarters.
	Total water withdrawn in our three production centres (m^3 per tonne of product)	The amount of water withdrawn at *Nespresso's three* production centres (Orbe, Avenches, Romont) measured in m^3 per tonne of product produced.	Extract from internal system tracking water use supported by samples of bills from utility providers.
2. REGENERATE LANDSCAPES	Percentage of Nespresso Green Coffee sourced through the Nespresso Sustainable Quality Plan	Proportion of total green coffee sourced by *Nespresso* from farms participating in the Nespresso Sustainable Quality Plan, based on the coffee that reached the three production centers. It includes all Nespresso Authorized Brands, not only Nespresso.	Extract from GCQC, Green Coffee Quality Control platform.
	Percentage of Green coffee certified by the Rainforest Alliance or Fairtrade International or Fair Trade USA or organic	Proportion of green coffee sourced by *Nespresso* that is certified by one of the external certification bodies, based on contracted coffee. Certification bodies: Rainforest Alliance, Fairtrade International, Fair-Trade USA and/or organic certification.	Extracts from MACC, Nespresso internal procurement systems.
	• *Percentage of Green Coffee volume certified Rainforest Alliance*	*Proportion of the volume of green coffee sourced by Nespresso from farms that meet the standards set for Rainforest Alliance certification.*	*Extracts from MACC, Nespresso internal procurement systems.*

	• *Percentage of Green Coffee certified Fairtrade International or Fair Trade USA*	*Proportion of green coffee sourced by Nespresso from farms that are certified by Fairtrade International or Fair Trade USA.*	*Extracts from MACC, Nespresso internal procurement systems.*
	Percentage of Green Coffee sourced from Nespresso Sustainable Quality Plan farms practicing regenerative agriculture, as per Enveritas audit	Farms in the Nespresso Sustainable Quality Plan are evaluated against the Rainforest Alliance Regenerative scorecard equivalent to bronze level, and through Enveritas sample-based audit/verification. The results from Enveritas are used to measure the percentage of adoption of regenerative agriculture practices at the cluster level. This percentage is then applied to the volume sourced in that cluster in a given year.	Extract from GCQC and Enveritas M&E.
	Estimated Area managed under the Nespresso Sustainable Quality Plan (in ,000 hectares)	Total coffee (productive) area of farms actively enrolled in the Nespresso Sustainable Quality Program.	Globally (except from Kenya and Ethiopia): Extracts from Nespresso internal databases (Koltiva MIS). Kenya and Ethiopia: Extracts from Nespresso Sustainable Quality Plan - Academy Plus TNS Report and Enveritas Cluster Score Reports 2023 -2024.
	Number of countries with agroforestry or reforestation programmes	Total number of countries that plant trees either for carbon-removal, Biodiversity Landscape actions or farmer agroforestry training.	Suppliers: PUR, Technoserve and Cerrado Water Consortium.
	Number of trees delivered by Nespresso and its partners in the Nespresso Program landscapes *for carbon removals (in ,000)	The number of trees delivered by *Nespresso* and their partners in Nespresso Quality Plan landscapes in 2025, including the number of trees delivered for carbon removals.	There are two reporting channels for trees implemented under regenerative agriculture practices. For trees delivered through the partnership with PUR, monitoring is conducted independently by the partner, representing over 94% of all trees. The remaining trees are reported by regional managers, based on information provided by local partners and consortiums (Technoserve and Cerrado Water Consortium).
	Percentage of Green Coffee volume covered with the	The percentage (%) of *Nespresso's* green coffee volume covered by the Biodiversity Progress Index	The GC volume is based on NQCC 2025 volumes.

	Biodiversity Progress Index (BPI) by Cornell University	(BPI) from Cornell University, focusing on coverage rather than the state of biodiversity. The BPI is built using global bird observations submitted by the public to eBird and relies on datasets from 2021.	
	Percentage of farms in the Nespresso Program contributing to the biodiversity of the landscape, as per the Biodiversity Progress Index (BPI) by Cornell University	The percentage (%) of *Nespresso* farms contributing positively to biodiversity relative to surrounding landscape* (i.e. more or equal levels of biodiversity). This global score is based on a weighted average of all cluster scores, based on sourced coffee volume. *Landscape is defined by surrounding watersheds.	The 2021 Biodiversity Progress Index results are based on models trained using eBird data submitted by the public from 2007-2021, and remote sensed environmental conditions for the same time period.
	Percentage of Green Coffee volume covered with soil health assessment and the Soil Organic Carbon baselining by Genesis	The percentage (%) of *Nespresso's* green coffee volume covered by Genesis with its soil health scoring and a Soil Organic Carbon (SOC) baseline.	The GC volume is based on NQCC 2025 volumes.
3. EMPOWER COMMUNITIES	Number of countries with the Nespresso Sustainable Quality Plan	Total number of countries where the Nespresso Sustainable Quality Plan is implemented.	Globally (except from Kenya and Ethiopia): Extracts from Nespresso internal databases (Koltiva MIS). Kenya and Ethiopia: Extracts from Nespresso Sustainable Quality Plan - Academy Plus TNS annual Nespresso Plan Implementation Operational Report 2025.
	Number of farmers enrolled in the Nespresso Sustainable Quality Plan	The total number of farmers that participate in the Nespresso Sustainable Quality Plan.	Globally (except from Kenya and Ethiopia): Extracts from Nespresso internal databases (Koltiva MIS). Kenya and Ethiopia: Extracts from Nespresso Sustainable Quality Plan - Academy Plus TNS annual Nespresso Plan Implementation Operational Report 2025.
	Number of farmers with access to financial resilience programmes (retirement savings plan, climate crop insurance, VSLA)	Total number of farmers enrolled in our retirement plans or crop insurance, or VSLA programs.	Crop Insurance data is requested from Blue Marble (partner) and cooperatives provide evidence. VSLA data is provided by the Regional Manager and supplier.

	• *Number of farmers with access to retirement savings plan*	Total number of farmers enrolled in our retirement savings plans program during the reporting year.	Retirement savings plan data is provided by the Regional Operational Manager from local implementing partners.
	• *Number of farmers with access to crop insurance*	Total number of farmers under insurance policy during the year of reporting – including policies started the precedent year and still ongoing that year.	
	• *Number of farmers with access to VSLA*	Total number of farmers enrolled in our VSLA program during the year of reporting.	
4. ADVANCE CIRCULARITY	Number of countries with capsule recycling systems	Number of countries where *Nespresso* operate that have a dedicated system for recycling coffee capsules.	Extract from Recycling Dashboard.
	Estimated capsule collection capacity (%)	The percentage of capsules that have been bought by household consumers in an area where they can be conveniently collected.	Extract from Recycling Dashboard.
	Estimated global recycling rate (%)	The capsules that have been recycled in dedicated and collective recycling systems as a percentage of the total number of capsules that have been imported into *Nespresso* markets globally.	Extract from Recycling Dashboard.
	Total weight of waste generated in manufacturing (metric tonnes)	The total amount of waste generated by *Nespresso's* three production centres (Orbe, Avenches, Romont) measured in metric tonnes.	Extract from internal system tracking waste volumes.
	Breakdown: Hazardous waste in manufacturing (weight of waste generated in metric tonnes)	The total amount of waste generated by Nespresso's three production centres (Orbe, Avenches, Romont) can be classified as hazardous, measured in metric tonnes.	Extract from internal system tracking waste volumes.
	Breakdown: Non-hazardous waste in manufacturing (weight of waste generated in metric tonnes)	The total amount of waste generated by *Nespresso's* three production centres (Orbe, Avenches, Romont) can be classified as non-hazardous, measured in metric tonnes.	Extract from internal system tracking waste volumes.

5. INSPIRE COLLECTIVE ACTION	Recordable injury rate for total Nespresso and contractor workforce per million hours worked	The frequency of recordable work-related injuries occurring across the total *Nespresso* (full-time and temporary) and contractor workforce, per one million hours worked.	Extract from internal system tracking recordable injury rate.
	Percentage of Nespresso employees that completed Data Privacy training	The data is extracted from the Nestlé iLearn system, which is a learning and development digital platform, at the end of each year, which contains the completed trainings (i.e. mandatory trainings, online and in person trainings) per employee, using a unique identifier. iLearn uses a real-time copy of all the employee data from the Nestlé Global Standard Human Resources Information System (HRIS). Percentage of Active Nespresso Internal Employees with Computer Access who have completed the Data Privacy Training up to and including 2025.	Extract from the Nestle Group Mandatory Trainings for All Employees PowerBi Dashboard.
	Percentage of Nespresso employees that completed Code of Business Conduct training	The data is extracted from the Nestlé iLearn system, which is a learning and development digital platform, at the end of each year, which contains the completed trainings (i.e. mandatory trainings, online and in person trainings) per employee, using a unique identifier. iLearn uses a real-time copy of all the employee data from the Nestlé Global Standard Human Resources Information System (HRIS). Percentage of Active Nespresso Internal Employees who have completed the Code of Business Conduct Training up to and including 2025.	Extract from the Nestle Group Mandatory Trainings for All Employees PowerBi Dashboard.
	Percentage of Nespresso employees that completed Human Rights training	The data is extracted from the Nestlé iLearn system, which is a learning and development digital platform, at the end of each year, which contains the completed trainings (i.e. mandatory trainings, online and in person trainings) per employee, using a unique identifier. iLearn uses a real-time copy of all the employee data from the Nestlé Global Standard	Extract from the Nestle Group Mandatory Trainings for All Employees PowerBi Dashboard.

		Human Resources Information System (HRIS). Percentage of Active Nespresso Internal Employees who were new starters since the 1st of January 2025 who have completed the Nestle Human Rights training.	
	Percentage of Nespresso employees that completed Diversity and Inclusion training	The data is extracted from the Nestlé iLearn system, which is a learning and development digital platform, at the end of each year, which contains the completed trainings (i.e. mandatory trainings, online and in person trainings) per employee, using a unique identifier. iLearn uses a real-time copy of all the employee data from the Nestlé Global Standard Human Resources Information System (HRIS). Percentage of Active Nespresso Internal Employees who have completed the Diversity and Inclusion Training up to and including 2025.	Extract from the Nestle Group Mandatory Trainings for All Employees PowerBi Dashboard.
	Number of product recalls due to food safety	• Any food products that are branded as *Nespresso*, specifically where safety is compromised and the information is in the public domain. • Any system or accessory in which food-contact components leach substances into food, rendering the food unsafe, and where such information is in the public domain.	Extract from Public Domain
	Number of product withdrawals due to food safety	• Any food products that are branded as Nespresso, specifically where safety is compromised and the information is in the public domain • Any system or accessory in which food-contact components leach substances into food, rendering the food unsafe, and where such information is in the public domain.	Extract from Public Domain