

DISCLOSURE MATERIALS

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire and B Lab deems them to be material, the company must:

- 1) Be transparent about the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue.
- 3) Demonstrate that management systems are in place to avoid similar issues from arising in the future.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to background checks by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company.

DISCLOSURE QUESTIONNAIRE

Company Name: Nespresso
 Date Submitted: 04/14/2022

Industries & Products	Yes	No
Please indicate if the company is involved in production of or trade in any the following. Select Yes for all options that apply.		
Animal Products or Services		✓
Biodiversity Impacts	✓	
Chemicals		✓
Alcohol		✓
Firearms Weapons		
Mining		✓
Pornography		✓
Tobacco		✓
Energy and Emissions Intensive Industries		✓
Fossil fuels		✓
Gambling		✓
Genetically Modified Organisms		✓
Illegal Products or Subject to Phase Out		✓
Industries at Risk of Human Rights Violations	✓	
Monoculture Agriculture		✓
Nuclear Power or Hazardous Materials		✓
Payday, Short Term, or High Interest Lending		✓
Water Intensive Industries		✓
Tax Advisory Services		✓
Other	✓	

Supply Chain Disclosures	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones	✓	
Child or Forced Labor		✓
Negative Environmental Impact		✓
Negative Social Impact		✓
Other	✓	

Outcomes & Penalties	True	False
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior		✓
Breaches of Confidential Information		✓
Bribery, Fraud, or Corruption		✓
Company Explanation Of Disclosure Item Flags		✓
Company has filed for bankruptcy		✓
Consumer Protection		✓
Financial Reporting, Taxes, Investments, or Loans		✓
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)		✓
Labor Issues		✓
Large Scale Land Conversion, Acquisition, or Relocation		✓
Litigation or Arbitration	✓	
On-Site Fatality		✓
Penalties Assessed For Environmental Issues		✓
Political Contributions or International Affairs		✓
Recalls		✓
Significant Layoffs		✓
Violation of Indigenous Peoples Rights		✓
Other		✓

Practices	True	False
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing		✓
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)		✓
Company Explanation Of Disclosure Item Flags		✓
Company prohibits freedom of association/collective bargaining		✓
Company workers are prisoners		✓
Conduct Business in Conflict Zones		✓
Confirmation of Right to Work		✓
Does not transparently report corporate financials to government		✓
Employs Individuals on Zero-Hour Contracts		✓
Facilities located in sensitive ecosystems		✓
ID Cards Withheld or Penalties for Resignation		✓
No formal Registration Under Domestic Regulations		✓
No signed employment contracts for all workers		✓
Overtime For Hourly Workers Is Compulsory		✓
Payslips not provided to show wage calculation and deductions		✓
Sale of Data		✓
Tax Reduction Through Corporate Shells		✓
Workers cannot leave site during non-working hours		✓
Workers not Provided Clean Drinking Water or Toilets		✓
Workers paid below minimum wage		✓
Workers Under Bond		✓
Other	✓	

B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY:

Nespresso

UPDATED AS OF:

04/14/2022

DISCLOSURE QUESTIONNAIRE CATEGORY	Environmentally Intensive Industries
TOPIC	Biodiversity Impact
SUMMARY OF ISSUE	As a company that sources from agricultural producers, Nespresso operates in an industry in which biodiversity impact is a material environmental issue. Nespresso relies on green coffee as the primary ingredient of its products. Its packaging is made from aluminium. The sourcing of both these materials has biodiversity impacts.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	The sourcing of aluminium and green coffee are amongst Nespresso's primary expenses and has implications for the majority of their value chain
IMPACT ON STAKEHOLDERS	Agriculture poses a risk to local ecosystems of flora and fauna as well as the potential degradation of cultivated land.
IMPLEMENTED MGT PRACTICES	<p>To address concerns over pressures on biodiversity in its value chain, Nespresso works with the IUCN. This collaboration began in 2009. The overall purpose of the partnership is to address the company's impacts and dependencies on biodiversity by helping to improve its business resilience and align its supply chain practices with ecological planetary boundaries and community needs.</p> <p>The IUCN-Nespresso partnership has the following objectives:</p> <ul style="list-style-type: none"> - Advising on the company's biodiversity impact reporting framework. - Deploying integrated landscape management approaches in key coffee sourcing regions used by Nespresso through the establishment of collaborative platforms. - Sharing biodiversity conservation knowledge with the company and external stakeholders, which demonstrates the important role that business plays in safeguarding nature. <p>As a result of this collaboration, Nespresso has supported the development of the new global Guidelines for planning and monitoring corporate biodiversity performance. The Guidelines were released in March 2021, ahead of the IUCN World Conservation Congress and Convention on Biological Diversity Conference of the Parties, both taking place later in 2021.</p> <p>In addition, a team from IUCN worked with Nespresso staff and their partners to understand the company's operations and projects related to coffee production and biodiversity. This collaboration led to the development of a recommended framework for the company to use when planning and monitoring its biodiversity performance, in light of its regenerative agriculture ambitions and alignment with the IUCN Guidelines.</p>

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DISCLOSURE QUESTIONNAIRE CATEGORY	Environmentally Intensive Industries
TOPIC	Biodiversity Impact
IMPLEMENTED MGT PRACTICES CONT'D	<p>New targets have been proposed for Nespresso around identified biodiversity priorities, such as tropical forests and wetlands, soil invertebrates, and threatened trees and birds. These goals are accompanied by a set of biodiversity performance indicators that monitor the state of biodiversity, pressures causing biodiversity loss, and the status of company conservation responses. These indicators can be measured locally but will allow global aggregation to provide a comprehensive picture of corporate biodiversity performance and inform decision-making.</p> <p>Nespresso will need to test and adapt the Biodiversity Performance Framework, and then gear up for implementation by building capacity among its staff and AAA farmers and developing partnerships with relevant institutions, especially those that can support monitoring. Furthermore, in the future Nespresso should explore how to incorporate in its biodiversity strategic plan the activities that have not been considered in this first phase, such as packaging.</p> <p>In order to address its concerns over biodiversity protection in the aluminium supply chain, Nespresso has worked with key stakeholders to develop traceability and responsible sourcing standings for the aluminium value chain. In 2009, they partnered together with IUCN to develop a program towards that end. The result is the ASI (Aluminium Stewardship Initiative), an entity which is now independently managed and governed. ASI developed the world's first standards for sustainable and responsible sourcing of any industrial metal.</p>
REPORT	<p>https://www.sustainability.nespresso.com/sites/site.prod.sustainability.nespresso.com/files/Nespresso-And-Biodiversity-2021.pdf</p> <p>https://www.rainforest-alliance.org/business/wp-content/uploads/2021/06/greener-future-coffee-farmers-nespresso-report.pdf</p> <p>https://www.sustainability.nespresso.com/sites/site.prod.sustainability.nespresso.com/files/The-Sounds-of-Sustainability.pdf</p>

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DISCLOSURE QUESTIONNAIRE CATEGORY	Industries at Risk for Human Rights Violations
TOPIC	Child Labour in Supply Chain
SUMMARY OF ISSUE	In March 2020, Dispatches documentary alleged that child labour was taking place on coffee farms that supply Nespresso in Guatemala.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	The company immediately launched an investigation and identified three cases of confirmed child labour out of the 374 farms in the region (0.8%).
IMPACT ON STAKEHOLDERS	According to Unicef, child labour can result in extreme bodily and mental harm, and even death. It can lead to slavery and sexual or economic exploitation. And in nearly every case, it cuts children off from schooling and health care, restricting their fundamental rights and threatening their futures.
IMPLEMENTED MGT PRACTICES	<p>Nespresso implemented 6 key actions as part of the Nespresso Guatemala Child Labour Action Plan:</p> <ol style="list-style-type: none"> 1. They doubled their team of agronomists and hired dedicated social workers to support local families and reinforce Nespresso's zero tolerance child labour policy. 2. The Rainforest Alliance undertook independent monitoring and unannounced audits, along with additional trainings. 3. They increased the number of dedicated education and awareness sessions on the risks of child labour. 4. The Fair Labour Association developed and conducted dedicated trainings for their agronomists on how to engage with farmers. 5. They doubled the capacity to welcome children in child friendly spaces on farms. 6. The Fair Labour Association also supported the development of grievance mechanisms with farmers who are part of the coffee cooperatives. <p>The company will continue to build on and expand these activities.</p> <p>More information on company actions is available at the below links.</p> <p>Updated global strategy promoting child protection is due be published in 2022.</p>
REPORT	<p>https://nestle-nespresso.com/views/preventing_and_eradicating_child_labor_from_nespressos_supply_chain</p> <p>https://nestle-nespresso.com/news/Nespresso-Announces-Action-Plan-to-Address-Child-Labor-Allegations-in-Guatemala?tca=PGuL8LucfW7OliqWaw4xyB5OGnRZEUaV0a4bDUCun0Y</p>

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DISCLOSURE QUESTIONNAIRE CATEGORY	Industries at Risk for Human Rights Violations
TOPIC	Child Labour in Supply Chain
OTHER MGT COMMENTS	<p>Nespresso has a zero tolerance of child labor. It is unacceptable. Where there are claims that our high standards are not met, we act immediately. The prohibition of child labor is a key component of the Nespresso AAA Sustainable Quality™ Program. This Program was developed in 2003 in cooperation with the NGO the Rainforest Alliance, in compliance with the International Labor Organisation (ILO) standards. Coffee farmers must comply with our zero tolerance to child labor as a prerequisite in order to join our AAA Sustainable Quality™ Program. More than 120,000 farmers are part of the Nespresso AAA Program in 15 countries." When we found out about these allegations we acted immediately. We took the situation very seriously and announced a detailed action plan, which we have put in place during this past harvest season 2020/2021. You can find the progress made on our action plan on our global corporate website here: https://nestle-nespresso.com/news/Nespresso-Announces-Action-Plan-to-Address-Child-Labor-Allegations-in-Guatemala?tca=PGuL8LucfW7OliqWaw4xyB5OGnRZEUaV0a4bDUCun0Y</p> <ul style="list-style-type: none"> - In 2021, our partner Rainforest Alliance and our teams with dedicated social workers conducted in total 497 farm audits and visits, both unannounced and announced, in 433 farms we worked with during this harvest season in Fraijanes and we are pleased to report that none of these brought to light any occurrence of child labor. Nevertheless, we are well aware that the risk of child labor is a systemic issue in the coffee producing regions and there is no silver bullet. - That is why we took additional steps and tasked our partner Enveritas to conduct a risk assessment in Fraijanes during this past harvest. Their team conducted 243 announced visits on a random sample of farms and confirmed a small risk of potential child labor. To further reduce this risk, we will increase the number of interactions with farmers, providing more trainings and awareness building sessions where risks have been identified. <p>We will continue our efforts to reinforce the protection of children and further strengthen how we tackle it with our partners and farming communities.</p> <p>Our action plan comprises of six elements, which we implemented during this past harvest:</p> <ol style="list-style-type: none"> 1. We have doubled the team of agronomists and hired dedicated social workers who supported the local families who grow coffee during this past harvest to safeguard their children and reinforce Nespresso's zero tolerance child labor policy. Our agronomists also conducted unannounced visits and sessions with social workers dedicated to social conditions of the farmers, helping them address the identified challenges. 2. The Rainforest Alliance undertook independent monitoring and unannounced audits, which are part of its current certification program and will be maintained in its new 2020 standard, which goes into effect 1 July 2021. The Rainforest Alliance also confirmed that additional trainings and relevant tools related to the issues of identifying child labor were provided to the agronomists, and worker monitoring systems were put into place by farmers.

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DISCLOSURE QUESTIONNAIRE CATEGORY	Industries at Risk for Human Rights Violations
TOPIC	Child Labour in Supply Chain
OTHER MGT COMMENTS	<p>3. We increased the number of dedicated education and awareness sessions on the risks of child labor for cooperatives, agronomists and farmers. A Children's Right module was initiated and covered by Terre des Hommes and Nespresso.</p> <p>4. The Fair Labor Association developed and conducted dedicated trainings for our agronomists on how to engage with farmers in a participatory way on the child labor topic.</p> <p>5. We have doubled, with a local NGO, the capacity to welcome children in child friendly spaces on large farms, which helps parents to mitigate the safety risks associated with leaving their children unattended at home. These safe places for migrant pickers' children provide education and meals to them, while their parents work on the farm. The facilities also offer basic medical consultation for the children. We are currently exploring different options with local NGOs to expand a childcare initiative in Fraijanes.</p> <p>6. The Fair Labor Association also supported the development of a grievance mechanism with farmers who are part of the coffee cooperatives. Along with introducing the technology, we are now helping the cooperatives to understand the benefits of grievance mechanisms, develop the grievance process, and build the capacity to manage grievances.</p> <p>We will continue our efforts to reinforce our zero tolerance for child labor and further strengthen how we tackle it with our partners and farming communities.</p>
RESOLUTION	<p>At the time of the investigation there were 616 farms in the region, of which 374 were part of the AAA Program and supply coffee to Nespresso. The investigation into allegations of child labor involved a Nespresso team of 10 agronomists working full-time on the ground in the Fraijanes region of Guatemala, looking into practices, processes and conditions in all 374 farms.</p> <p>Given that the allegations related to a period of school vacation, the investigators were particularly careful to distinguish between cases where children were helping their parents legitimately, mitigating the safety risks of leaving children unattended at home, and cases of child labour which contravene local and international standards, for which Nespresso has a clear zero-tolerance approach.</p> <p>The company believes that plain exclusion of farmers from their supply chain does not help remedy the problem of child labor. While they had stopped buying coffee from the three farms in breach of our standards immediately upon discovering the cases last March, they initiated a remediation plan with the farmers, a 90-day process, whereby the farmers in question could make progress to become compliant again with our AAA Sustainable Quality™ Program standards, along with ILO conventions, as well as local and international laws. Following the positive completion of the remediation process, the three farms were reinstated in the AAA Program.</p>

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DISCLOSURE QUESTIONNAIRE CATEGORY	Suppliers in Conflict Zones
TOPIC	Nespresso occasionally sources coffee from conflict zones.
SUMMARY OF ISSUE	The company sources coffee from conflict and post-conflict zones, including DR Congo and Ethiopia. The company's operations in conflict zones are mainly limited to coffee sourcing and community development activities.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	The supplier expenditure from conflict zones is less than 1 % of overall supplier expenditure.
IMPACT ON STAKEHOLDERS	Conflict zones by their nature can be unstable and the risk of human rights abuses as well as health and safety of stakeholders working and sourcing from these areas is high.
IMPLEMENTED MGT PRACTICES	<p>Nespresso's policy is not to start to operate in conflict-affected zones, but on occasion a conflict may arise in a zone that they are operating in. In such cases they assess the situation very closely with partners and experts and evaluate together to determine the best way to support farmers and local partners.</p> <p>Nespresso employs dedicated AAA agronomists and works with NGO partners to oversee and follow coffee sourcing projects closely, and collaborates with local partners that have a good understanding of the local situation, challenges, and needs of local communities.</p> <p>In every country from which they source, they conduct thorough assessments on human rights. Nespresso is now under the scope of the FLA (Fair Labor Association) agriculture program, which enables them to expand their capacity to prevent, monitor and remediate in situations where human rights are at risk.</p> <p>Nespresso aims to obtain FLA's Agriculture Accreditation for its AAA Program and all Nespresso origins by 2026. This will serve as 3rd party verification of their human rights due diligence process.</p> <p>Examples of Nespresso's current operations in conflict areas include:</p> <ul style="list-style-type: none"> - Nespresso is sourcing coffee in the DRC (Kivu region), where they have an ongoing in-depth conflict assessment to monitor the situation and ensure that the operations are implemented for the benefit of local communities. Alongside coffee sourcing, Nespresso is partnering with NGOs to build community infrastructure such as health care facilities.

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DISCLOSURE QUESTIONNAIRE CATEGORY	Suppliers in Conflict Zones
TOPIC	Nespresso occasionally sources coffee from conflict zones.
IMPLEMENTED MGT PRACTICES CONT'D	<p>- Nespresso also sources coffee from Ethiopia, where conflict currently impacts certain regions within the country. They work closely with their NGO partner TechnoServe which continuously monitors the security situation. The Ethiopian zones of Guji and West Guji have for several years been affected by violence. Non-government forces attack government staff and infrastructure; the local population is not targeted. Despite being a non-governmental organization (NGOs) and staff being from the local community, there is a risk that TechnoServe staff could be targeted by mistake. Due to these security risks TechnoServe has never operated in Guji and operations in West Guji have been interrupted periodically over the past 5 years. TechnoServe has maintained a suspension of operations in West Guji for most of the past two years. During this suspension, staff communicate with AAA mills by telephone and there is no interaction with farmers.</p> <p>When the safety of staff, communities and partners is at risk, Nespresso suspends sourcing operations.</p> <p>- In 2011, Nespresso began working South Sudan, partnering with international NGOs and development agencies to revive production in a region previously impacted by conflict by implementing its AAA Program. They sourced sufficient coffee to launch a limited edition product. In late 2016 the region became too volatile to guarantee the safety of local partners and farmers, and on-the-ground operations were suspended. Farmers were invited to maintain their training in coffee production through a new remote learning initiative (through radio).</p> <p>Nespresso sources coffee in post-conflict zones for the purposes of stimulating rural development and bringing community stability through increased livelihoods.</p> <p>Nespresso's Reviving Origin (RO) program works to support the restoration of coffee production in areas where it has declined or is at risk of disappearing as a result of socio-political or environmental factors. This includes post-conflict regions. Nespresso partners with NGO, experts, supply chain partners and multilateral organizations to implement its AAA Program, supporting coffee-growing communities to revive production and reconnecting them to the international market with the aim of stimulating economic development in rural areas and encouraging stability and prosperity to locations where farmers have suffered hardships.</p>
REPORT	

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DISCLOSURE QUESTIONNAIRE CATEGORY	Labor Issues
TOPIC	Allegations of excessive hours for workers and poor working conditions.
SUMMARY OF ISSUE	In 2020, the magazine 'Le Temps' published an article that accused Nespresso of implementing excessive working hours and unfair working conditions for their employees at three of their Swiss factories - Avenches (VD), Orbe (VD) and Romont (FR). The union, 'Unia', surveyed 240 Nespresso employees at the time.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	850 employees across the 3 factories work in shift. The employees surveyed by Unia represent 28% of these employees.
IMPACT ON STAKEHOLDERS	<p>Nespresso operates a shift pattern at their factories to enable continuous production. The shift pattern rotates over 4 weeks, with low weeks (28 hours) and higher weeks (46h50). This pattern was suggested by their employees as a result of a consultation phase in 2018. It incorporates legal criteria, such as maximum time working duration per day and per week, and minimum of time between two shifts. The company states that the shift pattern does not generate overtime.</p> <p>Nespresso follows Nestle corporate principles on unionization and the rights to collective bargaining. They do not measure the percentage of employees that are involved in Unions as that is strictly personal and confidential.</p>
REPORT	https://www.letemps.ch/economie/chez-nespresso-travailleurs-epuises
OTHER MGT COMMENTS	<p>We value the relationship we have with our employees in our three Swiss factories, who have chosen to engage directly with Nespresso through a network of elected employee representatives.</p> <p>Our employees' health and well-being in the workplace is of paramount importance to us, and we respect the importance of work-life balance for a healthy lifestyle. For these reasons, we engage monthly with the elected employee representatives and conduct regular internal surveys to understand employees' views on ways of working. We are constantly listening and implementing improvements to the way we work.</p> <p>The shift patterns in Nespresso factories are in accordance with Swiss law and follow standard practice common in Swiss industry, and are communicated during the hiring process. There have been no health or safety incidents related to the work per shift. Any changes to the shift pattern or conditions of employment are made in consultation with employees, in compliance with Swiss law. We follow Nestlé corporate principles on unionization and the rights to collective bargaining, and we respect the freedom of association of our employees who are free to join or belong to any association of their choice inside or outside the company.</p> <p>We are committed and look forward to a continued constructive, direct relationship with our employees in our manufacturing facilities.</p>

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DISCLOSURE QUESTIONNAIRE CATEGORY	Environmentally Intensive Industries
TOPIC	Environmental Impact - Aluminium and Coffee Waste and Recycling
SUMMARY OF ISSUE	<p>Nespresso's coffee is packaged in aluminium capsules. To mitigate the risk of waste, Nespresso has created a global recycling scheme, and 90% of its consumers have access to a convenient recycling solution. In addition, it has implemented several actions to promote circularity.</p> <p>Nespresso's coffee is packaged in aluminium capsules. To mitigate the risk of waste, Nespresso has created a global recycling scheme, and 90% of its consumers have access to a convenient recycling solution, meaning that the customer can recycle their capsules wherever they buy them (either at home, a boutique or their pick-up point) or within 5 km of their delivery address. This includes municipal waste collection points that accept aluminium capsules. In addition, it has implemented several actions to promote circularity.</p>
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	All Nespresso capsules are made from aluminium. Recycling is therefore a material issue which impacts all of its consumers and customers.
IMPACT ON STAKEHOLDERS	Aluminium, a material widely used in food and drink packaging, is derived from natural resources. Its use, therefore, contributes to the depletion of natural resources. Similarly, how a consumer disposes of aluminium packaging will impact its environmental performance. Coffee grounds are organic waste; when this ends up in landfill it emits methane, a greenhouse gas more harmful to the environment than carbon dioxide and one of the causes of global warming. When aluminium is landfilled, it does not generate harmful emissions but as an inert metal, it can take hundreds of years to decompose.
IMPLEMENTED MGT PRACTICES	<p>Nespresso has been working to mitigate any negative environmental impacts from the use or sourcing of its packaging material through the creation of a global recycling scheme for capsules and through work to ensure greater sustainability and responsibility in the sourcing of primary aluminium, chiefly through its work with the Aluminium Stewardship Initiative (ASI).</p> <p>Nespresso is also producing new capsules using recycled content. As of the end of 2021, all Original capsules were made using 80% recycled content and all Original and Vertuo capsules will be made using at least 85% recycled aluminium by the end of 2022.</p> <p>Since 2012, the company has worked with IUCN and other industry leaders to foster greater sustainability and transparency throughout the aluminium industry. They are one of the founding members of the Aluminium Stewardship Initiative (ASI) and their production centres are now ASI certified.</p> <p>Nespresso launched its first capsule recycling scheme in Switzerland in 1991 to give consumers a convenient recycling option.</p>

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DISCLOSURE QUESTIONNAIRE CATEGORY	Environmentally Intensive Industries
TOPIC	Environmental Impact - Aluminium and Coffee Waste and Recycling
IMPLEMENTED MGT PRACTICES CONT'D	<p>Aluminium from used capsules can be transformed into new objects. Used coffee grounds can be transformed into compost or used as a renewable source of energy. Recycling Nespresso capsules decreases the carbon footprint of a cup of coffee. Nespresso has put in place the following initiatives:</p> <ul style="list-style-type: none"> • Developed a network of collection points where consumers can dispose of their capsules in a convenient manner. In 2020, 90% of consumers have access to a convenient recycling point. Different recycling initiatives have been developed in collaboration with governments and third parties to make it as relevant and easy as possible for consumers to use. • Developed efficient recycling infrastructures. All capsules collected by Nespresso are sent for recycling. They have invested more than CHF 242 Mio in collection and recycling infrastructures between 2014-2020. • Engage with consumers and promote recycling through marketing efforts. • In 2020, 32% of Nespresso capsules were recycled. They aim to recycle 50% by 2025. <p>The issue of waste extends beyond the issue of product or packaging end-of-life. Nespresso uses a life cycle assessment (LCA) approach to measuring the environmental impact of its product and finding ways to reduce it. Comparative LCAs which benchmark the Nespresso product against other methods of making coffee have found that coffee made through the Nespresso system has a similar environmental impact as other methods, such as moka or drip filter, and that a Nespresso coffee can have a lower impact compared to coffee made with a full automat or bean-to-cup machine. This is because the Nespresso portioned coffee system removes some of the variables that impact the carbon footprint of a cup of coffee, using only the amount of coffee, water, and energy required for one cup. Over-producing – making more coffee than a consumer intends to drink – can also create waste. Packaging roast and ground coffee in a large quantity such as a pouch can cause it to lose some of the freshness, which can result in waste.</p>
REPORT	<p>https://nestle-nespresso.com/sites/site.prod.nestle-nespresso.com/files/Nespresso%20CSV%20Report%20The%20Positive%20Cup%202014-2020%20Achievements_1.pdf</p> <p>https://nestle-nespresso.com/sites/site.prod.nestle-nespresso.com/files/Nespresso%20European%20LCA%20Executive%20Summary%20Quantis%2001.04.2021_1.pdf</p> <p>https://nestle-nespresso.com/sites/site.prod.nestle-nespresso.com/files/Nespresso_B2B_LCA_Executive%20Summary_Quantis_2020-10-05-EN_final.pdf</p> <p>https://www.sustainability.nespresso.com/?categorie=circular-economy</p>



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DISCLOSURE QUESTIONNAIRE CATEGORY	Litigation and Arbitration
ISSUE DATE	2017 - 2021
TOPIC	Nespresso US has been involved in 4 employee related lawsuits and one personal injury lawsuit that resulted in large settlements.
SUMMARY OF ISSUE	Over the past five years, Nespresso US has settled 4 employee related labor litigations and one personal injury case that accounted for >US\$1million.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	The combined cases were settled for 0.2% of annual revenue. The personal injury case was covered entirely by insurance.
IMPACT ON STAKEHOLDERS	The employee cases were related to unfair working conditions, discrimination, and complaints.
RESOLUTION	All cases were settled for 0.2% of annual revenue.
IMPLEMENTED MGT PRACTICES	The company requires safe driving training to employees that have a company provided vehicle.
RELATED INCIDENTS (YES/NO)	The company has been involved in several other small general liability claims that were closed for negligible amounts.