



Independent External Monitoring Agriculture Report, Years (2022 and 2024)

Fair Labor Association conducts an Independent External Monitoring (IEM) assessment when a company has begun implementation of its internal monitoring and remediation program. An IEM allows the assessment of labor conditions at the farm level and first level processing if it overlaps with the farms based on the [FLA Agriculture Workplace Code of Conduct and Monitoring Benchmarks for the Agriculture Sector](#). FLA gathers further data through community stakeholder interviews with civil society organizations, government officials, community leaders, and supply chain actors. FLA examines internal monitoring systems at the country level against [FLA's Principles of Fair Labor and Responsible Sourcing for Agricultural Supply Chains](#). The findings, observations, conclusions and assessments contained in this report are those of FLA and reflect its independent assessment based on the information available to it.

Company	Nespresso		
Country	Costa Rica		
Crop	Coffee		
Year	2022 informal farms	2024 informal farms	2024 formal farms
Production process	Harvesting		
Assessment location	San Diego	La Giorgia	
Monitor	Abby Najera		
Assessment dates	November 16-29, 2022	January 28 – February 2, 2024	
Number of assessed farms	24	19	7
Total area covered	36.7 ha	93.5 ha	76.7 ha
Number of farmers interviewed	23	18	7
Total number of workers at peak	100	210	206
Number of workers interviewed	35	32	20

Employment Relationship

Compliance Status

Section	2022 informal farms			2024 informal farms			2024 formal farms		
	Benchmark	Compliance Stats	Farms	Benchmark	Compliance Stats	Farms	Benchmark	Compliance Stats	Farms

Human Resource Management System	ER.1.1	In Compliance	All farms	ER.1.1	In Compliance	All farms	ER.1.1	Noncompliance	All farms
							ER.2.1	Noncompliance	All farms
							ER.2.1.1	Noncompliance	All farms
Recruitment and Hiring	ER.3.1	Risk of Noncompliance	Farms 1, 9, 12 and 21	ER.3.1	Noncompliance	All farms	ER.3.1	Noncompliance	Farms 2, 3, 4, 5, 6, 7
	ER.3.1.1	Not Applicable		ER.3.1.1	Noncompliance	All farms	ER.3.1.1	Noncompliance	Farms 2, 3, 4, 5, 6, 7
	ER.3.1.2	Not Applicable		ER.3.1.2	Noncompliance	All farms	ER.3.1.2	Noncompliance	Farms 2, 3, 4, 5, 6, 7
	ER.4	Not Applicable	All farms	ER.4	Not Applicable	All farms	ER.4	In Compliance	All farms
	ER.5.1	Not Applicable	All farms	ER.5.1	Not Applicable	All farms	ER.5.1	In Compliance	All farms
	ER.5.2	Not Applicable	All farms	ER.5.2	Not Applicable	All farms	ER.5.2	In Compliance	All farms
	ER.5.3	Not Applicable	All farms	ER.5.3	Not Applicable	All farms	ER.5.3	In Compliance	All farms
	ER.7.1	In Compliance	All farms	ER.7.1	In Compliance	All farms	ER.7.1	In Compliance	All farms
	ER.7.2	In Compliance	All farms	ER.7.2	In Compliance	All farms	ER.7.2	In Compliance	All farms
	ER.7.3	In Compliance	All farms	ER.7.3	In Compliance	All farms	ER.7.3	Not Applicable	All farms
	ER.7.4	In Compliance	All farms	ER.7.4	In Compliance	All farms	ER.7.4	In Compliance	All farms
	ER.7.5	In Compliance	All farms	ER.7.5	In Compliance	All farms	ER.7.5	In Compliance	All farms
	ER.7.6	Noncompliance	Farms 1, 9, 12 and 21	ER.7.6	In Compliance	All farms	ER.7.6	Risk of Noncompliance	All farms
	ER.7.7	In Compliance	All farms	ER.7.7	In Compliance	All farms	ER.7.7	In Compliance	All farms
	ER.7.8	In Compliance	All farms	ER.7.8	In Compliance	All farms	ER.7.8	Not Applicable	All farms
							ER.8.1	Not Applicable	All farms
							ER.8.2	Not Applicable	All farms
							ER.8.3	Not Applicable	All farms
Terms and Conditions	ER.9.1	In Compliance	All farms	ER.9.1	In Compliance	All farms	ER.9.1	In Compliance	All farms
	ER.9.2.1	Risk of Noncompliance	Farms 1, 9, 12 and 21	ER.9.2.1	In Compliance	All farms	ER.9.2.1	In Compliance	All farms
	ER.9.2.2	Not Applicable	All farms	ER.9.2.2	Not Applicable	All farms	ER.9.2.2	Not Applicable	All farms
	ER.9.2.3	In Compliance	All farms	ER.9.2.3	In Compliance	All farms	ER.9.2.3	In Compliance	All farms
	ER.9.3.1	In Compliance	All farms	ER.9.3.1	In Compliance	All farms	ER.9.3.1	In Compliance	All farms
	ER.9.3.2	In Compliance	All farms	ER.9.3.2	In Compliance	All farms	ER.9.3.2	In Compliance	All farms
	ER.9.3.3	In Compliance	All farms	ER.9.3.3	In Compliance	All farms	ER.9.3.3	In Compliance	All farms
	ER.10	Not Applicable	All farms	ER.10	Not Applicable	All farms	ER.10	Not Applicable	All farms
	ER.11	In Compliance	All farms	ER.11	In Compliance	All farms	ER.11	In Compliance	All farms
	ER.12.1	Noncompliance	All farms	ER.12.1	Risk of Noncompliance	All farms	ER.12.1	Risk of Noncompliance	All farms
	ER.12.1.1	Noncompliance	All farms	ER.12.1.1	Noncompliance	All farms	ER.12.1.1	Noncompliance	All farms

	ER.12.2	Not Applicable	All farms	ER.12.2	Not Applicable	All farms	ER.12.2	Not Applicable	All farms
	ER.13.1	Noncompliance	All farms	ER.13.1	Noncompliance	Farms 11, 13, 17, 19	ER.13.1	Noncompliance	All farms
							ER.13.2	Noncompliance	All farms
							ER.13.3	Not Applicable	All farms
Administration							ER.14.1	In Compliance	All farms
							ER.14.2	In Compliance	All farms
	ER.15.1	Not Applicable	All farms	ER.15.1	In Compliance	All farms	ER.15.1	In Compliance	All farms
	ER.15.2	Not Applicable		ER.15.2	In Compliance	All farms	ER.15.2	In Compliance	All farms
	ER.15.2.1	Not Applicable		ER.15.2.1	In Compliance	All farms	ER.15.2.1	In Compliance	All farms
	ER.16.1	In Compliance	All farms	ER.16.1	In Compliance	All farms	ER.16.1	In Compliance	All farms
	ER.16.2	In Compliance		ER.16.2	In Compliance	All farms	ER.16.2	In Compliance	All farms
							ER.17.1	Noncompliance	All farms
							ER.17.2	Noncompliance	All farms
							ER.17.3	In Compliance	All farms
							ER.17.4	In Compliance	All farms
Worker Involvement	ER.18.1	In Compliance	All farms	ER.18.1	In Compliance	All farms	ER.18.1	In Compliance	All farms
							ER.18.2	Noncompliance	All farms
Right to Organize and Bargain	ER.19	Not Applicable	All farms	ER.19	Not Applicable	All farms	ER.19	Not Applicable	All farms
Work Rules and Discipline	ER.20.1	Noncompliance	All farms	ER.20.1	Noncompliance	All farms	ER.20.1	Noncompliance	All farms
	ER.20.2	Noncompliance	All farms	ER.20.2	Noncompliance	All farms	ER.20.2	Noncompliance	All farms
							ER.20.3	Noncompliance	All farms
	ER.20.4	Not Applicable	All farms	ER.20.4	Not Applicable	All farms	ER.20.4	Not Applicable	All farms
	ER.20.6	Noncompliance	All farms	ER.20.6	Noncompliance	All farms	ER.20.6	Noncompliance	All farms
	ER.20.7	Not Applicable	All farms	ER.20.7	Not Applicable	All farms	ER.20.7	Not Applicable	All farms
	ER.20.8	Not Applicable	All farms	ER.20.8	Not Applicable	All farms	ER.20.8	Not Applicable	All farms
							ER.20.9	Not Applicable	All farms
	ER.20.11	Noncompliance	All farms	ER.20.11	Noncompliance	All farms	ER.20.11	Noncompliance	All farms
Access to Training for Family Members	ER.21	Risk of Noncompliance	All farms	ER.21	In Compliance	All farms	ER.21	In Compliance	All farms
HSE Management System	ER.24.1.	In Compliance	All farms	ER.24.1.	In Compliance	All farms	ER.24.1.	Noncompliance	Farm 6
							ER.24.2	Noncompliance	All farms
	ER.24.3	In Compliance	All farms	ER.24.3	In Compliance	All farms	ER.24.3	In Compliance	All farms
							ER.24.4.1	Noncompliance	All farms

							ER.24.4.2	Noncompliance	All farms
							ER.24.4.3	Noncompliance	All farms
							ER.24.4.4	Noncompliance	All farms
							ER.24.4.5	Noncompliance	All farms
							ER.24.4.6	Noncompliance	All farms
Grievance Procedures							ER.25.1	Noncompliance	All farms
							ER.25.2	Noncompliance	All farms
	ER.25.3	Noncompliance	All farms	ER.25.3	Noncompliance	All farms	ER.25.3	Noncompliance	All farms
	ER.25.4	Noncompliance	All farms	ER.25.4	Noncompliance	All farms	ER.25.4	Noncompliance	All farms

Employment Relationship Assessment Summary

Human Resource Management System	
Benchmarks	
<u>all farms</u> ER.1.1: Employer shall have written terms and conditions of employment, job descriptions, rules of compensation, and working hours for all positions. In the case of workplaces with informal labor structures, employers should be able to describe verbally all of the above terms and conditions and clearly communicate them to workers. ER.2.1: Employers shall maintain on file all documentation needed to demonstrate compliance with the FLA Workplace Code and required laws, at the farm itself or externally with the sourcing company, intermediary, cooperative or an accountant or administrator. ER.2.1.1: Employers shall make these documents available to third-party assessors commissioned by the FLA and shall submit to unannounced inspections.	
Findings / Noncompliance Explanation	2024 formal farms: Farmers do not have written terms and conditions. Farmers do not maintain on file all documentation to meet the FLA Workplace Code and required laws at the farm itself or externally (e.g., cooperative, accountant or administrator). As a result, these documents are not available to third-party assessors commissioned by the FLA. <u>Source:</u> Interviews, handwritten notes, review of sample payrolls.
Company Action Plan	
Activity	<i>This issue represents a systemic challenge within the sector and in the region. The formalization of contracts is not just a challenge for Nespresso but also represents a broader issue throughout the entire coffee sector. Farms participating in the Nespresso Sustainable Quality Plan (Nespresso Plan) are required to collect identification documents for permanent workers and to maintain records for temporary staff. Despite this, the reliance on verbal agreements instead of formal contracts is prevalent throughout the coffee supply chain and goes beyond Nespresso. In response to these challenges, Nespresso is committed to enhancing documentation practices by raising awareness and building the right capabilities.</i> Activity 1 – Internal and external control Nespresso applies four lines of defense to address human rights risks within the Nespresso Plan. Key layers include internal controls through the Nespresso Tool for the Assessment of Sustainable Quality (TASQ), assessment of suppliers' human rights due diligence systems accompanied with practical actions, and external controls such as certification audits and monitoring and evaluation assessments completed by 3rd parties.

	Nespresso, along with its implementation partners, will conduct internal controls through TASQ™ assessments in the field. All farms will undergo annual assessments against 6 pre-condition and 21 basic criteria related to the Inclusive (social) pillar of the Nespresso Plan, and the Cluster Administrator is expected to ensure regular checks of TASQ Inclusive criteria. In case of any non-compliance, the field staff are required to implement an action plan with the farm to reach compliance level, or they are excluded from the Nespresso Plan. ○ Applicable TASQ Criteria - TASQ BASIC INCLUSIVE 15, 18 and 20. Certification audits will continue to assess the farms against the applicable certification standard. Activity 2 – Capacity building on Field Staff Level The field staff implementing the Nespresso Plan play an important role in fostering social change and cultivating strong relationships with farmers through their on-the-ground efforts. Nespresso recognizes the importance of building the capabilities and the knowledge of the field staff as a first step, as they are in day-to-day contact with the farms as part of the Nespresso Plan, and can spread awareness with the knowledge built through the tools provided by Nespresso. To effectively build and promote labour standards and the guidelines of the Nespresso Plan, all field staff will receive annual training. Nespresso's social capacity-building package has been strengthened with training modules co-designed with Terres des Hommes and the Fair Labor Association, covering the interpretation and application of all the Inclusive pre-condition and basic criteria of TASQ. The trainings will be repeated on an annual basis, consisting of the following set of trainings to raise awareness about the topics and provide practical actions: 1. Introduction to Children’s Rights and Child Labor 2. Discrimination 3. Gender-Based Violence 4. Grievance Mechanism 5. Harassment and Abuse 6. Freedom of Association 7. Infrastructure for Health and Safety at farms 8. Agrochemical Management 9. Employment Relationship – Hiring, Contracting, and Special categories of Workers 10. Compensation and Hours of Work 11. Catalysts for Gender Transformative Change Activity 2a – Capacity building on farm and worker level Social training packages and materials will be created, with a calendar detailing their rollout at the farm level. Infographics about workers' rights will be created and displayed around the farm to inform workers as they move between locations. The trainings will cover various essential topics, including:
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	1. Farmers' rights and Responsibilities: The objective of the training will be raising awareness about the standards and requirements to be a part of the Nespresso Plan, including all the pre-conditions the farms always must be compliant with. The training further aims to equip farmers with the knowledge to formalize their relationships with the workers, and to learn the importance of verifying age documentation for young workers and maintaining accurate records such as a list of workers. The training will also cover workers' rights and conditions under local labour laws, such as compensation, hours of work, and provide guidance on safeguarding vulnerable groups, including juveniles, pregnant workers, migrant workers, and individuals with disabilities. 2. Employment Relationships: The goal is to focus on the workers' rights, fundamentals of employment requirements according to the local law, including hiring practices, contract management, and understanding the rights of special categories of workers, such as migrants and seasonal employees. 3. Introduction to Children's Rights and Child Labor: The goal is to raise awareness about root causes, the applicable local labor laws, Nespresso Plan requirements, why children's rights are important and the implications in case child labor in farmer settings is found. 4. Discrimination, Gender-Based Violence & Harassment and Abuse: The goal is to raise awareness about how different types of discrimination, gender-based violence, harassment and abuse can occur in the farm setting, how to prevent it collectively, and what to do if anyone in the farm setting has been exposed to discrimination and gender-based violence. 5. Grievance mechanism: The goal is to explain the importance of what grievance mechanisms is and that it should be available for workers at the farm, to report any concerns without fear. 6. Infrastructure for Health and Safety at Farms & Agronomical Management: The goal is to raise awareness about essential health and safety standards, how to correctly use, store and dispose of chemicals, and the requirement of using and providing PPE, and how to act or evacuate in case of an emergency. 7. Compensation & Hours of Work: the goal is to make them aware of local labor laws related to compensation and hours of work, including the Nespresso Plan Standards. Topics such as minimum wage requirements for temporary, casual, daily, seasonal, or migrant workers, along with all legally mandated benefits such as social security, insurance, annual leave, and holiday, will be included in the training material.
Output indicators (targeted results)	Activity 1 – Internal and external control - TASQ assessment coverage 2024 & 2025: 100% - TASQ assessment coverage yearly onwards: 100% - Certification audit frequency: annually Activity 2 – Capacity building on field staff level - Course completed on social topic trainings 2022/2023/2024/2025: 100%

	- Course completed on social topic trainings yearly onwards: 100% Activity 2a – Capacity building on farm and worker level - Total people reached with training in 2025: ECOM 327, Volcafe 497 - Target people reached with training annually onwards: ECOM 327, Volcafe 490
Timeline and Deadline Date	• Activity 1: Mandatory completion every year • Activity 2: Mandatory completion every year • Activity 2a: Mandatory completion every year
Input (budget/resources)	Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager Nespresso Plan Implementation Partner Nespresso Plan Cluster Administrator Nespresso Plan Field staff

Recruitment and Hiring	
Benchmarks	
<u>all farms</u> ER.3.1: Employers shall verify proof of age documentation for all young workers in the farm at the time of their employment and work towards collecting and maintaining all documentation necessary to confirm and verify date of birth of all workers, including long term and casual workers. ER.3.1.1: Employers shall take reasonable measures to ensure such documentation is complete and accurate. ER.3.1.2: In those cases where proof of age documentation is not readily available or unreliable, employers shall take all necessary precautions which can reasonably be expected of them to ensure that all workers are at least the minimum legal working age, including requesting and maintaining medical or religious records of workers, or through other means considered reliable in the local context. ER.7.6: contract, temporary, casual, daily, seasonal or migrant workers receive at least the minimum wage or the prevailing industry wage whichever is higher, and all legally mandated benefits such as social security, other forms of insurance, annual leave and holiday pay;	ER3.1: Risk of noncompliance in 2022 informal farms 1, 9, 12, and 21 ER3.1, ER 3.1.1, and ER3.1.2: Noncompliance in all 2024 farms ER7.6: Noncompliance in Farms 1, 9, 12 and 21 and risk of noncompliance in all 2024 formal farms
Findings / Noncompliance Explanation	2022 informal farms: Small farmers recruit and hire one to four workers from the same village for the peak of the season. According to farm owners (1, 9, 12 and 21), they verify ID, but do not collect and/or maintain records to confirm and verify the age of workers. Farm 12 was the only one harvesting at the time of the visit and no proof of age documentation was available. Farmers lack awareness of the law and regulations pertaining to proof of age. When needed, farms 1, 9, 12 and 21 hire directly a local adult worker (casual local worker) and pay them on a day-to-day basis for specific activities. The rest of the farms (2-8, 10, 11, 13-20 and 22-24) use only adult family members and keep no records of their ages. These family-member workers will be in charge of different tasks throughout the year. Workers are paid at least the minimum wage. However, they do not have social security or labor insurance, which are available for regular/non-seasonal workers in the country. None of the 4 farmers hiring workers mentioned annual leave and holiday pay as benefits that are provided to the workers. <u>Source:</u> Interviews, review of handwritten notes kept by the family, and observation.

2024 informal farms: All assessed farms do not have permanent workers or a need for permanent workers. When farmers cannot personally tend their farms, they hire one to two casual workers. A common practice is that other coffee farmers act as casual workers for their neighbors. Sometimes, they are paid, and at other times, they exchange work for work.

These small farmers hire temporary/seasonal workers without using employment agents. These temporary workers are typically from other countries, mainly from Nicaragua and Panama, because fewer local people are interested in working in agriculture. Rather than a formal recruitment and hiring process, farmers keep in touch via phone calls or WhatsApp messages with the migrants who worked for them in the past.

Due to the labor shortage, farmers are sharing workers. Migrant workers, while waiting for the next round of mature cherry picking at the original farm for which they were hired, work on neighboring farmers. The workers keep moving from one farm to another while receiving payment for the coffee collected from the respective farms they worked on that day.

The assessors found that four farms (Farms 3, 4, 16, and 19) share harvesters. They do not offer the shelter (as the original farms for which the workers were hired would provide it) but offer the same wage as the original farms so that they can get these workers to pick coffee. Other farms (Farms 1, 2, 5, 6, 9, 10, 11, 14, 15, 17, and 18) hire migrant workers directly. Their workers may also work for a couple of days on other farms while they wait for the coffee cherries to mature on the farms for which they are hired.

Farmers lack a practice of verifying proof of age documentation for all workers on the farm at the time of their employment. They do not collect and maintain all documentation necessary to confirm and verify the date of birth of all workers, including casual workers. Their hiring of the workers from the past or from other farms also do not urge the farmers to check that all workers meet at least the minimum legal working age.

Source: Interviews with farmers and workers.

2024 formal farms: All the assessed farms do not have permanent workers or a need for permanent workers. The recruiting and hiring process is based on word of mouth, and the worker recommendations are sought from other workers. It is a long-standing practice to keep in touch via WhatsApp messages and phone calls. Families, mainly from Nicaragua and some from Panama, have been hired in previous harvest seasons and the farmers have less tendency to verify their information when they come back to work.

Thus, the farmers fail to verify proof-of-age documentation for all workers on the farm at the time of their employment. They do not ensure that all workers meet at least the minimum legal working age. They do not check and maintain all documentation necessary to confirm and verify the date of birth of all workers, including casual workers.

Due to the seasonal nature of the work, harvesting workers have not been enrolled in the social security programs. In 2019, the Costa Rican Social Security Fund, the Ministry of Labor and Social Security, and Instituto del Café de Costa Rica (the Coffee Institute of Costa Rica, or ICAFE) launched a social insurance scheme for coffee harvesters. It requires farmers to register their farms with ICAFE, pay a contribution on coffee sales and collect the names of the workers. This registration allows Fondo Nacional de Sostenibilidad Cafetalera (National Coffee Sustainability Fund, or FONASCAFÉ), a public entity authorized to finance insurance to harvesters, to offer the benefits. Despite the scheme's existence, social security benefits were not available to workers. According to the farmers and workers, the registration records may not be complete, and all the stakeholders need to be educated about the process and requirements.

	Source: Farmer interviews.
Company Action Plan	
Activity	<i>This issue represents a systemic challenge within the sector and in the region. The formalization of contracts is not just a challenge for Nespresso but also represents a broader issue throughout the entire coffee sector. Verifying workers' age and ensuring fair compensation remain critical challenges across the coffee sector. Many farms still lack robust systems to confirm and maintain accurate proof-of-age documentation for all workers, including long-term and casual labor. All workers, regardless of contract type, must receive at least the legal minimum wage or prevailing industry rate, along with all mandated benefits such as social security, insurance, and paid leave. Nespresso is committed to strengthening these practices by raising awareness and building capabilities to improve documentation, verification, and compliance throughout its supply chain.</i> Activity 1 – Internal and external control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) - Applicable TASQ Criteria - TASQ BASIC INCLUSIVE 15 and 18. Activity 2 – Capacity building on field staff level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) - Applicable trainings: Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work Activity 2a – Capacity building on farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) - Applicable trainings: Nespresso Sustainable Quality Plan, Farmers rights and Responsibilities, Employment Relationships.
Output indicators (targeted results)	Activity 1 – Internal and external control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2 – Capacity building on field staff level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a – Capacity building on farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	- Activity 1: Mandatory completion every year - Activity 2: Mandatory completion every year - Activity 2a: Mandatory completion every year
Input (budget/resources)	Nespresso Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager Nespresso Plan Implementation Partner Nespresso Plan Cluster Administrator Nespresso Plan Field staff

Terms and Conditions

Benchmarks

all farms ER.9.2.1: Employment terms shall be those to which the worker has voluntarily agreed, provided those terms do not fall below: provisions of national laws; ER.12.1: Employers shall regularly inform workers about workplace rules, health and safety information, and laws regarding workers' rights with respect to freedom of association, compensation, working hours, and any other legally required information, and the FLA Code through appropriate means, including posted in local language(s) throughout the workplace's common areas or in the surrounding community. In the case of workplaces with informal labor structures, these communication and awareness raising activities could be done with support from supply chain intermediaries such as cooperatives, organizers, tier one suppliers or the participating company. ER.12.1.1: Employers shall inform workers that any form of harassment or abuse in the workplace shall be subject to disciplinary measures. ER.13.1: Farmer, sharecropper or any kind of supervisor who is leading workers shall have knowledge of the local labor laws and the FLA Code.	ER9.2.1: Risk of noncompliance in 2022 informal farms 1, 9, 12, and 21 ER12.1: Noncompliance in 2022 informal farms, Risk of noncompliance in all 2024 informal and formal farms ER12.1.1: Noncompliance in all informal and formal farms ER13.1: Noncompliance in all 2022 and 2024 farms
formal farms ER.13.2: Employers shall ensure that all supervisors are trained in national laws, regulations, and the FLA Code, and the appropriate practices to ensure compliance.	ER13.2 Noncompliance in all 2024 formal farms
Findings / Noncompliance Explanation	2022 informal farms: As per the Labor Code (Transitory Articles of the Law 6727), employers are required to pay Labor Risk Insurance to the Insurance National Institute (INS) but the farmers do not pay it. Farmers lack awareness of labor rights and obligations. All farmers have not heard about workplace rules and labor standards. However, Nespresso's supplier has been providing training to farmers on Occupational Health and Safety, including the importance of PPE's adequate use. Farmers are aware that certain certification schemes and Nespresso have zero tolerance for child Labor, non-discrimination, harassment and abuse. Farmers receive WhatsApp messages from Nespresso's supplier reminding them that harassment or abuse is not tolerated. However, workers do not receive further information about harassment or abuse nor other workplace rules or worker's rights (e.g., freedom of association, compensation including benefits, and hours of work limitations). Farmers and other supervisory positions are not aware of the local laws nor the labor standards in the Nespresso Plan TASQ criteria. This visit was their first experience related to workers' rights and labor standards. <u>Source:</u> Interviews with farmers and agronomists. 2024 informal and formal farms: Although family members and workers have received some instructions and information on the working schedule, salary payment system, and other prohibitions (no children shall be at the farm, no forced labor, and no discrimination at the workplace), they still lack knowledge of all their labor rights and obligations. Furthermore, no formal training sessions are conducted to provide sufficient knowledge of workers' rights. Farmers are not aware of the local and legal definition of light work. Farmers have no knowledge of local labor laws and the TASQ/ FLA Code. No evidence of disciplinary measures was explained to workers in the case of harassment or abuse in the workplace. [2024 formal farms only] ER.13.2. There is no evidence of farmers' communication and training for supervisors on national labor laws and regulations, the FLA Code, and the appropriate practices to ensure compliance. <u>Source:</u> Workers and farmers interviews.
Company Action Plan	
Activity	This issue represents a systemic challenge within the sector and in the region that goes beyond Nespresso's supply chain. Clear communication of employment terms and workplace standards

	<i>remains a critical area for improvement across coffee farms. Workers should voluntarily agree to employment conditions that meet or exceed national legal requirements, yet many farms lack formal processes to ensure this. In addition, employers are expected to regularly inform workers about workplace rules, health and safety practices, and their rights regarding compensation, working hours, and freedom of association, using accessible and locally appropriate methods. Supervisors and farm leaders must also have a solid understanding of labor laws to prevent violations and foster a respectful work environment. Strengthening these practices—including clear communication, awareness-raising, and proper training—is essential to ensure compliance and protect workers' rights throughout the supply chain.</i> Activity 1 – Internal and external control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable TASQ Criteria - TASQ BASIC INC 1 and 19. Activity 2 – Capacity building on field staff level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work Activity 2a – Capacity building on farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Discrimination, Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work.
Output indicators (targeted results)	Activity 1 – Internal and external control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2 – Capacity building on field staff level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a – Capacity building on farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	• Activity 1: Continuous • Activity 2: Mandatory completion every year • Activity 2a: Continuous
Input (budget/resources)	Nespresso Plan Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager Nespresso Plan Implementation Partner Nespresso Plan Cluster Administrator Nespresso Plan Field staff

Administration	
Benchmarks	
formal farms ER.17.1: Employers shall have in place policies for managing all working hours, overtime, and leave records in normal and exceptional circumstances. ER.17.2: Accurate time records shall be maintained by employers, including overtime, breaks, and leave. If time recording systems are not part of the local practices or if smallholders are illiterate, rudimentary manual record on working days and working hours for each worker is acceptable.	Noncompliance in all 2024 formal farms

Findings / Noncompliance Explanation	Farmers do not have policies for managing all working hours, overtime, and leave records in normal and exceptional circumstances. Farmers' long-standing practices do not involve time recording. Although the farmers manually record the daily number of coffee containers collected by each worker, they do not keep records of regular working hours, overtime hours, or leaves. Source: Interviews with farmers and workers.
Company Action Plan	
Activity	<i>This issue reflects a systemic challenge within the coffee sector and the regional context in which participating farms operate. The lack of formal policies and accurate records to manage working hours, overtime, and leaves is not exclusive to farms in Nespresso's supply chain, but rather mirrors long-standing agricultural practices across the sector. In response, Nespresso is strengthening internal controls and investing in capacity building for field staff, farm, and worker levels to progressively improve time management practices, raise awareness of employment responsibilities, and align farm operations with fair labor standards.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable TASQ Criteria - TASQ BASIC INCLUSIVE 15. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Nespresso Sustainable Quality Plan, Farmers rights and Responsibilities; Employment Relationships.
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	• Activity 1: Continuous • Activity 2: Mandatory completion every year • Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager

	NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff
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Worker Involvement	
Benchmarks	
<u>formal farms</u> ER.18.2: Workers shall be consulted regularly (verbally or in writing) on all matters concerning them.	Noncompliance in all 2024 formal farms
Findings / Noncompliance Explanation	Workers are not consulted on changes that affect their working conditions or living conditions at the shelters. They are just informed about farmers' decisions. <u>Source:</u> Interviews with farmers and workers.
Company Action Plan	
Activity	<i>This finding highlights a systemic challenge related to worker involvement and participation that extends beyond farms in the Nespresso supply chain and reflects prevailing management practices across the agricultural sector. In response, Nespresso is reinforcing internal and external controls through regular TASQ™ assessments and strengthening capacity-building initiatives for field staff, farm, and worker levels. These actions aim to promote meaningful worker engagement, improve awareness of workers' rights and responsibilities, and progressively embed consultation practices aligned with fair labor standards within farm operations.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable TASQ Criteria - BASIC INCLUSIVE 15. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work, grievance mechanisms. Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable training: Nespresso Sustainable Quality Plan, Farmers rights and Responsibilities.
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)

Timeline and Deadline Date	- Activity 1: Continuous - Activity 2: Mandatory completion every year - Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff

Work Rules and Discipline	
Benchmarks	
<u>all farms</u> ER.20.1: Employers shall have disciplinary rules and practices that embody a system of progressive discipline (e.g. a system of maintaining discipline through the application of escalating disciplinary action moving from verbal warnings to written warnings to suspension and finally to termination). ER.20.2: Any person supervising workers shall be aware of the disciplinary rules and practices. ER.20.6: Disciplinary rules and practices shall be clearly communicated to all workers. ER.20.11: The disciplinary system shall include a third party witness during imposition, and an appeal process. In case of smallholder settings, existing appeal mechanism at community level is acceptable.	ER20.1, ER20.2, ER20.6, ER20.11: Noncompliance in all informal and formal farms
<u>formal farms</u> ER.20.3: Supervisors shall be trained on the proper handling of disciplinary rules and practices.	ER20.3: Noncompliance in all 2024 formal farms
Findings / Noncompliance Explanation	2022 informal farmers: All small farms visited lack any form of disciplinary system; hence, there are no rules or procedures communicated to workers. They are not familiar with disciplinary procedures or measures; thus, no records are kept. <u>Source:</u> Interviews with farmers. 2024 informal farmers: All farmers interviewed lack any form of disciplinary system. Since there is no progressive disciplinary system that meets all FLA requirements (e.g., management review, appeal process, third-party witness), there are no rules or procedures to be communicated to workers, and no training for farmers or supervisors on the proper handling of disciplinary rules and practices. In the absence of a disciplinary system, there are no written records of disciplinary actions signed by workers either. <u>Source:</u> Interviews with farmers and workers. 2024 formal farmers: All farmers interviewed lack any form of disciplinary system. Since there is no progressive disciplinary system that meets all FLA requirements (e.g., management review, appeal process, third-party witness), there are no rules or procedures to be communicated to workers, and no training for farmers or supervisors on the proper handling of disciplinary rules and practices. In the absence of a disciplinary system, there are no written records of disciplinary actions signed by workers either. <u>Source:</u> Farmers and workers interviews.
Company Action Plan	

Activity	<i>This issue represents a systemic challenge within the sector and in the region and goes beyond Nespresso. Strengthening these practices of discipline, including establishing clear procedures, communicating them effectively, and training farm leaders, is key to meeting Nespresso Plan requirements and ensuring compliance with labor standards throughout the supply chain.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) - Applicable TASQ Criteria – BASIC INCLUSION 15, 16, 17, 18, 19, 20 and 21 Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) - Applicable trainings: Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work, grievance mechanisms. Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) - Applicable training: Nespresso Sustainable Quality Plan, Farmers rights and Responsibilities, Employment Relationships, Compensation & Hours of Work.
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	- Activity 1: Continuous - Activity 2: Mandatory completion every year - Activity 2a: Continuous
Input (budget/resources)	Field Investment
Responsible staff (title/department)	- Nespresso Central America Coffee Program Regional Manager - Nespresso Central America Social Impact Manager - NESPRESSO PLAN Implementation Partner - NESPRESSO PLAN Cluster Administrator - NESPRESSO PLAN Field staff

Access to Training for Family Members	
Benchmarks	
<u>all farms</u> ER.21: Family members (spouses and adult children) involved directly or indirectly in agriculture production shall have access to all training and awareness raising activities conducted for the workers and farmers on the farms.	Noncompliance in all 2022 farms

Findings / Noncompliance Explanation	All small farmers are invited to training activities by Nespresso's supplier. Their family member workers cannot always attend these activities. <u>Source:</u> Interview with farmers and family members.
Company Action Plan	
Activity	Nespresso understands the challenges of inclusion and education, which is why it strives to ensure that these activities allow employees' family members to participate and gain technical knowledge in the field of coffee. Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Introduction to Children's Rights and Child Labor, Discrimination Gender-Based Violence & Harassment and Abuse, Compensation & Hours of Work.
Output indicators (targeted results)	Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff

HSE Management System	
Benchmarks	
<u>all farms</u> ER.24.1: Health, safety and environmental rules shall be communicated to all workers in the local language or language spoken by workers if different from the local language.	ER24.1: Noncompliance in 2024 formal farm 6
<u>formal farms</u> ER.24.2: Employers shall have a clearly written policy with all relevant HSE procedures aimed, at a minimum, at compliance with legal minimum health, safety, and environmental standards, regulations and procedures. For small farms with informal labor structures, written policies can take the form of basic HSE documents or information. ER.24.4: The health, safety, and environmental policies shall contain the framework for a comprehensive health, safety, and environmental management system within which the following are clear and regularly tested and reviewed: - ER.24.4.1: employers' responsibilities, - ER.24.4.2: workers' rights and duties, - ER.24.4.3: responsibilities of designated personnel, - ER.24.4.4: procedures that enable workers to raise health, safety, and environmental concerns - ER.24.4.5: procedures for reporting death, injury, illness and other health and safety issues (for instance, near-miss accidents) and environmental emergencies, and, - ER.24.4.6: protection to workers who allege health, safety, and environmental violations.	ER24.2 and ER24.4: Noncompliance in all 2024 formal farms

Findings / Noncompliance Explanation	ER24.1: Farm 6 (of the 2022 informal IEM) hires indigenous Panamanian workers and offers explanations on HSE rules in Spanish only; Guaymí is the native language spoken by these workers, but no verbal explanations or written material in said language are provided to them. ER24.2 and ER24.4: Among all farms, there are no written HSE policies and procedures at the farm containing the framework for its comprehensive management system; as a result, workers' and employers' responsibilities are not clearly defined. Farmers used to verbally explain to workers to approach them or a supervisor when workers needed access to the First Aid Kit or transportation to the nearest health care center. However, there are no written policies. Farmers are responsible for instructing family members and workers about procedures to treat injuries or accidents; however, farmers rely on long-standing practices to assign responsibilities and verbally instruct when emergencies occur. <u>Source:</u> Farmer interviews.
Company Action Plan	
Activity	<i>This issue reflects a broader structural challenge within the coffee sector related to the formalization of health, safety, and environmental practices at the farm level that goes beyond Nespresso. In 2024, assessed formal farms relied primarily on long-standing verbal practices to manage health and safety risks, without written policies or clearly defined procedures. While farmers typically explain safety measures informally and respond to incidents as they arise, the absence of documented frameworks limits clarity regarding roles, workers' rights, reporting mechanisms, and protection, particularly for vulnerable groups such as indigenous and migrant workers. In response, Nespresso is strengthening oversight and investing in capacity building to support farms in progressively formalizing health and safety practices, improving accessibility of information, and aligning operations with legal and international standards.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable TASQ Criteria - TASQ BASIC INCLUSIVE 15. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work, grievance mechanisms. Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Nespresso Sustainable Quality Plan, Farmers rights and Responsibilities.
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)

Timeline and Deadline Date	- Activity 1: Continuous - Activity 2: Mandatory completion every year - Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff

Grievance Procedures	
Benchmarks	
<u>formal farms</u> ER.25.1: Employers shall have in place a procedure that allows a direct settlement of the grievance by the worker and the immediate supervisor. Where this is inappropriate or has failed, there should be additional options for the worker to have the grievance considered at one or more steps, depending on the nature of the grievance and the structure and size of the facility. ER.25.2: Employer shall ensure that grievance procedures and applicable rules are known to workers and that the grievance channel is easily accessible.	ER25.1 and ER25.2: Noncompliance in all 2024 formal farms
<u>all farms</u> ER.25.3: FLA-affiliated companies shall make sure that a confidential non-compliance reporting mechanism is available for Farmers and workers in the supply chain (such as members of cooperatives or suppliers of seed organizers). Through this channel, any code violation can be communicated to the company in the event that the local and farm level grievance redress mechanisms fail to sufficiently address the issue. ER.25.4: The company shall create awareness of this communication and non-compliance reporting mechanism to its service providers and suppliers.	ER25.3 and ER25.4: Noncompliance in all informal and formal farms
Findings / Noncompliance Explanation	2022 informal farms: There is no evidence of grievance mechanisms at the farm level. Despite Nespresso's supplier shares via WhatsApp a message entitled "Canales de Denuncia" (Reporting Channels) with telephone numbers to contact: Emergency 911 to report domestic violence; Woman National Institute (INAMU); National Welfare for Childhood; Police Delegation; Ministry of Labor; Ministry of Environment and Energy; all this information is not shared with the workers. Moreover, there is no channel available for farmers or workers to directly and confidentially report issues to Nespresso. <u>Source:</u> Interviews with farmers and family members. 2024 all farms: While there is a suggestion box at a cooperative, Nespresso's supplier developed a grievance system for filing complaints related to Child Labor, Forced Labor, Discrimination, Gender Equality, Violence, Harassment and Abuse. It is intended for farmers and workers; however, no one knows about this channel for filing a complaint. The supplier has a designated staff to implement and monitor the system. They handed out promotional signs to be posted in visible places at the farms and collection centers; however, no signs were posted at the farms or collection centers. The promotional sign says:

	"(It) is a committee of social assistance and action that promotes no child labor, no forced labor, no discrimination, gender equality, no violence, no harassment, sexual or at work. Do not hesitate to contact us in case of filing a complaint related to these themes at: Telephone.... E-mail" The screenshots of the policy on "grievance mechanisms, gender equity and assess and address" indicate that the policy is based on the Rainforest Alliance Guideline, applicable to farm certificate holders and supply chain certificate holders, and it was not conceived with the collaboration of a multi-stakeholder group. Currently, the supplier's designated staff could face a conflict of interest because s/he could have a relative on one of the farms. The system needs a proper structure so that in the event of a conflict of interest, there is another person to handle the case. The assessor also did not find evidence of assurance of confidentiality and anonymity options for complainants. There is no evidence that training for farmers was provided. The system has not been properly and widely socialized with farmers and the community, much less with workers. To date, no case has been reported to assess the effectiveness of the mechanism. According to the supplier, farmers prefer direct communication, and they mostly complain about coffee prices, but no records were kept of the viral communications. [2024 formal farms only] ER.25.1 In practice, the farmers allow the worker and the immediate supervisor or the farmer to settle grievances directly. However, there is no evidence of other internal grievance channels at the farm level for handling workers' concerns or complaints. ER.25.2 There are no formal grievance procedures or applicable rules to inform workers of. They only know that the direct channel available is the farmer or the supervisor. <u>Source:</u> Interviews with farmers and workers; interviews with supplier's staff.
Company Action Plan	
Activity	<i>This issue reflects a broader, systemic challenge within the coffee sector regarding the establishment and effective use of grievance mechanisms at the farm and supply chain level that goes beyond Nespresso. In 2024, both formal and informal farms lacked accessible, well-communicated, and trusted channels for workers and farmers to raise concerns confidentially. While direct communication with farmers or supervisors is common in practice, these informal approaches are not supported by structured procedures, escalation steps, or assurances of confidentiality and non-retaliation. Existing grievance systems developed by suppliers remain largely ineffective due to limited awareness, insufficient socialization, and potential conflicts of interest. In response, Nespresso is strengthening oversight and capacity building to improve the design, communication, and accessibility of grievance mechanisms, ensuring that workers and farmers have safe, confidential, and effective channels to voice concerns and seek remediation in line with fair labor expectations.</i>

	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) - Applicable TASQ Criteria - TASQ BASIC INCLUSIVE 17. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) - Applicable trainings: Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work, grievance mechanisms. Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) - Applicable trainings: Nespresso Sustainable Quality Plan, Farmers rights and Responsibilities, Grievance mechanism.
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	- Activity 1: Continuous - Activity 2: Mandatory completion every year - Activity 2a: Continuous
Input (budget/resources)	Field investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff

Non-discrimination

Compliance Status

Section	2022 informal farms			2024 informal farms			2024 formal farms		
	Benchmarks	Compliance Status	Farms	Benchmarks	Compliance Status	Farms	Benchmarks	Compliance Status	Farms
General Compliance	ND. 1	Risk of Noncompliance	All farms	ND. 1	Risk of Noncompliance	All farms	ND.1	Risk of Noncompliance	All farms
Recruitment and Employment Practices	ND.2.1	In Compliance	All farms	ND.2.1	In Compliance	All farms	ND.2.1	In Compliance	All farms
	ND.2.2						ND.2.2	In Compliance	All farms
	ND.2.3	In Compliance	All farms	ND.2.3	In Compliance	All farms	ND.2.3	In Compliance	All farms
Compensation Discrimination	ND. 3	In Compliance	All farms	ND. 3	In Compliance	All farms	ND. 3	In Compliance	All farms

Discrimination in Training and Communication	ND. 4	Noncompliance	All farms	ND. 4	Not Applicable	All farms	ND. 4	Not Applicable	All farms
Marital or Pregnancy-Related Discrimination	ND.5.1	In Compliance	All farms	ND.5.1	In Compliance	All farms	ND.5.1	In Compliance	All farms
	ND.5.2	In Compliance	All farms	ND.5.2	In Compliance	All farms	ND.5.2	In Compliance	All farms
	ND.5.3	In Compliance	All farms	ND.5.3	In Compliance	All farms	ND.5.3	In Compliance	All farms
	ND.6.1	Risk of Noncompliance	All farms	ND.6.1	Risk of Noncompliance	All farms	ND.6.1	Risk of Noncompliance	All farms
	ND.6.1.1	Risk of Noncompliance	All farms	ND.6.1.1	Risk of Noncompliance	All farms	ND.6.1.1	Risk of Noncompliance	All farms
Health-Related Discrimination	ND. 7	In Compliance	All farms	ND. 7	In Compliance	All farms	ND. 7	In Compliance	All farms
	ND.8	In Compliance	All farms	ND.8	In Compliance	All farms	ND.8	In Compliance	All farms
	ND. 9	In Compliance	All farms	ND. 9	In Compliance	All farms	ND. 9	In Compliance	All farms
							ND. 10	Risk of Noncompliance	All farms
Respect of Culture and Religion	ND.11	In Compliance	All farms	ND.11	In Compliance	All farms	ND.11	In Compliance	All farms

Non-Discrimination Assessment Summary

General Compliance	
Benchmarks	
<u>all farms</u> ND.1: Employers shall comply with all national laws, regulations and procedures concerning non-discrimination.	
Findings / Noncompliance Explanation	Risk of noncompliance in all farms
	2022 informal farms: Farmers and family members are aware about avoiding any type of discrimination on the basis of gender, race, religion, age or nationality. However, they are not familiar with laws, regulations and procedures concerning non-discrimination. <u>Source:</u> Interviews with farmers and agronomists 2024 informal and formal farms: Despite farmers receiving some instructions on discrimination at the workplace, they lack knowledge of how to prevent it (their rights and obligations) because no formal training sessions were conducted to provide in-depth knowledge to farmers on this topic. <u>Source:</u> Interviews with farmers and workers.
Company Action Plan	
Activity	<i>The lack of formal non-discrimination policies across coffee farms represents a significant compliance risk, which requires adherence to six TASQ precondition criteria as a strict entry point. While national laws prohibit discrimination, most farms do not have documented procedures or mechanisms to ensure equal treatment in hiring, promotion, and daily operations which is a systemic risk. Establishing and communicating robust non-discrimination measures, supported by practical training and transparent enforcement, is essential to meet Nespresso Plan requirements and uphold labor standards throughout the supply chain.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Applicable TASQ Criteria - PRE-INC-4 and 3. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)

	- Applicable trainings: Discrimination, Gender-Based Violence, Harassment and Abuse. Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) - Applicable trainings: Discrimination, Gender-Based Violence & Harassment and Abuse.
Output indicators (targeted results)	To be a part of the Nespresso Sustainable Quality Plan, there is a strict requirement for the farms to be compliant with the 6 TASQ precondition criteria.
Timeline and Deadline Date	Mandatory completion every year
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff

Discrimination in Training and Communication	
Benchmarks	
all farms ND.4: Employers shall guarantee that all workers have equal access to training and capacity building and no discrimination takes place based on the characteristics noted above, nor on literacy or location of the workers. Training and communication should be given in the native language accessible to workers.	Noncompliance in all 2022 informal farms

Findings / Noncompliance Explanation	2022 informal farms: Usually, the head of each farm attends the training sessions, sometimes accompanied by family members. Also, there is no access to formal training for workers, in the case of those families hiring local workers (Farms 1, 9, 12 and 21); these farmers claimed they provide instructions to workers at the beginning of the day. <u>Source:</u> Interviews with farmers and workers at Farm 12.
Company Action Plan	
Activity	<i>One of the key strengths of the Nespresso Plan is its commitment to promoting equal access to training and capacity building for all workers, ensuring that no discrimination occurs based on personal characteristics, literacy, or location. This approach reflects the program’s dedication to inclusivity and empowerment across coffee farms. Strengthening delivery methods, expanding language accessibility, and ensuring that all workers, regardless of barriers, receive comprehensive training will further reinforce the program’s positive impact and help maintain compliance with its rigorous standards.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)

	- Applicable TASQ Criteria - PRE-INC-4: discriminatory practices are not allowed on the farm. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) - Applicable trainings: Discrimination, Gender-Based Violence, Harrassment and abuse. Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) - Applicable trainings: Farmers rights and Responsibilities. Discrimination, Gender-Based Violence & Harassment and Abuse.
Output indicators (targeted results)	To be a part of the Nespresso Sustainable Quality Plan, there is a strict requirement for the farms to be compliant with the 6 TASQ precondition criteria.
Timeline and Deadline Date	Mandatory completion every year
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	- Nespresso Central America Coffee Program Regional Manager - Nespresso Central America Social Impact Manager - NESPRESSO PLAN Implementation Partner - NESPRESSO PLAN Cluster Administrator - NESPRESSO PLAN Field staff

Marital or Pregnancy-Related Discrimination		
Benchmarks		
<i>all farms</i> ND.6.1: Employers shall abide by all protective provisions in national laws and regulations benefitting pregnant workers and new mothers, including provisions concerning maternity leave and other benefits; prohibitions regarding night work, temporary reassignments away from work stations and work environments that may pose a risk to the health of pregnant women and their unborn children or new mothers and their new born children, temporary adjustment of working hours during and after pregnancy, and the provision of breast-feeding breaks and facilities. ND.6.1.1: Where such legal protective provisions are lacking, employers shall take reasonable measures to ensure the safety and health of pregnant women and their unborn children.		Risk of noncompliance for all farms
Findings / Noncompliance Explanation	2022 informal farms: According to the farm owners interviewed, pregnant family members are allowed to perform light tasks at the farm. For example, the female owner of Farm 24 was pregnant at the time of the visit. She has not been doing hazardous work and was planning to abstain from working on the plot during the harvest season in mid-December. This farmer has coverage of the social security system as part of her other profession. However, all the farmers are lacking a system (protocols, procedures) regulating all protective measures applicable to pregnant workers. <u>Source:</u> Interviews with farmers and family members 2024 informal farms: While no pregnant or nursing women were found during the visits, the farmers lack the practice and knowledge to ensure that all applicable	

	protective provisions benefiting pregnant and nursing workers, including the provision of breastfeeding breaks and locations, are provided in cases where they are present on the farms. <u>Source:</u> Interviews with farmers and workers. 2024 formal farms: Migrant workers said that when women are pregnant or nursing, they usually stay back home. And if they were to accompany workers to the harvest, they would stay at the shelter—most likely taking care of other children. However, the farmers lack the practice and knowledge to ensure that all applicable protective provisions benefit pregnant and nursing workers, including the provision of breastfeeding breaks and facilities, in cases where pregnant or nursing mothers want to work on farms. <u>Source:</u> Interview with farmers and workers.
Company Action Plan	
Activity	<i>Protecting the health and safety of pregnant workers and new mothers is a priority embedded in the Nespresso Plan, which requires farms to comply with all national laws regarding maternity leave, breastfeeding breaks, and safe working conditions. Where legal provisions are insufficient, the program encourages employers to take proactive measures to safeguard women and their unborn children, demonstrating a strong commitment to worker wellbeing. Nespresso has already implemented awareness campaigns and preventive initiatives, such as promoting health and safety standards and creating safe spaces for children, reinforcing its leadership in responsible practices. However, ensuring consistent application of these protections across diverse farming contexts remains a challenge. Strengthening monitoring systems, providing targeted training for farm leaders, and supporting infrastructure improvements will further enhance compliance and amplify the positive impact of these measures throughout the supply chain.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable TASQ criteria – BASIC-INC –1 and 2 Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Discrimination, Gender-Based Violence, Harrassment and abuse. Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Discrimination, Gender-Based Violence, Harrassment and abuse. Activity 3 – Access to Safe Spaces for Children Nespresso recognizes the importance of protecting children's rights within coffee supply chains. In collaboration with its implementation partner, Nespresso will continue to invest annually in establishing 'Safe Spaces for Children' in Costa Rica. These facilities allow workers to leave their children during working hours. Open to all workers, the safe spaces are located within the farms and are managed by certified caregivers. This initiative is designed to reduce the obstacles for parents wishing to work, providing care to the children in, engaging them in a variety of educational activities, and providing meals.

Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 3 -Access to Safe Space for Children • Number of children in each Safe Space for Children • Age of the children in each Safe Space for Children • Number of Safe Spaces for Children in every Cluster
Timeline and Deadline Date	Activity 1: Continuous Activity 2: Mandatory completion every year Activity 2a: Continuous Activity 3: Mandatory execution every harvest
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff

Health-Related Discrimination	
Benchmarks	
formal farms ND.10: Employers shall take measures to reasonably accommodate workers with (chronic) illnesses, including HIV/AIDS-related illnesses, which could include rearrangement of working time, the provision of special equipment, opportunities for rest breaks, time-off for medical appointments, flexible sick leave, part-time work and return-to-work arrangements.	Risk of noncompliance in all formal farms

Findings / Noncompliance Explanation	2024 formal farms: Farmers do not take measures to accommodate workers with illnesses reasonably. <u>Source:</u> Interviews with farmers and workers.
Company Action Plan	
Activity	The challenge of reasonably accommodating workers with chronic illnesses, including HIV/AIDS-related conditions, highlights the need for greater awareness and capability within the agricultural sector. Nespresso has established clear standards through the Nespresso Plan, requiring farms to implement measures such as flexible working hours, rest breaks, and time off for medical appointments to protect worker health and well-being. These guidelines reflect the program's commitment to inclusivity and responsible labor practices. However, ensuring

	<i>consistent implementation across diverse farming contexts remains an opportunity for improvement. Building farm-level capacity through training, practical tools, and monitoring systems will be essential to guarantee that accommodations are applied effectively, reinforcing Nespresso's leadership in promoting fair and supportive workplaces throughout the supply chain.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable TASQ: PRE-INC-4 on discriminatory practices Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Infrastructure for Health and Safety at farms Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Infrastructure for Health and Safety at Farms & Agronomical Management
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	• Activity 1: Continuous • Activity 2: Mandatory completion every year • Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff

Harassment or Abuse

Compliance Status

Section	2022 informal farms			2024 informal farms			2024 formal farms		
	Benchmark	Compliance Status	Farms	Benchmark	Compliance Status	Farms	Benchmark	Compliance Status	Farms

General Compliance	H/A.1.1	Risk of Noncompliance	All farms	H/A.1.1	In Compliance	All farms	H/A.1.1	In Compliance	All farms
	H/A.1.2	Risk of Noncompliance	All farms	H/A.1.2	In Compliance	All farms	H/A.1.2	In Compliance	All farms
Discipline	H/A.2	In Compliance	All farms	H/A.2	In Compliance	All farms	H/A.2	In Compliance	All farms
	H/A.3	In Compliance	All farms	H/A.3	In Compliance	All farms	H/A.3	In Compliance	All farms
	H/A.4	In Compliance	All farms	H/A.4	In Compliance	All farms	H/A.4	In Compliance	All farms
	H/A.5	In Compliance	All farms	H/A.5	In Compliance	All farms	H/A.5	In Compliance	All farms
	H/A.6	In Compliance	All farms	H/A.6	In Compliance	All farms	H/A.6	In Compliance	All farms
	H/A.7	In Compliance	All farms	H/A.7	In Compliance	All farms	H/A.7	In Compliance	All farms
	H/A.12						H/A.12	Noncompliance	All farms
	H/A.13	Risk of Noncompliance	All farms	H/A.13	Risk of Noncompliance	All farms	H/A.13	Risk of Noncompliance	All farms
Violence	H/A.8.1	In Compliance	All farms	H/A.8.1	In Compliance	All farms	H/A.8.1	In Compliance	All farms
	H/A.8.2	In Compliance	All farms	H/A.8.2	In Compliance	All farms	H/A.8.2	In Compliance	All farms
	H/A.8.3	Risk of Noncompliance	All farms	H/A.8.3	Risk of Noncompliance	All farms	H/A.8.3	Risk of Noncompliance	All farms
Sexual Harassment	H/A.9.1	In Compliance	All farms	H/A.9.1	In Compliance	All farms	H/A.9.1	In Compliance	All farms
	H/A.9.2	In Compliance	All farms	H/A.9.2	In Compliance	All farms	H/A.9.2	In Compliance	All farms
	H/A.9.3	In Compliance	All farms	H/A.9.3	In Compliance	All farms	H/A.9.3	In Compliance	All farms
	H/A.9.4	In Compliance	All farms	H/A.9.4	Risk of Noncompliance	All farms	H/A.9.4	Risk of Noncompliance	All farms
Security Practices	H/A.10	Not Applicable	All farms	H/A.10	Not Applicable	All farms	H/A.10	Not Applicable	All farms
	H/A.10.1	Not Applicable	All farms	H/A.10.1	Not Applicable	All farms	H/A.10.1	Not Applicable	All farms
	H/A.10.2	Not Applicable	All farms	H/A.10.2	Not Applicable	All farms	H/A.10.2	Not Applicable	All farms
							H/A.11	Not Applicable	All farms

Harassment or Abuse Assessment Summary

General Compliance	
Benchmarks	
<u>all farms</u> H/A.1.1: Employers shall comply with all national laws, regulations and procedures concerning discipline, violence, harassment or abuse. H/A.1.2: Workers at the farm shall not be subject to any corporal punishment, sexual harassment, oppression, coercion or any other kind of mental or physical abuse or intimidation, disregarding whether they are family members without a formal contract or hired staff.	
Risk of noncompliance in all 2022 informal farms	
Findings / Noncompliance Explanation	2022 informal farms: Farmers are aware that harassment or abuse is an unacceptable practice, but they are not familiar with applicable laws, regulations and procedures. Interviews took place before the harvest season, so there was no chance to observe worker interactions at the workplace. The statements of farmers reflect their awareness that sexual harassment is limited to "unacceptable," but they do not know about laws and

	procedures to identify issues and handle complaints. Interviews with farmers reflect that they need a comprehensive training program designed to encompass the active participation of farmers, workers and their families. <u>Source:</u> Interviews with farmers.
Company Action Plan	
Activity	<i>The challenge identified by the Fair Labor Association is rooted in a lack of awareness. This issue represents a systemic challenge within the sector. Nespresso has established a set of standards that farms participating in the Nespresso Plan must adhere to. However, the key to improving this situation lies in developing the necessary capabilities within the sector to understand and comply with local labor laws and requirements.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable TASQ: PRE-INC-6. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: All Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: All
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	• Activity 1: Continuous • Activity 2: Mandatory completion every year • Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff

Discipline
Benchmarks

formal farms H/A/12: Employers shall have a system to discipline supervisors, managers or workers who engage in any physical, sexual, psychological or verbal violence, harassment or abuse, through measures such as compulsory counseling, warnings, demotions, and terminations or a combination thereof regardless of whether such action was intended as a means to maintain labor discipline.	Noncompliance in all 2024 formal farms
informal and formal farms H/A.13: Employers shall only apply corrective measures and discipline which are well explained to workers and are with the intention of continuous improvement	Risk of noncompliance in all farms
Findings / Noncompliance Explanation	2022 informal and 2024 informal and formal farms: Farmers do not have disciplinary rules or systems and no measures or actions are explained. Therefore, there is a risk of corrective measures and disciplines being applied without any rules or understanding. <u>Source:</u> Interviews with farmers and workers.
Company Action Plan	
Activity	<i>The challenges identified by the Fair Labor Association do not fully reflect the complexities of the coffee supply chain, where informal employment relationships and seasonal labor mobility are common and represent a systemic risk. These dynamics make it difficult for smallholder farms to implement structured disciplinary systems and continuous improvement processes. The Nespresso Plan promotes clear disciplinary measures for both formal and informal farms, requiring systems to address harassment and abuse through counselling, warnings, or termination, and ensuring that corrective actions are explained to workers with the goal of improvement rather than punishment. While these measures demonstrate Nespresso's commitment to responsible practices, strengthening farm-level capacity and awareness of local labor laws remains essential to achieving consistent implementation across diverse contexts.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable TASQ Criteria – BASIC INCLUSIVE 1, 2, 3, 4, 15, 17, 19, 20 and 21. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work, grievance mechanisms, Discrimination, Gender-Based Violence, Harassment and Abuse. Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Nespresso Sustainable Quality Plan, Farmers rights and Responsibilities, Employment Relationships, Compensation & Hours of Work, Discrimination, Gender-Based Violence & Harassment and Abuse.
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)

	Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	• Activity 1: Continuous • Activity 2: Mandatory completion every year • Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff

Violence, Harassment, and Abuse		
Benchmarks		
<i>all farms</i> H/A.8.3: If not provided under law, employers must provide protection to workers who allege harassment or abuse violations.		Risk of noncompliance in all farms
Findings / Noncompliance Explanation	2022 and 2024 informal farms: Farmers do not have a system in place to protect workers who allege harassment or abuse violations. While no cases of violence or abuse were heard or identified, direct communication is primarily used and no protection of victims is provided without anonymity or confidentiality. All point to the risk of noncompliance in protecting those who allege harassment or abuse. <u>Source:</u> Interviews with farmers and workers.	
	2024 formal farms: According to all seven farmers and workers interviewed, including a woman, they have not heard of any case regarding violence. However, the approach they all know for presenting, managing, and resolving the case is weak and does not ensure that the concerned workers are given the necessary protection. There is no anonymity or confidentiality, as the worker has to approach the supervisor first. Then, the supervisor goes to the farmer with the concerned worker. The idea is that the farmer will confront both parties or talk with the parties involved separately. Farmers do not have a system in place to protect workers who allege harassment or abuse violations. <u>Source:</u> Interview with farmers and workers.	
Company Action Plan		
Activity	The Nespresso Plan reinforces the importance of protecting workers who report harassment or abuse, even in contexts where national legislation does not provide such safeguards. This commitment reflects the program's dedication to creating a safe and respectful work environment across coffee farms. By requiring employers to implement measures that shield workers from retaliation and ensure confidentiality, Nespresso sets a strong standard for ethical practices in the sector. However, consistent application of these protections remains an opportunity for improvement, particularly in informal labor settings where awareness and resources are limited. Strengthening farm-level systems, providing clear guidance, and training supervisors on handling complaints responsibly will further enhance compliance and foster trust throughout the supply chain.	

	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) - Applicable TASQ: PRE-INC-6. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) - Applicable trainings: Gender-Based Violence, Harrassment and abuse. Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) - Applicable trainings: 4. Discrimination, Gender-Based Violence & Harassment and Abuse.
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1). Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	Activity 1: Continuous Activity 2: Mandatory completion every year Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff

Sexual Harassment		
Benchmarks		
<i>all farms</i> H/A.9.4: Employers shall refrain from any action and shall take all appropriate action to ensure that all workers refrain from any action, that would result in a sexually intimidating, hostile or offensive work environment for workers.		Risk of noncompliance in all 2024 farms
Findings / Noncompliance Explanation	Farmers refrain from any act of sexual harassment. However, as there are no awareness-raising activities, different actions that could result in a sexually intimidating, hostile, or offensive work environment for workers, including any unnecessary physical contact, are not understood. <u>Source:</u> Interviews with farmers and workers	

Company Action Plan	
Activity	<i>This issue represents a systemic risk within the agricultural sector and the regional context in which coffee farms operate. While interviews with farmers and workers indicate that overt acts of sexual harassment are not a prevailing practice, the absence of awareness-raising activities and formal guidance creates vulnerabilities within farm operations. In many farms, behaviors that could contribute to a sexually intimidating, hostile, or offensive work environment; such as unnecessary physical contact or inappropriate interactions, are not clearly understood as unacceptable. This gap reflects broader sector-wide challenges related to limited knowledge, prevention mechanisms, and shared understanding of respectful workplace standards. In response, Nespresso is strengthening internal and external controls and enhancing capacity building for field staff, farmers, and workers, with a focus on gender-based violence, harassment, and abuse, to promote safer and more respectful working environments across the supply chain.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable TASQ: PRE-INC-6. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Gender-Based Violence, Harrassment and abuse. Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Discrimination, Gender-Based Violence & Harassment and Abuse.
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	• Activity 1: Continuous • Activity 2: Mandatory completion every year • Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator

Forced Labor

Compliance Status

Section	2022 informal farms			2024 informal farms			2024 formal farms		
	Benchmark	Compliance status	Farms	Benchmark	Compliance status	Farms	Benchmark	Compliance status	Farms
General Compliance	F.1	Risk of Noncompliance	All farms	F.1	In Compliance	All farms	F.1	In Compliance	All farms
Freedom in Employment and Movement	F.2	In Compliance	All farms	F.2	In Compliance	All farms	F.2	In Compliance	All farms
	F.3	In Compliance	All farms	F.3	In Compliance	All farms	F.3	In Compliance	All farms
	F.4.1	Not Applicable	All farms	F.4.1	In Compliance	All farms	F.4.1	In Compliance	All farms
	F.4.2	Not Applicable	All farms	F.4.2	In Compliance	All farms	F.4.2	In Compliance	All farms
							F.5.1	In Compliance	All farms
							F.5.2	In Compliance	All farms
	F.5.3	Not Applicable	All farms	F.5.3	In Compliance	All farms	F.5.3	In Compliance	All farms
	F.7.1	In Compliance	All farms	F.7.1	In Compliance	All farms	F.7.1	In Compliance	All farms
	F.7.2	In Compliance	All farms	F.7.2	In Compliance	All farms	F.7.2	In Compliance	All farms
	F.7.3	In Compliance	All farms	F.7.3	In Compliance	All farms	F.7.3	In Compliance	All farms
	F.7.4	In Compliance	All farms	F.7.4	In Compliance	All farms	F.7.4	In Compliance	All farms
	F.7.5	In Compliance	All farms	F.7.5	In Compliance	All farms	F.7.5	In Compliance	All farms
Work of Family Members	F.7.6	In Compliance	All farms	F.7.6	In Compliance	All farms	F.7.6	In Compliance	All farms
	F.7.7	In Compliance	All farms	F.7.7	In Compliance	All farms	F.7.7	In Compliance	All farms
	F.8	In Compliance	All farms	F.8	In Compliance	All farms	F.8	In Compliance	All farms
	F.6.1	In Compliance	All farms	F.6.1	In Compliance	All farms	F.6.1	In Compliance	All farms
Personal Workers Identification and Other Documents	F.6.2	Not Applicable	All farms	F.6.2	In Compliance	All farms	F.6.2	In Compliance	All farms
	F.6.3	In Compliance	All farms	F.6.3	Risk of Noncompliance	All farms	F.6.3	Risk of Noncompliance	All farms
	F.6.4	In Compliance	All farms	F.6.4	In Compliance	All farms	F.6.4	In Compliance	All farms
Personal Workers Identification and Other Documents	F.9	In Compliance	All farms	F.9	In Compliance	All farms	F.9	In Compliance	All farms
							F.10	In Compliance	All farms

Forced Labor Assessment Summary

General Compliance		
Benchmarks		
<u>all farms</u> <i>F.1: Employers shall comply with all national laws, regulations and procedures concerning the prohibition of forced labor and human trafficking in any stage of the agriculture production process.</i>		Risk of noncompliance in all 2022 informal farms
Findings / Noncompliance Explanation	2022 informal farms: There is a lack of awareness on the forced labor concept, indicators, and laws. <u>Source</u> : Interviews	
Company Action Plan		
Activity	Nespresso addresses risks related to forced labor and human trafficking through a comprehensive prevention and compliance approach implemented across its coffee supply chain. This includes reinforcing adherence to international standards on child protection and labor rights, strengthening internal and external controls through regular assessments, and investing in capacity building for field staff, farmers, and workers. Training initiatives focus on raising awareness of forced labor indicators, children's	

	<i>rights, employment relationships, and gender-based violence, while clear safeguards are promoted to protect minors and vulnerable populations.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable TASQ: PRE-INC-6, PRE-INC-3 and PRE-INC-1. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Gender-Based Violence, Harrassment and abuse, Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work. Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Farmers rights and Responsibilities, Introduction to Children's Rights and Child Labor, Employment Relationships.
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1). Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	Activity 1: Continuous Activity 2: Mandatory completion every year Activity 2a: Continuous Activity 3 – Mandatory execution every harvest
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff

Work of Family Members	
Benchmarks	
<u>all farms</u> <i>F.6.3: If more than one member from the same family/household is hired by the employer/producer on the same farm, each one should have separate contract with no linkage to other members.</i>	Risk of noncompliance in 2024 all farms

Findings / Noncompliance Explanation	2024 informal farms: Farmers hire coffee pickers individually, manually register the pickers' first names, and record the daily delivery of collected coffee (the number of containers delivered). However, it is unconfirmed that each individual name represents him/herself or a group (a couple, a family). Farm 18 said that he had paid a couple who collected coffee and paid collectively in the past. 2024 formal farms: Coffee pickers are hired individually. Farmers manually register the daily delivery of collected coffee, listing first names and the corresponding number of containers. While it is not confirmed with farmers at the time of the visit, the workers may deliver a combined container of collected coffee. For example, workers (a couple) on Farm 6 had combined their collected cherries during the low season in the past because they wanted to feel like they were making enough. At the time of the visit they were making around 11-15 containers each in contrast to the 23 containers each that were delivered in the peak season. <u>Source:</u> Interviews with farmers and workers.
Company Action Plan	
Activity	<i>This issue reflects a systemic risk within the coffee sector, particularly in the context of small-scale and family-based agricultural labor practices. Across both formal and informal farms assessed in 2024, workers are generally hired on an individual basis; however, prevailing manual registration practices, limited to first names and the number of containers delivered, do not always allow for clear verification that each recorded entry corresponds to a single worker. This challenge goes beyond Nespresso and reflects broader sector practices. In response, Nespresso is reinforcing internal and external controls and strengthening capacity building at field staff, farm, and worker levels to improve awareness, promote individual employment relationships, and progressively align farm practices with responsible labor standards.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable TASQ: TASQ BASIC INCLUSIVE 15. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work. Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Nespresso Sustainable Quality Plan ,Farmers rights and Responsibilities, Employment Relationships.
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1). Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)

	Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	Activity 1: Continuous Activity 2: Mandatory completion every year Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff

Child Labor

Compliance Status

Section	2022 informal farms			2024 informal farms			2024 formal farms		
	Benchmark	Compliance status	Farms	Benchmark	Compliance status	Farms	Benchmark	Compliance status	Farms
General Compliance and	CL.1	Noncompliance	Farm 12	CL.1	Risk of Noncompliance	All farms	CL.1	Risk of Noncompliance	All farms
Minimum Age	CL.2	Noncompliance	Farm 12	CL.2	In Compliance	All farms	CL.2	In Compliance	All farms
Light Work	CL.3	Noncompliance	Farm 12	CL.3	In Compliance	All farms	CL.3	In Compliance	All farms
Young Workers	CL.5	In Compliance	All farms	CL.5	In Compliance	All farms	CL.5	In Compliance	All farms
	CL.6.1	In Compliance	All farms	CL.6.1	In Compliance	All farms	CL.6.1	In Compliance	All farms
	CL.6.2	In Compliance	All farms	CL.6.2	In Compliance	All farms	CL.6.2	In Compliance	All farms
	CL.7	In Compliance	All farms	CL.7	In Compliance	All farms	CL.7	In Compliance	All farms
Apprenticeships and Vocational Training							CL.8.1	Not Applicable	All farms
							CL.8.2	Not Applicable	All farms
Children on Premises	CL.9	In Compliance	All farms	CL.9	In Compliance	All farms	CL.9	In Compliance	All farms
Removal and Rehabilitation of Child Laborers	CL.10.1	Noncompliance	Farm 12	CL.10.1	Risk of Noncompliance	All farms	CL.10.1	Risk of Noncompliance	All farms

Child Labor Assessment Summary

General Compliance	
Benchmarks	
<i>all farms</i>	CL1 and CL2: Noncompliance in 2022 informal farm 12

CL.1: Employers shall comply with all national laws, ratified international conventions, fundamental labor rights, regulations and procedures concerning the prohibition of child labor.		CL1: Risk of noncompliance in all 2024 farms
CL.2: Employers shall comply with ILO Convention 138 and shall not employ anyone under the age of 15 or under the age for completion of compulsory education, whichever is higher. If a country has a specified minimum age of 14 years due to insufficiently developed economy and educational facilities, employers might follow national legislations but must work to progressively raise the minimum age to 15 years.		
Findings / Noncompliance Explanation	2022 informal farms: Farm 12 was the only farm that was harvesting at the time of the visit. A 9-year-old boy was picking cherries with his mother at the plot. He was wearing the clothes suitable for the work (hat and long-sleeved shirt) to protect himself from the sun and cuts or irritation caused by bugs.	
	This child and mother's working situation is:	
	- On the day before the assessment, the mother and the child worked from 6 a.m. to midday (around 12 p.m.). - The child was exempted from final exams for his good grades and thus there is no interference with his education. - The farmer accepts the child because the child is under his mother's supervision. The mother had also worked for the same farm last year.	
	One of the farmers, who acted as a liaison last year with the National Child Welfare Agency (Patronato Nacional de la Infancia, PANI) helping the migrant workers with children, viewed that while it is prohibited to accept minors under 15 years old as an employee/worker, a 12-year-old child can pick coffee cherries with their parents to stay with them, indicating a general risk of child labor (acceptance of child labor) in the area.	
	According to the farmers and other local stakeholders, the school year in Costa Rica runs from mid-February to December 22. In general, farmers view that children's presence is fine under the supervision of their parents.	
	Source: Interviews.	
	2024 informal farms: Despite the supplier informed the farmers about the prohibition of child labor, they lack knowledge of the scope and implications of child labor (including juvenile work and light work concepts). While not working, the assessor has found workers' children in the field, playing videogames on the phones. Considering that there are strong sentiments to allow children working (i.e., workers' / parents' responsibilities for children if they want to learn the field work alongside with their parents), there is a risk of child labor.	
	<u>Source:</u> Interviews and field observation.	
	2024 formal farms Despite farmers having been instructed by suppliers about the prohibition of child labor, they lack knowledge of the scope and implications of child labor (including juvenile work and light work) standards.	
	<u>Source:</u> Farmers interviews.	
Company Action Plan		
Activity	Child labor is not only a concern for Nespresso but reflects a broader structural challenge across the coffee sector. For a farm to be included in the Nespresso Quality Plan , strict adherence to the six Nespresso TASQ precondition criteria is required. However, one of the root causes contributing to child labor risks is the lack of awareness of labor rights, child labor standards, and applicable local legislation, combined with limited access to public education for children in remote rural areas. In many coffee-growing regions, children are unable to attend public schools due to distance, infrastructure constraints, or the absence of available educational services.	

	increasing the risk that they accompany their parents to the fields. Nespresso recognizes that the drivers of human rights risks in agriculture extend beyond the control of any single actor and require coordinated action among multiple stakeholders. In Mexico, Nespresso invests annually, in partnership with its implementation partners, in the establishment of “Safe Spaces for Children” within Program farms. These facilities enable parents to leave their children in the care of certified caregivers, who provide supervision, educational activities, and meals, allowing parents to work while ensuring children are protected from exposure to farm work and given a safe, nurturing environment. Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1). Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 3 – Access to Safe Spaces for Children (please refer to benchmark “Marital or Pregnancy- Related Discrimination” for full action plan description, ND 6.1).
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1). Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 3 – Access to Safe Spaces for Children (please refer to benchmark “Marital or Pregnancy- Related Discrimination” for full action plan description, ND 6.1).
Timeline and Deadline Date	Activity 1: Continuous Activity 2: Mandatory completion every year Activity 2a: Continuous Activity 3 – Mandatory execution every harvest
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff

Immediate Family Members	
Benchmarks	
<u>all farms</u> CL.3: In accordance with national laws and ILO Convention 138, children of producers not younger than 12 years may be involved in light work on their parents’ farm provided that:	Noncompliance in 2022 informal farm 12

The work is not dangerous and not harmful to their health or development, and specifically • should not involve use of or exposure to chemicals, • should not involve carrying heavy loads (children should not lift loads more than 15% of their body weight at any time), • should not involve the use of farm equipment, dangerous tools, ploughs, tractors, machetes, sharp tools, saws, or power engines, • should not involve working on heights (not more than 6 feet) such as in trees or on ladders, or in confined places such as silos or storage areas, and • should not involve strenuous work and extreme conditions such as standing or bending for several hours, working in high temperatures, and not having breaks. The work does not prejudice their attendance at school and is done within reasonable time limits after school or during holidays. Specifically: • working hours should not exceed 14 hours per week, • no work should take place before 6:00 am and after 8:00 pm, and • there should be at least one full day (24 hours) rest per week. The work is appropriate to the child's age and physical condition and does not jeopardize the child's social, moral or physical development. The child's parents provide supervision and guidance and maintain all documents as required by the law. Other criteria specific to in-scope commodities or as defined by the national government in the country, that are not lower than the ILO standard on light work.	
Findings / Noncompliance Explanation	2022 informal farms: A 9-year-old child was working with his mother, in the same condition as her mother. While no other farms were harvesting, all the farms are at risk of noncompliance because the farmers believe it is safe to have children at the farm under the supervision of their parents. <u>Source:</u> Interviews, considering that Costa Rica law clearly states that adolescent persons between 15 and 17 years are permitted to perform work (Law 8922) and that young workers of 12 – 15 years old are allowed to work 5 hours per day and 30 per week (Labor Code article 89).
Company Action Plan	
Activity	<i>Child labour is not just a challenge for Nespresso but also represents a broader issue throughout the entire coffee sector. Nespresso recognizes the cultural and economic realities of coffee farming while prioritizing child protection and education. In line with ILO Convention 138 and national laws, children of producers aged 12 and above may participate in light work on their parents' farms under strict conditions that safeguard their health, safety, and development. While these standards reflect Nespresso's commitment to responsible practices, continued efforts to raise awareness among farmers and strengthen monitoring systems are essential to guarantee consistent compliance and protect children's rights across all origins.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable TASQ: PRE-INC-6, PRE-INC-3 and PRE-INC-1. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Introduction to Children’s Rights and Child Labor, Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work. Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)

	Applicable trainings: Farmer rights and Responsibilities, Introduction to Children's Rights and Child Labor, Employment Relationships. Activity 3 – Access to Safe Spaces for Children (please refer to benchmark “Marital or Pregnancy- Related Discrimination” for full action plan description, ND 6.1).
Output indicators (targeted results)	<i>Child labour is not just a challenge for Nespresso but also represents a broader issue throughout the entire coffee sector. Nespresso recognizes the cultural and economic realities of coffee farming while prioritizing child protection and education. While these standards reflect Nespresso's commitment to responsible practices, continued efforts to raise awareness among farmers and strengthen monitoring and reporting systems are essential to guarantee consistent compliance and protect children's rights across all origins.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1). Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 3 – Access to Safe Spaces for Children (please refer to benchmark “Marital or Pregnancy- Related Discrimination” for full action plan description, ND 6.1).
Timeline and Deadline Date	Activity 1: Continuous Activity 2: Mandatory completion every year Activity 2a: Continuous Activity 3 – Mandatory execution every harvest
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff

Removal and Rehabilitation of Child Laborers	
Benchmarks	
<u>all farms</u> CL.10.1: If a child laborer is found working on a farm, all relevant downstream suppliers, including the participating company, shall immediately assess the situation at the child's household level and shall engage with relevant stakeholders to find a sustainable remediation solution that is in the best interest of the child.	Noncompliance in 2022 informal farm 12 Risk of Noncompliance in all 2024 farms

Findings / Noncompliance Explanation	2022 informal farms: Neither farmers nor the supplier are aware of an existing process to handle child labor findings by the farmers and Nespresso's supplier, despite an existing local governmental process (Law 7739 has a provision that if a minor worker below 15 years old is found working, it is to inform the Patronato Nacional de la Infancia (PANI) to take the necessary measures including assisting the family, jointly with the Social Support Institute and the Ministry of Labor). <u>Source:</u> Interviews and documentation. 2024 informal farms: Although there were no cases of child labor during the assessment, a supplier's process or mechanism for handling possible child labor findings was not identified. The farmers and supplier staff did not comment on any child labor found on the farms or the process for managing such cases. <u>Source:</u> Interviews with farmers and workers. 2024 formal farms: Despite there being no evidence of actual child labor instances in Nespresso's coffee supply chain assessed, there was no evidence of a process or mechanism to handle possible child labor findings by the supplier. Farmers and agronomists did not comment on any child labor found on the farms nor process to monitor labor practices. At the time of the visit, no children, minors, or workers were originally hired for the peak of the season. However, there is a deep-rooted belief that children shall learn to work the way farmers did in their childhood and an instilled thought that the presence of children is the responsibility of the parents; therefore, there is the risk of child labor practices. <u>Source:</u> Interview with farmers and supplier staff.
Company Action Plan	
Activity	<i>Child labour is not just a challenge for Nespresso but also represents a broader issue throughout the entire coffee sector. Nespresso recognizes the cultural and economic realities of coffee farming while prioritizing child protection and education. While these standards reflect Nespresso's commitment to responsible practices, continued efforts to raise awareness among farmers and strengthen monitoring and reporting systems are essential to guarantee consistent compliance and protect children's rights across all origins.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • <i>Applicable TASQ Criteria - PRE-INC-1.</i> Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • <i>Applicable trainings: Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work, Introduction to Children's Rights and Child Labor</i> Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • <i>Farmers rights and Responsibilities, Introduction to Children's Rights and Child Labor, Farmers rights and Responsibilities, Employment Relationships.</i>

Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1). Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	Activity 1: Continuous Activity 2: Mandatory completion every year Activity 2a: Continuous
Input (budget/resources)	- NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff

Freedom of Association and Collective Bargaining

Compliance Status

Section	2022 informal farms			2024 informal farms			2024 formal farms		
	Benchmark	Compliance Status	Farms	Benchmark	Compliance Status	Farms	Benchmark	Compliance Status	Farms
General Compliance	FOA.1	Risk of Noncompliance	All farms	FOA.1	Risk of Noncompliance	All farms	FOA.1	Risk of compliance	All farms
Right to Freely Associate	FOA.2	In Compliance	All farms	FOA.2	In Compliance	All farms	FOA.2	In compliance	All farms
	FOA.3	Not Applicable	All farms	FOA.3	In Compliance	All farms	FOA.3	In compliance	All farms
	FOA.8	In Compliance	All farms	FOA.8	In Compliance	All farms	FOA.8	In compliance	All farms
	FOA.20	Not Applicable	All farms	FOA.20	Not Applicable	All farms	FOA.20	Not Applicable	All farms
Anti-Union Behaviour	FOA.4	In Compliance	All farms	FOA.4	In Compliance	All farms	FOA.4	In compliance	All farms
	FOA.5.1	In Compliance	All farms	FOA.5.1	In Compliance	All farms	FOA.5.1	In compliance	All farms
	FOA.5.1.1	In Compliance	All farms	FOA.5.1.1	In Compliance	All farms	FOA.5.1.1	In compliance	All farms
	FOA.6	Not Applicable	All farms	FOA.6	Not Applicable	All farms	FOA.6	Not Applicable	All farms
Union Representatives	FOA.7	Not Applicable	All farms	FOA.7	Not Applicable	All farms	FOA.7	Not Applicable	All farms
							FOA.11	Not Applicable	All farms
Employer Interference	FOA.9.1	In Compliance	All farms	FOA.9.1	In Compliance	All farms	FOA.9.1	In Compliance	All farms
	FOA.9.2	In Compliance	All farms	FOA.9.2	In Compliance	All farms	FOA.9.2	In Compliance	All farms

	FOA.9.3	Not Applicable	All farms	FOA.9.3	Not Applicable	All farms	FOA.9.3	Not Applicable	All farms
	FOA.9.4	Not Applicable	All farms	FOA.9.4	Not Applicable	All farms	FOA.9.4	Not Applicable	All farms
	FOA.10	Not Applicable	All farms	FOA.10	Not Applicable	All farms	FOA.10	Not Applicable	All farms
Collective Bargaining	FOA.12.1	Not Applicable	All farms	FOA.12.1	Not Applicable	All farms	FOA.12.1	Not Applicable	All farms
	FOA.12.2	Not Applicable	All farms	FOA.12.2	Not Applicable	All farms	FOA.12.2	Not Applicable	All farms
							FOA.13.1	Not Applicable	All farms
	FOA.13.2	Not Applicable	All farms	FOA.13.2	Not Applicable	All farms			
	FOA.13.3	Not Applicable	All farms	FOA.13.3	Not Applicable	All farms			
	FOA.14	Not Applicable	All farms	FOA.14	Not Applicable	All farms	FOA.14	Not Applicable	All farms
	FOA.15	Not Applicable	All farms	FOA.15	Not Applicable	All farms	FOA.15	Not Applicable	All farms
	FOA.16.1	Not Applicable	All farms	FOA.16.1	Not Applicable	All farms	FOA.16.1	Not Applicable	All farms
	FOA.16.2	Not Applicable	All farms	FOA.16.2	Not Applicable	All farms	FOA.16.2	Not Applicable	All farms
							FOA.17	Not Applicable	All farms
Right to Strike	FOA.18	Not Applicable	All farms	FOA.18	Not Applicable	All farms	FOA.18	Not Applicable	All farms
	FOA.19	Not Applicable	All farms	FOA.19	Not Applicable	All farms	FOA.19	Not Applicable	All farms

Freedom of Association and Collective Bargaining Assessment Summary

General Compliance		
Benchmarks		
<u>all farms</u> FOA.1: Employers shall comply with all national laws, regulations and procedures concerning freedom of association and collective bargaining. In countries where no formal union exist, employers shall respect freedom of association and collective bargaining which apply to representative worker organizations elected and recognized by workers working on the farm or in the region.		Risk of noncompliance in all farms
Findings / Noncompliance Explanation	2022 informal farms: Farmers and workers are not aware of laws and regulations applicable to the farm, with respect to freedom of association.	
	<u>Source:</u> farmer interviews and international and national legislation	
	2024 informal farms: Although farmers received some instructions about working conditions, they still lack knowledge of their rights and obligations concerning freedom of association and collective bargaining. There was no evidence of training sessions on this topic. At the time of the visit, no evidence of past or recent efforts to form or join a union was identified.	
	<u>Source:</u> Interviews with farmers and workers.	
	2024 formal farms: Despite farmers having received some instructions about working conditions, they lack knowledge of their rights and obligations concerning freedom of association and collective bargaining. Interviews confirmed that there has been no training on the right to freedom of association and collective bargaining. No evidence of past or recent efforts to form or join a union was identified.	
	<u>Source:</u> Interviews with farmers and workers.	

Company Action Plan	
Activity	<i>This issue reflects a broader challenge in the agricultural sector related to awareness and understanding of freedom of association and collective bargaining rights. Across both formal and informal farms, farmers and workers show limited knowledge of applicable laws and protections, and no evidence of training or practical mechanisms to support these rights was identified. While the absence of unions is common in the local context, the lack of awareness represents a risk to the effective exercise of fundamental labor rights. In response, Nespresso is strengthening capacity building efforts to promote understanding and respect for freedom of association within farm operations.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable TASQ Criteria - BASIC INCLUSIVE 15. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Farmers rights and Responsibilities, Employment Relationships.
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1). Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	Activity 1: Continuous Activity 2: Mandatory completion every year Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff

Health, Safety and Environment

Compliance Status

Section	2022 informal farms			2024 informal farms			2024 formal farms		
	Benchmark	Compliance status	Farms	Benchmark	Compliance status	Farms	Benchmark	Compliance status	Farms
General Compliance	HSE.1.	Risk of Noncompliance	All farms	HSE.1.	Risk of Noncompliance	All farms	HSE.1	Risk of Noncompliance	All farms
Document Maintenance, Permits and Certificates							HSE.2	Noncompliance	All farms
	HSE.3.1	Noncompliance	All farms	HSE.3.1	In Compliance	All farms	HSE.3.1	In Compliance	All farms
							HSE.3.2	Noncompliance	All farms
							HSE.4	In Compliance	All farms
Evacuation Requirements and Procedure							HSE.5.1	Noncompliance	All farms
	HSE.5.2	Noncompliance	All farms	HSE.5.2	Noncompliance	All farms.	HSE.5.2	Noncompliance	All farms
Safety Equipment and First Aid							HSE.6.1	Noncompliance	Farm 5
							HSE.6.2	Noncompliance	Farms 1, 3, 4, 5, 6 and 7
							HSE.16.3	Noncompliance	Farm 5
Personal Protective Equipment							HSE.7	Noncompliance	All farms
	HSE.8	In Compliance	All farms	HSE.8	Noncompliance	All farms	HSE.8	Noncompliance	All farms
Chemical Management	HSE.9.1	In Compliance	All farms	HSE.9.1	In Compliance	All farms	HSE.9.1	In Compliance	All farms
	HSE.9.2	In Compliance	All farms	HSE.9.2	In Compliance	All farms	HSE.9.2	In Compliance	All farms
	HSE.9.2.1	In Compliance	All farms	HSE.9.2.1	In Compliance	All farms	HSE.9.2.1	In Compliance	All farms
	HSE.10	In Compliance	All farms	HSE.10	Noncompliance	All farms	HSE.10	In Compliance	All farms
	HSE.11.1	In Compliance	All farms	HSE.11.1	In Compliance	All farms	HSE.11.1	In Compliance	All farms
	HSE.11.2	In Compliance	All farms	HSE.11.2	In Compliance	All farms	HSE.11.2	In Compliance	All farms
Protection Reproductive Health	HSE.12.1	Noncompliance	All farms	HSE.12.1	In Compliance	All farms	HSE.12.1	In Compliance	All farms
							HSE.12.2	Noncompliance	All farms
Machinery Safety	HSE.14.1	In Compliance	All farms	HSE.14.1	In Compliance	All farms	HSE.14.1	In Compliance	All farms
	HSE.14.2	In Compliance	All farms	HSE.14.2	In Compliance	All farms	HSE.14.2	In Compliance	All farms
	HSE.14.3	In Compliance	All farms	HSE.14.3	In Compliance	All farms	HSE.14.3	In Compliance	All farms
	HSE.14.4	In Compliance	All farms	HSE.14.4	In Compliance	All farms	HSE.14.4	In Compliance	All farms
Infrastructure							HSE.13	In Compliance	All farms
	HSE.17.1	Noncompliance	All farms	HSE.17.1	In Compliance	All farms	HSE.17.1	In Compliance	All farms
							HSE.17.2	Noncompliance	Farms 5 and 6
							HSE.18	In Compliance	All farms
							HSE.19	Noncompliance	Farms,1, 2, 3, 5, 6. and 7.
							HSE.20	In Compliance	All farms
							HSE.21	Noncompliance	Farms 1, 3, 4, 5,6 and 7
							HSE.22	In Compliance	All farms
Ergonomics and Medical Facilities							HSE.15.2	Noncompliance	All farms

							HSE.16.1	Noncompliance	All farms
	HSE.16.2	In Compliance	All farms	HSE.16.2	In Compliance	All farms	HSE.16.2	In Compliance	All farms

Health Safety and Environment Assessment Summary

General Compliance	
Benchmarks	
<i>all farms</i> HSE.1: Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.	
	Risk of noncompliance in all farms
Findings / Noncompliance Explanation	2022 informal farms: While farmers are trained and follow instructions on the use of PPE, proper storage of supplies, and first aid kits, they lack awareness of laws, regulations and procedures concerning the full scope of health, safety and environment. For example, all farmers and agronomists interviewed are not aware that Law 7739 for Childhood and Adolescence Protection, chapter IV, Right to Health, stipulates that minor workers are entitled to immediate, direct and free medical care, as well as hazards prevention and social security enrollment (Articles 41, 42, and 54). <u>Source:</u> Interviews with small farmers and family members. 2024 informal and formal farms: Despite being aware of the risks of agrochemicals and receiving HSE training from the cooperative, ICAFE, the Ministry of Agriculture and Livestock, and Nespresso's supplier, the farmers lack knowledge of the applicable Costa Rican laws and regulations on this topic. <u>Source:</u> Interviews with farmers, agronomists and representatives of the cooperative as well as observation of supplier's storage and farmers' first aid kits.
Company Action Plan	
Activity	<i>Many farmers lack awareness of local health, safety, and environmental regulations, often due to limited information sharing from authorities. Nespresso recognizes this challenge and has embedded compliance with national laws and international standards as a core requirement of the Nespresso Plan. Beyond setting expectations, the program emphasizes capacity building on human rights and workplace safety, ensuring that farmers not only receive information but also understand and apply it in daily operations. This ongoing engagement is essential to strengthen farm level practices, reduce risks, and promote a culture of safety and sustainability across the supply chain. By expanding training initiatives and providing practical tools, Nespresso can further enhance compliance and reinforce its leadership in responsible sourcing.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) - Applicable TASQ Criteria - BASIC-INC 5-7. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) - Applicable trainings: Infrastructure for Health and Safety at farms, Agrochemical Management.

	Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Applicable trainings: Infrastructure for Health and Safety at Farms & Agronomical Management.
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1). Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	Activity 1: Continuous Activity 2: Mandatory completion every year Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff

Document Maintenance, - Workers Accessibility and Awareness		
Benchmarks		
<u>All farms</u> HSE.3.1: Notification and Record Maintenance. Employers shall notify the relevant national and/or local authorities of all illnesses and accidents and environmental emergencies as required by applicable laws		HSE3.1: Noncompliance in all 2022 informal farms
<u>formal farms</u> HSE.2: All documents required to be available to workers and Farmers by applicable laws (such as health and safety policies, MSDS, etc.) shall be made available in the prescribed manner and in the local language or language spoken by the workers if different from the local language. If the workers are illiterate, efforts shall be made to provide pictorials of the required documents that the workers can understand. HSE.3.2: Notification and Record Maintenance. All illness, safety, accident, and emergency reports shall be maintained for at least three years.		HSE2 and HSE3.2: Noncompliance in all 2024 formal farms
Findings / Noncompliance Explanation	2022 informal farms: If a worker needs medical attention, the farmers provide transportation to the nearest care center. But farmers do not keep records of illnesses and accidents and environmental emergencies. <u>Source:</u> Interviews with farmers 2024 formal farms: While farms are required to notify relevant authorities, there are no health and safety documents available to local workers or indigenous migrant workers from Panama in the language spoken by them. <u>Source:</u> Interviews with farmers, agronomists, and representatives of cooperatives.	
Company Action Plan		

Activity	<i>This issue reflects limited awareness of freedom of association and collective bargaining rights within the agricultural context that goes beyond Nespresso's supply chain. Across formal and informal farms, the absence of training and practical mechanisms restricts workers' ability to understand and exercise these fundamental labour rights, representing a sector-wide risk that requires targeted awareness and capacity building. To ensure accessibility and understanding for all workers, Nespresso will support the translation of key policies and procedures into the native languages of indigenous workers present on the farms. This will allow labor, health and safety, and grievance-related information to be clearly understood by all individuals, regardless of language barriers, and will contribute to consistent awareness and application of farm policies and procedures across the workforce</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable TASQ Criteria - BASIC-INC 5-7. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Infrastructure for Health and Safety at farms, Agrochemical Management, Farmers Rights and Responsibilities. Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Infrastructure for Health and Safety at Farms & Agronomical Management, Farmers Rights and Responsibilities.
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1). Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	Activity 1: Continuous Activity 2: Mandatory completion every year Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff

Evacuation Requirements and Procedure

Benchmarks

<u>formal farms</u> HSE 5.1: All applicable, legally required elements of safe evacuation (e.g. posting of evacuation plans, installation and maintenance of an alarm and emergency lighting systems) shall be complied with. Wherever applicable such as in living quarters or/and enclosed areas, or in case of fires, animal evacuation procedures shall be created and complied with.	HSE5.1: noncompliance in all 2024 formal farms
<u>all farms</u> HSE.5.2: Where appropriate, workers shall be trained in evacuation procedures at least once per year.	HSE5.2: noncompliance in all farms
Findings / Noncompliance Explanation	2022 informal farms: Farmers, family members and local workers hired are not trained on evacuation procedures. <u>Source:</u> Interviews with farmers and workers. 2024 informal farms: There was no evidence of training in evacuation procedures at these small-scale farms. <u>Source:</u> Interviews with farmers and workers. 2024 formal farms: The farms have not developed emergency and evacuation plans, or appropriate evacuation signalization in living quarters. There was no evidence of training in evacuation procedures at the visited farms. <u>Source:</u> Interviews with farmers and workers and observations at the shelters.
Company Action Plan	
Activity I	<i>In Costa Rica, where coffee farms are primarily managed by smallholder farmers, implementing complex standardized protocols for health and safety can be challenging. To ensure compliance with Nespresso Plan requirements and national regulations, the focus should be on practical, accessible solutions. This includes meeting legal obligations for safe evacuation procedures, such as posting evacuation plans, maintaining alarms and emergency lighting, and training workers at least once per year. Nespresso recognizes that capacity building and clear communication are essential to achieving these goals. By providing targeted training and placing informative posters directly on farms, the program can make critical safety information easy to understand and apply, helping smallholder farmers comply with requirements while fostering a culture of preparedness and well-being.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable TASQ Criteria - BASIC-INC 7-9. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work

Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	Activity 1: Continuous Activity 2: Mandatory completion every year Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff

Safety Equipment and First Aid Training	
Benchmarks	
formal farms HSE.6.1: All safety and medical equipment (e.g. first aid kits) shall be available, maintained and stocked as prescribed, and easily accessible to workers. HSE.6.2: A sufficient number of workers shall be trained in first aid and fire safety. HSE.16.3: An appropriate stock of medical first aid supplies shall be maintained at all times with valid expiration dates.	HSE6.1: Noncompliance in 2024 formal farm 5 HSE6.2: Noncompliance in 2024 formal farms 1, 3, 4, 5, 6 and 7 HSE16.3: Noncompliance in 2024 formal farm 5
Findings / Noncompliance Explanation	2024 formal farms: Farm 5 is composed of three scattered plots. The field visit covered one of those plots, which did not have the First Aid Kit for workers. Most farms do not have trained workers in first aid and fire safety. Only the farmer is trained at all farms, except Farm 2. <u>Source:</u> Interviews with farmers and workers.
Company Action Plan	
Activity	<i>This issue highlights gaps in basic occupational health and safety preparedness at the farm level. In 2024, some formal farms lacked easily accessible first aid equipment, while training in first aid and fire safety was generally limited to farmers rather than extended to workers. These gaps increase workers' vulnerability in the event of accidents or emergencies and reflect the need to strengthen basic safety awareness and preparedness across farm operations.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)

	- Applicable TASQ Criteria - BASIC-INC 7-9. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) - Applicable trainings: Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) - Applicable trainings: Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	Activity 1: Continuous Activity 2: Mandatory completion every year Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff

Personal Protective Equipment	
Benchmarks	
<u>formal farms</u> HSE.7: Workers shall be provided at no cost with all the appropriate and necessary personal protective equipment (e.g. gloves, eye protection, hat, boots, protective mask, hearing protection) to effectively prevent unsafe exposure (e.g. inhalation or contact with chemicals, noise, dust) to health and safety hazards, including chemical waste.	HSE7: noncompliance in all 2024 formal farms
<u>all farms</u> HSE.8: Workers shall be provided with training on the use and maintenance of personal protective equipment.	HSE8: noncompliance in all 2024 informal and formal farms
Findings / Noncompliance Explanation	2024 informal and formal farms: Farmers received training from ICAFE, the Ministry of Agriculture and Livestock, and the cooperative. The supplier also provided training on the use and maintenance of PPE for farmers. They can bring family members. Workers are not provided with training on the use and maintenance of personal protective equipment. <u>Source:</u> Interviews

	2024 formal farms: Farmers do not provide workers with all the appropriate and necessary personal protective equipment at no cost during the coffee picking season (i.e., hired seasonal workers buy their own hats, rubber boots, and long-sleeved shirts to prevent exposure to weather conditions and bugs). Farmers, workers, agronomists, and representatives of two cooperatives acknowledge that family members and workers were provided at no cost with all the appropriate personal protective equipment (e.g., a wide-brimmed hat or a cap with a cover on the back of the neck, gloves, mask, respirator, rubber apron, and boots) to effectively prevent unsafe exposure to health and safety hazards related to chemicals during specific tasks between harvests. <u>Source:</u> Interviews with farmers, workers, agronomists, and representatives of two cooperatives.
Company Action Plan	
Activity	<i>This issue reflects a broader sectoral challenge related to the provision and effective use of personal protective equipment on coffee farms. While farmers have received training from public institutions, cooperatives, and suppliers, including guidance on PPE use during chemical-related tasks, this knowledge has not been consistently transferred to workers. These challenges are rooted in long-standing agricultural practices and are not unique to Nespresso. In response, Nespresso is strengthening oversight and capacity building efforts to improve workers' access to appropriate PPE at no cost, enhance training on its correct use and maintenance, and progressively reinforce safer working conditions across farm operations.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable TASQ Criteria - BASIC-INC 7-9. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Farmers rights and Responsibilities, Infrastructure for Health and Safety at farms, Farmers rights and Responsibilities, Employment Relationships. Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Farmers rights and Responsibilities, Infrastructure for Health and Safety at Farms & Agronomical Management, Farmers rights and Responsibilities, Employment Relationships.
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	Activity 1: Continuous Activity 2: Mandatory completion every year

	Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff

Chemical Management		
Benchmarks		
<u>all farms</u> HSE.10: Workers shall receive training, appropriate to their job responsibilities, concerning the hazards, risks and the safe use of chemicals and other hazardous substances.		Noncompliance in all 2024 informal farms
Findings / Noncompliance Explanation	2024 informal farms: Workers do not receive appropriate training for their job responsibilities and hazards, including risks and safe use of chemicals and other hazardous substances. <u>Source:</u> Workers and farmers interviews.	
Company Action Plan		
Activity	<i>This issue reflects a broader challenge within the agricultural sector related to workers’ awareness of hazards and safe practices when handling chemicals and other hazardous substances. In response, Nespresso is strengthening capacity building efforts to improve workers’ knowledge and promote safer handling practices across farm operations.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable TASQ Criteria - BASIC-INC 9. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • <i>Applicable trainings:</i> Infrastructure for Health and Safety at farms. Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • <i>Applicable trainings:</i> Infrastructure for Health and Safety at Farms & Agronomical Management.	
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)	

	Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	Activity 1: Continuous Activity 2: Mandatory completion every year Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff

Protection Reproductive Health	
Benchmarks	
<i>all farms</i> HSE.12.1: Employers shall ensure that women are not engaged in work that constitutes a substantial risk to their reproductive health.	HSE12.1: Noncompliance in all 2022 informal farms
<i>formal farms</i> HSE.12.2: If not provided by law, employers must provide protection to workers who allege women are engaged in work that constitutes a substantial risk to their health.	HSE12.2: Noncompliance in all 2024 formal farms
Findings / Noncompliance Explanation	2022 informal farms: Producers do not have protocols to prevent risks to women's reproductive health. 2024 formal farms: The farmers lack practice and knowledge to understand the applicable risks and ensure protective provisions for pregnant and nursing workers. <u>Source:</u> Interviews and observations.
Company Action Plan	
Activity	<i>This issue reflects a broader challenge within the agricultural sector related to the identification and prevention of risks to women's reproductive health. Farmers often lack the knowledge and practical guidance needed to identify health risks and implement appropriate protections. In response, Nespresso is strengthening awareness and capacity building efforts to promote safer working conditions for women and ensure that potential health risks are understood, prevented, and adequately addressed at farm level.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable TASQ Criteria - BASIC-INC 1 and 2. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)

	- Applicable trainings: Gender-Based Violence, Discrimination, Infrastructure for Health and Safety at farms. Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) - Applicable trainings: Infrastructure for Health and Safety at Farms & Agronomical Management, Discrimination, Gender-Based Violence & Harassment and Abuse.
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	Activity 1: Continuous Activity 2: Mandatory completion every year Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff

Infrastructure	
Benchmarks	
<u>all farms</u> HSE.17.1: Safe and clean potable water for drinking shall be freely available at all times, within reasonable distance of the workplace. For farm settings in water-stressed regions where access to potable water is not always guaranteed, employers shall work with local authorities and other partners to provide clean water in sufficient volume and quality to guarantee the wellbeing of hired and family workers.	HSE17.1: Noncompliance in all 2022 informal farms
<u>formal farms</u> HSE.17.2: Clean and private sanitation facilities should be available within reasonable distance of the workplace. Employers shall not place any undue restrictions on using sanitation facilities in terms of time and frequency. HSE.19: In case the workers reside on the premises of the Farms, the employer shall ensure that living quarters provided to the workers are safe, meet health, safety, and environment standards, including fire safety, sanitation, electrical, mechanical, and structural safety and do not pose any risk to the workers or their families. Workers residing in temporary accommodations, such as tents, must reside in facilities that do not put their health and lives at risk. HSE.21: Employers shall make provision for rest and breaks areas for the workers. These areas should provide protection against extreme weather conditions and wild animals and should have facilities for health emergencies.	HSE17.2: Noncompliance in 2024 formal farms 5 and 6 HSE19: Noncompliance in 2024 formal farms 1, 2, 3, 5. 6. and 7. HSE21: Noncompliance in 2024 formal farms,1, 3, 4, 5. 6. and 7.

Findings / Noncompliance Explanation	2022 informal farms: Hired workers and family member workers bring their own water supply to the plot, although every farmer in Costa Rica is provided with water suitable for human consumption. Source: Interview with producers, family members, local water authority (ASADA, water sanitation association). 2024 formal farms: Farms 5 and 6 did not make clean and private sanitation facilities available to workers. The farmers offer living quarters for migrant workers. Despite farmers' efforts to maintain the structures to ensure they are safe and meet health, safety, and environmental standards, the living quarters need improvements and maintenance related to fire safety, sanitation, electrical, mechanical, and structural safety. With the exception of Farm 2, there was no evidence of any spaces provided to workers to use for rest and breaks, which protect them from extreme weather conditions. All farms lack facilities for health emergencies. Farm 2 has free spaces under big trees that provide shade and protection from weather conditions. According to the farmer and the agronomists, these spaces are used when gathering farmers for training. Source: Farms' and workers' testimonies and walkthrough the shelters.
Company Action Plan	
Activity	<i>This issue highlights opportunities to strengthen basic welfare conditions at farm level, particularly regarding sanitation, living accommodations, and rest areas for workers. Nespresso contributes to addressing these gaps by integrating these requirements into its TASQ assessments and by reinforcing capacity building for field staff and farmers. Through targeted training, practical guidance, and regular monitoring, Nespresso supports farms in understanding standards, identifying improvement areas, and progressively enhancing worker facilities to meet health, safety, and environmental expectations.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable TASQ criteria - TASQ INC BAS 10. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Infrastructure for Health and Safety at farms Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Infrastructure for Health and Safety at Farms & Agronomical Management.
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1). Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)

Timeline and Deadline Date	Activity 1: Continuous Activity 2: Mandatory completion every year Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff

Ergonomics and Medical Facilities		
Benchmarks		
formal farms HSE.15.2: Employers shall train workers in proper lifting techniques, and items such as lifting belts shall be provided. HSE.16.1: Medical examinations must be provided to all workers according to legal provisions.		Noncompliance in all 2024 formal farms
Findings / Noncompliance Explanation	2024 formal farms: At the time of the visit, farmers had not performed an ergonomic risks assessment to determine the PPE and training needs to reduce or address such ergonomic risks. Medical examinations are not provided to all workers according to legal provisions on the Occupational Health Regulation for Agrochemicals Management and Use (D.E. N°41931-MTSS, dated August 05, 2019) and the Maximum Weight Regulation (D.E. N°11074-MTSS). <u>Source:</u> Interviews with farmers and workers.	
Company Action Plan		
Activity	<i>This issue highlights opportunities for Nespresso to further strengthen the prevention and management of ergonomic and occupational health risks on formal farms. Through targeted capacity building and the systematic application of TASQ assessments, Nespresso can enhance awareness, identify risks more consistently, and support farms in implementing preventive measures that reduce work-related injuries and improve workers’ health and wellbeing and trainings.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) - Applicable TASQ criteria - TASQ INC BAS 10. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) - Applicable trainings: Infrastructure for Health and Safety at farms	

	Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Applicable trainings: Infrastructure for Health and Safety at Farms & Agronomical Management.
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1). Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	Activity 1: Continuous Activity 2: Mandatory completion every year Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff

Hours of Work

Compliance Status

Section	2022 informal farms			2024 informal farms			2024 formal farms		
	Benchmark	Compliance Status	Farms	Benchmark	Compliance Status	Farms	Benchmark	Compliance Status	Farms
General Compliance	HOW.1.1	Noncompliance	All farms	HOW.1.1	In Compliance	All farms	HOW.1.1	In Compliance	All farms
	HOW.1.2	In Compliance	All farms	HOW.1.2	In Compliance	All farms	HOW.1.2	In Compliance	All farms
	HOW.1.3	Risk of Noncompliance	All farms	HOW.1.3	In Compliance	All farms	HOW.1.3	In Compliance	All farms
	HOW.1.4	In Compliance	All farms	HOW.1.4	In Compliance	All farms	HOW.1.4	In Compliance	All farms
Suspension of Workers	HOW 17.1						HOW.17.1	In Compliance	All farms
	HOW.17.2						HOW.17.2	In Compliance	All farms
Rest Day	HOW.2	In Compliance	All farms	HOW.2	In Compliance	All farms	HOW.2	In Compliance	All farms
Meal and Res Breaks	HOW.3	In Compliance	All farms	HOW.3	In Compliance	All farms	HOW.3	In Compliance	All farms
Protected Workers	HOW.4.1	Noncompliance	All farms	HOW.4.1	In Compliance	All farms	HOW.4.1	In Compliance	All farms
							HOW.4.2	Not Applicable	All farms

	HOW.4.3	Noncompliance	All farms	HOW.4.3	Not Applicable	All farms	HOW.4.3	Not Applicable	All farms
Overtime	HOW.5.1	Risk of Noncompliance	All farms	HOW.5.1	In Compliance	All farms	HOW.5.1	In Compliance	All farms
							HOW.5.2	In Compliance	All farms
	HOW.6.1	Noncompliance	All farms	HOW.6.1	In Compliance	All farms	HOW.6.1	In Compliance	All farms
	HOW.6.2	Risk of Noncompliance	All farms	HOW.6.2	In Compliance	All farms	HOW.6.2	In Compliance	All farms
							HOW.6.3	Noncompliance	All farms
	HOW.7	In Compliance	All farms	HOW.7	In Compliance	All farms	HOW.7	In Compliance	All farms
Public Holiday and Leave	HOW.8.1	Risk of Noncompliance	All farms	HOW.8.1	In Compliance	All farms	HOW.8.1	In Compliance	All farms
	HOW.8.2	Risk of Noncompliance	All farms	HOW.8.2	In Compliance	All farms	HOW.8.2	In Compliance	All farms
							HOW.8.3	In Compliance	All farms
	HOW.9	Risk of Noncompliance	All farms	HOW.9	Not Applicable	All farms	HOW.9	Not Applicable	All farms
	HOW.10.1	Risk of Noncompliance	All farms	HOW.10.1	Not Applicable	All farms	HOW.10.1	Not Applicable	All farms
							HOW.11	Not Applicable	All farms
							HOW.12.1	Not Applicable	All farms
							HOW.12.2	Not Applicable	All farms
	HOW.13	In Compliance	All farms	HOW.13	In Compliance	All farms	HOW.13	In Compliance	All farms
	HOW.14	In Compliance	All farms	HOW.14	In Compliance	All farms	HOW.14	In Compliance	All farms
							HOW.15	In Compliance	All farms
							HOW.16	In Compliance	All farms

Hours of Work Assessment Summary

General Compliance	
Benchmarks	
all farms HOW.1.1: Employers shall comply with all national laws, regulations and procedures concerning hours of work, public holidays and leave. How.1.3: Other than in exceptional circumstances or during short-term seasonal work as described under HOW.2, the total weekly work hours (regular work hours plus overtime) shall not exceed 60 hours per week or the legal limit, whichever is lower. The upper limit during a working day shall not exceed 12 hours.	
HOW.1.1: Noncompliance in all 2022 informal farms HOW.1.3: Risk of noncompliance in all 2022 informal farms	
Findings / Noncompliance Explanation	2022 informal farms: The farmers and workers are not aware of all national laws and regulations concerning the hours of work, as farmers do not consider overtime. The farmers might work excessive hours as their day starts with workers harvesting from 6 a.m. but will not end till the harvested coffee is measured and delivered to the nearest supplier's location by 4:30 p.m. and they return home, which extends to approx. 12 hours

	a day, making 72 hours a week. In addition, workers may work extended hours in the peak season (i.e., there are more ripe cherries to be picked past midday). National law stipulates that the daytime shift could run between 5 a.m. to 7 p.m. for a maximum of 8 hours (including a period of 30 minutes of rest), not exceeding 48 hours a week. While the assessment was not in the peak season and the assessors were not able to confirm the actual time worked during the peak season, there is a risk of noncompliance depending on the length of the peak season. <u>Source:</u> Interviews with farmers and workers.
Company Action Plan	
Activity	<i>Many farmers in Costa Rica are often unaware of local labor laws regarding working hours, public holidays, and leave, largely due to limited exposure from authorities and the generational transmission of farming practices. Nespresso recognizes this challenge and has made compliance with these regulations a core requirement of the Nespresso plan. Beyond setting clear standards, such as ensuring total weekly work hours do not exceed 60 hours or the legal limit, and daily hours remain under 12, the program emphasizes capacity building to help farmers fully understand and apply these rules in their daily operations. Through ongoing engagement, targeted training, and practical tools, Nespresso aims to strengthen awareness and implementation, promoting fair labor practices and worker well-being across the supply chain.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable TASQ criteria - BASIC-INC 21. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • <i>Applicable trainings:</i> Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • <i>Applicable trainings:</i> Farmers rights and Responsibilities, Compensation & Hours of Work.
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1). Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	Activity 1: Continuous Activity 2: Mandatory completion every year Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment

Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff
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Protected Workers (pregnant or nursing women, young workers)	
Benchmarks	
<i>all farms</i> HOW.4.1: The workplace shall comply with all applicable laws governing work hours regulating or limiting the nature, frequency and volume of work performed by pregnant or nursing women or young workers. HOW.4.3: If not provided by law, employers must provide protection to workers who allege violations of laws governing work hours limiting the nature, frequency and volume of work performed by pregnant or nursing women or young workers.	Noncompliance in all 2022 informal farms
Findings / Noncompliance Explanation	2022 informal farms: Farmers and workers are not aware of laws and regulations governing work hours for pregnant and nursing workers, as well as young workers. For example, while there are no legal provisions for working hours for pregnant and nursing workers, nursing mothers are entitled to nurse their babies at the workplace throughout the workday (Labor Code, article 97) and young workers' working hours (15-18 year old) are limited (Labor Code, article 89). <u>Source:</u> Interviews and research of laws and regulations (below). (1) pregnant and nursing workers are entitled for special protection according to the Labor Code (articles 94 to 97), stipulating the compliance with the Political Constitution, which establishes the special protection of family, mother, child, elderly, and sick person (article 51). (2) there are no legal provisions about work hours for pregnant and nursing workers, but a provision (Labor Code, article 95) that sets paid maternity leave for 1 month previous to giving birth and 2 months afterward. Nursing mothers are also entitled to 15 minutes each three hours to nurse their babies at the workplace or 30 minutes twice a day (Labor Code, article 97). (3) Labor Code, article 89 stipulates working hours for young workers as that (a) young workers of 15 – 18 years old are allowed to work 7 hours per day and 42 per week and that (b) young workers of 12 – 15 years old are allowed to work 5 hours per day and 30 per week.
Company Action Plan	
Activity	<i>This issue reflects a heightened risk related to the protection of pregnant or nursing women and young workers in informal agricultural settings, where awareness of applicable labor protections remains limited. In response, Nespresso is strengthening internal and external controls through TASQ assessments and investing in targeted capacity building for field staff, farmers, and workers. These actions aim to improve awareness of legal obligations, promote appropriate working conditions for protected workers, and integrate preventive practices into everyday farm management.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Applicable TASQ Criteria: BASIC-INC –1 and PRE-INC-4. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)

	- Applicable trainings: Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) - Applicable trainings: Farmers rights and Responsibilities, Employment Relationships and Discrimination, Gender-Based Violence & Harassment and Abuse.
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1). Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	Activity 1: Continuous Activity 2: Mandatory completion every year Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff

Overtime	
Benchmarks	
<u>all farms</u> HOW.5.1: Where national laws, regulations and procedures allow it, employers may calculate regular hours of work as an average over a period of longer than one week, provided all formal and procedural requirements attached to such calculation are met (for instance, obtaining official permission from the relevant authorities or observing limits to the period during which such calculations can be made). However, for the purpose of overtime calculation, regular hours of work may not exceed 48 hours per week, irrespective of whether national law provides or not a limitation. HOW.6.1: Employers shall not require workers to work more than the overtime hours allowed by the law of the country where the workers are employed. HOW.6.2: All overtime work shall be voluntary.	HOW5.1 and HOW 6.2: Risk of noncompliance in all 2022 informal farms HOW6.1: Noncompliance in all 2022 informal farms
<u>formal farms</u> HOW.6.3: Regular working hours and overtime is duly recorded in whatever means that are locally available and validated by the workers. For Farms with informal labor structures, basic recording system shall be introduced to record workers' name, working days and payment and progressively work toward more detailed hours of work recording system.	HOW6.3: Noncompliance in all 2024 formal farms

Findings / Noncompliance Explanation	2022 informal farms: Regarding the harvesting workers, farmers only keep the handwritten records of the number of units (trunks, or “cajuelas” in Spanish) of cherries collected. For example, at Farms 1, 9, 12 and 21, locally hired workers are paid for the sum of cherries delivered during the week and no hours of work collectively or individually were recorded. Farmers and workers are not aware of the Labor Code article 139 which mandates overtime hours to be paid with an increase of 50% of the minimum wage or higher agreed by employers and workers. It is common practice to pick cherries as late as they can till the time to measure and deliver the cherries. In the peak of harvest, there is a consensus among family members and/or workers and farmer to continue picking cherries for an extended time. Given the assessment took place during a non-peak period, no further proof of consensus could be collected. Farm 12 was at an early stage of harvest and the workers only work for 6 hours, from 6 a.m. to 12 p.m. <u>Source:</u> Interview, handwritten documents, and research on laws and regulations. Article 164 of the Labor Code (article 139) stipulates that employers can pay per time unit (day, week, fortnight, month, hour); per task done or per quantity delivered. This provision mandates overtime hours to be paid with an increase of 50% of minimum wage or higher salaries agreed by employers and workers. 2024 formal farms: Overtime is voluntarily done by workers, one to two hours per day at the peak of the season. However, there are no regular working hours or overtime recording systems; hence, no time records were found. The basic recording system is a notebook with one page for daily data registration. Each page shows workers' first names, the number of containers delivered, and the amount to be paid at the end of the week. Coffee pickers are not subject to overtime calculation and payment. They are paid weekly based on the number of containers of coffee collected and delivered per day. <u>Source:</u> Interviews with farmers and workers.
Company Action Plan	
Activity	<i>This issue reflects a systemic risk related to the management of overtime in agricultural settings characterized by seasonal peaks and informal labor practices that goes beyond Nespresso's supply chain. In response, Nespresso is strengthening internal and external controls through TASQ assessments and investing in capacity building for field staff, farmers, and workers. These actions aim to improve awareness of overtime regulations, promote voluntary and legally compliant working hours, and support the gradual implementation of basic recording systems at farm level.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable TASQ Criteria - TASQ BASIC INCLUSIVE 15. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)

	Applicable trainings: Farmers rights and Responsibilities and Employment Relationships.
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1). Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	Activity 1: Continuous Activity 2: Mandatory completion every year Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager NESPRESSO PLAN Implementation Partner NESPRESSO PLAN Cluster Administrator NESPRESSO PLAN Field staff

Public Holidays and Leave		
Benchmarks		
<u>all farms</u> HOW.8.1: Employers shall provide workers with all official public holidays as required under national laws, regulations and procedures. HOW.8.2: Employer may engage with workers on a specific working scheme which allows workers to work on holidays if voluntarily agreed by the workers without any pressure to accept or retaliation if refuse. HOW.9: Where permanent or long-term workforce is hired, employers shall provide workers with paid annual leave as required under national laws, regulations and procedures. For farms with informal labour structures hiring annual workers, arrangements can be made between producer and workers as long as it ensures a fair remuneration for the amount of work performed during the year. HOW.10.1: Employers shall not impose any undue restrictions on workers’ use of annual leave. The time at which annual leave is taken is determined by employers in consultation with workers, taking into account work requirements and the opportunities for rest and relaxation available to workers.		Risk of noncompliance in all 2022 informal farms
Findings / Noncompliance Explanation	2022 informal farms: Although the peak harvest often overlaps with the national holiday, Dec. 25, farmers and workers do not work on Sundays and public holidays. The assessor found no documentation on paid leave for workers performing tasks for a few days that are scattered throughout the year, neither for coffee pickers working for a few days or the complete peak of the season. The law does not require to provide prorated annual leaves for workers who are engaged less than three months. Small farmers, family members, workers and agronomists lack awareness of obligations stipulated by law regarding public holidays and annual leaves. <u>Source:</u> Research on laws and regulations.	

	(1) According to the communication of the Legal Affairs Director of the Ministry of Labor, there was only one remaining holiday to be observed in 2022, it was December 25 and it is mandated to be doubled pay if the worker agrees to work on such date. If no work agreed, the worker is entitled to receive the minimum wage for that day. There is the need to monitor the handwritten notes of small farmers to verify compliance with this provision. (2) Annual leave is regulated by Political Constitution, article 63; Labor Code, articles 28, 29 and 30; Law 7983 Protection to Worker, article 88. Workers with less than three months of labor relationship are not entitled to a proportional annual leave payment. In the case of workers hired by completed task, article 31 stipulates that the employer shall pay the equivalent of 1 day salary for each 7 days of continuous work. The minimum to pay is the equivalent to 3 days.
Company Action Plan	
Activity	<i>This issue reflects a sector-wide risk related to awareness and management of public holidays and annual leave in agricultural settings with informal labor arrangements which goes beyond Nespresso's supply chain. In response, Nespresso is strengthening internal oversight through TASQ assessments and reinforcing capacity building for field staff and farmers to improve understanding of legal requirements, promote fair remuneration practices, and support more consistent documentation of leave and holiday arrangements.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • <i>Applicable TASQ Criteria - TASQ BASIC INCLUSIVE 15.</i> Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • <i>Applicable trainings: Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work</i> Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • <i>Applicable trainings: Nespresso Sustainable Quality Plan, Farmers rights and Responsibilities and Employment Relationships.</i>
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1). Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	Activity 1: Continuous Activity 2: Mandatory completion every year Activity 2a: Continuous
Input (budget/resources)	Nespresso Plan Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager Nespresso Plan Implementation Partner

	Nespresso Plan Cluster Administrator Nespresso Plan Field staff
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Compensation

Compliance Status

Section	2022 informal farms			2024 informal farms			2024 formal farms		
	Benchmark	Compliance status	Farms	Benchmark	Compliance status	Farms	Benchmark	Compliance status	Farms
General Compliance	C.1.1	Noncompliance	All farms	C.1.1	In Compliance	All farms	C.1.1	In Compliance	All farms
	C.1.2	In Compliance	All farms	C.1.2	In Compliance	All farms	C.1.2	In Compliance	All farms
	C.1.3	In Compliance	All farms	C.1.3	In Compliance	All farms	C.1.3	In Compliance	All farms
							C.1.4	In Compliance	All farms
Minimum Wage / Fair Compensation	C.2.1	Noncompliance	All farms	C.2.1	In Compliance	All farms	C.2.1	In Compliance	All farms
	C.2.2	Noncompliance	All farms	C.2.2	Risk of Noncompliance	All farms	C.2.2	Risk of Noncompliance	All farms
	C.2.3	In Compliance	All farms	C.2.3	In Compliance	All farms	C.2.3	In Compliance	All farms
	C.3	Noncompliance	All farms	C.3	In Compliance	All farms	C.3	In Compliance	All farms
							C.5	In Compliance	All farms
Farmer / Producer Income							C.4	Noncompliance	All farms
Wage Payment and Calculation	C.6	In Compliance	All farms	C.6	In Compliance	All farms	C.6	In Compliance	All farms
	C.7.1	In Compliance	All farms	C.7.1	In Compliance	All farms	C.7.1	In Compliance	All farms
	C.7.2	In Compliance	All farms	C.7.2	Risk of Noncompliance	All farms	C.7.2	Risk of Noncompliance	All farms
							C.7.3	Noncompliance	All farms
							C.7.4	Noncompliance	All farms
	C.7.5	In Compliance	All farms	C.7.5	In Compliance	All farms	C.7.5	In Compliance	All farms
	C.8.1	Noncompliance	All farms	C.8.1	Noncompliance	All farms	C.8.1	Noncompliance	All farms
	C.8.2	Not Applicable	All farms	C.8.2	Noncompliance	All farms	C.8.2	Noncompliance	All farms
	C.8.3	Not Applicable	All farms	C.8.3	In Compliance	All farms	C.8.3	In Compliance	All farms
							C.8.4	In Compliance	All farms
							C.9	Noncompliance	All farms
	C.10.1	Not Applicable	All farms	C.10.1	Not Applicable	All farms	C.10.1	Not Applicable	All farms
	C.10.1.1	Not Applicable	All farms	C.10.1.1	Not Applicable	All farms	C.10.1.1	Not Applicable	All farms
	C.10.2	Not Applicable	All farms	C.10.2	Not Applicable	All farms	C.10.2	Not Applicable	All farms
	C.10.3	Not Applicable	All farms	C.10.3	Not Applicable	All farms	C.10.3	Not Applicable	All farms

Workers Awareness	C.11.1.1	In Compliance	All farms	C.11.1.1	In Compliance	All farms	C.11.1.1	In Compliance	All farms
	C.11.1.2	Not Applicable	All farms	C.11.1.2	Not Applicable	All farms	C.11.1.2	Not Applicable	All farms
	C.11.1.3	Not Applicable	All farms	C.11.1.3	Not Applicable	All farms	C.11.1.3	Not Applicable	All farms
	C.11.1.4	Not Applicable	All farms	C.11.1.4	Not Applicable	All farms	C.11.1.4	Not Applicable	All farms
	C.11.1.5	In Compliance	All farms	C.11.1.5	Noncompliance	All farms	C.11.1.5	Noncompliance	All farms
							C.13	In Compliance	All farms
Fringe Benefits	C.12.1	Not Applicable	All farms	C.12.1	In Compliance	All farms	C.12.1	In Compliance	All farms
							C.12.2	Noncompliance	All farms
	C.12.3	Not Applicable	All farms	C.12.3	Not Applicable	All farms	C.12.3	Not Applicable	All farms
	C.12.4	Not Applicable	All farms	C.12.4	Not Applicable	All farms	C.12.4	Not Applicable	All farms
	C.12.5	Not Applicable	All farms	C.12.5	Not Applicable	All farms	C.12.5	Not Applicable	All farms

Compensation Assessment Summary

General Compliance	
Benchmarks	
all farms C.1.1: Employers shall comply with all national laws, Collective Bargaining Agreements in force, regulations and procedures concerning the payment of compensation to workers.	Noncompliance in all 2022 informal farms
Findings / Noncompliance Explanation	2022 informal farms: Four out of the 24 small farmers interviewed said they hired workers. Casual local workers are hired twice or three times a year for specific activities such as manual weeding, planting, cleaning, fertilizer and chemicals application. The lowest pay per task per person reported in 2022 was ₡8,000 and the highest ₡10,000. The national legal minimum wage (LMW) for agriculture at ₡11,009.97 a day (approximately \$18.35 a day) (according to the ICAFE's website, per the Ministry of Labor, coffee producers shall pay the minimum of C1,011.22 per trunk of collected coffee cherries). In the case of harvesting workers, in the past harvest the rate was at an average of ₡1,100 per cajuela, which meets the LMW requirements if each worker collects cherries amount to ten to eleven cajuelas per day; however, there is no guarantee that the workers collect ten to eleven cajuelas a day. <u>Source:</u> Interviews and research on legislation.
Company Action Plan	
Activity	To address the identified risks, Nespresso implement a combination of strengthened controls and targeted capacity building across its coffee supply chain. This approach includes reinforcing internal and external monitoring through TASQ assessments, enhancing the capabilities of NESPRESSO PLAN field staff, and delivering training to farmers and workers on employment relationships, compensation, and working hours. In addition, Nespresso will promote the use of practical tools, such as a Coffee Farming Management Booklet, to support basic record-keeping of working hours and payments, contributing to greater transparency, consistency, and progressive alignment with labor requirements at farm level.

	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • <i>Applicable TASQ Criteria - TASQ BASIC INCLUSIVE 15 and TASQ INCLUSIVE20.</i> Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • <i>Applicable trainings:</i> Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • <i>Applicable training:</i> Nespresso Sustainable Quality Plan, Farmers rights and Responsibilities and Employment Relationships. Activity 4 - Coffee Farming Management Booklet • The NESPRESSO PLAN Implementation Partner will develop a “coffee farming management Booklet” which consists of one section for the farmers to write down information such as the workers worked hours and payment per activity.
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1). Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 4 - Coffee Farming Management Booklet Coffee Farming Management booklet for 100 % of farmers
Timeline and Deadline Date	Activity 1: Continuous Activity 2: Mandatory completion every year Activity 2a: Continuous Activity 4: December 2027
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager Nespresso Plan Implementation Partner Nespresso Plan Cluster Administrator Nespresso Plan Field staff

Minimum Wage/Fair Compensation
Benchmarks

all farms C.2.1: Employers shall pay workers at least the legal minimum wage, the prevailing industry sector wage, or the wage pursuant to Collective Bargaining Agreements that are in force, whichever is higher, for regular working hours (not including overtime). Hourly or daily compensation shall be calculated based on the legal minimal wage, the prevailing industry sector wage, or the wage pursuant to Collective Bargaining Agreements that are in force, whichever is higher. Workers should also be informed by the employer about the legal minimum wage applicable to them. C.2.2: Employers shall provide all legally required benefits to all workers. C.3: Employers shall ensure that the wages for daily, casual, long term, task specific or contract workers are paid in accordance with the national laws applied to regular workers. For work based on production quotas and piecework performed during normal working hours, workers must get paid the proportionate minimum wage or the relevant industry average wage, whichever is higher.	C2.1: Noncompliance in all 2022 informal farms C2.2: Noncompliance in all 2022 informal farms and risk of noncompliance in all 2024 informal and formal farms C3: Noncompliance in all 2022 informal farms
Findings / Noncompliance Explanation	2022 informal farms: Specific land maintenance tasks are paid below the minimum wage. While this was confirmed with the workers at farms 1, 9, 12 and 21 (these are the only farms with the harvesting workers at the time of the visit), the harvesting rate is the same across all farms. According to the interviews, farmers do not inform workers about the minimum wage. They apply different rates for different types of activities to pay local hires: 1) task-based wage is paid by day but at below the minimum wage; and 2) harvesting is paid per cajuela (piece rate). As the harvest season was about to start, the current harvest season's rate was not set yet for cherry pickers; the previous year's rate indicated that workers must collect more than ten to eleven cajuelas each day to make the minimum wage. <u>Source:</u> Interviews with farmers and workers. 2024 informal and formal farms: Farmers are at risk of non-compliance with the legal requirements of social security insurance. Despite paying social security contributions, the Social Security Institute (Costa Rican Social Security Institute, or CCSS) does not always complete the registration process to provide the registration numbers for farmers and workers in order to access medical services. Workers interviewed expressed that they did not know what the benefits were for them and how the CCSS operated its medical assistance and health care services. Although this risk is not attributable to the farmers, the lack of workers' registration by the CCSS prevents workers from enjoying social security services (e.g., medical attention). <u>Source:</u> Workers and farmers testimonies.
Company Action Plan	
Activity	<i>This issue reflects a systemic risk related to compensation, minimum wage compliance, and access to legally required benefits across informal and formal farm contexts that goes beyond Nespresso's supply chain. In response, Nespresso is strengthening internal and external controls through TASQ assessments and reinforcing capacity building for field staff, farmers, and workers to improve awareness of wage obligations, promote fair remuneration practices, and support better documentation and transparency at farm level.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable TASQ Criteria - BASIC INCLUSIVE 15 and INCLUSIVE 20. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work

	Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) 1. Applicable trainings: Farmers rights and Responsibilities and Employment Relationships.
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1). Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	Activity 1: Continuous Activity 2: Mandatory completion every year Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager Nespresso Plan Implementation Partner Nespresso Plan Cluster Administrator Nespresso Plan Field staff

Farmer/Producer Income	
Benchmarks	
<u>formal farms</u> C.4: Prices paid to the Farmer/producer shall be sufficient to guarantee a fair compensation to the Farmer and allow at least for payment of legal minimum or prevailing wages, whichever is higher, to hired workers.	
	Noncompliance in all 2024 formal farms
Findings / Noncompliance Explanation	2024 formal farms: Prices paid to farmers by the coffee traders are not sufficient to guarantee fair compensation to the farmer. Farmers expressed concerns about price uncertainty, purchase volume changes, and new premium calculations. They resort to loans to pay prevailing wages to hired workers. <u>Source:</u> Farmer interviews.
Company Action Plan	
Activity	<i>This issue reflects a structural risk related to farm viability and fair compensation within the coffee supply chain that goes beyond Nespresso's supply chain. Prices are fixed by coffee suppliers in the country of origin, not by Nespresso directly. While TASQ assessments do not evaluate whether farm-gate prices are sufficient to cover farmers' costs or ensure fair remuneration, Nespresso recognizes the importance of addressing price volatility at origin. As part of its approach, all farmers participating in the Nespresso Plan receive a premium designed to provide greater income stability and protect against market fluctuations. In parallel, Nespresso strengthens internal and external controls through TASQ precondition criteria related to wages and working conditions, alongside targeted capacity building for field staff, farmers, and workers.</i>

	<i>Together, these actions aim to improve transparency, reinforce fair employment and compensation practices, and support a more resilient and economically sustainable farm model aligned with fair labour expectations.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable TASQ Criteria – BASIC TASQ 15 Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work, Grievance Mechanism. Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Nespresso Sustainable Quality Plan, Farmers rights and Responsibilities, Employment Relationships, Grievance mechanism and Compensation & Hours of Work.
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1). Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	Activity 1: Continuous Activity 2: Mandatory completion every year Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager Nespresso Plan Implementation Partner Nespresso Plan Cluster Administrator Nespresso Plan Field staff

Wage Payment and Calculation	
Benchmarks	
<u>all farms</u> C.7.2: FLA-affiliates shall ensure that farmers/producers receive payments and certification premiums through a traceable and reliable payment system. C.8.1: Employers shall compensate workers for all hours worked. C.8.2: Employers shall comply with all applicable laws, regulations and procedures governing the payment of premium rates for work on holidays, rest days, and overtime. There might however be specific working schemes	C7.2: Risk of noncompliance in all 2024 informal and formal farms C8.1: Noncompliance in all 2022 and 2024 farms

voluntarily agreed by the workers to work on holidays and rest days for short-term seasonal work, which would make this provision not applicable.	C8.2: Noncompliance in all 2024 informal and formal farms
formal farms C.7.3: Wage records should be authentic and accurate and should clearly demonstrate how wages, deductions, benefits, overtime and bonuses are calculated. C.7.4: Employers shall provide workers a pay statement each pay period and not less frequently than once a month, which shall show: • earned wages, • wage calculations, • total number of hours worked, • regular and overtime pay, • bonuses, • all deductions, and • final total wage. The payment statement shall be signed and agreed by the worker. For Farms with informal labor structures, and where the illiteracy rate is high, proof of payment may be in the form of alternative means (such as using a witness or affixing a thumb print). C.9: All legally mandated deductions for taxes, social insurance, or other purposes shall be deposited each pay period in the legally defined account or transmitted to the legally defined agency. Employers shall not hold over any of these funds from one pay period to the other unless the law specifies that deposits are to be made less frequently than pay periods (e.g. monthly deposits, weekly pay). If the law does not specify, then deposits shall be made before the next pay period in all cases.	C7.3 and C7.4: Noncompliance in all 2024 formal farms C9: Noncompliance in all 2024 formal farms
Findings / Noncompliance Explanation	2022 informal farms: Salary payment to workers is made weekly, directly, in cash at the workplace. However, no overtime, no fringe benefits and other incentives are included. Interviews to small farmers show they are unfamiliar with the concept of overtime. Traditionally agreed working schemes are in practice for short-term seasonal work. As stipulated by the Labor Code, workers in agriculture voluntarily working overtime are not entitled to overtime payment during daily hours (article 139). However, the FLA Benchmark (international standards) calls for payment of overtime; hence, a payment of overtime should be applied. <u>Source:</u> Interviews. 2024 informal and formal farms: According to the supplier, production is 100% traceable. However, farmers are unsure how their payments and certification premiums are calculated and paid. They want to understand and confirm their premiums. Salary payment to workers is made weekly, directly, in cash at the workplace. However, no overtime, no fringe benefits, or other incentives are included. Workers are paid strictly based on a rate per container of collected coffee delivered. Farmers and workers are unfamiliar with the concept of overtime. While Article 139 of the Labor Code establishes that workers in agriculture voluntarily working overtime are not entitled to overtime payment during daily hours, the international standards/ FLA benchmarks require overtime payment. Wage payments to workers are made weekly, directly, in cash at the workplace. However, no overtime, fringe benefits, or rest days are included—they are paid strictly based on the rate per container of collected coffee delivered. <u>Source:</u> Interviews with farmers and workers. 2024 formal farms: C.7.3 and C.7.4. There are no records to demonstrate how compensation is calculated. The common long-standing practice is for farmers to record

	the number of containers of collected coffee delivered individually. Presumably, the worker also takes note, and on Saturday, the farmer pays cash at the farm. Some farmers also use the system of chips or tickets. In this system, the workers collect cherries and exchange them for chips or tickets. Chips or tickets are marked with a number of containers, such as five containers, one container, ½ container, and ¼ container. However, farmers do not maintain the handwritten notes. Wages are paid directly in cash, without any record keeping or legal deductions. <u>Source:</u> Farmers and workers interviews.
Company Action Plan	
Activity	<i>This issue reflects a systemic risk related to wage transparency, overtime compensation, and record-keeping practices across informal and formal farms that goes beyond Nespresso's supply chain. Payments are commonly made in cash and based on piece-rate systems, without documented calculation methods, overtime payments, or additional benefits, limiting workers' understanding of their compensation and farmers' ability to demonstrate compliance. Differences between national regulations and international labour standards further increase this risk, particularly regarding overtime pay. In response, Nespresso is strengthening internal and external controls through TASQ precondition criteria and reinforcing capacity building for field staff, farmers, and workers to improve awareness of compensation requirements, promote alignment with international standards, and support more transparent and consistent documentation of wage practices at farm level.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1). • Applicable TASQ criteria – BASIC 15 and 21 Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work, Grievance Mechanism Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Farmers rights and Responsibilities, Employment Relationships, Grievance mechanism and Compensation & Hours of Work.
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1). Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	Activity 1: Continuous Activity 2: Mandatory completion every year Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment

Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager Nespresso Plan Implementation Partner Nespresso Plan Cluster Administrator Nespresso Plan Field staff
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Workers Awareness		
Benchmarks		
all farms C.11.1.5: Employers shall communicate in writing or orally where necessary to all workers all relevant compensation information in the local language or language spoken by the workers, if different from the local language.		Noncompliance in all 2024 informal and formal farms
Findings / Noncompliance Explanation	2024 informal and formal farms: Farmers communicate all relevant compensation information verbally to all workers in the local language (Spanish). However, some farms use migrant indigenous workers from neighboring countries. These workers speak a different language than Spanish, and the farmers do not provide information on compensation in the workers' native language. Source: Interviews with farmers and workers.	
Company Action Plan		
Activity	<i>This issue highlights a structural gap in workers' awareness and access to compensation information linked to language barriers within the agricultural workforce which represent a systemic risk that goes beyond Nespresso's supply chain. In 2024, compensation conditions continued to be communicated verbally in Spanish; however, this approach does not effectively reach migrant indigenous workers who speak different native languages, limiting their understanding of wages and related entitlements. In response, Nespresso is strengthening internal and external controls through TASQ precondition criteria and reinforcing capacity building for field staff, farmers, and workers. These actions aim to improve awareness of compensation practices, promote clear and inclusive communication, and support more accessible information sharing across the workforce.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1). • Applicable TASQ criteria – BASIC 15, 18 and 19. Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • <i>Applicable trainings:</i> Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work, Grievance Mechanism Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Applicable trainings: Nespresso Sustainable Quality Plan, Farmers rights and Responsibilities, Employment Relationships, Grievance mechanism, Compensation & Hours of Work.	

Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1). Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	Activity 1: Continuous Activity 2: Mandatory completion every year Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager Nespresso Plan Implementation Partner Nespresso Plan Cluster Administrator Nespresso Plan Field staff

Fringe Benefits	
Benchmarks	
<u>formal farms</u>	
C.12.2: Where employers provide workers with housing, meals or other services, there must be a document or instructions that clearly defines how workers can access these services.	
	Noncompliance in all 2024 formal farms
Findings / Noncompliance Explanation	2024 formal farms: Those farmers providing workers with housing do not have written or verbal documents or instructions that clearly explain how workers can access these services. Housing conditions are verbally explained. <u>Source:</u> Interview with farmers and workers.
Company Action Plan	
Activity	<i>This issue reflects gaps in transparency and communication regarding access to housing and related services provided to workers on formal farms. In 2024, while some farmers offer accommodation to workers, the conditions and procedures to access these services are communicated informally and without clear guidance, limiting workers’ understanding of their entitlements. In response, Nespresso is strengthening internal and external controls through TASQ precondition criteria and reinforcing capacity building for field staff, farmers, and workers at farm level.</i> Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1). • Applicable TASQ criteria – Advanced 11 Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)

	• <i>Applicable trainings:</i> Employment Relationship – Hiring, Contracting, and Special categories of Workers, Compensation and Hours of Work, Grievance Mechanism Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) • Nespresso Sustainable Quality Plan, Farmers rights and Responsibilities, Employment Relationships, Grievance mechanism and Compensation & Hours of Work.
Output indicators (targeted results)	Activity 1 – Internal and External Control (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1). Activity 2 –Capacity Building on Field Staff Level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1) Activity 2a –Capacity building on Farm and worker level (please refer to benchmark “Human Resource Management System” for full action plan description, ER.1.1)
Timeline and Deadline Date	Activity 1: Continuous Activity 2: Mandatory completion every year Activity 2a: Continuous
Input (budget/resources)	NESPRESSO PLAN Field Investment
Responsible staff (title/department)	Nespresso Central America Coffee Program Regional Manager Nespresso Central America Social Impact Manager Nespresso Plan Implementation Partner Nespresso Plan Cluster Administrator Nespresso Plan Field staff