Press Release

Vevey, November 10th, 2022

NESCAFÉ Dolce Gusto launches NEO, its next generation 'Coffee Shop at Home' experience

NEO's proprietary technology and home-compostable pods create the brand's best coffee quality and most sustainable system to date

NESCAFÉ Dolce Gusto launches NEO, the brand's next generation coffee machines and pods. NEO combines high quality, cutting-edge technology, and sustainability to create the ultimate coffee shop at home experience. In a Nestlé first, NEO's new range of coffee pods are paper-based, home compostable and use 70% less packaging (by weight) than current capsules.

With its new proprietary and patented coffee system, refined over five years at Nestlé's R&D Center for Systems in Switzerland, NESCAFÉ Dolce Gusto NEO delivers high-quality coffee, in a compostable pod, with no compromise on taste. Its proprietary SmartBrew™ technology combines three brewing methods so that consumers can enjoy, high-quality espressos, coffeeshop-like americanos and drip-style coffees, in one single machine, at the touch of a button and in the convenience of their homes. NEO automatically recognizes the pod, adapting the brewing method to each selected coffee.

NEO's paper-based pods are certified for composting, both home and industrial, by TÜV Austria, an international certification body. These new pods are made from 1g of paper certified by Forest Stewardship Council (FSC) suppliers with a compostable biopolymer lining – thinner than a human hair – to help protect NESCAFÉ Dolce Gusto's NEO coffee quality and freshness from oxidation. As with all NESCAFÉ Dolce Gusto coffees, NEO is 100% responsibly sourced.

David Rennie, Head of Nestlé Coffee Brands, said: "Nestlé is a relentless innovator in the coffee category. We are continuously looking to bring consumers new experiences, variety and quality in their coffee, in a sustainable way. With NESCAFÉ Dolce Gusto NEO, we have created the perfect combination of a great coffee experience, new coffee system and packaging, all in one."

Arnaud Deschamps, Head of NESCAFÉ Dolce Gusto, said: "In a time of rapid change, we see increasing expectations about coffee variety, versatility, personalization, and sustainability, with no compromise on quality and taste. With NEO, we have designed a 'Coffee Shop at Home' experience that aims to meet the expectations of today's most passionate coffee lovers. Every aspect of NEO has been carefully considered – the machine technology, the user interface, the coffee and our first home-compostable paper-based pods. NEO represents the long-term future of our brand."

Julia Lauricella, Head of Global R&D Center for Systems and Coffee

Machines, said: "Whenever we develop a new system, we need to harmonize its three key elements for the perfect in-cup result: the product, its packaging and the machine. We carefully select the coffee, and together with the Nestlé Institute of Packaging Sciences, choose and design the packaging to protect it, and develop the machine to ensure the perfect synergy during extraction. For NEO, our teams tested over 200 novel material structures before perfecting the paper-based pod. Our proprietary SmartBrew™ system tunes the extraction parameters for each beverage, and you can even personalize your cup through the connected application."

Thanks to the ability to connect the machine to a smartphone, consumers can even personalize their coffee preparation at a distance. NESCAFÉ Dolce Gusto's loyalty program offers rewards and personal recommendations adapted to the consumers profile each time a coffee is prepared.

The coffee machine itself is made of 50% recycled plastic (for non-food contact parts) with the thermoblock (which heats the water) made of 85% recycled aluminium. It is designed to be more convenient to dismantle and repair, with an A++ energy class rating, and a switch-off eco-mode.

NEO is launching in Brazil this year with plans to expand to more countries over time. The new paper-based capsules are entirely produced in NESCAFÉ Dolce Gusto's factory in Montes Claros, Brazil. Montes Claros is the first Nestlé factory to receive Nestlé's internal sustainability certification "Triple Zero" for three dimensions: water, waste creation and greenhouse gas emissions. Nestlé will invest more than CHF50 million (R\$300 million) in Brazil's Montes Claros factory to support the NEO launch.

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About NESCAFÉ Dolce Gusto

NESCAFÉ Dolce Gusto is a leading player in the portioned coffee category worldwide. NESCAFÉ Dolce Gusto is your coffeeshop at home. The brand offers a variety of a coffee shop menu and the freedom to personalize each drink exactly to consumers' tastes. With more than 50 different coffees, teas, and hot chocolates, including lattes, cappuccinos, espressos and americanos,

consumers can even prepare delicious cold drinks, at the touch of a button and from the convenience of their homes. 100% of its coffee is sourced responsibly through the NESCAFÉ Plan, the sustainability coffee sourcing program for NESCAFÉ coffee. In October 2022, Nestlé announced the NESCAFÉ Plan 2030, to support coffee farmers in the transition to regenerative agriculture, helping reduce greenhouse gas emissions from coffee farming and improve farmers' livelihoods. NESCAFÉ Dolce Gusto was launched in 2006 and is present in more than 80 countries.

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