
Nestlé and Sustainable Cocoa and Coffee:

Building on our history of farmer support through investments in high quality plantlet provision and farmer training



www.thecocoaplan.com

www.nescafe.com/sustainability

www.nespresso.com/ecolaboration

Overview:

Nestlé is guided by the principle of creating value for shareholders and society in a manner that is integrally linked to its core business strategies and operations. We call this Creating Shared Value; value created for shareholders, employees, farmers, consumers and the communities where we operate.

As one of the world's biggest buyers of coffee and cocoa, Nestlé has always and continues to take very seriously its responsibility to ensure that these crops are produced in a sustainable manner and in a way that produces value right through the supply chain – particularly for farmers.

While Nestlé does not own any commercial farms, a major focus of the company's work in improving sustainability of cocoa and coffee supply is in plant science. As a leading private researcher in the field, Nestlé has pioneered advanced technology in coffee and cocoa. Over the last 30 years, at its research centre in Tours, France, Nestlé has developed the expertise to propagate higher quality plantlets on a broad scale. These plantlets can help farmers rejuvenate their farms and increase productivity by replacing old, low-yield, disease-prone trees.

An additional benefit of Nestlé's support related to better quality, better-managed trees, is that farmers can produce higher amounts of cocoa from the same or less land. This reduces the risk of deforestation and allows farmers to use the extra land for other crops or agricultural activities which can supplement their family's food supply or income.

Beyond providing high quality plantlets, Nestlé funds farmer training and agronomists. The company works with partner organisations on field school programmes which teach farmers about good farm management and environmental stewardship, helping them increase yields and operate more sustainably.

Key facts:

- Nestlé will invest a minimum of CHF 460 million in its plant science and sustainability initiatives for cocoa and coffee over the next 10 years - CHF 110 million will be spent on cocoa sustainability initiatives and CHF 350 million on coffee. This builds on the CHF 60 million for cocoa and CHF 200 million for coffee invested over the past 15 years.
- Over the past 15 years Nestlé has provided 17 million coffee and cocoa tree plantlets to producer countries.
- Over the next 10 years Nestlé will provide a minimum of 38 million more plantlets. These develop into high-yield, disease-tolerant trees providing farmers with a foundation for increased farm productivity and potential income. In addition, we contribute important knowledge transfer of our expertise to specific producer countries and projects.
- Although results can vary between plant varieties, farmers and regions, studies show Nestlé-produced trees can achieve 50% to 200% more productivity than regular, existing trees.
- Over the last 10 years Nestlé has supported the training of 100,000 cocoa and coffee farmers. The company aims to support the training of a further 130,000 farmers over the next 10 years.
- For the past six years we have worked with Rainforest Alliance to develop our Nespresso AAA Quality™ Coffee Program. We have committed to source 80% of our Nespresso coffee from Rainforest Alliance certified farms by 2013.
- Today Nestlé purchases 10% of coffee beans used in Nescafé through direct procurement. We will increase this to a minimum of 20% by 2015.

Visit www.nestle.com/csv for related information, presentations and films.