

# Case Studies



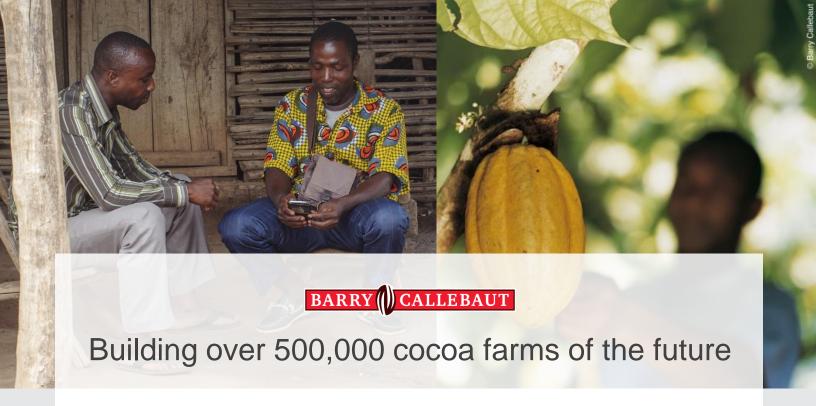
Scaling up regenerative agriculture practices



Developing product portfolios to boost cultivated biodiversity



Eliminating deforestation and enhancing management of ecosystems



Support smallholder cocoa farmers in building the farms of the future through the Group's Farm Services Business. The concept aims to use data insights on each farm's structural challenges to provide personalized inputs and advice.

Barry Callebaut will collect full data of at least 500,000 cocoa farms, which will be the backbone of the Group's plan to lift them out of poverty by 2025.

#### Execution

Through the collection of detailed data, Barry Callebaut will support and advise cocoa farmers at an individual level, instead of a one-size-fits-all approach, on how to improve their revenues via Farm Business Plans.

- Barry Callebaut will map cocoa farms with detailed geographical, spatial, crop and household data in the world's leading cocoa producing countries: Côte d'Ivoire, Ghana, Cameroon, Indonesia and Brazil. This data will provide unique insights into the needs of the individual farms and allow an assessment of the risk of sourcing from a protected area.
- Through tailored, multi-year plans, Barry Callebaut will advise on the most optimal mix of planting cocoa seedlings, use of fertilizers and diversified income-generating activities, as well as support farmers to access labor on credit.

# **Progress**

Barry Callebaut's established database, Katchilè, contains information of over 380,000 smallholder cocoa farms in Côte d'Ivoire, Ghana, Cameroon, Indonesia and Brazil. Of the farms in the database, 185,000 have been mapped for detailed geographical, spatial, crop and household data.

A third of Barry Callebaut's global cocoa volume is already traceable. By the end of 2019, the company will have mapped all the farms the Group sources from in Côte d'Ivoire and Ghana, establishing 100% traceability for its direct supply chain in the world's two largest cocoa producing countries, where deforestation is an urgent issue. Overall, this means that 100% of the cocoa volume sourced in Ghana and 40% of the cocoa volume sourced in Côte d'Ivoire by Barry Callebaut is traceable.











# How our ambition to serve evolving consumer preferences positively impacted sourcing

#### Action

In 2016, we committed to evolve our portfolio of yogurt products in the US to include Non-GMO Project Verified options as consumer preferences were evolving.

#### Execution

This initiative resulted in the conversion of about 65,000 acres to non-GMO cropland to provide feed for the cows that make milk for our Non-GMO Project Verified products.

Separately, to achieve our sustainable agriculture ambitions, we launched a multi-year, \$6 million soil health research program to help farmers improve the qualities of soil and their efficiency.

Lastly, in pursuit of transparency and to help shoppers chose what agriculture model they want to support, we voluntarily disclose the presence of GMO ingredients in Dannon products, consistent with the disclosure guidance of the former Vermont "Act 120." And for those who prefer Non-GMO Project Verified, the familiar 'butterfly' logo is on-pack.

# **Progress**

Today, Danone in North America works with farmers and other agricultural producers who rely on different models of agriculture, including organic, Non-GMO Project Verified and conventional practices.

Producer partners join Danone from many regions of the country and specialize in both animal and plant-based farming.

Danone's portfolio of brands earns positions as the top yogurt maker, the top organic food maker and a leader in plant based and organic foods and beverages in the U.S.







Establish a long-term partnership with Nelixia to source cardamom sustainably while reshaping the local supply chain in Guatemala.

As the biggest producer of cardamom in the world, Guatemala offers beans of the highest quality. Part of Nelixia's cardamom comes from the area of Cerro San Gil, a nature reserve where critical issues include deforestation and supply chain challenges. In 2016, Firmenich and Nelixia joined hands to implement an ambitious responsible sourcing program in the region.

#### Execution

Since its creation, Nelixia has been dedicated to sustainable production, offering 100% traceable products. It also supports communities at source and actively tackling environment challenges.

# **Progress**

In the Fiscal Year 2019 only, 166 smallholders were impacted, 863 people benefitted and 265 hectares with 1 ton of essential oil purchased.

The initiative has promoted inclusive business, reaching 100% traceability and supporting more stable production and volume commitment. In addition, the new model of supply chain and local drying facility empowered local communities and increased income for growers.

The program also provided training on harvesting best practices and support for protection of a unique natural reserve in partnership with Livelihoods Carbon Food, reforesting 28 hectares of farmer's plots to improve shading and yields, with 50 hectares planned in Fiscal Year 21.







Commit and implement the use of plant-based, sustainable raw materials that respect the principles of the Convention on Biological Diversity.

Promote sustainable sourcing policy responsible for growing and collecting practices, ensuring the protection of people and ecosystems, while giving priority to soil, water and forests.

#### Execution

Today, 59% of raw materials used in L'Oréal products are plant-based. The company uses approximately 1,600 raw materials from nearly 340 species of plants originating from around 100 countries.

- Vanilla in Madagascar L'Oréal collaborated with a supplier, an NGO and farming communities to develop a sustainable, traceable, high-quality supply chain. It preserves the integrity of natural ecosystems and contributes to improving quality of life for farming communities in the protected area of Loky Manambato.
- Shea butter in Burkina Faso The group introduced a sustainable sourcing program for shea butter, used in 1,200 of its products. It currently provides training to over 30,000 sheanut gatherers to promote best practices in collecting and processing; and to fight energy insecurity and its consequences on poverty and deforestation.
- Candelilla wax in Mexico L'Oréal has been developing collaborative, long-term partnerships with suppliers such as Multiceras - its Monterrey-based candelilla wax supplier – to build more resilient supply chains.

# **Progress**

The project in Madagascar benefited 154 farmers in 2018, with training on responsible farming practices and from fair wage. By 2020, the goal is to raise yields and improve the quality of vanilla, doubling the number of farmers involved and promoting reforestation initiatives.

In Burkina Faso, 4,200 women have gained access to improved cook-stoves since 2016, avoiding both the emission of over 9,000 tons of CO2 and the cutting of 4,500 tons of wood.

The program in Mexico has improved the living conditions of 165 local producers while preserving the resource and its fragile ecosystem of the Chihuahua desert.









Support and implement regenerative agriculture, ingredients diversification and restoration and protection of ecosystems, across multiple countries where the company operates.

#### Execution

Regenerative agriculture: Partnership with Yayasan Sime Darby (YSD) to restore migration pathways for animals by planting native trees along the lower Kinabatangan River, in Malaysia. Through the RiLeaf project, the company also helps villagers earn additional income by planting native seedlings, which Nestlé then purchases; and works with smallholders on sustainable agricultural practices to certify more farmers by the RSPO.

**Preservation:** With the aim to eliminate deforestation from its supply chain by 2020, Nestlé became the first international food company to implement a satellite-based service – Starling – to monitor changes in the land or forest cover.

**Ingredients diversification:** Nestlé is continuously improving safety in its baby food brands. It initiated a collaboration with several papaya growers within an area of 70 hectares to embed good agricultural practices and ensure the quality and safety of the raw material.

And to expand Nespresso's value proposition to rare origins and to help the brand pursue better livelihoods for farmers, coffee is sourced from countries such as South Sudan, Kenya, Ethiopia, Brazil, Colombia, Nicaragua, Costa Rica, Guatemala, Mexico, Indonesia and India – all farmers are part of the AAA Sustainable Quality program.

# **Progress**

- 680,000 tress planted along the lower Kinabatangan River since 2011 have helped restore more than 2,400 hectares of native forest that had previously been planted to palm oil.
- After a successful pilot project, Nestle has expanded the collaboration with Starling to cover 100% of its global palm oil supply chains, and plans to extend the program to pulp and paper supply chains and, after that, soya.
- A total 450 tons of concentrated papaya purée have been supplied in compliance with Nestlé stringent requirements. Very positive feedback was obtained from supplier and farmers to switch to natural plant protection methods despite lower yields.









Transform today's vanilla business by establishing a sustainable model that provides traceability, consistency of supply and security for the farmers.

In 2006, Symrise became the first flavor and scent company to have its own operations in Madagascar. From the outset, the company committed to working with the local farmers and their communities to establish a supply chain that created shared value for everyone involved in the vanilla production process.

#### Execution

To maximize the positive sustainable impact of its value chain, Symrise goes directly to the people who grow the vanilla crop — the farmers. The company partners with 7,000 farmers across 84 villages and local communities to improve cultivation practices and contribute to strengthening the infrastructure of communities.

Through this work, the company gathers insights into vanilla cultivation. This includes understanding the ability to trace the origin of the vanilla accurately while simultaneously maintaining excellent quality. Symrise also offers its partners higher income, greater independence, health benefits and improved continued education.

The supply chain in Madagascar stretches from pollination to finished flavor extract, combining local expertise with technology in the most sustainable way possible. This includes a recently opened extraction facility in Madagascar, which employs more than 150 people and runs on sustainable fuel provided by locals, offering another much-needed source of income to the local partners.

# **Progress**

Over 40,000 people benefit directly or indirectly from Symrise's activities in the SAVA region.

- By subsidizing Maison
  Familiale Rurale schools,
  Symrise is helping young
  people through education that
  mixes formal learning with
  practical experience.
- The Mahavelona Mutual Health Insurance is the first to help small vanilla farmers and their families cover medical costs. As a result, more and more farmers are developing trust in modern medicine.
- The participation of women and men in the Farmers Business schools allow the households to be more resilient, improving their food security strategy and better managing cash flow during the year to meet their needs.











Promote a greater understanding of the environmental impact of our food and the adoption of more nutritional diets.

With a global population set to hit 10 billion people by 2050, the way we grow and what we choose to eat must change.

#### Execution

The Future 50 Foods Report, written by Knorr together with WWF-UK and Dr. Adam Drewnowski, identifies 50 foods to eat more of to decrease the environmental impact of our food choices while increasing the nutritional value of our meals.

The 50 foods are nutritious, have a lower impact on the environment, and many can grow in challenging environments. In addition, some naturally replenish the soil and others work as cover crops.

# **Progress**

The report has reached 476 million people across 19 countries.

The Future 50 Foods are built into Knorr product innovations in 10 countries with 14 products launching in coming years. Many of the 400 Unilever chefs have been creating recipes featured on websites, on packs and in stores, inspiring and educating consumers to eat more of these foods.



