
Facts and figures

Nescafé Plan



www.nescafe.com
www.nestle.com
www.nespresso.com/ecolaboration

Nescafé Plan

Investment

Nestlé is investing CHF 500 million in coffee projects over the next ten years. This includes CHF 350 million for the *Nescafé Plan* and CHF 150 million for *Nespresso*. This builds on the CHF 200 million investment in coffee projects over the past ten years.

Three areas of action

- Farming
- Production and supply
- Consumption

Farming

Over the next five years, Nestlé will double the amount of *Nescafé* coffee bought directly from farmers and their associations, purchasing 180,000 tonnes of coffee from around 170,000 farmers.

With the support of Rainforest Alliance and 4C, all directly purchased green coffee will be compliant with the internationally recognized 4C sustainability standards by 2015. In addition, 90,000 tonnes of *Nescafé* coffee will be sourced according to Rainforest Alliance (SAN) principles by 2020.

Nestlé expands its technical assistance programmes for farmers, providing advice on farming and post-harvest practices to over ten thousand coffee farmers per year.

Nestlé also sets up new microfinance schemes for coffee farmers and increases the number of community projects focused on education, public health and water supply.

Nestlé will distribute 220 million high-yielding, disease-resistant coffee plantlets to farmers by 2020, through partnerships with public and private institutions in countries such as Mexico, Thailand, Indonesia and the Philippines, where Nestlé has already distributed over 16 million coffee plantlets in the past ten years.

New propagation centres will open in coffee producing countries, starting with Mexico.

Production and supply

Nestlé invests CHF 40 million annually to improve the environmental performance of its *Nescafé* factories.

- Energy use will be reduced by 20% per tonne by 2020
- Water consumption will be reduced by 30% per tonne by 2020
- All *Nescafé* factories will use spent coffee grounds as fuel

The factory in Toluca, Mexico, will be the world's largest *Nescafé* factory after the extension of its facilities, which will increase production capability by 40%. Nestlé is investing CHF 74 million (MXN 898 million) in its factory in Toluca.

Nescafé is committed to optimised packaging by reducing weight and volume of packaging materials and the use of renewable resources. *Nescafé* supports various recycling initiatives across the world.

Consumption

Nescafé is the world's leading coffee brand, with sales of over CHF 10 billion in 2009. Around 4,600 cups of *Nescafé* are consumed every second.

Nescafé is available around the world in different blends and flavours, which are adapted to local taste. *Nescafé* comes in different sizes and at different price points, from our affordably priced Popularly Positioned Products (PPP) to premium products such as *Nescafé Gold* or *Nescafé Dolce Gusto*. It also comes in varieties such as *Nescafé Protect* and *Nescafé Green Blend*, a new type of coffee, which contains high levels of naturally occurring polyphenol antioxidants.

To help reduce energy consumption while preparing *Nescafé* coffee, Nestlé is launching new initiatives, such as improving the energy efficiency of *Nescafé Dolce Gusto* machines or facilitating the preparation of soluble *Nescafé* coffee with, for example, a new eco-kettle which helps consumers prepare the right amount of water at the right temperature.

Nestlé partnerships with external coffee sustainability programmes

Rainforest Alliance

Rainforest Alliance is an international non-profit, non-governmental organization working to conserve biodiversity and ensure sustainable livelihoods by transforming land-use practices, business practices and consumer behaviour.

The Rainforest Alliance supports the *Nescafé Plan*.

As part of the *Nespresso AAA Quality™ Coffee Programme*, 80% of *Nespresso* coffee will be sourced from Rainforest Alliance certified farms by 2013.

Sustainable Agriculture Network (SAN)

SAN is an international coalition of leading conservation groups in the area of sustainable agriculture, which developed the most advanced standards taking into account environmental protection, social responsibility and economic vitality.

SAN supports the *Nescafé Plan*.

Under the *Nescafé Plan*, 90,000 tonnes of *Nescafé* coffee will be sourced according to the internationally recognized standards of the SAN, by 2020.

4C (Common Code for the Coffee Community Association)

Nestlé is a founding member of 4C, which brings together producers, trade and industry, as well as civil society, to work together for more sustainability in the entire coffee sector. The 4C code is recognized as the basis standard for sustainability.

Under the *Nescafé Plan*, Nestlé will source all directly purchased coffee according to the internationally recognized standards of the 4C.

Fairtrade, Utz Certified

Fairtrade and Utz Certified are two internationally recognized certification schemes.

Nestlé has a number of Fairtrade and Utz certified products in Europe, particularly in the out-of-home business.

Sustainable Agriculture Initiative (SAI)

Nestlé is an active member of the SAI Platform, an organization created by the food industry, supporting agricultural practices and agricultural production systems that preserve the future availability of current resources and enhance their efficiency.

Nescafé Plan in Mexico

Three areas of action

- Farming
- Production and supply
- Consumption

Farming

Nestlé's first coffee propagation centre in a coffee producing country will be established in Mexico through a partnership with Agromod and INIFAP.

Since 1993, Nestlé has partnered with National Institute of Forestry, Farming and Fishing Research (INIFAP) on several coffee bean projects. With the support of INIFAP Nestlé, has planted more than 3.9 million coffee plantlets since 2002.

With the support of its partners Agromod and INIFAP, Nestlé will be able to distribute 5 million coffee plantlets in Mexico up to 2015.

Nestlé is directly purchasing coffee from farmers and their associations in the states of Chiapas, Oaxaca, Puebla and Veracruz and plans to expand its programmes to the state of Guerrero. Nestlé is working directly with 4,000 coffee farmers, providing them with technical assistance and high-yielding, disease-resistant trees, which has increased productivity in recent years between 25% and 100%.

Production and supply

The factory in Toluca, Mexico, will be the world's largest Nescafé factory after the extension of its facilities, which will increase production capability by 40%. Nestlé is investing CHF 74 million (MXN 898 million) in its factory in Toluca.

After the expansion, Toluca factory will use spent coffee grounds as fuel, which will lower CO₂ emissions by 47,786 tonnes.

Over the past five years CO₂ emissions were cut by 60,188 tonnes at Toluca factory. 4km² of solar panels at Toluca factory are used to preheat the water used in the production process.

Consumption

Nescafé coffee is available around the world in different blends and flavours, which are always adapted to local taste. Nescafé coffee comes in different sizes and at different price points, from our affordably priced Popularly Positioned Products (PPP) to premium products such as Nescafé Dolce Gusto. It also comes in varieties such as Nescafé Protect or Nescafé Green Blend, a new type of coffee which contains high levels of naturally occurring polyphenols, which have certain health benefits.

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Nescafé

Historical background

The development of *Nescafé* goes back to the 1930s, when Brazil encountered a surplus in coffee, which was going to be destroyed. Because of Nestlé's research capabilities and expertise in processing milk, soluble coffee was developed. *Nescafé* – an ideal example of innovation and sustainability - was launched in Switzerland in 1939.

Today, *Nescafé* is the world's leading coffee brand, with a yearly turnover of over CHF 10 billion. Around 4,600 cups of *Nescafé* coffee are consumed every second.

Coffee origins

Coffee is sourced in many countries around the world. *Nescafé* coffee is today sourced directly from farmers or their associations in Mexico, Côte d'Ivoire, China, Vietnam, Thailand, Indonesia and the Philippines.

Under the *Nescafé Plan*, Nestlé commits to buy 180,000 tonnes of its coffee directly by 2015.

Production facilities

Nescafé has 26 production facilities, 12 of which are located in coffee producing countries such as Mexico, the Philippines and Côte d'Ivoire.

R&D

Nestlé's R&D network includes 29 R&D Centres around the globe. In terms of coffee, the following are especially relevant:

- Nestlé Research Center in Lausanne, Switzerland: for fundamental research including quality and safety, exploration of potential health benefits;
- Nestlé Product Technology Center in Orbe, Switzerland: research specifically on coffee benefits, texture, packaging, systems;
- Nestlé Research and Technology Center in Tours, France: plant science and propagation of high-yield, disease-resistant coffee trees.

Nescafé and Nestlé's four strategic growth platforms

Nescafé plays its part in Nestlé's four strategic growth platforms:

- As affordably priced Popularly Positioned Product (PPP), e.g. *Nescafé 3in1* (various countries); *Nescafé Viet* (Vietnam); *Nescafé Café de Olla* (Mexico);
- As premium product, e.g. *Nescafé Dolce Gusto*; *Nescafé Gold* (various countries); *Nescafé Koumibaisen* (Japan);
- As out-of-home product, *Nescafé* is available in restaurants, trains, planes and universities;
- As an example of our overall Nutrition, Health and Wellness approach, since coffee is naturally rich in polyphenols.