NESCAFÉ PLAN 2030

PROGRESS REPORT 2022

NESCAFÉ

FROM FARM TO CUP, HELPING MAKE THE WORLD BETTER

At Nescafé, a small cup of coffee makes a huge difference. We work with coffee farmers on sustainability practices to help enhance resilience to climate change, improve incomes and build stronger coffee communities. We believe we must all work together to uplift lives and livelihoods through every cup, and give everyone a chance to

Make your world

BUILDING ON OUR INITIATIVES TO SHAPE THE FUTURE

We are helping renew the world of coffee to uplift lives and livelihoods with every cup.

PHILIPP NAVRATIL

Senior Vice President, Head of Coffee Strategic Business Unit, Nestlé

Climate change threatens coffee growing with more extreme weather patterns, while many coffee farming households are not able to earn a living income. The Nescafé Plan 2030 is designed to help tackle these challenges with a fully integrated approach.

For more than 50 years, Nescafé has been helping coffee farmers to adopt best practices to achieve greater productivity and efficiency. The Nescafé Plan 2030 continues the Nescafé sustainability journey that began in 2010. By enabling regenerative agriculture practices, we are helping to improve farmer livelihoods, their communities and the environment.

Already, we have made great strides thanks to our partners and dedicated teams. In 2022, 87% of our coffee was responsibly sourced, and since 2010, we have distributed more than 270 million improved coffee plantlets to farmers.

I am proud to say that with over 125,000 farmer trainings in 2022 alone, our relationships have truly set us on a collaborative path that aims to help renew the world of coffee to uplift lives and livelihoods with every cup. We aim to source all of our coffee responsibly by 2025. Importantly, we will aim to deliver on our goals with the adoption of regenerative agriculture practices to lower coffee farming carbon emissions, improve farmer income and create better social conditions.

Farmers who take on the risks and costs associated with the move to regenerative agriculture need support. We are working with coffee farmers around the world to support them in adopting a greater range of regenerative agriculture practices. This includes in our seven priority origins: Brazil, Vietnam, Mexico, Colombia, Côte d'Ivoire, Indonesia and Honduras. Additionally, in Indonesia, Côte d'Ivoire and Mexico, we are piloting targeted financial support schemes to incentivize the transition.

The results are encouraging. Our early findings are summarized by our impact assessment partner the Rainforest Alliance in this report.

I invite you to read about our 2022 progress in this update and learn more about our continuing journey.

NESCAFÉ PROGRESS HIGHLIGHTS 2022

CULTIVATING POSITIVE CHANGE

RESPONSIBLE SOURCING

Globally, 87% of our coffee was responsibly sourced, and the majority of our factories are already operating with **100% responsibly sourced coffee***

FARM ASSESSMENTS

3,885 individual farm assessments were independently conducted in our value chains to measure key performance indicators including the adoption level of regenerative agricultural practices and the farms' calculated carbon footprint

* Responsibly sourced coffee is traceable to the group of farms where it was grown and is produced in accordance with sustainability standards that have been independently validated as equivalent to our Responsible Sourcing Standard.

REGENERATIVE AGRICULTURE AND LIVELIHOODS

In 2022, we enabled **125,000 farmer trainings** on regenerative agriculture practices, reaching 31,000 women and 12,000 young people

We established **pilot programs with targeted financial support schemes for approximately 3,000 smallholder farmers** in Côte d'Ivoire, Indonesia and Mexico to further accelerate the adoption of regenerative agriculture practices and enable increased farmer income and resilience

We distributed **23.2 million coffee plantlets** to farmers to help rejuvenate coffee plots. Since 2010, we have delivered more than 270 million plantlets.

DATA AND TOOLS

We measured the **carbon footprint of 34 farmer groups across 9 coffee origin countries** using primary data from supplying farms and the Cool Farm Tool

We created and implemented modeling tools to track and **measure green coffee carbon emissions** and farmers' progress towards **living income levels**

AGROFORESTRY

As part of Nestlé's Global Reforestation Program, the first **1.4 million trees were planted in and around coffee farms** to capture and remove CO_2 from the atmosphere

THE NESCAFÉ PLAN 2030

Helping renew the world of coffee to uplift lives and livelihoods with every cup.

2030 Vision

An integrated strategy to use regenerative agriculture to help address climate change, aiming to:

- REDUCE GREENHOUSE GAS EMISSIONS
- INCREASE FARMERS' INCOME
- CREATE BETTER SOCIAL CONDITIONS

Our goals:

By 2025

- 100% responsibly sourced coffee
- Source 20% of our coffee through regenerative agriculture methods

By 2030

- Source 50% of our coffee through regenerative agriculture methods
- 50% greenhouse gas emissions reduction

AGROFORESTRY

Help farmers to improve soil health, water management and biodiversity by combining coffee with shade or border trees.

LAND RESTORATION

Support farmers to plant native trees to capture CO_2 in and around coffee farms, helping improve biodiversity and water management.

GREEN BORDERS (RIPARIAN BUFFERS)

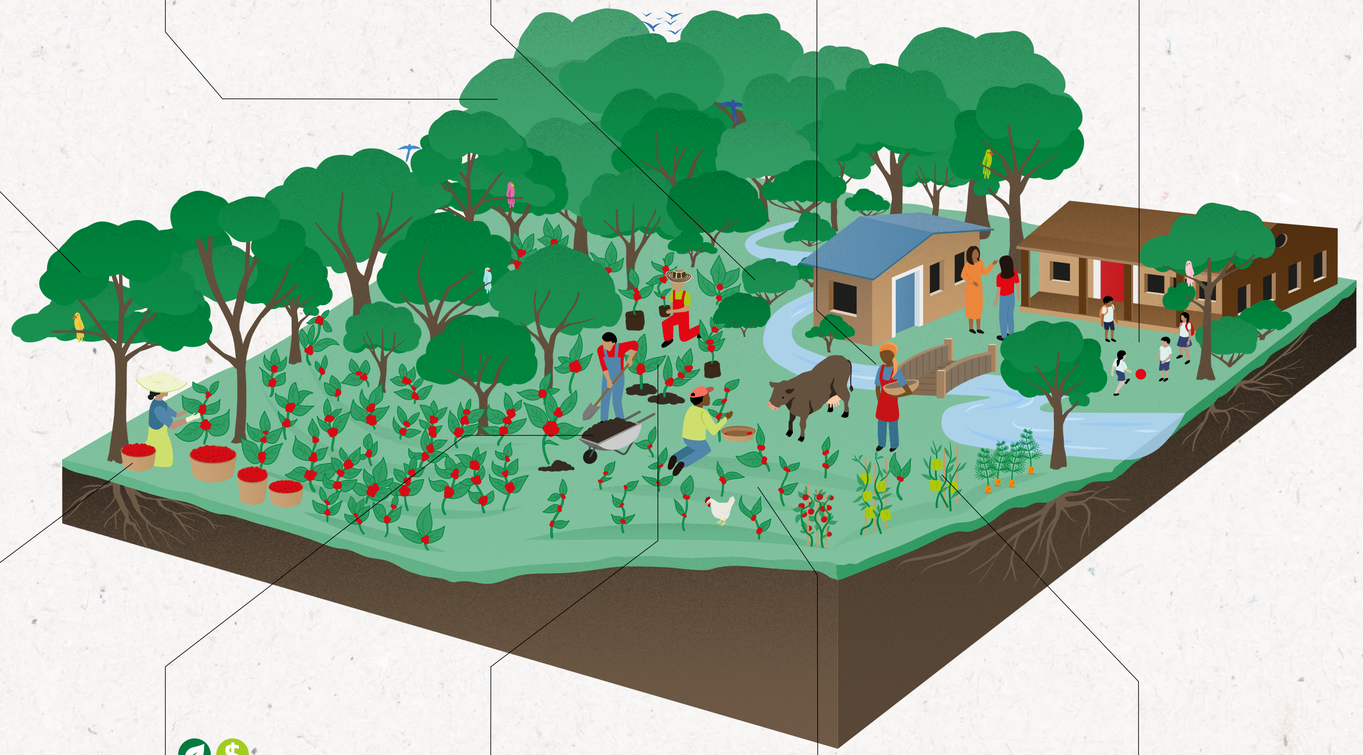
Help farmers improve water sources and biodiversity by restoring vegetation along the water margins.

FINANCIAL SUPPORT

Supporting coffee farmers in accelerating their transition to regenerative agriculture practices.

HUMAN RIGHTS AND CHILD PROTECTION

Reinforcing monitoring and corrective actions across our value chains.



WOMEN AND YOUTH EMPOWERMENT

Enhancing business and financial skills through training, including record keeping and farm management.

OPTIMIZED FERTILIZATION (INCLUDING ORGANIC FERTILIZERS)

Support farmers to improve productivity and quality, helping reduce CO_2 and improve soil health by tailoring the fertilizer to the soil needs.

FARM RENOVATION

Support farmers to improve yield and quality, and to reduce CO_2, while aiming to improve income through pruning and/or the introduction of new and improved coffee varieties.

COVER CROPS

Help farmers to improve soil health and biodiversity, while reducing agrochemical usage.

INCOME DIVERSIFICATION (INCLUDING INTERCROPPING)

Promoting different crops within the coffee farm to enhance income diversification, soil health and biodiversity.

THE NESCAFÉ PLAN 2030 IN ACTION

How the Nescafé Plan 2030 integrated strategy uses regenerative agriculture to help deliver positive change for farmers, their communities and the environment.

Regenerative agriculture is the engine of change for the Nescafé Plan 2030. It encompasses a range of interrelated actions that will help address complex challenges and achieve our 2030 goals. In the following pages, see how we are deploying regenerative agriculture across our farmer field programs, leveraging agroforestry and supporting farmers transition to regenerative agriculture.

- Reduce greenhouse gas emissions
- Increase farmers' income
- Create better social conditions

IMPLEMENTING REGENERATIVE AGRICULTURE

Regenerative agriculture is an approach to farming that aims to improve soil health and soil fertility – as well as protect water resources and biodiversity.

LEVERAGING AGROFORESTRY MODELS

Growing trees in and around coffee farms helps improve soil health, water management and biodiversity, while capturing CO_2 from the atmosphere and diversifying farmers' income streams.

SUPPORTING FARMERS' TRANSITION TO REGENERATIVE AGRICULTURE

Financial and tailored support to enable coffee farmers to accelerate their transition to regenerative agriculture.

IMPLEMENTING REGENERATIVE AGRICULTURE

By integrating regenerative agriculture into the Nescafé Plan 2030, we help to reduce greenhouse gas emissions in our supply chain and increase farmers' incomes by improving productivity and resilience to climate change.

- Reduce greenhouse gas emissions
- Increase farmers' income
- Create better social conditions

Introducing the regenerative agriculture framework

We define regenerative agriculture practices as those that protect and restore natural resources, enhance soil health, biodiversity, and water cycles. Approaches that work with nature to reduce farming emissions can create a win-win for the environment and for farmers.

For example, we work with farmers to optimize the efficient use of fertilizers (including compost) and agrochemicals, as well as practices that may include diversifying crops, renovating or rejuvenating farms, and integrated weed management. In each country, we train farmers in practices that are adapted to the local coffee farming models.

A science-based and practical approach

Change can be challenging. In some cases, new farming practices may significantly alter the way in which farms have been managed for decades. Trust is essential. Our agronomists have built long-term relationships with farming communities. They recommend solutions that will benefit farmers, their land and their landscape. Solutions must take into account each farmer's conditions and the inputs and practices which will work best with their local climatic and growing conditions.

Challenges to operating at scale

We are working with more than 100,000 coffee farmers in field programs worldwide, many of them with farms of less than two hectares in conditions that vary widely depending on their geographical location.

Some of the promoted practices, like improving the soil organic matter, will take several years to produce measurable positive impacts, while others, like optimizing fertilization, have more immediate tangible results. Although it may take some years of adoption to see the expected outcomes of regenerative agriculture practices, we are aiming to measure and foster both the quick wins and the gradual medium to long-term results.

Measuring progress – Farm Assessment Tool

We created the Farm Assessment Tool, which offers a robust measurement system to assess the adoption of regenerative agriculture in individual farms and farmer groups. These assessments provide an indication of both the current farm status and the gaps to be worked on for targeted and measured improvement.

INNOVATION THROUGH RESEARCH

The Nestlé Institute of Agricultural Sciences based in Switzerland helps deliver science-based solutions in agriculture. Through the Institute, Nestlé experts research and develop solutions in key focus areas such as plant science in coffee.

The work of the Institute supports the Nescafé Plan 2030 with research to improve current coffee agronomical practices and develop innovations. Activities range from Arabica and Robusta breeding and plant science, to techniques to help enhance soil health and carbon capture. The work developed in the Institute is applied in our field programs and the broader coffee sector through, for example, new and improved coffee varieties with greater climate change resilience. These varieties can provide several benefits such as allowing higher yield and quality, more tolerance to pests, diseases and drought, reduced use of agrochemicals and optimum use of soil nutrients.

OUTLOOK

The initial assessment data from the Farm Assessment Tool and our partners is encouraging (see section Our Partner – Rainforest Alliance on page 10). As we gather more information and practical expertise, our agronomists and impact assessment partners will be able to robustly measure and track how enhanced adoption of regenerative agriculture practices can help increase income and build farm resilience to climate change.

LEVERAGING AGROFORESTRY MODELS

Trees are essential to the health of natural ecosystems. A well-deployed agroforestry approach in coffee landscapes benefits farmers and the environment.

- Reduce greenhouse gas emissions
- Increase farmers' income

Agroforestry for people, the planet and coffee

Agroforestry is the intentional integration of trees into crop or animal farming systems. For many origins, agroforestry is a traditional form of farming which was widespread until the 1970s but fell out of favor with the onset of more intensive farming practices and monoculture.

For coffee, agroforestry consists of growing trees in and around the coffee farms where we source our coffee. Growing trees within coffee farms brings many benefits. Trees can provide shade, improve biodiversity, protect water bodies, support water retention, reduce soil erosion, and increase soil cover and organic matter, while also removing carbon from the atmosphere.

The inclusion of fruit or other crop trees enables the diversification of farmers' incomes by reducing reliance on a single crop. This is even more important because as our farmer data shows, in some origins, coffee farming families rely on coffee income for more than 70% of their total household income.

How agroforestry translates into action

Supported by Nestlé's Global Reforestation Program (GRP), we are partnering with specialized organizations such as PUR to plant and grow trees in and around farms from where we source our coffee. During 2022, as part of the GRP, we planted the first 1.4 million trees in and around coffee farms in our supply chains.

Learning from agroforestry schemes

Each agroforestry approach needs to be tailored to the farm and country agriculture specificities. For example, in Brazil, where there is a high degree of farming mechanization, the introduction of trees among the coffee trees can make the use of machinery difficult if not managed correctly. In those cases, trees can serve as hedges, wind breaks or protection of water bodies.

It is important to plant the right trees – and the right mix of trees – for local conditions and farmer realities. We use our scientific expertise and local knowledge of the optimal combination of commercial cropping, native shade and nitrogen-fixing trees for different environments. In each case, we have to look at the best companion crops for a specific region, taking into account the farmer preferences and possible nutrient and water competition of the different crops they produce. The process is helping us to develop a significant bank of knowledge of various agroforestry models.

Helping the future take root

To help share best practices and better understand different techniques, production systems and landscape management practices, we are sharing this knowledge amongst the coffee community so that we bring others on the journey. Part of this engagement includes developing a curriculum and training program with different partners, such as the International Center for Tropical Agriculture (CIAT) for regenerative coffee agriculture, and the Regional Community Forestry Training Center (RECOFTC) for Asia and the Pacific for coffee agroforestry systems. Furthermore, our agronomists are invited to visit locations such as India, where agroforestry practices are widely used, so that they can learn, and replicate or share this knowledge with their own communities.

We look to old practices for inspiration and combine them with new insights and innovations to support the future.

OUTLOOK

Our agroforestry actions are supported by the Nestlé Global Reforestation Program, which aims to grow 200 million trees by 2030. This is designed to make conservation and restoration standard practices within our supply chains. By 2026, Nescafé is set to have 20 million trees growing in and around coffee farms where we source our coffee.

SUPPORTING FARMERS' TRANSITION TO REGENERATIVE AGRICULTURE

We recognize that the transition to regenerative agriculture might be challenging for coffee farmers. That's why through the Nescafé Plan 2030 we are implementing new ways of incentivizing an acceleration in their transition.

- Increase farmers' income
- Create better social conditions

Piloting new approaches

As part of the Nescafé Plan 2030, we are piloting financial support programs with coffee farmers to help accelerate the transition to regenerative agriculture and help increase productivity and income. We are testing and learning the best approach that suits each country.

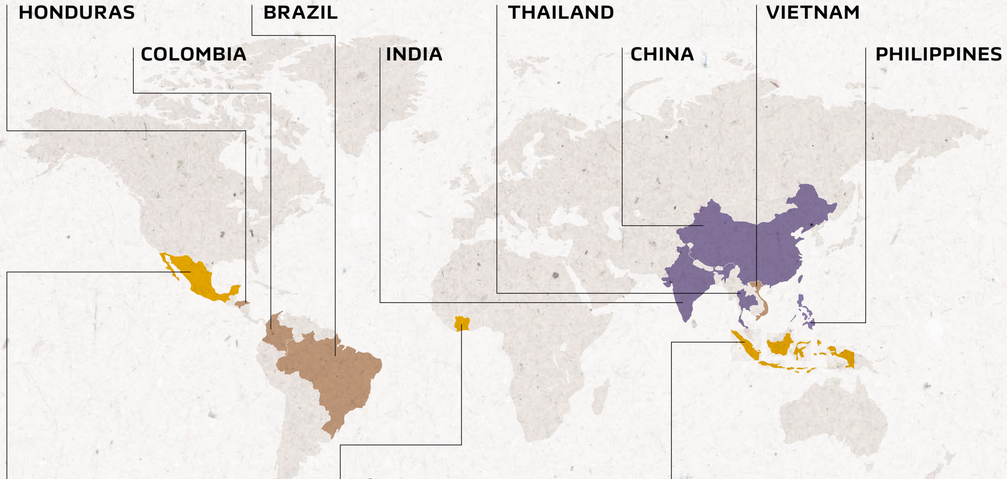
These pilots include innovative financial support schemes, such as the payment of conditional cash incentives for adopting regenerative agriculture practices and the rejuvenation of coffee plots. We are also piloting income protection schemes using weather insurance. Our aim is to consolidate our learnings to develop a scaleable model and expand to a broader scope over the coming years.

OUTLOOK

We are aiming to test and learn the best approaches that can be replicated and scaled up. Financial incentives can bring increased farmer interest in the adoption of regenerative agriculture practices, which should result in improved farmer income and environmental resilience.

Our pilot schemes

With the Nescafé Plan 2030, we began piloting financial support schemes in Côte d'Ivoire, Indonesia and Mexico, covering around 1000 farms in each country. Since each location experiences different challenges and conditions, we set out a tailored program for each country. As the world's largest coffee brand, it is essential that we support the prosperity of smallholder coffee growers.



MEXICO

We are working with farmers to renovate their farms by introducing improved coffee plant varieties, optimize fertilization and reinforce agroforestry systems to increase productivity.

CÔTE D'IVOIRE

We aim to strengthen Côte d'Ivoire's coffee production, while increasing the productivity of its farmers. Our aim is to increase coffee yields by rejuvenating the tree stock, improving soil health through the use of compost fertilizers, while implementing a Farmer Business School program in collaboration with German development agency GIZ for growers to better manage their farms and households.

INDONESIA

Indonesia's rainfall patterns are very vulnerable to the effects of climate change. We are supporting farmers' resilience through practices including coffee plant rejuvenation, improving soil fertility, promoting compost fertilizers and income diversification with goats and intercropping. We are also trialing a weather insurance scheme to mitigate the income impact of erratic rainfall patterns.

- Priority countries with programs to support the transition to regenerative agriculture practices
- Additional countries with programs to support the transition to regenerative agriculture practices
- Priority countries with programs to support the transition to regenerative agriculture practices and targeted financial support pilots

MEASURING THE NESCAFÉ FIELD RESULTS[1]

RAINFOREST ALLIANCE

"We're proud of our collaboration with Nescafé during the first chapter of the Nescafé Plan, and of continuing to work together in the next phase, the Nescafé Plan 2030. Our tailored program of data collection and monitoring and evaluation will further support Nescafé to deliver on their regenerative agriculture ambitions to 2030 and beyond."

SANTIAGO GOWLAND
CEO, The Rainforest Alliance

The Rainforest Alliance has a longstanding partnership with Nescafé, and since 2014 has provided data collection and analysis to help guide Nestlé's field programs with coffee farmers. This partnership will continue supporting the Nescafé Plan 2030, which represents a new chapter in the company's sustainability journey. In this project overview, we look at the period from 2018 to 2022. During this period, we collected data on farm economics, regenerative agriculture practices, and other Nescafé Plan priorities.[2]

2018–2022 RAINFOREST ALLIANCE MONITORING AND EVALUATION

7400+	14	16
Interviews	Countries	Languages

Three key trends[3]

From 2018 to 2022, the Rainforest Alliance, through data collection partners, sampled thousands of farmers across fourteen origins. 2022 data indicates three key trends:

IMPROVED YIELDS AND INCOMES

Compared with 2018, farmers participating in the Nescafé Plan in China, India, Vietnam, Brazil, Mexico, Côte d'Ivoire, Indonesia, Colombia, and Honduras have experienced improved coffee cash incomes. This trend is due to a combination of increased yields and prices.

GRADUAL ADOPTION OF REGENERATIVE AGRICULTURE PRACTICES

In China, India, Thailand, Vietnam, the Philippines, and Indonesia there is a gradual increase in adopting regenerative agriculture practices, such as intercropping, increased manual weeding, shade coverage and decreased agrochemical use. Training and technical support are essential drivers, but other factors – e.g., costs of inputs – likely contribute as well.

INCREASED FARMER SATISFACTION

Despite COVID-19 disrupting farmer support programs, farmers remain largely satisfied with the Nescafé Plan. High satisfaction rates are driven by technical assistance on the ground, consistent green coffee volume purchases and competitive prices.

1. You can access the original report here.
2. Carbon footprint data was also collected in 2021 from 12 origins.
3. Please note that samples vary each year. In 2022, not all the farmers participating in the Nescafé Plan were sampled, including farmers in the Antioquia and Risaralda regions of Colombia. Additionally, monitoring and evaluation campaigns were not launched in Honduras until 2019. Data included in this report from Honduras and Colombia starts in 2019 and ends in 2021 for Colombia.

The multiple levers to improve incomes

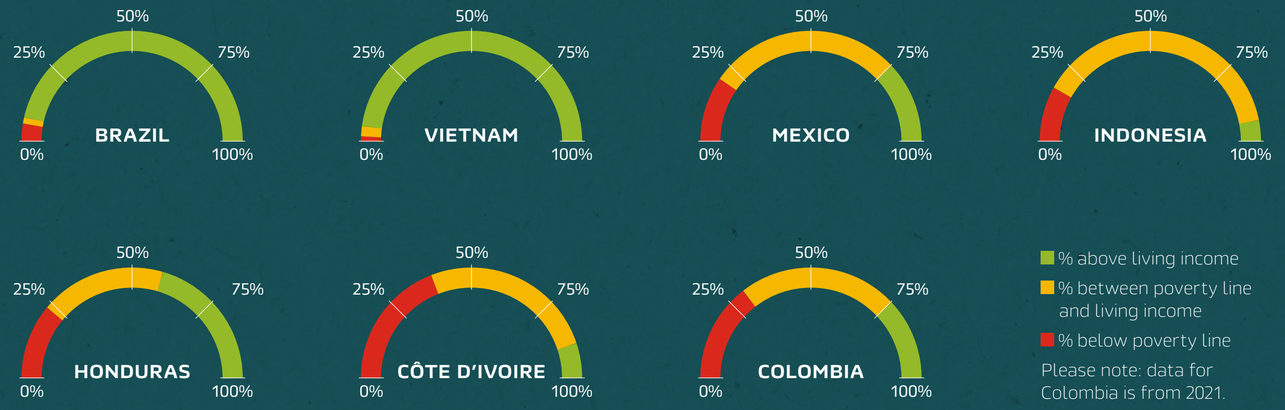
To assess how farmers participating in the Nescafé Plan are progressing, we measure household earnings and compare them with the calculated living income level for a given location and size of household.[1]

Our survey results from 2022 revealed a wide range of income levels, showing that there is no single household income profile for each country applicable to all farmers, and that income differs from country to country. Of the seven Nescafé Plan 2030 priority countries, Brazilian and Vietnamese farmers typically have earnings above living income levels, reflecting high coffee yields and farming efficiencies in larger monocrop farms in Brazil and small, highly productive, diversified farms in Vietnam.[2] In Colombia, Honduras and Mexico, there is a near-even distribution across the three income levels, whereas in Côte d'Ivoire and Indonesia, farmers mostly earn less than a living income. Across all origins, we see examples of farming households with earnings below the international poverty line, as well as those with earnings higher than living income levels.

The wide income distribution is due to a variety of factors, including farm size, variations in yields and income diversification activities. The bottom line is that tackling any one single driver – such as farming practices or prices – will often not be enough to improve farmers' resilience and income levels. This points to the need for an integrated and tailored approach that combines strategies to improve yields, optimize costs of production and encourage regenerative agriculture practices.

1. Living income estimates are derived from the Global Living Wage Coalition, which compiles benchmarks from various countries.
2. The priority countries within the Nescafé Plan are Brazil, Vietnam, Mexico, Indonesia, Honduras, Côte d'Ivoire, and Colombia. Nescafé sources 90% of its coffee from these countries. Other countries that Nescafé sources from dedicated projects include China, India, Kenya, Rwanda, Thailand, The Philippines, and Uganda.

PERCENTAGE OF FARMS PER INCOME LEVEL (2022)



Please note: data for Colombia is from 2021.

Income progression in Mexico, Vietnam and Indonesia

Between 2018 and 2022, the economic conditions facing coffee farmers had significant changes; coffee prices reached historic highs in 2021-2022, but the costs of production also rose reflecting labor shortages and the increased costs of inputs. Overall, however, coffee net incomes increased in these three countries. We analyzed how the Nescafé Plan supported farmers to achieve better incomes in three countries: Mexico, Vietnam, and Indonesia.

Mexico

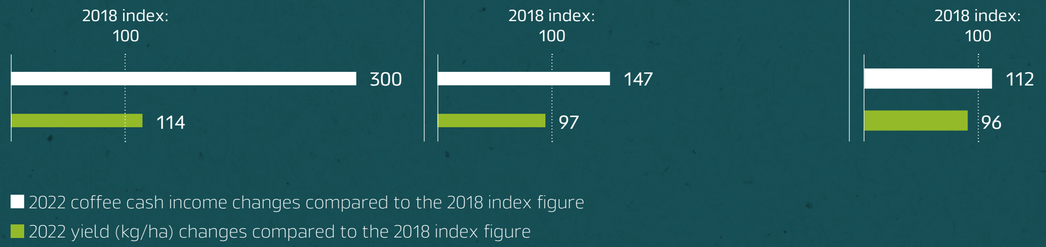
In Mexico, the average coffee revenue increased significantly for farmers participating in Nescafé Plan field programs during the period, as they capitalized on higher coffee prices and better yields. Between 2010–2014, following the negative impact of an outbreak of coffee rust, Nescafé assisted with renovation activities by providing new plantlets. This earlier work has contributed to the positive income developments experienced by those Mexican coffee farmers between 2018–2022, with better yields and optimized fertilizer use.

Vietnam

An important feature for Vietnamese coffee growers was income diversification, which is enhancing their economic resilience. There, net coffee cash incomes increased despite slightly higher production costs and a minor decline in yields per hectare due to lower coffee density driven by intercropping implementation.

Indonesia

Our data for coffee farmers in Indonesia indicates that in 2021 higher prices were not enough to cover the rising labor and input costs, and yields affected by heavy rains and wind during the flowering season. In 2022, data suggests that yields in Indonesia returned to better levels, which combined with improved prices brought positive income developments to Indonesian coffee farmers participating in Nescafé Plan field programs.



These examples underscore the need for an integrated approach based on regenerative agriculture, one that helps protect and improve yields, diversifies income and optimizes production costs, all while protecting and restoring natural resources.

Adopting regenerative agriculture practices

Monitoring the practices which are relevant for regenerative agriculture, the data from 2018-2022 already shows their gradual adoption in many of the origin countries, including intercropping, mulching and integrated weed management.

We also identified a decline in use of agrochemicals (herbicides and pesticides) in several countries over the period. While this is partially because of the rising costs of these inputs, we can also partly attribute it to the distribution of leaf rust-tolerant, high-yield coffee plantlet varieties, as well as training farmers in safer weed and pest management techniques such as manual and mechanical weeding. This needs continuous monitoring and promotion of further reduction in agrochemical usage.

Other key results include the use of mulching and improving rates of rejuvenation of old tree stock in India, the Philippines, and Côte d'Ivoire.

Areas where improvement is still needed include the use of organic fertilizer, cover cropping and recordkeeping.

The transition to regenerative agriculture is not an easy one. When asked what additional support they need, farmers pointed to additional help with inputs like organic fertilizers, guidance for weed management and assistance with crop diversification.

The Nescafé Plan has provided a strong foundation in promoting good agricultural practices for more than a decade. This, in turn, is supporting the growing adoption of regenerative agriculture, but the transition will, inevitably, take time. The continuation of field programs is critical to support farmers in their transition towards more advanced levels of regenerative agriculture.

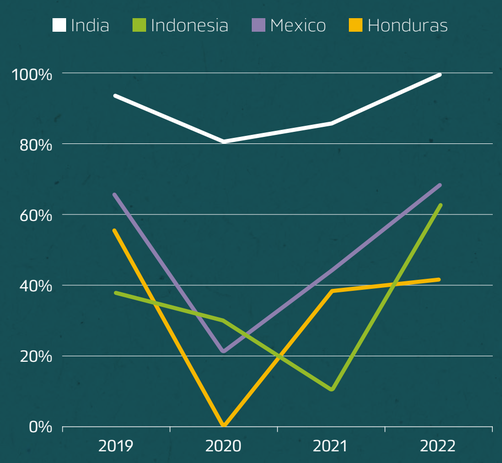
Hearing what farmers have to say

Providing training and technical assistance for farmers is a cornerstone of the Nescafé Plan field programs. The delivery of training sessions and farmers' engagement with them have bounced back following the COVID-19 pandemic, which saw participation from farmers fall dramatically in some countries. Efforts to provide training digitally during this period faced obstacles in some origins related to low farmer access to technology and poor connectivity in some areas.

To maintain and potentially improve farmer satisfaction, we assess where farmers would appreciate greater support and what are their greatest challenges. Nescafé strives for continuous improvement and feedback from farmers plays an important role in helping identify opportunities to improve the support and training. Looking at the challenges most frequently reported by farmers up to 2021, we can see that climate is the number one concern, followed by input costs and low coffee prices. When it comes to making training and technical assistance more valuable, Nescafé can tailor the training to address many of these challenges.

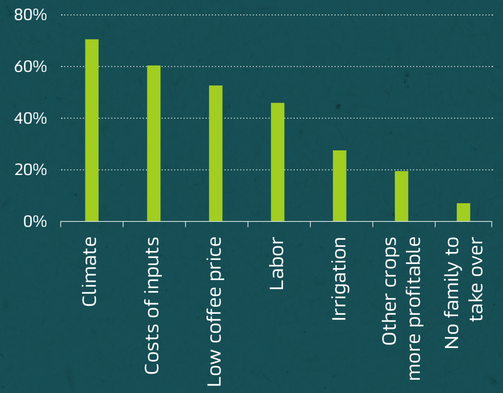
Overall, the vast majority of farmers remain largely satisfied with the Nescafé Plan. Results from 2021 showed that 96% wanted to remain within the program. The main reasons cited were competitive prices, consistent and high volume purchases of coffee, and regular technical assistance.

TRAINING ATTENDANCE



COVID-19 was incredibly disruptive for farming training but several countries are seeing improving participation rates.

TOP PRODUCTION CHALLENGES (MULTIPLE SELECTION) IN PAST 5 YEARS



In 2021, farmers were asked to identify the top production challenges experienced over the past 5 years.

ACTING TOGETHER

THE IMPORTANCE OF COLLABORATIVE ACTION

Collaboration throughout the coffee value chain is key to tackling complex challenges and complementary to the Nescafé Plan 2030 activities. We welcome the individual sustainability efforts of coffee companies to engage in collective actions to accelerate positive, sustainable change.

Benefits of working together

The challenges facing the coffee sector are complex and sizeable, making collective engagement indispensable. We see great worth in collective engagement playing a part in addressing common challenges and sector-wide issues, and welcome similar engagement from other companies, irrespective of size.

We work closely with other coffee roasters, growers, traders, retailers, NGOs and government authorities to address shared goals. For us, it offers three important benefits.

First, it can positively influence systemic challenges affecting coffee growing communities around the world such as reinforcing labor rights, investments in rural development, and improving access to education and health services for coffee growers, their families and workers. For example, improving farmers' knowledge of local labor laws can mitigate the risks of labor rights violations, strengthening compliant practices and benefiting many people living and working in that area.

Secondly, collective engagement inspires – as well as challenges – all companies in the sector to get involved. Examples of best practices can be replicated, smaller companies can join more far-reaching initiatives, and a common sustainability language and set of tools can be promoted, helping enhance the whole sector's transparency and credibility.

Lastly, there are an increasing number of regulatory standards covering supply chain topics such as deforestation, forced labor, contaminants, and general due diligence. This affects how coffee value chains typically operate, again underlining the importance of common standards and procedures to support efforts to meet these requirements.

The relevance of sector organizations

Nescafé is part of several sector organizations, including the Global Coffee Platform (GCP), the International Coffee Organization (ICO) Public-Private Taskforce and the Sustainable Coffee Challenge. Each organization has unique capabilities to make a positive contribution to the coffee sector. They achieve their ultimate potential when working in close coordination to maximize the overall benefits of their actions.

For example, GCP brings roasters, retailers, traders, growers, and civil society members together to promote collective local action for global results. GCP members identify common challenges and join forces through collective action initiatives to find and scale common solutions.

Another important GCP development has been the Coffee Sustainability Reference Code, which acts as a standard reference for sustainable practices in the sector. Accompanying this is the Equivalence Mechanism, which allows existing coffee certification and verification programs to be assessed in line with this common reference and operational criteria. This helps harmonize core sustainability principles in various programs, increases transparency about these programs and acts as an independent recognition process for the sector.

GCP also produces an annual Sustainable Coffee Purchases report, in which we and other leading roasters voluntarily share data about our total coffee purchases from the GCP recognized programs, encouraging growth of sustainable coffee purchases and increasing the sector's transparency and accountability.

GLOBAL COFFEE PLATFORM
for a sustainable coffee world

SUSTAINABLE COFFEE CHALLENGE

INTERNATIONAL COFFEE ORGANIZATION 60 ANNIVERSARY

"As a committed member of the Global Coffee Platform, Nescafé works with others to tackle systemic sustainability challenges facing the sector. Collective action is an increasingly crucial business investment to ensure compliance and accelerate measurable sustainability impact at scale.

GCP's farmer-centric approach entails focused collective action in coffee producing countries, and a global drive towards sustainable sourcing. Through GCP, Nescafé amplifies its efforts in securing business for the future, and, critically, to achieving prosperity, sustainability and resilience for coffee farming communities around the world."

ANNETTE PENSEL

Executive Director,
Global Coffee Platform