

The NESCAFÉ Plan
*“Building a global plan for
Creating Shared Value in
Coffee”*

Orlando Garcia
May 2014



Roadmap to Success

- *NESCAFÉ in the world*
- *Why are we doing this?*
- *What are we doing?*
- *How are we doing?*
- *What should you take away?*



NESCAFÉ: world's leading coffee beverage

- Founded in **1938** as a CSV initiative in Brazil
- Part of total **BEVERAGES**, the biggest, fastest growing and most profitable Nestlé business
- NESCAFÉ is sold in **180+ countries** → **global brand**
- More than **475 million** cups consumed per day; **5,500 per sec.**
- Revenues of **CHF 10 billion** in 2012
- Largest R&D network of any coffee beverage company with **7 research, development and technology facilities** worldwide
- **27** factories; more than half in developing countries, most of those in rural areas



The NESCAFÉ Plan is key to secure good quantity & quality of green coffee

From Compliance to Creating Shared Value through:

- ✓ Direct Procurement (secure quantity, improve quality)
- ✓ Community Engagement & Rural Development
- ✓ Reduce Environmental Impact



Commitments

- **Farmers** training, technical assistance and sustainable stream of revenue
- **Production:** major savings on energy & water utilization
- **Consumers/ Customers** education and engagement

NESCAFÉ to lead the Sustainability agenda

Consumer choice

Sustainability becoming a core driver in brand choice



Green coffee supply challenge

- Global **demand** for Green Coffee to **exceed Supply** from XXXX onwards
- Dramatically **worse scenario for sustainable coffee demand**

Leadership comes with responsibility

- No. 01 coffee brand
- 75 years
- 475mill. cups per day
- More than 1mill. farmers and farm workers
- 27 factories
- More than 200 agronomists
- ... **no coffee, no NESCAFÉ!**

The NESCAFÉ logo, featuring the brand name in a bold, black, sans-serif font. A red swoosh is positioned above the 'É'.

Pillars 1, 2, 3 on track overall ...

1

Responsible farming



- Farmers trainings & assistance
- Direct procurement
- Plantlets
- Partner:



2

Responsible production & supply



- Soluble, systems (NDG), NP
- Develop socio-economic impact

and

3

Responsible consumption



- Promote consumption
- Educate consumer on situation coffee is facing
- Help consumers to reduce footprint

and

Key areas

Securing good quantity & quality of green coffee

- NESCAFÉ Plan is the enabler
- *From Farmer to Consumer*
- **Responsible Farming** – 14 Countries:
 - Training & Technical Assistance
 - Plantlet Propagation & Distribution
 - Direct Procurement
- **Farmer Connect**: differentiation through focus on continuous improvement and agricultural best practices **AND R&D Tours**



Pillar 1: positive progress, on track for 2015 ambition

1 Responsible farming



Targets 2015

Key area

Targets KPIs

Status

Farmer training & Direct Purchasing

- ✓ Training NBFP
- ✓ **180 k MT**
- ✓ **170 k farmers**



Distribution of Plantlets

- 220 millions** (cum. 2020)
- ✓ Better yield, better quality
- ✓ Disease resistant
- ✓ Promote bio-diversity







Pillar 2: well on track on Energy and Water savings.

To accelerate and improve in Packaging

2 Responsible production & supply



Targets 2020		
Key area	Targets KPIs	Status
Energy	✓ -20% 719,775 oil barrels / year	 
Water	✓ -30% 4.8 mio. M ³ water / year	 

Focus areas

- **Investments** in our factories
 - End 2012 new coffee SD factories in Vietnam and China: - 35% energy, - 30% water
- **Packaging improvement**
 - Sustainability Improvement for each product launch
 - Packaging materials optimization (laminates, glass, secondary packaging etc.)

Reducing our environmental footprint ...

3,500m²
solar panels

60%
biomass steam

-25%
energy consumption

80%
eolic energy

-37%
water consumption

40%
reforestation



Engaging Consumers on our joint journey

3

Responsible consumption



Key areas

- **Promote consumption**
- **Educate consumer** on situation coffee is facing
- Help **consumers to reduce footprint**

Progress



- **employee** engagement
- on-pack & digital **communication**
- new **products**
- **in-store** activation
- **community** engagement
- **consumer** experience

Employee Engagement at NESCAFÉ in Spain ...



... Head Office, factories, distribution centers!



UN NESCAFÉ JUNTOS
Actuamos todos juntos

Ayudando a las comunidades caficultoras a mejorar su **calidad de vida**

Protegiendo nuestro patrimonio común: **el café**

Minimizando el **impacto medioambiental** durante el proceso de producción, así como el que está relacionado con el consumo de Nescafé.

UN NESCAFÉ JUNTOS
PLAN NESCAFÉ

PRESERVAMOS JUNTOS

Protegemos nuestro patrimonio máspreciado, el café, de posibles amenazas

Creación de Valor Compartido | Nestlé

NESCAFÉ



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UN NESCAFÉ JUNTOS
PLAN NESCAFÉ



UN NESCAFÉ JUNTOS

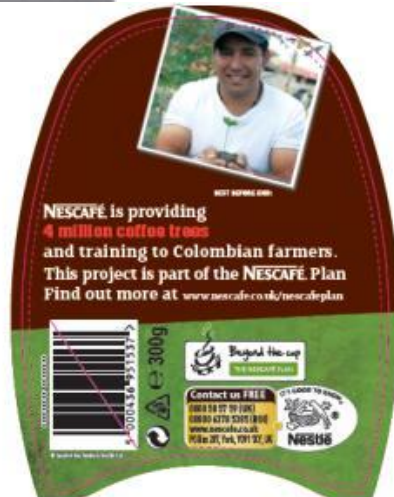
UN NESCAFÉ JUNTOS
PLAN NESCAFÉ

... Community Engagement in the Ivory Coast



>300 High Schools visited our NESCAFÉ Villages

NESCAFÉ in the UK ... making the difference in coffee origins ...



... and ...



THE NESCAFÉ PLAN

The Nescafé Plan brings together all our **commitments** which support **responsible farming, responsible production and consumption.**

Find out how we're reducing our environmental impact at nescafe.co.uk/nescafeplan

Contact us FREE
0800 58 57 59 (UK)
00800 6378 5385 (ROI)
www.nescafe.co.uk
PO Box 207, York, YO91 1XY, UK

Good Food. Good Life.
Nestlé
NUTRITIONAL COMPASS ®

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5 000456 951557 2

FREEZE DRIED SOLUBLE COFFEE
150g e

BEST BEFORE END

... at home ... reducing our environmental footprint ...



50% FEWER LORRIES
50% fewer lorries are required to transport this handy compact refill versus our previous one.

Find out how we're reducing our environmental impact at nescafe.co.uk/nescafeplan

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FREEZE DRIED SOLUBLE COFFEE
150g e

BEST BEFORE END

5 000436 951537 7

34% LESS PACKAGING
This refill is so compact it uses **34% less packaging** than our previous refill, but still squeezes in 150g of great quality coffee. Remarkable.

Find out how we're reducing our environmental impact at nescafe.co.uk/nescafeplan

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150g e

BEST BEFORE END

5 000436 951537 7

Part of the **NESCAFÉ. Plan** is to manage all waste in our UK coffee factories, achieving **zero waste to landfill***.

ZERO WASTE LANDFILL

BEST BEFORE END:

Find out more at nescafe.co.uk/nescafeplan
*excludes compliance waste.

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NESCAFÉ in France ...

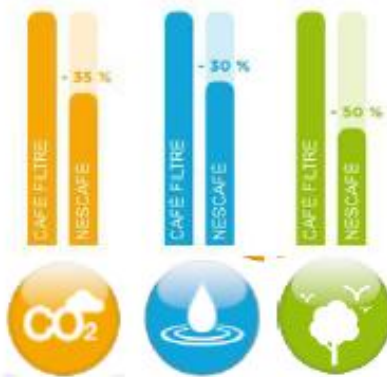
taking shoppers & consumers on a journey ...

1st to educate
on one cup footprint



Instant better impact
than R&G

Vs.



Reduce further
impact with ECO-
PACK



Communicate to
consumers



... and customers



KEY TAKE AWAYS:

STRATEGY:

Secure good quality & quantity of green coffee

OBJECTIVE:

Creating Shared Value

ENABLER:

NESCAFÉ Plan

THANK YOU!



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