

4C Association welcomes Nescafé Plan

Creating shared value for a better coffee world

Mexico City/Bonn, 27 August 2010

The 4C Association welcomes Nestlé's announcement today pledging 4C Compliance by 2015 for all its coffee purchased through direct procurement. This volume is estimated at approximately 180,000 tons of green coffee per year.

"Nestlé's announcement marks a great milestone in making the mainstream coffee sector more sustainable" said Diego Pizano-Salazar, Chairperson of the 4C Association's Executive Board. "Sustainability in the mainstream coffee sector will only become reality if companies take responsibility for supporting sustainable coffee production in its social, economic and environmental dimensions – and act accordingly", commented Pizano-Salazar, "With one of the most important companies in the sector setting the example, we expect more to follow".

Nestlé's ambitious sustainability objectives for *Creating Shared Value* are detailed in the Nescafé Plan. *"Creating Shared Value is an integral part of our business strategy. For a company to be successful in the long term, it needs to create value at the same time for its shareholders and the communities in which it operates",* said Paul Bulcke, CEO of Nestlé, during the press conference held today in Mexico City.

Nestlé already signaled its commitment to sustainability in the coffee sector by participating in the development and setting up of the 4C Association. In coordination with other major buyers (such as Kraft Food and Tchibo), traders (such as Neumann Kaffee Gruppe and Volcafe), producer organizations (such as the FNC in Colombia, Cooxupé in Brazil, Vicofa in Vietnam and EAFCA in Eastern Africa) and civil society organisations (such as Oxfam Novib and IUF), Nestlé joined forces to work for a better coffee world.¹

Over the past years, the 4C Association has strived to continuously improve the social, environmental and economic conditions of the people making their living with coffee. The most important achievement of the Association during its early years has been to reach consensus on a Code of Conduct that sets criteria for the sustainable production, processing and trading of green coffee. The 4C Code of Conduct has a moderate entry level, excluding ten Unacceptable Practices, and then commits participants to improve their sustainability practices over time.

By 2015, Nestlé aims to directly source 180.000 tons of 4C Compliant Coffee, benefitting more than 170.000 farmers and their families. The impact on these farmers will be gradual, yet profound: Compliance with the 4C Code of Conduct is expected to improve agricultural practices, resulting in direct economic benefits to farmers and their families through increased yields and quality.

¹ A complete list of 4C members can be found on the website: <http://www.4c-coffeeassociation.org/en/partners.php>

The Nescafé Plan reaffirms the 4C Code as the baseline sustainability standard for the coffee sector. The 4C Association expects the coming months and years will see an increasing number of Nestlé suppliers adopt the 4C Code of Conduct. To accompany these suppliers in their journey, both Nestlé and 4C Association experts will be offering targeted training and technical assistance.

The Nescafé Plan sees the 4C Code of Conduct as an important stepping stone in its efforts to comply with more demanding certification standards such as the Sustainable Agriculture Network standard. Over time, farmers compliant with the 4C Code of Conduct will be able to apply for Rainforest Alliance certification.

“The 4C Association is proud to support Nestlé with its ambitious Nescafé Plan and had been consulted and involved by Nestlé in the planning period” said Melanie Rutten-Sülz, Executive Director of the 4C Association. *“This major move is a very clear statement of trust in the 4C Association. Its broad and dedicated membership and partner structure will be a strong partner for Nestlé to implement and fulfill its ambitious coffee plan.”* This year, 4C Members already project a potential production of 12 million bags of 4C Compliant Coffee, equaling 10% of the world’s coffee production. The Rainforest Alliance too is a very involved member of the 4C Association. A Benchmarking process allows farmers holding a Rainforest Alliance Certificate to apply for a 4C Licence without additional auditing.

All 4C Final Buyers Members have agreed to source increasing amounts of 4C Compliant Coffee over time. A number of members have additionally set their own ambitious sustainable coffee sourcing objectives, some of which were publicly announced. Considering Nestlé’s 10% market share of the World Coffee Market, the Nescafé Plan sends a further very strong message to the whole coffee sector. *“We expect even more companies and producers to join the 4C Association – joining forces for a better coffee world,”* concludes Rutten-Sülz.

Media Contacts:

For media enquiries, please contact Verónica Pérez Sueiro, Communications Manager, on +49 176 27424440 or veronica.perez@4c-coffeeassociation.org