

Protecting the future of our highest quality coffees



ecolaboration™
more, together

NESPRESSO®

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AT A GLANCE

- The *Nespresso* AAA Sustainable Quality™ Program was launched in 2003 with Rainforest Alliance to help protect the future of the highest quality coffees and secure the livelihoods of the farmers that grow them.
- The AAA program gives coffee farmers support, training and technical assistance to improve sustainability and productivity while maintaining the highest quality.
- *Nespresso's* goal is source 80 % of its coffee from the *Nespresso* AAA Sustainable Quality™ Program, including Rainforest Alliance certification, by 2013.
- At the end of 2010, *Nespresso* was already sourcing more than 60 % of its coffee from roughly 40,000 farmers who are part of the program.

ACTIONS & RESULTS

GUARANTEEING FARMERS A BETTER RELATIONSHIP

The program was launched in partnership with Rainforest Alliance in 2003. The partnership guarantees farmers a better relationship and helps protect the natural environment, while ensuring the highest quality coffee. At the end of 2010, we were already sourcing more than 60 % of our coffee from roughly 40,000 farmers who are part of the program.

In addition to the training, support and technical assistance provided by *Nespresso* and our partners including Rainforest Alliance, we have invested in a number of projects:

- Building a community coffee processing centre in Jardín, Colombia that benefits 110 farmers today and will benefit over 800 farmers in the future. For more information, see the factsheet "Helping farmers to share their workload."
- Providing financial training for over 300 farmers in Huehuetenango, Guatemala." For more information, see the factsheet "Helping farmers improve their business skills."
- Helping around 6,000 farmers make progress on the AAA program. For more information, see the factsheet "Accelerating progress on AAA in Central America."
- Empowering small-scale coffee farmers in Caldas, Cauca and Nariño, Colombia.
- Gaining a better understanding of coffee farm profitability, with INCAE, the leading international business school in Latin America*.
- Ensuring that the AAA program brings economic, social and environmental benefits to coffee farmers in Chikmagalur, India with coffee supplier Jayanti.

WHY WE CREATED THE AAA PROGRAM

Coffee farmers, especially smallholders, are vulnerable to volatile market conditions for coffee, unpredictable weather patterns and rising farm management costs. Additionally, the effects of poverty and urbanization in certain coffee growing regions have made it hard for farmers to plan for the future.

The *Nespresso* AAA Sustainable Quality™ Program was launched to help protect the future of our high quality coffees and secure the livelihoods of the farmers that grow them. In 2009, we made the commitment to source 80% of our coffee from our *Nespresso* AAA Sustainable Quality™ Program, including Rainforest Alliance certification, by 2013.

The partnership between *Nespresso* AAA Sustainable Quality™ Program and Rainforest Alliance guarantees farmers a better relationship and help protect the natural environment, while ensuring the highest quality coffee.

NESPRESSO



**Long term partnership
with farmers**

Only 1 to 2 % of all the coffee in the world is of the exceptional quality, taste and aroma profile required for our Grand Cru collection.

* See the fact sheet:

«Driving Real Farmer Income™ and creating shared value»

OUR APPROACH

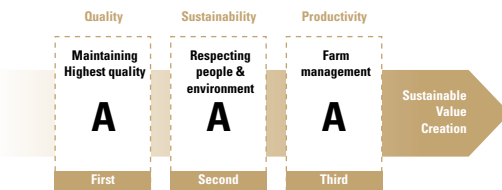
A LONG TERM COMMITMENT

The Nespresso AAA Sustainable Quality™ Program involves paying premiums for both quality and sustainability. The premium is around 30 % to 40 % above the standard market price for coffee and 10 % to 15 % above coffees of similar quality. But the program is about more than paying a premium, it is about building a long-term relationship with coffee farmers.

Originally, the name of the AAA Sustainable Quality™ Program derived from the AA standard, a hallmark of coffee quality found in Kenya and other high quality coffee origins. Nespresso added the third A to represent environmental, social and economic standards.

Today, each A of the AAA Program stands for the three foundations of our approach.

- **First A: QUALITY**
Helping farmers adopt best practices in coffee cultivation to protect the supply of the highest quality coffee.
- **Second A: SUSTAINABILITY**
Supporting farmers to become more environmentally and socially responsible.
- **Third A: PRODUCTIVITY**
Helping farmers to improve productivity and implement cost reduction initiatives to increase their net income, in line with a concept called Real Farmer Income™*.



The AAA program is a journey of continuous improvement. Working together with our own network of agronomists and our partners, we provide training and technical assistance on the three A's of the program. For example, in partnership with Rainforest Alliance and other leading NGOs, we have developed the Tool for the Assessment of Sustainable Quality, called TASQ™, which enables farmers to adopt more sustainable agricultural practices.

OUR PLANS FOR THE FUTURE

By 2013, we aim to source 80 % of our coffee through our Nespresso AAA Sustainable Quality™

Program. This means that we will be working with 80,000 farmers in Brazil, Colombia, Mexico, Costa Rica, Guatemala and two new countries – Nicaragua and India.

The training, technical assistance and in some cases investment provided by Nespresso and our partners mean that coffee farmers are already a step closer to meeting the standards required by Rainforest Alliance certification. Once Rainforest Alliance certification has been achieved, coffee farmers are able to secure additional premiums for the coffee they chose not to sell to Nespresso.

Through close collaboration with our suppliers, we have been working to improve the traceability of our AAA Sustainable Quality™ coffee. This includes the development of a farmer database, which makes it possible tracking quality, progress on sustainable agriculture practices and improvements to farm management.

WHAT THE EXPERTS SAY

It's the most ambitious commitment ever to help smallholder coffee farmers achieve Rainforest Alliance certification and improve coffee quality.

Chris Wille, Head of Sustainable Agriculture, The Rainforest Alliance

Nespresso is a key buyer for us since the cooperative positions itself as a high quality produce and for the last four years Nespresso has paid the best prices for our coffee. Thanks to higher prices more coffee growers have more incentives to adopt better farming practices. Small producers in our region have benefited enormously from the Nespresso AAA Program since before market access for high quality coffee was limited to them and as a result they ended up selling at a lower price.

The program is different in that it is a verification process. This allows farmers to make adjustments at their own pace and without having to worry if they will be certified. The Nespresso AAA Program is about continuous improvement, whereas with certification you are either in or out. However, it gives the farmer the option to get Rainforest Alliance certification.

Oscar Daniel Sanchez, Agronomist Alto Occidente Coffee Growers Cooperative

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- **QUALITY**
- **SUSTAINABILITY**
- **PRODUCTIVITY**



Farm database traceability

In 2007, our leadership in sustainable coffee cultivation was recognized externally, and we were awarded:

- The Corporate Green Globe Award for businesses that demonstrate an extraordinary commitment to furthering sustainability (from Rainforest Alliance)
- The Leadership Medal of Merit Award for vision and drive in developing and leading Nespresso AAA Sustainable Quality™ (from Coffee Quality Institute)