

World Bank Group and Nespresso partner to help coffee farmers in East Africa

BioCarbon Fund grant to combat climate change

Lausanne, 7 October 2016 - Nespresso has today announced a joint investment of \$6 million with the World Bank's IFC (International Finance Corporation) in a landmark collaboration project to support coffee farmers in East Africa to combat the effects of climate change.

The investment will be made through the Nespresso Sustainability Innovation Fund to support farmers in several regions of Ethiopia and Kenya. The investment includes a \$3 million grant from the Bank's BioCarbon Fund Initiative for Sustainable Forest Landscapes - its first ever private sector collaboration to finance an environmental initiative by a business.

This project, part of Nespresso's AAA Sustainable Quality Program, will work with more than 40,000 smallholder coffee farmers to provide technical and financial support to increase sustainable practices and plant trees on their land. Reforestation of this kind helps to make farms more resilient to climate change. The farmers will also receive training in agricultural best practices to help them improve their productivity and the quality of their coffee harvests – enabling them to earn more money.

Jean-Marc Duvoisin, CEO of Nespresso, said: "This joint initiative is a good example of how industry and the public sectors can work together to support the sustainable development of coffee farming. Improving productivity and the quality of coffee harvests is a triple win - benefiting our customers, the environment and paving the way to higher incomes for farmers."

IFC Director of Global Industries, Alzbeta Klein, said: "IFC has been working with Nespresso for several years, and together we recognize the potential of the AAA program as a business-led development tool. Projects like this are game-changers for smallholder farmers, giving them the opportunity to invest in their coffee plantations, become more productive and sustainable, and become part of a global supply chain."

One of the areas to benefit will be Oromia, the largest regional state in Ethiopia and also the state with the greatest forest cover. This region, where the BioFund's program is based, lies in the heart of the 'cradle of coffee' and has seen widespread deforestation, causing the landscape to become degraded and increasing its vulnerability to the impacts of climate change. Farming has been a major contributing factor to this deforestation.

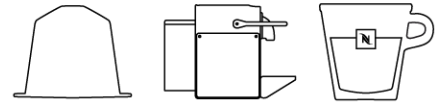
"This milestone achievement is an example of how partnerships between the public and private sectors working together can reach more communities and establishes a model for us to build on for years to come," said John Roome, Senior Director for Climate Change at the World Bank. "The first-of-its-kind collaboration is based on shared goals of ensuring a 'greener' approach to planting and processing, higher productivity for farmers, and making the coffee industry in Ethiopia more resilient to climate change."

The project will be implemented on the ground in collaboration with TechnoServe, an international non-profit organization and a long-time partner of both Nespresso and the IFC.

It builds on the success of the AAA Sustainable Quality Program across East Africa, including the launch this week of the SULUJA Ti SOUTH SUDAN, a limited edition Nespresso Grand Cru. SULUJA Ti is the result of efforts to revive the coffee industry in South Sudan, helping farmers to improve their incomes and diversifying the economic base of the country.

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More information:



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About Nestlé Nespresso SA

Nestlé Nespresso SA is the pioneer and reference for highest-quality portioned premium coffee. Headquartered in Lausanne, Switzerland, Nespresso operates in 62 countries and has more than 10,500 employees.

About the Nespresso Sustainable Innovation Fund (NSIF)

The NSIF was created to channel investment into innovative sustainability initiatives in the coffee value chain. It is registered as a non-profit organization under Swiss law and is governed by an executive committee, which is responsible for assessing and selecting projects and determining levels of funding. Nespresso has committed a \$10 million investment to the fund over the period 2016-2018. In addition to Nespresso's investment, the NSIF seeks to complement each project's funding with additional investment and expertise from external partner organizations.

For more information, visit the Nestlé Nespresso corporate website: www.nestle-nespresso.com.

About IFC

IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working with more than 2,000 businesses worldwide, we use our capital, expertise, and influence, to create opportunity where it's needed most. In FY15, our long-term investments in developing countries rose to nearly \$18 billion, helping the private sector play an essential role in the global effort to end extreme poverty and boost shared prosperity. For more information, visit www.ifc.org

About the BioCarbon Fund Initiative for Sustainable Forest Landscapes

The BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL) collaborates with forest countries around the world to reduce emissions from the land sector through smarter land use planning, policies, and practices. The Initiative is pioneering work that enables countries and private sector actors to adopt integrated solutions to support sustainable landscapes, climate-smart land use, and green supply chains through an initial portfolio of programs in Colombia, Ethiopia and Zambia. The ISFL is a multilateral facility, supported by donor governments and managed by the World Bank.

About TechnoServe

TechnoServe is a leader in harnessing the power of the private sector to help people lift themselves out of poverty. A nonprofit organization operating in 29 countries, we work with enterprising men and women in the developing world to build competitive farms, businesses and industries. By linking people to information, capital and markets, we have helped millions to create lasting prosperity for their families and communities. TechnoServe has earned a 4-star rating from independent evaluator Charity Navigator for the last 10 years, placing us in the top 1 percent of all its rated nonprofits. With nearly 50 years of proven results, TechnoServe believes in the power of private enterprise to transform lives.