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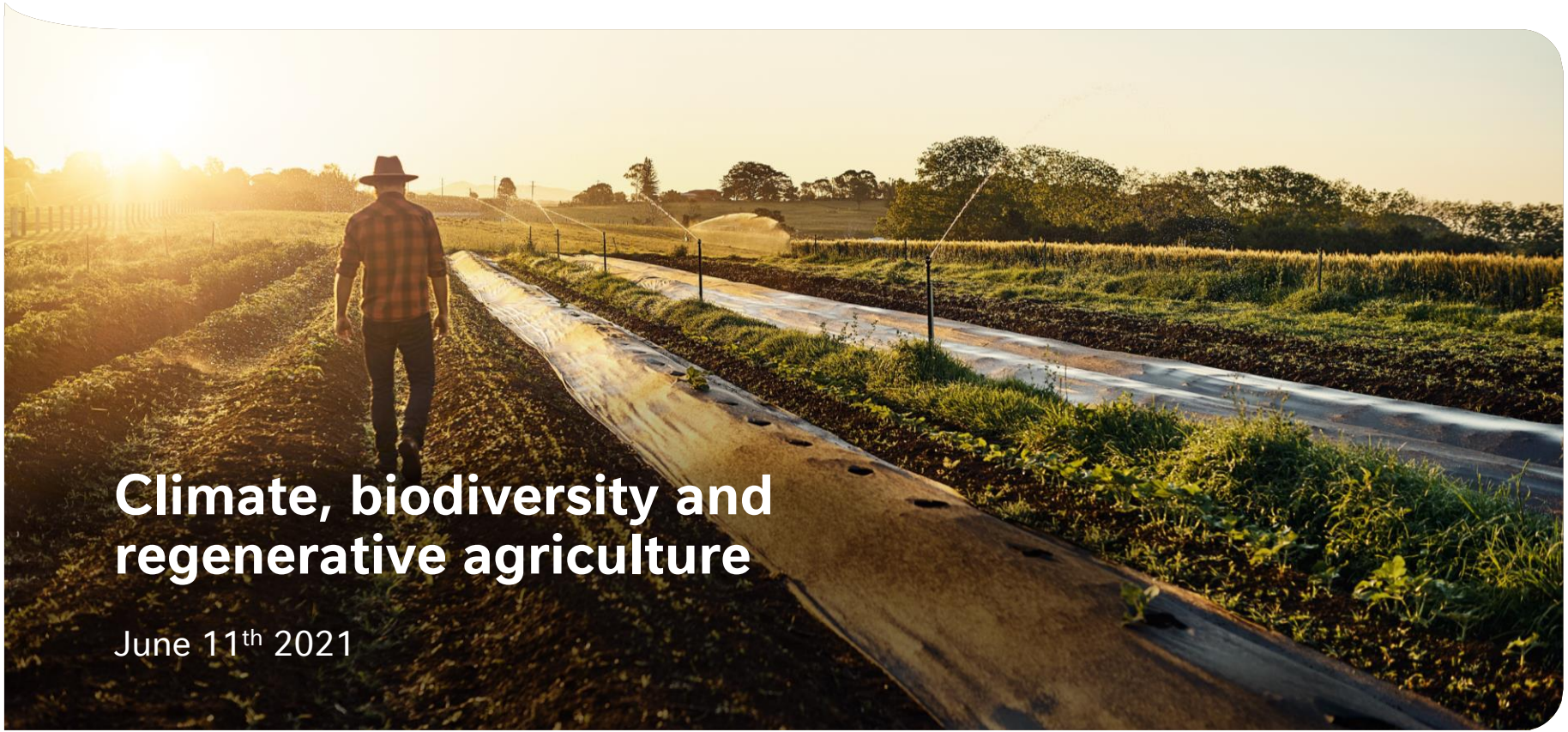

Climate, biodiversity and regenerative agriculture

June 11th 2021

Agenda

- Regenerative agriculture
  - Why focus on it
  - How we operationalize it
  - Why collaboration is key for scale

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Climate and nature are the north star of our net zero roadmap

Sourcing our ingredients sustainably

Working with farmers, suppliers and communities to source ways that protect ecosystems, reduce emissions and enhance livelihoods.

Evolving our packaging

Packaging helps keep our food safe but causes waste. Investments in packaging innovations and new business models help keep waste out of landfill.

Driving toward cleaner logistics

Optimizing routes, filling vehicles more efficiently, switching to low-emission fuels and renewable electricity and using more rail transport.

Moving toward carbon-neutral brands

As consumers demand increasingly transparent and sustainable products, our brands will continue to adapt, embracing sustainability.

Transforming our product portfolio

Creating new, low-carbon products, and reformulating existing ones using ingredients and processes that are good for both consumers and planet.

Using renewable energy to manufacture our products

Making products more sustainably by switching to renewable electricity, using more renewable fuels and investing in energy efficiency.

Removing carbon from the atmosphere

Using nature's own solutions such as agroforestry, soil management, and restoring peatlands and forests to lock GHGs in the ground.

Using our voice to galvanize action

Forging deep engagement on climate issues with farmers, industry, governments, NGOs and communities.

Why regenerative agriculture

Biodiversity

Increase plant and animal biodiversity above and below the ground.

Soil

Scale up farming practices that protect soil health and increase soil organic matter.

Farmers

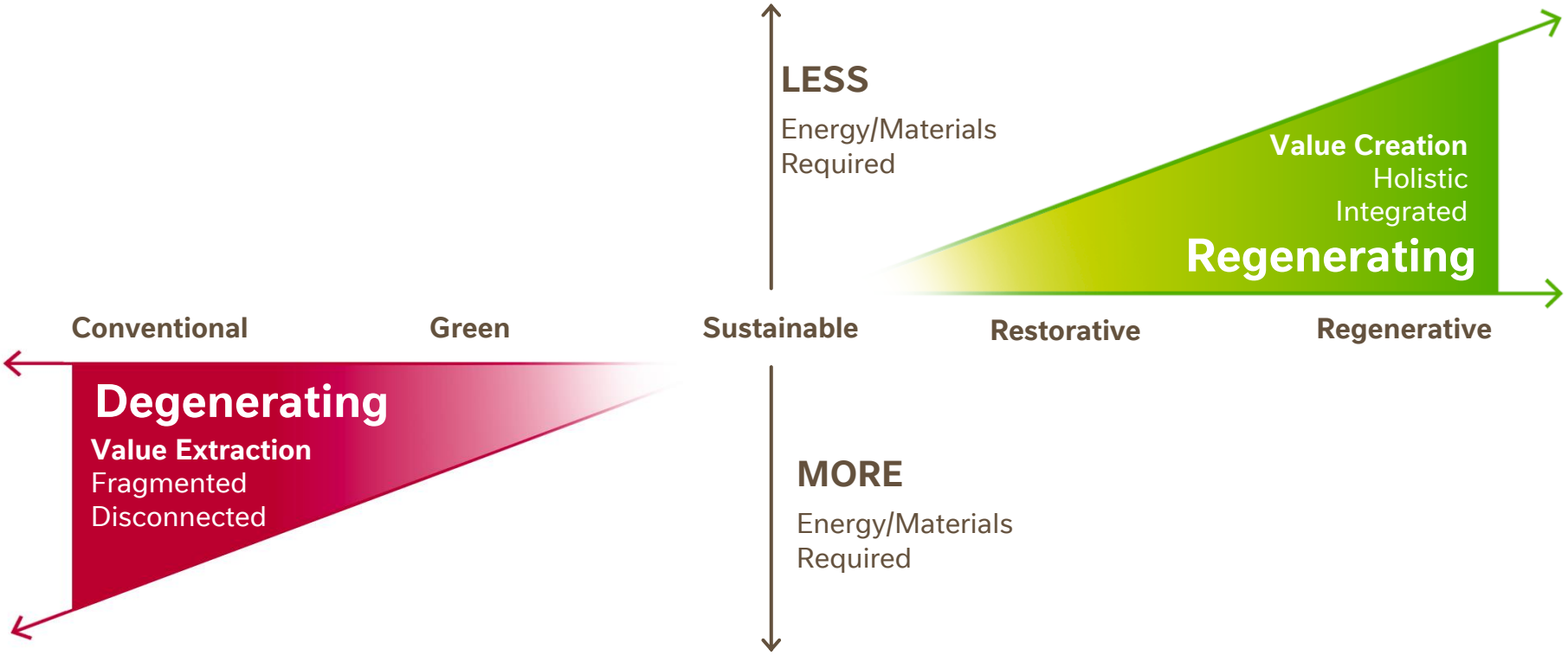
Water

Reduce chemical farm inputs, optimize organic fertilization, biological pest control and irrigation techniques.

Livestock

Integrate livestock and optimized grazing in farming systems where feasible.

What do we mean regenerative



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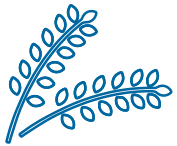
The business case for regenerative agriculture

Systemic change is needed



Nutrient collapse

Water scarcity

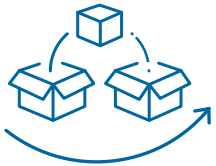
Declining yields

Extreme weather events

Zoonotic diseases

Food insecurity

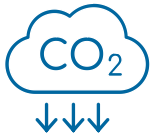
Shared value creation is key



Supply chain resilience

Local sourcing flexibility

Sustainable livelihoods



Emissions reduction and removals

Biodiversity positive

Consumer relevance

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Building on the right foundations

20+ years
pioneering sustainable agriculture

626 700
farmers enaged through farmer connect

84%
traceability for priority raw material categories

90%
of key agricultural commodities in scope assessed as deforestation-free

What levers will we pull

Know-how

1 200+
agronomists

39 250
agripreneurs / with more to come…

Tools

CFT

Industry and proprietary solutions

Reach

4.5 m

farmers via supplier relationships to enable landscape solutions

Programs

400

climate projects launched in 2021

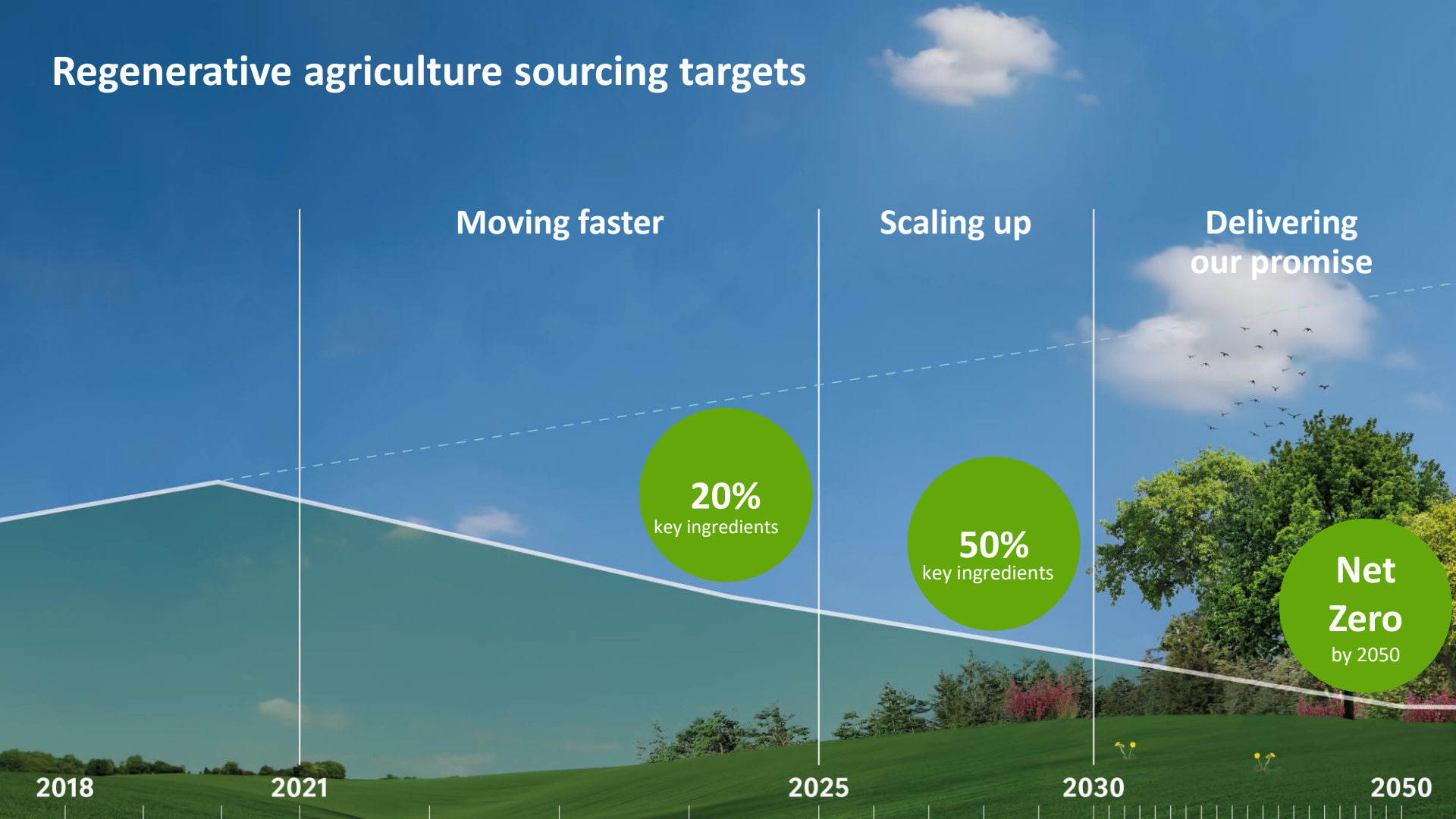
Market mechanism

CHF 1.2 bn

allocated to regenerative agriculture practices and premiums

(2021-2025)

Regenerative agriculture sourcing targets



Coffee deep dive

An end-to-end approach

Plant sciences

Multi-location trials

farmer feedback

PSRU Tours

15

New improved coffee varieties released

Plantlet distribution

Propagation / nursery management

Arabica / Robusta plantlets distribution

235 M

Plantlets distributed (2010-2020)

Agricultural Environmental Research

Diversification / Intercropping / Water dynamics

regenerative practices / innovative tools

230

Agronomists and field staff

Farmer Training

Responsible sourcing, agronomy, business skills

Demo plots, Farmer business schools, Farm ambassadors, field visits,

649 K+

Metric tons of responsibly sourced coffee in 2020

Social / community support

Farmers Associations / Coops

Gender & Youth / Agripreneurship

Labour / living income

900 K+

Farmer trainings (2010-2020)

13

Coffee origins with impact assessment

Boosting irrigation efficiency in Vietnam

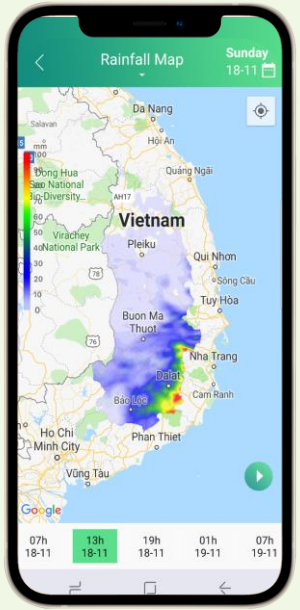
How we go from pilot to scale

50 000
Farmers trained

50 M m3
Annual water saving

$ 8.4 m
Additional income

55%
Adoption rate



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Rationale for a change to farming systems

A typical smallholder coffee farm:

- Disorganized
- Multiple crops on same plot, but still “monocropping”
- Inefficient land use
- Cropping pattern not in line with topography / water availability etc…

- Cash crops close to the house (Coffee / Banana)
- Random trees
- Food crops / forage crops

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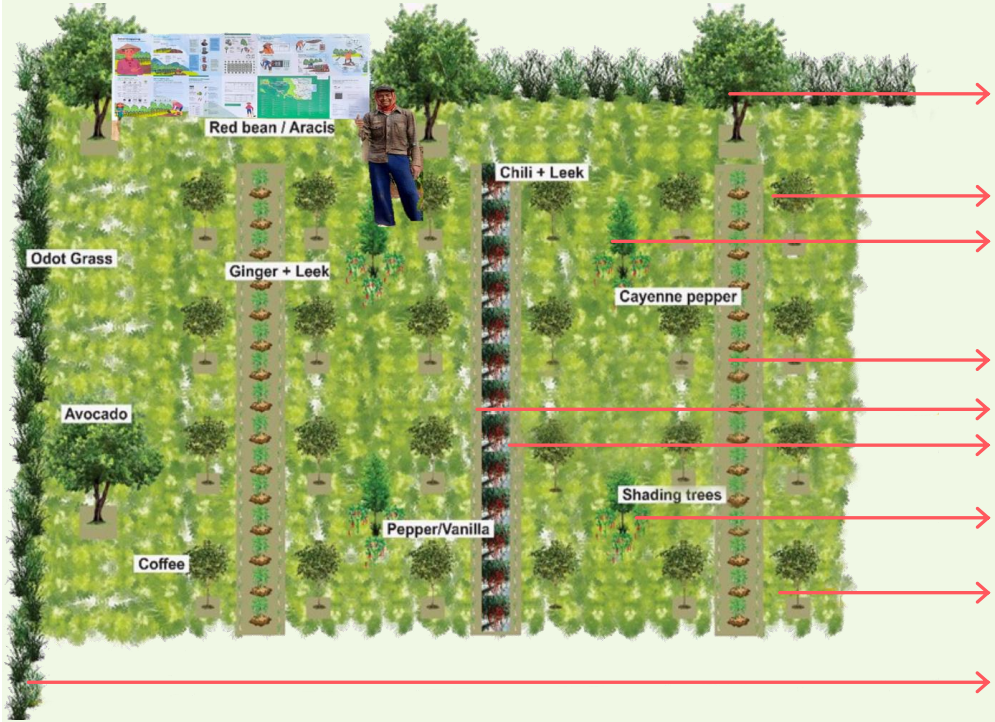
Intercropping in Indonesian green coffee

How our regenerative agriculture projects work in practice



1 Avocado

2 Coffee

3 Pepper / Vanilla + shading

4 Ginger

5 Chili

6 Leek

7 Chili

8 Redbean/Arachis

9 Odot

Enriching the soil by naturally adding nitrogen through growing beans between coffee rows

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Supporting the food system transformation

Replicating, cascading, scaling, harmonizing

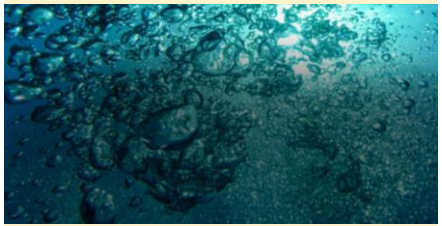
Partnering on-the-ground

RAINFOREST ALLIANCE

Earthworm

Leveling up peer practice communities

SAI PLATFORM



Co-investing in ecoservice markets

RIMBA COLLECTIVE
Nature Positive Supply Chains

The LEAF Coalition
Lowering Emissions by Accelerating Forest finance

Advocating for regulatory convergence

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Supporting growth by winning with the consumer

Different paths to a low-carbon product portfolio

Regenerative

Upcycled

Plant-based

Key takeaways

- **Regenerative agriculture is an important part of our agenda, with a clear a business case**
- **Our approach is:**
  - **pragmatic, science-based and results driven**
  - **adapted to local contexts and constraints**
- **The journey will be collaborative, taken with farmers, research, industry, customers and policy makers**

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Discussion