



## RESEARCH ARTICLE

## ACHIEVING SUSTAINABILITY AND RESILIENCE: A CASE STUDY OF NESCAFE'S GLOBAL SUPPLY CHAIN MANAGEMENT

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## ABSTRACT

This study delves into the complexities of managing a global supply chain. It examines the supply chain strategy employed by Nestle to produce and distribute its popular coffee brand, Nescafe. The main focus is on evaluating the key challenges faced by the company, including post-COVID-19 issues, sustainability concerns, climate change, and supplier profitability. In response to these challenges, Nestle has implemented a structured approach to develop a resilient, sustainable, competitive supply chain for Nescafe. The Nescafe Plan, a global sustainability initiative, has provided a competitive advantage to Nescafe's supply chain. This initiative involves collaboration with suppliers, distributors, and customers at all levels, ensuring accountability and promoting ethical practices. Results show significant positive impacts, including local sourcing of coffee, reduced carbon emissions, and water withdrawal. Nescafe operates its coffee supply chain based on a lean strategy, ensuring supply and demand stability. Customer demand for Nescafe's products is well-predicted, allowing for unique positioning, high service levels, and cost efficiency. To enhance supply chain resilience, Nescafe focuses on mitigating internal and external risks in coffee lands, addressing issues like labour shortage, child labour risks, climate change, and natural disasters. The study also explores Nestle's approach to supply chain outsourcing and supplier selection processes. Furthermore, the study examines Nestle's commitment to sustainable development, encompassing economic, environmental, and social aspects. The company invests in economic development by situating production in developing countries and ensuring growth and long-term success for stakeholders. To continue its journey towards sustainability, Nestle has set ambitious goals for the future, aiming for recyclable packaging, zero net gas emissions, and 100% sustainably produced materials by 2030. The company also plans to empower 10 million young people with economic opportunities globally by the same year. Generally, this study provides valuable insights into the strategies adopted by Nestle to create a resilient and sustainable global supply chain for Nescafe, offering lessons for other manufacturing companies seeking to achieve future success through effective supply chain management.

## KEYWORDS

Nescafe, Nestle, supply chain management, sustainability, resilience, competitive advantage, coffee, global supply chain, COVID-19, supply chain strategy

## 1. INTRODUCTION

In the fast-paced world of manufacturing, delivering the right product at the right time, in the right quantity, and at the right price is crucial for the future success of any company. While individual businesses focus on branding and marketing their products, a well-functioning supply chain is the backbone that ensures these products reach the customers efficiently and effectively. Nestle, the world's largest food and beverage company, understands the significance of an integrated supply chain strategy in managing its popular coffee brand, Nescafe (Biswas-Tortajada and Biswas, 2015; Huang et al., 2002; Jia et al., 2019). Nestle's approach to its supply chain involves the integration of well-formulated strategies that encompass the management of suppliers, production processes, marketing, and distribution of Nescafe. This all-encompassing supply chain entails a comprehensive set of actions, spanning from the extraction of raw materials to the final use of the finished products (Mulandi, 2008).

With its rich history dating back to the 1930s, Nescafe came into existence

when the Brazilian government called upon Nestle to help preserve its surplus coffee harvest (Morris, 2018). Over the years, Nescafe's portfolio has expanded to include a variety of coffee blends such as Nescafe Original, Gold blend, and Azera blend such as Americano, Americano Intense, Espresso, Instant Craft Coffee, and My Way Latte (Morris, 2010; Patel, 2003). The magnitude of Nescafe's supply chain is impressive, with a vast network of over 100,000 farmers serving as suppliers. This network procures more than 13 million bags, equating to around 800,000 metric tons of green coffee, from more than 20 nations worldwide (Nestle, 2022a). These raw materials are the foundation for Nescafe's production in 354 factories spanning 77 countries, ensuring its global presence and availability (Nestle, 2022a).

However, being a global food giant, Nestlé faces several challenges in effectively managing Nescafe's supply chain. The shortage of high goods vehicle (HGV) drivers, exacerbated by post-COVID-19 issues, has posed significant difficulties. Sustainability concerns, including environmental impacts, are also critical factors that require attention. The disruptions

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caused by the COVID-19 pandemic have exposed vulnerabilities in the supply chain, necessitating a robust response to ensure continuity (Askew, 2020; Nestle, 2022a). Additionally, the changing climate and the profitability of suppliers are pressing issues that demand careful consideration and resolution (Narayan, 2021; Nestle, 2022a; Wagenvoort, 2022). In light of these challenges, a structured and strategic approach is essential. This current study aims to evaluate Nestlé's supply chain strategy employed for the production and distribution of Nescafé. In pursuit of these goals, the study endeavors to pinpoint and execute suitable strategies to cultivate a resilient, sustainable, and competitive global supply chain for Nescafé, thus securing its enduring prosperity in the ever-changing market landscape.

## 2. COMPETITIVE ADVANTAGE: THE NESCAFÉ PLAN

To gain a competitive edge over its rivals, Nestle conceived the Nescafé Plan as a comprehensive global sustainability initiative to provide a distinct value advantage to Nescafé's supply chain. The core of this strategic endeavor involves fostering collaboration across their extensive network of suppliers, distributors, and customers at all levels. Nestle aligns with key stakeholders, including coffee farmers, families, and communities where coffee is grown. This ensures responsible sourcing and monitoring of workers' safety and labor practices throughout the supply chain (Biswas-Tortajada & Biswas, 2015; Nestle, 2022a).

Launched in 2010, the Nescafé Plan boldly promised to consolidate coffee crop production and consumption in Mexico, resulting in stronger partnerships and greater accountability (Halevy, 2011). The impact of this initiative has been remarkable, with significant advancements in sustainability indicators. Notably, 75% of the coffee used in Nescafé products is now locally sourced, fostering economic growth and supporting local communities. Moreover, through dedicated efforts, carbon emissions have been reduced by an impressive 46%, and water withdrawal has decreased by 53%, demonstrating Nestlé's commitment to environmental stewardship (Nestle, 2022a). Nestlé has harnessed innovative solutions to maximize resource efficiency in line with its sustainability goals. A commendable example lies in 20 Nescafé factories worldwide, which have embraced sustainability by utilizing the residue from coffee brewing as biofuel (Campos-Vega, et al., 2015). This eco-friendly approach has led to significant energy savings, conserving 555,000 barrels of oil annually and reducing carbon emissions by 195,000 tons annually.

Beyond environmental initiatives, the Nescafé Plan supports coffee farmers, empowering them to grow their rewards sustainably. Nescafé allows farmers to preserve and enhance biodiversity in and around coffee fields by facilitating access to education, promoting the renovation of coffee varieties, encouraging water conservation, and stopping deforestation. In tandem, Nestle assists farmers in adopting sustainable farming techniques, optimizing efficiency, and facilitating the distribution of an impressive 235 million improved coffee plantlets between 2010 and 2020. This far-reaching effort has bolstered the resilience of the entire Nescafé coffee supply chain and cemented its position as a formidable player in major coffee markets worldwide (Smoot, 2013). Embracing sustainability as a fundamental principle, the Nescafé Plan has not only improved Nescafé's supply chain.

However, it has also established Nestle as a frontrunner in ethical business approaches. Through collaborative partnerships, environmental

conservation, and socio-economic empowerment, Nestle has set a compelling example for the industry and demonstrated that a balanced approach to business can lead to both competitive advantage and positive impacts on a global scale (White et al., 2020). As the journey toward sustainability continues, Nestle's Nescafé Plan remains an inspiring blueprint for other companies seeking to thrive in a rapidly evolving and conscientious marketplace (Jackson et al., 2013).

## 3. NESCAFÉ'S COFFEE SUPPLY CHAIN STRATEGY

Nescafé's coffee supply chain is built upon a lean-based strategy, as emphasized in the Nescafé Plan (2020). This strategic approach streamlines operations, eliminating wasteful activities while ensuring efficiency throughout the supply chain. The adoption of a lean-based model enables Nescafé to respond promptly to changes in consumer demand, optimize inventory levels, and maintain a steady flow of coffee products from farm to consumer. A notable feature of this supply chain model is the remarkable stability achieved in managing the supply and demand of coffee across the entire chain (IvyPanda, 2020). Nescafé can effectively meet market demands by skilfully coordinating production, distribution, and inventory levels, ensuring a steady flow of coffee products without experiencing significant fluctuations.

One of the key advantages of Nescafé's lean-based strategy is the ability to predetermine customer demand for its diverse range of coffee products (Askew, 2020; Best, 2020). This foresight enables Nescafé to strategically position its products, offering a unique value proposition to consumers while simultaneously optimizing costs across the supply chain. Figure 1 provides a visual representation of the Nescafé coffee supply chain, illustrating the seamless integration of various stages, from sourcing coffee beans to delivering the final products to consumers. This integration allows for a more streamlined, efficient, and responsive supply chain, supporting Nescafé's commitment to providing the right product at the right time, quantity, and price to ensure its future success (IvyPanda, 2020).

In summary, Nescafé's coffee supply chain operates on a lean-based strategy characterized by stability in managing supply and demand, predefining customer demand, and offering unique product positioning. Consistently delivering top-notch coffee products to consumers worldwide and reinforcing its position as a prominent player in the coffee industry can be achieved by implementing this strategic approach and optimizing Nescafé's supply chain operations.

## 4. RESILIENT SUPPLY CHAIN MANAGEMENT

To gain a comprehensive understanding of Nescafé's coffee supply chain, it is essential to recognize the pivotal role played by coffee lands. Coffee lands refer to the regions and countries where coffee is cultivated as a significant occupation, such as Mexico, Brazil, Ecuador, Ethiopia, and many others (Glewwe, 1991; James, 1932). However, these coffee lands are not immune to both internal and external risks, which can profoundly impact Nescafé's supply chain operations (Nestle, 2022a). Internally, Nescafé faces risks related to the migration of entire families from coffee lands, resulting in labor shortages. Moreover, there are concerns regarding child labor risks in certain regions like Guatemala, Ecuador, and Ethiopia (Best, 2020). These challenges pose ethical and operational dilemmas, necessitating the implementation of robust measures to protect labor rights and ensure a sustainable workforce.

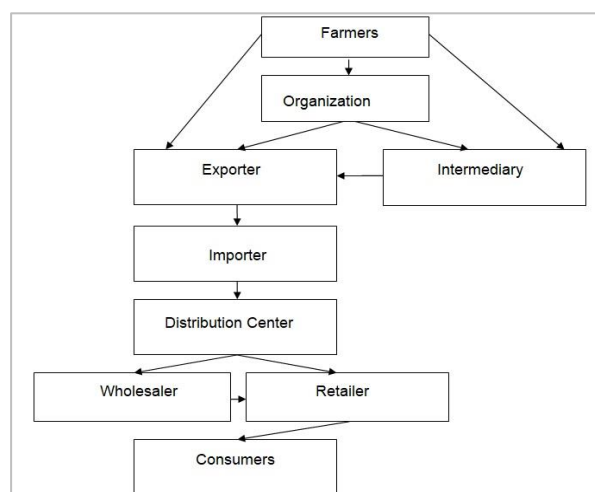


Figure 1: Nescafé Coffee Supply Chain (IvyPanda, 2020)

On the other hand, external risks further threaten the stability of Nescafe's coffee supply chain, with climate change being a major concern (Biswas-Tortajada and Biswas, 2015; Nestle, 2022a). The adverse effects of climate change, including droughts, floods, erratic rainfall, and rising temperatures, can significantly impact coffee production. Many of these environmental changes are not conducive to coffee cultivation and, if left unaddressed, could jeopardize the entire supply chain (Wagenvoort, 2022). Moreover, natural disasters pose additional external risks, as demonstrated by the global shutdown caused by the COVID-19 pandemic (Ponomarov and Holcomb, 2009).

Such disruptions can severely disrupt supply chain operations, causing delays, inventory issues, and production challenges. The resilience of any supply chain lies in its ability to recover from risks and disruptive events (Ponomarov and Holcomb, 2009). Nescafe's supply chain management must adopt strategic measures to mitigate these risks effectively. For instance, sustainable agricultural practices should be promoted, including halting erosion and runoff, using fertile soils, conserving water, and protecting streams and watersheds. The protection of wildlife and proper waste and pollution management is equally crucial in preserving the environment and maintaining the supply chain's sustainability (Nikbakhsh, 2009).

Furthermore, promoting positive community engagement and fair labor practices is essential for coffee growers' well-being (Wollni and Zeller, 2007). Ensuring workers are compensated fairly, provided with education opportunities, and working in safe conditions are critical aspects that contribute to a resilient and sustainable coffee supply chain (Utting-Chamorro, 2005). As part of its commitment to enhancing sustainability, Nescafe has embarked on disseminating 235 million coffee plantlets by 2020. These efforts improve the coffee supply chain's overall sustainability, quantity, and quality (Nestle, 2022a). In conclusion, understanding the challenges posed by internal and external risks in coffee lands is vital to fortify Nescafe's coffee supply chain's resilience. Nescafe can ensure the continuity of its supply chain operations, uphold ethical practices, and secure a sustainable future for the coffee industry by adopting strategic measures to mitigate these risks.

#### 4.1 The Road to Resilience

In their pursuit of a resilient coffee supply chain, Nescafe is continuously conducting studies on 26 Arabica and 72 Robusta coffee types across 15 different origins in close collaboration with Nescafe's national partners (Hutachok et al., 2020). From hundreds of newly produced coffee plants grown in their experimental farms, Nescafe selects the top-performing coffee types for further evaluation. This selected group is carefully honed through a thorough testing procedure to create a handful of exceptional coffee varieties. These chosen coffee types are then optimized to thrive under specific local conditions, ultimately resulting in significantly higher yields ranging from 25% to an impressive 100% (Nestle, 2022a). Nescafe's commitment to continuous research and development of superior coffee varieties showcases its dedication to strengthening the resilience of its supply chain. Nescafe achieves stability and sustainability in coffee production by cultivating coffee plants that can thrive in diverse environments and exhibit exceptional performance. Despite encountering various challenges, the brand's approach allows for a reliable coffee production process.

#### 4.2 It Takes Two... Distant Relatives

Understanding the significance of genetic diversity in promoting resilience, Nescafe has embarked on improving its coffee plants through innovative hybridization techniques. Nescafe achieves a more efficient commercial propagation process by hybridizing two genetically distinct members of the same coffee species (Nestle, 2022a). This strategic approach has enabled Nescafe to develop coffee plants with increased resistance and adaptability. The diverse genetic backgrounds of these hybrid coffee plants contribute to their ability to withstand various environmental stresses and potential threats, making them more robust contributors to Nescafe's coffee supply chain. Through such innovative hybridization efforts, Nescafe demonstrates its commitment to advancing

agricultural practices, ensuring the sustainability and longevity of its coffee supply chain in the face of changing environmental conditions and other uncertainties (Sachs et al., 2019).

#### 4.3 Quality is of the Essence

Nescafe places paramount importance on delivering consistent quality in their coffee products. To achieve this, their experts in Tours undertake comprehensive analyses and sensory evaluations of every coffee variety included in their trials over several years. Recognizing that the organoleptic qualities of coffee can evolve during the initial years of production, this meticulous and extended evaluation process ensures that the sensory profile of Nescafe's coffee remains uniform and of the highest standard (Nestle, 2022a). Providing stringent quality control measures enables Nescafe to assure consumers across the globe of a consistently delightful and satisfying coffee experience with each cup.

This unwavering dedication to quality contributes to building customer trust and loyalty, solidifying Nescafe's position as a global leader in the coffee industry (Millard, 2017). In conclusion, Nescafe's commitment to resilience encompasses continuous research and development of high-performing coffee varieties, innovative hybridization techniques, and a stringent focus on maintaining consistent quality. These strategic efforts fortify Nescafe's coffee supply chain, ensuring its ability to adapt, thrive, and deliver exceptional coffee products to consumers around the world, regardless of challenges and uncertainties in the industry.

### 5. SUPPLY CHAIN OUTSOURCING AND SUPPLIER RELATIONSHIP

The driving force behind Nescafe's outsourcing strategy is twofold: achieving cost reduction and eliminating non-essential tasks, thereby enabling the company to concentrate on its core competencies and vital processes. As a subsidiary of Nestle, Nescafe follows a rigorous evaluation process to determine which operations or processes should be outsourced and which should be kept in-house (Gillespie and Swan, 2021; Mueller, 2011). Central to this decision-making process is the yardstick of assessing the importance of each procedure or process and its capacity to deliver results. If a particular function is deemed critical to Nescafe's core business objectives and can be replicated with equal proficiency within the company, it is retained in-house. On the other hand, if an operation is considered peripheral and not central to Nescafe's key expertise, and there are external providers that can offer specialized skills and cost advantages, then outsourcing is favored.

Nescafe can unlock substantial cost savings and operational efficiencies by strategically outsourcing non-core activities (Gillespie and Swan, 2021). This approach allows the company to allocate its internal resources more effectively, directing them toward the core processes that directly impact the production and supply chain of Nescafe's renowned coffee products. Moreover, outsourcing offers Nescafe the flexibility to tap into the specialized capabilities and resources of external partners. This enables the company to access cutting-edge technologies, best practices, and domain expertise that might otherwise be challenging to develop in-house (Itami and Roehl, 1991). Optimizing the capabilities of external service providers empowers Nescafe to attain improved process efficiencies and maintain its competitiveness in the dynamic and constantly changing coffee market. However, while outsourcing offers numerous benefits, Nescafe must also exercise caution in identifying critical processes that should remain under their direct control. Essential operations that form the backbone of Nescafe's competitive advantage and unique value proposition should be safeguarded within the company to maintain quality control, protect intellectual property, and ensure brand consistency.

#### 5.1 Supplier Selection Process

The supplier selection process is a crucial aspect of Nestle's supply chain management. Figure 2, depicted below, illustrates the steps involved in this process, which enables organizations to make well-informed decisions when choosing suppliers based on various criteria and Key Performance Indicators (KPIs) (Slack et al., 2010).

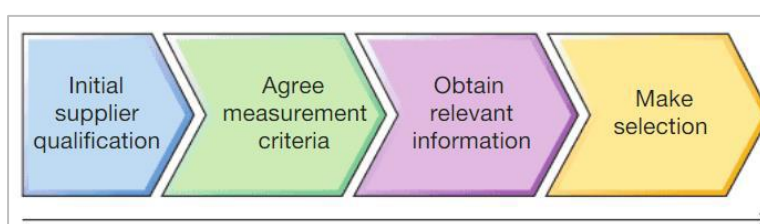


Figure 2: Selection Process for Suppliers (Slack et al., 2010)

This comprehensive process allows Nestle and other organizations to assess potential suppliers' capabilities, reliability, and suitability for their specific requirements. Nestle ensures its suppliers align with its strategic goals and contribute to the company's competitive advantage in the market by carefully evaluating factors such as quality, cost-effectiveness, sustainability practices, delivery capabilities, and overall performance.

## 5.2 Relationship Developed by Nestle with Suppliers

Nestle recognizes the pivotal role that suppliers play in its supply chain network. The company values strong relationships with suppliers and categorizes these relationships into two main types: transactional and partnership relationships.

### 5.2.1 Transactional Relationship

Nestle maintains transactional relationships with a significant portion of its suppliers. These relationships are often based on regular procurement needs and standard business interactions. While these suppliers provide essential goods and services to Nestle, the depth of collaboration may be limited compared to partnership relationships (Singh et al., 2021; Wouters et al., 2007).

### 5.2.2 Partnership Relationship

Nestle fosters partnership relationships for major suppliers and critical aspects of the supply chain. These strategic collaborations involve deeper engagement, mutual trust, and a shared commitment to long-term success. Partnerships with key suppliers are built on a foundation of innovation, efficiency, and value creation (Islam, 2017). Two examples of partnership relationships for Nestle are:

- Geodis: Appointed as the Lead Logistics Provider (LLP), Geodis is responsible for overseeing all transport flows. This partnership ensures excellent performance, reduces costs, and optimizes logistics services. A transport coordination agreement between Nestle and Geodis was struck on March 10, 2006, with the intention of sharing savings from lower overall expenses (Danny, 2006).
- XPO: Nestle entered a warehousing partnership with XPO for a cutting-edge digital warehouse in the UK, spanning an impressive 638,000 square feet. The partnership centers on innovation, leveraging intelligent machines, and enhancing customer service. XPO invested approximately \$77 million to cater to Nestle's majority use of the facility (Nestle, 2018a).

In line with its long-term sustainability plans, Nestle carefully considers the nature of its relationships with suppliers, ensuring that each relationship type aligns with its strategic objectives and contributes to a resilient and competitive supply chain. Maintaining ethical practices and sustainability throughout its extensive supply chain network, Nestle achieves this by nurturing strong supplier relationships (Nestle, 2022a).

## 6. SUSTAINABLE SUPPLY CHAIN MANAGEMENT

Sustainability lies at the core of Nestle's supply chain management, encompassing three major pillars: environment, society, and the economy, as first introduced in the Brundtland Report (Keeble, 1988). At Nestle, sustainable development is defined as increasing the world's access to higher-quality food and contributing to long-term social and economic development while preserving the environment for future generations (Nestle, 2002).

### 6.1 Sustainable Economic Performance of Nestle

Various factors underline Nestle's sustainable economic performance:

- With a vast workforce of 276,000 employees across all operations, the company focuses on fostering economic growth in the regions it operates (Nestle, 2021).
- A key approach adopted by Nestle is the strategic location of production facilities in developing countries. About 45% of Nestle's factories are situated in these regions, employing approximately 48% of its staff. This ensures sourcing raw materials and represents a commitment to economic investment in both people and communities, making Nestle a true catalyst for economic sustainable development (Nestle, 2021).
- Nestle achieves growth and long-term economic success for all stakeholders connected to its supply chain by satisfying the expectations of clients and consumers through the delivery of high-quality products. Its presence in over 80 countries positively affects

economic development and earnings within these communities (Nestle, 2021).

### 6.2 Sustainable Environmental Performance of Nestle

Nestle's focus on sustainable environmental performance is evident through several initiatives:

- The transformation of perishable items into safe, superior food products that satisfy consumer demands highlights Nestlé's commitment to responsible environmental practices throughout the entire supply chain, from raw materials to the final consumer (Nestle, 2021)
- Since 2018, Nestlé has implemented programs to reduce greenhouse gas emissions (CO<sub>2</sub>e) and adopted a methodical approach to control environmental performance, which is integral to Nestle's overall sustainable development strategy (Nestle, 2021).
- Emphasizing an integrated approach, Nestle supports the sourcing of virgin materials while also promoting reuse, recycling, and energy recovery to minimize the environmental impact of packaging (Nestle, 2021).
- Nestle actively seeks to reduce packaging requirements per product without compromising product safety and quality, furthering their commitment to environmental sustainability (Nestle, 2021).
- The company also plays a role in preserving natural mineral water supplies by promoting eco-system balance and ensuring responsible water usage in its operations.
- A systematic management approach guides Nestle's environmental performance, ensuring its supply chain practices align with sustainable principles.

### 6.3 Sustainable Social Performance of Nestle

Nestle's sustainable social performance is based on building strong bonds of trust and investing in human capital across nations. Key highlights include:

- In the top 200 positions, 27.2% are female senior executives, reflecting Nestle's commitment to gender diversity and inclusivity in leadership roles.
- Nestle's business practices focus on generating shared value (CSV), recognizing that creating value for both shareholders and society is the foundation for the company's long-term flourishing (Nestle, 2021)
- The company has established systems for assessing, addressing, and reporting on supply chain effects concerning human rights and environmental due diligence, ensuring responsible sourcing practices (Nestle, 2018b).
- Nestle's commitment to improving nutrition is evident through the provision of 124.6 billion affordable nutrition servings fortified with essential micronutrients (Nestle, 2022b).
- Strict adherence to national and international laws and regulations underpins Nestle's approach to social responsibility.

### 6.4 Actions that Make Nestle More Sustainable

Nestle has ambitious plans to enhance the sustainability of its entire supply chain. Key actions include:

- Commitment to achieving 100% reusable or recyclable packaging by 2025, aiming to reduce the consumption of virgin polymers by 30%.
- Working towards achieving 0% net gas emissions by 2050 as part of their climate targets.
- A plan to ensure that 100% of its materials are sustainably produced by 2030 demonstrates Nestle's dedication to responsible sourcing.
- A global initiative aiming to help 10 million young people gain access to economic opportunities by 2030 (Nestle, 2021).

In summary, Nestle's sustainable supply chain management encompasses a holistic approach that seeks to balance environmental, social, and economic considerations. Through ongoing efforts and ambitious future

plans, Nestle remains committed to positively impacting society, the environment, and the global economy while continuing to deliver quality food products worldwide (Nestle, 2002).

## 7. CONCLUSION

To conclude, the study highlights the critical importance of delivering the right product at the right time, quantity, and price for the future success of manufacturing companies, with supply chains playing a central role in producing and distributing products. Nestlé's Nescafé, as a popular coffee brand, exemplifies the significance of well-formulated supply chain strategies in managing suppliers, production, marketing, and distribution. The Nescafé Plan is a testament to Nestlé's commitment to gaining a competitive advantage through sustainability. This global initiative has fostered collaboration with stakeholders, positively impacting the environment and coffee communities. By localizing coffee crop production and consumption, reducing carbon emissions, and promoting water conservation, Nescafé's supply chain has become more resilient and environmentally responsible.

Nescafé's lean-based supply chain strategy ensures stability in supply and demand. In contrast, its ability to predict customer demand for various coffee products positions it advantageously in the market. This approach enables high service levels and cost efficiency across the supply chain. Nescafé's supply chain management focuses on resilience to address the challenges posed by internal and external risks. Strategies like adopting sustainable farming techniques, enhancing efficiency, and developing resilient coffee plantlets have contributed to the sustainability and quality of the coffee supply chain. Furthermore, Nestlé's approach to supply chain outsourcing and its carefully cultivated transactional and partnership relationships with suppliers have proven effective in maintaining a competitive edge and ensuring smooth operations.

## RECOMMENDATIONS

Based on the evaluation of Nestlé's supply chain strategy for Nescafé, the following recommendations are proposed to further enhance its resilience, sustainability, and competitiveness:

- Nestlé should continue to review and improve its Nescafé Plan, seeking new and innovative ways to enhance sustainability and environmental responsibility. Regular evaluations of the plan's impact and adjustments based on feedback and new data will strengthen the supply chain.
- Nestlé should maintain and strengthen its collaborative approach with stakeholders, including coffee farmers, communities, and other key players in the supply chain. Engaging stakeholders in decision-making processes can lead to more sustainable practices and long-term partnerships.
- Given the challenges posed by climate change, Nestlé should invest in research and technologies to adapt coffee cultivation to changing weather patterns. Climate-resilient coffee varieties and practices should be explored to minimize the impact of climate-related risks on the supply chain.
- Focusing on sustainable packaging solutions and waste management, Nestlé can contribute to a circular economy by reducing its environmental footprint and enhancing resource efficiency.
- Nestlé should invest in the development and well-being of its employees across the supply chain. Training programs and support for coffee farmers and workers can foster loyalty, productivity, and sustainable practices.

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