



## Press Release

### **&Green and Mercon to create climate-resilient sourcing practices in the coffee supply chain in Vietnam**

**Amsterdam / The Hague, February 28, 2023.** Stichting andgreen.fund (“&Green”) has established a subordinate debt facility with Mercon B.V. (“Mercon”) to advance the transformation of coffee value chains in Vietnam thereby making them more sustainable, deforestation-free, and climate-resilient. &Green, an investment fund established to de-link deforestation from tropical commodity production, will provide the financing for Mercon to drive landscape-level forest protection as a core function of sustainable coffee value chains. Activities will commence in Lam Dong province in Vietnam before being scaled across supply chains in the jurisdiction.

This 8-year, USD 20 million credit facility commits Mercon to sourcing coffee for its Vietnam-based operations from deforestation-free supply chains by 2027. The company will create a blueprint for this with additional provisions for improved livelihood opportunities for smallholder farmers and greater capacity to run efficient **farm management**. Through the publicly accessible Landscape Protection Plan developed together with &Green, Mercon has committed to **conserving** approximately 63,000 hectares of forest from the landscapes where it sources its coffee. It will do this **via two landscape models**, firstly, the No Deforestation, Peat and Exploitation (“NDPE”) model which is aimed at **mitigation of deforestation** risks in the export segment of the business. The NDPE landscapes will follow the *“know your forest landscapes”* approach, assuring that no coffee is bought or sourced from regions with ongoing deforestation. Secondly, Mercon will repurpose their preexisting platform into a scaled, landscape model where the practical benefits of exploitation-free agriculture will be demonstrated on over 4,000 hectares of productive areas and 15,000 participating coffee suppliers. The &Green Facility will allow Mercon to upgrade its fragmented farm-level capacity building and compliance management system into a holistic, wholesale program focused on, forest conservation, and, potentially, reforestation activities.

This partnership outlines key milestones to deliver traceability, climate-resilient supply chains, and ultimately a credible NDPE claim from Mercon’s entire Vietnamese sourcing operations. By the end of 2025, Mercon will procure all Arabica from deforestation and exploitation-free landscapes, with this tactic being extended to Robusta by 2027. Ultimately by 2030, Mercon will source all its coffee in vertical supply chains from their new landscape models setting the bar for the coffee sector globally, as nearly all major exporters are active in Vietnam but have yet to establish actionable and impactful targets to reach deforestation-free sourcing.

Nanno Kleiterp, Chairperson of the &Green Board of Directors, notes: “This transaction between &Green and Mercon has the potential to effect change at scale by working at a landscape level. As &Green’s debut investment in Vietnam, we are optimistic that it will enable Mercon to improve the environmental performance of all its coffee supply chains in Vietnam, by creating an additional landscape level and to create improved, resilient livelihoods for small farmers as well.”



“This partnership reinforces Mercon’s long-standing commitment to building a better coffee world for its producers and the communities in which they operate”, says Oscar Sevilla, CEO at Mercon. “The investment from &Green is essential to strengthening Mercon’s efforts in making our coffee production practices in Vietnam more climate resilient”.

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**For more information please contact:**

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**About &Green** ([www.andgreen.fund](http://www.andgreen.fund))

&Green, incorporated as a Dutch Stichting, was developed under the leadership of IDH in close collaboration with the *Norwegian International Climate and Forests Initiative (NICFI)*. It is a blended finance debt fund, investing in commercial projects that can demonstrate the decoupling of commodity production from deforestation while being socially inclusive. &Green is focused on tropical forest jurisdictions that have progressive protection strategies and targets in place. It targets commodities that are driving deforestation such as palm oil, soy, beef, and forestry, among others. Current contributors to &Green include the Government of Norway, through NICFI, *Unilever* - the British-Dutch consumer goods company, *FMO* - the Dutch Development Bank, the *UK Department for Business, Energy, and Industrial Strategy (BEIS)*, and the *Global Environment Facility (GEF)*, with *UN Environment Programme* acting as its implementing agency. *SAIL Ventures*- the Dutch asset management firm acts as &Green’s Investment Manager.

**About MERCON** (<https://merconcoffeegroup.com/>)

Mercon Coffee Group is a global, green coffee supplier that is vertically integrated and committed to consistently delivering the right quality of coffee to clients while creating sustainable livelihoods in coffee-growing communities. Founded in 1952 as a coffee export company, Mercon is headquartered in the Netherlands and ranks among the top 10 leading coffee suppliers in the world, delivering tailored services to its clients in more than 60 countries from its offices located across the Americas, Europe, Africa, and Asia. Mercon is a champion of sustainability and drives a number of initiatives, including its proprietary landscape platform which is focused on delivering services to increase innovation and prosperity for coffee communities around the world. Mercon has built an integrated coffee supply chain recognized for its excellence in commercial and specialty coffees as well as its operations across farming, production, export, logistics, sustainability, and risk management.

**About Blend Finance** (<https://www.blendfinance.com/>)

Blend Finance, acting as advisor to Mercon, introduced Mercon to the &Green Fund and supported them throughout the due diligence process.