**PRESS RELEASE**

**SustainCoffee Launched to Strengthen ESG Practices and Global Market Readiness in Viet Nam's Coffee Sector**

**EU funded initiative will support more than 400 coffee enterprises and cooperatives in Đắk Lắk and Sơn La to strengthen sustainability, traceability and responsible business practices.**

**Đắk Lắk, 6th November 2026** – CARE International in Viet Nam, together with provincial authorities and partners, officially launched the SustainCoffee Project today, marking a new effort to strengthen the competitiveness, sustainability and resilience of Viet Nam's coffee sector amid increasingly demanding international market requirements.

Funded by the European Union under its Global Gateway initiative, SustainCoffee will be implemented from December 2025 to May 2029 in Đắk Lắk and Sơn La provinces. The project aims to directly support more than **400 micro, small and medium enterprises (MSMEs) and cooperatives** across the coffee value chain, with an anticipated indirect reach of approximately **1.4 million farmers and supply chain workers**.

The initiative comes at a pivotal moment for Viet Nam, one of the world's leading coffee producers and exporters. As international markets place increasing emphasis on environmental sustainability, responsible business practices and supply chain transparency, Vietnamese coffee enterprises and producers face growing pressure to demonstrate compliance while maintaining their market position.

**New research highlights critical gaps in sustainability and market readiness**

At the launch event, findings from a baseline desk review conducted by MCG Management Consulting Group for SustainCoffee highlighted both progress and persistent challenges in the sector's transition towards sustainable production and responsible business practices.

In 2025-2026 crop year, the European Union accounts for 38%[1] of Viet Nam's coffee exports, making continued access to this market particularly significant. Emerging requirements, including the EU Deforestation Regulation (EUDR), underscore the importance of reliable traceability systems, geolocation data and evidence of legal production.

However, the desk review estimates that **only around 30%[2] of Viet Nam's coffee production in 2025 was covered by certified or traceable supply chains with geolocation data**, while approximately 70%[3] continued to move through conventional channels, often relying on paper-based documentation.

[1] https://en.vneconomy.vn/vietnams-coffee-exports-hit-85-billion-in-20252026-crop-year.htm
[2] https://efi.int/sites/default/files/2026-08/eudrpreparednesscheckcoffeesectorvietnamen_254128269.pdf
[3] https://efi.int/sites/default/files/2026-08/eudrpreparednesscheckcoffeesectorvietnamen_254128269.pdf

Beyond environmental compliance, governance remains a significant gap. Findings drawn from surveyed cooperatives and MSMEs[4] indicate that while **84% have adopted environmental** and **social sustainability measures, only 44% engage in formal governance practices**. None of the surveyed enterprises published formal sustainability reports, and only 1% had accessed green credit.

These gaps suggest that sustainable practices on farms do not automatically translate into the management systems, verifiable records and financial opportunities that enterprises need to compete in increasingly regulated markets.

The review also reveals significant disparities in awareness and access to digital tools.[5] Awareness of EUDR requirements among surveyed smallholder farmers in 2024[6] was estimated at **29.8% in the Central Highlands**, compared with **19.2% in the Northwest**. Despite widespread smartphone ownership, only 2% of surveyed households reported using smartphones for farm-plot geolocation mapping.

Social sustainability presents another pressing challenge. Existing sector studies cited in the review indicate that while 93% of surveyed coffee workers have health insurance, only 24% have social security coverage, and 25.9% of hired farm workers earn below the regional minimum wage. Women contribute an estimated 60–70% of farm labour in highland coffee communities, underscoring the importance of ensuring that the transition to sustainable coffee production is inclusive and equitable.

Together, these findings demonstrate that the sector's sustainability transition requires more than improved farming techniques. It calls for coordinated investment in responsible business management, accessible technologies, stronger worker protections and inclusive financing.

**Turning ESG commitments into practical action**

SustainCoffee seeks to address these challenges by helping local enterprises and cooperatives translate Environmental, Social and Governance (ESG) principles into practical actions that can be adopted, measured and sustained.

The project will focus on four interconnected areas:

- **Building ESG capabilities:** Developing three tailored self-assessment toolkits and providing capacity building to help coffee enterprises and cooperatives assess their sustainability performance, strengthen governance and improve ESG documentation and reporting.

[4] https://docs.google.com/viewerng/viewer?url=http://msdvietnam.org/wp-content/uploads/Bao-cao-AGREEN-ban-full.pdf&hl=en
[5] https://www.fern.org/publications-insight/article/opportunities-and-obstacles-how-to-ensure-vietnamese-smallholder-coffee-farmers-are-ready-for-the-eudr/
[6] https://www.ilo.org/sites/default/files/2024-07/book%202.%20Summary%20of%20coffee.%20eng%209.7.24.pdf

- **Catalysing practical investment:** Providing technical mentoring and financial support packages to enable participating enterprises to implement concrete ESG improvement plans and invest in sustainable business practices.
- **Strengthening local support systems:** Working with local business associations, including the Buôn Ma Thuột Coffee Association, to strengthen their capacity to provide ongoing ESG advisory and traceability-related services.
- **Enabling policy dialogue and market readiness:** Facilitating public-private dialogue and developing evidence-based policy recommendations to promote accessible ESG standards, green financing and enabling conditions for responsible investment.

Through these interventions, SustainCoffee aims to strengthen the ability of coffee businesses and cooperatives to respond to evolving market requirements while creating opportunities for farmers, workers and local communities to benefit from a more sustainable and inclusive value chain.

**Mr. Gonzalo Serrano de la Rosa, the Deputy Head of Cooperation for the Delegation of the European Union to Vietnam commented at the event** *"Sustainable trade is about creating long-term opportunities for businesses and communities while protecting the environment and respecting people's rights. Through SustainCoffee, the European Union is supporting Vietnamese coffee enterprises and producers to strengthen their competitiveness, improve transparency and participate more effectively in responsible global value chains. This reflects the ambition of Global Gateway to foster sustainable and inclusive economic partnerships."*

**Mr. Nguyễn Thiên Văn – Member of the Provincial Party Executive Committee, Vice Chairman of the Provincial People's Committee said** *"Coffee is central to Đắk Lắk's economy and the livelihoods of thousands of farming families. As the sector responds to changing international market requirements, strengthening sustainable production and responsible business practices is an important priority. We welcome SustainCoffee as an opportunity to connect enterprises, cooperatives and farmers with practical knowledge, resources and partnerships that can contribute to the long-term development of our coffee industry."*

**Ms. Lê Kim Dung, Country Director of CARE International in Viet Nam highlighted the expected impact of the project in this evolving development of the coffee sector** *"The transition towards sustainable coffee must be both commercially viable and socially inclusive. Many small enterprises and cooperatives are already making efforts to improve their practices, but they often lack the tools, resources and support needed to demonstrate their progress. SustainCoffee is designed to bridge that gap, translating ESG requirements into practical solutions while ensuring that smallholder farmers, women and workers are not left behind."*

**Building partnerships for a more sustainable coffee future**

The launch event brought together representatives of provincial authorities, the Delegation of the European Union to Viet Nam, CARE International in Viet Nam, the Centre for Community Development (CDC), the Viet Nam Coffee and Cocoa Association (VICOFA), industry organisations and other stakeholders across the coffee value chain.

Participants discussed key findings from the baseline desk review, explored ESG certification and assessment tools, including the 4C framework, and exchanged perspectives during a panel discussion titled **"From ESG Commitments to Practice in Viet Nam's Coffee Sector."**

The discussions underscored the importance of practical support for coffee enterprises and cooperatives, stronger coordination among public and private stakeholders, and investment in locally appropriate solutions that balance environmental responsibility, social inclusion and business competitiveness.

**Mr Trần Hồng Nhật, Vice Director of CDC shared** *"For many coffee cooperatives and small businesses in Đắk Lắk, sustainability is already part of their daily efforts, but turning these practices into measurable results that meet market requirements remains a challenge. Through SustainCoffee, we will work directly with local enterprises, cooperatives and farmers to identify practical improvements, strengthen their capacity to manage ESG performance, and adopt solutions that fit their resources and operating conditions. Our priority is to make sustainability not just a requirement to comply with, but an opportunity for local businesses and farming communities to become more competitive, resilient and better connected to global markets."*

By connecting international sustainability priorities with the everyday realities of coffee producers and businesses, SustainCoffee seeks to contribute to a coffee sector that is not only better prepared for global market requirements but also more resilient, competitive and equitable.

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**About SustainCoffee**

The SustainCoffee Project (*Sustainable Coffee, Elevating Responsibility*) is funded by the European Union under its Global Gateway initiative and implemented by CARE International in Viet Nam in collaboration with local partners and stakeholders. Running from December 2025 to May 2029 in Đắk Lắk and Sơn La, the project supports Vietnamese coffee MSMEs and cooperatives to strengthen ESG practices, traceability, responsible business management and readiness for sustainable market opportunities.

**About CARE International in Viet Nam**

CARE has worked in Viet Nam since 1989, partnering with local organisations to implement more than 400 projects. Its work focuses on addressing the root causes of poverty and inequality to promote fair and sustainable development. Working closely with partners and communities, CARE supports women farmers, workers, and micro and small business owners to build their skills and confidence, improve their livelihoods, adapt to climate change, and recover from natural disasters. Through these efforts, the organisation aims to create a more equal and sustainable future where everyone has the opportunity to thrive.

For more information, visit www.care.org.vn.

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