

GROWING TOGETHER ON COMMON GROUNDS TO CREATE A BETTER FUTURE



The JDE Peet's Common Grounds programme embodies our ambition to positively impact people, our planet, and the future of coffee and tea.



1. REGENERATION AND CLIMATE ACTION - *FARMER PROJECTS*



We are championing regenerative agriculture to enhance livelihoods and positively impact our planet.

COMMON GROUNDS FARMER PROGRAMME

Coffee is grown in diverse origins, each with unique farming and production systems.

We recognize and appreciate this rich diversity, which is why we have developed a Responsible Sourcing program that is inclusive of the different origins and the millions of smallholder farmers and workers. This is reflected in both our sourcing strategy and the geographic reach of our Common Grounds Farmer Programme, dating back to 2015, where we continue to increase both the scale and reach in our key sourcing regions.

We partner with farming communities, suppliers, NGOs, and local government bodies to deliver multi-year projects that address local realities including sustainable and regenerative farming practices (e.g. climate-smart agriculture, crop quality, biodiversity).

Status Common Grounds Farmer programme 2024:

73 active projects in 23 countries

134.000 smallholder farmers reached (Total 835.000 farmers)



In 2025, we plan to launch 15 initiatives, delivering targeted projects aligned with our maturing risk assessment and due diligence processes, as well as our business strategy.

See example of some of the new 2024 projects next page, and all projects here: [Interactive map](#)

Read more here: <https://www.jdepeets.com/sustainability/responsible-sourcing/>

Responsible Sourcing: A farmer-inclusive approach

At JDE Peet's, acting responsibly translates into understanding and addressing challenges to drive continuous progress. It is more than just meeting a target, it means **engaging with farmers and situations** in our sourcing regions to better *assess* the challenges and then actively invest to *address* these issues and drive *progress*.

Our Coffee Responsible Sourcing Principles are built around three thematic areas to strengthen the sustainability of our coffee supply chain and to improve the livelihoods of farmers i.e. sustainability of land, equality of people, and prosperity of farmers. Through independent country risk assessments and regular supplier self-assessments, we actively engage suppliers to ensure alignment with our sourcing principles and to work to address the key sustainability challenges.

At JDE Peet's Responsibly Sourced is coffee that is covered by an independent sustainability scheme i.e. verification or certification, as recognized by the coffee industry via The Global Coffee Platform (GCP) Equivalence Mechanism.

Working towards

100% responsibly sourced green coffee by 2025

Status 2024:

Global: 83,4%

Europe: 100%



NEW PROJECTS 2024

PROJECT

Improving livelihood resilience for smallholder coffee farming families in southern Tanzania

LOCATION: MBEYA, SONGWE IN THE SOUTHERN HIGHLANDS / TIMELINE: 2024-2025

FOCUS AREAS

- 🌱 Climate & Nature ⓘ
- 💧 Water ⓘ
- 👶 Child Labour ⓘ
- 🏠 Farm Management ⓘ
- ➡ Income Diversification ⓘ
- 🌱 Soil ⓘ
- 👤 Gender & Youth Equality ⓘ
- ⚠ Working Conditions ⓘ
- 📈 Yield Improvement ⓘ

[LINK: Tanzania](#)

ASSESS



Coffee is one of Tanzania's primary agricultural export crops, with 90% grown by smallholder farmers. Despite of coffee being among the major source of income for the smallholder farmers in southern highlands of Tanzania, production is still very low because of the inability of the farmers to access agricultural inputs, limited extension services, aging coffee trees, soil erosion, low coffee prices, insufficient information about the coffee market and the market requirements, presence of pests and diseases.

ADDRESS



The project is complementing an ongoing HRNS initiative supported by Swedish International Agency (SIDA) and International Coffee Partners (ICP), aiming to make essential contribution to improve the livelihood of 6,000 coffee farming families by making them more competitive, inclusive and climate resilient based on sustainable practices, while 2,000 female and male youth are empowered economically and socially to become drivers of change in thriving communities.

PROGRESS



Est. outcomes: Smallholder farming families have improved soil health and biodiversity in their production systems, applied gender equality principles, are aware of and have adopted farming practices that enhance EUDR compliance -
→ 3,000 additional farming families improved their farm management and diversified their income sources.
→ 800 additional male & female youth developed profitable, environmentally sustainable, and diversified livelihood options and opportunities.



Carbon positive and regenerative coffee growing: A pathway for thriving communities.

LOCATION: RISARALDA, CAUCA, TOLIMA, HUILA / TIMELINE: 2024-2028

FOCUS AREAS

- 🌱 Climate & Nature ⓘ
- 💧 Water ⓘ
- 👶 Child Labour ⓘ
- 🏠 Farm Management ⓘ
- ➡ Income Diversification ⓘ
- 🌱 Soil ⓘ
- 👤 Gender & Youth Equality ⓘ
- ⚠ Working Conditions ⓘ
- 📈 Yield Improvement ⓘ

[LINK: Colombia](#)

Most of the coffee farmers in Colombia are smallholder farmers (~2 ha of coffee), with a relatively low productivity (1,200 kg dry parchment coffee/ ha) and hence a relative low income. Coffee production is very sensitive to impacts of climate change, especially Arabica coffee. The farmers in Colombia are increasingly dealing with more and more weather extremes, particularly droughts and floods, which are intensified by La Niña and El Niño.

Building on our previous partnership with LDC this project seeks to improve the provision of technical services to coffee producers (better coffee farm management techniques, income diversification) with a focus on regenerative agriculture techniques, creating opportunities for increased production and contribute to climate change mitigation through reduction of GHG emissions at the farm level (Scope 3).

The project aims to go beyond traditional training methodologies by developing farmer segments and by providing targeted services most needed for these identified segments. As well, the project aims to trial few innovative approaches and technologies (e.g. biochar production and application, biodigester installation) with aim to understand operational model which can scale these approaches to more farmers. These trials could potentially contribute to entrepreneurship opportunities for women and youth.

Target farmers reached: 4.000



1. REGENERATION AND CLIMATE ACTION - *MINIMIZING FOOTPRINT*



We are striving towards a planet-positive supply chain through innovation and collaboration on sustainable solutions and committed to Net Zero emissions by 2050

To minimise our environmental footprint, we are prioritising our effort and investment in areas where we have the biggest impact so we can deliver lasting change.

We are taking an end-to-end sustainability approach, working with our partners along the supply chain, in our efforts to reduce emissions and waste as we strive towards a planet-positive future.

We are innovating to develop more energy efficient processes and moving to renewable energy where possible, including using spent coffee grounds as fuel in our instant coffee factories. We are also supporting farmers to adopt regenerative agricultural practices, helping prevent deforestation.

Along with our validated Net Zero by 2050 targets, we also have three new near-term targets, fully validated by the Science Based Targets initiative (SBTi) in 2024 in line with the New Forestry Land and Agriculture (FLAG) to reduce emissions across scopes 1, 2 and 3.

Read more here: <https://www.jdepeets.com/sustainability/minimising-footprint/>

Status 2024 vs Targets:

MINIMISING FOOTPRINT

		TARGET
Reduce absolute scope 1 & 2 GHG emissions by 43.3% by 2030 (vs 2020)	-31%	-43.3%
Reduce absolute Forest, Land and Agriculture (FLAG) Scope GHG emissions (coffee) by 30.3% (vs 2020)	+1%	-30.3%
Reduce absolute non-FLAG Scope 3 GHG emissions (all other materials) by 25% (vs 2020)	-4%	-25%
100% of our packaging designed to be reusable, recyclable or compostable by 2030	79%	100%
Reduce our absolute water withdrawal across our manufacturing operations by 18% (vs 2020)	-15%	-18%
Maintain waste-to-landfill under 1%	1.8%	1%
Halve our total operational waste (vs 2020)	-31%	-50%

2. LIVING INCOME AND BETTER LIVELIHOOD

Our commitment to making a difference in the lives of farmers, their households, and greater farming communities

Smallholder farmers serve as the cornerstone of our coffee production. These dedicated individuals, comprising millions of small-scale farmers around the world, contribute to over 80% of the world's coffee output. Ensuring their prosperity and safeguarding the future of coffee production are critical objectives for us.

Climate change poses a significant threat, with projections indicating that up to half of the world's coffee-growing regions could be lost by 2050 if a net-zero future is not achieved. Today, farmers already face challenges arising from shifting weather patterns, prolonged dry spells, water scarcity, and extreme temperature fluctuations. These issues present a significant threat to crop yields, endangering farmers' livelihoods and incomes, and, without decisive action, have the potential to impact entire communities.

How we engage with smallholder farmers and collaborate with key stakeholders to improve livelihood

Through our **Common Grounds farmer programme**, we collaborate with farmers, suppliers, NGOs, and local governments to co-develop initiatives that promote sustainable and regenerative farming practices, enhance climate resilience, improve crop quality, protect biodiversity, and strengthen livelihoods.

In 2024, we achieved significant progress in enhancing farmers' livelihoods, surpassing our target of reaching 500,000 smallholder farmers by 2025. We have established over 18 new projects across 14 countries, supporting more than 835,000 smallholder farmers in total.

As an active member of the Global Coffee Platform (GCP), we support its goal to improve the livelihoods of one million smallholder farmers by 2030.

In 2024, JDEP was one of eight companies contributing USD 1.5 million towards initiatives focused on living income, climate adaptation and sustainability.

Recognising the need for collective action, we are proud to be a **founding signatory of the ICO Public-Private Taskforce**.

Through the Living-Prosperous Income Workstream, we collaborate with industry peers to address income gaps for coffee farmers, supporting long-term sector resilience.

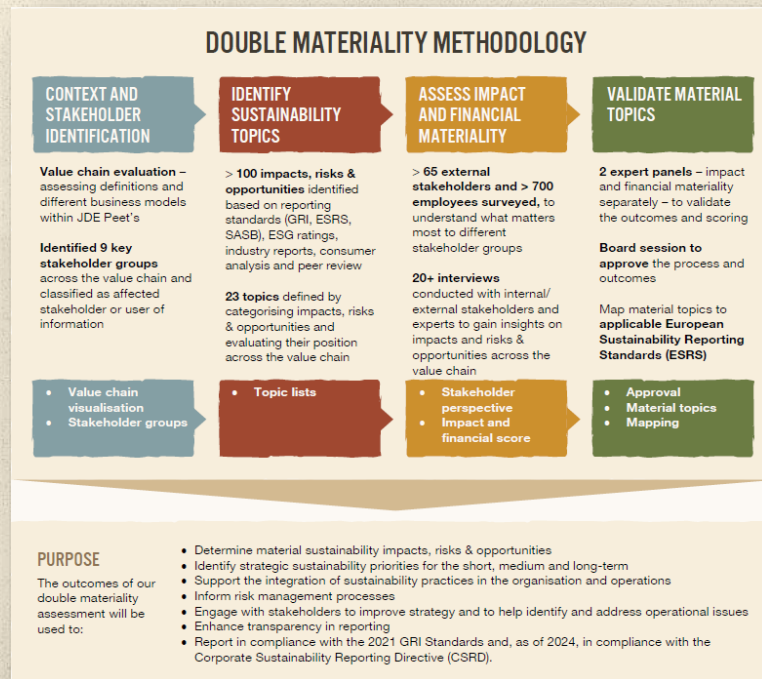
We will continue to engage with the **research conducted by Wageningen University & Research (WUR) on the return on household labour**. By examining the return on household labour, we can identify key factors influencing income, including farm size, time investment, financial inputs, and alternative income opportunities beyond coffee. This approach provides deeper insights into the true impact of coffee production on household income, ensuring that our initiatives to improve livelihoods are both targeted and effective. Furthermore, it offers a clearer perspective on labour productivity and allocation - critical elements in addressing living income gaps and fostering sustainable livelihoods for coffee-farming communities.

3. ACCOUNTABILITY IN THE VALUE CHAIN – *ALONG THE ENTIRE VALUE CHAIN*

We value the contributions of various stakeholder groups, including consumers, customers, smallholder farmers, suppliers, employees, and shareholders, through active listening and meaningful interaction. Our commitment to stakeholder engagement spans the entire organisation and value chain, fostering regular interactions and collaborative projects to drive innovation and partnerships. This approach allows us to leverage stakeholders' expertise to improve operations, prioritise long-term value, and address potential risks. Our Stakeholder Engagement Policy provides the framework and principles to stay connected and responsive to the needs of these vital groups. As our journey progresses, stakeholder engagement remains fundamental. Our collaborative efforts allow us to implement scalable solutions for a sustainable and prosperous future.

DOUBLE MATERIALITY ASSESSMENT

In 2023, we performed our first double materiality assessment as part of our triennial review, helping ensure that we hear the voices of all our stakeholders and determine associated impacts, risks and opportunities. Carrying out a review once every three years lets topics evolve, gives sufficient time to implement actions based on outcomes, and enables the company to align with periodic strategy updates, such as the Value Creation Plan. As part of the three-year cycle, in 2024 we carried out a light review of our double materiality assessment, identifying 11 material topics and their associated IROs across the value chain.



MATERIAL TOPICS AND RELATED IROs

Common Grounds pillar	Material topic	Value chain	Impacts	Risks and opportunities	Time horizon	Main SDG for positive impacts	Covered in
Responsible Sourcing	Deforestation	▶▶▶	Actual negative: Deforestation	Risk impact: Availability of coffee; Deforestation regulation	✓ ✓	15	ESRS E4 - Biodiversity and ecosystems
	Farmers' livelihoods	▶▶▶	Actual negative: Farmers' livelihoods Actual positive: Farmers' resilience	Risk impact: Next generation of farmers; Fair income for farmers	✓ ✓	1, 8, 10, 12, 13	ESRS S2 - Workers in the value chain
	Sustainable agriculture	▶▶▶	Actual negative: Ecosystem impacts Potential positive: Sustainable agricultural practices	Risk impact: Soil degradation; Availability of coffee Opportunity impact: Sustainable agricultural practices	✓ ✓	15	ESRS E4 - Biodiversity and ecosystems
Minimising Footprint	Climate action	▶▶▶	Actual negative: Greenhouse gas emissions; Greenhouse gas emissions coffee	Risk impact: Carbon pricing mechanism; availability of coffee	✓ ✓	13	ESRS E1 - Climate action
	Packaging and circularity	▶▶▶	Actual negative: Non-circular packaging and waste	Risk impact: Packaging regulation; brand damage due to non-circular products Opportunity impact: Collaboration with stakeholders to reduce waste, Circular packaging	✓ ✓	12	ESRS E5 - Resource use and circular economy
Connecting People	Water and wastewater management	▶▶▶		Risk dependency: Water-stressed areas Opportunity dependency: Water management	✓	6	ESRS E3 - Water and marine resources
	Human capital management	▶▶▶		Opportunity dependency: Talent attraction and retention	✓	8	ESRS S1 - Own workforce
Upholding Standards	Diversity, equity and inclusion	▶▶▶		Opportunity dependency: Diversity, equity and inclusion	✓	10	ESRS S1 - Own workforce
	Human rights	▶▶▶	Potential negative: Human rights violations	Risk impact: Human rights violations Opportunity impact: Human rights due diligence	✓ ✓	8, 10, 16	ESRS S2 - Workers in the value chain
	Product safety and quality	▶▶▶		Risk dependency: Recalls and production stoppages	✓	8	ESRS S4 - Consumers and end-users
	Ethics and governance	▶▶▶		Risk dependency: Non-compliance with regulations and code of conduct	✓	1, 8, 10	ESRS G1 - Business conduct

4. COMMUNICATIONS

We communicate about our Common Grounds program, targets and progress via several channels / platforms:

- Annual Report: <https://www.jdepeets.com/siteassets/home/investors/annual-reports/jde-peets-annual-report-2024.pdf>
- Common Grounds website: <https://www.jdepeets.com/sustainability/>
- JDE Professional Denmark website: <https://www.jdeprofessional.dk/baeredygtighed/>
- PR:
Global: <https://www.jdepeets.com/media/news/>
- Social media (JDEP Linked In, JDE Professional DK etc)
- Brand initiatives
- Direct engagement

